

## Form 604

Corporations Act 2001  
Section 671B

### Notice of change of interests of substantial holder

To Company Name/Scheme Virgin Australia Holdings Limited

ACN/ARSN 100 686 226

#### 1. Details of substantial holder(1)

Name Air New Zealand Associated Companies Limited (ANZAC) and its related bodies corporate listed in Annexure A

ACN/ARSN (if applicable) See Annexure A

There was a change in the interests of the substantial holder on See Item 3 below

The previous notice was given to the company on 26 / 09 / 11

The previous notice was dated 26 / 09 / 11

#### 2. Previous and present voting power

The total number of votes attached to all the voting shares in the company or voting interests in the scheme that the substantial holder or an associate (2) had a relevant interest (3) in when last required, and when now required, to give a substantial holding notice to the company or scheme, are as follows:

Class of securities (4)	Previous notice		Present notice	
	Person's votes	Voting power (5)	Person's votes	Voting power (5)
Fully paid ordinary shares	441,769,737	19.99%	593,425,180	22.99%

#### 3. Changes in relevant interests

Particulars of each change in, or change in the nature of, a relevant interest of the substantial holder or an associate in voting securities of the company or scheme, since the substantial holder was last required to give a substantial holding notice to the company are as follows:

Date of change	Person whose relevant interest changed	Nature of change (6)	Consideration given in relation to change (7)	Class and number of securities affected	Person's votes affected
See Annexure B	ANZAC	Acquisition of relevant interests under s 601(1)(a) or s 608(8) of the Corporations Act – see Annexure B	See Annexure B	151,655,443	151,655,443
See Annexure B	Air New Zealand Limited	Acquisition of relevant interests under s 608(3) of the Corporations Act as parent of ANZAC	Not applicable	151,655,443	151,655,443

#### 4. Present relevant interests

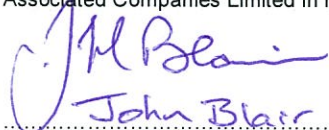
Particulars of each relevant interest of the substantial holder in voting securities after the change are as follows:

Holder of relevant interest	Registered holder of securities	Person entitled to be registered as holder (8)	Nature of relevant interest (6)	Class and number of securities	Person's votes
ANZAC	ANZAC	ANZAC	Relevant interest under s 608(1)(a) of the Corporations Act	515,988,230 fully paid ordinary shares	515,988,230

ANZAC	Not known	ANZAC (if conditions to physical settlement of the share purchase referred to in Annexure B are satisfied)	Relevant interest under s 608(8) of the Corporations Act	77,436,950 fully paid ordinary shares	77,436,950
Air New Zealand Limited	ANZAC	ANZAC	Relevant interest under s 608(3) of the Corporations Act	515,988,230 fully paid ordinary shares	515,988,230
Air New Zealand Limited	Not known	ANZAC (if conditions to physical settlement of the share purchase referred to in Annexure B are satisfied)	Relevant interest under s 608(3) of the Corporations Act	77,436,950 fully paid ordinary shares	77,436,950

**Annexure "A" to Form 604**

This is Annexure "A" of 1 page referred to in the Form 604 (Notice of Change of Interests of Substantial Holder), lodged by Air New Zealand Associated Companies Limited in relation to Virgin Australia Holdings Limited ACN 100 686 226, signed by me and dated 6 June 2013.

  
John Blair, Director

Name & Position

**Related bodies corporate of Air New Zealand Associated Companies Limited:**

New Zealand companies:

ADP (New Zealand) Limited  
Air Nelson Limited  
Air New Zealand Aircraft Holdings Limited  
Air New Zealand Associated Companies (Australia) Limited  
Air New Zealand Consulting Limited  
Air New Zealand Holidays Limited  
Air New Zealand Express Limited  
Air New Zealand International Limited  
Air New Zealand Limited  
Air New Zealand Tasman Pacific Limited  
Air New Zealand Travel Business Limited  
Altitude Aerospace Interiors Limited  
ANNZES Engines Christchurch Limited  
Ansett Australia & Air New Zealand Engineering Services Limited  
C.I. Air Services Limited  
Eagle Air Maintenance Limited  
Eagle Airways Limited  
Eagle Aviation Limited  
Freedom Air Limited  
Mount Cook Airline Limited  
National Airlines Company Limited  
New Zealand International Airlines Limited  
New Zealand Tourist Promotion Company Limited  
Pacific Leisure Group Limited  
Safe Air Limited  
Tasman Empire Airways 1965 Limited  
Tasman Express Limited  
Teal Insurance Limited  
The Mount Cook Group Limited  
Tourism New Zealand Limited  
TXNZ Limited  
ValetPort Limited  
Zeal 320 Limited

Australian companies:

Air New Zealand (Australia) Pty Limited ACN 084 974 569  
Masling Industries Pty Limited ACN 060 273 305  
Safe Air Australia Pty Limited ACN 131 278 889  
TAE Aviation Pty Limited ACN 085 860 877  
TAE Gas Turbines Pty Ltd ACN 084 974 710  
TAE Pty Limited ACN 103 070 015

Other companies:

Air New Zealand Travel Services Limited  
ANZGT Field Services LLC  
Mount Cook Tours Limited (USA)

### 5. Changes in association

The persons who have become associates (2) of, ceased to be associates of, or have changed the nature of their association (9) with, the substantial holder in relation to voting interests in the company or scheme are as follows:

Name and ACN/ARSN (if applicable)	Nature of association
Not applicable	

### 6. Addresses

The addresses of persons named in this form are as follows:

Name	Address
ANZAC and the parties listed in Annexure A	c/- Air New Zealand Limited Air New Zealand House, 185 Fanshawe Street, Auckland, 1010, New Zealand

### Signature

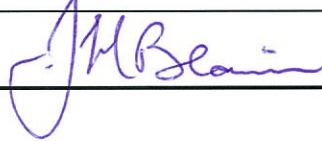
print name

John Blair

capacity

Director

sign here



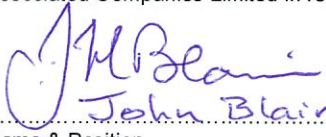
date 06 / 06 / 13

### DIRECTIONS

- (1) If there are a number of substantial holders with similar or related relevant interests (eg. a corporation and its related corporations, or the manager and trustee of an equity trust), the names could be included in an annexure to the form. If the relevant interests of a group of persons are essentially similar, they may be referred to throughout the form as a specifically named group if the membership of each group, with the names and addresses of members is clearly set out in paragraph 6 of the form.
  - (2) See the definition of "associate" in section 9 of the Corporations Act 2001.
  - (3) See the definition of "relevant interest" in sections 608 and 671B(7) of the Corporations Act 2001.
  - (4) The voting shares of a company constitute one class unless divided into separate classes.
  - (5) The person's votes divided by the total votes in the body corporate or scheme multiplied by 100.
  - (6) Include details of:
    - (a) any relevant agreement or other circumstances because of which the change in relevant interest occurred. If subsection 671B(4) applies, a copy of any document setting out the terms of any relevant agreement, and a statement by the person giving full and accurate details of any contract, scheme or arrangement, must accompany this form, together with a written statement certifying this contract, scheme or arrangement; and
    - (b) any qualification of the power of a person to exercise, control the exercise of, or influence the exercise of, the voting powers or disposal of the securities to which the relevant interest relates (indicating clearly the particular securities to which the qualification applies).
- See the definition of "relevant agreement" in section 9 of the Corporations Act 2001.
- (7) Details of the consideration must include any and all benefits, money and other, that any person from whom a relevant interest was acquired has, or may, become entitled to receive in relation to that acquisition. Details must be included even if the benefit is conditional on the happening or not of a contingency. Details must be included of any benefit paid on behalf of the substantial holder or its associate in relation to the acquisitions, even if they are not paid directly to the person from whom the relevant interest was acquired.
  - (8) If the substantial holder is unable to determine the identify of the person (eg. if the relevant interest arises because of an option) write "unknown".
  - (9) Give details, if appropriate, of the present association and any change in that association since the last substantial holding notice.

**Annexure "B" to Form 604**

This is Annexure "B" of 1 page referred to in the Form 604 (Notice of Change of Interests of Substantial Holder), lodged by Air New Zealand Associated Companies Limited in relation to Virgin Australia Holdings Limited ACN 100 686 226, signed by me and dated 6 June 2013.

  
John Blair, Director

Name & Position

Date of event	Event	Consideration	Class and number of securities affected	Person's votes affected
16/11/12	Special crossing	\$0.4975 per fully paid ordinary	49,139,707 fully paid ordinary shares	49,139,707
22/04/13	Special crossing	\$0.4330 per fully paid ordinary share	22,570,908 fully paid ordinary shares	22,570,908
22/04/13	Special crossing	\$0.4330 per fully paid ordinary share	2,507,878 fully paid ordinary shares	2,507,878
05/06/13	Share purchase (see Annexure C)	\$0.47682875 per fully paid ordinary share	77,436,950 fully paid ordinary shares	77,436,950

**Annexure "C" to Form 604**

This is Annexure "C" of 7 pages (including this page) referred to in the Form 604 (Notice of Change of Interests of Substantial Holder), lodged by Air New Zealand Associated Companies Limited in relation to Virgin Australia Holdings Limited ACN 100 686 226, signed by me and dated 6 June 2013.

  
..... John Blair ..... Director  
Name & Position



5 June 2013

Air New Zealand Associated Companies Limited  
Company Number AK 102153  
Private Bag 92007 Auckland  
Auckland New Zealand 1020

Attention: Mr Paul Kelway

Dear Sir

**Forward Transaction – Reference No.:**

The purpose of this letter agreement is to set forth the terms and conditions of the Transaction entered into between Gresham Property Investments Limited ACN 078 108 086 (“**Party A**”) and Air New Zealand Associated Companies Limited (“**Party B**”) on the Trade Date specified below (the “**Transaction**”). This letter agreement constitutes a “**Confirmation**” as referred to in the Agreement specified below.

This Confirmation evidences a complete and binding agreement between you and us as to the terms of the Transaction to which this Confirmation relates. This Confirmation incorporates the terms contained in the 2002 form of the ISDA Master Agreement (the “**ISDA Form**”), such that this Confirmation shall supplement, form a part of, and be subject to an agreement in the form of the ISDA Form as if we had executed an agreement in such form (but without any Schedule except for the application of Cross Default in respect of Party A, the election of New South Wales law as the governing law and Australian Dollars as the Termination Currency) on the Trade Date specified below. In the event of any inconsistency between the provisions of that agreement and this Confirmation, this Confirmation will prevail for the purpose of this Transaction.

The definitions and provisions contained in the 2002 ISDA Equity Derivatives Definitions (the “**Equity Definitions**”, as published by the International Swaps and Derivatives Association, Inc. are incorporated into this Confirmation. In the event of any inconsistency between the Equity Definitions and this Confirmation, this Confirmation will govern.

In the event of any inconsistency between the terms of this Confirmation and the terms of the ISDA Agreement, this Confirmation will prevail for the purpose of this Transaction.

The terms of the particular Transaction to which this Confirmation relates are as follows:

**1. General Terms in relation to the Transaction:**

Transaction Type:	Share Forward Transaction (the "Transaction").
Trade Date:	5 June 2013
Buyer:	Party B.
Seller:	Party A.
Shares:	Fully Paid Ordinary shares in Virgin Australia Holdings Limited (VAH.AX) (the "Issuer").
Number of Shares:	77,436,950
Forward Price:	0.47682875
Prepayment:	Applicable
Prepayment Amount:	An amount in AUD equal to Forward Price x Number of Shares.
Prepayment Date:	Three (3) Exchange Business Days following the Trade Date.
Variable Obligation:	Not Applicable.
Party A Fee:	As agreed in writing by the parties.
Exchange(s):	Australian Securities Exchange.
Related Exchange(s):	All Exchanges.
Calculation Agent:	Party A (unless Party A is the Defaulting Party, in which case Party B)
Threshold Amount:	\$250,000
Specified Entity:	In respect of Party A, any related body corporate (as defined in the Corporations Act 2001 (Cth)) or other affiliate of Party A.
<b>Valuation:</b>	
Valuation Time:	Scheduled Closing Time.
Valuation Date:	180 days from Trade Date or such earlier date nominated by notice in writing to Party A by Party B (provided such earlier date does not occur until at least 10 Exchange Business Days after the date of the written notice.
<b>Settlement Terms:</b>	
Physical Settlement:	Applicable only if and conditional upon: <ul style="list-style-type: none"><li>(a) elected by Party B in accordance with the Settlement Method Election provisions below; and</li><li>(b) Party B has received written notice from the Australian Competition and Consumer Commission ("ACCC"), or the ACCC has publicly announced, that it does not oppose, propose to intervene or seek to prevent the acquisition of the Shares by Party B or any notice or</li></ul>



announcement with similar effect (unless the condition set out in this paragraph (b) is waived by Party B); and

- (c) one of the following occurs:
- i. Party B has received written notice from or on behalf of the Treasurer of the Commonwealth of Australia that there are no objections under the Australian Government's foreign investment policy to the acquisition of the Shares by Party B;
  - ii. the expiry of the period under the Foreign Acquisitions and Takeovers Act 1975 (Cth) during which the Treasurer of the Commonwealth of Australia may make an order or an interim order prohibiting the acquisition of the Shares by Party B, without such an order being made; or
  - iii. if an interim order is made to prohibit the acquisition of the Shares by Party B, the subsequent period for making a final order has elapsed, without any such final order being made.

In all other cases, Cash Settlement is applicable.

Cash Settlement:	Applicable.
Delivery	If Physical Settlement is applicable to the Transaction, the Shares must be delivered by Party A to Party B.
Settlement Currency:	AUD.
Settlement Price:	If: <ol style="list-style-type: none"><li>(a) Cash Settlement is applicable to the Transaction, the arithmetic average of the VWAP in respect of the Shares for each of the Averaging Dates (or such other price agreed by the parties); and</li><li>(b) Physical Settlement is applicable to the Transaction, the Forward Price (as already covered by the Prepayment).</li></ol>
Averaging Dates:	Each of <ol style="list-style-type: none"><li>(a) the 10 Scheduled Trading Days preceding the Valuation Date; and</li><li>(b) the Valuation Date.</li></ol>
VWAP:	the Bloomberg VWAP as listed on Bloomberg Page VAH AU EQUITY VWAP for the period between 10:00am and 4:15pm (or such later time as the Exchange may set for the closing rotation for VAH)
Averaging Date Disruption:	Modified Postponement
Electing Party:	Party B.
Settlement Method Election:	Applicable.
Settlement Method Election Date:	10 Exchange Business Days before the Valuation Date unless otherwise agreed between Party A and Party B.
Default Settlement Method:	Cash Settlement.

Settlement Date:	Three (3) Exchange Business Days (the last one of which must also be a Currency Business Day) following the Valuation Date.
Dividend Period:	Means for the purposes of Excess Dividend Amount, the period from and including the Trade Date to and excluding the Valuation Date.
Excess Dividend Amount:	Means the Record Amount as defined in Section 10.1(a) of the Equity Definitions in respect of the Shares (and for the avoidance of doubt Section 10.7(a) of the Equity Definitions shall not apply).
<b>Share Adjustments:</b>	
Method of Adjustment:	Calculation Agent Adjustment.  For the avoidance of doubt a "Potential Adjustment Event" includes a buy-back of Shares, howsoever funded by the Issuer.
<b>Extraordinary Events:</b>	
Consequences of Merger Events:	
(a) Share-for-Share:	Calculation Agent Adjustment.
(b) Share-for-Other:	Calculation Agent Adjustment.
(c) Share-for-Combined:	Calculation Agent Adjustment.
Determining Party:	Calculation Agent.
Tender Offer:	Applicable.
Consequences of Tender Offers:	
(a) Share-for-Share:	Calculation Agent Adjustment.
(b) Share-for-Other:	Calculation Agent Adjustment.
(c) Share-for-Combined:	Calculation Agent Adjustment.
Determining Party:	Calculation Agent.
Composition of Combined Consideration:	Inapplicable.
Nationalisation, Insolvency or De-listing:	Cancellation and Payment.
Determining Party:	Calculation Agent.
<b>Additional Disruption Events:</b>	
Change in Law:	Applicable.
Insolvency Filing:	Applicable.
Determining Party:	Calculation Agent.
<b>Representations:</b>	
Non-Reliance:	Applicable.
Agreement and Acknowledgments Regarding	Applicable.

**Hedging Activities:**

Additional Acknowledgments: Applicable.

Netting of Payments under this Transaction: Applicable (as per Section 2(c) of the ISDA Agreement).

**2. Additional Provisions:**

**Party B Acknowledgement:** Party B acknowledges and agrees that it has no voting right with respect to the Shares the subject of this Transaction.

**Party A Representation:** On each day on and from the Trade Date until and including the Settlement Date, Party A represents and warrants to Party B that Party A has a relevant interest in 77,436,950 Shares, being the Shares the subject of the Transaction. On each day on and from Three (3) Exchange Business Days after the Trade Date until and including the Settlement Date, Party A represents and warrants to Party B that such relevant interest will be held by Party A under section 608(1)(a) of the Corporations Act 2001 (Cth). "Relevant interest" has the meaning given to that term under section 608 of the Corporations Act 2001 (Cth).

**3. Account Details:**

Payments to Party A: As directed in writing by Party A.

Payments to Party B: As directed in writing by Party B.

**4. Contact Details:**

Party A:  
Phillip Manwarring  
Telephone: +61 2 9224 0240  
Facsimile No.: + 61 2 9221 6814

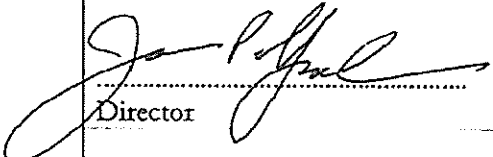
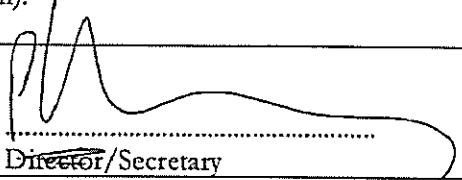
Party B:  
Confirmations: Paul Kelway  
Telephone: +64 9 336 2955  
Facsimile No.: +64 9 336 2895

**5. Offices:**

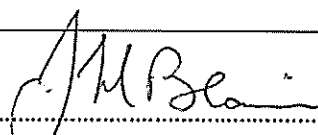
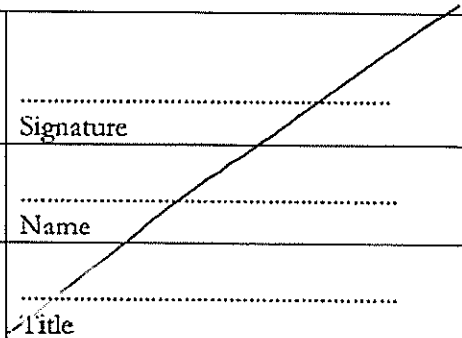
The Office for Party A: Sydney  
The Office for Party B: Auckland

This Confirmation may be signed in counterparts, each of which, when taken together, shall constitute one document.

Executed by **Gresham Property Investments Limited**  
under section 127 of the *Corporations Act 2001* (Cth):

 ..... Director	 ..... Director/Secretary
..... James P. Graham A. Name	..... Phillip Manwarring. Name

Executed for and on behalf of  
**Air New Zealand Associated Companies Limited** by:

 ..... Signature	 ..... Signature
..... John Blair Name	..... Name
..... Director Title	..... Title