

Boeing to Sell Russia 50 Jets Valued at \$3.7 Billion

By [The Moscow Times](#)

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Boeing 737s being assembled at a plant in Renton, Washington. Boeing has a backlog of 2,064 orders for the jet. **Ted S. Warren**

Boeing said Friday that it agreed to sell 50 of its 737 airliners, valued at \$3.7 billion based on average list prices, to state-run Russian Technologies, a day after announcing plans to boost production of the best-selling aircraft.

The agreement, one step from completion, includes purchase rights for 35 additional 737s, Boeing said in an e-mailed statement. The supervisory board of Russian Technologies will consider approving the deal in October, Boeing said.

The 50 jets will be leased to Aeroflot and six regional airlines, said Vicki Ray, a Boeing spokeswoman.

Russian Technologies president Sergei Chemezov said he thought that the final price would be

lower, however. "Russian Technologies and Boeing are linked by close ties. Russian Technologies unit VSMPO-Avisma is a Boeing supplier," he said, referring to the state-run titanium giant.

The U.S. plane maker intends to boost production of the 737 in 2013 after seeing a resurgence in demand for jetliners. President Dmitry Medvedev signed a "proposal acceptance" for the 50 aircraft in June, during a visit to Washington.

The 737 had a backlog of 2,064 planes at the end of August, Ray said. The 50 orders from Russian Technologies are not included in that total, she said.

Russian Technologies had been planning to create an airline — tentatively known as Rosavia — from six regional carriers it took over after the AiRUnion alliance collapsed in 2008.

Earlier this year, the government decided to hand the assets over to Aeroflot, leaving Russian Technologies the right to lease planes to the carriers and service their fleets. Rosavia's parent holding filed for bankruptcy last week.

The state industrial conglomerate said Friday that it hoped to receive Aeroflot shares in exchange for the regional carriers, saying their value had increased because they would receive the Boeing jets, Interfax reported.

"A valuation will be conducted, according to which the size of the [Aeroflot] stake will be determined," Chemezov said, adding that Russian Technologies was to get a seat on the state-run carrier's board of directors.

(MT, Bloomberg)

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