The Moscow Times
30 YEARS
INDEPENDENT NEWS FROM RUSSIA

Aeroflot Closes in on U.S. Exchange Listing

By The Moscow Times

December 18, 2013

Executives at the national carrier have said that issuing depository receipts may help in boosting share value. **Ekaterina Kuzmina**

Russia's flag carrier Aeroflot plans to start trading its depositary receipts in London and New York beginning from the first quarter of 2014, news reports said Wednesday.

An unidentified source in Aeroflot told Prime business news agency that the company planned to submit a request permitting transfer of its depositary receipts to the U.S. Securities and Exchange Commission, or SEC, within the next few days.

The SEC usually takes a week to consider such requests, the source said, but due to Christmas holidays it is likely that the decision will be made at the beginning of next year.

Earlier in December, Aeroflot, which is 51 percent state owned, received permission from the Central Bank to have about 25 percent of its shares traded abroad.

A permission to trade depositary receipts does not mean Aeroflot will get a direct listing on foreign stock exchanges. It is merely an instrument for foreign investors, who have limitations on buying shares in rubles, to do so through a depositary bank.

For these operations Aeroflot chose Deutsche Bank Trust Company Americas.

The Moscow Stock Exchange will remain the main trading platform for Aeroflot shares, 30 percent of which are free-floated.

However, earlier this year Aeroflot confirmed its plans to have a listing on the New York Stock Exchange.

Aeroflot executives have said that the company is underrated and access to foreign investors through depositary receipts may increase the value of its shares prior to a planned float of a share of the state's stake.

Original url:
https://www.themoscowtimes.com/2013/12/18/aeroflot-closes-in-on-us-exchange-listing-a30637