ALASKA AIR NEARS DEAL TO ACQUIRE VIRGIN AMERICA

News / Airlines, Finance



It could be a $2 billion deal.

Alaska Air has emerged as the likely winner of an auction for Virgin America , The Wall Street Journalreported on Saturday, citing people familiar with the matter.

The offer was set to beat a rival bid by JetBlue Airways 0.99% , the people said, according to theJournal.

Alaska Air is expected to pay upwards of $2 billion for Virgin America 0.91% , which currently has a market value of about $1.5 billion, following a surge sparked by recent news that the company was in play, it reported one of the people as saying.

There is no guarantee Alaska Air -0.01% will clinch the deal, but if it does, an announcement could come Monday, the Journal quoted its sources as saying.

Virgin America has received takeover bids from JetBlue and Alaska Air as the U.S. budget airline backed by British billionaire Richard Branson explores a sale, a person familiar told Reuters last week.

Asian airlines have also expressed interest in buying Virgin America, although they would have to

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partner with a U.S. bidder under foreign ownership rules governing U.S. airlines.

Virgin America is 54%-owned by Branson’s Virgin Group and New York-based Cyrus Capital Partners, the Journal said.

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