

CORPORATIONS ACT 2001

STATEMENT IN WRITING OF POSTING OF NOTICE OF MEETING

Virgin Australia Holdings Limited, ACN 100 686 226
and certain entities listed in Schedule A
(all Administrators Appointed)
(the Companies or Virgin)

I Sabrina Tran, of Deloitte Financial Advisory Pty Ltd, Level 4, Grosvenor Place, 225 George St, Sydney NSW 2000 state:

1. On 22 April 2020 a circular to landlords, marked as Annexure A, was sent by email to each of the recipients detailed in Annexure B.
2. The circular was sent to each of the recipients with known email addresses, listed in Annexure B.

DATED this 23rd day of April 2020.



Sabrina Tran
Deloitte Financial Advisory Pty Ltd
Level 4, Grosvenor Place
225 George St
Sydney NSW 2000

Schedule A – Virgin Group entities, all Administrators Appointed

Virgin Australia Holdings Ltd, ACN 100 686 226
Virgin Australia International Operations Pty Ltd, ACN 155 859 608
Virgin Australia International Holdings Pty Ltd, ACN 155 860 021
Virgin Australia International Airlines Pty Ltd, ACN 125 580 823
Virgin Australia Airlines (SE Asia) Pty Ltd, ACN 097 892 389
Virgin Australia Airlines Holdings Pty Ltd, ACN 093 924 675
VAH Newco No.1 Pty Ltd, ACN 160 881 345
Tiger Airways Australia Pty Limited, ACN 124 369 008
Virgin Australia Airlines Pty Ltd, ACN 090 670 965
VA Borrower 2019 No. 1 Pty Ltd, ACN 633 241 059
VA Borrower 2019 No. 2 Pty Ltd, ACN 637 371 343
Virgin Tech Pty Ltd, ACN 101 808 879
Short Haul 2018 No. 1 Pty Ltd, ACN 622 014 831
Short Haul 2017 No. 1 Pty Ltd, ACN 617 644 390
Short Haul 2017 No. 2 Pty Ltd, ACN 617 644 443
Short Haul 2017 No. 3 Pty Ltd, ACN 622 014 813
VBNC5 Pty Ltd, ACN 119 691 502
A.C.N. 098 904 262 Pty Ltd, ACN 098 904 262
Virgin Australia Regional Airlines Pty Ltd, ACN 008 997 662
Virgin Australia Holidays Pty Ltd, ACN 118 552 159
VB Ventures Pty Ltd, ACN 125 139 004
Virgin Australia Cargo Pty Ltd, ACN 600 667 838
VB Leaseco Pty Ltd, ACN 134 268 741
VA Hold Co Pty Ltd, ACN 165 507 157
VA Lease Co Pty Ltd, ACN 165 507 291
Virgin Australia 2013-1 Issuer Co Pty Ltd, ACN 165 507 326
737 2012 No.1 Pty. Ltd, ACN 154 201 859
737 2012 No. 2 Pty Ltd, ACN 154 225 064
Short Haul 2016 No. 1 Pty Ltd, ACN 612 766 328
Short Haul 2016 No. 2 Pty Ltd, ACN 612 796 077
Short Haul 2014 No. 1 Pty Ltd, ACN 600 809 612
Short Haul 2014 No. 2 Pty Ltd, ACN 600 878 199
VA Regional Leaseco Pty Ltd, ACN 127 491 605
VB 800 2009 Pty Ltd, ACN 135 488 934
VB Leaseco No 2 Pty Ltd, ACN 142 533 319
VB LH 2008 No. 1 Pty Ltd, ACN 134 280 354
VB LH 2008 No. 2 Pty Ltd, ACN 134 288 805
VB PDP 2010-11 Pty Ltd, ACN 140 818 266

21 April 2020

CIRCULAR TO LANDLORDS

Dear Sir/Madam

Virgin Australia Holdings Ltd and certain entities listed in Schedule A (All Administrators Appointed) (Virgin)

Appointment of Voluntary Administrators

Vaughan Strawbridge, John Greig, Sal Algeri and Richard Hughes were appointed Joint and Several Administrators (**Administrators**) of Virgin on 20 April 2020, pursuant to the provisions of Section 436A of the Corporations Act 2001 (**Act**).

As the Administrators:

- we assume responsibility for the business and operations of Virgin. Subject to the various COVID-19 restrictions that are in place, we intend to continue trading Virgin's business whilst we undertake a process to recapitalise the business to bring it out of administration as soon as possible
- Houlihan Lokey, who were appointed by Virgin prior to our appointment to seek a recapitalisation of Virgin, will be retained to continue this work with management and the Administrators
- we are responsible for dealing with the staff and suppliers of the business in respect to the ongoing trading of the business from the date of our appointment.

Whilst we assume responsibility for the business, Paul Scurrah and the Virgin management team will continue to be in charge of the operations of the business, with support from our team and us. We are working with management to support the review and roll out role of Virgin's strategic plans to provide the platform for enhanced profitability and viability of Virgin when COVID-19 impacts break.

In respect of Houlihan Lokey's appointment, a number of parties have already registered their interest in being involved in seeing Virgin come through this process as a restructured financially secure business, which can re-commence normal operations as soon as possible as the COVID-19 pandemic allows.

We are committed to working with the Virgin and Houlihan Lokey team to ensure the success of this process which is intended to continue the employment of the majority of the current 10,000 strong Virgin team, whilst obtaining the best outcome for all stakeholders.

We will update you as this work progresses and on the expected timetable for the recapitalisation. All communication should continue through existing reporting lines within the Virgin team.

Your lease and information required

We understand that Virgin currently leases property from you (**Property**). For the purpose of this letter we are referring to property hired, leased, used or occupied.

To assist us, can you please forward to our office as a matter of urgency, all documentation relating to the lease(s) with your company, including, but not limited to:

- A copy of the lease agreements;
- Details of any guarantees with respect to the lease, including bank guarantees'
- Amount of monthly rental payments and any arrears; and
- Any other details with respect to the lease.

Pre-appointment invoices (up to 20 April 2020)

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Member of Deloitte Touche Tohmatsu Limited

We understand that there may be an outstanding debt owed to you by Virgin.

We will be sending further correspondence during the Administration period in respect of the expected quantum of any return to creditors, and details for lodgement of your claim for debts outstanding as at the date of our appointment.

Rent free period

Being able to maintain the business through ongoing trade is critical to achieving a recapitalisation or sale of the business, which will secure the long term future of the business. Our initial review has concluded that the business cannot support rental payments on Property that is impacted by the restrictions imposed in relation to COVID-19.

Given this impact, we are seeking your consent to waive the liability of any rent due or payable (or other charges) relating to the Property *against the Administrators*. This will cover the period until the earlier of either of the following events occurs (**Period**):

- a. A sale of business or recapitalisation is achieved, and the binding agreements have been executed by the Administrators; or
- b. In the event the above is not achieved, the commencement of the winding down of Virgin's operations

This will give the Administrators the opportunity to secure an orderly sale, but in circumstances where they do not incur any personal liability relating to the Property. The Administrators acknowledge that any rent and other amounts payable during the Period will be classified as an unsecured claim in the Administration.

We understand ordinarily, an Administrator only has 5 business days from the beginning of the Administration to give notice to an owner of property whether to disclaim any leases or contracts over the property, failing which the Administrator becomes liable for the ongoing rent or other amounts payable by Virgin during the Administration (see Section 443B of the Act). Therefore, we require an answer from you by 22 April 2020 for us to consider whether we disclaim your lease or seek the appropriate relief from the Court.

If the Administrators were to formally disclaim your lease agreement, it would be detrimental to the sale of business or recapitalisation process and would impact any ongoing benefit you could receive from any process. The Administrators do not consider that this would be in the best interests of you or the other creditors of Virgin, and therefore, the Administrators would prefer not to have to issue the usual notice under Section 443B.

The Administrators appreciate your ongoing support of the business during this period, which is critical to achieving a successful outcome for all stakeholders.

As noted above, the 5 day notice period under Section 443B expires on 27 April 2020, and so we **request your urgent response to this letter by 22 April 2020**. For ease of response, confirmation by email to the consent sought under this letter would be appreciated, or alternatively, by signing and returning a copy of this letter to the address indicated at the top of this letter.

Should you have any questions in relation to this matter, please contact Paul Ritchie on 02 8260 4682 or virginadmin@deloitte.com.au.

Yours faithfully



Sam Marsden
For and on behalf of Richard Hughes
Joint and Several Administrator

Agreement to the consent requested under this letter:

We confirm agreement to the consent sought under this letter during the Period against the Administrators.

Signature

Name of Recipient

Schedule A

Virgin Australia Holdings Ltd, ACN 100 686 226
Virgin Australia International Operations Pty Ltd, ACN 155 859 608
Virgin Australia International Holdings Pty Ltd, ACN 155 860 021
Virgin Australia International Airlines Pty Ltd, ACN 125 580 823
Virgin Australia Airlines (SE Asia) Pty Ltd, ACN 097 892 389
Virgin Australia Airlines Holdings Pty Ltd, ACN 093 924 675
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VA Borrower 2019 No. 1 Pty Ltd, ACN 633 241 059
VA Borrower 2019 No. 2 Pty Ltd, ACN 637 371 343
Virgin Tech Pty Ltd, ACN 101 808 879
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Virgin Australia Regional Airlines Pty Ltd, ACN 008 997 662
Virgin Australia Holidays Pty Ltd, ACN 118 552 159
VB Ventures Pty Ltd, ACN 125 139 004
Virgin Australia Cargo Pty Ltd, ACN 600 667 838
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VB LH 2008 No. 1 Pty Ltd, ACN 134 280 354
VB LH 2008 No. 2 Pty Ltd, ACN 134 288 805
VB PDP 2010-11 Pty Ltd, ACN 140 818 266

Annexure B

Recipient	Email
Los Angeles World Airports	PCHIU@lawa.org
National Airports Corporation (Port Moresby Airport)	jbite@nacpng.com
Los Angeles World Airports	RemittanceAdviceACH&Wire@lawa.org
DARWIN INTERNATIONAL AIRPORT	InformationDarwin@ntairports.com.au
Toll Global Logistics (Christmas & Cocos Island Airports)	Paul.mcfarlane@tollgroup.com
POWELL DODS & THORPE PTY LTD T/AS PDT ARCHITECTS	ANNIEYANG@PDT.COM.AU
POWELL DODS & THORPE PTY LTD T/AS PDT ARCHITECTS	accounts@pdt.com.au
AIRPORT AUTHORITY HONG KONG	inez.tsang@hkairport.com
AIRPORTS FIJI LIMITED	sanjanam@afl.com.fj
GLOBAL AVIATION MANAGEMENT GROUP	accounting@globaleliteinc.com
PILBARA IRON COMPANY (SERVICES) PTY LTD	GBS.FS.SD.SH-Banking@riotinto.com
SHIRE OF CARNARVON	shire@carnarvon.wa.gov.au
TONGA AIRPORTS LIMITED	mkolo@tongaairports.com
AUSCO BUILDING SYSTEMS	receivables@ausco.com.au
BUILT NSW PTY LTD	claims@built.com.au
ORIGIN ENERGY ELECTRICITY LIMITED	eftstatements@originenergy.com.au
SHAPE AUSTRALIA (QLD) PTY LIMITED	DAMIAN.FLYNN@SHAPEGROUP.COM.AU
SUNSET SIGNS PTY LTD	office@sunsetsigns.com.au
VOYAGES INDIGENOUS TOURISM AUSTRALIA PTY LTD	accounts.receivables@voyages.com.au