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Alaska Air Group and Virgin America Agree to Extend Regulatory Review of Proposed Merger

SEATTLE and SAN FRANCISCO — Alaska Air Group, Inc. (NYSE: ALK), parent company of Alaska Airlines, and Virgin America Inc. (NASDAQ: VA) today announced that each carrier has agreed with the Antitrust Division of the United States Department of Justice (DOJ) to extend the date of their timing agreement, stating the parties will not consummate the acquisition prior to Oct. 17, unless the DOJ provides written concurrence to close within a shorter period. The parties previously agreed to not close the merger before Sept. 30. The extension gives the DOJ additional time to review the proposed merger.

The two airlines are confident they will address any concerns and obtain regulatory approval to complete their pro-competition, pro-consumer transaction. Given the airlines' largely complementary networks, the relative size of this merger compared to past airline combinations, and both Virgin America and Alaska's emphasis on customer service, the airlines are also confident the DOJ will agree this merger will provide consumers more choices and lower fares while allowing for more robust competition against the Big Four airlines, which control 84 percent of the domestic market.

About Alaska Airlines

Alaska Airlines, together with its regional partners, flies 32 million customers a year to more than 110 cities with an average of 970 daily flights throughout the United States, Canada, Costa Rica, Mexico and soon Cuba. With Alaska's global [airline partners](#), customers can earn and redeem miles to more than 800 destinations worldwide. Onboard, customers are invited to make the most of their

flight with amenities like power outlets at every seat, streaming entertainment direct to their device, Wi-Fi and an inspired food and beverage selection featured on most flights. Alaska Airlines ranked “Highest in Customer Satisfaction Among Traditional Carriers in North America” in the J.D. Power North American Airline Satisfaction Study for nine consecutive years from 2008 to 2016. Alaska Airlines Mileage Plan also ranked “Highest in Customer Satisfaction with Airline Loyalty Rewards Programs” in the J.D. Power Airline Loyalty/Rewards Program Satisfaction Report for the last three consecutive years. Alaska Airlines is a subsidiary of Alaska Air Group (NYSE: ALK). Learn more on the airline’s [newsroom](#), [blog](#), [alaskaair.com](#), [@AlaskaAir](#), [facebook.com/alaskaairlines](#) and [linkedin.com/company/alaska-airlines](#).

About Virgin America

Known for its mood-lit cabins, three beautifully designed classes of service and innovative fleetwide amenities — like touch-screen personal entertainment, WiFi and power outlets at every seat, Virgin America has earned a host of awards since launching in 2007 — including being named the “Best U.S. Airline” in Condé Nast Traveler’s Readers’ Choice Awards years and “Best Domestic Airline” in Travel + Leisure’s World’s Best Awards for the past eight consecutive years. For information, visit [www.virginamerica.com](#).

Cautionary Statement Regarding Forward-Looking Statements

This communication contains forward-looking information about Alaska Airlines, Virgin America and the proposed transaction. Forward-looking statements are statements that are not historical facts. These statements can be identified by the use of forward-looking terminology such as “believe,” “expect,” “may,” “likely,” “should,” “project,” “could,” “plan,” “goal,” “potential,” “pro forma,” “seek,” “estimate,” “intend” or “anticipate” or the negative thereof, and may include discussions of strategy, financial projections, guidance and estimates (including their underlying assumptions), statements regarding plans, objectives, expectations or consequences of announced transactions and statements about the future performance, operations, products and services of Virgin America and/or Alaska Airlines. Alaska Airlines and Virgin America caution readers not to place undue reliance on these statements. These forward-looking statements are subject to a variety of risks and uncertainties. Consequently, actual results and experience may differ materially from those contained in any forward-looking statements. Such risks and uncertainties include: the possibility that the closing conditions to the proposed transaction may not be satisfied or waived, including that a governmental entity may prohibit, delay or refuse to grant a necessary regulatory approval; delay in closing the transaction or the possibility of non-consummation of the transaction; the occurrence of any event that could give rise to termination of the merger agreement; the risk that stockholder litigation in connection with the contemplated transaction may affect the timing or occurrence of the contemplated transaction or result in significant costs of defense, indemnification and liability; risks inherent in the achievement of anticipated synergies and the timing thereof; risks related to the disruption of the transaction to Virgin America and its management; the effect of announcement of the transaction on Virgin America’s ability to retain and hire key personnel and maintain relationships with suppliers and other third parties; labor

costs and relations, general economic conditions, increases in operating costs including fuel, inability to meet cost reduction goals, an aircraft accident, and changes in laws and regulations. These risks and others relating to Alaska Airlines and Virgin America are described in greater detail in their respective SEC filings, including (i) as to Alaska Airlines, Alaska Airlines' Annual Report on Form 10-K for the fiscal year ended Dec. 31, 2015, as well as in other documents filed by Alaska Airlines with the SEC after the date thereof, and (ii) as to Virgin America, Virgin America's Annual Report on Form 10-K for the fiscal year ended Dec. 31, 2015, as well as in other documents filed by Virgin America with the SEC after the date thereof. Alaska Airlines and Virgin America make no commitment to revise or update any forward-looking statements in order to reflect events or circumstances occurring or existing after the date any forward-looking statement is made.

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