



INDIA'S SPICEJET SAYS IT'S RECEIVED INTEREST FROM GULF AIRLINES

News / Airlines



Indian budget carrier SpiceJet Ltd., which has surged more than 280 percent this year, said it's received interest from Gulf airlines looking to acquire a stake.

"Some of the Gulf airlines have expressed an interest in SpiceJet as we have come back into the market, but this is not the right time to be diluting the equity," Chairman Ajay Singh said in Dubai Sunday, without naming the companies. "There is some dialogue which is ongoing and we continue to explore other types of relationships we could have," he said, adding now isn't the right time to sell a stake as the shares remain undervalued.

Gulf carriers including Abu Dhabi-based Etihad Airways PJSC and Qatar Airways Ltd. have acquired stakes in airlines to quickly expand their networks. Etihad has stakes in eight companies, while Qatar Airways Ltd. said earlier this month that it was interested in boosting its 10 percent holding in British Airways parent International Consolidated Airlines Group SA and taking up to 49

percent of Indian budget carrier IndiGo.

SpiceJet is planning to order new planes after co-founder Singh rescued the company from the verge of shutdown last year. After reporting a profit for the past three quarters, the airline is planning to finalize an order for over 150 single-aisle jets from either Boeing Co. or Airbus Group SE during the current financial year, which ends March 31, Singh said. The company is also planning an additional order of up to 50 regional jets and is in talks with suppliers including Bombardier Inc., he said.

"Spicejet is generating enough cash internally to sustain those orders," said Singh. "If we need to raise any money to fund those orders, which looks unlikely at this time, there are enough unutilised credit lines available to us."

New aircraft would be used to open new routes and increase the frequency of flights to existing destinations, he said. SpiceJet currently has 25 Boeing 737 jets, two Airbus planes, and 14 Bombardier aircraft and flies to 40 destinations, including the Maldives, Dubai and Sri Lanka and 34 domestic locations.

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