

UAC MANAGEMENT BOARD APPROVED PURCHASE OF 75% SHARE IN RED WINGS BY IFC LEASING COMPANY

News / Airlines, Finance



Purchase of **75% share** in **Red Wings** by Ilyushin Finance & Co (**IFC**) leasing company was approved by the Management Board of United Aircraft Corporation (**UAC**); now IFC Board of Directors should approve the deal, RIA Novosti reports with reference to some sources familiar with the deal.

“**UAC Management Board** considered the matter related to repayment of Red Wings’ debt owed to IFC,” the official representative of UAC said. A source familiar with the situation said that “the deal was approved and now IFC Board of Directors will consider it”. Official representative of UA C declined to comment on the matter adding that the date for meeting of the Board of Directors has not been set yet.

The Bank of Russia resumed emission of September 10th and registered additional issue of common registered uncertified shares of Red Wings, placed through a private offering, said in the statement of the Central Bank of Russia published on September 14th.

In July IFC CEO Alexander Rubtsov and a source close to the deal reported that IFC (48,4% owned by UAC) is negotiating purchase of 74% share in Red Wings. The carrier should have registered an offering memorandum and use its shares to repay the debt owed to the lessor.

In August IFC Board of Directors considered this matter. However, the board decided to submit it to the Management Board of UAC for consideration (parent company of IFC).

Red Wings is one of the largest operators of the indigenous aircraft. The company is fully owned by organizations affiliated with businessman Sergey Kuznetsov. By late 2016 the carrier will operate 10 SSJ100 liners, five of them will be delivered by IFC. Today the carrier's fleet comprises 8 Tu-204 and 4 SSJ100 aircraft (the fifth jet of the type will be delivered to the carrier in late October 2015). The carrier's passenger traffic for the first six months of 2015 was 368,54 thousand passengers (19th place among Russian carriers in terms of passenger traffic).

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SOURCE: RUAVIATION

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