

## **Virgin Atlantic Airways – Company Overview**

### **General Information**

Since it was founded in 1984, Virgin Atlantic Airways has become Britain's second largest carrier serving the world's major cities. Now based at both London's Gatwick and Heathrow airports, it operates long haul services to thirty destinations world-wide as far apart as Las Vegas and Shanghai.

Virgin Atlantic has enjoyed huge popularity, winning top business, consumer and trade awards from around the world. The airline has pioneered a range of innovations setting new standards of service, which its competitors have subsequently sought to follow. Despite Virgin Atlantic's growth the service still remains customer driven with an emphasis on value for money, quality, fun and innovation. Virgin Atlantic has carried around 53m passengers since it began operations and now employs almost 9000 people worldwide.

### **Company history**

Virgin Atlantic is the quintessential Virgin story. It has every ingredient: the small newcomer taking on the giant and complacent establishment, the people's champion introducing better service and lower costs for passengers with a reputation for quality and innovative product development.

Virgin Atlantic was developed as an offshoot of Richard Branson's Virgin Group, which was better known at the time as a leading light in the world of pop and rock music. On 22 June 1984 Virgin's inaugural flight to Newark took place, a flight filled with friends, celebrities and the media. The airline's aim was simple: "To provide the highest quality innovative service at excellent value for money for all classes of air travellers".

### **Routes**

Now based at London's Heathrow and Gatwick airports and Manchester, it operates long haul services from Heathrow to New York (Newark and JFK), Los Angeles, San Francisco, Washington, Boston, Miami, Chicago, Tokyo, Hong Kong, Johannesburg, Cape Town, Nairobi, Shanghai, Delhi, Mumbai, Lagos, Mauritius, Sydney and Dubai. Virgin also operates services from Gatwick to Orlando, Barbados, St Lucia, Antigua, Las Vegas, Grenada, Tobago, Cuba, Montego Bay and Kingston. Virgin Atlantic also operates a service from Manchester to Orlando, Barbados and St Lucia.

Virgin Atlantic's thirty routes worldwide are broken down as follows:

10 routes to the US

6 to Asia Pacific

4 African routes

1 Indian Ocean

1 route to the Middle East

8 Caribbean destinations

### **Ownership**

Virgin Atlantic is 51% owned by the Virgin Group and 49% owned by Singapore Airlines. On 20 December 1999 Richard Branson signed an agreement to sell a 49% stake of Virgin Atlantic to Singapore Airlines to form a unique global partnership. The cost of the transaction to Singapore Airlines was £600.25 million, which included a capital injection of £49 million and valued Virgin Atlantic at a minimum of £1.225billion. The deal was finalised in early 2000.

### **Product**

Virgin Atlantic offers three classes of travel - Upper class, Premium Economy and Economy all with award-winning inflight entertainment.

### **Aircraft Orders and Fleet**

Virgin Atlantic currently has a fleet of 38 aircraft, which includes thirteen Boeing 747s and six Airbus 340-300s and nineteen Airbus A340-600s.

The airline announced in March 2007 the order of 15 of the 787-9 Dreamliners – with options on ordering another eight 787-9 and purchase rights on a further 20 aircraft. The order will see Virgin Atlantic take delivery of its new planes between 2011 and 2014. The airline also has six A380 aircraft on order until 2013.

### **Recent History**

The long awaited inaugural flight from Hong Kong to Sydney departed on the 7 December 2004 and new services between London Heathrow and Mumbai commenced on 27 March 2005. On 22 June 2005 Virgin Atlantic celebrated its 21st birthday by operating a commemorative flight between London and New York with Richard Branson, celebrities and media. Direct flights between Manchester and Barbados launched on the 13 November 2005. Virgin Atlantic launched services between Heathrow and Dubai on 27 March 2006 along with services between Gatwick to Montego Bay on the 3 July 2006, Heathrow to Chicago on 23 April 2007 and Heathrow to Nairobi on 2 June 2007. The airline will also be launching services between Gatwick and Kingston and Heathrow to Mauritius in October 2007.

### **Recent Financial**

Y/E April	2003	2004	2005	2006	2007
PAX NO (cal year)	3.8m	4.3m	4.4	4.6	5.1m
TURNOVER	£1401m	£1272m*	£1630m	£1912m	2140m
PROFIT/(LOSS)	£15.7m	£20.9m*	£20.1m**	£41.6**	£46.8

\* ten months end Feb 2004

\*\* pre-tax profits before exceptionals