

## Circular to Agents

21 May 2020

Dear Sir / Madam

### **Virgin Australia Holdings Limited ACN 100 686 226 and certain entities (all Administrators Appointed) (the Companies or Virgin Companies)**

#### **Virgin Australia - Conditional credit policy**

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

On 13 May 2020, Orders were made in the Federal Court of Australia which affect the administration of the Virgin Companies, including issuing conditional credits to customers of the Virgin Companies. A copy of the Orders is available at the Administrators' website: [www.deloitte.com/au/virgin](http://www.deloitte.com/au/virgin)

#### **Conditional credit policy**

As the Virgin Companies, including Virgin Australia Airlines and Tigerair Australia are in voluntary administration, the ability for customers to obtain a refund or standard credit for cancelled flights and other services is affected.

Customers who are entitled to a refund or credit in respect of a flight cancelled prior to entry into voluntary administration are likely to be unsecured creditors of the Virgin Companies. In the event the Virgin Companies were to proceed into liquidation, based on the Administrators' work undertaken to date and our understanding of the Virgin Companies' financial position, such creditors are unlikely to be made whole.

Pursuant to the Orders, the Administrators have been supported in providing affected customers with conditional credits which provide an option for impacted customers that is above what they would ordinarily be entitled to during the administration process. The terms of the conditional credit policy are summarised below:

- The Administrators may cause Virgin Airlines Australia Pty Limited, Tiger Airways Australia Pty Limited, Virgin Australia International Airlines Pty Limited or Virgin Australia Regional Airlines Pty Ltd to issue conditional credits
- Credits will be for the same amount paid for the original ticket, comprising the cost of the fare for the flight and taxes (excluding fees), and the fees paid for any ancillary services to be provided by the operator of the flight
- Initially, credits will be valid for travel during the period of administration; however, depending on how the business is structured in the future, a new owner may honour these credits after administration.

We have developed a list of Q&A's to assist your customers with understanding if they are eligible for a conditional credit, what conditions are applicable and how to use the conditional credits. These are available through the Virgin Australia and Tigerair websites.

For customers who made a booking after the Virgin Companies entered voluntary administration (on or after 21 April 2020), the normal fare rules applicable to the booking will apply.

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Should you or your customers require further information about the voluntary administration process or being a creditor, please visit [www.deloitte.com/au/virgin](http://www.deloitte.com/au/virgin)

Yours faithfully



**Richard Hughes**  
Joint and Several Administrator