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Virgin Atlantic VSbulletin 005

Air France-KLM, Delta Air Lines and Virgin Atlantic to Strengthen Transatlantic Partnerships

We need to let you know that today, 27 July 2017, we have announced our intention to expand our strategic partnership with The Air France-KLM Group and Delta Air Lines to offer our customers access to the most comprehensive transatlantic route network via an extensive joint venture. The long-term joint venture would offer convenient flight schedules with competitive fares and reciprocal frequent flyer benefits, including the ability to earn and redeem miles across all carriers. The benefits would also include co-location of facilities at key airport hubs to improve connectivity times for customers, as well as access to each carrier's airport lounges for premium customers.

The enhanced joint venture, including Alitalia, would become the airline partnership of choice for customers, offering more than 300 daily nonstop transatlantic flights and increasing competitive routings with offerings across key business markets including Amsterdam, Atlanta, Boston, Cincinnati, Detroit, Los Angeles, London Heathrow, Minneapolis-St Paul, New York-JFK, Paris-CDG, Salt Lake City and Seattle.

The enhanced joint venture would establish a combined partnership with a duration of at least 15 years. In order to support the success of that cooperation:

- Air France-KLM will acquire a 31 percent stake in Virgin Atlantic currently held by Virgin Group for £220 million
- Virgin Group will retain a 20 percent stake and Chairmanship
- Delta will retain its 49 percent stake in Virgin Atlantic

All transactions are subject to execution of definitive agreements and receipt of final shareholder, board, and regulatory approvals. Virgin Atlantic would retain its independence as a UK airline with a UK operating certificate, and will continue to fly under the Virgin brand.

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Jean-Marc Janailiac, CEO, Air France KLM, said: “With our partners Delta and Virgin Atlantic, we are pleased to reinforce our transatlantic partnership, offering our customers even more choice between Europe, UK and the United States via twelve hubs on both sides of the Atlantic.”

Sir Richard Branson, Virgin Group Founder, said: “Virgin Atlantic has made a big difference to people’s flying experience over the past 33 years and transformed the airline industry for the better. This is a fantastic opportunity to extend our network and create a stronger customer champion, as well as being extremely beneficial to our people and the Virgin Atlantic brand that our customers love dearly.”

Craig Kreeger, CEO, Virgin Atlantic, said: “We built the Virgin Atlantic brand by providing customers with the choice they deserve and a travel experience they love. We couldn’t be more excited that the next stage of our growth will be at the heart of the strongest partnership for customers traveling between Europe and North America. Together with our friends at Air France-KLM and Delta we will build on this vision of our teams creating irresistible experiences for customers flying on our network.”

Ed Bastian, Delta’s CEO, comments “By working even more closely with our great partners at Air France-KLM and Virgin Atlantic, together we will develop a path to increase competition across the Atlantic that will spur additional benefits for customers, employees and shareholders.”

If you have any questions about this, please contact Sales Support at sales.support@fly.virgin.com or on +44344 2097705.

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