

POLAND: 2 INVESTORS INTERESTED IN THE ACQUISITION OF MAJOR AIRLINES



A few weeks ago, none of the foreign investors were interested in acquiring the main polish airline LOT. It seemed that the attempt to privatize the company will be unsuccessful.

During the past few days the situation turned around. It is speculated that currently two foreign airlines, one from the EU and another from outside the EU, are interested in the acquisition. The Treasury Minister Zdzislaw Gawlik does not want to reveal any details about the candidates but according to an interview with the Official Legal Newspaper (DGP), officials consider only two companies which meet the main requirements – saving number of employees and investments.

Based on unofficial information from the EU candidate interested in buying LOT, it is Air France. Candidates from outside the EU are less obvious, it may be Turkish Airlines or Air China.

Mr. Gawlik does not comment on that information and ensures that company names will be known until the end of the year, and **LOT's privatization should be completed in mid 2012**. The industry experts hope that this time the investor do not come from Qatar as in case of earlier privatized shipyard.

“The industry investor is a good choice, because the company will engage in the sphere of its business and will let LOT to develop core business,” says Sebastian Gościński from PricewaterhouseCoopers, quoted by Tur-info.pl. **“Also, there is a risk that rather than developing LOT’s business, a new investor will want to develop itself, thus leaving LOT to “only” transport passengers and using its hubs for own development.”**

Also, the subject of the negotiations is a way out of the Treasury shareholding and companies associated with it. There are two options on the table – acquiring the controlling stake in the State Treasury and acquisition shares through the stock exchange after LOT's debut on the stock exchange. The chances of privatization through the stock exchange are likely if the investor from outside the European Union is chosen. The choice is not easy, experts say not only price and guarantees for employees are important, but also a vision for the future of the carrier, including the infrastructure development.

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