

# Paramount to buy 40 Embraers

TIMES NEWS NETWORK

**New Delhi:** The Chennai-based Paramount Airways is all set to spread its wings. Airline MD M Thiagarajan met Brazilian President Luiz Lula here on Tuesday morning. Later he said the airline will buy 40 Brazilian Embraer jets with a list price of \$2 billion, which would be delivered between 2008 and 2011. The high-value carrier, which currently has five Embraers for linking eight cities in the south, is expanding its fleet, as it plans to begin flights in west India by next year and aims to have a national presence within four years.

Thiagarajan said he is in talks to acquire an airline that would help Paramount meet its goal. "If the synergy is right, it will be a complete buyout. That airline's identity will be merged with us," he said, while refusing to divulge which way he will go.

The low-cost carrier the airline plans to acquire, will be run on the current Paramount model — high value



MD M Thiagarajan (R) with Brazilian President Luiz Lula

travel in which business class travel comes at economy fares.

"This model has helped us become the market leader in the south with a 26% share. By mid-2009 we plan to have the same domination in the west with the base likely to be in Mumbai. The aim is to have 3,000 flights from west per month and we will connect up to Jaipur and Udaipur. By 2011 we will have a national presence with a fleet of 60 planes," Thiagarajan said.

The airline is looking at a carrier for buyout which is strong in western India.

Thiagarajan welcomed consolidation in aviation industry. "Air Deccan was offering very low fares and other LCCs were also doing unviable pricing because of which the balance sheets were bleeding. Now there will hopefully be a correction and full service carriers may also take fares to a more sustainable level," he said.