

EADS sells its shares in Irkut

EADS is currently selling its 10% stake in Irkut; it has not used the opportunity to acquire the equivalent amount in the United Aircraft Corporation. With the 1.87 billion rubles purchase price having grown to a current price of 2.2 billion rubles, EADS will earn around 310 million rubles on the deal.

There are several objective reasons for EADS' quitting Irkut that are unrelated to the aircraft industry downturn.

First, no fair stock exchange is possible, because the UAC doesn't have a market value. Second, the European concern could influence decision-making at Irkut while a stake in the UAC will not give it this option thus not allowing participation in the company management.

It is unlikely that EADS's leaving will have any implications on Irkut performance. The two's joint projects remain on track and creditors are not likely to lose trust in the UAC since it is backed by the government.

After all organizational issues are settled with the UAC and the corporation launches its own IPO, EADS will probably buy a stake in the aircraft corporation which will improve the latter's reputation and have a positive impact on capitalization.

By Kirill Lebedev