

VIRGIN AUSTRALIA HOLDINGS LIMITED (ASX: VAH)**VIRGIN AUSTRALIA BOARD TO CONTINUE WITH ITS CURRENT STRUCTURE FOR ITS PRO RATA ACCELERATED NON – RENOUNCEABLE ENTITLEMENT OFFER**

21 NOVEMBER 2013

Following discussions at the Annual General Meeting, the Virgin Australia Holdings (**Virgin Australia**) Board has again considered the structure of the pro rata accelerated non-renounceable entitlement offer (**Entitlement Offer**) announced on 14 November 2013 and has decided to continue with the current structure for the following reasons:

- It is fair and equitable for all shareholders.
- It has strong market precedent, with the majority of major entitlement offers completed over the past two years being accelerated non-renounceable offers.
- It provides for the pro-rata treatment of all eligible shareholders for their entitlements.
- The offer price was set at a discount that seeks to avoid a situation where non-participating shareholders are overly diluted.
- All existing shareholders are treated equitably in relation to over-subscriptions.
- It is available only to existing shareholders with no new investors allowed to participate.
- The allocation methodology is transparent and has been clearly communicated.
- There was strong participation in the institutional offer.
- There is no effect on the control of Virgin Australia with the maximum increase in shareholding for any of the three airline shareholders being 2.1% (assuming the unlikely scenario that no retail shareholders participate).

The retail offer opens on Monday 25th November 2013 and retail shareholders are encouraged to review the Retail Offer Booklet which will be mailed to them and available online.

The Virgin Australia Board commends the offer and is hopeful that all retail shareholders will support the company by taking up their entitlements.

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