

UTAir Mulls Foreign IPO to Raise Up to \$350M

By [The Moscow Times](#)

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UTAir, Russia's third-biggest airline, is considering raising \$100 million to \$350 million via a share float abroad.

Igor Petrov, the company's financial director, said UTAir's controlling shareholders would decide about the number of shares UTAir might float through an IPO or private placement, Vedomosti reported Monday.

Surgutneftegaz's nongovernmental pension fund owns 60.67 percent of UTAir.

Airline chief Andrei Martirosov said the company needs to attract additional funds to promote its business development.

Raiffeisenbank analyst Konstantin Yuminov believes that UTAir will float less than 30 percent of its shares to reduce the company's debt and renew its fleet of about 350 helicopters and 200

passenger planes, roughly half of which are foreign-made, Vedomosti said.

Martirosov said UTAir plans to buy 88 Boeing and Airbus passenger planes and 103 helicopters over the next several years.

UTAir is the third-biggest airline in Russia following Aeroflot and Transaero, with capitalization of \$373 million.

So far UTAir has carried about 7.25 million passengers in 2012, which is 31.4 percent more than the previous year. The carrier reported a half-year profit of \$8.5 million.

UTAir plans to expand its operations to fly 15 million passengers per year by 2017 and has ambitions of becoming Russia's No. 2 carrier, according to Vedomosti.

In July, the airline signed a \$2.07 billion contract to acquire 20 Airbus A321 planes, Interfax reported.

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