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 Well-funded parties with strong aviation credentials and plans to secure the future of Virgin Australia

18 May 2020: Vaughan Strawbridge, John Greig, Sal Algeri and Richard Hughes, the Administrators of the Virgin Australia Group today announced that the process to find a new owner and bring Virgin Australia out of voluntary administration as soon as possible, had taken a significant step forward with the shortlisting of a small number of parties to be invited into the next stage of the process.

Lead Partner for the Administrators, Vaughan Strawbridge said: "We are delighted by the strength of each of those on the shortlist, with parties selected being well funded and possessing deep aviation experience. The parties have also worked constructively with the administration process and put forward credible indicative bids. Importantly, each has a plan for the business which can secure the future for thousands of Virgin Australia employees.

"These parties enable us to seek the best available commercial solution which we are all looking for, while meeting our responsibility to maximise the outcome for creditors and see the airline continue as one of the country's two carriers serving Australians across cities and regions.

"The process we have undertaken is an expedited sale process encouraging strong competition for these valuable assets, but one that is necessary to ensure the business is restructured as soon as possible, so that it can remain a competitive force in the market and begin more normal operations as soon as COVID-19 restrictions allow.

"We have been very pleased with the progress of the administration and sale process to date, with excellent engagement from highly credentialed parties who have worked tirelessly to be in a position to put forward indicative proposals for the future of Virgin Australia. This has been very important to ensure not only the future employment of so many passionate members of the Virgin team, but the future of Australia's second domestic airline which is in the national interest of Australia.

"We received more interest than anticipated from parties who are eager to be a part of the future of Virgin Australia.

"We understand some parties will be disappointed that they have not been invited to continue their interest and we hope they will respect our decision which is predicated on the business continuing and achieving the best outcome for all people impacted. We thank all those who have been a part of our process to date.

"We cannot comment on who the shortlisted parties are due to confidentiality commitments but we will be working intensely with them over the next four weeks to enable binding offers by mid-June. This will involve the sharing of more detailed financial and operational information, management workshops and meeting with as many of the financiers, landlords, suppliers, unions and other stakeholders of the business as possible.

"We are very excited about embarking on the next phase of the sale process and working with the shortlisted parties to see Virgin Australia restructured and come out of voluntary administration in a strong and sustainable position," said Mr Strawbridge.

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