

Virgin Atlantic close to securing rescue deal: source

July 1 2020



Credit: Pixabay/CC0 Public Domain

Virgin Atlantic is "close" to securing a deal to recapitalise the struggling British airline as the coronavirus pandemic slashes demand for air travel, a source told AFP Wednesday.

The carrier, part owned by tycoon Richard Branson, is making "very good progress" in talks with [private investors](#) and is "close" to agreement, the source said.

Media reported that Virgin Atlantic is trying to secure a rescue [deal](#) worth up to £1.0 billion (\$1.2 billion, 1.1 billion euros) to ensure its survival.

The news comes two months after Virgin Atlantic announced plans to axe more than 3,000 jobs, or one third of its staff, as COVID-19 continues to ground a large number of passenger jets.

A company spokesman added separately that it was seeking a "comprehensive" deal to keep going.

"Virgin Atlantic has been working on a comprehensive, solvent recapitalisation of the airline to ensure that we can continue to provide essential connectivity and competition to consumers and businesses in Britain and beyond," the spokesman said in a statement.

"Since the very beginning of the COVID-19 crisis, we have made [difficult decisions](#) and taken decisive action to reduce our costs, preserve cash and protect as many jobs as possible.

"We greatly appreciate the support of our shareholders, creditors and private investors and by working together, we will ensure that Virgin Atlantic can emerge from the crisis a sustainably profitable airline, with a healthy balance sheet," the statement added.

© 2020 AFP

Citation: Virgin Atlantic close to securing rescue deal: source (2020, July 1) retrieved 10 April 2024 from <https://techxplore.com/news/2020-07-virgin-atlantic-source.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.