

**Documents for previously announced Unmarketable Parcel Buy-Back Facility**

5 March 2018

On 28 February 2018, Virgin Australia Holdings Limited (ASX: VAH) announced an Unmarketable Parcel Share Buy-Back Facility (**Facility**).

Attached is a copy of a sample letter and sample Share Retention Form that will be despatched on 9 March 2018 to shareholders who are eligible to participate in the Facility. These documents provide more information about the Facility, including information on how eligible shareholders can opt out of the Facility if they wish to do so.

**ENDS**

**Media contacts:** 1800 142 467 or +61 3333 9666

**Investor contacts:** Please visit [www.virginaustralia.com/buyback](http://www.virginaustralia.com/buyback) or email [investor.relations@virginaustralia.com](mailto:investor.relations@virginaustralia.com)

9 March 2018

(Shareholder name)  
(Address)  
(Address)  
(Suburb, state, postcode)

Dear Sir / Madam

**Offer from Virgin Australia Holdings Limited to buy back unmarketable parcels of shares**

***This letter contains important information about your shareholding in Virgin Australia Holdings Limited.***

I am writing to you as a shareholder with an unmarketable parcel of shares in Virgin Australia Holdings Limited (ASX:VAH) (**Virgin Australia**). An unmarketable parcel of shares (**Unmarketable Parcel**) is a shareholding in Virgin Australia valued at less than \$500, which is comprised of 1,666 shares or less as at 7.00pm Sydney time on Tuesday, 6 March 2018 (**Record Date**), based on a buy-back price of \$0.30 per share (**Buy-Back Price**).

In order to provide liquidity to Unmarketable Parcel holders, the Board of Virgin Australia has established an off market Unmarketable Parcel Share Buy-Back Facility (**Facility**), as announced to the Australian Securities Exchange (**ASX**) on 28 February 2018.

The Facility will enable holders of Unmarketable Parcels to sell their shares back to Virgin Australia in a convenient, cost-effective manner.

Through the Facility, Virgin Australia is offering to buy back Unmarketable Parcels for the Buy-Back Price of \$0.30 per share.

You are eligible to have your Unmarketable Parcel bought back by Virgin Australia through this Facility and you will not have to pay any brokerage or handling fees if you do so.

This letter provides more information about the Facility and the choices available to you.

**Your choices**

1. If you want Virgin Australia to buy back your Unmarketable Parcel at the Buy-Back Price of \$0.30 per share, **you do not need to do anything.**
2. If you do not want Virgin Australia to buy back your Unmarketable Parcel, then you must:
  - (a) complete the enclosed Share Retention Form and return it in accordance with the instructions on that form. Your completed Share Retention Form must be received by our share registry, Computershare (**Computershare**), by **no later than 7.00pm (Sydney time) Friday, 13 April 2018 (Closing Date)**. If your completed Share Retention Form is not received by the Closing Date, your shares will be purchased by Virgin Australia through the Facility; or
  - (b) acquire additional shares in Virgin Australia on market so that your shareholding is noted on Virgin Australia's share register as being greater than 1,666 shares (that is, a marketable parcel) as at the Closing Date; or
  - (c) if you hold shares in multiple shareholdings that together constitute a parcel of more than 1,666 shares, arrange to have those holdings merged into one shareholding that is noted on Virgin Australia's share register as being greater than 1,666 shares (that is, as a marketable parcel) as at the Closing Date;

If you choose to complete and return a Share Retention Form as outlined in step 2(a) above, you are advised to allow reasonable time for it to be received by Computershare by mail by the Closing Date.

If you choose to acquire additional shares or merge multiple shareholdings as outlined in step 2(b) or step 2(c) above, you are advised to allow reasonable time for these actions to be effected on Virgin Australia's share register by the Closing Date.

**Key dates for the Unmarketable Parcel Buy-Back Facility:**

Wednesday, 28 February 2018	Announcement of the Facility to the ASX
7.00pm Sydney time, Tuesday, 6 March 2018	Record Date
Friday, 9 March 2018	Despatch of letters and Share Retention Forms to eligible shareholders
7.00pm Sydney time, Friday, 13 April 2018	Closing Date: Period to opt out of the Facility closes
Monday, 16 April 2018	Announcement of outcomes of the Facility to the ASX
Monday, 23 April 2018	Shares bought back by Virgin Australia through the Facility will be cancelled
As soon as practicable post Monday, 23 April 2018	Eligible shareholders whose shares were bought back through the Facility will have proceeds remitted to them and will be sent documentation advising them of the number of shares sold and amount of proceeds remitted.  Proceeds will be remitted to the bank account that the shareholder has registered with Computershare. If no bank account is registered, proceeds will be remitted by cheque mailed to the address that the shareholder has registered with Computershare.

For further important information about this Facility, please read the 'Additional Important Information' and 'Frequently Asked Questions' sections below. If, after reading those sections, you still have questions or need further information, you may contact the **Virgin Australia Buy-Back Information Line** on **1300 850 505** (from within Australia) or **+61 3 9415 4000** (from outside Australia) between Monday 12 March and Friday 13 April, between the hours of 8.30am to 5.00pm Monday to Friday (Sydney time).

Yours sincerely,



Sharyn Page  
Company Secretary  
Virgin Australia Holdings Limited

For personal use only

### **Additional Important Information**

1. The Facility was first announced to the ASX on 28 February 2018. On that date, Virgin Australia also provided further information about its financial performance for the first half of the 2018 financial year and key corporate developments.
2. Virgin Australia is offering the Facility in accordance with the terms set out in this letter, the procedure in Division 2 of Part 2J.1 of the *Corporations Act 2001* (Cth) and the Listing Rules of the ASX.
3. If a shareholder holds more than one Unmarketable Parcel, Virgin Australia will buy back each Unmarketable Parcel unless (a) a Share Retention Form is received for each Unmarketable Parcel that the shareholder wishes to retain; OR (b) multiple Unmarketable Parcels are merged to form a marketable parcel of greater than 1,666 shares.
4. If you hold one or more Unmarketable Parcels in Virgin Australia on trust, Virgin Australia will only buy back those Unmarketable Parcels in respect of which it has not received a Share Retention Form. If the beneficial holder of an Unmarketable Parcel that you hold on trust wishes to retain their holding, you must submit a Share Retention Form for that particular Unmarketable Parcel.
5. Virgin Australia reserves its right to refuse to buy back Unmarketable Parcels where it has reason to believe that between 8.00am on 28 February 2018 (the Announcement Date) and the Record Date, a shareholder engaged in Share Splitting to create multiple Unmarketable Parcels. For this purpose, Share Splitting means the splitting by a holder of shares into two or more parcels of shares whether or not it results in any change in beneficial ownership of the shares.
6. It is important to note that the market price of Virgin Australia's shares may change from time to time. The Buy-Back Price may be more or less than the actual market price at the time of the buy-back and may not be the best price obtainable on the day on which your shares are bought back. Information on the price of Virgin Australia's shares can be obtained from the daily financial press or through the ASX website ([www.asx.com.au](http://www.asx.com.au)) using Virgin Australia's ASX code, which is "VAH".
7. While Virgin Australia will pay for brokerage and handling costs associated with the buy-back of shares through the Facility, any taxation consequences of the buy-back of shares through this Facility will be the shareholder's responsibility. Please see the Frequently Asked Questions section below for general information on taxation consequences.
8. If you have questions about taxation consequences, please seek the independent advice of a legal, financial or taxation adviser.
9. Virgin Australia makes no recommendation as to whether you should participate in this Facility, whether or how you should sell your shares or the value of your shares. If you have questions about whether to retain or sell your shares, you should seek independent professional advice.
10. Before a buy-back is effected under the Facility, Virgin Australia may revoke a notice given in relation to or suspend or terminate the operation of this Facility, either generally or in specific cases.
11. Virgin Australia reserves the right to change any of the dates, terms or conditions referred to in this letter by notice to the ASX.

## **Frequently Asked Questions**

### **Who is eligible to participate in this Facility?**

Shareholders in Virgin Australia are eligible to participate in this Facility if they held shareholdings in Virgin Australia valued at less than \$500, being a shareholding that is comprised of 1,666 shares or less as at the Record Date, based on the Buy-Back Price.

### **If my shares are bought back through the Facility, how much will I receive per share?**

If your Unmarketable Parcel is bought back through the Facility, you will receive the Buy-Back price of \$0.30 per share.

### **If my shares are bought back through the Facility, how much will I receive for all of my shares?**

The total price that you will receive for an Unmarketable Parcel if it is bought back through this Facility will be the number of shares in that Unmarketable Parcel multiplied by the Buy-Back Price of \$0.30 per share.

You can confirm the number of shares in your Unmarketable Parcel by reviewing the enclosed, personalised Share Retention Form or by contacting the Virgin Australia Buy-Back Information Line on 1300 850 505 (from within Australia) or +61 3 9415 4000 (from outside Australia) between Monday 12 March and Friday 13 April, between the hours of 8.30am to 5.00pm Monday to Friday (Sydney time).

### **If my shares are bought back through the Facility, when will I receive the proceeds from the buy-back?**

If your Unmarketable Parcel is bought back through the Facility, the proceeds from that buy back will be remitted to you as soon as practicable after Monday, 23 April 2018. Around that time, you will also receive documentation detailing the number of your shares sold and the amount of proceeds remitted to you. This documentation will be sent by mail or email if you have previously nominated to receive communication electronically.

### **If my shares are bought back through the Facility, how will I receive the proceeds from the buy-back?**

If your Unmarketable Parcel is bought back through the Facility, the proceeds from that buy-back will be paid into the bank account that you have nominated for your shareholding or by cheque to the postal address you have registered for your shareholding.

You can update your name, address or bank account details by visiting [www.computershare.com.au/easyupdate/vah](http://www.computershare.com.au/easyupdate/vah) or by contacting the Virgin Australia Buy-Back Information Line on 1300 850 505 (from within Australia) or +61 3 9415 4000 (from outside Australia) between Monday 12 March and Friday 13 April, between the hours of 8.30am to 5.00pm Monday to Friday (Sydney time).

If you participate in the Facility and would like your updated address or bank account details to be used when remitting proceeds and sending documentation to you, please ensure these details are updated by the Closing Date.

### **What are the tax consequences of having my shares sold through the Facility?**

The tax outcomes of participating in the Buy-Back will vary depending on your circumstances.

If you are in the business of trading shares or hold the shares as revenue assets, you may have an assessable gain or loss on sale on revenue account.

It is Virgin Australia's view that proceeds will be entirely treated a return of capital, with the Buy-Back resulting in a Capital Gains Tax (CGT) event.

If you are an Australian resident shareholder, you will need to calculate a capital gain or capital loss. Details of the CGT event are required to be disclosed in your 2018 income tax return, regardless of whether you're required to pay tax on the event.

If you are not an Australian resident, you should be entitled to disregard the capital gain or loss for the purposes of calculating your *Australian* taxable income. You may still have a tax liability in your country of residence.

The above is broad in nature, and it is strongly recommended that you consult with your taxation professional regarding your particular circumstances.

### **Can I sell some but not all of my shares through this Facility?**

No, you may not sell part of an Unmarketable Parcel through the Facility. If you choose to participate in this Facility, your entire Unmarketable Parcel will be bought back by Virgin Australia.

### **If I buy more shares, will my shareholding be bought back?**

Your Unmarketable Parcel will not be bought back if you acquire additional shares in Virgin Australia on market so that your shareholding is noted on Virgin Australia's share register as being greater than 1,666 shares (that is, a marketable parcel) as at the Closing Date.

### **What do I do if I have multiple Unmarketable Parcels?**

If there is more than one Unmarketable Parcel registered under your name, you will receive this letter and a personalised Share Retention Form for each of your Unmarketable Parcels.

If you would like Virgin Australia to buy back each of your Unmarketable Parcels, you do not need to do anything and all of the Unmarketable Parcels registered in your name will be bought back.

If you would like to keep one or more of your Unmarketable Parcels, you may take one of the following actions:

1. Complete the personalised Share Retention Form for each of the Unmarketable Parcels that you would like to keep and return it in accordance with the instructions on the forms;
2. If the Unmarketable Parcels that you hold together constitute a parcel of more than 1,666 shares (that is, a marketable parcel), arrange to have those holdings merged into one shareholding that is noted on Virgin Australia's share register as being greater than 1,666 shares as at the Closing Date; OR
3. Acquire additional shares so that each of the Unmarketable Parcels that you would like to keep is noted on Virgin Australia's share register as being greater than 1,666 shares (that is, a marketable parcel) as at the Closing Date.

**Does the Facility apply to any shares I received through a Virgin Australia employee share plan?**

Yes. In determining whether you hold an Unmarketable Parcel, all Virgin Australia shareholdings recorded in your name (as it appears on your personalised Share Retention Form), including any shares that have vested to you through any Virgin Australia employee share plans, were taken into account.

The buy-back of your Unmarketable Parcel through the Facility would include the sale of all shares in that parcel, including any shares you received through any Virgin Australia employee share plans as at the Record Date.

**I am currently employed by Virgin Australia and I can only sell my shares in Virgin Australia during a trading window approved and announced by the Company Secretary. How does this affect any shares that are to be bought back on my behalf through the Facility?**

Virgin Australia's internal securities trading window, which commenced on 11 March 2018, has been extended to end on 13 April 2018, to enable employees of Virgin Australia to sell their shares back to Virgin Australia through this Facility.

**I need to update my name, address or bank account details. How do I do this?**

You can update your name, address or bank account details by visiting [www.computershare.com.au/easyupdate/vah](http://www.computershare.com.au/easyupdate/vah) or by contacting the Virgin Australia Buy-Back Information Line on 1300 850 505 (from within Australia) or +61 3 9415 4000 (from outside Australia) between Monday 12 March and Friday 13 April, between the hours of 8.30am to 5.00pm Monday to Friday (Sydney time).

If you participate in the Facility and would like your updated address or bank account details to be used when remitting proceeds and sending documentation to you, please ensure these details are updated by the Closing Date.

**Who do I contact if I have further questions?**

If you have any further questions about the information contained in this letter or about the Facility, please contact the Virgin Australia Buy-Back Information Line on 1300 850 505 (from within Australia) or +61 3 9415 4000 (from outside Australia) between Monday 12 March and Friday 13 April, between the hours of 8.30am to 5.00pm Monday to Friday (Sydney time).

VAH  
MR SAM SAMPLE  
UNIT 123  
SAMPLE STREET  
SAMPLETOWN NSW 2001

## Return your Form to the Company's share registry:

✉ **By Mail:**  
Computershare Investor Services Pty Limited  
GPO Box 52  
Melbourne Victoria 3001  
Australia

## For all enquiries:

☎ **Phone:**  
(within Australia) 1300 850 505  
(outside Australia) +61 3 9415 4000

## Share Retention Form

 **If you wish to retain your shares, your form must be received by 7.00pm Sydney time, Friday 13 April 2018**

This is an important document that requires your immediate attention. It can only be used in relation to the shareholding represented by the details printed overleaf. If you are in doubt about how to deal with this form, please contact your financial or other professional adviser.

### Step 1: Shareholding Details

Use this form if you wish to retain your shares in Virgin Australia Holdings Limited. If you have already sold all your shares in Virgin Australia Holdings Limited, do not complete or return this form. If you have more than one shareholding on Virgin Australia Holdings Limited's register and you do not wish to sell your shares under the Unmarketable Parcel Buy-Back Facility, you should consider consolidating them. For further advice on how to do this, contact Computershare Investor Services Pty Limited (CIS) on the number above.

Please check the details provided and update your address via [www.investorcentre.com](http://www.investorcentre.com) if any of the details are incorrect.

If you have a CHESS sponsored shareholding, please contact your Controlling Participant (usually your sponsoring broker) to notify a change of address.

### Step 2: Signing Instructions

**Individual:** Where the shareholding is in one name, the shareholder must sign.

**Joint Shareholding:** Where the shareholding is in more than one name, all of the shareholders must sign.

**Power of Attorney:** Where signing as Power of Attorney (POA), you must attach an original certified copy of the POA to this form.

**Companies:** Where the shareholding is in the name of a Company, this form must be signed in accordance with the Corporations Act, either as:

- a Sole Director and Sole Company Secretary **OR** a Sole Director (if no Company Secretary exists), **OR**
- two Directors, **OR**
- a Director and Secretary.

**Overseas Companies:** Where the shareholding is in the name of an Overseas company (companies incorporated outside Australia) the form must be signed as above, or documentation must be provided showing that the company can sign in an alternate manner.

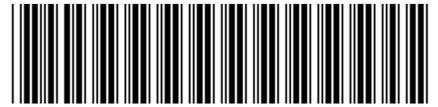
**Deceased Estate:** Where the shareholding is in the name of a deceased estate, all executors must sign; and a certified copy or original, of the required documentation must accompany this form. Details of the documentation required can be found by searching "deceased estates" on our website [www.computershare.com](http://www.computershare.com) or by calling CIS on the number above. If the shareholding is in more than one name, the surviving shareholder may sign the form and return it together with a certified copy of the death certificate of the other joint shareholder.

### Step 3: Contact Details

Entering contact details is not compulsory, but will assist us if we need to contact you.

**Turn over to complete the form** →

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# Share Retention Form

For your security keep your SRN/  
HIN confidential.

## STEP 1 Shareholding Details

MR SAM SAMPLE  
UNIT 123  
SAMPLE STREET  
SAMPLETOWN NSW 2001



**Change of address.** If incorrect, mark this box and make the correction in the space to the left. Shareholders sponsored by a broker (reference number commences with 'X') should advise their broker of any changes.

Shares held as at 6 March 2018:

2000

## STEP 2 Signature of Shareholder(s) *This section must be completed.*

By signing and returning this form, in accordance with the requirements set out in 'Step 2: Signing Instructions' overleaf, I/we confirm that I/we instruct that my/our **SHARES NOT BE SOLD** under the Unmarketable Parcel Buy-Back Facility.

Individual or Shareholder 1

Sole Director and Sole Company Secretary/  
Sole Director (cross out titles as applicable)

Shareholder 2

Director

Shareholder 3

Director/Company Secretary  
(cross out titles as applicable)

## STEP 3 Contact Details

Contact Name \_\_\_\_\_ Contact Daytime Telephone \_\_\_\_\_ Date \_\_\_\_/\_\_\_\_/\_\_\_\_

Email Address \_\_\_\_\_

### Privacy Notice

The personal information you provide on this form is collected by CIS, as registrar for the securities issuers (the issuer), for the purpose of maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. In addition, the issuer may authorise us on their behalf to send you marketing material or include such material in a corporate communication. You may elect not to receive marketing material by contacting CIS using the details provided above or emailing [privacy@computershare.com.au](mailto:privacy@computershare.com.au). We may be required to collect your personal information under the Corporations Act 2001 (Cth) and ASX Settlement Operating Rules. We may disclose your personal information to our related bodies corporate and to other individuals or companies who assist us in supplying our services or who perform functions on our behalf, to the issuer for whom we maintain securities registers or to third parties upon direction by the issuer where related to the issuer's administration of your securityholding, or as otherwise required or authorised by law. Some of these recipients may be located outside Australia, including in the following countries: Canada, India, New Zealand, the Philippines, the United Kingdom and the United States of America. For further details, including how to access and correct your personal information, and information on our privacy complaints handling procedure, please contact our Privacy Officer at [privacy@computershare.com.au](mailto:privacy@computershare.com.au) or see our Privacy Policy at <http://www.computershare.com/au>.