

HERBERT SMITH FREEHILLS ADVISES VIRGIN ATLANTIC AND VIRGIN GROUP ON CONSORTIUM ACQUISITION OF FLYBE

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Deals and cases

Herbert Smith Freehills is advising Virgin Atlantic on the acquisition of Flybe and [Flybe.com](https://www.flybe.com) (the operating subsidiaries of Flybe Group) by Connect Airways, a joint venture company owned by Virgin Atlantic, the Stobart Group and Cyrus Capital, and associated £100 million financing for Flybe.

The transaction was announced on 15 January 2019 (following the announcement of an offer under the UK Takeover Code by Connect Airways for Flybe Group on 11 January 2019) and completed on Thursday 21 February 2019 following the satisfaction of conditions precedent to the sale and purchase agreement.

The offer for Flybe Group was approved by Flybe shareholders at a meeting to vote on the scheme of arrangement on 4 March 2019 and will be implemented following sanction by the court.

The team advising Virgin Atlantic on the transaction includes:

- Corporate M&A partners [Robert Moore](#) and [Mark Bardell](#), senior associates [Michael Compton](#) and [Emma Stones](#), and associates [Claire Koller-Smith](#) and [Mehdi Tedjani](#), who advised on the corporate and UK Takeover Code aspects of the Flybe acquisition;
- Competition, Regulation and Trade partners [Kim Dietzel](#) and [Veronica Roberts](#), senior associates [Victoria Newbold](#) and [Holly Boyd-Boland](#), and associates [Clemence Barraud](#),

[Philip Aitken](#), [Jade Van Parijs](#), and [Alex White](#) who advised on the complex aviation industry regulatory considerations and relevant regulatory approval requirements including merger clearances involved in the transaction, and potential impacts of Brexit;

- Pensions partner [Alison Brown](#) and senior associates [Michael Aherne](#) and [Alex Harrison-Cripps](#) who advised on the negotiations with the Flybe defined benefit pension scheme trustees and Incentives partner [Paul Ellerman](#) and associate [Niall Crean](#) who advised on the impact of the transaction on Flybe's share-based incentives schemes;
- Head of Intellectual Property - UK partner [Joel Smith](#) and associate [Jessica Welborn](#) on the branding arrangements going forward for the Flybe business to be rebranded under the Virgin Atlantic brand;
- Finance partner [Kristen Roberts](#), of counsel [Ilze Vigo](#), senior associate [John Chetwood](#), and associate [Oliver Henderson](#) who advised on the £100 million financing facilities to be put in place for Flybe and other financing aspects of the transaction;
- Aviation Finance partners [Rex Rosales](#), [Jahnvi Ramachandran](#) and [Siva Subramaniam](#), senior associates [Caroline Joyce](#) and [Amanda Teoh](#), and associates [Tim Hunter-Jones](#) and [Demilade Banjoko](#) who advised on Flybe's fleet financing arrangements and related security package for the new Flybe financing facilities; and
- Tax partner [Howard Murray](#) and senior associate [Michael Alliston](#), who advised on tax aspects of the transaction.

Corporate partner [Ben Ward](#) is advising Virgin Group, the 51 percent shareholder in Virgin Atlantic, in connection with the transaction.

"We are delighted to once again be working with our longstanding clients Virgin Atlantic and the Virgin Group on another complex, strategic transaction in the aviation sector," said corporate partner Robert Moore. "Having recently advised both Virgin Atlantic and Virgin Group on the landmark expanded transatlantic joint venture with Air France-KLM and Delta Air Lines, we've been excited to be a part of a transaction which will create a fully-fledged UK network carrier under the Virgin Atlantic brand."

The firm's work on this transaction demonstrates the depth and breadth of the team's expertise, from public takeover expertise to complex competition and regulatory aspects, to aviation financing, and has involved teams from across the global network.

HSF previously [advised](#) Virgin Group and Virgin Atlantic on the landmark expanded transatlantic joint venture between Virgin Atlantic Airways, Air France-KLM and Delta Air Lines and sale of 31 percent of Virgin Atlantic to Air France-KLM by Virgin Group for £220 million.

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