

23 October 2020

## Circular to Creditors and Shareholders

Dear Sir/Madam

### **Virgin Australia Holdings Limited ACN 100 686 226 (Subject to Deed of Company Arrangement) Section 444GA Application - Explanatory Statement to shareholders and Independent Expert's Report**

I, Vaughan Strawbridge, together with John Greig, Salvatore Algeri and Richard Hughes, are the joint and several Deed Administrators of Virgin Australia Holdings Limited (Subject to Deed of Company Arrangement) (**VAH**) and certain of its subsidiaries (all Subject to Deed of Company Arrangement).

On 25 September 2020, VAH and 27 of its subsidiaries entered into a Deed of Company Arrangement (**Primary DOCA**) with BC Hart Aggregator, L.P. (**Bain Capital**) and the Deed Administrators. Further to the announcements made on 4 and 25 September 2020, the Primary DOCA and nine separate deeds of company arrangement were approved by resolution of the creditors of VAH and its relevant subsidiaries at the second meetings of creditors (held concurrently) on 4 September 2020.

One of the conditions which must be satisfied for completion of the Primary DOCA is that we, as the Deed Administrators of VAH, obtain leave from the Federal Court of Australia (**Court**) pursuant to section 444GA of the *Corporations Act 2001* (Cth) to transfer all of the shares in VAH to Bain Capital or its nominee for nil consideration (**Section 444GA Application**). The Deed Administrators have applied to Court for this order pursuant to the Interlocutory Process dated 20 October 2020 (**Interlocutory Process**) and supporting affidavit sworn on 20 October 2020 (**Strawbridge Affidavit**).

The Court has listed the Section 444GA Application for final hearing on 10 November 2020 at 10.15am. Any shareholder or other interested person who wants to appear at the hearing must file and serve on the Deed Administrators and the Australian Securities and Investments Commission a Notice of Appearance in the prescribed form, which indicates their grounds of opposition, by no later than 4pm on 5 November 2020.

We have made available an Explanatory Statement for the benefit of VAH shareholders, which provides more detailed information about the Section 444GA Application. The Explanatory Statement also provides further information about the process for opposing the Section 444GA Application. Enclosed with the Explanatory Statement is an Independent Expert's Report prepared by FTI Consulting (Australia) Pty Limited (**Independent Expert's Report**), which sets out the valuation of the equity in VAH.

The Independent Expert's Report concludes that the equity in VAH has nil value.

The Explanatory Statement and Independent Expert's Report have been released to the ASX, and are also available on the ASX website (www.asx.com.au) using the issuer code "VAH".

The documents are also available on the following website:

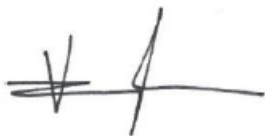
<https://www2.deloitte.com/au/en/pages/finance/articles/virgin-australia-holdings-limited-subsidiaries.html>

A copy of the Interlocutory Process and the procedural orders made by the Court on 20 October 2020 in relation to the Section 444GA Application (**Procedural Orders**) are provided as attachments to the Explanatory Statement. In addition, a copy of the Strawbridge Affidavit is available on the Court's website (see <https://www.fedcourt.gov.au/services/access-to-files-and-transcripts/online-files/virgin-australia>) and the Deed Administrators' website. Any further orders made by the Court in relation to the Section 444GA Application will be made available on the Deed Administrators' website.

We can provide you, free of charge, with copies of the Explanatory Statement and Independent Expert's Report via email, upon request. Please request the documents by email to [virginadmin@deloitte.com.au](mailto:virginadmin@deloitte.com.au).

Should you have any queries regarding this Explanatory Statement, the Independent Expert's Report, the Section 444GA Application or the Procedural Orders, please email [virginadmin@deloitte.com.au](mailto:virginadmin@deloitte.com.au).

Yours faithfully

A handwritten signature in black ink, appearing to be 'V. Strawbridge', written over a horizontal line.

**Vaughan Strawbridge**  
Joint Deed Administrator