

Virgin Atlantic Completes Boeing 787 Financing Deal

January 15, 2021 - Virgin Atlantic has announced the completion of financing transactions relating to two Boeing 787 aircraft, further strengthening its balance sheet, in partnership with Griffin Global Asset Management and Bain Capital Credit.

On 4 September 2020, Virgin Atlantic achieved the privately funded, solvent recapitalisation of the airline to ensure that it continues to provide essential connectivity and competition to customers in the UK and beyond. This latest financing opportunity – a first for Griffin Global Asset Management – allows the airline to pay down debt and improve its cash position as it enters 2021, to further strengthen the airline's resilience until passenger flying resumes at scale.

With the mass roll out of effective vaccines on the horizon, the implementation of testing regimes and a reduction in UK quarantine policy, customer demand for travel in 2021 has been gradually returning. Meanwhile, on the back of a record 2020, Virgin Atlantic Cargo continues to keep global supply chains running by transporting vital medical supplies, ensuring the airline plays a central role in supporting the effort to save lives.

Oliver Byers, Chief Financial Officer, Virgin Atlantic said: *"Since the beginning of the crisis, we have taken decisive action to reduce our costs, preserve cash and protect as many jobs as possible. As provided for in the recent privately funded solvent recapitalisation of the airline, we have continued to explore additional financing opportunities to strengthen our balance sheet into the new year."*

"We are proud to be partnering with Griffin on this financing opportunity regarding two of our Boeing 787-900s. Their flexibility and speed has been particularly impressive and we welcome this show of confidence from our new partners. This deal will allow Virgin Atlantic to further bolster our cash position and we are confident that we will emerge a sustainably profitable airline, with a healthy balance sheet."

Ryan McKenna, Chief Executive Officer of Griffin Global Asset Management (Servicer) said: *"The Virgin Atlantic team has taken impressive steps to strengthen their business throughout this very challenging period and we are confident that they are positioned to outperform going forward. The Griffin and Bain Capital teams are excited to contribute to Virgin's success for many years to come."*

Marc Baer, President of Griffin Global Asset Management (Servicer) said: *"We have had a longstanding relationship with Virgin Atlantic and are very pleased to provide this creative financing solution that will reinforce their strong competitive position in the market. The talent and professionalism of the Virgin Atlantic Team is commendable, and their collaboration with us allowed the transaction to come together expeditiously."*

For further press information please contact: press.office@fly.virgin.com

Background

The private only, solvent recapitalisation of Virgin Atlantic completed on 4 September 2020. The Plan delivered a refinancing package worth c.£1.2bn over 18 months, in addition to the self-help measures already taken:

- £280m in cost savings per year, £880m reduction in fleet capex in the next five years
- Shareholders Virgin Group and Delta provided c.£600m in support over the life of the plan, including a £200m investment from Virgin Group and the deferral of c.£400m of shareholder payments such as brand fees and Joint Venture related costs.
- The airline continues to have the support of credit card acquirers (Merchant Service Providers) Lloyd's Cardnet, First Data and American Express.

- Davidson Kempner Capital Management, a global institutional investment management firm, provided £170m of secured financing and the airline's largest creditors and suppliers are contributing an additional £450m by way of deferrals

About Virgin Atlantic

Virgin Atlantic was founded by entrepreneur Sir Richard Branson 36 years ago with innovation and customer service at its core. In 2020, Virgin Atlantic was voted Britain's only Global Five Star Airline by APEX for the fourth year running in the Official Airline Ratings. Headquartered in London, Virgin Atlantic and its holiday business, Virgin Atlantic Holidays, employs 6,500 people worldwide, serving 27 destinations across four continents. Sustainability remains central to the airline and in September 2019, Virgin Atlantic took delivery of its first Airbus A350-1000 aircraft - helping to transform the fleet into one of the quietest and most fuel efficient in the sky. By 2022, the airline will operate a streamlined fleet of 37 twin engine aircraft following the retirement of its 747s and A332s, and its simplified fleet will be 10% more efficient than before the Covid-19 crisis.

Alongside shareholder and Joint Venture partner Delta Air Lines, Virgin Atlantic operates a leading transatlantic network between the UK and US with onward connections to over 200 US and international cities. On May 15, 2018 Air France-KLM, Delta Air Lines and Virgin Atlantic Limited signed definitive agreements to combine the existing trans-Atlantic joint ventures. The expanded joint venture offers a comprehensive route network, convenient flight schedules, competitive fares and reciprocal frequent flyer benefits, including the ability to earn and redeem miles across all carriers.

For more information visit www.virginatlantic.com or www.virginholidays.co.uk or via Facebook, Twitter and Instagram @virginatlantic @virginholidays

About Griffin Global Asset Management

Griffin is a commercial aircraft leasing and alternative asset management business with offices in Dublin, Ireland and Los Angeles, CA. Griffin's team of aviation professionals works closely with airlines, OEMs, and financiers to deliver customized fleet solutions and innovative financing products to airlines globally.

For more information visit www.griffingam.ie or www.griffingam.com