

## VIRGIN AUSTRALIA HOLDINGS LIMITED (ASX:VAH) UPDATE ON VELOCITY FREQUENT FLYER

16 September 2019

Virgin Australia Holdings Limited (ASX:VAH) (Virgin Australia Group or Group) refers to recent media commentary that the Virgin Australia Group is in negotiations with Connectivity Pte Ltd (Affinity) to buy back Affinity's investment in Velocity Frequent Flyer Holdco Pty Ltd (Velocity).

On 11 July 2019, the Group issued an ASX release advising that Affinity is exploring an exit from its 35% minority investment in Velocity and that at that time, various exit options for the sale of Affinity's stake were being considered.

The Group confirms that it has entered into a term sheet with Affinity to buy back its 35% minority investment for \$700 million. Completion of this transaction is subject to certain conditions, including the finalisation and execution of long form documentation, funding and the Group receiving Foreign Investment Review Board approval in respect of the acquisition.

Completion of the transaction is expected to occur before the end of 2019.

The Group will update the market in accordance with its continuous disclosure obligations.

**ENDS**

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