



ETIHAD & CO. HIT BOND MARKET IN BID TO RAISE \$1BN

News / Finance



[Etihad Airways](#) and several of its equity partners and subsidiaries have set up a Dutch limited liability private company - EA Partners1 BV - ahead of a USD1 billion bond issuance later this week.

Funds raised through the issuance will be used to settle debt obligations attributed to the seven obligors which include Etihad Airways PJSC (up to USD245 million or 18.85% of total), [Air Berlin](#) PLC (up to USD245 million), [Jet Airways](#) (India) Limited (up to USD210 million equivalent), [Alitalia](#) Societa Aerea Italiana S.p.A. (up to USD245 million), [Air Serbia](#) a.d. Belgrade (up to USD105 million), [Air Seychelles](#) Limited (up to USD40 million) and Etihad Airport Services LLC (up to USD210 million).

"The purpose of the proposed transaction is to provide a financing platform to the airline, cargo and ground services businesses that are part of Etihad's partner network. Air Berlin and Air Seychelles plan to use the proceeds of their debt obligations mostly for refinancing purposes whereas Etihad Airways, Etihad Airport Services, Air Serbia, Jet Airways and Alitalia intend to use the proceeds mainly to finance capex and/or working capital and for other general corporate

purposes," a Fitch ratings assessment said.

Overall, despite Etihad's strong standalone credit quality (A/Stable), Fitch states the other carriers' individual weaker profiles have warranted a 'B-(EXP) with a Stable Outlook' rating.

A series of roadshows is planned in London and the Middle East this week and is organized by US investment bank Goldman Sachs and two boutique advisers, ADS Securities of the UAE and United Kingdom-based Anoa Capital.

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