

**VIRGIN AUSTRALIA HOLDINGS LIMITED (ASX:VAH)****VIRGIN AUSTRALIA ANNOUNCES STRATEGIC INVESTMENT OF AUD105 MILLION BY SINGAPORE AIRLINES TO FUND FUTURE GROWTH**

30 October 2012

Virgin Australia Holdings Limited (**Virgin Australia**) today announced that it has entered into an agreement under which a placement of 245,577,511 shares will be made to Singapore Airlines Limited (**Singapore Airlines**), representing 10 per cent of the issued share capital following the placement.

Singapore Airlines has also been given anti-dilution rights to maintain a 10 per cent interest in Virgin Australia in the event of an equity issuance from other transactions that are announced on 30 October 2012.

The issue price of AUD0.4288 per Virgin Australia share represents the 30 trading day Volume Weighted Average Price (VWAP) as of 26 October 2012.

Virgin Australia Chief Executive Officer John Borghetti said: "Singapore Airlines is an important strategic alliance partner of Virgin Australia and we are very pleased to have their support as an investor. We believe this investment demonstrates their confidence in our strategy and it enables Virgin Australia to fast-track its growth plans."

Singapore Airlines Chief Executive Officer Goh Choon Pong said: "This major development demonstrates the importance and strength of the partnership between our two airlines, and our shared commitment to an alliance that provides a wide range of consumer benefits. Singapore Airlines fully supports the ongoing transformation at Virgin Australia, which has already resulted in a more competitive aviation market in Australia."

The placement to Singapore Airlines has received approval under the Australian Government's Foreign Investment Policy.

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**Media Contacts:**

Danielle Keighery +61 400 223 136

Emma Copeman +61 421 702 193

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