

Virgin Mobile USA, Inc.  
Form SC 13D  
September 12, 2008

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**  
**WASHINGTON, D.C. 20549**

**SCHEDULE 13D**

**Under the Securities Exchange Act of 1934**

**(Amendment No. \_\_\_\_\_)\***

**Virgin Mobile USA, Inc.**

**(Name of Issuer)**

**Class A Common Stock, par value \$0.01 per share**

**(Title of Class of Securities)**

**92769R108**

**(CUSIP Number)**

**Joshua Bayliss**

**Virgin Management Ltd.**

**The School House**

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**50 Brook Green**

**London W6 7RR**

**United Kingdom**

**+44 (0)20 7313 2011**

**(Name, Address and Telephone Number of Person Authorized to Receive Notices and Communications)**

**August 22, 2008**

**(Date of Event which Requires Filing of this Statement)**

If the filing person has previously filed a statement on Schedule 13G to report the acquisition that is the subject of this Schedule 13D, and is filing this schedule because of §§240.13d-1(e), 240.13d-1(f) or 240.13d-1(g), check the following box. "

**Note:** Schedules filed in paper format shall include a signed original and five copies of the schedule, including all exhibits. See §240.13d-7 for other parties to whom copies are to be sent.

\* The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page. The information required on the remainder of this cover page shall not be deemed to be filed for the purpose of Section 18 of the Securities Exchange Act of 1934 ( Act ) or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

CUSIP No. 92769R108

1. Names of Reporting Persons.

Corvina Holdings Limited

2. Check the Appropriate Box if a Member of a Group (See Instructions)

(a)

(b)

3. SEC Use Only

4. Source of Funds (See Instructions)

AF; OO

5. Check if Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e)

6. Citizenship or Place of Organization

British Virgin Islands

Number of 7. Sole Voting Power

Shares

Beneficially 0

Owned by 8. Shared Voting Power

Each

Reporting 52,040,316  
9. Sole Dispositive Power

Person

With 25,847,771.5  
10. Shared Dispositive Power

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0

11. Aggregate Amount Beneficially Owned by Each Reporting Person

52,040,316

12. Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions)

13. Percent of Class Represented by Amount in Row (11)

63.1%

14. Type of Reporting Person (See Instructions)

CO

CUSIP No. 92769R108

1. Names of Reporting Persons.

**Cortaire Limited**

2. Check the Appropriate Box if a Member of a Group (See Instructions)

(a)

(b)

3. SEC Use Only

4. Source of Funds (See Instructions)

**AF; OO**

5. Check if Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e)

6. Citizenship or Place of Organization

**British Virgin Islands**

Number of 7. Sole Voting Power

Shares

Beneficially 0

Owned by 8. Shared Voting Power

Each

Reporting 52,040,316  
9. Sole Dispositive Power

Person

With

229  
10. Shared Dispositive Power

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11. Aggregate Amount Beneficially Owned by Each Reporting Person

52,040,316

12. Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions)

13. Percent of Class Represented by Amount in Row (11)

63.1%

14. Type of Reporting Person (See Instructions)

CO

3

CUSIP No. 92769R108

1. Names of Reporting Persons.

Gamay Holdings Limited

2. Check the Appropriate Box if a Member of a Group (See Instructions)

(a)

(b)

3. SEC Use Only

4. Source of Funds (See Instructions)

AF; OO

5. Check if Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e)

6. Citizenship or Place of Organization

British Virgin Islands

Number of 7. Sole Voting Power

Shares

Beneficially 0

Owned by 8. Shared Voting Power

Each

Reporting 52,040,316  
9. Sole Dispositive Power

Person

With

25,847,771.5  
10. Shared Dispositive Power

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11. Aggregate Amount Beneficially Owned by Each Reporting Person

52,040,316

12. Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions)

13. Percent of Class Represented by Amount in Row (11)

63.1%

14. Type of Reporting Person (See Instructions)

CO

4



CUSIP No. 92769R108

1. Names of Reporting Persons.

Virgin Group Holdings Limited

2. Check the Appropriate Box if a Member of a Group (See Instructions)

(a)

(b)

3. SEC Use Only

4. Source of Funds (See Instructions)

AF; OO

5. Check if Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e)

6. Citizenship or Place of Organization

British Virgin Islands

Number of 7. Sole Voting Power

Shares

Beneficially 0

Owned by 8. Shared Voting Power

Each

Reporting 52,040,316  
9. Sole Dispositive Power

Person

With

25,847,771.5  
10. Shared Dispositive Power

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11. Aggregate Amount Beneficially Owned by Each Reporting Person

52,040,316

12. Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions)

13. Percent of Class Represented by Amount in Row (11)

63.1%

14. Type of Reporting Person (See Instructions)

CO

5

CUSIP No. 92769R108

1. Names of Reporting Persons.

Sir Richard Branson

2. Check the Appropriate Box if a Member of a Group (See Instructions)

(a)

(b)

3. SEC Use Only

4. Source of Funds (See Instructions)

OO

5. Check if Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e)

6. Citizenship or Place of Organization

United Kingdom

Number of 7. Sole Voting Power

Shares

Beneficially 0

Owned by 8. Shared Voting Power

Each

Reporting 52,040,316  
9. Sole Dispositive Power

Person

With

25,847,771.5  
10. Shared Dispositive Power

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11. Aggregate Amount Beneficially Owned by Each Reporting Person

52,040,316

12. Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions)

13. Percent of Class Represented by Amount in Row (11)

63.1%

14. Type of Reporting Person (See Instructions)

CO

6

CUSIP No. 92769R108

1. Names of Reporting Persons.

Cougar Investments Limited

2. Check the Appropriate Box if a Member of a Group (See Instructions)

(a)

(b)

3. SEC Use Only

4. Source of Funds (See Instructions)

AF; OO

5. Check if Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e)

6. Citizenship or Place of Organization

Jersey

Number of 7. Sole Voting Power

Shares

Beneficially 0

Owned by 8. Shared Voting Power

Each

Reporting 52,040,316  
Person 9. Sole Dispositive Power

With

25,847,771.5  
10. Shared Dispositive Power

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11. Aggregate Amount Beneficially Owned by Each Reporting Person

52,040,316

12. Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions)

13. Percent of Class Represented by Amount in Row (11)

63.1%

14. Type of Reporting Person (See Instructions)

CO

7

CUSIP No. 92769R108

1. Names of Reporting Persons.

Plough Investments Limited

2. Check the Appropriate Box if a Member of a Group (See Instructions)

(a)

(b)

3. SEC Use Only

4. Source of Funds (See Instructions)

AF; OO

5. Check if Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e)

6. Citizenship or Place of Organization

Jersey

Number of 7. Sole Voting Power

Shares

Beneficially 0

Owned by 8. Shared Voting Power

Each

Reporting 52,040,316  
9. Sole Dispositive Power

Person

With

25,847,771.5  
10. Shared Dispositive Power

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11. Aggregate Amount Beneficially Owned by Each Reporting Person

52,040,316

12. Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions)

13. Percent of Class Represented by Amount in Row (11)

63.1%

14. Type of Reporting Person (See Instructions)

CO

8



CUSIP No. 92769R108

1. Names of Reporting Persons.

Deutsche Bank Trustee Services (Guernsey) Limited (solely in its capacity as trustee for The Virgo Trust, The Libra Trust, The Jupiter Trust, The Mars Trust, The Venus Trust, The Leo Trust and The Gemini Trust)

2. Check the Appropriate Box if a Member of a Group (See Instructions)

(a)

(b)

3. SEC Use Only

4. Source of Funds (See Instructions)

AF; OO

5. Check if Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e)

6. Citizenship or Place of Organization

|              |              |                              |
|--------------|--------------|------------------------------|
| Number of    | Guernsey     | 7. Sole Voting Power         |
| Shares       |              |                              |
| Beneficially | 0            | 8. Shared Voting Power       |
| Owned by     |              |                              |
| Each         |              |                              |
| Reporting    | 52,040,316   | 9. Sole Dispositive Power    |
| Person       |              |                              |
| With         | 25,847,771.5 | 10. Shared Dispositive Power |

0

11. Aggregate Amount Beneficially Owned by Each Reporting Person

52,040,316

12. Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions)

13. Percent of Class Represented by Amount in Row (11)

63.1%

14. Type of Reporting Person (See Instructions)

CO

CUSIP No. 92769R108

1. Names of Reporting Persons.

RBC Trustees (CI) Limited (solely in its capacity as trustee for The Aquarius Trust, The Aries Trust, The Capricorn Trust, The Pisces Trust and The Saturn Trust)

2. Check the Appropriate Box if a Member of a Group (See Instructions)

(a)

(b)

3. SEC Use Only

4. Source of Funds (See Instructions)

AF; OO

5. Check if Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e)

6. Citizenship or Place of Organization

|              |              |                              |
|--------------|--------------|------------------------------|
| Number of    | Jersey       | 7. Sole Voting Power         |
| Shares       |              |                              |
| Beneficially | 0            | 8. Shared Voting Power       |
| Owned by     |              |                              |
| Each         |              |                              |
| Reporting    | 52,040,316   | 9. Sole Dispositive Power    |
| Person       |              |                              |
| With         | 25,847,771.5 | 10. Shared Dispositive Power |

0

11. Aggregate Amount Beneficially Owned by Each Reporting Person

52,040,316

12. Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions)

13. Percent of Class Represented by Amount in Row (11)

63.1%

14. Type of Reporting Person (See Instructions)

CO

EXPLANATORY NOTE: The Reporting Persons have previously filed a statement with the Securities and Exchange Commission (the SEC) with respect to the subject class of securities on Schedule 13G pursuant to Section 13(g) of the Securities Exchange Act of 1934, as amended (the Act), and Rule 13d-1(d) thereunder. The indirect acquisition by the Reporting Persons of shared voting power over subject securities on August 22, 2008, which exceeded two per cent of that class, required that the Reporting Persons file this statement with the SEC on Schedule 13D pursuant to Section 13(d) of the Act and Rule 13d-1(a) thereunder.

Item 1. Security and Issuer

This statement on Schedule 13D (this Statement) relates to the Class A common stock, \$0.01 par value per share (the Class A Common Stock), of Virgin Mobile USA, Inc. a Delaware corporation (the Issuer). The principal executive offices of the Issuer are located at 10 Independence Boulevard, Warren, NJ 07059.

Item 2. Identity and Background

(a), (b), (c) and (f). This statement is being filed jointly by:

- (i) Corvina Holdings Limited (Corvina), a British Virgin Islands corporation;
- (ii) Cortaire Limited (Cortaire), a British Virgin Islands corporation;
- (iii) Gamay Holdings Limited (Gamay), a British Virgin Islands corporation;
- (iv) Virgin Group Holdings Limited (VGHL), a British Virgin Islands corporation;
- (v) Sir Richard Branson (Richard Branson), a citizen of the United Kingdom;
- (vi) Cougar Investments Limited (Cougar), a Jersey company;
- (vii) Plough Investments Limited (Plough), a Jersey company;
- (viii) Deutsche Bank Trustee Services (Guernsey) Limited (DBTSGL), a company governed under the laws of Guernsey, solely in its capacity as trustee for The Virgo Trust, The Libra Trust, The Jupiter Trust, The Mars Trust, The Venus Trust, The Leo Trust and The Gemini Trust (such trusts collectively referred to as the DB Trusts); and
- (ix) RBC Trustees (CI) Limited (RBC Trustees), a Jersey company, solely in its capacity as trustee for The Aquarius Trust, The Aries Trust, The Capricorn Trust, The Pisces Trust and The Saturn Trust (such trusts collectively referred to as the RBC Trusts), and together with the DB Trusts, the Trusts).

Corvina, Cortaire, Gamay, VGHL, Richard Branson, Cougar, Plough, DBTSGL and RBC Trustees are collectively referred to herein as the Reporting Persons. Set forth in Annex A attached hereto are the business address and principal business of each of the Reporting Persons, which is incorporated herein by reference.

Set forth in Annex B attached hereto is a listing of the directors and executive officers of each of the Reporting Persons (the Covered Persons) as well as the business address, present principal occupation or employment and citizenship of each of the Covered Persons, which is incorporated herein by reference.

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(d) and (e). During the last five years, none of the Reporting Persons (nor, to the knowledge of the Reporting Persons, any of the Covered Persons) has (i) been convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors) or (ii) been a party to a civil proceeding before a judicial or administrative body of competent jurisdiction and, as a result of such proceeding, was or is subject to a judgment, decree or final order enjoining future violations of, or prohibiting or mandating activities subject to, federal or state securities laws or finding any violation with respect to such laws.

Item 3. Source and Amount of Funds or Other Consideration

SK Telecom USA Holdings, Inc. ( SK Telecom ), EarthLink, Inc. ( EarthLink ) and Helio, Inc. acquired 10,999,373 common units of Virgin Mobile USA, L.P. ( VMU Opco ) (convertible into 10,999,373 shares of Class A Common Stock of the Issuer), 1,807,259 common units of VMU Opco (convertible into 1,807,259 shares of Class A Common Stock of the Issuer) and 193,368 shares of Class A Common Stock of the Issuer, respectively, in connection with SK Telecom 's transfer of 316,504,681 preferred membership units of Helio LLC to VMU Opco, EarthLink 's transfer of 52,003,535 preferred membership units of Helio LLC to VMU Opco and Helio, Inc. 's transfer of 5,564,149 common membership units of Helio LLC to the Issuer (which the Issuer contributed to VMU Opco), in each case, pursuant to the Transaction Agreement, dated as of June 27, 2008, by and among the Issuer, VMU Opco, Helio, Inc., Helio LLC, SK Telecom, EarthLink and Corvina (the Transaction Agreement ). Upon the execution of the Amended and Restated Stockholders ' Agreement of Virgin Mobile USA, Inc., dated as of August 22, 2008, by and among the Issuer, Corvina, Cortaire, SK Telecom and Sprint Ventures, Inc. ( Sprint ) (the Amended and Restated Stockholders ' Agreement ), the Reporting Persons acquired shared voting power over the 10,999,373 common units of VMU Opco (exchangeable into 10,999,373 shares of Class A Common Stock of the Issuer) held by SK Telecom and the 193,368 shares of Class A Common Stock held by Helio, Inc. (which is currently controlled by SK Telecom).

Additionally, pursuant to the Transaction Agreement, the Issuer authorized and issued 25,000 shares of Series A Convertible Preferred Stock ( Series A Preferred Stock ) to SK Telecom and 25,000 shares of Series A Preferred Stock to Corvina which, together, will be convertible automatically for 5,882,353 shares of Class A Common Stock upon approval by the stockholders of the Issuer (which approval has not yet been obtained). Accordingly, for purposes of this Statement on Schedule 13D, the Reporting persons are also deemed to have acquired shared voting power over these 5,882,353 shares of Class A Common Stock.

Pursuant to the Transaction Agreement and upon approval by the stockholders of the Issuer, which has not yet been obtained, the Issuer also agreed to issue to SK Telecom one share of Class B Common Stock, which will entitle SK Telecom to a number of votes that is equal to the total number of shares of Class A Common Stock for which SK Telecom 's limited partnership interest in Virgin Mobile USA, L.P. is exchangeable.

Item 4. Purpose of Transaction

The Reporting Persons presently intend to hold the Class A Common Stock (or securities convertible into shares of Class A Common Stock) for investment purposes. The Reporting Persons intend to assess the investment in the Issuer from time to time on the basis of various factors, including, without limitation, the Issuer 's business, financial condition, results of operations and prospects, general economic, market and industry conditions, as well as other developments and other investment opportunities. Depending upon the foregoing factors or any other factors deemed relevant to the Reporting Persons, they may acquire additional shares of Class A Common Stock (or securities convertible into shares of Class A Common Stock), or dispose of all or part of the shares (or the securities) in open market transactions, privately negotiated transactions or otherwise. Any acquisition or disposition may be effected by the Reporting Persons at any time without prior notice.

Certain employees of affiliates of the Reporting Persons are currently members of the Board of Directors of the Issuer. As a result of the Reporting Persons ' ongoing review and evaluation of the

business of the Issuer, the Reporting Persons may, through their affiliates employees representation on the Board of Directors of the Issuer and otherwise, continue to communicate with the Board of Directors, members of management and/or other stockholders from time to time with respect to operational, strategic, financial or governance matters or otherwise work with management and the Board of Directors to create stockholder value.

Except as set forth in this Statement, none of the Reporting Persons has any present plans or intentions that would result in or relate to any of the transactions or events described in subparagraphs (a) through (j) of Item 4 of Schedule 13D. The information set forth in Item 6 is also incorporated by reference into this Item 4.

Item 5. Interest in Securities of the Issuer

(a), (b)

As of the filing date of this Schedule 13D each of the Reporting Persons may be deemed to have: (i) beneficial ownership (within the meaning of Rule 13d-3 under the Exchange Act) and shared power to vote or direct the vote of 52,040,316 (see row 8 of each cover page) shares of the Issuer's Class A Common Stock representing 63.1% (see row 13 of each cover page) of the Issuer's outstanding Class A Common Stock as of the filing date of this Schedule 13D (assuming that all common units of VMU Opco have been converted into shares of Class A Common Stock of the Issuer) and (ii) the power to direct the disposition of the number of shares of Class A Common Stock set forth on row 9 of each cover page for the reasons set forth below:

1. The Virgin Group ( Virgin Group refers to Virgin Group Holdings Limited and its affiliated entities), Sprint and SK Telecom may be deemed to have beneficial ownership of 52,040,316 shares of Class A Common Stock, as a result of Corvina, Cortaire, Sprint and SK Telecom being parties to the Amended and Restated Stockholders Agreement. The Virgin Group does not, however, affirm the existence of any group with Sprint or SK Telecom.

2. Beneficial ownership of 52,040,316 shares of Class A Common Stock is based on (i) 22,791,533 shares of Class A Common Stock held by the Virgin Group, plus (ii) 1 share, in the case of Cortaire, and 115,061 shares, in the case of the other members of the Virgin Group, of Class A Common Stock that may be acquired by such reporting persons upon the conversion of their shares of Class C common stock, par value \$0.01 per share ( Class C Common Stock ), plus (iii) the shares of Class A Common Stock underlying a limited partnership interest in VMU Opco (an indirect, majority-owned subsidiary of the Issuer), held by Sprint, which interest is initially exchangeable for 12,058,626 shares of Class A Common Stock of the Issuer and the shares of Class A Common Stock underlying a limited partnership interest in VMU Opco held by SK Telecom, which interest is initially exchangeable for 10,999,373 shares of Class A Common Stock of the Issuer, plus (iv) 5,882,353 shares of Class A Common Stock issuable upon conversion of the Series A Preferred Stock of the Issuer owned by Virgin Group and SK Telecom, subject to stockholder approval of the Issuer, plus (v) one share of the Issuer's Class B common stock, par value \$0.01 per share ( Class B Common Stock ) held by Sprint, which is entitled to a number of votes that is equal to the total number of shares of Class A Common Stock for which Sprint's limited partnership interest in Virgin Mobile USA, L.P. is exchangeable, plus (vi) 193,368 shares of Class A Common Stock beneficially owned by Helio, Inc., currently controlled by SK Telecom, issued in connection with the closing of the transactions pursuant to the Transaction Agreement.

3. 63.1% is based on (i) 53,233,237 shares of Class A Common Stock of the Issuer outstanding as of July 31, 2008 (as reported by the Issuer in its Form 10-Q for the quarterly period ended June 30, 2008),



plus (ii) 1 share, in the case of Cortaire, and 115,061 shares, in the case of the other members of the Virgin Group, of Class A Common Stock that may be acquired by such reporting persons upon the conversion of their shares of Class C Common Stock, plus (iii) the shares of Class A Common Stock underlying a limited partnership interest in VMU Opco (an indirect, majority-owned subsidiary of the Issuer) held by Sprint, which interest is initially exchangeable for 12,058,626 shares of Class A Common Stock of the Issuer and the shares of Class A Common Stock underlying a limited partnership interest in VMU Opco held by SK Telecom, which interest is initially exchangeable for 10,999,373 shares of Class A Common Stock of the Issuer, plus (iv) 5,882,353 shares of Class A Common Stock issuable upon conversion of the Series A Preferred Stock of the Issuer owned by Virgin Group and SK Telecom, subject to stockholder approval of the Issuer, plus (v) one share of the Issuer's Class B Common Stock held by Sprint, which is entitled to a number of votes that is equal to the total number of shares of Class A Common Stock for which Sprint's limited partnership interest in VMU Opco is exchangeable, plus (vi) 193,368 shares of Class A Common Stock beneficially owned by Helio, Inc., currently controlled by SK Telecom, issued in connection with the closing of the transactions pursuant to the Transaction Agreement.

4. Each of the Reporting Persons other than Corvina and Cortaire does not directly own any shares of Class A Common Stock or Class C Common Stock convertible into Class A Common Stock nor any other securities of the Issuer. However, each of the Reporting Persons has the ability to direct the management, business and affairs of its wholly-owned subsidiary, including with respect to the voting, or disposal, of the Class A Common Stock held by Corvina and Cortaire. Corvina and Cortaire directly hold the shares of Class A Common Stock and have the direct power to vote and dispose of such shares. Cortaire is a wholly-owned subsidiary of Corvina. Approximately 87% of Corvina is held directly by VGHL. The remaining 13% of Corvina is owned jointly by Gamay and certain senior executives of the Virgin Group. Gamay is a wholly owned subsidiary of VGHL. VGHL is jointly owned by Richard Branson, Cougar, Plough, the DB Trusts and the RBC Trusts, none of whom holds a controlling interest in VGHL. The principal beneficiaries of the DB Trusts and the RBC Trusts are Richard Branson and certain members of his family (the Beneficiaries). The Reporting Persons' ability to vote and dispose of shares of Class A Common Stock is subject to the terms of the Amended and Restated Stockholders' Agreement. Additionally, pursuant to the Amended and Restated Stockholders' Agreement, the Reporting Persons have shared voting power over the securities of the Issuer held by Sprint, SK Telecom and Helio, Inc. as described in paragraph 2 above. To the knowledge of the Reporting Persons, none of the Covered Persons beneficially owns, directly or indirectly, any shares of the Issuer's Class A Common Stock. The information set forth in Item 6 is also incorporated by reference into this Item 5.

(c) There have been no transactions effected with respect to shares of Class A Common Stock during the past 60 days by any of the Reporting Persons (nor to the knowledge of the Reporting Persons, any of the Covered Persons), other than the transaction described in Item 3, which is incorporated herein by reference.

(d) The Trusts are ultimately controlled by DBTSGL and RBC Trustees, respectively, for the benefit of their beneficiaries. The trustees are trust companies which have the right to indirectly participate in the receipt of dividends from, or proceeds from the sale of, the shares of Class A Common Stock held for the benefit of their respective beneficiaries in accordance with their respective trust agreements (the Shares). The principal beneficiaries of the Trusts include the Beneficiaries. The Beneficiaries have the right to indirectly participate in the receipt of dividends from, or proceeds from the sale of, the shares of Class A Common Stock held for their benefit in accordance with their respective trust agreements. The Reporting Persons affirm that, except as otherwise stated in this Item 5(d), no other person has the right to receive or the power to direct the receipt of dividends from, or the proceeds from the sale of, the Shares. DBTSGL and RBC Trustees have no power as the trustees of the Trusts to receive or to direct the receipt of dividends from, or the proceeds of sale of, the Shares except in accordance with the terms of the Trusts.

(e) Not applicable.

Item 6. Contracts, Arrangements or Understandings with Respect to Securities of the Issuer

*Amended and Restated Stockholders Agreement*

On August 22, 2008, in accordance with the terms of the Transaction Agreement, SK Telecom has been joined as a party to the Amended and Restated Stockholders Agreement with the Issuer, Corvina, Cortaire, SK Telecom, and Sprint.

The Amended and Restated Stockholders Agreement contains various governance provisions, including provisions relating to the voting of Sprint's, SK Telecom's and the Virgin Group's voting interests in the Issuer. The Amended and Restated Stockholders Agreement provides that Sprint, SK Telecom and the Virgin Group will vote their shares of Class A Common Stock, Class B Common Stock and Class C Common Stock to elect to the Board of Directors of the Issuer up to two directors nominated by SK Telecom, up to two directors nominated by Sprint and up to three directors nominated by the Virgin Group, at least three independent directors and one director who will be the Issuer's chief executive officer. The number of directors that each of Sprint, SK Telecom and the Virgin Group may designate will be reduced if their voting interest in the Issuer is reduced below certain levels specified in the Amended and Restated Stockholders Agreement. In addition, (1) if Sprint is not entitled to designate any director pursuant to the immediately preceding sentence, so long as the Issuer's PCS services agreement with Sprint remains effective, Sprint will have the right to designate one director to the Issuer's Board of Directors, irrespective of its ownership interest in the Issuer and (2) if the Virgin Group is not entitled to designate any director pursuant to the immediately preceding sentence, so long as the Virgin trademark license agreement remains effective, the Virgin Group will have the right to designate one director to the Issuer's Board of Directors, irrespective of its ownership interest in the Issuer.

So long as the Issuer qualifies as a controlled company under the New York Stock Exchange rules, the Virgin Group shall have the right to designate one of its appointed directors as chairman of the board if it has the right to designate three directors to the Issuer's board. As long as either Sprint or the Virgin Group has the right to designate at least one director to the Issuer's Board of Directors, then Sprint or the Virgin Group, as the case may be, shall have the right to appoint one director to the compensation committee of the Issuer's Board of Directors.

These provisions regarding the appointment of directors will remain in effect until the latest date permitted by applicable law, including any New York Stock Exchange requirements. In addition, within a year of the Issuer ceasing to be a controlled company under the New York Stock Exchange rules, the composition of its Board of Directors will be adjusted to comply with the New York Stock Exchange requirements, as necessary.

Under the terms of the Amended and Restated Stockholders Agreement, as long as each of Sprint and the Virgin Group have ownership interests in the Issuer of at least 10%, and as long as SK Telecom has an ownership interest in the Issuer of at least 15%, the following actions require the consent of each of Sprint, Virgin Group and SK Telecom: (1) merger, consolidation, reorganization or sale of all or substantially all of the assets of the Issuer; (2) change of control of the Issuer to a direct strategic competitor of Sprint, the Virgin Group, SK Telecom or the Issuer; (3) dissolution or liquidation of the

Issuer; (4) issuance of equity securities, subject to certain exceptions; (5) sale of assets representing 50% of the Issuer's assets based on the most recently available audited balance sheet; (6) changing the size of the Board of Directors; and (7) amending provisions of the Issuer's bylaws that relate to the election of directors and the consent rights of Sprint, the Virgin Group and SK Telecom. Notwithstanding the foregoing, the Issuer may take any action specified in clauses (1)-(7) above despite a failure to receive a consent or waiver from SK Telecom if the Issuer received prior approval of such action by more than 75% of the total outstanding voting power attributable to all shares of equity securities entitled to vote on such action. In addition, the following actions require the affirmative vote of a majority of all of the directors serving on the Issuer's board: (1) dissolution, liquidation or bankruptcy; (2) the creation or issuance of any debt or the creation or issuance of any equity securities; (3) amendment to the Issuer's by-laws; (4) the incurrence of indebtedness in an amount in excess of \$50 million; (5) the adoption of a material change to the Issuer's strategy or business; and (6) changing the size of the Board of Directors.

Pursuant to the terms of the Amended and Restated Stockholders' Agreement and subject to certain exceptions, Sprint, SK Telecom and the Virgin Group have the right to subscribe to and purchase a pro rata share of any new securities that the Issuer issues or proposes to issue. Sprint, SK Telecom and the Virgin Group also have a right of first offer in transfers that would result in the Issuer ceasing to qualify as a controlled company under the New York Stock Exchange rules.

Pursuant to the terms of the Amended and Restated Stockholders' Agreement and subject to certain exceptions, the Issuer will indemnify stockholders that are parties thereto against losses arising from (1) the purchase and/or ownership of the Issuer's equity securities and (2) any litigation to which such stockholder is made a party in its capacity as a holder of the Issuer's securities.

#### *Transaction Agreement*

On August 22, 2008, the Issuer completed its acquisition (the Acquisition) of Helio LLC pursuant to the Transaction Agreement. In accordance with the terms and conditions set forth in the Transaction Agreement, the Issuer acquired all of the membership units of Helio LLC in exchange for 12,806,632 partnership units of VMU Opco and 193,368 shares of Class A Common Stock of the Issuer. In addition, each of Virgin Group and SK Telecom invested \$25 million into the Issuer in exchange for the issuance by the Issuer of 25,000 shares of newly issued Series A Preferred Stock.

#### *Amendment to the Registration Rights Agreement*

On August 22, 2008, in accordance with the terms of the Transaction Agreement, the Issuer entered into Amendment No. 1 to the Registration Rights Agreement, dated as of October 16, 2007, by and among the Issuer, Corvina, Cortaire, Sprint, Best Buy Co., Inc., and Freedom Wireless, Inc. (the Registration Rights Agreement), pursuant to which, SK Telecom and Earthlink have been joined as parties to the Registration Rights Agreement.

#### *Amended and Restated Limited Partnership Agreement of Virgin Mobile USA, L.P.*

On August 22, 2008, in accordance with the terms of the Transaction Agreement, the Issuer entered into the Amended and Restated Limited Partnership Agreement of Virgin Mobile USA, L.P. (the Limited Partnership Agreement), by and among the Issuer, VMU GP I, LLC, Bluebottle USA Holdings L.P., Sprint, SK Telecom and Earthlink, pursuant to which, (i) SK Telecom and Earthlink have been admitted as limited partners of VMU Opco, and (ii) a new series of preferred units of VMU Opco was created with designations, preferences and other rights, terms and conditions that were substantially similar to the designations, preferences and other rights, terms and conditions of the Series A Preferred Stock.

*Amendment of the Bylaws*

On August 22, 2008, the Issuer's Bylaws were amended and restated as contemplated in the Transaction Agreement. The Amended and Restated Bylaws of the Issuer provide for, among other things, (1) an increase in the size of the Board of Directors of the Issuer from ten to eleven directors and (2) the right of SK Telecom to appoint two directors to the Board of Directors, subject to SK Telecom continuing to hold certain minimum interests in the Issuer.

*Filing of the Certificate of Designations*

On August 22, 2008, in connection with the acquisition of Helio, Inc., the Issuer filed with the Secretary of State of the State of Delaware the Certificate of Designations of Series A Preferred Stock of Virgin Mobile USA, Inc., pursuant to which the Issuer created 50,000 shares of Series A Preferred Stock. Subject to the approval by the stockholders of the Issuer, the Series A Preferred Stock will be convertible automatically for Class A Common Stock of the Issuer upon the earlier of (i) four years from the date of issuance and (ii) such time as the market price of the Issuer's Class A Common Stock exceeds \$8.50 per share. The Series A Preferred Stock will have a 6% annual dividend and will be convertible at the option of the holder after 18 months after the date of issuance, subject to the approval by the stockholders of the Issuer.

*Voting Agreements*

On June 27, 2008, in connection with the execution of the Transaction Agreement, each of Virgin Group and Sprint entered into a Voting Agreement (each a "Voting Agreement" and, together, the "Voting Agreements") with SK Telecom and, for limited purposes, the Issuer, pursuant to which each of Virgin Group and Sprint agree to vote at any meeting of the stockholders of the Issuer at a meeting called therefor, all shares of Class A Common Stock of the Issuer (and all other equity securities of Issuer entitled to vote thereon) beneficially owned by it in favor of the approval of (i) the issuance of Class A Common Stock of the Issuer upon conversion of the Series A Preferred Stock of Issuer, and (ii) the amendment of the Certificate of Incorporation of Issuer to increase the number of authorized shares of Class B Common Stock of Issuer to three and to include SK Telecom as a "Founding Stockholder" for purposes of Article VIII thereof.

Item 7. Material to be Filed as Exhibits

Exhibit 99.1 Transaction Agreement, dated June 27, 2008 (incorporated by reference to Exhibit 2.1 to the Issuer's Current Report on Form 8-K filed on July 3, 2008)

Exhibit 99.2 Amendment No. 1 to the Registration Rights Agreement, dated August 22, 2008 (incorporated by reference to Exhibit 4.2 to the Issuer's Current Report on Form 8-K filed on August 28, 2008)

Exhibit 99.3 Amended and Restated Stockholders Agreement, dated August 22, 2008 (incorporated by reference to Exhibit 4.1 to the Issuer's Current Report on Form 8-K filed on August 28, 2008)

Exhibit 99.4 Amended and Restated Limited Partnership Agreement of Virgin Mobile USA, L.P., dated August 22, 2008 (incorporated by reference to Exhibit 10.1 to the Issuer's Current Report on Form 8-K filed on August 28, 2008)

Exhibit 99.5 Amended and Restated Bylaws, dated August 22, 2008 (incorporated by reference to Exhibit 3.1 to the Issuer's Current Report on Form 8-K filed on August 28, 2008)

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Exhibit 99.6 Certificate of Designations, as filed with the Secretary of State of the State of Delaware on August 22, 2008 (incorporated by reference to Exhibit 3.2 to the Issuer's Current Report on Form 8-K filed on August 28, 2008)

Exhibit 99.7 Voting Agreements, dated June 27, 2008 (incorporated by reference to Exhibit 99.8 to SK Telecom Co. Ltd.'s Statement on Schedule 13D for the Issuer filed on September 5, 2008)

Exhibit 99.8 Joint Filing Agreement dated September 11, 2008, by and among Corvina Holdings Limited, Cortaire Limited, Gamay Holdings Limited, Virgin Group Holdings Limited, Sir Richard Branson, Cougar Investments Limited, Plough Investments Limited, Deutsche Bank Trustee Services (Guernsey) and RBC Trustees (CI) Limited.

SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Corvina Holdings Limited

By: /s/ Frank Dearie  
Name: Frank Dearie  
Title: Director

Cortaire Limited

By: /s/ Frank Dearie  
Name: Frank Dearie  
Title: Director

Gamay Holdings Limited

By: /s/ Frank Dearie  
Name: Frank Dearie  
Title: Director

Virgin Group Holdings Limited

By: /s/ Frank Dearie  
Name: Frank Dearie  
Title: Director

/s/ Sir Richard Branson  
Sir Richard Branson

Cougar Investments Limited

By: /s/ Alison Jane Renouf  
Name: Alison Jane Renouf  
Title: Director

Plough Investments Limited

By: /s/ Alison Jane Renouf  
Name: Alison Jane Renouf  
Title: Director

Deutsche Bank Trustee Services (Guernsey) Limited

By: /s/ Alison Jane Renouf

/s/ Tracy Ann Martel  
Name: Alison Jane Renouf  
Tracy Ann Martel  
Title: Authorized Signatories

RBC Trustees (CI) Limited

By: /s/ Frank Dearie  
Name: Frank Dearie  
Title: Authorized Signatory

Dated: September 11, 2008

Exhibit Index

| <b>Exhibit</b> | <b>Description</b>   |
|----------------|--|
| Exhibit 99.1   | Transaction Agreement, dated June 27, 2008 (incorporated by reference to Exhibit 2.1 to the Issuer's Current Report on Form 8-K filed on July 3, 2008)   |
| Exhibit 99.2   | Amendment No. 1 to the Registration Rights Agreement, dated August 22, 2008 (incorporated by reference to Exhibit 4.2 to the Issuer's Current Report on Form 8-K filed on August 28, 2008)   |
| Exhibit 99.3   | Amended and Restated Stockholders Agreement, dated August 22, 2008 (incorporated by reference to Exhibit 4.1 to the Issuer's Current Report on Form 8-K filed on August 28, 2008)  |
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**Business Address and Principal Business of the Reporting Persons**

| <b>Name</b>                                       | <b>Business Address</b>   | <b>Principal Business</b>     |
|---|---|-------------------------------|
| Corvina Holdings Limited                          | La Motte Chambers, St. Helier, Jersey, JE1 1BJ  | Investment holding company    |
| Cortaire Limited                                  | La Motte Chambers, St. Helier, Jersey, JE1 1BJ  | Investment holding company    |
| Gamay Holdings Limited                            | La Motte Chambers, St. Helier, Jersey, JE1 1BJ  | Investment holding company    |
| Virgin Group Holdings Limited                     | La Motte Chambers, St. Helier, Jersey, JE1 1BJ  | Investment holding company    |
| Sir Richard Branson                               | Richard s House, PO Box 1091, The Valley, Virgin Gorda, Necker Island, British Virgin Islands | President of the Virgin Group |
| Cougar Investments Limited                        | St. Paul s Gate, New Street, St. Helier, Jersey, JE4 8YP                                      | Investment holding company    |
| Plough Investments Limited                        | St. Paul s Gate, New Street, St. Helier, Jersey, JE4 8YP                                      | Investment holding company    |
| Deutsche Bank Trustee Services (Guernsey) Limited | Lefebvre Court, Lefebvre Street, St. Peter Port, Guernsey, GY16EJ                             | Provision of trust services   |
| RBC Trustees (CI) Limited                         | La Motte Chambers, St. Helier, Jersey, JE1 1BJ  | Provision of trust services   |

**Directors and Officers of Corvina Holdings Limited**

| <b>Name/Title</b>                      | <b>Principal Occupation</b> | <b>Business Address</b>   | <b>Citizenship</b> |
|--|-----------------------------|---|--------------------|
| Mark Poole                             | CFO of Virgin Group         | Virgin Investments S.A.   | UK                 |
| Director                               |                             | 3-5 Cours de Rive<br>Geneva 1204<br>Switzerland                                   |                    |
| Frank Dearie                           | Trust Director              | RBC Trust Company (International) Limited   | UK                 |
| Director                               |                             | La Motte Chambers, St. Helier,<br>Jersey, JE1 1BJ                                 |                    |
| Alison Jane Renouf                     | Trust Director              | Deutsche Bank Trustee Services<br>(Guernsey) Limited                              | UK                 |
| Director                               |                             | PO Box 424, Lefebvre Court,<br>Lefebvre Street, St Peter Port<br>Guernsey GY1 3WT |                    |
| Nicola Margetts                        | Trust Director              | Deutsche Bank Trustee Services<br>(Guernsey) Limited                              | UK                 |
| Alternate Director to<br>Alison Renouf |                             | PO Box 424, Lefebvre Court,<br>Lefebvre Street, St Peter Port<br>Guernsey GY1 3WT |                    |
| Stephen Thomas                         | CEO of Virgin Group         | Virgin Investments S.A.   | UK                 |
| Matthew Murphy                         |                             | 3-5 Cours de Rive<br>Geneva 1204<br>Switzerland                                   |                    |
| Ian Keith Cunning                      | Trust Manager               | RBC Trust Company (International) Limited   | UK                 |
| Alternate Director to Stephen Murphy   |                             | La Motte Chambers, St. Helier,<br>Jersey, JE1 1BJ                                 |                    |
| Paul Fauvel                            | Trust Manager               | RBC Trust Company (International) Limited   | UK                 |
| Alternate Director to Frank Dearie     |                             |   |                    |

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|                                  |                |   |    |
|----------------------------------|----------------|---|----|
| Andreas Tautscher                | Trust Director | La Motte Chambers, St. Helier,<br>Jersey, JE1 1BJ                                 |    |
| Alternate Director to Mark Poole |                | Deutsche Bank Trustee Services<br>(Guernsey) Limited                              | UK |
|                                  |                | PO Box 424, Lefebvre Court,<br>Lefebvre Street, St Peter Port<br>Guernsey GY1 3WT |    |

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**Directors and Officers of Cortaire Limited**

| <b>Name/Title</b>                    | <b>Principal Occupation</b> | <b>Business Address</b>   | <b>Citizenship</b> |
|--------------------------------------|-----------------------------|---|--------------------|
| Mark Poole                           | CFO of Virgin Group         | Virgin Investments S.A.   | UK                 |
| Director                             |                             | 3-5 Cours de Rive<br>Geneva 1204<br>Switzerland                                   |                    |
| Stephen Thomas                       | CEO of Virgin Group         | Virgin Investments S.A.   | UK                 |
| Matthew Murphy                       |                             | 3-5 Cours de Rive<br>Geneva 1204<br>Switzerland                                   |                    |
| Director                             |                             |   |                    |
| Frank Dearie                         | Trust Director              | RBC Trust Company (International) Limited   | UK                 |
| Director                             |                             | La Motte Chambers, St. Helier,<br>Jersey, JE1 1BJ                                 |                    |
| Alison Jane Renouf                   | Trust Director              | Deutsche Bank Trustee Services (Guernsey) Limited                                 | UK                 |
| Director                             |                             | PO Box 424, Lefebvre Court,<br>Lefebvre Street, St Peter Port<br>Guernsey GY1 3WT |                    |
| Ian Keith Cunning                    | Trust Manager               | RBC Trust Company (International) Limited   | UK                 |
| Alternate Director to Stephen Murphy |                             | La Motte Chambers, St. Helier,<br>Jersey, JE1 1BJ                                 |                    |

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|                                     |                |  |    |
|-------------------------------------|----------------|--|----|
| Paul Fauvel                         | Trust Manager  | RBC Trust Company (International) Limited                  | UK |
| Alternate Director to Frank Dearie  |                | La Motte Chambers, St. Helier, Jersey, JE1 1BJ             |    |
| Nicola Margetts                     | Trust Director | Deutsche Bank Trustee Services (Guernsey) Limited          | UK |
| Alternate Director to Alison Renouf |                | PO Box 424, Lefebvre Court, Lefebvre Street, St Peter Port |    |
|                                     |                | Guernsey GY1 3WT   |    |
| Andreas Tautscher                   | Trust Director | Deutsche Bank Trustee Services (Guernsey) Limited          | UK |
| Alternate Director to Mark Poole    |                | PO Box 424, Lefebvre Court, Lefebvre Street, St Peter Port |    |
|                                     |                | Guernsey GY1 3WT   |    |

**Directors and Officers of Gamay Holdings Limited**

| <b>Name/Title</b>  | <b>Principal Occupation</b> | <b>Business Address</b>                           | <b>Citizenship</b> |
|--------------------|-----------------------------|---|--------------------|
| Mark Poole         | CFO of Virgin Group         | Virgin Investments S.A.                           | UK                 |
| Director           |                             | 3-5 Cours de Rive<br>Geneva 1204<br>Switzerland   |                    |
| Stephen Thomas     | CEO of Virgin Group         | Virgin Investments S.A.                           | UK                 |
| Matthew Murphy     |                             | 3-5 Cours de Rive<br>Geneva 1204<br>Switzerland   |                    |
| Frank Dearie       | Trust Director              | RBC Trust Company (International) Limited         | UK                 |
|                    |                             | La Motte Chambers, St. Helier, Jersey, JE1 1BJ    |                    |
| Alison Jane Renouf | Trust Director              | Deutsche Bank Trustee Services (Guernsey) Limited | UK                 |
| Director           |                             | PO Box 424, Lefebvre Court,                       |                    |

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Lefebvre Street, St Peter Port

Guernsey GY1 3WT

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|                                      |                |   |    |
|--------------------------------------|----------------|---|----|
| Ian Keith Cunning                    | Trust Manager  | RBC Trust Company (International) Limited                                   | UK |
| Alternate Director to Stephen Murphy |                | La Motte Chambers, St. Helier, Jersey, JE1 1BJ                              |    |
| Paul Fauvel                          | Trust Manager  | RBC Trust Company (International) Limited                                   | UK |
| Alternate Director to Frank Dearie   |                | La Motte Chambers, St. Helier, Jersey, JE1 1BJ                              |    |
| Nicola Margetts                      | Trust Director | Deutsche Bank Trustee Services (Guernsey) Limited                           | UK |
| Alternate Director to Alison Renouf  |                | PO Box 424, Lefebvre Court, Lefebvre Street, St Peter Port Guernsey GY1 3WT |    |
| Andreas Tautscher                    | Trust Director | Deutsche Bank Trustee Services (Guernsey) Limited                           | UK |
| Alternate Director to Mark Poole     |                | PO Box 424, Lefebvre Court, Lefebvre Street, St Peter Port Guernsey GY1 3WT |    |

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**Directors and Officers of Virgin Group Holdings Limited**

| <b>Name/Title</b>                    | <b>Principal Occupation</b> | <b>Business Address</b>                   | <b>Citizenship</b> |
|--------------------------------------|-----------------------------|---|--------------------|
| Stephen Thomas                       | CEO of Virgin Group         | Virgin Investments S.A.                   | UK                 |
| Matthew Murphy                       |                             | 3-5 Cours de Rive                         |                    |
| Director                             |                             | Geneva 1204                               |                    |
|                                      |                             | Switzerland                               |                    |
| Mark Poole                           | CFO of Virgin Group         | Virgin Investments S.A.                   | UK                 |
| Director                             |                             | 3-5 Cours de Rive                         |                    |
|                                      |                             | Geneva 1204                               |                    |
|                                      |                             | Switzerland                               |                    |
| Alison Jane Renouf                   | Trust Director              | Deutsche Bank Trustee Services            | UK                 |
| Director                             |                             | (Guernsey) Limited                        |                    |
|                                      |                             | PO Box 424, Lefebvre Court,               |                    |
|                                      |                             | Lefebvre Street, St Peter Port            |                    |
|                                      |                             | Guernsey GY1 3WT                          |                    |
| Frank Dearie                         | Trust Director              | RBC Trust Company (International) Limited | UK                 |
|                                      |                             | La Motte Chambers, St. Helier,            |                    |
|                                      |                             | Jersey, JE1 1BJ                           |                    |
| Ian Keith Cunning                    | Trust Manager               | RBC Trust Company (International) Limited | UK                 |
| Alternate Director to Stephen Murphy |                             | La Motte Chambers, St. Helier,            |                    |
|                                      |                             | Jersey, JE1 1BJ                           |                    |
| Paul Fauvel                          | Trust Manager               | RBC Trust Company (International) Limited | UK                 |
| Alternate Director to Frank Dearie   |                             | La Motte Chambers, St. Helier,            |                    |
|                                      |                             | Jersey, JE1 1BJ                           |                    |
| Nicola Margetts                      | Trust Director              | Deutsche Bank Trustee Services            | UK                 |
| Alternate Director to Alison Renouf  |                             | (Guernsey) Limited                        |                    |
|                                      |                             | PO Box 424, Lefebvre Court,               |                    |
|                                      |                             | Lefebvre Street, St Peter Port            |                    |
|                                      |                             | Guernsey GY1 3WT                          |                    |



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Andreas Tautscher

Trust Director

Deutsche Bank Trustee Services

UK

Alternate Director to Mark Poole

(Guernsey) Limited

PO Box 424, Lefebvre Court,

Lefebvre Street, St Peter Port

Guernsey GY1 3WT

**Directors and Officers of Cougar Investments Limited**

| <b>Name/Title</b> | <b>Principal Occupation</b> | <b>Business Address</b> | <b>Citizenship</b> |
|-------------------|-----------------------------|-------------------------|--------------------|
| Alison Renouf     | Trust Director              | Lefebvre Court          | UK                 |
|                   |                             | Lefebvre Street         |                    |
|                   |                             | St Peter Port           |                    |
| Nicola Margetts   | Trust Director              | Guernsey GY1 3WT        | UK                 |
|                   |                             | Lefebvre Court          |                    |
|                   |                             | Lefebvre Street         |                    |
| David Lloyd       | Trust Director              | St Peter Port           | UK                 |
|                   |                             | Guernsey GY1 3WT        |                    |
|                   |                             | Lefebvre Court          |                    |
|                   |                             | Lefebvre Street         |                    |
|                   |                             | St Peter Port           |                    |
|                   |                             | Guernsey GY1 3WT        |                    |

**Directors and Officers of Plough Investments Limited**

| <b>Name/Title</b> | <b>Principal Occupation</b> | <b>Business Address</b> | <b>Citizenship</b> |
|-------------------|-----------------------------|-------------------------|--------------------|
| Alison Renouf     | Trust Director              | Lefebvre Court          | UK                 |
|                   |                             | Lefebvre Street         |                    |
|                   |                             | St Peter Port           |                    |
| Nicola Margetts   | Trust Director              | Guernsey GY1 3WT        | UK                 |
|                   |                             | Lefebvre Court          |                    |
|                   |                             | Lefebvre Street         |                    |
| David Lloyd       | Trust Director              | St Peter Port           | UK                 |
|                   |                             | Guernsey GY1 3WT        |                    |
|                   |                             | Lefebvre Court          |                    |
|                   |                             | Lefebvre Street         |                    |
|                   |                             | St Peter Port           |                    |
|                   |                             | Guernsey GY1 3WT        |                    |



**Directors and Officers of Deutsche Bank Trustee Services (Guernsey) Limited**

| <b>Name/Title</b>                           | <b>Principal Occupation</b> | <b>Business Address</b>  | <b>Citizenship</b> |
|---|-----------------------------|--|--------------------|
| A Brian Conway                              | Banker                      | Lefebvre Court<br>Lefebvre Street<br>St Peter Port<br>Guernsey GY1 3WT | Canada             |
| Martin R C Boyde                            | Accountant                  | Lefebvre Court<br>Lefebvre Street<br>St Peter Port<br>Guernsey GY1 3WT | UK                 |
| Nicola J Margetts                           | Company Director            | Lefebvre Court<br>Lefebvre Street<br>St Peter Port<br>Guernsey GY1 3WT | UK                 |
| Yogesh Gokool                               | Banker                      | Lefebvre Court<br>Lefebvre Street<br>St Peter Port<br>Guernsey GY1 3WT | Mauritius          |
| Alternate Director to<br>Nicola J Margetts  |                             |  |                    |
| Alison Jane Renouf                          | Banker                      | Lefebvre Court<br>Lefebvre Street<br>St Peter Port<br>Guernsey GY1 3WT | UK                 |
| Michael Preston                             | Banker                      | Lefebvre Court<br>Lefebvre Street<br>St Peter Port<br>Guernsey GY1 3WT | Guernsey           |
| Alternate Director to<br>Alison Jane Renouf |                             |  |                    |
| Wayne David Martel                          | Accountant                  | Lefebvre Court<br>Lefebvre Street<br>St Peter Port                     | UK                 |

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**Directors and Officers of RBC Trustees (CI) Limited**

| <b>Name/Title</b>       | <b>Principal Occupation</b> | <b>Business Address</b>   | <b>Citizenship</b>  |
|-------------------------|-----------------------------|---|---------------------|
| Graham Arthur Huelin    | Trust Director              | 19-21 Bath Street, St Helier, Jersey<br>C.I. JE1 8PB              | UK                  |
| Lindsay Jane Ozanne     | Director                    | PO Box 48, Canada Court, St Peter<br>Port, GY1 3BQ, Guernsey C.I. | UK                  |
| Geraldine Mary O Rourke | Client Services Director    | 19-21 Bath Street, St Helier, Jersey<br>C.I. JE1 8PB              | Republic of Ireland |

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|                    |                   |  |    |
|--------------------|-------------------|--|----|
| Alan George Pearce | Managing Director | PO Box 48, Canada Court,<br>St Peter Port, GY1 3BQ, Guernsey<br>C.I. | UK |
| Stephen Romeril    | Managing Director | Le Gallais Chambers, St Helier,<br>Jersey, C.I. JE1 1PB              | UK |

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***This historical data on the SPX is not necessarily indicative of the future performance of the SPX or what the value of the notes may be. Any historical upward or downward trend in the level of the SPX during any period set forth above is not an indication that the level of the SPX is more or less likely to increase or decrease at any time over the term of the notes.***

Before investing in the notes, you should consult publicly available sources for the levels of the SPX.

Accelerated Return Notes®

TS-12

Accelerated Return Notes®

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### **The MSCI Emerging Markets Index**

The MXEF is intended to measure equity market performance in the global emerging markets. The MXEF is a free float-adjusted market capitalization index with a base date of December 31, 1987 and an initial value of 100. The MXEF is calculated daily in U.S. dollars and published in real time every 60 seconds during market trading hours. The MXEF has a base value of 100.00 and a base date of December 31, 1987. As of January 31, 2018, the MXEF consists of the following 24 emerging market country indices: Brazil, Chile, China, Colombia, Czech Republic, Egypt, Greece, Hungary, India, Indonesia, Malaysia, Mexico, Pakistan, Peru, Philippines, Poland, Russia, Qatar, South Africa, South Korea, Taiwan, Thailand, Turkey and United Arab Emirates.

As of April 30, 2018, the five largest country weights were China (30.10%), South Korea (15.60%), Taiwan (11.23%), India (8.48%), and Brazil (7.20%) and the five largest sector weights were Information Technology (27.30%), Financials (23.83%), Consumer Discretionary (9.49%), Materials (7.56%) and Energy (7.31%). The MXEF is an MSCI Index.

### **The Country Indices**

Each country's index included in an MSCI Index is referred to as a Country Index. Under the MSCI methodology, each Country Index is an MSCI Global Standard Index. The components of each Country Index used to be selected by the index sponsor from among the universe of securities eligible for inclusion in the relevant Country Index so as to target an 85% free float-adjusted market representation level within each of a number of industry groups, subject to adjustments to (i) provide for sufficient liquidity, (ii) reflect foreign investment restrictions (only those securities that can be held by non-residents of the country corresponding to the relevant Country Index are included) and (iii) meet certain other investibility criteria. Following a change in the index sponsor's methodology implemented in May 2008, the 85% target is now measured at the level of the country universe of eligible securities rather than the industry group level-so each Country Index will seek to include the securities that represent 85% of the free float-adjusted market capitalization of all securities eligible for inclusion-but will still be subject to liquidity, foreign investment restrictions and other investibility adjustments. The index sponsor defines free float as total shares excluding shares held by strategic investors such as governments, corporations, controlling shareholders and management, and shares subject to foreign ownership restrictions.

### **Calculation of the Country Indices**

Each Country Index is a free float-adjusted market capitalization index that is designed to measure the market performance, including price performance, of the equity securities in that country. Each Country Index is calculated in the relevant local currency as well as in U.S. dollars, with price, gross and net returns.

Each component is included in the relevant Country Index at a weight that reflects the ratio of its free float-adjusted market capitalization (*i.e.*, free public float multiplied by price) to the free float-adjusted market capitalization of all the components in that Country Index. The index sponsor defines the free float of a security as the proportion of shares outstanding that is deemed to be available for purchase in the public equity markets by international investors.

### **Calculation of the MSCI Indices**

The performance of a MSCI Index on any given day represents the weighted performance of all of the components included in all of the Country Indices. Each component in a MSCI Index is included at a weight that reflects the ratio of its free float-adjusted market capitalization (*i.e.*, free public float multiplied by price) to the free float-adjusted market capitalization of all the components included in all of the Country Indices.

### **Maintenance of and Changes to the MSCI Indices**

The index sponsor maintains the MSCI Indices with the objective of reflecting, on a timely basis, the evolution of the underlying equity markets and segments. In maintaining the indices, emphasis is also placed on continuity, continuous investibility of the constituents, replicability, index stability and low turnover in the indices.

As part of the changes to the index sponsor's methodology which became effective in May 2008, maintenance of the indices falls into three broad categories:

- semi-annual reviews, which will occur each May and November and will involve a comprehensive reevaluation of the market, the universe of eligible securities and other



factors involved in composing the indices;  
quarterly reviews, which will occur each February, May, August and November and will focus on significant changes in the market since the last semi-annual review and on including significant new eligible securities (such as IPOs, which were not eligible for earlier inclusion in the indices); and  
ongoing event-related changes, which will generally be reflected in the indices at the time of the event and will include changes resulting from mergers, acquisitions, spin-offs, bankruptcies, reorganizations and other similar corporate events.

Based on these reviews, additional components may be added, and current components may be removed, at any time. The index sponsor generally announces all changes resulting from semi-annual reviews, quarterly reviews and ongoing events in advance of their implementation, although in exceptional cases they may be announced during market hours for same or next day implementation.

Neither we nor any of our affiliates, or MLPF&S, accepts any responsibility for the calculation, maintenance, or publication of, or for any error, omission, or disruption in, the MSCI Indices. The index sponsor does not guarantee the accuracy or the completeness of the MSCI Indices or any data included in the MSCI Indices. The index sponsor assumes no liability for any errors, omissions, or disruption in the calculation and dissemination of the MSCI Indices. The index sponsor disclaims all responsibility for any errors or omissions in the calculation and dissemination of the MSCI Indices or the manner in which the MSCI Indices is applied in determining the amount payable on the notes at maturity.

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### **Prices and Exchange Rates**

#### ***Prices***

The prices used to calculate the MSCI Indices are the official exchange closing prices or those figures accepted as such. The index sponsor reserves the right to use an alternative pricing source on any given day.

#### ***Exchange Rates***

The index sponsor uses the closing spot rates published by WM / Reuters at 4:00 p.m., London time. The index sponsor uses WM / Reuters rates for all countries for which it provides indices.

In case WM/Reuters does not provide rates for specific markets on given days (for example Christmas Day and New Year's Day), the previous business day's rates are normally used. The index sponsor independently monitors the exchange rates on all its indices and may, under exceptional circumstances, elect to use an alternative exchange rate if the WM / Reuters rates are not available, or if the index sponsor determines that the WM / Reuters rates are not reflective of market circumstances for a given currency on a particular day. In such circumstances, an announcement would be sent to clients with the related information. If appropriate, the index sponsor may conduct a consultation with the investment community to gather feedback on the most relevant exchange rate.

*The following graph shows the daily historical performance of the MXEF in the period from January 1, 2008 through the pricing date. We obtained this historical data from Bloomberg L.P. We have not independently verified the accuracy or completeness of the information obtained from Bloomberg L.P. On the pricing date, the closing level of the MXEF was 1,135.06.*

#### **Historical Performance of the MSCI Emerging Markets Index**

*This historical data on the MXEF is not necessarily indicative of the future performance of the MXEF or what the value of the notes may be. Any historical upward or downward trend in the level of the MXEF during any period set forth above is not an indication that the level of the MXEF is more or less likely to increase or decrease at any time over the term of the notes.*

Before investing in the notes, you should consult publicly available sources for the levels of the MXEF.

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### **The EURO STOXX 50® Index**

The SX5E was created by STOXX, which is part of the Deutsche Börse Group. Publication of the SX5E began in February 1998, based on an initial Index level of 1,000 at December 31, 1991. On March 1, 2010, STOXX announced the removal of the Dow Jones prefix from all of its indices, including the SX5E.

### **Index Composition and Maintenance**

For each of the 19 EURO STOXX regional supersector indices, the stocks are ranked in terms of free-float market capitalization. The largest stocks are added to the selection list until the coverage is close to, but still less than, 60% of the free-float market capitalization of the corresponding supersector index. If the next highest-ranked stock brings the coverage closer to 60% in absolute terms, then it is also added to the selection list. All current stocks in the SX5E are then added to the selection list. All of the stocks on the selection list are then ranked in terms of free-float market capitalization to produce the final index selection list. The largest 40 stocks on the selection list are selected; the remaining 10 stocks are selected from the largest remaining current stocks ranked between 41 and 60; if the number of stocks selected is still below 50, then the largest remaining stocks are selected until there are 50 stocks. In exceptional cases, STOXX's management board can add stocks to and remove them from the selection list.

The SX5E components are subject to a capped maximum index weight of 10%, which is applied on a quarterly basis. The composition of the SX5E is reviewed annually, based on the closing stock data on the last trading day in August. Changes in the composition of the SX5E are made to ensure that the SX5E includes the 50 market sector leaders from within the EURO STOXX® Index.

The free float factors for each component stock used to calculate the SX5E, as described below, are reviewed, calculated, and implemented on a quarterly basis and are fixed until the next quarterly review.

The SX5E is subject to a fast exit rule. The SX5E components are monitored for any changes based on the monthly selection list ranking. A stock is deleted from the SX5E if: (a) it ranks 75 or below on the monthly selection list and (b) it has been ranked 75 or below for a consecutive period of two months in the monthly selection list. The highest-ranked stock that is not an index component will replace it. Changes will be implemented on the close of the fifth trading day of the month, and are effective the next trading day.

The SX5E is also subject to a fast entry rule. All stocks on the latest selection lists and initial public offering (IPO) stocks are reviewed for a fast-track addition on a quarterly basis. A stock is added, if (a) it qualifies for the latest STOXX blue-chip selection list generated end of February, May, August or November and (b) it ranks within the lower buffer on this selection list.

The SX5E is also reviewed on an ongoing basis. Corporate actions (including initial public offerings, mergers and takeovers, spin-offs, delistings, and bankruptcy) that affect the SX5E composition are immediately reviewed. Any changes are announced, implemented, and effective in line with the type of corporate action and the magnitude of the effect.

### **Index Calculation**

The SX5E is calculated with the Laspeyres formula, which measures the aggregate price changes in the component stocks against a fixed base quantity weight. The formula for calculating the SX5E value can be expressed as follows: The free float market capitalization of the index is equal to the sum of the product of the closing price, number of shares outstanding, free float factor, and weighting cap factor, for each component stock as of the time the SX5E is being calculated.

The SX5E is also subject to a divisor, which is adjusted to maintain the continuity of the index values across changes due to corporate actions, such as the deletion and addition of stocks, the substitution of stocks, stock dividends, and stock splits.

Neither we nor any of our affiliates, including the selling agent, accepts any responsibility for the calculation, maintenance, or publication of, or for any error, omission, or disruption in, the SX5E or any successor to the SX5E.

STOXX does not guarantee the accuracy or the completeness of the SX5E or any data included in the SX5E.

STOXX assumes no liability for any errors, omissions, or disruption in the calculation and dissemination of the SX5E. STOXX disclaims all responsibility for any errors or omissions in the calculation and dissemination of the

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*The following graph shows the daily historical performance of the SX5E in the period from January 1, 2008 through the pricing date. We obtained this historical data from Bloomberg L.P. We have not independently verified the accuracy or completeness of the information obtained from Bloomberg L.P. On the pricing date, the closing level of the SX5E was 3,521.76.*

**Historical Performance of the EURO STOXX 50® Index**

*This historical data on the SX5E is not necessarily indicative of the future performance of the SX5E or what the value of the notes may be. Any historical upward or downward trend in the level of the SX5E during any period set forth above is not an indication that the level of the SX5E is more or less likely to increase or decrease at any time over the term of the notes.*

Before investing in the notes, you should consult publicly available sources for the levels of the SX5E.

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**Under no circumstances will STOXX be liable for any lost profits or indirect, punitive, special, or consequential damages or losses, even if STOXX or its Licensors knows that they might occur.**

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### **The Nikkei Stock Average Index**

The NKY, also known as the Nikkei 225 Index, is an equity index calculated, published, and disseminated by Nikkei Inc. The NKY measures the composite price performance of selected Japanese stocks. The NKY is currently based on 225 stocks (each, an Index Stock) trading on the Tokyo Stock Exchange (TSE) and represents a broad cross-section of Japanese industry. All 225 of the Index Stocks are listed in the First Section of the TSE. Index Stocks listed in the First Section are among the most actively traded stocks on the TSE. The NKY started on September 7, 1950. However, it was retroactively calculated back to May 16, 1949, when the TSE reopened for the first time after World War II.

### **Calculation of the NKY**

The NKY is a modified, price-weighted index. Each Index Stock's weight is based on its price per share rather than the total market capitalization of the issuer. Nikkei Inc. calculates the NKY by multiplying the per share price of each Index Stock by the corresponding weighting factor for that Index Stock (a Weight Factor), calculating the sum of all these products and dividing that sum by a divisor. The divisor is subject to periodic adjustments as set forth below.

Each Weight Factor is computed by dividing 50 by the presumed par value of the relevant Index Stock, so that the share price of each Index Stock when multiplied by its Weight Factor corresponds to a share price based on a uniform par value of 50. Each Weight Factor represents the number of shares of the related Index Stock which are included in one trading unit of the NKY. The stock prices used in the calculation of the NKY are those reported by a primary market for the Index Stocks, currently the TSE. The level of the NKY is currently calculated once per 15 seconds during TSE trading hours.

In order to maintain continuity in the level of the NKY in the event of certain changes due to non-market factors affecting the Index Stocks, such as the addition or deletion of stocks, stock splits, or increase in paid-in capital, the divisor used in calculating the NKY is adjusted in a manner designed to prevent any instantaneous change or discontinuity in the level of the NKY. The divisor remains at the new value until a further adjustment is necessary as the result of another change. In the event of a change affecting any Index Stock, the divisor is adjusted in such a way that the sum of all share prices immediately after the change multiplied by the applicable Weight Factor and divided by the new divisor, i.e., the level of the NKY immediately after the change, will equal the level of the NKY immediately prior to the change.

### **Index Maintenance**

The NKY is reviewed annually at the beginning of October. The purpose of the review is to maintain the representative nature of the Index Stocks. Stocks with high market liquidity are added and those with low liquidity are deleted. At the same time, to take changes in industry structure into account, the balance of the sectors, in terms of the number of constituents, is considered. Liquidity of a stock is assessed by the two measures: trading value and magnitude of price fluctuation by volume, which is calculated as  $(\text{high price}/\text{low price}) / \text{volume}$ . Among stocks on the TSE First Section, the top 450 stocks in terms of liquidity are selected to form the high liquidity group. Those constituents that are not in the high liquidity group are deleted. Those non-constituent stocks which are in the top 75 of the high liquidity group are added.

After the liquidity deletions and additions, constituents are deleted and added to balance the number of constituents among sectors, and to make the total number of the constituents equal 225. Among the 450 high liquidity stocks, half of those that belong to a sector are designated as the appropriate number of stocks for that sector. The actual number of constituents in a sector is then compared with its appropriate number, and if the actual number is larger or smaller than the appropriate number, then components are deleted or added, as necessary. Stocks to be deleted are selected from stocks with lower liquidity and stocks to be added are selected from stocks with higher liquidity. Stocks selected according to the foregoing procedures are candidates for addition or deletion, as applicable, and the final determinations will be made by Nikkei Inc.

The NKY is also reviewed on an ongoing basis in response to extraordinary developments, such as bankruptcies or mergers. Any stock becoming ineligible for listing in the TSE First Section due to any of the following reasons will be removed from the NKY: (i) bankruptcy and liquidation events; (ii) corporate restructurings, such as mergers, share



exchanges or share transfers; (iii) excess debt or other reasons; or (iv) transfer to the TSE Second Section. In addition, a component stock designated as security under supervision becomes a deletion candidate. However, the decision to delete such a candidate will be made by examining the sustainability and the probability of delisting for each individual case. Upon deletion of a stock from the NKY, Nikkei Inc. will generally select as a replacement the most liquid stock that is both in the high liquidity group and in the same sector as the deleted stock. When deletions are known in advance, replacements may be selected as part of the periodic review process or by using similar procedures.

*The Tokyo Stock Exchange*

The TSE is one of the world's largest securities exchanges in terms of market capitalization. Trading hours for most products listed on the TSE are currently from 9:00 A.M. to 11:00 A.M. and from 12:30 P.M. to 3:00 P.M., Tokyo time, Monday through Friday.

Due to the time zone difference, on any normal trading day, the TSE will close prior to the opening of business in New York City on the same calendar day. Therefore, the closing level of the NKY on a trading day will generally be available in the U.S. by the opening of business on the same calendar day.

The TSE has adopted certain measures, including daily price floors and ceilings on individual stocks, intended to prevent any extreme short-term price fluctuations resulting from order imbalances. In general, any stock listed on the TSE cannot be traded at a price lower than the applicable price floor or higher than the applicable price ceiling. These price floors and ceilings are expressed in absolute Japanese yen, rather than percentage limits based on the closing price of the stock on the previous trading day. In addition, when there is a major order imbalance in a listed stock, the TSE posts a special bid quote or a special asked quote for that stock at a specified higher or lower price level than the stock's last sale price in order to solicit counter-orders and balance supply and demand for the stock.

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