

BA owner says will not bid for Norwegian

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IAG, the owner of British Airways and Spanish carrier Iberia, said Thursday that it has decided not to make a formal bid for low-cost airline Norwegian Air Shuttle.

"International Airlines Group confirms that it does not intend to make an offer for Norwegian Air Shuttle ASA," it said in a brief statement.

"In due course, it will be selling its 3.93 percent shareholding in Norwegian," the carrier added.

Norwegian revealed in May that it had rejected two separate informal takeover bids from IAG on the basis that the offers undervalued the low-cost airline.

Norwegian is one of the few no-frills carriers to have launched long-haul flights, and it has been rapidly adding routes.

But the group is now heavily indebted and it has hit financial turbulence stemming from those expansion plans.

The Oslo-based company is Europe's third-biggest low-cost carrier behind Ryanair and EasyJet.

Norwegian's board chairman Bjorn Kise said in a tweet that the airline's "plans and strategy remain unchanged".

He vowed that Norwegian would "continue building a sustainable

business to the benefit of its customers, employees and shareholders."

Norwegian's shares plunged by a little more than 25 percent following the IAG announcement.

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