Half Year 2016 Results Presentation

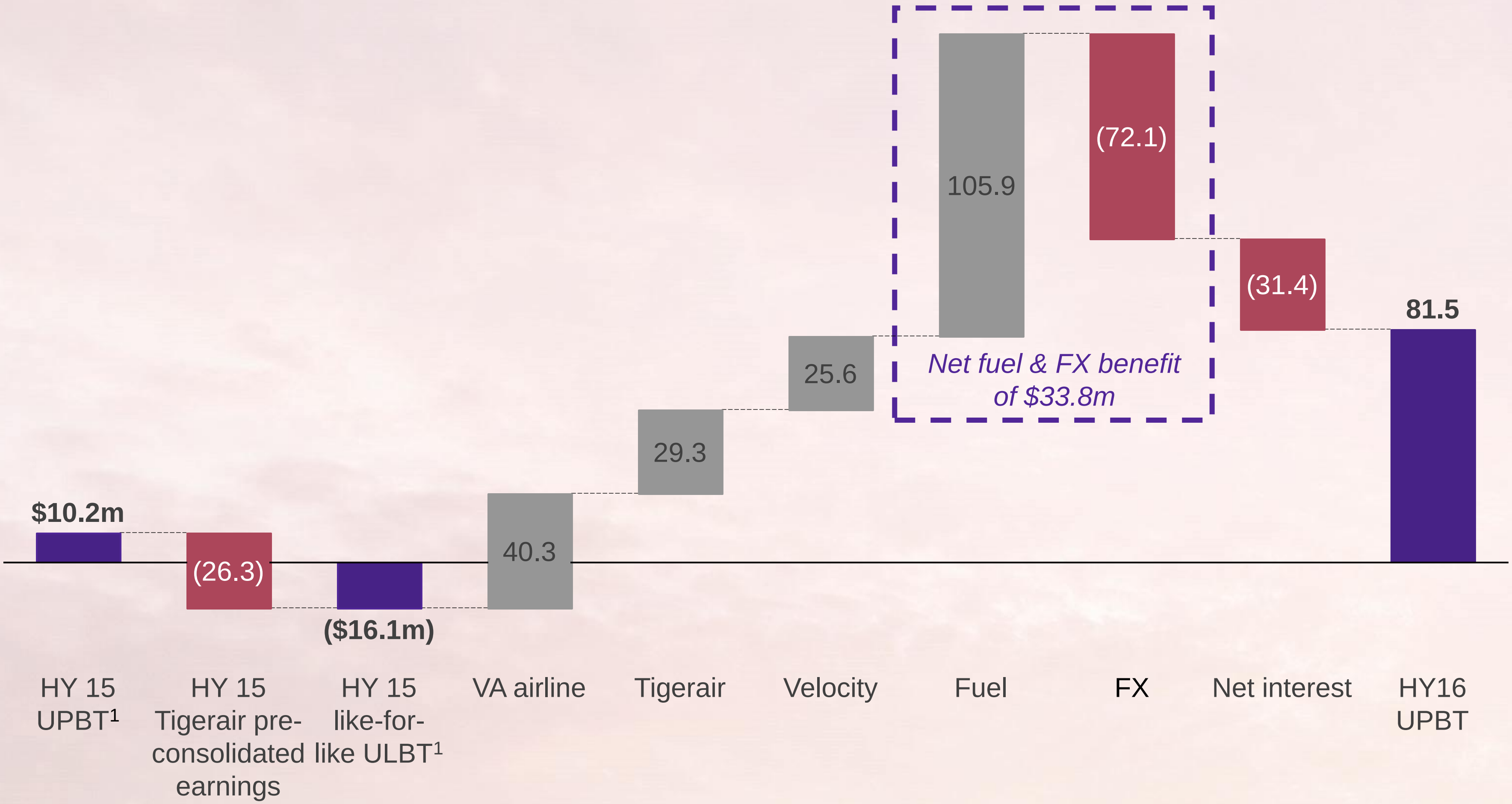
February 11, 2016

Key highlights

	HY 16	HY 15	Change
Underlying Profit Before Tax[1]	$81.5m	$10.2m	↑ $71.3m
Statutory Profit /(Loss) After Tax[2]	$62.5m	($47.8m)	↑ $110.3m
Group Underlying EBIT[1]	$161.4m	$54.3m	↑ $107.1m
ROIC[1]	8.0%	2.9%	↑ 5.1pts
Financial Leverage[1]	5.7x	6.8x	↓ (16.7%)
VA RASK[1]			↑ 3.9%
VA Yield[1]			↑ 4.3%
Group CASK[1]			↓ (1.5%)

Note 1: Underlying Profit / (Loss) Before Tax, Underlying EBIT, ROIC, Financial Leverage, RASK, Yield & Group CASK are non-statutory measures used by Management and VAH's Board as measures to assess financial performance and are defined on slides 27, 28 & 29. 2: From 1 July 2014 to 16 October 2014, Tigerair was equity accounted and was excluded from underlying results. From 17 October 2014, Tigerair is included in underlying results.

$97.7m like-for-like performance improvement

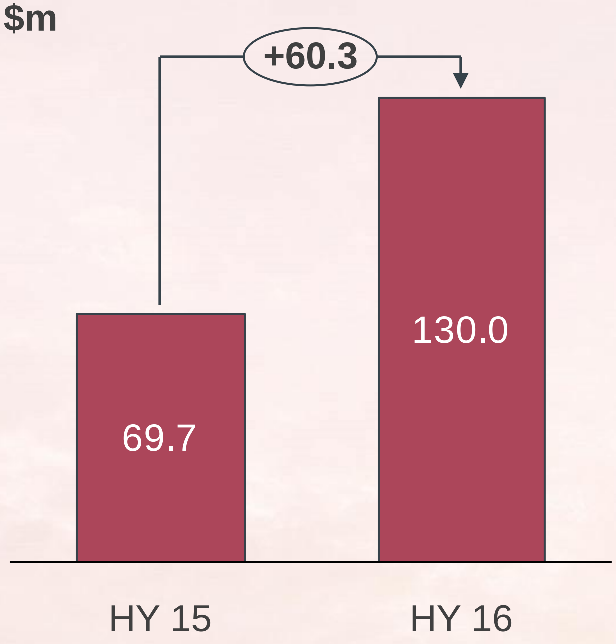


Note 1: Underlying Profit / (Loss) Before Tax is a non-statutory measure used by Management and VAH's Board as a measure to assess financial performance and is defined on slides 27, 28 & 29

Domestic: Strong HY performance

	HY 16	HY 15	Change
Underlying EBIT[1]	$130.0m	$69.7m	$60.3m
Underlying EBIT Margin[1]	7.1%	4.1%	3.0pts
RASK[1]			7.1%
Yield[1]			9.1%

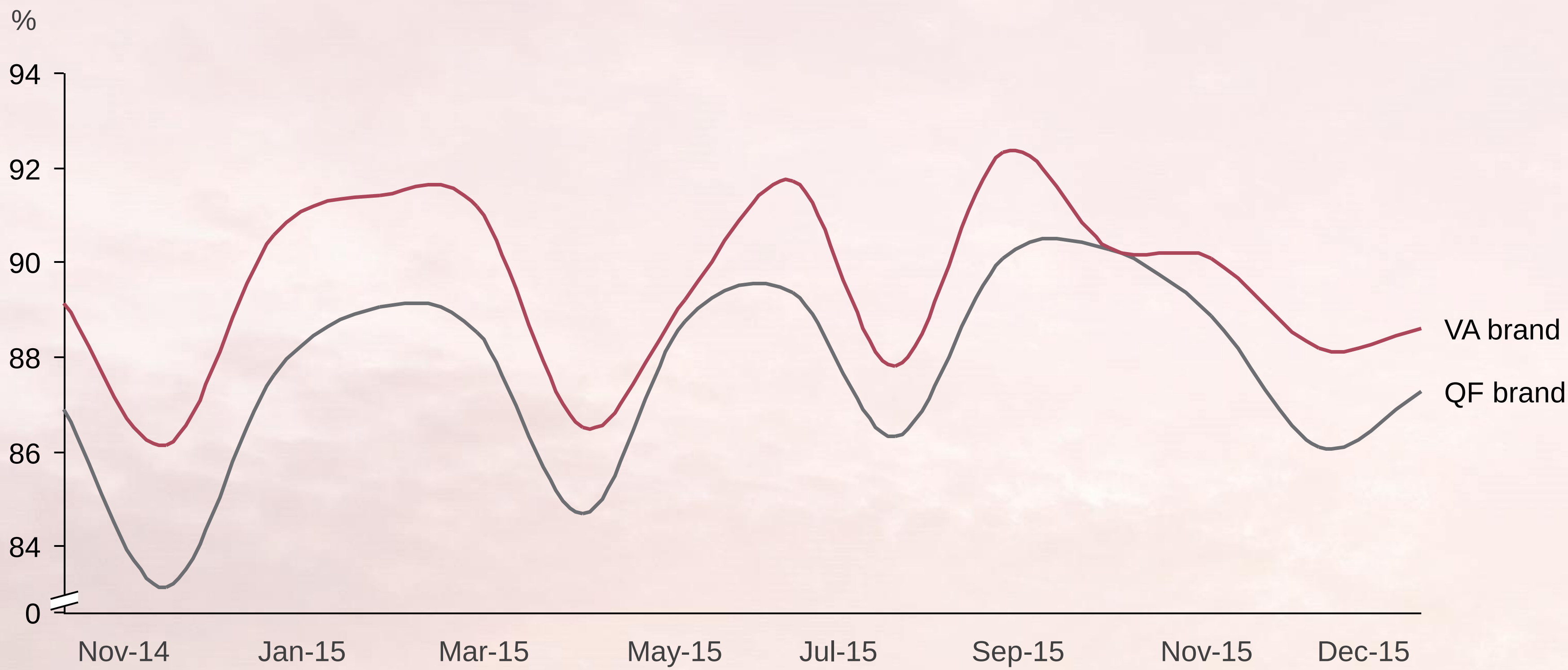
Domestic Underlying EBIT[1]



Note 1: Underlying EBIT, Underlying EBIT Margin, RASK & Yield are non-statutory measures used by Management and VAH's Board as measures to assess financial performance and are defined on slides 27, 28 & 29.

Domestic: Leading airline operating performance

On time performance leader for 13 of the past 14 months[1]



Note 1: In accordance with definitions from the Bureau of Infrastructure, Transport & Regional Economics (BITRE), "on time performance" refers to flights that depart their respective gates within 15 minutes of the scheduled departure time shown in the carriers' schedule. Reflects BITRE data for the monthly on time performance of all Virgin Australia designated services (Virgin Australia and Virgin Australia Regional Airlines) flown and all Qantas designated services (Qantas and QantasLink) flown.

Domestic: Improving the customer experience

Continuously improving the customer experience in H1[1]

✓ Opened state-of-the-art Perth terminal and lounge

7.6% improvement in satisfaction with terminal post-launch

8.3% increase in lounge satisfaction post-launch

✓ Launched 'The Business' on A330s

83% of customers surveyed prefer 'The Business' to comparable Qantas offering

✓ Upgraded and expanded Brisbane lounge

>5% improvement in network-wide lounge satisfaction in H1

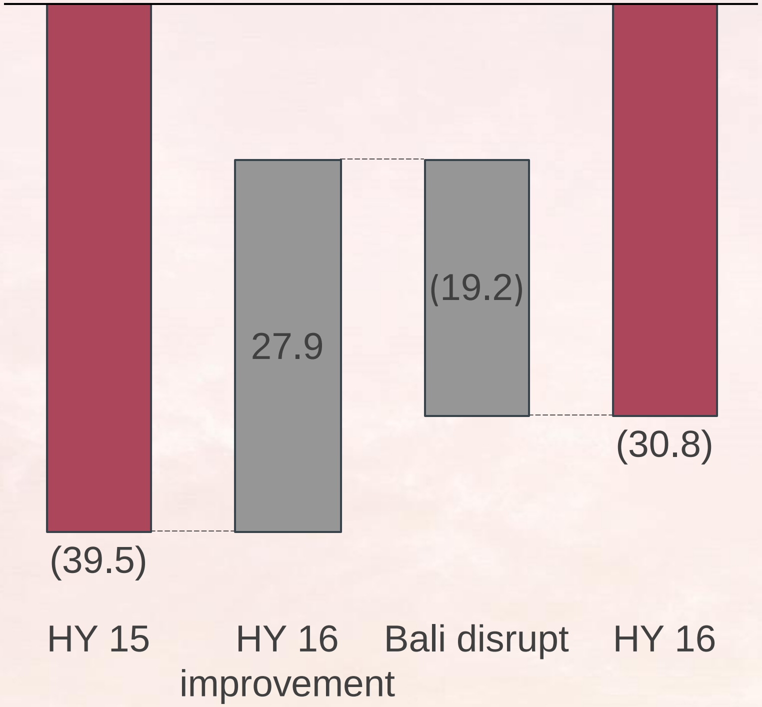
Note 1: Sourced from Virgin Australia Guest Satisfaction Tracker, July – December 2015. Data has been collected and analysed by Colmar Brunton, a leading external Australian market research company. Perth terminal and lounge: Comparison of customer satisfaction results from 12 Nov 2015 - 31 December 2015 compared to 1 Jul 2015 - 11 Nov 2015. New A330 Business class: Of guests who had flown in both Virgin Australia's new A330 business class service and Qantas' new A330 business class service, 83% rate the new Virgin Australia business class experience as better than Qantas'. Network-wide lounge satisfaction: Comparison of customer satisfaction results of H1 FY16 compared to FY15.

International: Continued positive trajectory

	HY 16	HY 15	Change
Underlying EBIT[1]	($30.8m)	($39.5m)	↑ $8.7m
Underlying EBIT Margin[1]	(5.4%)	(6.9%)	↑ 1.5pts
RASK[1]			↑ 5.1%
Yield[1]			↑ 2.9%

International turnaround despite Bali impact

Underlying EBIT,[1] $m



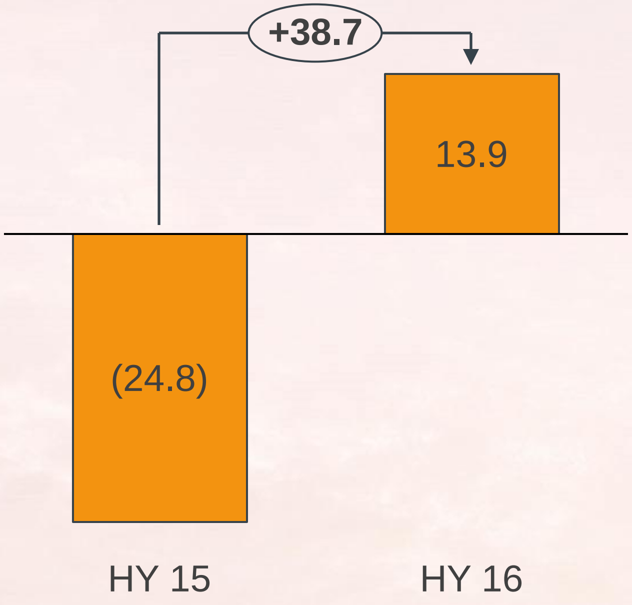
Note 1: Underlying EBIT, Underlying EBIT Margin, RASK & Yield are non-statutory measures used by Management and VAH's Board as measures to assess financial performance and are defined on slides 27, 28 & 29.

Tigerair: Profitable with ongoing improvement

	HY 16	HY 15	Change
Underlying EBIT[1]	$13.9m	($24.8m)	▲ $38.7m
Underlying EBIT Margin[1]	5.7%	(12.1%)	▲ 17.8pts
RASK[1]			▲ 9.2%
Yield[1]			▲ 12.0%

Strong turnaround

Underlying EBIT[1], $m

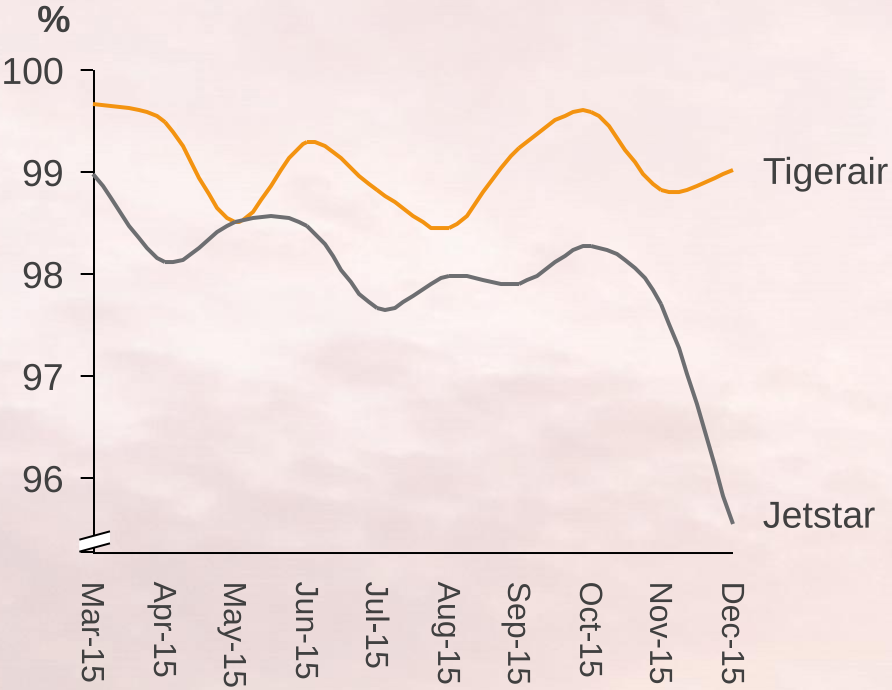


Note 1: All metrics calculated for Tigerair are on a standalone half year underlying basis. Segment results for the period in which Tigerair was fully consolidated are included in Note 2 of the Interim Financial Report. For the avoidance of doubt the standalone amounts above will vary from those reported in the post consolidation Tigerair segment. 2: Underlying EBIT, Underlying EBIT Margin, RASK & Yield are non-statutory measures used by Management and VAH's Board as measures to assess financial performance and are defined on slides 27, 28 & 29.

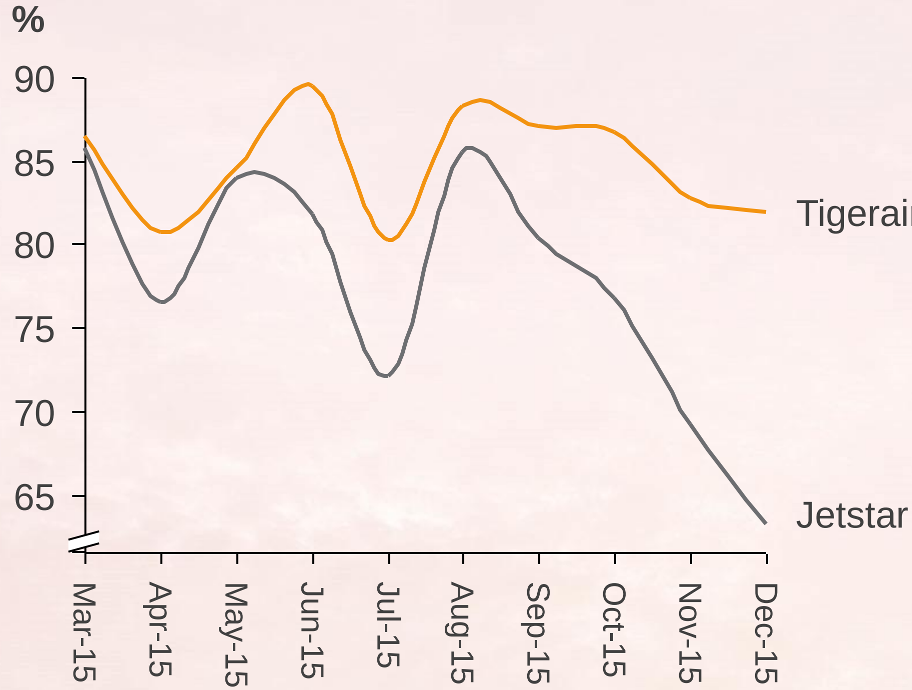
Tigerair: Maintaining strong operating metrics

Leading the low cost carrier market[1] in reliability and punctuality

Scheduled flights flown



On time performance[2]



Note 1: 'low cost carrier market' means Tigerair Australia and Jetstar; 2: In accordance with definitions from the Bureau of Infrastructure, Transport & Regional Economics (BITRE), "on time performance" refers to flights that depart their respective gates within 15 minutes of the scheduled departure time shown in the carriers' schedule. Reflects BITRE data for the monthly on time performance for all services flown by and percentage of scheduled flights flown by Tigerair Australia and Jetstar.

Velocity: Continued strong performance

	HY 16	HY 15	Change
Revenue	$154.8m	$122.6m	▲ $32.2m
Underlying EBIT[1]	$70.8m	$45.2m	▲ $25.6m
Underlying EBIT Margin[1]	45.7%	36.9%	▲ 8.8pts

5.7 million members at end of H1 FY16, up 21.7% on H1 FY15

Average of 2,595 new members joining per day in H1 FY16

Widest online retail redemption offering of any frequent flyer program in Australia

Exciting plans to build further loyalty to Virgin Australia brand in 2016

Note 1: Underlying EBIT & Underlying EBIT Margin are non-statutory measures used by Management and VAH's Board as measures to assess financial performance and are defined on slides 27, 28 & 29.

VARA & Cargo: Good potential for growth

Virgin Australia Regional Airlines (including Charter)

- Good performance in light of resources downturn
- Simplified fleet structure in H1, decommissioning F50s and flying more F100s

Cargo

- Launched as a new business in H1 to seize opportunities for medium and long-term growth
- A number of key customer accounts signed in H1
- Heads of agreement with TNT to finalise exclusive deal to take effect from July 2016

Our people are key to our performance

Recent awards

The Australian Financial Review – *'Most Respected Company'*

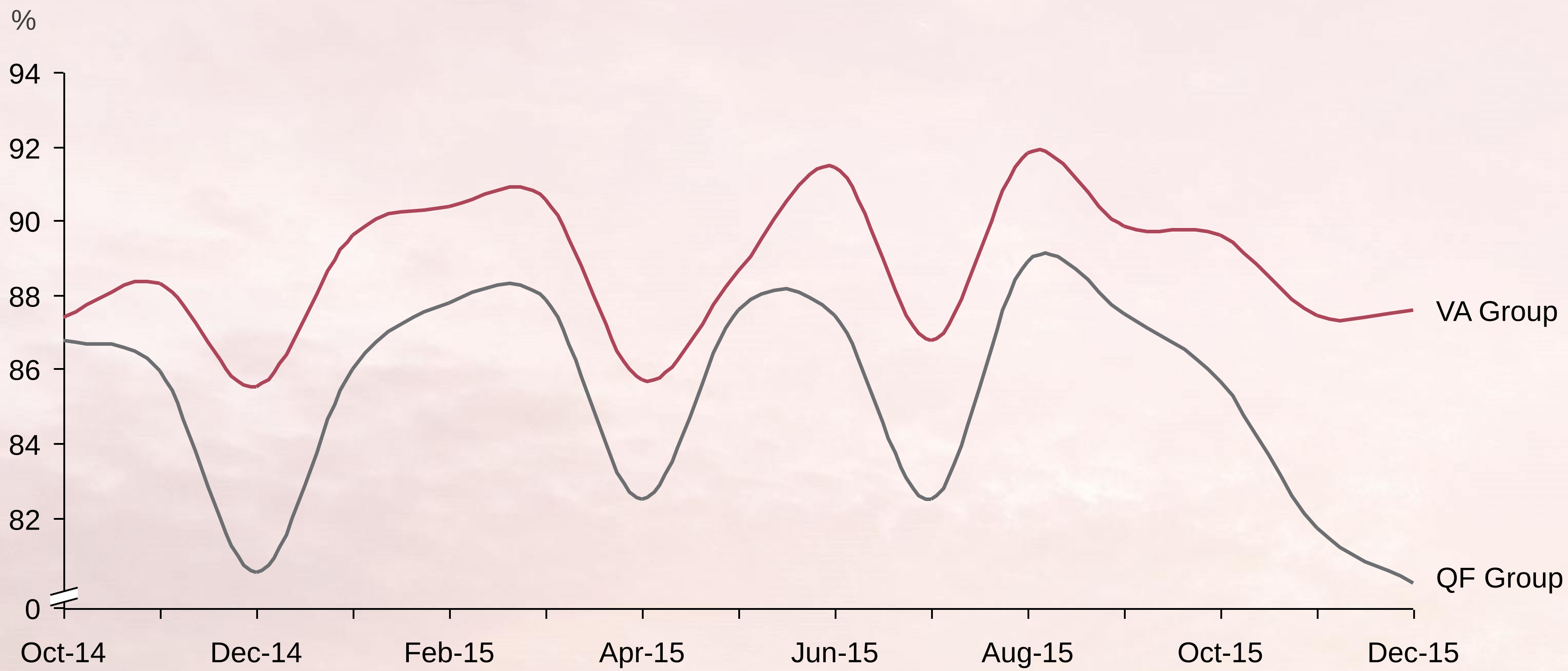
The Hay Group – *'Most Respected Company for Corporate Culture'*

AirlineRatings.com –
'Best New World Carrier'
'Best Cabin Crew'
One of the world's 20 safest airlines

Australian Business Traveller –
'Best Cabin Crew'
'Best Frequent Flyer Scheme'

Group on time performance

Virgin Australia Group on time performance leader for 15 consecutive months[1]



Note 1: In accordance with definitions from the Bureau of Infrastructure, Transport & Regional Economics (BITRE), "on time performance" refers to flights that depart their respective gates within 15 minutes of the scheduled departure time shown in the carriers' schedule. Reflects BITRE data for the monthly on time performance of all services flown by Virgin Australia Group (Virgin Australia, Virgin Australia Regional Airlines and Tigerair Australia, excluding chartered services) and Qantas Group (Qantas, Qantas Link and Jetstar).

On track to meet FY17 targets[1]

Virgin Vision objective	Our target[1]				Status
Capitalise on growth opportunities	*VA Domestic: Underlying EBIT Margin[2] growth 6-9%*	*VA International: Profitable by FY17*	*Tigerair: Profitable by FY17*	*Velocity: Underlying EBIT[2] growth >15%, 7m+ members*	✓ *On track*
Drive Yield[2] enhancement	*30% of Domestic revenue to come from Corporate and Government travellers by FY17*				✓ *On track*
Drive cost savings	*$1.2bn in cumulative cost savings by FY17*				✓ *On track*
Optimise balance sheet & ROIC[2]	*Financial Leverage[2] 4.0x – 4.5x by FY17* *- ROIC[2] > WACC[2] by FY17*				✓ *On track*
Set a new standard in customer experience					*Ongoing*
Continuing to develop our people					*Ongoing*

Note 1: Please refer to the "Forward Looking Statements" section on slide 29 when considering this information. All forward projections on this page are at the Underlying Performance level, which is defined on slides 27, 28 & 29. 'FY17 targets' means by the end of FY17; 2: Underlying EBIT Margin, Underlying EBIT, Yield, Financial Leverage, ROIC & WACC are non-statutory measures used by Management and VAH's Board as measures to assess financial performance and are defined on slides 27, 28 & 29.

H2 FY16: Actions for success

- Translate growing customer loyalty into revenue growth through Velocity
- Execute International recovery plan:
  - Introducing over 35,000 more seats on our trans-Tasman routes
  - Adding A330 with ‘The Business’ from MEL and BNE to Fiji during peak times
  - Aligning network to customer demand and dynamics:
    - Virgin Australia to withdraw from PER-HKT, PER-DPS, MEL-DPS and ADL-DPS
    - Tigerair to fly from PER, MEL and ADL to DPS from March 2016
  - Redefining the long-haul premium travel experience by launching new Business Class suites and Premium Economy seats on Boeing 777s

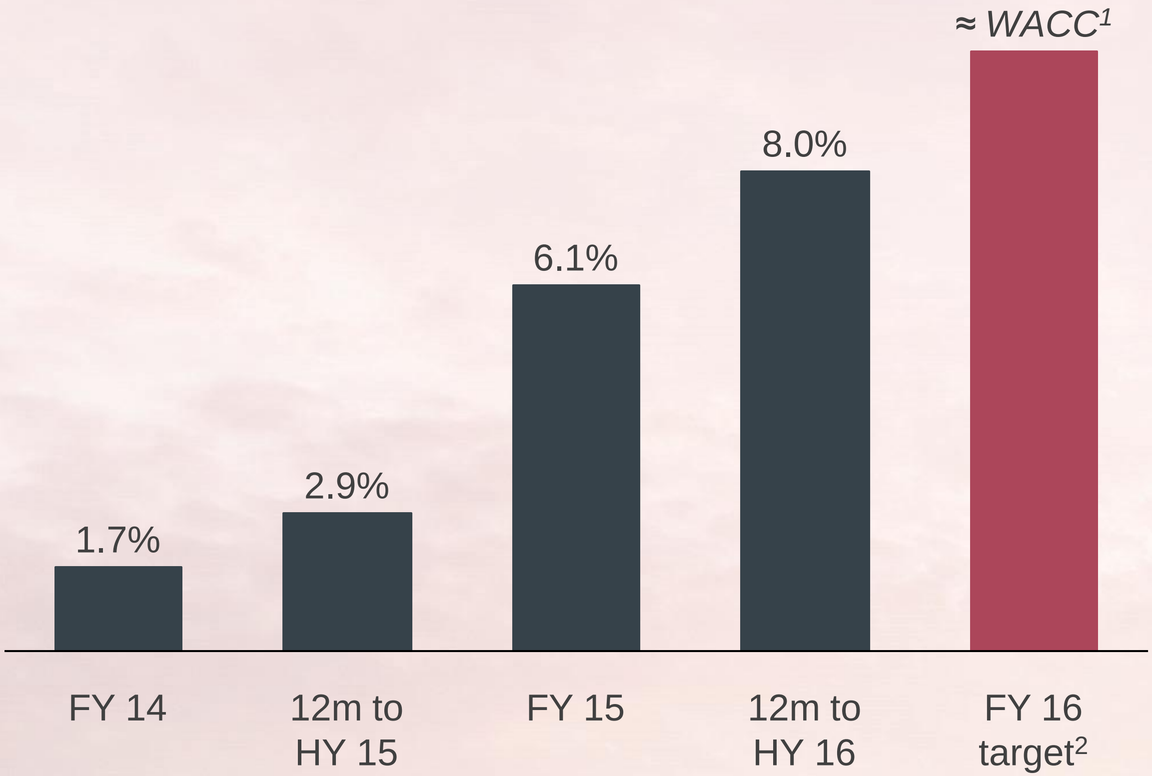
Optimising fleet to capture efficiencies

- 3 major fleet optimisation initiatives targeted at further cost efficiencies, paying down debt and improving fleet utilisation:
  - Decommissioning of F50 fleet by end of FY16;
  - Disposal of entire E170 fleet by FY16, currently subleased to Delta;
  - Disposal of 5 x E190's by September 2016.
- E190 disposals to be covered through increased utilisation of B737 fleet
- Long term CF56 agreement signed with Delta Tech Ops

Group operating fleet	**31 Dec 2015**	**30 Jun 2015**
B737-700/800	78	77
E190	18	18
A330	6	6
B777	5	5
ATR72-500/600	14	14
Mainline fleet	**121**	**120**
F50	8	8
F100	14	14
A320 (Charter & Tigerair)	16	15
Virgin Australia Group	**159**	**157**

Return on Invested Capital on track to meet WACC[1] target

Return on Invested Capital (ROIC[1])



Note 1: WACC & ROIC are non-statutory measures used by Management and VAH's Board as measures to assess financial performance and are defined on slides 27, 28 & 29; 2: Please refer to the "Forward Looking Statements" section on slide 29 when considering this information. All forward projections on this page are at the Underlying Performance level, which is defined on slides 27, 28 & 29.

Outlook statement[1]

"Based on current market conditions, all fundamental business metrics are on track for the Group to report a profit in the 2016 financial year and report a Return on Invested Capital in line with its Cost of Capital[2]."

Note 1: Please refer to the "Forward Looking Statements" section on slide 29 when considering this information. All forward projections on this page are at the Underlying Performance level, which is defined on slides 27, 28 & 29; 2: ROIC & Cost of Capital are non-statutory measures used by Management and VAH's Board as measures to assess financial performance and are defined on pages 27, 28 & 29.

Supplementary financial slides

Group financial summary

		HY 16 $m	HY 15 $m
Revenue and income		**2,658.2**	**2,377.5**
Statutory profit / (loss) after tax		**62.5**	**(47.8)**
Addback	Income tax benefit	(49.3)	(13.7)
Statutory profit / (loss) before tax		**13.2**	**(61.5)**
Addback	Restructuring and transaction costs[1]	21.9	42.9
	Impairment losses on assets held for sale[1]	37.5	-
	Share of equity accounted (profits) / losses[1]	(0.3)	15.8
	Hedging and financial instruments[1]	9.2	13.0
Underlying Profit Before Tax[1]		**81.5**	**10.2**

Significant improvement in Underlying Profit Before Tax[1]

Note 1: Restructuring and transaction costs, Impairment losses on assets held for sale, Share of equity accounted profits / (losses), Hedging and financial instruments and Underlying Profit / (Loss) Before Tax are non-statutory measures used by Management and VAH's Board as a measure to assess financial performance and are defined on slides 27, 28 & 29.

Cash flow

- Operating cash flows traditionally weaker in H1
- H1 working capital movement impacted by increased receivables from corporate travel agents and reduced forward sales on account of lower H2 international capacity
- FY 16 net investing capex likely to be ~$400m, inclusive of maintenance capex and announced aircraft disposals[1]
- Debt refinanced in both secured and unsecured markets

	HY 16 $m	HY 15 $m
Net cash from operating activities	10.2	64.8
Net cash used in investing activities	(262.8)	(339.7)
Net cash from financing activities	119.6	561.8
Net cash inflow/(outflow)	**(133.0)**	**286.9**

Note 1: Please refer to the "Forward Looking Statements" section on slide 29 when considering this information. All forward projections on this page are at the Underlying Performance level, which is defined on slides 27, 28 & 29.

Balance sheet

- Financial Leverage[1] decrease to 5.7x at 31-Dec-15, from 6.8x at 31-Dec-14 , a 16.7% decrease, notwithstanding adverse FX impact on capitalised aircraft rentals and USD debt balances
- FY 17 refinancing initiatives well advanced[2]
- Targeting Financial Leverage[1] of 4.0x – 4.5x by end of FY 17[2]

	HY 16 $m	FY 15 $m
Cash and cash equivalents	906.7	1,028.5
Total assets	**5,848.7**	**5,779.6**
Interest bearing liabilities	3,012.8	2,762.2
Total liabilities	**4,914.7**	**4,758.8**
Total equity	**934.0**	**1,020.8**
Unrestricted cash balance	543.7	718.9

Note 1: Financial Leverage is a non-statutory measure used by Management and VAH's Board as a measure to assess financial performance and is defined on slides 27, 28 & 29; 2: Please refer to the "Forward Looking Statements" section on slide 29 when considering this information. All forward projections on this page are at the Underlying Performance level, which is defined on slides 27, 28 & 29.

Expected fuel and FX impact in FY16

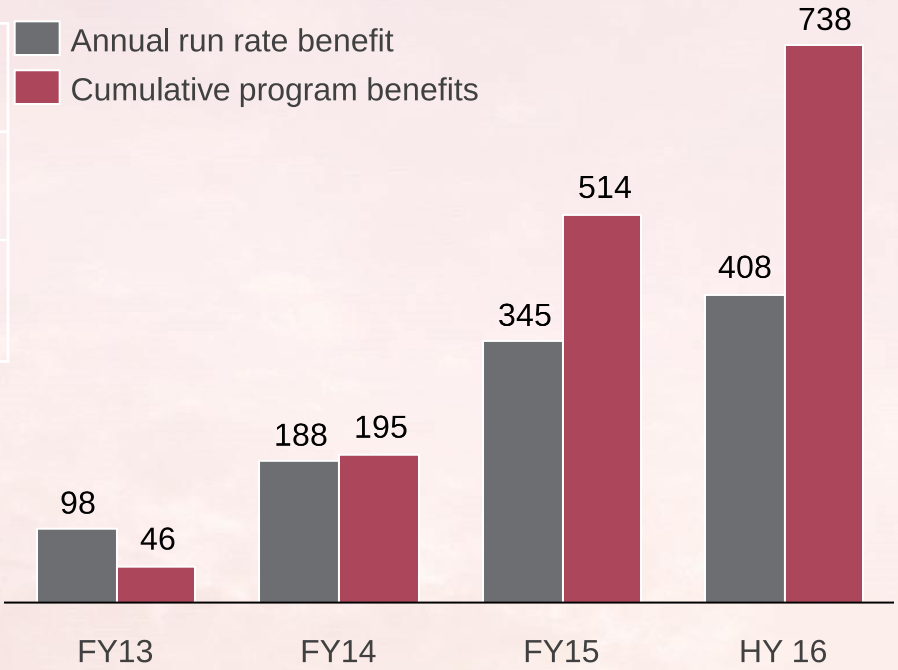
- H2 16 fuel pricing benefit to be significantly offset by lower effective FX rate across non-fuel costs
- Virgin Australia to gain increasing exposure to recent decline in oil prices as legacy fuel hedges roll off in FY 17

	Remainder of FY 16[1,2]	
	Effective rate	**Participation rate**
Fuel (AUD Brent/bbl)	77.00	14%
FX (AUD/USD)	0.75	7%

Note 1: Please refer to the "Forward Looking Statements" section on slide 29 when considering this information. All forward projections on this page are at the Underlying Performance level, which is defined on slides 27, 28 & 29; 2: All hedge levels and estimated financial impact in FY16 are based on the estimated impact of the company's hedge positions along with market forward curves for both AUD Brent and the AUD/USD rate as of 22 January, 2016. Participation rate refers to the extent to which Virgin Australia would benefit through the remainder of FY16 from a decline in fuel prices or a strengthening in the AUD.

Cost program tracking ahead of plan

HY 16 in-year benefits	$51m
HY 16 cumulative program benefits	$738m
Annual run rate benefit since FY13 launch	$408m



On track to exceed $1.2bn target by end of FY17[1]

Note 1: Please refer to the “Forward Looking Statements” section on slide 29 when considering this information. All forward projections on this page are at the Underlying Performance level, which is defined on slides 27, 28 & 29.

Virgin Australia Group fleet

- 4 x B737 deliveries in FY 16, 3 x lease returns
- 14th A320 for Tigerair in H1 FY 16
- In line with fleet strategy, 5 x E190 and 8 x F50 aircraft to leave fleet by September 2016

Group operating fleet	31 Dec 2015	30 Jun 2015	31 Dec 2015	
			Leased	**Owned**
B737-700/800	78	77	38	40
E190	18	18	7	11
A330	6	6	6	-
B777	5	5	1	4
ATR72-500/600	14	14	14	-
Mainline fleet	**121**	**120**	**66**	**55**
F50	8	8	-	8
F100	14	14	7	7
A320 (Charter & Tigerair)	16	15	16	-
Virgin Australia Group	**159**	**157**	**89**	**70**

Targeted return framework[1]

ROIC EBIT	• Last 12 months' Underlying EBIT • Add back last 12 months' aircraft rentals • Less notional depreciation on capitalised value of aircraft leases (7x annual aircraft rental cost), or ~4% pa
Invested Capital	• Net debt • Total equity (including non-controlling interests) • Capitalised value of annual aircraft leases (7x annual aircraft rental cost)
Cost of Capital	• Weighted Average Cost of Capital (WACC) with a long term 60/40 debt/equity split • Currently using 10% as estimated pre-tax WACC
ROIC Calculation	• ROIC = ROIC EBIT / average Invested Capital (using opening and closing balances)

Note 1: All metrics in the targeted return framework are on an underlying basis and are defined on slides 27, 28 & 29.

Disclaimer, definitions and ASIC guidance

Disclaimer

The following non-IFRS information has not been audited or reviewed by KPMG: Underlying Profit / (Loss) Before Tax, Underlying Performance, Restructuring and transaction costs, Impairment losses on assets held for sale, Share of equity accounted profits / (losses), Hedging and financial instruments, Underlying Earnings Before Interest, Tax, Depreciation, Amortisation and Aircraft Rentals (EBITDAR), Underlying Earnings Before Interest & Tax or Underlying EBIT, Underlying Earnings Before Interest & Tax Margin or Underlying EBIT Margin, RASK, Group CASK, Yield, Financial Leverage, Adjusted Net Debt, Return on Invested Capital EBIT or ROIC EBIT, Invested Capital, Cost of Capital or Weighted Average Cost of Capital or WACC and ROIC.

This presentation has not been audited or reviewed by KPMG; however, IFRS data has been derived from the Virgin Australia Holdings Limited Interim Financial Report for the half-year ended 31 December 2015 that has been reviewed by KPMG.

Definitions

Underlying Profit / (Loss) Before Tax: is a non-statutory measure that represents statutory profit / (loss) before tax excluding the impact of restructuring and transaction costs (as defined below), impairment losses on assets held for sale (as defined below), share of equity accounted profits / (losses) (as defined below) and hedging and financial instruments (as defined below). This is a measure used by Management and VAH's Board to assess the financial performance of VAH. From 1 July 2014 to 16 October 2014, Tigerair Australia was equity accounted and was excluded from underlying results. From 17 October, Tigerair Australia is included in underlying results.

Underlying Performance: is a non-statutory measure that refers to earnings or returns calculated based on the statutory profit / (loss) before tax excluding restructuring and transaction costs (as defined below), impairment losses on assets held for sale (as defined below), equity accounted profits / (losses) (as defined below) and hedging and financial instruments (as defined below). From 1 July 2014 to 16 October 2014, Tigerair Australia was equity accounted and was excluded from underlying results. From 17 October 2014, Tigerair Australia is included in underlying results.

Restructuring and transaction costs: is a non-statutory measure that includes the following items outlined in Note 2 of the VAH Interim Financial Report for the half-year ended 31 December 2015: business and capital restructure and transaction costs ($20.7m) and net loss on disposal of assets ($1.2m). For the half-year ended 31 December 2014 this item included business and capital restructure costs ($35.6m) and net loss on disposal of assets ($7.3m).

Impairment losses on assets held for sale: is a non-statutory measure as outlined in Note 2 of the VAH Interim Financial Report for the half-year ended 31 December 2015: impairment losses on assets classified as held for sale ($37.5m). There was no value associated with this item for the half-year ended 31 December 2014.

Share of equity accounted profits / (losses): is a non-statutory measure as outlined in Note 2 of the VAH Interim Financial Report for the half-year ended 31 December 2015: representing the equity accounted profits of Virgin Samoa Limited ($0.3m). For the half-year ended 31 December 2014, the share of equity accounted earnings was a loss of $15.8m and represented the equity accounted losses of Tiger Airways Australia Pty Limited .

Hedging and financial instruments: is a non-statutory measure that includes the following items outlined in Note 2 of the VAH Interim Financial Report for the half-year ended 31 December 2015: unrealised ineffectiveness on cash flow hedges and non-designated derivatives (gain of $1.8m) and time value movements on cash flow hedges (loss of $11.0m). For the half-year ended 31 December 2014, this item includes: unrealised ineffectiveness on cash flow hedges and non-designated derivatives (loss of $9.8m) and time value movements on cash flow hedges (loss of $3.2m).

Disclaimer, definitions and ASIC guidance

Definitions (continued)

Underlying Earnings Before Interest, Tax, Depreciation, Amortisation and Aircraft Rentals (EBITDAR): is a non-statutory measure per Note 2 of the VAH Interim Financial Report for the half-year ended 31 December 2015. It is used by Management and VAH's Board as a measure to assess the financial performance of VAH and its individual segments. It is defined as Underlying Profit / (Loss) Before Tax (as defined above) with the addition of depreciation, amortisation, aircraft rentals and net finance costs. From 1 July 2014 to 16 October 2014, Tigerair Australia was equity accounted and was excluded from underlying results. From 17 October 2014, Tigerair Australia is included in underlying results.

Underlying Earnings Before Interest & Tax or **Underlying EBIT:** is a non-statutory measure per Note 2 of the VAH Interim Financial Report for the half-year ended 31 December 2015. It is used by Management and VAH's Board as a measure to assess the financial performance of VAH and its individual segments. It is defined as Underlying Profit / (Loss) Before Tax (as defined above) with the addition of net finance costs. From 1 July 2014 to 16 October 2014, Tigerair Australia was equity accounted and was excluded from underlying results. From 17 October 2014, Tigerair Australia is included in underlying results.

Underlying Earnings Before Interest & Tax Margin or **Underlying EBIT Margin:** is a non-statutory measure derived from dividing Underlying Earnings Before Interest & Tax (as defined above) by total segment revenue. From 1 July 2014 to 16 October 2014, Tigerair Australia was equity accounted and was excluded from underlying results. From 17 October 2014, Tigerair Australia is included in underlying results.

RASK: is a non-statutory measure derived from segment revenue divided by Available Seat Kilometres of the Regular Passenger Transport business. From 1 July 2014 to 16 October 2014, Tigerair Australia was equity accounted and was excluded from underlying results. From 17 October 2014, Tigerair Australia is included in underlying results.

Group CASK: is a non-statutory measure derived from consolidated segment revenue less consolidated segment Underlying EBIT (as defined above) excluding fuel, hedging gains / (losses) on fuel, Velocity Frequent Flyer segment costs and foreign exchange gains / (losses) on non-fuel costs divided by Available Seat Kilometres of the Regular Passenger Transport business. Group CASK is reported on a sector length adjusted basis. From 1 July 2014 to 16 October 2014, Tigerair Australia was equity accounted and was excluded from underlying results. From 17 October 2014, Tigerair Australia is included in underlying results.

Yield: is a non-statutory measure derived from segment revenue divided by Revenue Passenger Kilometres of the Regular Passenger Transport business. From 1 July 2014 to 16 October 2014, Tigerair Australia was equity accounted and was excluded from underlying results. From 17 October 2014, Tigerair Australia is included in underlying results.

Financial Leverage: is a non-statutory measure and is defined as the ratio of Adjusted Net Debt (as defined below) to EBITDAR (as defined above). From 1 July 2014 to 16 October 2014, Tigerair Australia was equity accounted and was excluded from underlying results. From 17 October 2014, Tigerair Australia is included in underlying results.

Adjusted Net Debt: is a non-statutory measure derived by taking interest bearing liabilities less cash and adding 7 times annual rentals on aircraft operating leases.

Return on Invested Capital EBIT or **ROIC EBIT:** is a non-statutory measure derived from the last 12 months' Underlying EBIT (as defined above), adding back rentals on aircraft operating leases, and adjusting for a notional depreciation on the capitalised value of aircraft leases (7 times annual operating lease cost), or approximately 4% pa. This metric provides an indication of Underlying Performance (as defined above) assuming all aircraft were owned by VAH. From 1 July 2014 to 16 October 2014, Tigerair Australia was equity accounted and was excluded from underlying results. From 17 October 2014, Tigerair Australia is included in underlying results.

Disclaimer, definitions and ASIC guidance

Definitions (continued)

Invested Capital: is a non-statutory measure which provides an indication as to the invested capital within VAH, and is derived from adding average Adjusted Net Debt (as defined above) and total equity as reported in the consolidated statement of financial position.

Cost of Capital or **Weighted Average Cost of Capital** or **WACC:** is a non-statutory measure that estimates the pre-tax Weighted Average Cost of Capital or WACC for VAH, using an estimated 60 to 40 debt to equity split. VAH estimates its Cost of Capital as 10% for the 2016 half year and for the 2015 financial year.

ROIC: is a non-statutory measure and is defined as ROIC EBIT (as defined above) as a percentage of Invested Capital (as defined above). From 1 July 2014 to 16 October 2014, Tigerair Australia was equity accounted and was excluded from underlying results. From 17 October 2014, Tigerair Australia is included in underlying results.

Forward Looking Statements: This presentation contains certain forward looking statements. Forward looking statements can generally be identified by the use of words such as 'project', 'foresee', 'plan', 'expect, 'aim', 'potential', 'goal', 'target', 'intend', 'anticipate', 'believe', 'estimate', 'may', 'could', 'should', 'will' or similar expressions. Indications of, and guidance on, future earnings and financial position and performance are also forward looking statements. Forward looking statements, opinions and estimates provided in this presentation involve a number of risks, assumptions and contingencies, many of which are beyond the Virgin Australia Group's control and which are subject to change without notice, as are statements about market and industry trends, which are based on interpretations of current market conditions. It is believed that the expectations reflected in these forward looking statements, opinions and estimates are reasonable, but there can be no assurance that actual outcomes will not differ materially from these statements. Such forward looking statements, opinions and estimates are provided as a general guide only, should not be relied on as an indication or guarantee of future performance and speak only as of the date of this announcement. You should not place undue reliance on forward looking statements.

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ASIC guidance

In December 2011 ASIC issued Regulatory Guide 230. In order to comply with this Guide, Virgin Australia Holdings Limited is required to make a clear statement about whether information disclosed in documents other than the Virgin Australia Holdings Limited Interim Financial Report for the half-year ended 31 December 2015 has been audited or reviewed in accordance with Australian Auditing Standards.

The following non-IFRS information has not been audited or reviewed by KPMG: Underlying Profit /(Loss) Before Tax, Underlying Performance, Restructuring and transaction costs, Impairment losses on assets held for sale, Share of equity accounted profits / (losses), Hedging and financial instruments, Underlying Earnings Before Interest, Tax, Depreciation, Amortisation and Aircraft Rentals (EBITDAR), Underlying Earnings Before Interest & Tax or Underlying EBIT, Underlying Earnings Before Interest & Tax Margin or Underlying EBIT Margin, RASK, Group CASK, Yield, Financial Leverage, Adjusted Net Debt, Return on Invested Capital EBIT or ROIC EBIT, Invested Capital, Cost of Capital or Weighted Average Cost of Capital or WACC and ROIC.

This presentation has not been audited or reviewed by KPMG; however, IFRS data has been derived from the Virgin Australia Holdings Limited Interim Financial Report for the half-year ended 31 December 2015 that has been reviewed by KPMG.


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