

Aeroflot Might Place 10% Stake on Moscow Exchange in 2014

By [The Moscow Times](#)

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Analysts say that placing the stake in London instead of Moscow could be better for reaching more investors. **Andrei Makhonin**

State-controlled airline Aeroflot may place a stake of 10 percent on the Moscow Exchange next year, as part of the government's privatization plans, Kommersant newspaper reported Friday.

Aeroflot is one of the companies pinpointed by Russia to be sold in its much-delayed and pared-back privatization plan, originally launched in 2010. According to its latest plans, the government aims to reduce its 51.17 percent stake in the airline to 25 percent plus one share.

The Russian government recently halved its privatization target for next year.

The Aeroflot share sale could raise up to \$200 million and should take place on the Moscow Exchange next year, head of the state property agency, Olga Dergunova, said, Kommersant

reported.

The stake to be sold will be partly made up of stock held by an Aeroflot subsidiary and partly of shares owned by the government, the newspaper reported.

However some analysts saw London as a better venue for a sale.

“Considering that Aeroflot’s shares already trade on the MICEX, the shares would benefit more from being placed on the [London Stock Exchange] ... thanks to its better liquidity and wider investor base,” said analysts at VTB in a research note.

President Vladimir Putin has previously called for privatizations to be focused on the Moscow bourse rather than international exchanges.

Aeroflot was not immediately available for comment.

The Transportation Ministry has proposed tweaking the air code to remove a requirement that airlines serve food and hot drinks to all passengers, Vedomosti reported late last week. In August, the ministry also proposed allowing charging extra for luggage. Currently, airline passengers can bring at least 10 kilograms of checked-in luggage with them for free.

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