

# Stobart to buy Southend airport as southern base

**Angela Jameson**

Stobart Group is buying Southend airport in a £21 million deal that it hopes could restore the status of what was once a leading London airport.

Andrew Tinkler, chief executive of the Carlisle-based transport company, said: "This will be our London gateway. We need something in the South and we think we have got Southend at a keen price, considering its potential."

The airport is near London Gateway, DP World's new seaport on the banks of the Thames near Thurrock, Essex, which opens in 2010. Stobart hopes that the airport will become a niche air-freight destination, particularly for high-value goods. It employs 100 people and had a £6.9 million income in the year to March 31.

Mr Tinkler said that work would start to build a railway station on the site almost immediately, as planning permission has been received. The line will take passengers into Liverpool Street Station in Central London in 49 minutes, putting it into competition

with Stansted airport. "We have already started talking to a number of airlines to investigate new passenger services," Mr Tinkler said.

Analysts at Investec said that the acquisition greatly enhanced the group's position as a leading point-to-point service provider for customers in Britain and Europe. "The group is building a very powerful UK-based freight transport and logistics business and is well-placed to capture significant market share in the economic downturn," Investec said in a note.

Stobart said it would fund an initial £16 million payment from the £10 million net proceeds of a placing and a £6 million loan. An additional payment of up to £5 million would depend on the airport's development and would come from existing facilities.

Stobart also has an option on Carlisle airport in Cumbria and will hear this month whether it has planning permission to upgrade the site, where it wants to consolidate its haulage operations and improve passenger facilities. If permission is granted, the option will be exercised in January.