

VIRGIN ATLANTIC AIRWAYS RESTRUCTURING WINS AFJ EUROPE DEAL OF THE YEAR 2021 AWARD

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Watson Farley & Williams (“WFW”) is delighted to announce that the restructuring and recapitalisation plan of Virgin Atlantic Airways, on which the firm advised the bondholder group, has won ‘Europe Deal of the Year 2021’ at the Airfinance Journal (“AFJ”) Awards. This is the second award the deal has won, having also been named “Restructuring Deal of the Year” at the IFLR1000 Europe Awards 2021 in April.

London-based AFJ is one of the leading sources of financial information and analysis for the commercial airline industry. Providing first rate analysis of aircraft financing, meaningful data, the latest global news and market developments, it is a must-read for any key player in the aviation sector.

The deal, which was approved by the courts in on 2 September 2020, is one of the most significant airline restructurings to have taken place since the onset of the Covid-19 crisis, and was the first to be implemented using the UK’s new Part 26A of the Companies Act 2006. A critical element of the restructuring involved the upsize of the existing senior bonds secured over Virgin Atlantic’s portfolio of take-off and landing slots at London Heathrow Airport, a landmark deal in itself and for which WFW originally advised the same group of bondholders on the initial issuance in 2015.

The multidisciplinary WFW London team advising the bondholders was led by Capital Markets Partner Rob McBride and Assets and Structured Finance Partner Patrick Moore. They were assisted by Partners Stephen Parker and Richard Stephens on restructuring/insolvency and tax matters respectively and supported by Associates Andrew Holland and Lydia Jones. Separate WFW teams led by Singapore Partner Mehraab Nazir and London Partner Lucy Shtenko acted respectively for JOLCO creditors and an operating lessor involved in the restructuring plan.

Rob commented: “We’re delighted to have advised the bondholders on this hugely significant deal, which continues to garner industry recognition as one of the most complex and large-scale restructurings of a leading global airline to date. That we were able to do so highlights WFW’s standing as a leading law firm to the aviation sector worldwide, especially for EU slot financing transactions”.

Allen & Overy and Herbert Smith Freehills acted as co-counsel to VAA. Linklaters acted for the bond and security trustees, Clifford Chance for certain aircraft lessors to Virgin and Freshfields for revolving credit facility lenders.

WATSON FARLEY & WILLIAMS

WFW also recently launched its new Aviation Restructuring report (download [here](#)) which offers updated insights following on from its original launch in April 2020 and explores how the market's response to the pandemic has since developed, the trends have emerged and there some significant changes to legislation in the UK.

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