

# Aer Lingus keeps firm eye on future plans for Stobart Air

**It seems unlikely the board will accept approaches for a management buy-out**

Thu, Apr 28, 2016, 01:00



A further complication is that Aer Lingus is a shareholder in a leasing company which leases aircraft to Stobart. Photograph: Cyril Byrne

[Aer Lingus](#) must now be a key player as events play out at [Stobart Air](#), after the recent eruption of boardroom tensions at the smaller airline. Stobart runs the Aer Lingus regional network under a long-term franchise deal that is central to its business. It is also vital for Aer Lingus, as the regional flights from Irish, UK and some French airports feed into onward traffic, particularly transatlantic flights from Dublin.

So each side needs the other and Aer Lingus will want to know what the plans are for Stobart air's future. Things are further complicated by the fact that Aer Lingus is a shareholder in a leasing company which leases aircraft to Stobart.

The issue now is who controls the airline's future? It appears most unlikely that the board, now chaired by Stobart Group's chief executive, [Andrew Tinkler](#), will accept approaches for a management buy-out led by chief executive [Sean Brogan](#). Instead, contrary to earlier indications that it might sell its own 45 per cent stake, Stobart now seems to want to take control and appears to have funding to buy out the other major investor, [Invesco](#), which holds 40 per cent. The rejection of the Brogan offer appears to have prompted the departure of [Tim Jeans](#), the former chairman and an experienced airline executive who previously worked for [Ryanair](#).

All this, of course, will be overseen by the regulator, the [Irish Aviation Authority](#) which has to be satisfied that a stable and appropriate structure is in place at the airline.

This means matters are likely to be clarified at board and management level sooner rather than later.

If [Stobart Group](#) does take full control, then the next question is whether the mooted attempt to merge into a bigger group with [Cityjet](#) goes ahead? And here is where Aer Lingus and its parent IAG comes in. Would it be happy to have the company running its regional service merging with Cityjet, a competitor on the key Dublin-London route?

If IAG gives the nod, this merger could yet become a reality.