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VIRGIN AUSTRALIA HOLDINGS LIMITED (ASX: VAH)

VIRGIN AUSTRALIA COMPLETES RETAIL COMPONENT OF ENTITLEMENT OFFER

12 DECEMBER 2013

- Eligible retail shareholders take up 25.3% of the Entitlements raising \$17.5 million.
- Virgin Australia has raised overall gross proceeds of \$351.5 million through the Entitlement Offer.

Virgin Australia Holdings Limited (**Virgin Australia**) today announced the completion of the retail component of its pro rata accelerated non-renounceable entitlement offer (**Entitlement Offer**) which opened on 14 November 2013.

Under the Entitlement Offer, eligible shareholders were invited to participate pro rata to their existing holdings by subscribing for 5 new Virgin Australia ordinary shares (**New Shares**) for every 14 existing Virgin Australia ordinary shares held as at 7:00pm Sydney time on 19 November 2013 (**Record Date**) at a price of \$0.38 per New Share (**Offer Price**).

The retail component of the Entitlement Offer (**Retail Entitlement Offer**) closed on 9 December 2013. New Shares in respect of retail entitlements not subscribed for were made available to eligible retail shareholders through the Retail Oversubscription Facility. Under the Retail Oversubscription Facility eligible retail shareholders were able to apply for additional New Shares in excess of their entitlement up to a maximum of 40% of their entitlement.

The Retail Entitlement Offer (including the Retail Oversubscription Facility) raised gross proceeds of \$17.5 million from eligible retail shareholders, with eligible retail shareholders taking up 25.3% of the Entitlements.

As the Retail Entitlement Offer is fully underwritten, the balance of approximately 136.4 million New Shares being shares not subscribed for by eligible retail shareholders, will be issued to the underwriters and the sub-underwriter of the Retail Entitlement Offer.

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As previously announced, Air New Zealand (NZX: AIR) has agreed to sub-underwrite the Entitlement Offer and Etihad Airways and Singapore Airlines (SGX: SIA) have agreed to increase their aggregate exposure to Virgin Australia through cash settled derivatives.

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New Shares issued pursuant to the Retail Entitlement Offer will rank equally with existing shares of Virgin Australia. Settlement of the Retail Entitlement Offer is scheduled for 16 December 2013 and the New Shares offered under the Retail Entitlement Offer are expected to be issued on 17 December 2013 and commence trading on the Australian Securities Exchange (**ASX**) on 18 December 2013.

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APPENDIX

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