

## Whatever Happened to Aeroflot?

Remember Aeroflot? The rather ominous airline of the Soviet Union. What happened to it? Well...

Aeroflot is one of the oldest airlines in the world, tracing its history back to 1923. During the Soviet era, Aeroflot was the Soviet national airline and the largest airline in the world. Following the dissolution of the USSR, the carrier has been transformed from a state-run enterprise into a semi-privatized company which ranked 19th most profitable in the world in 2007. Aeroflot is still considered the de facto national airline of Russia. It is 51%-owned by the Russian Government. As of September 2013, the Aeroflot Group had 30,328 employees.

In February 2010, the Russia announced that all regional airlines owned by the state through the holding company Rostekhnologii would be consolidated with the national carrier Aeroflot in order to increase the airlines' financial viability. The merger was completed in late November 2011 in a deal worth US \$81 million. Aeroflot's sister company Aeroflot-Finance became the major shareholder of Vladivostok Avia, Saravia and Rossiya Airlines, and the sole shareholder of both SAT Airlines and Orenair.



In June 2013, during the World Airline Awards which took place at the 50th Le Bourget air show, Aeroflot was awarded the international prize as the best air carrier in Eastern Europe. In October, the company introduced an affiliated low-cost carrier (LCC), Dobrolet. It started in June 2014; it ceased on 4 August (owing to EU sanctions over launching flights to Crimea. In late August 2014, Aeroflot announced the launch of a new LCC to replace Dobrolet; the new LCC, named Pobeda, started in December 2014.

In March 2014, as a response to 2014 Ukrainian revolution, the company announced rerouting their flights to avoid flying over the territory of Ukraine.

The announcement (together with worse than expected financial results) caused an almost 10% drop in the share price of the company.