



For Immediate Release

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Virgin Group Announces Virgin Hotels, a New Four-Star Lifestyle Hotel Brand

*Seasoned management team to acquire, develop and operate
Virgin Group's first-ever hotel properties in North American gateway cities*

PHOENIX, September 21, 2010—Virgin Group, a leading branded investment organization and one of the world's most recognized and respected brands, announced today the launch of Virgin Hotels, a new four-star lifestyle hotel brand. The company plans to develop and operate up to 25 hotels within seven years, with the first property expected to open within 12-18 months. As part of the launch plan, Virgin Group, with entrepreneur Alberto Beeck and hospitality and real estate investor Diego Lowenstein, has established a property venture that will acquire \$500 million of Virgin-branded hotel assets in the next three years.

The Virgin Hotels management team will be led by Executive Director Anthony Marino, who serves as managing partner of Virgin Group's leisure and hospitality sector. Raul Leal, a career hotelier with 25 years of success in upscale hotel operations, development and design,

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Virgin Hotels

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will serve as president and chief operating officer. Beeck and Lowenstein will serve on the company's board of directors. Hotel real-estate veteran Paul W. Whetsell, president and CEO of Capstar Hotel Company, will advise Virgin Hotels on operations and acquisitions and also serve on the board of directors.

“Consumers are passionate about—and passionately loyal to—our travel and lifestyle offerings through brands like Virgin Atlantic Airways, Virgin America, Virgin Active gyms, and our luxury retreats portfolio Virgin Limited Edition,” said Sir Richard Branson, Virgin Group founder and president. “We’ve been fortunate to have access to opportunities to extend our success in a range of sectors, and we’ve chosen to create a brilliant place for fans of Virgin to extend their stay with us—to eat, sleep, meet, and have fun in the world’s greatest cities.”

Virgin Hotels properties initially will be located in gateway cities in North America and will have 150 to 400 guest rooms, restaurants, and communal public spaces featuring Virgin's unique customer-focused touches. Its guests will resemble the highly valued business and leisure traveler whose loyalty Virgin has captured over the last 25 years.

“The lifestyle hotel segment is large and growing,” Marino said. “Consumers are well-attuned to the Virgin brand, which is rated one of the world’s best marketed brands. Virgin has a global platform that consumers associate instinctively with lifestyle experiences, so we are in a powerful position to respond to consumers and what they want in a hotel. We intend to bring a fresh approach to the industry, one with solid value, functional design, practical technology, and exceptional customer service, which is a hallmark of the Virgin brand.”

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Virgin Hotels

The new hotel brand will be international in distribution with its initial development concentrated in North America. “We are already in contact with brokers, owners, lenders and others active in hotel real estate,” Marino noted. “We are flexible in our approach and seek to joint venture with existing owners, partner with investment groups to acquire hotels, work as a third-party manager or acquire properties outright for our own account.”

Leal said that Virgin Hotels has its core design, brand standards, marketing, human resources and other systems in place. “We are actively working on several properties, and we expect to open our first hotel within a year,” he said.

About the Virgin Group

Virgin is a leading investment organization and is one of the world's most recognized and respected brands. Conceived in 1970 by Sir Richard Branson, the Virgin Group has gone on to grow very successful businesses in sectors ranging from mobile telephony to transportation, travel, financial services, media, health and wellness, and music. Virgin has created more than 300 branded companies worldwide, employing approximately 50,000 people, in 30 countries. Global branded revenues in 2009 exceeded £11 billion (US\$18 billion). For more information, go to www.virgin.com.

About Virgin Hotels

Virgin Hotels is a new four-star lifestyle hotel brand in its initial development stage of acquiring properties in the U.S. Parties interested in partnering with Virgin Hotels may contact the company at www.virginhotels.com.