

**VIRGIN AUSTRALIA HOLDINGS LIMITED (ASX: VAH)****VIRGIN AUSTRALIA PRICES US\$732.6 MILLION ENHANCED EQUIPMENT NOTE ISSUE**

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8 OCTOBER 2013

Virgin Australia Holdings Limited (ASX: VAH) (Virgin Australia) today announced the successful pricing of US\$732.6 million Enhanced Equipment Notes (Notes) offering, using a collateralised pool of twenty four aircraft within Virgin Australia's existing fleet.

The Notes are similar to a form of aircraft financing commonly used by airlines in the United States known as Enhanced Equipment Trust Certificates (EETCs). The Notes will be issued in three classes as Class A, Class B and Class C Notes, backed by an underlying collateral pool of twenty one Boeing 737-800 aircraft, two Boeing 737-700 aircraft and one Boeing 777-300 ER aircraft, with a weighted average age of 6.5 years. The weighted average coupon over the expected life of the three classes is approximately 5.5 per cent.

The issue received strong support from a large range of global investors with the order book multiple times over-subscribed. Proceeds from the Notes issue will be used to repay existing financing facilities, as well as for general corporate purposes. Settlement of the offering is expected to occur later in October 2013 and is subject to customary settlement conditions.

Virgin Australia Chief Financial Officer Sankar Narayan said: "This represents Virgin Australia's first issue in the international debt capital markets. Virgin Australia is the first airline from the Asia-Pacific region and only the fourth non-US airline globally to access the EETC market. The transaction is part of our ongoing commitment to diversify our funding sources and further supplement the Company's liquidity position. We are very pleased with the strong global investor support for this issue, which demonstrates confidence in Virgin Australia's strategy and competitive position".

Goldman Sachs acted as sole structuring agent and lead bookrunner on the transaction. Credit Agricole Securities and Natixis were joint bookrunners on the transaction.

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**Note:** This announcement is not an offer to sell or a solicitation of any offer to buy the securities of Virgin Australia including any of its subsidiaries, associates or affiliates in the United States or in any other jurisdiction where such offer or sale would be unlawful. The Notes have not been and will not be registered under the United States Securities Act of 1933 (the **Securities Act**), or with any securities regulatory authority of any state or other jurisdiction of the United States, and may not be offered, sold, resold, pledged, delivered, distributed or transferred, directly or indirectly, into or within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with applicable securities laws of any state or other jurisdiction of the United States. No public offering of the Notes is being made in the United States.

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