

Transaero Bonds Go to Wi-Fi

By [The Moscow Times](#)

March 19, 2012

The  Moscow Times

Transaero Airlines, the country's second-largest air carrier with more debt than its bigger state-run rival Aeroflot, is investing to equip jets with Internet access in a push that's sent borrowing costs soaring.

Transaero sold 2.5 billion rubles (\$85 million) of bonds to install the system on March 2, paying a yield of 12.5 percent for debt redeemable next year. That's 1 percentage point more than the company paid for four-year notes in its last financing in October 2009.

The technology push may lift the ratio of Transaero's debt to earnings before interest, tax, depreciation, amortization and rent, a solvency measure for airlines, above its current 11.7, compared with 2 for Aeroflot, according to Raiffeisenbank. Transaero's yield is the highest offered to investors in new ruble debt since August, data compiled by Bloomberg show.

(Bloomberg)

Original url: <https://www.themoscowtimes.com/2012/03/19/transaero-bonds-go-to-wi-fi-a13401>