

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: 2 July 2020

Document number	Details	Paragraph	Page
1.	Affidavit of Vaughan Neil Strawbridge in support of application for orders under section 447A(1) and 588FM, of the <i>Corporations Act 2001</i> (Cth) sworn on 2 July 2020.	All	1–16
2.	Exhibit "VNS-4", being an extract of the Personal Property Securities Register of Tiger International Number1 Pty Ltd (Administrators Appointed) ACN 606 131 944 dated a 23 June 2020.	18	-

Filed on behalf of (name & role of party) The Plaintiffs
Prepared by (name of person/lawyer) Timothy James Sackar
Law firm (if applicable) Clayton Utz
Tel +61 2 9353 4000 Fax +61 2 8220 6700
Email kaadams@claytonutz.com
Address for service Level 15, 1 Bligh Street, Sydney NSW 2000
(include state and postcode)

[Version 3 form approved 02/05/2019]

Document number	Details	Paragraph	Page
3.	Confidential Exhibit "VNS-5", being a bundle of confidential documents exhibited to the deponent.	8	-

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 Fortieth Plaintiffs (**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. This is the sixth affidavit that I have sworn in these proceedings.
6. I refer to and rely upon my:
 - (a) affidavit of 23 April 2020 (**First Affidavit**);
 - (b) supplementary affidavit of 24 April 2020 (**Second Affidavit**);
 - (c) affidavit of 11 May 2020 (**Third Affidavit**);
 - (d) supplementary affidavit of 11 May 2020 (**Fourth Affidavit**); and
 - (e) supplementary affidavit of 15 May 2020 (**Fifth Affidavit**),
each filed in the Proceeding.

7. I also refer to and rely upon the affidavit of Salvatore Algeri of 22 May 2020 (**Algeri Affidavit**).
8. Exhibited to me at the time of swearing this affidavit is a bundle of documents, to which I make reference in this affidavit marked "VNS-5" (**Confidential Exhibit**)
9. I make this affidavit in support of the relief sought by the Plaintiffs in the Interlocutory Process filed in these proceedings on 1 July 2020 (**Application**), namely, orders under sections 447A(1) and 588FM of the *Corporations Act 2001* (Cth) (**Corporations Act**) and sections 37AF and 37AG of the *Federal Court of Australia Act 1976* (Cth) (**Federal Court Act**). Those orders in effect seek:
 - (a) orders modifying the manner in which the Administrators would (or might) be personally liable under s 443A of the Corporations Act in respect of certain obligations of the Virgin Companies and the Administrators arising under the Transaction Documents (defined at paragraph 14 below);
 - (b) an order pursuant to s 588FM of the Corporations Act in respect of security interests created in connection with
 - (i) the General Security Agreement dated 26 June 2020 between the First Plaintiffs, the Second to Tenth Plaintiffs, the Thirteenth Plaintiff, the Nineteenth to Twenty-Fourth Plaintiffs, the Fortieth Plaintiff, and Global Loan Agency Services Australia Nominees Pty Ltd; and
 - (ii) the Charge Over Shares dated 26 June 2020 between the First Plaintiffs, the Seventh Plaintiff, and Global Loan Agency Services Australia Nominees Pty Ltd,

the time for registration of the security is fixed to be, for the purposes of s 588FL(2)(b)(iv) of the Corporations Act, 24 July 2020 so that the security interests are effective; and
 - (c) until further order, and by no later than 1 July 2021, an order that pursuant to s 37AF(1)(b)(i) and (i), of the Federal Court Act, on the ground stated in s 37AG(1)(a), Exhibit VNS-5 be made confidential and prohibited from disclosure to any person other than:
 - (i) the Judge hearing the matter and the Judge's staff and assistants; and
 - (ii) Bain Capital

Sale Process

10. The circumstances in which the Administrators were appointed as joint and several administrators of each of the Virgin Companies, the corporate structure of the Virgin Companies and the general nature of the business conducted by the Virgin Companies (**Business**), are set out in the First and Third Affidavits.
11. As noted in the Third Affidavit and the Algeri Affidavit, following our appointment as administrators of the Companies, the Administrators immediately commenced a comprehensive global sale process seeking expressions of interest and ultimately binding offers for the sale and/or recapitalisation of the Business and assets of the Virgin Companies (**Sale Process**). To assist with the Sale Process, the Administrators engaged the services of Houlihan Lokey, specialist debt restructuring firm of financial advisors, and Morgan Stanley, an investment bank.
12. The Administrators formed the view that given:
 - (a) the significant cash constraints facing the Virgin Companies;
 - (b) the impact of the COVID-19 pandemic on the conduct of the Business; and
 - (c) the need to retain key contracts, assets, employees and regulatory approvals to preserve the value of the Business,the Sale Process needed to be conducted on an expedited time frame and yield a satisfactory transaction as soon as reasonably practicable, having regard to the scale and complexity of the Business.
13. The steps undertaken by the Administrators in relation to the Sale Process, either ourselves or through our advisors, were as follows:
 - (a) on and from 21 April 2020, Houlihan Lokey issued non-disclosure agreements and a flyer to a total of 85 interested parties seeking proposals for a sale and/or recapitalisation of the Virgin Companies or substantially all of their assets (see paragraphs [44]-[45] of the Third Affidavit);
 - (b) on and from 27 April 2020, Houlihan Lokey:
 - (i) established a secure data room containing documents regarding the Business and the financial position of the Virgin Companies (**Data Room**) (see paragraphs [44] and [46] of the Third Affidavit);
 - (ii) prepared an information memorandum and distributed it to parties that had entered into non-disclosure agreements with the Administrators (see paragraphs [44] and [46] of the Third Affidavit);

- (c) as at 11 May 2020, a total of 19 parties considered potential purchasers had been granted access to the Data Room (see paragraph [47] of the Third Affidavit);
- (d) on 15 May 2020, the Administrators received several non-binding indicative offers and, based on those offers, formed a shortlist of interested parties which, in the Administrators' opinion, were the parties most likely to be able ultimately to make a credible offer for the Business (**Shortlisted Bidders**) (see paragraph [42] of the Algeri Affidavit);
- (e) on and from 15 May 2020, the Administrators and our advisors worked with the Shortlisted Bidders in 'Phase 2' of the Sale Process to facilitate the Shortlisted Bidders to make the best offers they could in the circumstances (see paragraph [42] of the Algeri Affidavit), including:
 - (i) arranging virtual meetings, presentation and "Q&A" opportunities and "roadshows" between the interested parties and management personnel of the Virgin Companies;
 - (ii) sharing more detailed financial and operational information, including provision of vendor due diligence prepared by the Administrators' legal advisors, Clayton Utz;
 - (iii) facilitating meetings between the interested parties and as many aircraft financiers, aircraft lessors, real property landlords, suppliers, unions and other key stakeholders of the Business as could be managed in the available time;
- (f) on 29 May 2020, five final non-binding indicative proposals for Phase 2 of the Sale Process were received from the Shortlisted Bidders;
- (g) on 2 June 2020, the Administrators selected two final preferred bidders, comprising Bain Capital and Cyrus Capital Partners, L.P (**Cyrus Capital**), to proceed to 'Phase 3' of the Sale Process;
- (h) on and from 2 June 2020, the Administrators and their advisers were engaged in extensive negotiations with Bain Capital and Cyrus Capital in relation to all aspects of a proposed transaction, including the form of the documents to give effect to a transaction. To assist with the consideration of competing proposals, the Administrators requested that Bain and Cyrus Capital review a draft Sale and Implementation Deed and a term sheet for the provision of interim funding (amongst other documents), and to submit their proposals for the sale and/or recapitalisation of the Virgin Companies or substantially all of their assets by reference to those documents;

- (i) on 22 June 2020, the Administrators received final binding offers from Bain Capital and Cyrus Capital;
- (j) on 24 June 2020, the Administrators received a back-up recapitalisation proposal (in the form of a deed of company arrangement proposal) as well as an offer of interim funding (which was conditional on acceptance of the back-up recapitalisation proposal) from two holders of the unsecured notes issued by the Second Plaintiff, Virgin Australia Holdings Ltd;
- (k) on 26 June 2020, Cyrus Capital withdrew its offer; and
- (l) also on 26 June 2020, following the Administrators' consideration and assessment of the competing proposals (with the assistance of their financial advisers), the Administrators accepted the offer submitted by Bain Capital.

The Transaction Documents, the Proposed Transaction and the context for the Application

- 14. On 26 June 2020, to give effect to the transaction proposed under the offer made by Bain Capital (the **Transaction**), the Administrators executed, both in our capacity as Administrators of the Virgin Companies and also on behalf of each of the Virgin Companies, a number of documents (collectively, the **Transaction Documents**).
- 15. The following facts and elements in relation to the Transaction and Transaction Documents are relevant for the purposes of the Application (references to Bain Capital or the Purchaser are references to it or its nominee entity/ies)
 - (a) the Administrators, the Virgin Companies and the Purchaser have executed a sale and implementation deed (the **Sale Deed**);
 - (b) pursuant to the Sale Deed:
 - (i) the Administrators will continue to trade the Business as usual while completion of the Transaction is pending;
 - (ii) the Administrators are not personally liable, except to the extent that the assets owned by the Virgin Companies and used in the conduct of the Business are available to satisfy the Administrators' statutory right of indemnity and lien arising under sections 443D, 443E and 443F of the Corporations Act (**Administrators' Lien**);
 - (c) the Administrators obtain certain Court orders to give effect to key elements of the Transaction (and may obtain orders to limit their personal liability), including the orders sought in this Application;

(d) in relation to this Application:

- (i) the administrators are required, pursuant to the Sale Deed, to make an application within 5 business days of its execution (i.e., by 3 July 2020) for:
- (A) an order under section 588FM of the Corporations Act fixing a later time for registration of security interests on the register under the *Personal Property Securities Act 2009* (Cth) (**PPSA**) for the purposes of section 588FL(2)(b)(iv) of the Corporations Act; and
- (B) such orders as the Administrators consider are necessary or prudent (including orders under section 447A of the Corporations Act to modify the operation of section 443A of the Corporations Act) in respect of the Sale Deed.

existing creditor profile of the Grantors

16. Security is granted by certain of the Virgin Companies (together, **Grantors** and each a **Grantor**) as set out in the table below:

Party	Entity
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

Party	Entity
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
Thirteenth Plaintiff	Virgin Tech Pty Ltd (Administrators Appointed) ACN 101 808 879
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
Fortieth Plaintiff	Tiger International Number1 Pty Ltd (Administrators Appointed) ACN 606 131 944

- (a) the Grantors provide a limited form of security over the following assets:
- (i) all present and future interests in any shares in any company, corporation, body corporate or other entity from time to time registered in the name of the respective Grantor (**Shares**);
 - (ii) all present and future property and rights attaching to or arising out of or otherwise in respect of the holding of an interest in the Shares; and

(iii) any aircraft or engines which any of the Grantors has an interest in, other than:

- (A) any aircraft or aircraft engine which a Grantor owns free and clear of any security interest in favour of any other party; and
- (B) the proceeds of any sale or other realisation of any aircraft, aircraft engine or other part of any aircraft which a Grantor owns; and

(b) the Security Trustee will not have priority over any existing security interest granted to a secured party by any of the Grantors which is mandatorily preferred by law or approved by the Security Trustee and Bain Capital as a priority security.

Existing secured creditors of the Virgin Companies

17. An extract of the securities interests recorded against each of the Grantors on the Personal Property Securities Register (**PPSR**) obtained on 21 April 2020 is located at Tabs 105 - 113, 116, 122 - 127 of Exhibit VNS-1 as specified below.

Party	Entity	Tab in VNS-1
Second Plaintiff	Virgin Australia Holdings Ltd (Administrators Appointed) ACN 100 686 226	105
Third Plaintiff	Virgin Australia International Operations Pty Ltd (Administrators Appointed) ACN 155 859 608	106
Fourth Plaintiff	Virgin Australia International Holdings Pty Ltd (Administrators Appointed) ACN 155 860 021	107
Fifth Plaintiff	Virgin Australia International Airlines Pty Ltd (Administrators Appointed) ACN 125 580 823	108
Sixth Plaintiff	Virgin Australia Airlines (SE Asia) Pty Ltd (Administrators Appointed) ACN 097 892 389	109
Seventh Plaintiff	Virgin Australia Airlines Holdings Pty Ltd (Administrators Appointed) ACN 093 924	110

Party	Entity	Tab in VNS-1
	675	
Eighth Plaintiff	VAH Newco No.1 Pty Ltd (Administrators Appointed) ACN 160 881 345	111
Ninth Plaintiff	Tiger Airways Australia Pty Limited (Administrators Appointed) ACN 124 369 008	112
Tenth Plaintiff	Virgin Australia Airlines Pty Ltd (Administrators Appointed) ACN 090 670 965	113
Thirteenth Plaintiff	Virgin Tech Pty Ltd (Administrators Appointed) ACN 101 808 879	116
Nineteenth Plaintiff	A.C.N. 098 904 262 Pty Ltd (Administrators Appointed) ACN 098 904 262	122
Twentieth Plaintiff	Virgin Australia Regional Airlines Pty Ltd (Administrators Appointed) ACN 008 997 662	123
Twenty-first Plaintiff	Virgin Australia Holidays Pty Ltd (Administrators Appointed) ACN 118 552 159	124
Twenty-second Plaintiff	VB Ventures Pty Ltd (Administrators Appointed) ACN 125 139 004	125
Twenty-third Plaintiff	Virgin Australia Cargo Pty Ltd (Administrators Appointed) ACN 600 667 838	126
Twenty-fourth Plaintiff	VB Leaseco Pty Ltd (Administrators Appointed) ACN 134 268 741	127

18. An extract of the securities interests recorded against the Fortieth Plaintiff on the PPSR obtained on 23 June 2020 is located at **Exhibit VNS-4**.
19. The PPSR searches disclosed that 3,073 registrations (**Registrations**) had been made against assets or property of the Grantors (in total) on the PPSR. Of the Registrations, 716 are in the collateral class of "all present and after acquired" property (with or without exceptions) (**All-PAAP Registrations**).
20. 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). To the best of my knowledge, none of the All-PAAP Registrations secure the whole or substantially the whole of the assets of the Grantors.

Other creditors of the Virgin Companies

21. The first meeting of creditors for:
- (a) each of the Second to Thirty-Ninth Plaintiffs was held concurrently on 30 April 2020; and
- (b) the Fortieth Plaintiff was held on 11 May 2020,
- (together, the **First Meetings**).
22. Pursuant to the Orders of Justice Middleton dated 24 April 2020 (**24 April Orders**) (and later extended to include the Fortieth Plaintiff pursuant to orders made on 15 May 2020), the Court ordered that one committee of inspection be formed in respect of the Virgin Companies (**Committee of Inspection**).
23. On 12 May 2020, the creditors resolved that the following creditors are members of the Committee of Inspection.

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

24. I presided at a meeting of the Committee of Inspection held on 1 July 2020 at 11am. At the meeting, I informed the Committee of Inspection that the Administrators had caused the Virgin Companies to enter into a facility to fund the ongoing administration and had granted security to support that borrowing. I also informed the Committee of Inspection that the Administrators would make an application to Court seeking the relief sought in the Application. No objection to that course was made by any member of the Committee of Inspection at the meeting.
25. From our review of the books and records of the Virgin Companies, the Administrators have identified that the Virgin Companies have approximately 10,247 known creditors in total (including approximately 9,020 employees), not including customers entitled to credits for flights which were cancelled due to the pandemic.
26. The Virgin Companies' creditor profiles can be broadly summarised as follows:
- (a) lenders under secured corporate debt and aircraft financing facilities, who are owed approximately \$2,283,639,303;
 - (b) unsecured bondholders, who are owed approximately \$1,988,250,000
 - (c) trade creditors, who are owed approximately \$166,704,085.69;
 - (d) aircraft lessors, who are owed approximately \$1,883,914,848;
 - (e) landlords, who are owed approximately \$71,209,929; and
 - (f) employees, who are owed approximately \$450,777,961.
27. Employees who continue to be employed by the Virgin Companies during the administration are being paid their wage and superannuation entitlements in the ordinary course.

Relief under sections 447A(1) and 588FM of the Corporations Act

28. I am aware that, pursuant to the Administrators' Lien, the Administrators are entitled to be indemnified out of the Virgin Companies' assets (other than PPSA retention of title property) for:
- (a) debts for which the Administrators are liable pursuant to sections 443A, 443B and 443BA of the Corporations Act; and

- (b) 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.
29. I am of the view (which is shared by the other Administrators) that entering into the Transaction and the Transaction Documents was in the best interests of the Virgin Companies and its creditors because, among other reasons, the Transaction:
- (a) reflected the culmination of the Sale Process; and
 - (b) was crucial for the ongoing trading of the Business to enable the Administrators to continue to trade the Virgin Companies and meet ongoing liabilities to progress the external administration of the Virgin Companies.
30. Based on my experience as an administrator, I am of the view (which is shared by the other Administrators) that the making of the orders sought in the Application would not prejudice other creditors of the Grantors or the Virgin Companies (including secured creditors (such as aircraft lessors), priority creditors (such as employees), and other unsecured creditors (such as bondholders)) and is in the best interests of the Grantors and the Virgin Companies as a whole pursuant to the objectives of Part 5.3A of the Corporations Act.
31. My reasons for forming this view are that:
- (a) on the Administrators' assessment of offers received following the Sale Process, the Transaction contemplated under the Transaction Documents was the most favourable transaction available for the benefit of creditors of the Grantors and the Virgin Companies as a whole (insofar as it provided the greatest prospect of the Business remaining intact and otherwise provided the likely greatest return to creditors;
 - (b) pursuant to the terms of the Sale Deed, the facility extended is an integral part of the overall funding of the Transaction, will not affect the financial outcome to creditors if the Transaction completes by way of either a deed of company arrangement or through an asset sale;
 - (c) the Virgin Companies would not be able to continue to trade up to the date of the Second Meeting without receipt of the funding – that result would imperil the prospect of the Administrators being able to sell the assets of the Business as a going concern, which would in turn:

- (i) potentially lead to the Administrators having to make decisions in relation to maintenance, flying schedules and other matters that may lead to the loss of necessary regulatory approvals and slots for take-off and landing at airports; and
 - (ii) more generally, result in a worse outcome for creditors;
- (d) having regard to my understanding of the financial position of the Virgin Companies, the funding and the Transaction were essential to ensure the ongoing viability of the Virgin Companies and to ensure that the return for unsecured creditors is maximised;
- (e) as set out above, existing secured creditors will not be prejudiced, as the grant of security interests in favour of Bain Capital will be registered on the PPSR later in time, and therefore rank lower in priority to those security interests;
- (f) the repayment of the funding will not alter the outcome for the Virgin Companies' unsecured creditors or employees given that the trading liabilities which will be met by the funding would in any event be the subject of the Administrators' Lien, and thus rank ahead of unsecured creditors in the section 556(1) priority waterfall in all instances; and
- (g) Bain Capital has itself agreed that the obligations of the Administrators are essentially limited to recourse to the assets available in the administrations of each of the Virgin Companies.

Swearing of this Affidavit

32. 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.
33. 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.
34. 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 2 July 2020
Before me:

)
)
)
)
)

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