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VIRGIN AUSTRALIA HOLDINGS LIMITED (SUBJECT TO DEED OF COMPANY ARRANGEMENT) (ASX:VAH):

VIRGIN AUSTRALIA GROUP CEO PAUL SCURRAH TO STEP DOWN

15 October 2020: The Deed Administrators of the Virgin Australia Group (Vaughan Strawbridge, John Greig, Sal Algeri and Richard Hughes – all Deloitte Restructuring Services partners) advise that Paul Scurrah will step down as Chief Executive Officer and Managing Director at financial close of the sale transaction to Bain Capital, being the completion of the Deeds of Company Arrangements (DOCAs).

Paul Scurrah will remain as CEO and Managing Director until that time, supporting the completion of the DOCAs and handover of the business to Bain Capital, expected early November 2020.

Vaughan Strawbridge said: "Paul has done an outstanding job supporting us through this process. His exceptional leadership enabled us to stabilise the business and achieve a sale in a timely and orderly manner.

"It is a testament to his leadership that we have been able to complete this sale and the business is well positioned to play its vital role in the rebuilding of the Australian aviation industry and economy more broadly."

"I know there has been speculation about the shape of the airline into the future, and I have reaffirmed with Bain Capital that Virgin Australia will not be repositioned as a low-cost carrier. Virgin Australia will be a 'hybrid' airline, offering great value to customers by delivering a distinctive Virgin experience at competitive prices. This will appeal to the full spectrum of travellers, from premium corporate through to more budget-focused customers."

Mr Scurrah said: "Over the last 18 months, I have had the great privilege of being the CEO and Managing Director of the Virgin Australia Group. Whilst it has been the most challenging time in aviation history, I have continued to be so proud of the way my team and our entire organisation has fought to save this airline and to keep competition alive and well in Australia. We have succeeded in not just ensuring the future of the company, but also reset the business to ensure it is well placed to deliver for Bain Capital for many years to come.

"Having seen the company through COVID-19, voluntary administration, the sale to Bain Capital and the redesign of the business, I will be stepping down as CEO and Managing Director at financial close of the DOCAs. I have made this decision after some long discussions with my family. The time feels right, and I know the business will be in good hands.

"I am proud of that work that has been completed to date to transition the business and remove complexity, allowing the airline to compete effectively once demand returns.

"I want to thank all of our team members who have continued to support and work tirelessly to get the company through to this stage. I will forever be proud of what we have done here. It is the people that make this airline the great place it is and I wish them all the best. I was extremely humbled by the warmth with which I was embraced on day one and for the unwavering support afforded to me throughout this ongoing major industry crisis.

"I also want to thank Vaughan Strawbridge and his team at Deloitte as well as our legal and financial advisers for the major achievement and tireless efforts to ensure that Virgin Australia has a future. I won't forget the support they provided me and the team.

"I have also appreciated working with Bain Capital in recent months and recognise the significant contribution they have made to Virgin Australia's long-term future. They have demonstrated a deep understanding of aviation and our culture.

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"It is the intention that Jayne Hrdlicka will be appointed by Bain Capital as CEO once the transaction is complete, in early November. Jayne has strong aviation credentials. She is very focused on seeing the business succeed and I wish Virgin Australia well under her leadership."

Bain Capital Managing Director, Mike Murphy said: "Paul has provided the leadership to enable Virgin Australia to emerge from voluntary administration as a well-capitalised, best in class carrier. His personal commitment and determination to lead Virgin Australia through such a turbulent period is a credit to him."

ENDS

This announcement was approved for release by Vaughan Strawbridge, Administrator Deloitte.

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