

21 September 2020

## TO CREDITORS AND EMPLOYEES

Dear Sir/Madam

### **Virgin Australia Holdings Limited (Administrators Appointed) (VAH) and its subsidiaries listed in Appendix A (all Administrators Appointed) (Virgin Australia or the Companies)**

I refer to our previous correspondence with respect to voluntary administration of the entities listed in Appendix A (attached) and to the meeting of creditors of the Companies held on 4 September 2020.

At the second meeting of creditors of the Companies held on 4 September 2020, creditors resolved that the Companies execute Deeds of Company Arrangements (DOCAs) pursuant to Part 5.3A of the Corporations Act 2001. It is our intention to sign the DOCAs on Friday 25 September 2020, after which we will advise creditors in a further circular.

#### Ongoing trading

We thank the ongoing suppliers to the business for your support of the administration process and the business. On Friday 25 September 2020 we intend to sign the DOCAs for the Companies which will see the Companies transition from "In Voluntary Administration", to "Subject to Deed of Company Arrangement".

During the period the Companies are under Deed of Company Arrangement (DOCA Period), there will be no change to the current business processes and engagement of services. The control of the business remains with the Deed Administrators being Vaughan Strawbridge, John Greig, Sal Algeri and Richard Hughes during this period which will continue until completion of the transfer of ownership of Virgin Australia to Bain Capital. We are still targeting 31 October 2020 for this to have occurred.

Any outstanding invoices for the voluntary administration or DOCA Period will be paid in the normal course. Please continue to send these invoices through existing channels.

#### Excluded Contracts

Contracts that were entered into prior to the commencement of the administration and that will continue on existing terms or terms as renegotiated with the Companies after the execution of the DOCAs are referred in the DOCAs as Excluded Contracts.

On our website at <http://www.deloitte.com/au/virgin> are copies of the ten DOCAs which include lists of all the Excluded Contracts.

In some cases continuation of the Excluded Contracts is conditional on the provision of express waivers of termination rights and/or the entry into amendment agreements to reflect renegotiated terms and such contracts being included in an Excluded Contracts Designation Notice to be provided to the Deed Administrators no later than two business days prior to completion. Contracts in these categories are listed in Parts 2, 3 and 4 of the Excluded Contracts lists.

A copy of the Excluded Contracts Designation Notice will be posted on our website no later than 2 business days before completion. This list will be the definitive list of contracts that will continue post completion of the DOCAs.

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited ("DTTL"), its global network of member firms, and their related entities (collectively, the "Deloitte organisation"). DTTL (also referred to as "Deloitte Global") and each of its member firms and their affiliated entities are legally separate and independent entities, which cannot obligate or bind each other in respect of third parties. DTTL and each DTTL member firm and related entity is liable only for its own acts and omissions, and not those of each other. DTTL does not provide services to clients. Please see [www.deloitte.com/about](http://www.deloitte.com/about) to learn more.

## Agreements not defined as Excluded Contracts

No agreements entered into prior to the commencement of the administration other than those identified as Excluded Contracts will be continuing in their existing form. All other services provided to the Companies will be contracted on an as needs basis. For these "as needs" services, a new arrangement will be required to be entered into with the agreement of the relevant Virgin Australia department.

Any new contracts that have been entered into since the commencement of the administration are not affected by the DOCAs and not required to be included in the Excluded Contracts lists. These contracts will continue in accordance with their terms

## Voluntary Administration Next steps

Once the DOCAs are signed, under their terms we are to make an application to Court to seek consent orders for the transfer of the VAH shares to the new owner of the business. We are well progressed on the documentation and we are hopeful that this process will be completed on or before 31 October 2020.

Correspondence will be separately sent to shareholders regarding this application.

On completion of the share transfer, the DOCA will be completed and control of the Companies transfer to Bain Capital.

A Creditors' Trust will come into effect and creditors who have claims that are released by the DOCAs will become beneficiaries of the proposed Creditors' Trust, subject to the terms of the DOCAs and Creditors' Trust. Further information in respect of the Creditor's Trust and creditor claims is detailed in Section 10 of our report to creditors dated 25 August 2020 and will be provided in future circulars, including details on expected time to finalise proofs of debt and distribution timing.

Should you have any questions in relation to this matter, please contact Krystal Kimeklis on (07) 3308 1568 or [virginadmin@deloitte.com.au](mailto:virginadmin@deloitte.com.au).

Yours faithfully



**Vaughan Strawbridge**  
Joint and Several Administrator

## Appendix A – Entities under administration

No.	Name	Date of appointment of voluntary administrators	ACN	Abbreviation
1	Virgin Australia Holdings Ltd	20-Apr-20	ACN 100 686 226	VAH
2	Virgin Australia Airlines Pty Ltd	20-Apr-20	ACN 090 670 965	VAA
3	Virgin Australia International Airlines Pty Ltd	20-Apr-20	ACN 125 580 823	VAIA
4	Virgin Australia Regional Airlines Pty Ltd	20-Apr-20	ACN 008 997 662	VARA
5	Tiger Airways Australia Pty Limited	20-Apr-20	ACN 124 369 008	Tiger
6	737 2012 No. 2 Pty Ltd	20-Apr-20	ACN 154 225 064	737 20122
7	737 2012 No.1 Pty. Ltd.	20-Apr-20	ACN 154 201 859	737 20121
8	A.C.N. 098 904 262 Pty Ltd	20-Apr-20	ACN 098 904 262	ACN 098 904 262
9	Short Haul 2014 No. 1 Pty Ltd	20-Apr-20	ACN 600 809 612	SH20141
10	Short Haul 2014 No. 2 Pty Ltd	20-Apr-20	ACN 600 878 199	SH20142
11	Short Haul 2016 No. 1 Pty Ltd	20-Apr-20	ACN 612 766 328	SH20161
12	Short Haul 2016 No. 2 Pty Ltd	20-Apr-20	ACN 612 796 077	SH20162
13	Short Haul 2017 No. 1 Pty Ltd	20-Apr-20	ACN 617 644 390	SH20171
14	Short Haul 2017 No. 2 Pty Ltd	20-Apr-20	ACN 617 644 443	SH20172
15	Short Haul 2017 No. 3 Pty. Ltd.	20-Apr-20	ACN 622 014 813	SH20173
16	Short Haul 2018 No. 1 Pty. Ltd.	20-Apr-20	ACN 622 014 831	SH20181
17	Tiger International Number 1 Pty Ltd	28-Apr-20	ACN 606 131 944	Tiger 1
18	VA Borrower 2019 No. 1 Pty Ltd	20-Apr-20	ACN 633 241 059	VA20191
19	VA Borrower 2019 No. 2 Pty Ltd	20-Apr-20	ACN 637 371 343	VA20192
20	VA Hold Co Pty Ltd	20-Apr-20	ACN 165 507 157	VA Holdco
21	VA Lease Co Pty Ltd	20-Apr-20	ACN 165 507 291	VA Leaseco
22	VA Regional Leaseco Pty Ltd	20-Apr-20	ACN 127 491 605	VARL

No.	Name	Date of appointment of voluntary administrators	ACN	Abbreviation
23	VAH Newco No.1 Pty Ltd	20-Apr-20	ACN 160 881 345	VAH Newco 1
24	VB 800 2009 Pty Ltd	20-Apr-20	ACN 135 488 934	VB 800
25	VB Leaseco No 2 Pty Ltd	20-Apr-20	ACN 142 533 319	VB Leaseco2
26	VB Leaseco Pty Ltd	20-Apr-20	ACN 134 268 741	VB Leaseco
27	VB LH 2008 No. 1 Pty Ltd	20-Apr-20	ACN 134 280 354	VBLH20081
28	VB LH 2008 No. 2 Pty Ltd	20-Apr-20	ACN 134 288 805	VBLH20082
29	VB PDP 2010-11 Pty Ltd	20-Apr-20	ACN 140 818 266	VB PDP
30	VB Ventures Pty Ltd	20-Apr-20	ACN 125 139 004	VB Ventures
31	VBNC5 Pty Ltd	20-Apr-20	ACN 119 691 502	VBNC5
32	Virgin Australia 2013-1 Issuer Co Pty Ltd	20-Apr-20	ACN 165 507 326	VA20131
33	Virgin Australia Airlines (SE Asia) Pty Ltd	20-Apr-20	ACN 097 892 389	VSEA
34	Virgin Australia Airlines Holdings Pty Ltd	20-Apr-20	ACN 093 924 675	VAAH
35	Virgin Australia Cargo Pty Ltd	20-Apr-20	ACN 600 667 838	VAC
36	Virgin Australia Holidays Pty Ltd	20-Apr-20	ACN 118 552 159	VA Holidays
37	Virgin Australia International Holdings Pty Ltd	20-Apr-20	ACN 155 860 021	VAIO
38	Virgin Australia International Operations Pty Ltd	20-Apr-20	ACN 155 859 608	VAIH
39	Virgin Tech Pty Ltd	20-Apr-20	ACN 101 808 879	VT
40	VB Investco Pty Ltd	3-Aug-20	ACN 101 961 095	VB Investco
41	VAH Newco No.2 Pty Ltd	3-Aug-20	ACN 160 881 354	VAH Newco 2