

Announcement by Virgin Blue Holdings Limited (ASX:VBA) in relation to the Virgin Australia group of airlines (formerly the Virgin Blue group of airlines)

DELTA, VIRGIN AUSTRALIA WELCOME FINAL DOT APPROVAL OF TRANS-PACIFIC ALLIANCE

Consumers will enjoy expanded competition, travel choices between U.S., Australia thanks to new alliance

ATLANTA and SYDNEY, June 10, 2011 – Delta Air Lines (NYSE: DAL) and Virgin Australia Airlines (ASX: VBA) today welcomed the Department of Transportation's final approval of antitrust immunity for the airlines' trans-Pacific alliance, which will allow the carriers to implement a joint venture on service between the United States, Australia and the South Pacific.

The grant of immunity will expand travel choices and competition for consumers, by allowing the airlines to provide a seamless product and coordinate flight schedules for maximum convenience. The airlines will collaborate through codesharing, coordinating products and services and extending frequent flyer program benefits and lounge access to customers of both carriers.

"This final ruling by the DOT will expand competition and enhance customer service and travel options for passengers flying between the U.S. and Australia," said Delta CEO Richard Anderson. "We thank the DOT for their thorough review of our application and welcome their conclusion that consumers will benefit from a strong partnership between Delta and Virgin Australia."

Virgin Australia CEO John Borghetti said the ATI is a key enabler for an integrated alliance between Delta and Virgin Australia Airlines.

"We are extremely pleased that the way is now cleared for us to work together with Delta Air Lines to deliver a more attractive and competitive service for travellers in Australia and North America", Mr. Borghetti said.

"We have been operating a successful partnership with Delta for the past three years, however today's approval will allow us to work together far more efficiently to achieve better schedules, connections and network coverage for our Guests.

"The Delta alliance is a key plank in our strategy to build an international network of airline partners that offers global coverage. Now that we have DOT approval, we will move quickly to implement the joint venture and plan to have it up and running by the end of the year", Mr. Borghetti said.

The alliance will create a comprehensive, fully integrated network able to serve thousands of city-pairs in North America and the South Pacific, providing numerous destinations which otherwise would not be accessible to customers. Delta alone serves a single point in Australia, Sydney, and Virgin Australia flies only to Los Angeles. The antitrust immunized alliance will allow the airlines to fully cooperate on network planning and distribution to deliver a more attractive and competitive service for customers. A detailed economic study conducted by Compass Lexecon estimated annual consumer benefits of up to \$54 million would be produced by the joint venture.

Antitrust immunity is the latest step in an enhanced alliance between Delta and Virgin Australia, which began with their first codesharing flights in January 2010. On May 21, the codesharing arrangement was expanded to add five new destinations in Australia and New Zealand to Delta's network. Delta customers can now connect in Sydney on Virgin Australia flights to Brisbane, Melbourne, Perth, Adelaide and Canberra in Australia, and to Auckland and Christchurch, New Zealand. Virgin Australia customers will be able to connect in Los Angeles to Delta flights to San Francisco, Las Vegas, Atlanta, Detroit, New York-JFK and Orlando, Fla.

24-hour media enquiries: 1800 142 467

Virgin Australia Airlines

Virgin Australia Airlines (ASX: VBA), formerly the Virgin Blue group of airlines, was launched in 2000 as the first sustainable low-fare airline in Australian skies. It has established a global reputation as an innovator and leader in the aviation industry; renowned for the warmth of its people and the quality of the service they provide.

Starting out as a single airline operating a single route with just 200 team members, today the group employs over 7,000 people and includes multi-award winning domestic airline Virgin Australia (formerly Virgin Blue); international long-haul airline V Australia, international subsidiary airline Pacific Blue; and Polynesian Blue, a joint venture airline with the Government of Samoa.

Virgin Australia Airlines is currently in the process of re-launching its domestic and short-haul international product, and both V Australia and Pacific Blue airlines will operate as Virgin Australia by the end of 2011. The group also includes multi-award winning frequent flyer and loyalty program, Velocity, and holiday arm, Blue Holidays.

Virgin Australia operates a fleet of 89 modern Boeing 737, 777 and Embraer E-Jet aircraft flying to 32 Australian and 16 international destinations including the USA, Abu Dhabi, New Zealand, Fiji, Samoa, Tonga, Vanuatu and the Cook Islands.

Virgin Australia has an alliance with the award-winning Etihad Airways, providing guests a one-stop service to Europe, and has recently announced partnerships with Air New Zealand and Skywest Airlines which will see it expand its footprint in the South Pacific and regional Australia.

Delta Air Lines

Delta Air Lines serves more than 160 million customers each year, and was named by Fortune magazine as the most admired airline worldwide in its 2011 World's Most Admired Companies airline industry list. With an industry-leading global network, Delta and the Delta Connection carriers offer service to 354 destinations in 65 countries on six continents. Headquartered in Atlanta, Delta employs 80,000 employees worldwide and operates a mainline fleet of more than 700 aircraft. A founding member of the SkyTeam global alliance, Delta participates in the industry's leading trans-Atlantic joint venture with Air France-KLM and Alitalia. Including its worldwide alliance partners, Delta offers customers more than 13,000 daily flights, with hubs in Amsterdam, Atlanta, Cincinnati, Detroit, Memphis, Minneapolis-St. Paul, New York-JFK, Paris-Charles de Gaulle, Salt Lake City and Tokyo-Narita. The airline's service includes the SkyMiles frequent flier program, a world-class airline loyalty program; the award-winning BusinessElite service; and more than 50 Delta Sky Clubs in airports worldwide. Delta is investing more than \$2 billion through 2013 in airport facilities and global products, services and technology to enhance the customer experience in the air and on the ground. Customers can check in for flights, print boarding passes, check bags and review flight status at delta.com.

Virgin Australia Airlines

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