

Rossia Airline Announces \$26M Loss for 2012

By [The Moscow Times](#)

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Aeroflot had high expectations for Rossiya, planning a \$25 million dollar profit for its new subsidiary in 2012. **Sergei Porter**

The Rossia airline, a subsidiary of state carrier Aeroflot, will report losses of 1.03 billion rubles (\$26 million) for 2012, rather than planned profits of 793 million rubles, Vedomosti reported Wednesday.

Operational losses were incurred because Rossia is only partially integrated into Aeroflot, thus creating a conflict of interest with other subsidiaries, Aeroflot deputy director Giorgio Callegari said.

He also said that financial losses were due to above-market rates on aircraft leases including those for Boeing 767 and 737 airplanes.

However, Andrei Shenk, an analyst at independent analytical agency Investcafe, commented

that in today's economic circumstances, operational losses are not unheard of for an airline.

It is important to optimize operational costs, and in the case of Rossia this means getting rid of inefficient aircraft, such as the AH-148, of which Rossia currently has six, he added. These planes are old and use fuel far less efficiently than others on the market.

Callegari said that Rossia would now only have two types of aircraft: the Airbus 320 and the Sukhoi Superjet, both provided by Aeroflot.

Meanwhile, Aeroflot's ailing subsidiary has not dampened the company's expansion plans. The national carrier intends to increase its presence at St. Petersburg's Pulkovo Airport and up its share of passenger traffic from 46 percent in 2011 to 55 percent by 2015, primarily using Rossia's aircraft.

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