

Tour Operators

Sunwing acquires Vacation Express

By <u>Michelle Baran</u> / December 14, 2011 Sunwing Travel Group has acquired Atlanta-based packager Vacation Express for an undisclosed amount.

Toronto-based Sunwing, in which European travel behemoth TUI Travel has a 49% stake and 25% voting interest, acquired 100% of Vacation Express on Dec. 9.

The current management and operations will remain in place at Vacation Express, under the leadership of Vacation Express President Rene Jongsman, according to Sunwing CEO Stephen Hunter.

Hunter said that while Sunwing will share resources with Vacation Express such as IT and accounting, there are no plans for layoffs.

Hunter noted that Sunwing had been looking for an entry into the U.S. market, and that the company zeroed in on Vacation Express because the companies share similarities in destinations served and supplier partners.

Vacation Express specializes in packages to the Caribbean, Mexico and Costa Rica.

Under Sunwing's ownership, Vacation Express will likely expand into destinations that Sunwing offers and Vacation Express does not, such as Panama, Hunter said.

Some of the differences between the two companies are that Sunwing sells more volume during the winter, and Vacation Express sells more during the summer.

Also, while Vacation Express once primarily offered charter packages, it now mostly relies on scheduled air.

Sunwing primarily sells charter vacations. The company launched its own airline, Sunwing Airlines, in 2005. The airline has 23 Boeing 737-800s in its fleet.

While customers and travel agents who work with Vacation Express won't see a big change in operations, Hunter said he hopes to bring a fresh marketing and selling perspective to Vacation Express.

"We didn't buy Vacation Express to keep it status quo," said Hunter. "We bought Vacation Express because it has a very good brand name with travel agents and consumers."

He said that Sunwing "looked at many companies" before deciding on the Vacation Express acquisition.

Vacation Express launched in 1989 as a Jamaica packager. In 1992, the company introduced its first charter flight to Cancun from Atlanta and eventually became a charter operator catering primarily to the Southeast and Midwest markets.

Family-owned and -operated Sunwing Travel Group said more than 1.3 million travelers per year fly on Sunwing Airlines to Mexico, Central America, the Caribbean, Europe and the U.S. The charter flights are packaged with resort stays by Sunwing Vacations and Signature Vacations.

Sunwing also operates a retail chain, a destination-management company and a hotel company (Blue Diamond Hotels & Resorts).

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