



FIVE BIDDERS EYE £2BN LONDON CITY AIRPORT DEAL

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An infrastructure vehicle backed by Asia's richest man is among five short-listed bidders expected to make offers for London City Airport this week.

Asia's richest man is among five suitors that are this week expected to make final bids for London City Airport to clinch a deal that could value the business at about £2bn.

Cheung Kong Infrastructure Holdings (CKI), the firm controlled by Hong Kong billionaire Li Ka-Shing, is understood to be among the groups still in the running to buy City from private equity giant Global Infrastructure Partners (GIP). Credit Suisse, the investment bank hired to manage the sale of the airport, and GIP have drawn up a short-list of five bidding groups, with a deadline for offers set for the end of this week.

A large consortium made up of sovereign wealth fund the Kuwait Investment Authority, Canadian funds Borealis Infrastructure, AIMCo and Ontario Teachers' Pension Plan, and British investor Hermes, is also on the short-list. One of the other three bidders is thought to be Chinese airlines owner HNA.

Suitors have been circling City ever since GIP put the airport up for sale last August. The bidding

field was narrowed after interested parties submitted indicative offers for City last November.

GIP bought the airport - which is popular with financial workers because it is so close to Canary Wharf and the Square Mile – from Irish entrepreneur Dermot Desmond for about £750m ten years ago.

British Airways passenger jet flies over other British Airways passenger jets parked at London's Heathrow Airport

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BA is concerned City's new owner will lift airport charges Photo: AFP

The mooted £2bn that GIP hopes to fetch for the business has sparked concern among City's two biggest airlines, British Airways and CityJet, that airport charges will be hiked by the new owner. GIP declined to comment and CKI could not be reached.

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