

Transaero Signs Alliance With Virgin America

By Alexander Panin

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Transaero, Russia's second biggest airline, has allied with Virgin America in a move that will further expand its flight network across the U.S., it said in a statement Tuesday.

The interline and special prorate agreements signed by the two companies will also see cheaper fares on some routes.

Interline agreements between carriers means each company accepts the other's tickets. Transaero passengers arriving from Moscow with connecting tickets to New York or Los Angeles will be able to continue their trip using Virgin America flight network which boasts some 23 destinations across the U.S.

The prorate agreement will allow passengers to buy one ticket for both carriers at a lower price on flights to some destinations.

The alliance will make it cheaper to fly via Los Angeles from Moscow to such cities as Washington, Boston, Dallas, Seattle and Las Vegas, among others. Lower tariffs will also be set on flights from Russia's capital to San Francisco and Las Vegas with an intermediate stop in New York.

Currently, Transaero has three direct flight to the U.S. — Moscow to Miami, Los Angeles and New York.

The Russian carrier also has codeshare agreements, under which airlines share the same flight, with Singapore Airlines, giving it access to the direct route from Moscow to Houston operated by that airline, and with Virgin Atlantic on flights from Moscow via London to San Francisco, Boston and Orlando.

The alliance with Virgin is the latest expansion by Transaero of its flight network and will intensify the competitive pressure already felt by Russia's flagship carrier, Aeroflot.

At the beginning of July, Transaero announced a strategic partnership with UtAir, the country's third largest carrier. The two airlines will use combined domestic and international passenger and freight flight routes based at Vnukovo airport to their mutual benefit. Combined, the two companies are Aeroflot's equal, in terms of passenger numbers.

Transaero, operating a fleet of 100 planes, carried 5.4 million passengers in the first half of 2013. Its net revenue rose by 54 percent compared to the same period last year to 261 million rubles (\$7.9 million).

Virgin America with a fleet of 53 aircraft reported its first ever net profit for the second quarter of 2013, at \$8.8 million. However, operational results for the first half of this year were still \$37 million in the red.

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