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Details of Filing

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Registry: NEW SOUTH WALES REGISTRY - FEDERAL COURT OF AUSTRALIA



Sia Lagos

Dated: 11/05/2020 11:20:18 PM AEST

Registrar

Important Information

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Form 59
Rule 29.02(1)

Affidavit

No. NSD 464 of 2020

Federal Court of Australia
District Registry: New South Wales
Division: Commercial and Corporations List

IN THE MATTER OF VIRGIN AUSTRALIA HOLDINGS LTD (ADMINISTRATORS APPOINTED) ACN 100 686 226 & ORS

VAUGHAN STRAWBRIDGE, SALVATORE ALGERI, JOHN GREIG AND RICHARD HUGHES, IN THEIR CAPACITY AS JOINT AND SEVERAL VOLUNTARY ADMINISTRATORS OF VIRGIN AUSTRALIA HOLDINGS LTD (ADMINISTRATORS APPOINTED) AND THE THIRD TO FORTIETH PLAINTIFFS NAMED IN SCHEDULE 1

First Plaintiffs

AND OTHERS NAMED IN THE SCHEDULE

Plaintiffs

Affidavit of: Vaughan Neil Strawbridge
Address: Grosvenor Place, 225 George Street, Sydney NSW 2000
Occupation: Registered Liquidator and Chartered Accountant
Date: 11 May 2020

Contents

Document number	Details	Paragraph	Page
1.	Affidavit of Vaughan Neil Strawbridge in support of application for orders under sections, 443B(8), 439A(6) and 447A of the <i>Corporations Act 2001</i> (Cth) and sections 90-15 and 80-55 of Schedule 2 - the Insolvency Practice Schedule (Corporations) sworn on 11 May 2020.	All	1 - 42
2.	Exhibit "VNS-2", being a bundle of documents exhibited to the deponent.	6	2

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[Version 3 form approved 02/05/2019]

I, Vaughan Neil Strawbridge, of Deloitte Touche Tohmatsu (of which Deloitte Financial Advisory Pty Ltd is a wholly owned subsidiary) (**Deloitte**), at Level 9 Grosvenor Place, 225 George Street, Sydney, New South Wales, Registered Liquidator and Chartered Accountant, say on oath:

1. I am a partner in the Financial Advisory Group of the professional services firm trading as Deloitte. I am a Chartered Accountant and a Registered Liquidator and I have practised for more than 25 years as an accountant specialising in insolvency related matters in Australia, Thailand and the United Kingdom.
2. I am one of the four joint and several voluntary administrators of each of the Second to Thirty Ninth-Plaintiffs and the proposed Fortieth Plaintiff (**Virgin Companies**), together with Mr Salvatore Algeri, Mr John Greig and Mr Richard Hughes (together, **the Administrators** and each an **Administrator**). Mr Algeri, Mr Greig and Mr Hughes are also partners of Deloitte.
3. I am authorised by Mr Algeri, Mr Greig and Mr Hughes to make this affidavit on behalf of the Administrators. Where I depose below to the view or views of the Administrators, they are the view(s) which each of I, Mr Algeri, Mr Greig and Mr Hughes hold at the date of swearing this affidavit.
4. Unless otherwise stated, I make this affidavit based on my own knowledge and belief and from information I and staff members at Deloitte have obtained through my role as an Administrator of the Virgin Companies, which I believe to be true.
5. I refer to and rely upon my Affidavit dated 23 April 2020 and filed in the Proceeding (**First Affidavit**).
6. Exhibited to me at the time of making this affidavit is a bundle of documents, to which I make reference in this affidavit marked "**VNS-2**" (**Exhibit VNS-2**). A reference to a Tab in this affidavit is to a tab in Exhibit VNS-2, unless otherwise stated.
7. I make this affidavit in support of the relief sought by the Plaintiffs in the Interlocutory Process filed in these proceedings on 11 May 2020, namely, orders under sections 443B(8), 439A(6) and 447A of the *Corporations Act 2001* (Cth) (**Corporations Act**) and sections 65-45, 80-55 and 90-15 of the *Insolvency Practice Schedule (Corporations)* being Schedule 2 to the Corporations Act (**IPSC**). Those orders in effect seek:
 - (a) to join Tiger International No. 1 Pty Ltd ACN 606 131 944 (Administrators Appointed) (**Tiger 1**) to the Proceedings as the Fortieth Plaintiff;
 - (b) with respect to Tiger 1:

- (i) to hold the first meeting of creditors of Tiger 1 by electronic means only;
 - (ii) to permit electronic notice to be sent to its creditors of Tiger 1;
 - (iii) to dispense with a committee of inspection for Tiger 1 and instead to vary prior orders so that the existing committee of inspection for the Second to Thirty-Ninth Plaintiffs also extends to Tiger 1 (**Committee of Inspection**);
- (c) to extend the convening period in respect of the administration of the Virgin Companies;
- (d) to limit the personal liability of the Administrators with respect to debts incurred in connection with certain contracts including:
- (i) the Rio Tinto Agreement (as defined in paragraph 101 below);
 - (ii) the ongoing use of aircraft assets;
 - (iii) the procurement and ongoing use of fundamental services such as alliance agreements, in-flight services agreements, ground handling agreements, operational systems agreements, fuel agreements, maintenance and parts agreements, IT agreements, charter agreements and cargo agreements;
 - (iv) trade mark licence agreements;
 - (v) the ongoing use of airports and airport spaces;
 - (vi) corporate sales agreements with major travel agents and other platforms, which set out incentives offered by Virgin Companies for the sale of Virgin flights by the relevant agents;
 - (vii) industry/agency agreements entered into which provide for the preferred supply by Virgin of flight services to each of its clients;
 - (viii) insurance arrangements to support the ongoing operation of the self-insurance scheme for the Virgin Group (as defined in paragraph 11 below);
and
 - (ix) training Agreements to provide ongoing training to crew members.
- (e) a direction that the First Plaintiffs would be justified in offering a conditional credit to customers of the Virgin Companies whose flights have been cancelled, in accordance with a prescribed proposal (and to limit the Administrators' personal liability for debts incurred in connection with that proposal);
- (f) to limit the personal liability of the Administrators with respect to debts incurred in connection with:

- (i) any JobKeeper application made by the Administrators during their appointment pursuant to the *Coronavirus Economic Response Package (Payments and Benefits) Rules 2020* (Cth) and as amended by the *Coronavirus Economic Response Package (Payments and Benefits) Amendment Rules (No 2) 2020* (Cth);
 - (ii) any intercompany loans made by the Administrators during their appointment;
- (g) to provide for:
- (i) the directors of the Second Plaintiff to prepare a single report on company activities and property (**ROCAP**) for each of the Virgin Companies that are the subject of a deed of cross guarantee (and which are therefore treated as a consolidated entity for financial reporting requirement);
 - (ii) a dispensation for separate ROCAPs to be provided for those entities; and
 - (iii) ROCAPs to be prepared in the usual way by directors of each of the Virgin Companies that are not the subject of a deed of cross guarantee;
- (h) to permit members of the Committee of Inspection of the Virgin Companies to derive a profit or advantage from the administrations (for example, if there was proposed to be a sale or restructure constituted by a transaction involving any of the members of the committee); and
- (i) to dispense with the Administrators having to operate bank accounts for each of the Virgin Companies.
8. Paragraphs 7(a)-(d) and (f) to (i) are addressed in this affidavit. Paragraph 7(e) is addressed in my Supplementary Affidavit of same date.

BACKGROUND

Appointment of the Administrators to the Virgin Companies (other than Tiger 1)

9. On 20 April 2020, the Administrators were appointed as joint and several administrators of each of the Virgin Companies (other than Tiger 1) by resolution of the directors of each of the Virgin Companies pursuant to section 436A of the Corporations Act (as set out further below, the Administrators were appointed as joint and several administrators of Tiger 1 on 28 April 2020).
10. The Second Plaintiff, Virgin Australia Holdings Ltd (Administrators Appointed) (**Virgin Australia**), is a public company whose shares are listed on the Australian Securities Exchange and each of the Third to Fortieth Plaintiffs is a subsidiary of Virgin Australia.

11. Each of the Virgin Companies is a company incorporated and operating in Australia. Each is part of a corporate group comprised of other companies incorporated and operating in Australia, New Zealand and Singapore known as the Virgin group of companies (**Virgin Group**).
12. The Virgin Group is an Australian-based corporate group that operates in the domestic and international passenger and cargo airline business. The Virgin Group also operates the Velocity Loyalty Program, however entities related to the Velocity Loyalty Program are not in any form of external administration. The Virgin Group offers a variety of aviation products and services to the Australian aviation market, including corporate, government, leisure, low cost, regional and charter travellers and air freight customers (collectively, the **Business**).
13. Collectively, prior to the appointment of the Administrators, the Virgin Group employed approximately 10,000 employees nationally and operated a fleet of 144 aircraft. The Business operates under, amongst others, the Virgin and Tiger brand names.

PROGRESS OF THE ADMINISTRATIONS

Prior orders of the Court

14. On 24 April 2020, various orders were made by Justice Middleton in these proceedings (**24 April Orders**), including that, pursuant to sections 443B(8) and 447A(1) of the Corporations Act and 90-15 of the IPSC, the Administrators' personal liability for leased property under sections 443A(1)(c) and 443B(2) of the Corporations Act begins on 26 May 2020, such that the Administrators are not personally liable for any liability with respect to any property leased, used or occupied by any of the Second to Thirty-Ninth Plaintiffs (including amounts payable pursuant to any leases entered into by any of the Second to Thirty-Ninth Plaintiffs), from any lessors, in the period from 28 April 2020 to 26 May 2020 inclusive.
15. In accordance with the 24 April Orders, the first meeting of creditors of the Second to Thirty-Ninth Plaintiffs was held on 30 April 2020 at 11:30am via a Microsoft Teams Live Event (**First Meeting**).
16. Prior to the First Meeting, creditors and observers were required to pre-register through an online form hosted by Microsoft and were permitted to submit questions prior to the meeting.
17. At the First Meeting:
 - (a) there were 898 creditors and 661 observers in attendance;

- (b) creditors could submit questions via the live question and answer function within the Microsoft Teams Live Events virtual platform (**Live Q&A Function**);
- (c) 137 questions were asked through the Live Q&A Function; and
- (d) there was no proposal for an alternative person or persons to be appointed as administrators and, accordingly, the appointment of the Administrators continues.

A copy of the minutes of the First Meeting is at **Tab 1 of Exhibit VNS-2**.

- 18. In my opinion, the use of the Microsoft Teams Live Events platform and the Live Q&A Function was a success. Based on my discussions with the other Administrators, they are of the same view.
- 19. Any questions asked in the Live Q&A Function that were not answered by the Chairperson were either answered by the Administrators FAQs on their website: www.deloitte.com/au/virgin (**Deloitte-Virgin Website**) or have since been answered with updated FAQs uploaded to the Deloitte-Virgin Website.

Formation of the Committee of Inspection

- 20. In the 24 April Orders, the Court ordered that a single Committee of Inspection be formed in respect of the Second to Thirty-Ninth Plaintiffs.
- 21. Pursuant to the 24 April Orders:
 - (a) the Administrators were required, 3 business days after the First Meeting, to issue a written proposal to creditors with the proposed composition of the members of the Committee of Inspection and to seek a written resolution by creditors to either vote yes or no to the composition of the proposed members of the Committee of Inspection (**COI Proposal**); and
 - (b) the creditors were granted 5 business days to vote on the COI Proposal.
- 22. On 5 May 2020, a circular to creditors was issued with the COI Proposal, a copy of which is at **Tab 2 of Exhibit VNS-2**. The COI Proposal recorded that:
 - (a) as at the First Meeting, 69 nominations were received and it was proposed that there would be 32 members of the Committee of Inspection;
 - (b) since the First Meeting, an additional 7 nominations had been received, being a total of 76 nominations to be on the Committee of Inspection and therefore the proposal of 32 members of the Committee of Inspection would increase to 35 members with 1 observer; and
 - (c) the proposed Committee of Inspection members and observer be as follows (**Proposed COI**):

No.	Creditor	Creditor Category
1.	FIIG Securities Limited	Bondholder
2.	Northern Trust Asset Management	Bondholder
3.	Sargon CT Pty Ltd	Bondholder
4.	The Bank of New York Mellon	Bondholder
5.	Association of Virgin Australia Group Pilots (VIPA)	Employee
6.	Australian Council of Trade Unions (ACTU)	Employee
7.	Australian Federation of Air Pilots (AFAP)	Employee
8.	Australian Licensed Aircraft Engineers (ALAEA)	Employee
9.	Australian Manufacturing Workers Union (AMWU)	Employee
10.	Australian Services Union (ASU)	Employee
11.	Dayna Field	Employee
12.	Flight Attendants Association of Australia (FAAA)	Employee
13.	SALPA (Skywest Airlines Pilot Association)	Employee
14.	Transport Workers Union of Australia	Employee
15.	Electrical Trades Union (ETU)	Employee
16.	Australia Pacific Airports (Melbourne) Pty Ltd	Landlord
17.	Brisbane Airport Corporation Pty Ltd	Landlord
18.	Canberra Airport Pty Ltd	Landlord
19.	Gold Coast Airport Pty Ltd	Landlord
20.	Perth Airport Pty Ltd	Landlord
21.	Sydney Airport Corporation Limited	Landlord
22.	Velocity Rewards Pty Ltd	Other
23.	Airframe Leasing (S) Pte. Ltd.	Secured Creditor
24.	AS Air Lease Holdings (Castlelake)	Secured Creditor
25.	Dell Financial Services Pty Ltd	Secured Creditor

26.	JPA No. 123 Co., Ltd	Secured Creditor
27.	Perth Aircraft Leasing (UK) Limited	Secured Creditor
28.	Wilmington Trust Company (AerCap)	Secured Creditor
29.	Deputy Commissioner of Taxation	Statutory
30.	Sabre GBLB Inc.	Trade Creditor
31.	Airline Cleaning Services Pty Ltd	Trade Creditor
32.	Alliance Airlines Pty Ltd	Trade Creditor
33.	Boeing Training & Flight Services Australia Pty Ltd	Trade Creditor
34.	Carlson Wagonlit Travel Australia Pty Ltd	Trade Creditor
35.	Spotless Facility Services Pty Ltd	Trade Creditor
36.	Commonwealth of Australia (Fair Entitlements Guarantee) (Observer only)	Contingent

23. Accordingly, the Proposed COI is to comprise the following members:

- (a) 4 representatives of bondholders;
- (b) 11 representatives of employees;
- (c) 1 representative of other creditors;
- (d) 6 representatives of secured creditors;
- (e) 1 statutory representative;
- (f) 6 representatives of trade creditors; and
- (g) 1 statutory observer.

24. Creditors have until Tuesday, 12 May 2020 to vote on the COI Proposal. As at end of day on Sunday, 10 May 2020, the resolution on the Committee of Inspection has yet to be made as the time for creditors to vote has not passed; however, 99.55% of the 4,043 votes that have been returned thus far have voted in favour of the Proposed COI. Only 18 of the 4,043 votes received have voted against the Proposed COI.

Tiger 1

25. On 28 April 2020, the Administrators were appointed as joint and several administrators of Tiger 1 by resolution of the directors of that company pursuant to section 436A of the Corporations Act.

26. Tiger 1 is a wholly owned subsidiary of the Fifth Plaintiff. A copy of a current and historical extract of the records maintained by the Australian Securities and Investments Commission (**ASIC**) obtained on 6 May 2020 in respect of Tiger 1 is located at **Tab 3** of **Exhibit VNS-2** and the Administrators' notice of appointment as lodged with the ASIC in respect of Tiger 1 is located at **Tab 4** of **Exhibit VNS-2**.
27. At the time of swearing this affidavit, the directors of Tiger 1 have not provided to the Administrators a ROCAP for any of the Virgin Companies.
28. Tiger 1 is part of the 'International Flying Rights Group' as described in paragraph 14 of my First Affidavit. While Tiger 1 is an otherwise dormant entity in the Virgin Group (in that it does not carry out any business or operations), it is a guarantor in respect of various USD and AUD notes issued by Virgin Australia. For that reason, the directors of Tiger 1 resolved to appoint administrators on the basis that it was insolvent or likely to become insolvent.
29. The Administrators understand that in addition to the noteholders (who are the creditors I referred to as unsecured bondholders in my First Affidavit) in respect of notes issued by Virgin Australia, Tiger 1 has the following creditors:
 - (a) the Ninth Plaintiff, Tiger Airways Australia Pty Ltd (Administrators Appointed), in the amount of approximately \$38.5 million;
 - (b) the Tenth Plaintiff Virgin Australia Airlines Pty Ltd (Administrators Appointed) (**VAA**), in the amount of approximately \$11.9 million;
 - (c) the Fifth Plaintiff, Virgin Australia International Airlines Pty Ltd (Administrators Appointed), in the amount of approximately \$3.5 million; and
 - (d) the Deputy Commissioner of Taxation (**ATO**), the value of whose claim is not currently known.
30. On 30 April 2020, the Administrators published a combined notice of appointment and first meeting of creditors (**Tiger 1 First Meeting**) in respect of Tiger 1 (**Tiger 1 Notice of Meeting**) on the ASIC Insolvency Notices website, a copy of which is at **Tab 5** of **Exhibit VNS-2**. The Tiger 1 Notice of Meeting provides details for the Tiger 1 First Meeting, which is scheduled to be held (at Deloitte's offices) on 11 May 2020 at 2:00pm but with creditors being permitted to attend by electronic means only.
31. On 1 May 2020, the Administrators sent an initial notice of appointment and first meeting of creditors in respect of Tiger 1 dated 1 May 2020 to the ATO (**Initial Tiger 1 Notice**).
32. On 7 May 2020, the Initial Tiger 1 Notice was sent to each note trustee in relation to notes issued by Virgin Australia, being:

- (a) Bank of New York Mellon at jeremy.hollingsworth@bnymellon.com;
- (b) Sargon CT Pty Ltd at yvonne.kelاهر@sargon.com;
- (c) Computershare at wayne.hopkins@computershare.com.au; and
- (d) DF King at mzheng@dfking.com,

(Note Trustees). A copy of the Initial Tiger 1 Notice is located at **Tab 6 of Exhibit VNS-2.**

- 33. The noteholders are contingent creditors as a result of guarantees provided by Tiger 1 in respect of the USD and AUD notes issued by Virgin Australia. The Administrators were delayed in providing the Initial Tiger 1 Notice to the Note Trustees as the Administrators were still ascertaining the nature of the claims that the noteholders had against the Virgin Companies (including ascertaining their status as contingent creditors).
- 34. Each of the noteholders, via the Note Trustees, was also provided with information about the affairs of the Virgin Companies and the impact of the administration of the Virgin Companies in the details provided in advance of, or at, the First Meeting. This information included that set out in:
 - (a) the Notice of Appointment and First Meeting of Creditors sent to the noteholders on or about 21 or 22 April 2020, a copy of which is located at **Tab 7 of Exhibit VNS-2**; and
 - (b) Circular to Creditors dated 27 April 2020, sent to noteholders on the same date, a copy of which is located at **Tab 8 of Exhibit VNS-2.**
- 35. In addition, after the First Meeting, each of the noteholders was issued:
 - (a) the circular to creditors dated 5 May 2020 (sent to noteholders on the same date), as I referred to above, which included information on the proposed Committee of Inspection; and
 - (b) a notice to Virgin Australia's noteholders dated 6 May 2020 (sent to noteholders on the same date), which contained information about the appointment of a Special Noteholder Liaison Counsel, a copy of which is located at **Tab 9 of Exhibit VNS-2.**

Attendance at Tiger 1 First Meeting

- 36. I refer to paragraphs 16-26 and 41-43 of the First Affidavit and paragraph 18 above. In light of those matters, in the opinion of the Administrators there was no practical impediment to holding the Tiger 1 First Meeting by electronic means only (other than conducting a poll of creditors).

37. I am aware that Mr Anthony Lowe, Director, Deloitte chaired the Tiger 1 First Meeting. I am informed by Mr Lowe and believe to be true that there were no technical issues with holding the first meeting electronically.
38. At the Tiger 1 First Meeting:
- (a) there was no proposal for an alternative person or persons to be appointed as administrators and, accordingly, the appointment of the Administrators continues for Tiger 1;
 - (b) as set out below, no proposal was sought for a committee of inspection to be formed solely for Tiger 1; and
 - (c) there were no objections raised in relation to inadequate notice being provided to creditors.

Provision of electronic notices to creditors

39. I refer to paragraphs 56-61 of the First Affidavit. For the same reasons set out in those paragraphs, the Administrators consider that it is in the best interests of the creditors of Tiger 1 for the Administrators to be permitted to send notices by email to those creditors for whom an email address has been provided.

Committee of Inspection

40. As set out above, a single Committee of Inspection has been formed for the Second to Thirty-Ninth Plaintiffs.
41. At the Tiger 1 First Meeting, the Administrators informed the meeting that the Administrators did not propose to provide the creditors with an option to propose and vote on a resolution that a committee of inspection for Tiger 1 be formed. No objections were raised by any creditors at the meeting on this issue and no creditor sought to propose a resolution that a committee of inspection be formed solely for Tiger 1. Instead, the Administrators seek orders:
- (a) that Tiger 1 form part of the entities to which the existing Committee of Inspection has been formed in respect of the Second to Thirty Ninth Plaintiffs; and
 - (b) confirming that the members of the Committee of Inspection be those selected by the Administrators and voted for by creditors in accordance with the COI Proposal as set out in paragraphs 20 to 22 above.
42. In the opinion of the Administrators, and based on our experience as insolvency practitioners, an order of this type will enable the Administrators to streamline the administrations rather than having separate committees of inspection. It will save costs

in the administration by reducing the need to run duplicative processes (which I consider to be in the best interests of the creditors of the Virgin Companies as a whole).

43. Also, as detailed in paragraph 29 above, the only creditors of Tiger 1 (other than creditors within the Virgin Group) are also creditors of Virgin Australia in any event. Accordingly, the Administrators do not consider that there will be any prejudice to the creditors of Tiger 1 in the making of this order, as the Committee of Inspection proposed to include four members representative of the noteholders creditors.

WORK CONDUCTED TO DATE SINCE THE ADMINISTRATORS' APPOINTMENT

Initial investigations and steps in the administrations

44. Since our appointment, the Administrators (together with members of our staff at Deloitte) have carried out a wide range of tasks, including the following:
- (a) general administration tasks, including:
 - (i) undertaking preliminary investigations into the financial position of the Virgin Companies and forensic imaging of the Virgin Companies' electronic records;
 - (ii) investigating the security held in relation to the assets and property of the Virgin Companies, including a review of the financing statements lodged against the Virgin Companies on the register established and maintained under the Personal Property Securities Register (**PPSR**) and liaising with the relevant secured parties;
 - (iii) undertaking preliminary calculations of the secured debt position of the Virgin Companies;
 - (iv) locating and securing owned and leased assets, assessing the condition of those assets and ensuring that those assets are appropriately insured;
 - (v) taking steps to resolve retention of title claims, noting that many of these claims have taken (and may continue to take) some time to be resolved;
 - (vi) dealing with the Virgin Companies' banks and bank accounts;
 - (vii) facilitating the ongoing trading of the Virgin Companies and the operation of the Business (subject to the restrictions imposed by the COVID-19 pandemic);
 - (viii) reviewing various lease documentation and liaising with landlords in relation to rent relief;

- (ix) holding discussions with and requesting information from various key staff members and advisers in relation to the assets, liabilities and operations of the Virgin Companies;
- (x) liaising with Government bodies and Government representatives at the State and Commonwealth level in relation to the administration of the Virgin Companies;
- (xi) liaising with employees and union representatives in relation to the administration of the Virgin Companies;
- (xii) continuing the employment of staff and facilitating the payment of employee wages, including assisting the Virgin Companies with accessing the Commonwealth Government's JobKeeper programme;
- (xiii) undertaking calculations of employee entitlements;
- (xiv) liaising with certain shareholders of the Virgin Companies in relation to the administration of the Virgin Companies;
- (xv) considering the books and records of the Virgin Companies to identify secured and unsecured creditors of the Companies;
- (xvi) liaising with a large number of secured and unsecured creditors and various other stakeholders of the Virgin Companies in relation to the administration of the Virgin Companies;
- (xvii) establishing, monitoring and managing six separate email addresses to deal with enquiries and correspondence in relation to the administration for:
 - 1. general enquiries: virginadmin@deloitte.com.au;
 - 2. trade creditors and suppliers: virginsuppliers@deloitte.com.au;
 - 3. employees: virginemployees@deloitte.com.au;
 - 4. customer queries: virgincustomers@deloitte.com.au;
 - 5. aircraft lessors: virginaircraftlessor@deloitte.com.au; and
 - 6. secured lenders: virginsecuredlenders@deloitte.com.auand together, these email addresses have received approximately 4,900 emails from creditors and other stakeholders of the Virgin Companies;
- (xviii) establishing and maintaining a database to record the various creditor claims and assist with ongoing management of creditor claims; and

- (xix) conducting meetings with directors, senior management and staff of the Virgin Companies;
- (b) tasks relevant to the Administrators' statutory obligations, including:
- (i) filing of requisite notices with ASIC in respect of the appointment of the Administrators and the convening of the First Meeting and the Tiger 1 First Meeting;
 - (ii) issuing the requisite statutory notices to creditors of the Virgin Companies; and
 - (iii) notifying the ATO of the appointment of the Administrators;
- (c) tasks relevant to the First Meeting, including:
- (i) preparing the requisite notices and the Circular to Creditors;
 - (ii) making an application to the Court for various orders including to permit the First Meeting to be held by electronic means;
 - (iii) arranging for the use of a Microsoft Teams Live Event to be used to host the meeting;
 - (iv) preparing for and attending the First Meeting;
 - (v) collecting and adjudicating proofs of debt and proxies lodged by secured and unsecured creditors prior to the First Meeting;
 - (vi) conducting the First Meeting;
 - (vii) preparing the minutes of the First Meeting; and
 - (viii) preparing and issuing the proposal to creditors for their ratification of the proposed members of the Committee of Inspection selected by the Administrators;
- (d) an application to the Court for orders with respect to, amongst other things, providing electronic notices to creditors and an extension of time to consider the position of leases entered into by the Virgin Companies;
- (e) tasks relating to a process for a sale of the Business in respect of the Virgin Companies (described further at paragraphs 45 to 49 below), including:
- (i) commencing a short competitive process in respect of the recapitalisation of the Business and/or acquisition of the assets of the Virgin Companies including the entering into non-disclosure agreements following receipt of expressions of interest (**Sale Process**);

- (ii) engaging advisers Houlihan Lokey and Morgan Stanley to progress the Sale Process;
- (iii) instructing Houlihan Lokey to:
 - 1. issue a flyer and non-disclosure agreement to interested parties on and from 21 April 2020 seeking binding offers to recapitalise or acquire the assets of Virgin Australia (**Flyer**) (a copy of the Flyer has not been exhibited to this affidavit due to its confidential nature);
 - 2. prepare an Information Memorandum and establish a secure data room containing documents regarding the Business and the financial position of the Virgin Companies (**Data Room**); and
 - 3. contact all known interested parties and potential buyers; and
- (iv) liaising with Houlihan Lokey and Morgan Stanley on the commencement of discussions with a number of interested parties.

Sale Process

- 45. I am informed by Jim McKnight, Managing Director, Houlihan Lokey, and verily believe to be true, that Houlihan Lokey issued the Flyer to interested parties in respect of the restructuring of the Business and the assets of the Virgin Companies shortly after the Administrators' appointment. The Flyer was sent to approximately 85 parties after each had expressed interest in the process. The Administrators, via Houlihan Lokey, sought proposals taking the form of a sale and / or recapitalisation of Virgin Australia or substantially all of its assets.
- 46. I am further informed by Mr McKnight, and verily believe to be true, that, as noted above, to facilitate the Sale Process, Houlihan Lokey have set up the Data Room, which contains information regarding the Business and the assets and financial position of the Virgin Companies.
- 47. I am informed by Mr McKnight and verily believe to be true, that, as at 11 May 2020, a total of 19 commercial parties had been granted access to the Data Room.
- 48. The Sale Process' indicative timeline is as follows:
 - (a) the Flyer and non-disclosure agreements were provided to parties on and from 21 April 2020;
 - (b) on and from 27 April 2020 the Information Memorandum was distributed to parties that had entered into a non-disclosure agreement and the Data Room was opened;
 - (c) non-binding indicative offers are due to be provided on 15 May 2020;

- (d) binding offers are due to be provided on 12 June 2020;
 - (e) a binding implementation deed is proposed to be entered into by 21 June 2020, subject to any regulatory approvals that might be required;
 - (f) the terms of any deed of company arrangement (**DOCA**) are to be progressed leading up to the second meeting of creditors, to be in held in early August; and
 - (g) a DOCA is to be executed shortly thereafter.
49. As at the date of this affidavit, no indicative or binding offers have been received by the Administrators in relation to the Sale Process.

EXTENSION OF THE CONVENING PERIOD

Background

50. Unless extended, the convening period for the second meeting of creditors of each of the Virgin Companies (other than Tiger 1) pursuant to section 439A(5) of the Corporations Act (**Second Meetings**) will end on 18 May 2020, requiring the Second Meetings to be held on or before 25 May 2020. In the case of Tiger 1, the convening period for the second meeting of creditors will end on 26 May 2020, requiring the meeting to be held on or before 2 June 2020. I refer to the convening period for the second meeting of creditors of each of the Virgin Companies as the **Convening Period**.
51. The administrations of the Virgin Companies are complex and the Administrators have received a number of expressions of interest in relation to the assets and business of the Virgin Companies. It is the current view of the Administrators that the continued trading of the Virgin Companies' business as a going concern during the administration period with a view to a sale of the business and assets of companies or the entering into of a DOCA maximises the chances of the Business continuing in existence or may result in a better return to creditors than an immediate winding up. On this basis, the Administrators believe that it is in the best interests of the Virgin Companies' creditors that the Convening Period be extended for about 3 months, until 18 August 2020 noting that the Administrators will likely wish to convene the Second Meetings at the first opportunity following any sale of Business or the proposal for entry into a DOCA.

Creditors

52. I refer to paragraphs 65 and 66 of the First Affidavit.
53. As at 21 April 2020, searches of the PPSR disclosed that 3,463 registrations had been made against assets or property of the Virgin Companies (in total) on the PPSR. Given the number of registrations on the PPSR, the Administrators are continuing to review all available information in relation to the claims of the apparent secured creditors with

security interests over the assets or property of the Virgin Companies registered on the PPSR.

54. To date, no secured party has enforced its security interest over the assets and undertaking of the Virgin Companies or any specific property (for example, it has not appointed a receiver and manager).
55. I also refer to paragraphs 47 and 48 of my First Affidavit and the further update at paragraph 81 below. As at 6 May 2020, the Administrators had received a total of 1,100 claims from creditors across the Second to Thirty-Ninth Plaintiffs. This is not the total number of proofs of debt received, as a large number of proofs of debt lodged with the Administrators relate to multiple claims against the Second to Thirty-Ninth Plaintiffs, which should have been split between multiple proofs of debt. The Administrators are continuing to process the proofs of debt received in relation to the Second to Thirty-Ninth Plaintiffs, but estimate that a further two weeks will be required to ascertain accurate figures in relation to the total number of claims against each of the Second to Thirty-Ninth Plaintiffs and the total value of those claims, due to:
 - (a) the significant volume of proofs of debt received;
 - (b) a large number of creditors lodging multiple claims under a single proof of debt; and
 - (c) some creditors lodging single claims against multiple entities in administration, without those claims being correctly apportioned between the various Virgin Companies.

Basis for application to extend convening period

56. The Administrators propose that the Convening Period be extended for a period of about 3 months until 18 August 2020.
57. To date, the Administrators' efforts have been concentrated on identifying the Virgin Companies' assets and liabilities, trading the Business, dealing with stakeholders and commencing the Sale Process.
58. Pursuant to section 439A of the Corporations Act and section 75-225 of the *Insolvency Practice Rules 2016 (IPR)*, at the Second Meetings, the creditors will consider the Administrators' report and recommendations as to whether or not it would be in the creditors' interests that:
 - (a) the Virgin Companies execute a DOCA;
 - (b) the administration should end and control of the Virgin Companies be returned to the directors; or

- (c) the Virgin Companies be wound up.
59. The Administrators are of the opinion that it would be in the interests of the Virgin Companies' creditors for the Convening Period for the Second Meetings to be extended for about 3 months for the following reasons:
- (a) as matters currently stand, the Administrators are of the view that we would be unable to make a comprehensive or complete recommendation to creditors on the future of the Virgin Companies in accordance with our obligations under section 439A of the Corporations Act and section 75-225 of the IPR and, in turn, the creditors will be unable to make an informed decision in that regard. That is because the Sale Process is ongoing and the indicative timetable provides for binding offers to be submitted by 12 June 2020 (this being after the date at which the Administrators need to issue the statutory report to creditors pursuant to section 75-225);
 - (b) the sale of the Business as a going concern is likely to maximise the return to creditors, preserve employment for as many employees as possible, and permit the Virgin Companies' commercial relationships to continue;
 - (c) an extension of the Convening Period will enable the Sale Process to be finalised, provide time for due diligence to be completed and offers to be made. It will provide the time needed for the Administrators to work with interested parties to ensure that offers are made in binding form and then allow for negotiations to be able to take place to lead to the execution of a binding agreement;
 - (d) if the Second Meetings were required to be held on or before 25 May 2020, as matters presently stand the Administrators would likely recommend that the Virgin Companies be placed into liquidation as the Administrators and I have yet to receive a proposal for the purchase of the Business from any interested parties such that no DOCA could be recommended (and the Virgin Companies are insolvent such that no recommendation could be made that the administration should end and the Virgin Companies be returned to the control of the directors); and
 - (e) permitting the Sale Process to be completed is likely (if successful) to produce a better price for the sale of the Business than a sale through a liquidation, not least because:
 - (i) a sale of the Business and assets of the Virgin Companies as a going concern preserves existing relationships with employees, creditors and other stakeholders of the Virgin Companies (and therefore any goodwill of the Business); whereas

- (ii) a sale during a winding up will not have the benefits of preserving those relationships and, in addition, a liquidation sale may be perceived by the market as a “fire sale” of the assets of the Virgin Companies.
60. During the period in which it is proposed that the Convening Period be extended, the Administrators propose:
- (a) to continue to engage Houlihan Lokey and Morgan Stanley to complete the Sale Process;
 - (b) subject to receiving an appropriate offer, to enter into a binding agreement for the sale of the Business and other assets of the Virgin Companies or, otherwise, to negotiate with a potential purchaser for a DOCA proposal to be put forward involving a restructure of the Business; and
 - (c) to prepare a detailed report in accordance with section 439A of the Corporations Act and section 75-225 of the IPR such that, if there is a DOCA proposal, that report will assess the return to creditors from the DOCA as opposed to a winding up.
61. In addition, due to the size and complexity of the Virgin Companies and their operations, the Administrators are still in the process of:
- (a) obtaining and assessing valuations of the Virgin Companies' assets;
 - (b) determining employee entitlements;
 - (c) determining retention of title claims;
 - (d) meeting with Companies' lessors and other key stakeholders in relation to the Companies' affairs;
 - (e) responding to ongoing queries from creditors;
 - (f) reviewing the Companies' accounts;
 - (g) ascertaining the existence of any claims; and
 - (h) continuing to trade the business.

Effect of the proposed extension on creditors

62. The Administrators are of the view that, notwithstanding the statutory moratorium provided by Part 5.3A of the Corporations Act and its impact on the ability of creditors to enforce their rights, the proposed extension of the Convening Period will not unduly prejudice the Virgin Companies' creditors.
63. At the First Meeting, I (as Chairperson of the meeting) informed the creditors of the likelihood that the Administrators would make an application for an extension of the

Convening Period for each of the Virgin Companies. I asked any creditor who had an objection to a potential extension of the convening period to raise these objections in writing and addressed to virginadmin@deloitte.com.au. I also noted that the extension would provide the Administrators with time to undertake a sale or recapitalisation of the Business.

64. I am informed by Mr Lowe and believe to be true that at the First Meeting of Tiger 1, the creditors were informed that the Administrators would shortly make an application for an extension of the Convening Period for Tiger 1 and that no objections were raised by the Tiger 1 creditors in relation to this proposal.
65. As at the date of this affidavit, the Administrators are not aware of there being any objections to the extension of the convening period from the creditors of the Virgin Companies.
66. On 11 May 2020, I received a letter via email from Mr Henry Carr, Senior Executive Lawyer and Assistant Secretary, Australian Government Attorney-General's Department Industrial Relations Group in response to my email dated 4 May 2020 seeking some form of endorsement of the decision of the Administrators to continue trading the Virgin Companies, referring to, among other things, the fact that the Department was aware that the Administrators were seeking an extension of the Convening Period. The letter and covering email do not contain any objection to the proposed extension of the Convening Period. A copy of the email attaching the letter from Mr Carr is located at **Tab 10 of Exhibit VNS-2**.
67. The Administrators are of the opinion that no specific prejudice will be suffered by creditors of the Virgin Companies if the Convening Period is extended by about 3 months as sought. The reasons for this are as follows:
- (a) the Administrators are continuing to cause the Virgin Companies to pay employees of the Virgin Companies in accordance with their employment terms and the Administrators have paid pre-appointment arrears of wages to maintain the trading of the Business as usual;
 - (b) it is likely that, in a sale of business (either directly or through a DOCA proposal), the employment of as many employees as possible will be preserved (especially compared to windings up), which would enhance continuity of employment for those employees and reduce the Virgin Companies' potential liability to employees (for example, for accrued leave and redundancy payments) and, consequently, reduce the size of the overall creditor pool;

- (c) with respect to the Aircraft Lessors (as defined below), while the Administrators have been negotiating an Aircraft Protocol (as defined below and referred to in paragraph 90), the Administrators are continuing to use aircraft to the extent possible given the current COVID-19 circumstances as set out in paragraph 79;
- (d) a number of current litigation proceedings against the Virgin Companies are on foot including:
- (i) a defamation case against the Tenth Plaintiff, VAA, which is continuing despite the moratorium in place;
 - (ii) a matter in the Victorian Consumer Affairs Tribunal in relation to Worksafe Improvement Notices issued to Virgin Australia involving a number of other airlines;
 - (iii) approximately 12 industrial litigation matters, including general protections and unfair dismissal claims brought with the Fair Work Commission. These claims are not subject to the moratorium on claims and the Fair Work Commission has refused an adjournment or stay of these claims;
 - (iv) approximately 21 claims in the Administrative Appeals Tribunal, which have been commenced pursuant to the Virgin Group's self-insurance scheme. The AAT has indicated that these claims are not subject to the moratorium but the AAT has indicated that it will grant a stay until a date to be fixed and accordingly, these matters could proceed on an application by any party; and
 - (v) approximately 14 personal injury claims, all of which are insured;
- (e) the Administrators are continuing to try and secure a sale of the Business (or facilitate a DOCA proposal) on a going concern basis, which will maximise the prospects of ongoing trade creditor relationships being preserved going forward.

Convening the meeting as early as practicable

68. The Administrators also intend to convene the Second Meetings at the first opportunity following a binding sale of the Business or a binding proposal for a DOCA such that the Second Meetings may be held earlier than the latest possible time during the extended time for the convening of the meetings as sought by the Administrators in this application.

The operation of the Business during the extended Convening Period

69. The Business is currently operating by utilising the following financial resources;

- (a) support from the Commonwealth of Australia in underwriting a minimal domestic schedule to transport passengers and keeping important freight corridors open;
 - (b) support from the Commonwealth of Australia in underwriting minimal international repatriation flights between Australia and, Los Angeles and Hong Kong; and
 - (c) with limited unrestricted cash at bank from the Virgin Companies which was available upon the Administrators' appointment.
70. The Administrators are in the process of considering whether an interim funding deed may be entered into or required to operate the Business during the extended Convening Period. A concluded view on whether an interim funding deed is required has not yet been formed.
71. The Administrators have opened separate bank accounts in respect of the Virgin Companies, plus additional bank accounts in US dollars due to a number of agreements that have been expressed to be in foreign currencies.
72. In practice and to reduce costs and complexity in the administrations, funding and expenses of the Virgin Companies since the appointment of the Administrators are being cleared through two bank accounts, which are held by the Tenth Plaintiff, VAA and the Twentieth Plaintiff, Virgin Australia Regional Airlines Pty Ltd (Administrators Appointed) (**VARA**).
73. The Administrators seek a direction that they not be required to open separate administration bank accounts for each of the Virgin Companies. The process for opening, operating and maintaining 39 different bank accounts for each of the Virgin Companies will add additional difficulties and expense to the administration. Therefore, in the Administrators opinion, operating two bank accounts will streamline and make the administration process more efficient.
74. As set out in further detail below, where one or other of the Virgin Companies other than VAA or VARA pay or receive money, that is paid from or into the administration accounts operated by VAA or VARA and intercompany loan account entries are recorded in the financial records of the applicable Virgin Companies and the Administrators' records. This ensures that the accounts are properly reconciled.

AGREEMENTS ENTERED INTO BY THE VIRGIN COMPANIES AND PROPOSED LIMITATION OF ADMINISTRATORS' PERSONAL LIABILITY

Relevant arrangements

75. As at the day the Administrators were appointed on 20 April 2020, the Virgin Companies had entered into over 1,330 contracts with approximately 500 unique suppliers, which, if

the Administrators caused the Virgin Companies to continue to perform, will (or, at least, may) cause the Virgin Companies to incur debts for which the Administrators would have personal liability under section 443A of the Corporations Act.

76. These contractual obligations or arrangements include, but are not limited to:
- (a) **aircraft finance leases and aircraft operating leases**, which were entered into for the purpose of financing, leasing and operating aircraft (including maintenance of aircraft) in order to carry out the operations of the Business (**Aircraft Leases**);
 - (b) **alliance agreements**, being international arrangements established with various global airlines that provide the Virgin Group with a long distance international network;
 - (c) **procurement contracts**, including:
 - (i) **in-flight services agreements**, being agreements entered into for the provision of food and beverage and other retail on-board services, catering, entertainment and internet wifi on flights operated by the Business;
 - (ii) **ground handling agreements**, being agreements entered into for the provision of ground handling services for the Virgin Group's flight arrivals and departures at national and international airports;
 - (iii) **operational systems agreements**, being agreements entered into for the provision of support and maintenance services in relation to licenced software, systems, platforms and network infrastructure;
 - (iv) **fuel agreements**, being agreements entered into for the supply and delivery of fuel to the Virgin Group at various locations throughout Australia, New Zealand and the United States;
 - (v) **maintenance and parts agreements**, being agreements entered into for the provision of maintenance, repair and modification services for aircraft operated by the Virgin Group, including the provision of the relevant component parts; and
 - (vi) **IT agreements**, being agreements entered into for the provision of core computer infrastructure and end user computing support services and business service;
 - (d) **trade mark licence agreements**;

- (e) **airport agreements**, being agreements entered into with major airports across Australia, for the use of terminal gates, public spaces and facilities and for sub-leases in relation to each of the Virgin Group airport lounges;
- (f) **charter agreements**, being agreements entered into with various major companies for the supply of scheduled air transport services for personnel and freight to nominated destinations agreed between the parties to the agreement;
- (g) **cargo agreements**, being agreements entered into for the handling of cargo and the provision of management, administration and support services;
- (h) **corporate sales agreements**, being agreements entered into with major travel agents and other platforms, including with both government and private counterparties, which set out incentives offered by Virgin Companies for the sale of Virgin flights by the relevant agents;
- (i) **industry/agency agreements**, being agreements entered into which provide for the preferred supply by Virgin of flight services to each of its clients, including with both government and private counterparties;
- (j) **Insurance arrangements**, including contracts to support the ongoing operation of the Virgin Group's self-insurance scheme; and
- (k) **Training Agreements**, being agreements entered into to provide ongoing training to crew members,

(together, the **Applicable Agreements**).

Current status of arrangements

- 77. Since our appointment, the Administrators have sought to continue to trade the Business on a "business as usual" basis, to the extent it has been possible to do so in the context of COVID-19 restrictions, and while assessing viable options to continue to keep the Business operating. I refer to paragraphs 16 to 22 of the First Affidavit and note that, due to travel restrictions arising from COVID-19, the Business is not operating any international passenger routes (with the exception of limited repatriation flights to/from Hong Kong and Los Angeles) and only limited domestic passenger routes (approximately 128 flights per week).
- 78. As a result of these travel restrictions, certain of the contractual arrangements described in paragraph 75 above are either being partially performed or not able to be performed while the restrictions in relation to COVID-19 remain in place. However, if COVID-19 restrictions are partially eased and the Business of the Virgin Companies is permitted to

operate to a greater extent, then the Administrators may cause the Virgin Companies to continue to perform their obligations under these agreements.

79. Further to paragraphs 16 to 22 of the First Affidavit, on 5 May 2020, the National Cabinet agreed with the New Zealand Prime Minister to start work on a Trans-Tasman COVID-19 safe travel zone which would ease travel restrictions between Australia and New Zealand once it is considered safe to do so. This change in policy could give rise to further passenger routes being operated by the Fifth Plaintiff, Virgin Australia International Airlines Pty Ltd, between Australia and New Zealand. A copy of the Media Statement issued by the Prime Minister on 5 May 2020 is located at **Tab 11** or **Exhibit VNS-2**.
80. The ability of the Administrators to operate the Business on a larger scale is subject to the relaxation of the COVID-19 restrictions currently in place and the Administrators are unable to form a view on how those matters may progress into the coming weeks and months (until further clarity is provided by Governments).

Liabilities associated with the existing arrangements

81. Further to paragraph 48 of the First Affidavit and by way of update:
- (a) the Administrators are continuing to investigate the total liabilities of the Virgin Companies. However, I estimate that at least a further two or more weeks is required to be able to provide an accurate and complete reconciliation of amounts owed;
 - (b) the amount of AU\$2,283,639,303 stated in paragraph 48(a) of the First Affidavit, in respect of amounts owed to lenders under secured corporate debt and aircraft financing facilities, needs to be corrected to the amount of approximately AU\$2,003,447,473 (after conversion of some foreign currency claims into Australian dollars). The amount stated in paragraph 48(a) of my First Affidavit was required to be updated to remove a \$225 million facility owing by a related Virgin Group entity, which is not in administration; and
 - (c) the amount of \$450,777,961 stated in paragraph 48(f) of the First Affidavit, in respect of employees comprises 'payment in lieu of notice' (**PILN**) and redundancy payments. Should these amounts not be required to be paid, due to the ongoing trading of the Business, the amount owed to employees is approximately \$96,686,552 (excluding PILN and redundancy payments).

Due to the large number of contracts and liabilities of the Virgin Companies, it is difficult to determine precisely the amount that is likely to become due and payable by the Virgin Companies during the course of the administrations up to the proposed expiration of the extended Convening Period (**Current Liabilities**).

82. The Administrators and our staff have had difficulties in obtaining a full breakdown of the creditors of each of the Virgin Companies due to:
- (a) complex record and data keeping by the Virgin Companies' head office, which consolidates the Virgin Group's accounts, making it difficult to understand, or readily obtain, a detailed creditor listing by each entity within the Virgin Group; and
 - (b) the Virgin Group being currently in the process of reconciling its April 2020 accounts in its internal systems.
83. Accordingly, the Administrators are only able to ascertain the total debts owing by the consolidated Virgin Group at as 31 March 2020.
84. I am aware that, pursuant to:
- (a) section 443D of the Corporations Act, the Administrators are entitled to be indemnified out of the Virgin Companies' assets (other than PPSA retention of title property) for:
 - (i) debts for which the Administrators are liable pursuant to 443A, 443B and 443BA; and
 - (ii) any other debts or liabilities incurred, or damages sustained, in good faith and without negligence, by the Administrators in our performance or exercise, or purported performance or exercise, of any of our functions or powers as administrators; and
 - (b) section 443F of the Corporations Act, the Administrators have a statutory lien over the assets of the Virgin Companies to secure the right of indemnity under section 443D.
85. Due to the size and complexity of the operations of the Virgin Companies, the Administrators are unable to determine a true and accurate valuation of the Virgin Companies' assets

Proposed contractual arrangements during the administration of the Virgin Companies

86. In accordance with the 24 April Orders, absent any additional orders being made, the Administrators need to make a determination, by 26 May 2020, as to which of the leased property of the Virgin Companies it is intended that the Administrators will cause the Virgin Companies to continue to use.

Proposed arrangements with aircraft lessors

87. There are some 117 leased aircraft and engines in the Virgin fleet. The aggregate monthly rentals for these aircraft and engines are in the order of \$40 million. Because of

the COVID-19 travel restriction period, only approximately 50 of the aircraft are presently operational with approximately 27 of those aircraft generating revenue at any one time (principally for charter arrangements and otherwise for limited domestic travel). These numbers can vary slightly on a day to day basis. The balance of the aircraft that are not operational are grounded in a long-term parking programme, which is expected to subsist for the foreseeable future.

88. A calculation of the net equity in the leased aircraft is not useful because:
- (a) there is a wide range of values that could be achieved on a sale of the aircraft, which range is rendered more uncertain by virtue of the current COVID-19 circumstances;
 - (b) termination provisions and costs under both operating leases and finance leases (collectively, **Aircraft Leases**) resulting from defaults under those arrangements mean that the Virgin Companies may not benefit from the full value of the aircraft (and, in the case of aircraft leased under operating leases, all of the surplus recoveries over the amounts payable by Virgin Companies on termination will be retained by the lessors); and
 - (c) a sale of the fleet as a whole is not consistent with a strategy to recapitalise and sell the Business and is not expected to achieve the best result for creditors as a whole.
89. The Administrators expect that usage of aircraft currently the subject of Aircraft Leases will be a dynamic issue during the course of the administration so that, for example, certain aircraft are likely to come in and out of use during that period.
90. In light of those matters, on 1 May 2020, the Administrators proposed to each of the relevant aircraft lessors and financiers (collectively, **Aircraft Lessors**) a protocol (**Aircraft Protocol**) in relation to the ongoing possession and, where applicable, usage of the aircraft and engines. A draft version of the proposed Aircraft Protocol sent to the Aircraft Lessors on 1 May 2020 is located at **Tab 12** of **Exhibit VNS-2**. The Aircraft Protocol remains subject to negotiation with the Aircraft Lessors and may not be accepted by each relevant Aircraft Lessor. Each Aircraft Protocol, among other matters proposes:
- (a) a limitation of the Administrators' personal liability in relation to the lease of the aircraft (more details of which are set out in paragraph 98 below);
 - (b) a standstill by the relevant Aircraft Lessors in relation to certain rights under the Aircraft Leases;
 - (c) an extension of the time periods for repossession of the aircraft under the Cape Town Convention (where applicable);

- (d) an undertaking by the Administrators to use reasonable endeavours to identify as soon as practicable whether the aircraft or engines are surplus to business requirements and to notify the Aircraft Lessors as soon as reasonably practicable after such a determination is made (to enable them to repossess their aircraft and engines and to remarket them)
 - (e) the provision of information to the Aircraft Lessors through a secure website;
 - (f) payment by the Administrators of a usage charge for the aircraft and engines at a specified rate (with the Aircraft Lessors of the aircraft and engines not in usage not being entitled to any payments);
 - (g) certain undertakings in relation to usage of the aircraft and engines;
 - (h) provision for maintenance of the aircraft and engines; and
 - (i) maintenance of insurances over the aircraft and engines.
91. The purpose of the Aircraft Protocol is to ensure that:
- (a) the Aircraft Lessors have appropriate information regarding their aircraft and engines; and
 - (b) the value of those aircraft and engines is preserved during the administration, with the Administrators seeking to obtain the support of the Aircraft Lessors during the period of the administration such that the aircraft remain available to an intended purchaser of the Business.
92. The proposed payments to be made to the Aircraft Lessors will not fully compensate them for the foregone rent and other payments due to them under the Aircraft Leases.
93. Having regard to the significant debts and obligations that would be imposed by continuing to use the leased aircraft, and the impact of the COVID-19 travel restrictions on the revenue of the Virgin Companies (such revenue having been reduced to an insignificant sum), the Administrators are not willing to take on personal liability for liabilities that arise in relation to those debts and obligations.
94. While aircraft remain grounded, such aircraft do not generate any revenue in the administration. Despite this, the Administrators are of the opinion that operation of the aircraft when there is demand during the administration period (and retention of the arrangements with aircraft lessors in some form) is beneficial for the Virgin Companies (including creditors and other stakeholders) due to:
- (a) the desire to have the Business continuing to operate as a going concern;

- (b) the desire to maintain active employment of the Virgin Companies' staff where at all possible;
 - (c) the availability of aircraft allowing the Business to operate at the highest capacity it can in the interests of selling the assets and the business of the Virgin Companies as a going concern; and
 - (d) this providing the Business, or any acquirer of the Business, the ability to recommence operations following a relaxation of the COVID-19 restrictions from a moving start rather than a standing start.
95. The Administrators are also of the opinion that the continued utilisation of the aircraft that are leased by the Virgin Companies will assist the prospects of being able to sell the Business as a going concern or the potential that the Business may be positively restructured through any DOCA proposal. As set out further below, that course will also increase the prospect of being able to make some usage payments to the Aircraft Lessors.
96. In addition, the Administrators are of the view that arrangements that facilitate the Business being able to retain leased aircraft (and that do not require the Administrators to decide to cause the Virgin Companies not to remain in possession of the leased aircraft) are consistent with the objective of selling the Business as a going concern in the best interests of all creditors. The practicalities, costs and time associated with the acquisition, financing and mobilisation of new aircraft are such that if the required leased aircraft forming part of the existing fleet of aircraft are not retained in the Business then the cost and time associated with acquiring new aircraft would make the sale of the Business as a going concern impractical. In the absence of the limited recourse and limitation of liability clauses described below, the Administrators may need to cause the Virgin Companies to give up possession of the relevant aircraft.
97. In the opinion of the Administrators, the orders being sought are the most efficient and cost effective way in which the Administrators can retain and continue to utilise the leased aircraft during the administration period. If the proposed orders are not made, the Administrators consider that it will be necessary to make a separate application to the Court in respect of each Aircraft Protocol that the Administrators propose to enter into with the Aircraft Lessors, seeking an order pursuant to section 447A of the Corporations Act to limit the personal liability of the Administrators under each particular agreement with the Aircraft Lessors. In our opinion, seeking a separate order for each such agreement will impose a substantial cost in the administration and is likely to result in substantial delays as a result of the time required to obtain such orders. The

Administrators therefore consider that the proposed orders, in respect of the Aircraft Protocol generally, are in the best interests of the creditors of the Virgin Companies.

98. Notwithstanding the draft Aircraft Protocol, it is intended that clauses to the following effect be included:
- (a) a **limited recourse clause**, which provides that the Administrators will only be liable under section 443A on a limited recourse basis, namely limited to the assets of the particular Virgin Company or Virgin Companies (which is the counterparty to the relevant Aircraft Protocol) from which the Administrators are indemnified for their personal liability under section 443D of the Corporations Act and of which the Administrators have a lien over the assets of the particular Virgin Company or Virgin Companies (which is the counterparty to the relevant Aircraft Protocol) under section 443F of the Corporations Act; and
 - (b) a **limitation of liability clause**, which provides that the Administrators will not have any personal liability arising from entry into the Aircraft Protocol or the performance of any services to the Lessor or any of the Finance Parties (as those terms are defined in the Aircraft Protocol) in accordance with the terms of the Aircraft Protocol or the relevant Aircraft Leases, except to the extent of the limited recourse described in paragraph (a) above.
99. The Administrators intend to give notice of any orders made to limit the liability of the Administrators to any counterparty prior to entering into the Aircraft Protocol or Aircraft Lease.

Proposed arrangements with other contractors

100. As I set out in paragraph 75 above, the Virgin Companies had approximately 1,330 agreements in place at the date of our appointment with approximately 500 unique suppliers.
101. As at the date of the affidavit the Administrators have modified and adopted one contract on behalf of the Twentieth Plaintiff, VARA and Rio Tinto Services Limited (**Rio Tinto**) in respect of charter flights (**Rio Tinto Agreement**). Pursuant to the Rio Agreement, Rio Tinto agreed, among other things:
- (a) that if the Administrators incur any personal liability under or in connection with the Rio Tinto Agreement, the Administrators' liability is limited to the extent to which the Administrators are entitled to be indemnified for that liability out of the assets of VARA under the Corporations Act or are otherwise entitled to be indemnified under any applicable insurance policy; and

(b) if the assets of VARA and the proceeds of any insurance coverage are insufficient to satisfy in full the liability referred to above, Rio Tinto covenants not to claim, demand, sue or seek to recover any shortfall against the Administrators personally.

A copy of the varied Rio Tinto Agreement has not been exhibited to this affidavit on the basis that it is confidential.

102. As the Administrators progress negotiations with other counterparties in respect of the Applicable Agreements, the Administrators' liabilities will steadily increase. An estimate of the likely increase is unable to be determined at this stage as:

(a) the use and requirement of the Applicable Agreements is being determined on a day to day basis and the costs associated are unable to be quantified at this stage as the actual quantum of Applicable Agreements to be entered into is presently unable to be determined;

(b) the variation of each of the Applicable Agreements changes by virtue of the current COVID-19 circumstances. However, each of the Applicable Agreements are necessary for the day to day operations of the Business; and

(c) termination provisions and costs under the Applicable Agreements resulting from defaults under those arrangements mean that the Virgin Companies may not benefit from the full value of the Applicable Agreements.

103. The Administrators are also of the opinion that the operation of the Applicable Agreements by the Virgin Companies will assist the prospects of being able to sell the Business as a going concern or the potential that the Business may be positively restructured through any DOCA proposal.

104. In addition, the Administrators are of the view that arrangements that facilitate the Business being able to use the Applicable Agreements (and that do not effectively force the Administrators to decide not to continue to perform the Applicable Agreements) are consistent with the objective of selling the Business as a going concern in the best interests of all creditors. The practicalities, costs and time associated with sourcing new counterparties and negotiating new agreements are such that if the Applicable Agreements are not retained in the operation of the Business, then the cost and time associated with new counterparties at a future date would make the sale of the Business as a going concern impractical. In the absence of the limited recourse and limitation of liability clauses described below, the Administrators may need to cause the Virgin Companies to give up the Applicable Agreements which form part of the day to day operations of the Business.

105. In the opinion of the Administrators, the orders being sought are the most efficient and cost effective way in which the Administrators can retain and continue to utilise the goods and services that are provided to the Virgin Companies on the terms of the Applicable Agreements during the administration period. If the proposed orders are not made, the Administrators consider that it will be necessary to make a separate application to the Court in respect of each Applicable Agreement that the Administrators propose to enter into with counterparties, seeking an order pursuant to section 447A of the Corporations Act to limit the liability of the Administrators under each of the Applicable Agreements in the future. In our opinion, seeking a separate order for each such agreement will impose a substantial cost in the administration and is likely to result in substantial delays as a result of the time required to obtain such orders. The Administrators therefore consider that the proposed orders, in respect of the Applicable Agreements generally, are in the best interests of the creditors of the Virgin Companies.
106. The Administrators will include the following clauses in each of the Applicable Agreements as adopted during the administration period going forward:
- (a) a **limited recourse clause**, which provides that the Administrators will only be liable under section 443A on a limited recourse basis, namely limited to the assets of the particular Virgin Company or Virgin Companies (which is the counterparty to the relevant Applicable Agreement) from which the Administrators are indemnified for their personal liability under section 443D of the Corporations Act and of which the Administrators have a lien over the assets of the particular Virgin Company or Virgin Companies (which is the counterparty to the relevant Aircraft Protocol) under section 443F of the Corporations Act; and
 - (b) a **limitation of liability clause**, which provides that the Administrators will not have any personal liability arising from entry into the Applicable Agreement or the performance of any services to the counterparty in accordance with the terms of the Applicable Agreement, except to the extent of the limited recourse described in paragraph (a) above.
107. The Administrators do not consider that:
- (a) the lessors of the aircraft leased by the Virgin Companies under the Aircraft Leases that are to be used in accordance with the Aircraft Protocol; and
 - (b) the relevant counterparty to each of the Applicable Agreements, will be materially prejudiced by the making of the proposed orders.

Relevant considerations for personal liability

108. The Aircraft Lessors and the counterparties to the Applicable Agreements are not required to reach an agreement with the Administrators in accordance with the Aircraft Protocol or the Applicable Agreement. However, if no agreement is reached in accordance with the Aircraft Protocol or the relevant Applicable Agreement, it is unlikely that the Administrators will utilise those particular aircraft or Applicable Agreements, and the aircrafts will remain grounded from no later than 26 May 2020 and the goods and services used pursuant to the Applicable Agreements will not be required or rendered.
109. Further, I consider that the Aircraft Lessors will potentially be in a better position by agreeing to the arrangements with the Administrators in accordance with the proposed orders, because it will enhance the prospect of the ongoing use, by the Virgin Companies, of as many leased aircraft as possible following a recapitalisation and sale of the Business. Other suppliers may also continue to receive revenue if the Applicable Agreements are adopted in the administration period.
110. The Administrators intend to give notice of any orders made to limit the liability of the Administrators to any counterparty prior to entering into any Applicable Agreement.
111. Finally, at the First Meeting, the Administrators informed creditors that the Administrators intended to make an application to the Court, in the near term, to seek a further order to limit the personal liability of the Administrators under certain contracts entered into, adopted or continued to be performed by the Administrators. No creditor at the First Meeting expressed any opposition to such an application being made.

Jobkeeper and the ATO

112. On the appointment of Administrators, applications for the Commonwealth Government's JobKeeper programme (**JobKeeper**) had already been commenced by the Ninth Plaintiff, Tiger Airways Australia Pty Limited (Administrators Appointed), the Tenth Plaintiff, VAA and the Thirteenth Plaintiff, Virgin Tech Pty Ltd (Administrators Appointed), with the majority of the data collection and nomination process having already been completed.
113. Following our appointment, the Administrators' staff undertook a review process to scrutinise the pre-appointment work undertaken by the Ninth, Tenth and Thirteenth Plaintiffs in relation to JobKeeper, to ensure all aspects of the claims were considered and appropriately actioned. Pursuant to the requirements of the JobKeeper scheme, the Administrators were required to assist these Virgin Companies in assessing their eligibility for the programme, providing supporting materials to the ATO and assessing the eligibility of the Companies' employees.

114. The Administrators assisted the Ninth, Tenth and Thirteenth Plaintiffs to access JobKeeper on behalf of 8,313 employees for the first fortnight of the programme and 8,228 employees for the second fortnight of the programme. For the first two fortnights of JobKeeper, a total of \$24,811,500 has been claimed, split between:
- (a) the Ninth Plaintiff: \$22,186,500;
 - (b) Tenth Plaintiff: \$1,083,000; and
 - (c) Thirteenth Plaintiff: \$1,542,000.
115. JobKeeper payments are received by these entities but are passed onto the employees of those entities directly.
116. While the Administrators have taken steps to ascertain how the JobKeeper scheme works, the Administrators are seeking that their liability in connection with JobKeeper be limited due to:
- (a) the programme being a new regime introduced by the Commonwealth Government in response to COVID-19, which remains untested and of which the Administrators have no historical experience dealing with;
 - (b) the Administrators having needed to undertake activities to assist the Virgin Companies in applying for JobKeeper payments in a relatively short amount of time;
 - (c) the Administrators having needed to rely substantially on information contained in the books and records of the Virgin Companies for the purpose of assisting the Virgin Companies in applying for payments, without having had sufficient time to confirm the accuracy of those records (given the magnitude of the business operated by the Virgin Companies);
 - (d) the significant number of employees of the Virgin Companies that have been approved for JobKeeper; and
 - (e) the nature of the programme, whereby employees are paid upfront and, if there are any inaccuracies in the applications made by or on behalf of the Virgin Companies, the Administrators will be personally liable to repay amounts after the event.
117. The Administrators are therefore seeking that their liability in connection with the JobKeeper programme be limited to the assets of the relevant Virgin Company or Virgin Companies that receive any JobKeeper payment in case the Virgin Companies are required to repay any money to the ATO in connection with JobKeeper.

Intercompany Loans

118. To date, payments received by the Virgin Companies have been made directly into their relevant accounts and the Administrators have not received any cash or cheque payments. However, due to the complexity of the administration and as described in paragraphs 71 and 72 above, the Administrators currently make payments from two bank accounts only, one held by each of the Tenth Plaintiff, VAA and the Twentieth Plaintiff, VARA.
119. When a Virgin subsidiary incurs a debt and it is paid from an account held by VAA or VARA and the Administrators record a journal entry detailing the transaction. The Administrators are currently personally liable for these amounts, which may constitute intercompany loans between VAA and VARA.
120. The Administrators therefore seek an order that, should intercompany loans be made between the Virgin Companies for the purpose of operating the Business during the Administration, the Administrators liability is limited to the assets of the relevant Virgin Company or Virgin Companies that are the recipient of any intercompany loan.

REPORT ON COMPANY ACTIVITIES AND PROPERTY

121. The Administrators are aware that the following Virgin Companies are party to a deed of cross guarantee:
- (a) the Second Plaintiff, Virgin Australia Holdings Limited (Administrators Appointed);
 - (b) the Third Plaintiff, Virgin Australia International Operations Pty Ltd (Administrators Appointed);
 - (c) the Seventh Plaintiff, Virgin Australia Airlines Holdings Pty Ltd (Administrators Appointed);
 - (d) the Eighth Plaintiff, VAH Newco No.1 Pty Ltd (Administrators Appointed);
 - (e) the Ninth Plaintiff, Tiger Airways Australia Pty Limited (Administrators Appointed);
 - (f) the Tenth Plaintiff, Virgin Australia Airlines Pty Ltd (Administrators Appointed);
 - (g) the Thirteenth Plaintiff, Virgin Tech Pty Ltd (Administrators Appointed);
 - (h) the Nineteenth Plaintiff, A.C.N. 098 904 262 Pty Ltd (Administrators Appointed);
 - (i) the Twentieth Plaintiff, Virgin Australia Regional Airlines Pty Ltd (Administrators Appointed);
 - (j) the Twenty-First Plaintiff, Virgin Australia Holidays Pty Ltd (Administrators Appointed);

- (k) the Twenty-Second Plaintiff, VB Ventures Pty Ltd (Administrators Appointed);
- (l) the Twenty-Third Plaintiff, Virgin Australia Cargo Pty Ltd (Administrators Appointed);
and
- (m) the Thirty -Fourth Plaintiff, VB Leaseco Pty Ltd (Administrators Appointed),

(Deed of Cross Guarantee Companies).

122. I refer to paragraph 9 of my First Affidavit and the current and historical extracts of the records maintained by ASIC obtained on 22 April 2020 in respect of the Second to Thirty-Ninth Plaintiffs as well as the current and historical extracts of the records maintained by ASIC in relation to Tiger 1 located at **Tab 3 of Exhibit VNS-2**.

123. The Administrators are aware that each of the Deed of Cross Guarantee Companies have common directors, being Paul Darren Scurrah and Keith Antony Neate, with the exception of:

(a) the Second Plaintiff, Virgin Australia Holdings Limited (Administrators Appointed), whose directors are:

- (i) Elizabeth Blomfield Bryan;
- (ii) Meng Hung Marvin Tan;
- (iii) Kenneth Alfred Dean;
- (iv) Warwick Negus;
- (v) Trevor Bourne;
- (vi) Allan Grant Houston;
- (vii) Raymond Gammell;
- (viii) Paul Darren Scurrah;
- (ix) Wei Hou;
- (x) Judith Swales; and
- (xi) Qiping Xing; and

(b) the Twenty-Fourth Plaintiff, VB Leaseco Pty Ltd (Administrators Appointed), whose directors are:

- (i) Steven James Fouracre; and
- (ii) Keith Antony Neate.

124. The Administrators are also aware from our investigations that each of the Virgin Companies party to the deed of cross guarantee prepare financial reports on a consolidated basis for the purposes of yearly reporting.
125. Given the overlap in directorships of the Deed of Cross Guarantee Companies (with the exception of Virgin Australia and the Twenty-Fourth Plaintiff) and the preparation of financial reports on a consolidated basis by these entities, it is the Administrators' opinion that a single ROCAP in relation to each of the Deed of Cross Guarantee Companies will be more informative than the Administrators receiving a separate report for each individual one of the Deed of Cross Guarantee Companies.
126. Given the complexity of the affairs of the Virgin Companies, and to assist in relation to the preparation of ROCAPs by the directors of the Virgin Companies more broadly, the Administrators have granted the directors of the Virgin Companies an extension of time for the preparation of the ROCAPs to 21 May 2020.

COMMITTEE OF INSPECTION

127. Pursuant to 80-55(1) of the IPSC, members of the Committee of Inspection must not directly or indirectly derive any profit or advantage from the external administration of any of the Virgin Companies (subject to the leave of the Court).
128. The Administrators seek an order that leave be granted to the members of the Committee of Inspection to derive a profit or advantage from the administrations.
129. As described in paragraphs 45 to 49 above, the Administrators are currently undertaking the Sale Process for the Business as well as conducting ongoing negotiations with counterparties in relation to the Aircraft Leases (for example, under the Aircraft Protocol) and other operational agreements affecting the Virgin Companies.
130. It is likely, or at least possible, that some of the proposed members of the Committee of Inspection (for example, secured creditors such as Aircraft Lessors) will be counterparties as part of:
 - (a) ongoing negotiations during the administrations; and / or
 - (b) any agreement reached in connection with a sale of the Business (through a DOCA or otherwise).
131. In the absence of an order giving leave to the members of the Committee of Inspection, directly or indirectly, to derive any profit or advantage from the administrations, the Administrators are concerned that the negotiation of ongoing arrangements with creditors and potential purchasers of the Business may be hampered.

132. The Administrators are of the opinion that it is in the best interests of the creditors of each of the Virgin Companies generally, that such leave be granted to members of the Committee of Inspection so as to preserve maximum flexibility to the Administrators during the administrations.

POSITION OF CREDITORS AND NOTIFICATION OF THIS APPLICATION

133. For the purpose of this section I also refer to my Supplementary Affidavit.

134. For the reasons outlined above, it is the Administrators intention to provide a copy of the Interlocutory Process to the following creditors and other interested parties:

- (a) Aircraft Lessors regarding the Aircraft Protocol;
- (b) Rio Tinto;
- (c) Note Trustees,
- (d) Members of the Proposed COI;
- (e) ATO;
- (f) ASIC; and
- (g) The Australian Competition and Consumer Commission.

(together, **Notice Parties**).

135. The Administrators intend to notify the Notice Parties by email on the date of the filing of the Interlocutory Process.

136. The Administrators otherwise will notify all known creditors of the Virgin Companies of the Interlocutory Process and any orders made by the Court upon the making of any such orders:

- (a) where creditors have provided an email address, to that email address;
- (b) where an email address is unavailable (either in the books and records of the company or publically) but the Administrators have a postal address, then by post; and
- (c) by uploading the Interlocutory Process, this affidavit and supporting exhibit, and any orders to the Deloitte-Virgin Australia webpage: www.deloitte.com/au/virgin.

SWEARING OF THIS AFFIDAVIT

137. I have not been able to swear this affidavit in proper form at the time that I have signed it due to the measures I have taken to minimise the spread of COVID-19.

138. I have been informed by Cassandra Suzann Adams, as the proposed witness to this affidavit, and believe, that the relaxation of formality with respect to the unsworn nature of this affidavit does not diminish the need for me to satisfy myself that the contents of this affidavit are true and correct. I have satisfied myself that that is the case.
139. I will formally swear this affidavit when circumstances allow and will instruct Clayton Utz to file the sworn version with the Court.

Sworn by the deponent
at Sydney
in New South Wales
on 11 May 2020
Before me:

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Signature of deponent

Signature of witness
Kassandra Suzann Adams, solicitor.

SCHEDULE

Federal Court of Australia
District Registry: New South Wales
Division: General

No. NSD 464 of 2020

IN THE MATTER OF VIRGIN AUSTRALIA HOLDINGS LTD (ADMINISTRATORS APPOINTED) ACN 100 686 226 & ORS**Plaintiffs**

- First Plaintiffs: Vaughan Strawbridge, Salvatore Algeri, John Greig and Richard Hughes, in their capacity as joint and several voluntary administrators of each of the Second to Fortieth Plaintiffs
- Second Plaintiff: Virgin Australia Holdings Ltd (Administrators Appointed) ACN 100 686 226
- Third Plaintiff: Virgin Australia International Operations Pty Ltd (Administrators Appointed) ACN 155 859 608
- Fourth Plaintiff: Virgin Australia International Holdings Pty Ltd (Administrators Appointed) ACN 155 860 021
- Fifth Plaintiff: Virgin Australia International Airlines Pty Ltd (Administrators Appointed) ACN 125 580 823
- Sixth Plaintiff: Virgin Australia Airlines (SE Asia) Pty Ltd (Administrators Appointed) ACN 097 892 389
- Seventh Plaintiff: Virgin Australia Airlines Holdings Pty Ltd (Administrators Appointed) ACN 093 924 675
- Eighth Plaintiff: VAH Newco No.1 Pty Ltd (Administrators Appointed) ACN 160 881 345
- Ninth Plaintiff: Tiger Airways Australia Pty Limited (Administrators Appointed) ACN 124 369 008
- Tenth Plaintiff: Virgin Australia Airlines Pty Ltd (Administrators Appointed) ACN 090 670 965
- Eleventh Plaintiff: VA Borrower 2019 No. 1 Pty Ltd (Administrators Appointed) ACN 633 241 059

Twelfth Plaintiff:	VA Borrower 2019 No. 2 Pty Ltd (Administrators Appointed) ACN 637 371 343
Thirteenth Plaintiff:	Virgin Tech Pty Ltd (Administrators Appointed) ACN 101 808 879
Fourteenth Plaintiff:	Short Haul 2018 No. 1 Pty Ltd (Administrators Appointed) ACN 622 014 831
Fifteenth Plaintiff:	Short Haul 2017 No. 1 Pty Ltd (Administrators Appointed) ACN 617 644 390
Sixteenth Plaintiff:	Short Haul 2017 No. 2 Pty Ltd (Administrators Appointed) ACN 617 644 443
Seventeenth Plaintiff:	Short Haul 2017 No. 3 Pty Ltd (Administrators Appointed) ACN 622 014 813
Eighteenth Plaintiff:	VBNC5 Pty Ltd (Administrators Appointed) ACN 119 691 502
Nineteenth Plaintiff:	A.C.N. 098 904 262 Pty Ltd (Administrators Appointed) ACN 098 904 262
Twentieth Plaintiff:	Virgin Australia Regional Airlines Pty Ltd (Administrators Appointed) ACN 008 997 662
Twenty-first Plaintiff:	Virgin Australia Holidays Pty Ltd (Administrators Appointed) ACN 118 552 159
Twenty-second Plaintiff:	VB Ventures Pty Ltd (Administrators Appointed) ACN 125 139 004
Twenty-third Plaintiff:	Virgin Australia Cargo Pty Ltd (Administrators Appointed) ACN 600 667 838
Twenty-fourth Plaintiff:	VB Leaseco Pty Ltd (Administrators Appointed) ACN 134 268 741
Twenty-fifth Plaintiff:	VA Hold Co Pty Ltd (Administrators Appointed) ACN 165 507 157
Twenty-sixth Plaintiff:	VA Lease Co Pty Ltd (Administrators Appointed) ACN 165 507 291
Twenty-seventh Plaintiff:	Virgin Australia 2013-1 Issuer Co Pty Ltd (Administrators Appointed) ACN 165 507 326
Twenty-eighth Plaintiff:	737 2012 No.1 Pty. Ltd (Administrators Appointed) ACN 154 201 859

Twenty-ninth Plaintiff:	737 2012 No. 2 Pty Ltd (Administrators Appointed) ACN 154 225 064
Thirtieth Plaintiff:	Short Haul 2016 No. 1 Pty Ltd (Administrators Appointed) ACN 612 766 328
Thirty-first Plaintiff:	Short Haul 2016 No. 2 Pty Ltd (Administrators Appointed) ACN 612 796 077
Thirty-second Plaintiff:	Short Haul 2014 No. 1 Pty Ltd (Administrators Appointed) ACN 600 809 612
Thirty-third Plaintiff:	Short Haul 2014 No. 2 Pty Ltd (Administrators Appointed) ACN 600 878 199
Thirty-fourth Plaintiff:	VA Regional Leaseco Pty Ltd (Administrators Appointed) ACN 127 491 605
Thirty-fifth Plaintiff:	VB 800 2009 Pty Ltd (Administrators Appointed) ACN 135 488 934
Thirty-sixth Plaintiff:	VB Leaseco No 2 Pty Ltd (Administrators Appointed) ACN 142 533 319
Thirty-seventh Plaintiff:	VB LH 2008 No. 1 Pty Ltd (Administrators Appointed) ACN 134 280 354
Thirty-eighth Plaintiff:	VB LH 2008 No. 2 Pty Ltd (Administrators Appointed) ACN 134 288 805
Thirty-ninth Plaintiff:	VB PDP 2010-11 Pty Ltd (Administrators Appointed) ACN 140 818 266
Fortieth Plaintiff:	Tiger International Number 1 Pty Ltd (Administrators Appointed) ACN 606 131 944