

Regional service Stobart Air plans sale

Aer Lingus regional services operator profitable for first time since 2010

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It is understood Stobart Air's owners have been contemplating a sale for some time.

The main backers of the airline that operates Aer Lingus's regional services are considering a sale to an investment fund in the new year.

[Stobart Air](#) is likely to carry 100,000 passengers next year. Management recently indicated to staff that it has made a profit for the first time since new investors rescued it in late 2010.

However, it is understood that its biggest shareholders – British transport group Stobart and investment manager and broker [Invesco](#) – are now considering selling their interest in the company, which comes to a total of 85 per cent.

Sources said over the weekend that if a deal did materialise, another investment fund was most likely and the option thought to be preferred by the airline's management.

Stobart Air would not comment when contacted. However, in a recent message to staff, chief executive Seán Brogan said the airline had a number of “external people” working with it on its investors' behalf.

His memo states that they “are working closely with our executive to help position us for the next stage of investment” and to aid the airline in delivering on its promised growth next year.

Industry sources say one reason behind Stobart’s original investment was that it hoped to use the airline to feed traffic to London Southend Airport, which it owns. However, while the carrier has grown the network that it operates for [Aer Lingus](#), it did not deliver significantly to Southend. Instead, British budget carrier [EasyJet](#) and commuter airline [Flybe](#) are dominant there.

It is understood the airline’s owners have been contemplating a sale for some time. Stobart owns 45 per cent of the company while Invesco has 40 per cent. London stockbroker Cenkos Securities has 10 per cent and [Aer Arann](#) founder Pádraig Ó Céidigh retains 5 per cent.

High Court protection

Stobart joined Mr Ó Céidigh to rescue the original Aer Arann business with a €3.5 million investment in late 2010, after it was placed under High Court protection from its creditors, to which it owed €29 million.

Since then, it has continued to operate and grow the Aer Lingus Regional network, for which it has a contract with the former State-owned carrier, but subsequently rebranded as Stobart Air.

International Consolidated Airlines Group took over Aer Lingus in August. Mr Brogan said this had given Stobart more stability and access to a bigger network.