

21 April 2020

**VIRGIN AUSTRALIA HOLDINGS LIMITED ACN 100 686 226
AND CERTAIN ENTITIES LISTED IN SCHEDULE A
(ALL ADMINISTRATORS APPOINTED)
(THE COMPANIES OR VIRGIN)**

**FREQUENTLY ASKED QUESTIONS
(FAQs)**

FOR CREDITORS

The purpose of this FAQ is to assist creditors in understanding the voluntary administration appointment, how it affects their debt and what happens next.

ALL CREDITORS

1. What has happened?

In response to issues brought about by the COVID-19 crisis and restrictions on travel, Virgin was required to suspend its international services and significantly reduce its domestic services, whilst standing down most of its workforce.

It became apparent to Virgin management that Virgin would be unable to meet all its obligations from available cash while the COVID-19 pandemic continued.

This caused the Virgin Board of Directors to appoint Vaughan Strawbridge, John Greig, Sal Algeri and Richard Hughes from Deloitte as Voluntary Administrators late on 20 April 2020 to take control of Virgin's business.

2. What is the role of the Voluntary Administrators?

The Administrators have assumed responsibility for the business and operations of Virgin. 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.

Subject to the various COVID-19 restrictions that are in place, we intend to continue trading Virgin's business whilst we undertake an urgent assessment of the financial position and explore options including a recapitalisation of the business. We will continue to work with Virgin management and the team at Houlihan Lokey, who were appointed by Virgin prior to our appointment, to seek the best outcome for creditors.

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

We are committed to working with the Virgin and Houlihan Lokey teams to ensure the success of this process which will see the continued employment of the majority of the current 10,000 strong Virgin team and result in the best outcome for all stakeholders.

On that basis, your continued support of Virgin is appreciated during this period and is critical to achieving a successful outcome for all stakeholders, including employees.

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3. What happens from here?

We will be working as quickly as possible to understand the business operations and institute new controls where needed. Our intention is to cause as little disruption to the business as possible, whilst still meeting our obligations under the law.

The Voluntary Administrators' must hold a meeting of creditors (including employees) within the first 8 business days from appointment. The purpose of this meeting is to provide information to the creditors on the process and confirm if creditors wish to form a committee. The Administrators then have to investigate the affairs of Virgin and report back to creditors and employees on their findings. They will also make a recommendation to creditors regarding the future of each of the Companies. This second meeting is usually held within 25 days of their appointment but may be extended by the Court if the Administrator thinks an extension is in the best interest of creditors. Given the size and complexity of Virgin, we will be seeking this extension.

If you would like to participate in the meeting, you will need to complete a Proof of Debt Form and a Proxy Form if you are an individual representing a company or another individual. These forms can be downloaded from the Deloitte website here: <http://www.deloitte.com/au/virgin>

The forms should be returned to:

- For suppliers: virginsuppliers@deloitte.com.au
- For customers: virgincustomers@deloitte.com.au
- For others: virginadmin@deloitte.com.au

We will keep you as updated as we can during the process by updating the Virgin Administration page on Deloitte's website which can be located here: <http://www.deloitte.com/au/virgin>

4. Will I be paid? When?

The effect of the appointment of Voluntary Administrators is to place a moratorium (freeze) on the payment of amounts due to creditors and employees for debts incurred up to the date of the appointment of Administrators. This allows the Companies breathing space whilst the Administrators explore options that will either allow the business to continue, or if not, allow it to maximise the returns to creditors.

No payment can be made in relation to this debt during the Administration process, however, you will be able to lodge a pre-appointment creditor claim against the Companies by lodging a Proof of Debt Form.

Proof of Debt forms will be available for download on Deloitte's website at: <http://www.deloitte.com/au/virgin>

Alternatively, you can email us at virginadmin@deloitte.com.au to request a Proof of Debt form.

If you continue to supply the Companies with goods and services, this debt will be paid by the Administrators – see the specific FAQ for Suppliers below.

5. How long will the process take? When can I expect my money?

The administrators are working quickly to restructure and recapitalise the business. It is the administrator's intention for the business to emerge from administration as soon as possible.

Pre-appointment creditors can only be paid when the Companies either enter a Deed of Company Arrangement or Liquidation. Any amount paid will be contingent upon the success of the recapitalisation process or sale of the business/assets.

6. What if I have a security interest in property provided to Virgin in respect to my debt?

We will be separately contacting those parties that have a registered security interest against Virgin registered on the PPSR. Please note that any security interest you have with Virgin prior to our appointment will not apply to goods supplied as part of transactions on the new account unless specifically agreed to by us in writing and made the subject of a separate registration of the security interest on the PPSR.

SUPPLIERS OF GOODS AND SERVICES

7. What happens to future supply?

As the business is continuing to trade, all suppliers have been requested to open a new account for the Administration period. Our intention is to cause as little disruption to the business as possible, however, we need to implement this change to ensure complete oversight of all expenses and we ensure there is a clear distinction between the pre-appointment debt of Virgin and expenses incurred by the Administrators during the administration.

You should open a new supplier account (**Administrators Account**) for any trading you wish to do with Virgin post our appointment. Accounts held prior to our appointment should not be used, to allow easier reconciliation and payment in the future.

Administrators Accounts will be paid in accordance with your usual terms of credit. Please note that any security interests you have with Virgin prior to our appointment will not apply to goods supplied as part of transactions on the Administrators Account, unless specifically agreed to by us in writing.

8. Can I collect my goods that have not yet been paid for?

No, not straight away. We will need some time to confirm if you have valid retention of title to unpaid goods (per your Agreement with Virgin), and whether those supplies are required for ongoing trade.

Stock takes will need to be completed by the Administrators to confirm if your specific goods are still available and they can be identified. This may take some time to complete and ask that you please bear with us through this process.

Suppliers will not be permitted to collect their goods without a member of Deloitte being present. Suppliers wishing to claim a "retention of title" are directed to contact us via email at virginsuppliers@deloitte.com.au.

If the Administrators need to use your goods to trade the business, and they are subject to a valid retention of title claim, we will contact you directly to arrange with you.

A full review of all Virgin's grantor registrations on the PPSR will be undertaken on appointment to confirm the validity of all security interests. Generally, as a supplier, if you have not registered your security interest on the Personal Property Securities Register (PPSR), then your debt will not be secured against the goods.

9. What if I have concerns about getting paid during the Administration?

The Administrators will only make payment for goods and services with a properly authorised order. The Administrators will liaise with suppliers to set up accounts as required and provide a list of authorised signatories for ordering purposes.

The Administrators are personally liable for any authorised orders made after their appointment, so suppliers will be paid for their goods and services in the ordinary course.

10. Who should I contact if I still have more queries?

Please direct your queries to the Administrators' staff by email at virginsuppliers@deloitte.com.au

LESSORS

11. What happens to my property (airplane/PP&E/motor vehicle) on lease to Virgin?

Individual letters have been sent to lessors directly. The Administrators will decide whether the leased property is required to continue trading the business. If we continue to lease the property, the Administrators will be liable and will pay for any period the property continues to be leased by the Companies whilst in Administration. Payment will be subject to a review of the PPSR to confirm that you have a valid secured interest in the property.

Pursuant to Section 443B of the Corporations Act 2001, the Administrators will have 5 business days rent free to decide if they would like to continue to use or occupy your property (this includes property subject to a lease that gives rise to a PPSA security interest).

12. I am a landlord of a commercial property rented to Virgin. What will happen with the property and the lease arrangements?

We will be separately contacting landlords directly to confirm the current rental obligations and any recent renegotiations regarding COVID-19 commercial rent relief.

Section 443B of the Corporations Act 2001 also applies to rental properties. The Administrators will have 5 business days rent free to decide if the property is critical to continue trading the business, and therefore, if they would like to continue to occupy the property. If the Administrators choose to continue occupying the property, we will be liable for rent payments up to the date of vacation of the property.

13. Can I terminate my lease with Virgin?

This depends on the individual agreement. Any agreement executed on or after 1 July 2018 cannot be terminated due to the Companies entering Administration.

The Corporations Act 2001 restricts the power of a lessor to resume possession of property during the Administration period, without the Administrator's consent or leave of the Court.

If it is a lease for property (buildings), a 7-day rent free period is allowed for under the Corporations Act, which allows the Administrators time to decide if the lease is required to continue operations, or if the lease should be terminated.

Section 443B(2) of the Corporations Act 2001 states that the Administrators are only personally liable for rent up to the date of vacation of the property.

14. Who should I contact if I still have more queries?

Please direct your queries to the Administrators' staff by email at virginsuppliers@deloitte.com.au.

BOND HOLDERS AND NOTE HOLDERS

15. What happens to my Bonds/Notes?

You will become an unsecured creditor in the Administration.

No payment can be made in relation to this debt during the Administration process, however, you will be able to lodge a creditor claim against the Companies by lodging a Proof of Debt Form.

Proof of Debt forms will be available for download on Deloitte's website at:

<http://www.deloitte.com/au/virgin>

Alternatively, you can email us at virginadmin@deloitte.com.au to request a Proof of Debt form.

16. Can I transfer or sell my Bond/Note?

Only with permission from the Administrators.

17. Who should I contact if I still have more queries?

Please direct your queries to the Administrators' staff by email at virginadmin@deloitte.com.au

Schedule A

Company Name	ACN
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