



Virgin Australia Holdings Limited

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6 July 2016

Company Announcements Office
Australian Securities Exchange
20 Bridge Street
SYDNEY NSW 2000

Notice under section 708AA(2)(f) of the Corporations Act 2001 (Cth)

This notice is given by Virgin Australia Holdings Limited (ABN 54 100 686 226) (**Virgin Australia**) under section 708AA(2)(f) of the Corporations Act 2001 (Cth) (**Act**) as notionally modified by Australian Securities and Investments Commission (**ASIC**) Corporations (Non-Traditional Rights Issues) Instrument 2016/84.

Virgin Australia today launched a traditional, non-renounceable pro-rata entitlement offer (**Offer**) of 1 fully paid ordinary share in Virgin Australia (**New Share**) for every 1 fully paid ordinary share in Virgin Australia held as at 7.00pm (AEST time) on Monday, 11 July 2016 by shareholders with a registered address in Australia or New Zealand (and certain other shareholders not in Australia or New Zealand that Virgin Australia has otherwise determined are eligible to participate) (**Eligible Shareholders**).

Virgin Australia confirms that:

1. the New Shares to be issued pursuant to the Offer will be offered for issue without disclosure under Part 6D.2 of the Act;
2. this notice is being given under section 708AA(2)(f) of the Act as modified by ASIC;
3. as at the date of this notice, Virgin Australia has complied with:
 - a. the provisions of Chapter 2M of the Act as they apply to Virgin Australia; and
 - b. section 674 of the Act;
4. as at the date of this notice, there is no excluded information of the type referred to in sections 708AA(8) and 708AA(9) of the Act as notionally modified by ASIC that is required to be set out in this notice under section 708AA(7) of the Act; and
5. The Offer is not expected to have any material effect or consequence on the control of Virgin Australia. The structure of the Offer as a non-renounceable pro-rata offer and the primary consequences of this are that:
 - I. if all of Virgin Australia's Eligible Shareholders take up their entitlement to New Shares, the Offer would not have a material effect on the control of Virgin Australia as Eligible Shareholders would continue to hold the same percentage interest in Virgin Australia; or

- II. if some Eligible Shareholders do not take up their full entitlement, such shareholders' interest would be diluted relative to those who did take up their full entitlement and those major shareholders who have committed to sub-underwrite a portion of the Offer may increase their relevant interest in Virgin Australia through their sub-underwriting. The size of any increase will depend on a number of factors, including the level of take-up from Eligible Shareholders.

However, the relative changes between the relevant interests of those major shareholders will not be substantial and none of the major shareholders will become a controller of Virgin Australia as a result of the Offer.

Yours sincerely



Sharyn Page
Company Secretary
Virgin Australia Holdings Limited