Jet Airways takes over Air Sahara

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Short Description
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India’s largest private airline, Jet Airways, says it has agreed to buy its smaller rival, Air Sahara, for
$140 million. The takeover gives the airline a combined market share of 32%. Jet Airways acquires the aircraft, equipment and landing and takeoff rights at the airports Air Sahara had. “The deal is definitely going to be good news for Jet Airways shareholders”, Jet Airways founder and chairwoman, Indira Goyal said. Some analysts are predicting substantial synergy (cost reductions and other benefits) from this takeover. Better deals from aircraft manufacturers are expected. Streamlining the two head offices into one unit should
reduce fixed costs. The interlinking of the different air routes should allow more passengers to
be offered connecting flights with the new enlarged airline

1. Explain the type of integration used in both of these case studies.
2. If Jet airways were now to merge with an aircraft manufacturer:
i. Explain how this merger would be classified

ii. Analyse two potential benefits to Jet Airways of this merger
3. Examine the likely impact of the Jet Airways takeover of Air Sahara on any two stakeholder groups.
4. Using the Mercedes Benz/Chrysler case study and any other researched examples, e.g. AOL and Time Warner, discuss why mergers and takeovers fail to give shareholders the benefits originally predicted.

Details
1. Case study solved answers

2. pdf/word

3. Fully Solved with answers