

S7 CEO BUYS TRANSAERO

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CEO of Russia's **S7** Group, Vladislav Filev, has bought "at least 51% of shares" of distressed **Transaero** airline from its majority shareholder, Alexander Pleshakov.

Announcing the deal, Filev did not disclose who the other investors are or what the value of the transaction is. He did however, underscore that it was "significantly more than 1 Rouble" - a slight at Aeroflot Group's failed bid to acquire 75%+1 share of Transaero stock made last month.

According to Pleshakov, he undertook the deal to avoid Aeroflot monopolizing the Russian market.

"I looked at such deal because I wanted to prevent the monopolization of the market, so that passengers and sectoral employees could have a possibility of choice between air companies," said Pleshakov. "Apart from that, our goal was to spare our long-term partners and creditors from losses they would inevitably sustain should our air company go bankrupt."

Filev said Transaero stakeholders "have a plan of settling relations with the company's creditors" but refused to disclose details. He pledged the new shareholders "will do their utmost to avoid the air company's bankruptcy."

A source in the aviation circles said that, probably, "Transaero" will continue its operations after the purchase of shares by CEO of S7 Group. In his opinion, "S7 has a plan of financial recovery and debt restructuring. Foreign bank will be hired as a consultant helping to develop a restructuring plan. "

Earlier on Wednesday, 21 October, Russian Transport Minister Maxim Sokolov said that the certificate "Transaero" will be withdrawn from 26 October and the company will not be able to operate.

Meanwhile, the Arbitration Court of St. Petersburg and Leningrad region refused to proceed with the bankruptcy of "Transaero".

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SOURCE: LENTA RU

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