

Former Jetmagic crew in new air venture with major US carrier

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FORMER executives of failed Irish airline start-up Jetmagic have launched a new venture in partnership with a major US regional carrier.

Expressjet Europe plans to establish itself as a so-called capacity purchase agreement airline, persuading major carriers to use its aircraft to connect their passengers from major European hubs to other continental destinations.

Plans to replicate the model in Europe have been under way since last year and are likely to involve a multi-million-euro investment. The US Expressjet outfit has taken a 49% stake in the Ireland-based venture.

The managing director of Expressjet Europe, Jochen Schnadt, who was also chief operating officer of Jetmagic, said his team is in negotiations with a number of airlines and added that he and other executives have also pledged substantial start-up capital. He hopes to have a deal by the end of this year or early 2007.

Expressjet Europe does not yet own any aircraft, but will look to buy a significant number of regional jets to service the operation. Schnadt confirmed to the *Sunday Tribune* that the start-up has not ruled out buying an existing European region-

al airline to kick-start the plan.

Other Jetmagic executives involved in Expressjet Europe include former Flybe boss Barry Perrot, who was Jetmagic's chief executive. He is now executive chairman of ExpressJet Europe. Also on board are former Jetmagic shareholders Ciarán Desmond, who is a Cork businessman, and Colm McGuire, also from Cork. Terry Liddiard, one-time acting chief executive of Jetmagic and founder of Manx Airlines and British Regional, is also a shareholder.

Jetmagic collapsed in 2004 after just 10 months in operation. It lost investors, including former Aer Lingus boss Michael Foley and O'Flynn Construction, headed by Michael O'Flynn, roughly €11m. The airline had established routes to several mainland European destinations. While management said the feedback on the service was positive, it failed to attract sufficient passenger numbers in the winter months.

In the US, Expressjet has a major deal with Continental, currently under review, in which it flies to about 150 destinations from gateways such as Newark, George Bush airport in Texas and Hopkins airport in Cleveland, Ohio. Expressjet Holdings reported net income of almost \$123m in 2004.