

Tigerair Mandala to close

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Tiger Airways' Indonesian associate Tigerair Mandala will cease operations at the end of this month.

Budget carrier company Tiger Airways Holdings acquired a one third stake in the former Mandala Airlines in January 2012, and increased the stake to 35.8% last September.

Tiger and other major shareholders Saratoga Group and PT Cardig International said in a statement that they had "vigorously explored various options" for the airline in recent months.

"Mandala's financial results reflect the challenges that it is facing in the difficult operating environment," said Lee Lik Hsin, group CEO of Tigerair.

"The partners in Mandala have jointly come to the conclusion to cease funding the airline's operations.

"Nevertheless, Indonesia remains an important market for us, and we will continue to maintain an active presence through Tigerair Singapore."

Tigerair Mandala is understood to have a fleet of nine A320s.

Tiger Airways Holdings reported a full-year loss after tax of SGD \$222.9 million and was forced to declare to the Singapore Stock Exchange that it had made a loss in each of the past three years.

The company initiated a turnaround plan last year which involved divesting its stakes in Tigerair Australia and Tigerair Philippines, cancelling nine aircraft deliveries due this year and next, and provisioning for the grounding of eight aircraft in the 2015 financial year.

The company also has a 10% investment in Tigerair Taiwan which is expected to launch at the end of this year.

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