

VIRGIN AUSTRALIA HOLDINGS LIMITED (ASX: VAH)

Preliminary Operating Statistics May 2014

SUMMARY OF OPERATING STATISTICS – VIRGIN AUSTRALIA¹

May 2014 operating statistics were impacted by weak consumer sentiment in the domestic market.

Virgin Australia Domestic Operations

Passenger numbers for the month of May 2014 increased 2.5% and Available Seats decreased 0.6% on the prior corresponding period of May 2013. Revenue Passenger Kilometres increased 2.5% and Revenue Load Factor increased 3.4 percentage points on the prior corresponding period.

Yield for May Financial Year 2014 to date was positive compared to the prior corresponding period.

Virgin Australia International Operations

Passenger numbers for the month of May 2014 increased 10.8% and Available Seats increased 3.5% on the prior corresponding period of May 2013. Revenue Load Factor increased 6.6 percentage points on the prior corresponding period. The increase in passenger numbers and load factors was driven by improved performance across the majority of the long and short-haul international network.

SUMMARY OF OPERATING STATISTICS – TIGERAIR AUSTRALIA

Passenger numbers for the month of May 2014 increased 12.0% and Available Seats increased 36.6% on the prior corresponding period of May 2013. Revenue Load Factor decreased 14.9 percentage points on the prior corresponding period.

Tigerair Australia operating statistics for the month of May continued to be impacted by the launch of its new Brisbane base and recent launch of five new routes, which forms part of Tigerair's strategy to build a sustainable domestic network. There were also continued improvements in aircraft utilisation on the prior corresponding period. Early indications for June are that whilst the market remains challenging average load factors have materially improved since May.

¹ The Preliminary Operating Statistics consolidate the Regular Passenger Traffic segment of the Skywest business since it was acquired by Virgin Australia in April 2013.

VIRGIN AUSTRALIA HOLDINGS OPERATING STATISTICS – MAY

		MAY			FINANCIAL YTD		
		2014	2013	Change	2014	2013	Change
DOMESTIC	Revenue Passengers	1,383,417	1,349,527	2.5%	15,976,985	15,337,573	4.2%
	Revenue Passenger Kilometres (millions)	1,591	1,552	2.5%	18,744	17,875	4.9%
	Available Seats	1,876,083	1,886,574	(0.6%)	20,751,916	20,956,115	(1.0%)
	Available Seat Kilometres (millions)	2,188	2,239	(2.3%)	24,246	23,791	1.9%
	Revenue Load Factor	72.7%	69.3%	3.4 pt	77.3%	75.1%	2.2 pt
INTERNATIONAL	Revenue Passengers	219,533	198,069	10.8%	2,459,675	2,365,212	4.0%
	Available Seats	286,436	276,879	3.5%	3,182,745	3,205,073	(0.7%)
	Available Seat Kilometres (millions)	1,345	1,324	1.6%	14,482	14,577	(0.7%)
	Revenue Load Factor	80.4%	73.8%	6.6 pt	80.5%	76.4%	4.1 pt
TOTAL NETWORK	Revenue Passengers	1,602,950	1,547,596	3.6%	18,436,660	17,702,785	4.1%
	Available Seats	2,162,519	2,163,453	(0.0%)	23,934,661	24,161,188	(0.9%)
	Available Seat Kilometres (millions)	3,533	3,563	(0.8%)	38,728	38,368	0.9%
	Revenue Load Factor	76.4%	71.0%	5.4 pt	78.9%	75.6%	3.3 pt

TIGERAIR AUSTRALIA OPERATING STATISTICS – MAY

		MAY			FINANCIAL YTD		
		2014	2013	Change	2014	2013	Change
TIGERAIR AUSTRALIA	Revenue Passengers	254,102	226,924	12.0%	2,998,661	2,547,598	17.7%
	Revenue Passenger Kilometres (000's)	323,871	267,628	21.0%	3,630,648	2,864,955	26.7%
	Available Seats	357,840	261,900	36.6%	3,487,320	3,001,680	16.2%
	Available Seat Kilometres (000's)	461,019	314,094	46.8%	4,282,056	3,386,810	26.4%
	Revenue Load Factor	70.3%	85.2%	(14.9pt)	84.8%	84.6%	0.2 pt

Notes:

- (1) Monthly operating statistics are issued on a preliminary basis and are subject to change. Any adjustments made will flow through to the year to date results.
- (2) RPKs means number of paying passengers multiplied by the number of kilometres flown on VA and Tigerair operated flights.
- (3) ASKs means total number of seats available for passengers multiplied by the number of kilometres flown on VA and Tigerair operated flights.
- (4) Available Seats means the total number of seats available for passengers.
- (5) Revenue Load Factor means RPKs as a percentage of ASKs. For VA International and Total Network Revenue Load Factor metrics include Virgin Australia and International Alliance Partner ASK and RPK data on our revenue-share routes with International Alliance Partners Air New Zealand and Delta Air Lines.
- (6) Operating statistics for Skywest included in Virgin Australia numbers.

NEWS SUMMARY

24 June: Virgin Australia announced an expansion of its carbon offset program, launching a new partnership with the Tasmanian Land Conservancy. Virgin Australia customers will have the option to neutralise the emissions of their flights by directly supporting the reserves and ultimately the future protection of Tasmania's unique plants and animals.

4 June: Virgin Australia unveiled new Business Class in-flight menus on direct Los Angeles and Abu Dhabi services designed by the airline's internationally acclaimed chef, Luke Mangan.

4 June: Velocity Frequent Flyer, the loyalty program of Virgin Australia, announced it will become the first loyalty program in Australia to join forces with Australia Post. The first stage of the partnership will see Velocity Frequent Flyer offer its members the ability to earn Points on everyday bill payments and other online transactions through Australia Post's MyPost Digital Mailbox.

27 May: Velocity Frequent Flyer, the loyalty program of Virgin Australia, announced a new partnership with global hotel group, Kerzner International including One&Only Resorts, in time for the highly anticipated opening of the first resort in Australia.

26 May: Virgin Australia reported its Preliminary Operating Statistics for April 2014.

For further information, please contact:

Media Contact:

Emma King +61 421 702 193
emma.king@virginaustralia.com

Investor / Analyst Contact:

David Loch +61 411 144 787
david.loch@virginaustralia.com