

Virgin Australia Holdings Limited (ASX: VAH) Prices US\$350 Million Issue of Unsecured Notes in the Rule 144A/Regulation S Debt Capital Markets

***NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, DIRECTLY OR INDIRECTLY,
IN WHOLE OR IN PART INTO OR WITHIN THE UNITED STATES***

10 October 2016: Virgin Australia Holdings Limited (ASX: VAH) (the **Virgin Australia Group** or **Group**) today announced the successful pricing of US\$350 million aggregate principal amount of Senior Notes due 2021 (the **Notes**). The Notes priced on 7 October 2016 (New York time) with settlement and completion expected to occur on 17 October 2016 (New York time), subject to customary closing conditions. The net proceeds from the Notes issue will be used by the Virgin Australia Group for general corporate purposes, to fund future U.S. dollar capital requirements and also to improve the diversity, flexibility and tenor of the Virgin Australia Group's existing funding profile.

Virgin Australia Group Chief Financial Officer Geoff Smith said: "We are pleased with the strong support of global investors for this issue. The issue is a part of our ongoing funding program, which enhances the Group's capital structure and ensures we have an efficient, flexible and diverse funding portfolio."

ENDS

NOTE: This announcement does not constitute an offer to sell, or a solicitation of any offer to buy, the Notes or any other securities of Virgin Australia or any of its subsidiaries, associates or affiliates. Any offer of the Notes will be made only by means of a private offering circular. The Notes have not been, and will not be, registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States, and may not be offered, sold, resold, pledged, delivered, distributed or transferred, directly or indirectly, into or within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with applicable securities laws of any state or other jurisdiction of the United States. No public offering of the Notes is being made in the United States.

For further information, please contact:

Media contact:

Emma King +61 421 702 193
Kristyn Mealing +61 438 476 909

Analyst / Investor contact:

Kerri Hoffman +61 422 513 296

24-hour media enquiries: 1800 142 467

For personal use only