

Pricing Supplement

Series No.: 2

Tranche No.: 1

Virgin Australia Holdings Limited
(ABN 54 100 686 226)

Guaranteed by each Guarantor as listed in Schedule 1 to this Pricing Supplement

Medium Term Note Programme

Issue of A\$250,000,000 8.075% Fixed Rate Notes due 5 March 2024 (**Notes**)

The date of this Pricing Supplement is 27 February 2019.

This Pricing Supplement relates to the Tranche of Notes referred to above. It is supplementary to, and should be read in conjunction with the Deed Poll for Medium Term Notes dated 17 May 2018 by the Issuer (the **Deed Poll**), the Information Memorandum dated 25 February 2019 in relation to the above Programme (**Information Memorandum**) and the terms and conditions of the Notes contained in the Information Memorandum (**Conditions**).

Terms used in this Pricing Supplement which are not otherwise defined in this Pricing Supplement have the meanings given in the Conditions. References in this Pricing Supplement to the Conditions are to the Conditions set out in the Deed Poll.

This Pricing Supplement does not constitute, and may not be used for the purposes of, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation, and no action is being taken to permit an offering of the Notes or the distribution of this Pricing Supplement in any jurisdiction where such action is required.

The Notes have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the **Securities Act**) or the securities laws of any state or other jurisdiction of the United States and may not be offered or sold in the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act) absent registration or an applicable exemption from registration requirements of the Securities Act and any other applicable securities laws of any state or other jurisdiction of the United States.

The Notes are not intended to be offered, sold or otherwise made available and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (**EEA**). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of the Markets in Financial Instruments Directive 2014/65/EU (as amended) (**MiFID II**); or (ii) a customer within the meaning of Directive 2002/92/EC (**IMD**), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently no key information document required by the provisions of Regulation (EU) No. 1286/2014 (**PRIIPs Regulation**) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

In connection with Section 309B of the *Securities and Futures Act* of Singapore (**SAFA**) and the *Securities and Futures (Capital Markets Products) Regulations 2018* of Singapore (**CMP Regulations 2018**), solely for the purposes of its obligations pursuant to Sections 309B(1)(a) and 309B(1)(c) of the SAFA, the Issuer has determined, and hereby notifies all relevant persons (as defined in the SAFA), that the Notes are 'prescribed capital markets products' (as defined in the CMP Regulations 2018) and Excluded

Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

The Notes are not to be offered or sold to any “retail client” within the meaning of section 761G of the Corporations Act.

The particulars to be specified in relation to the Tranche of Notes referred to above are as follows:

ISSUE DETAILS:		
1	Issuer:	Virgin Australia Holdings Limited (ABN 54 100 686 226)
2	Guarantors:	Initially each entity listed in Schedule 1 to this Pricing Supplement Guarantors may be released, and new guarantors may be added, in accordance with the Conditions
3	Type of Issue:	Syndicated Issue
4	Section 128F Compliant Notes:	Yes It is the Issuer’s intention that the issue of Notes will be issued in a manner that will seek to satisfy the requirements for the exemption from Australian interest withholding tax set out in section 128F of the Income Tax Assessment Act 1936 of Australia
5	Dealers:	Australia and New Zealand Banking Group Limited (ABN 11 005 357 522) The Hongkong and Shanghai Banking Corporation Limited, Sydney Branch (ABN 65 117 925 970) UBS AG, Australia Branch (ABN 47 088 129 613)
6	Lead Manager/Joint Lead Manager (if any):	Australia and New Zealand Banking Group Limited (ABN 11 005 357 522) The Hongkong and Shanghai Banking Corporation Limited, Sydney Branch (ABN 65 117 925 970) UBS AG, Australia Branch (ABN 47 088 129 613)
7	Registrar:	BTA Institutional Services Australia Limited (ABN 48 002 916 396)
8	Issuing Agent:	BTA Institutional Services Australia Limited (ABN 48 002 916 396)

9	Paying Agent:	BTA Institutional Services Australia Limited (ABN 48 002 916 396)
10	Calculation Agent (if any)	BTA Institutional Services Australia Limited (ABN 48 002 916 396)
11	Aggregate Principal Amount of Tranche:	A\$250,000,000
12	Denomination:	A\$10,000
13	Purchase Price:	100% of the principal amount of the Notes
14	Issue Date:	5 March 2019
15	Date on which Notes become fungible with existing Notes of the Series:	Not applicable
INTEREST:		
16	Type of Note:	Fixed Rate Note
17	Details for Fixed Rate Notes:	Applicable
18	Condition 5.2 applicable:	Yes
	(a) Fixed Coupon Amount:	A\$403.75 per A\$10,000 outstanding principal amount on each Interest Payment Date
	(b) Interest Rate:	8.075% per annum
	(c) Interest Commencement Date:	Issue Date
	(d) Interest Payment Dates:	Semi-annually on 5 March and 5 September in each year commencing on, and including, 5 September 2019 up to, and including, 5 March 2024, in each case subject to adjustment in accordance with the Business Day Convention.
	(e) Business Day Convention applicable to Interest Payment Dates:	Following
	(f) Day Count Fraction applicable to calculation of interest due on Interest Payment Dates:	RBA Bond Basis
	(g) Initial Broken Amount:	Not applicable
	(h) Final Broken Amount:	Not applicable
19	Details for Floating Rate Notes:	Not applicable

20	Condition 5.3 applicable:	No
21	Details for Zero Coupon Notes:	Not applicable
22	Amendments to Condition 5.4 (accrual and payment interest):	Not applicable
23	Amendments to Condition 5.5 (interest on overdue amounts):	Not applicable
REDEMPTION:		
24	Maturity Date:	5 March 2024
25	Scheduled Repayment Dates:	Not applicable
26	Scheduled Repayment Amounts:	Not applicable
27	Details for Condition 6.3 (early redemption for taxation reasons):	Applicable
	(a) Early Redemption Premium:	Not applicable
	(b) Accrued interest payable on redemption:	Yes
28	Details for Condition 6.4 (early redemption at the option of Issuer):	Applicable provided that the Early Redemption Amount shall be as calculated as set out in Schedule 2 to this Pricing Supplement
	(a) Condition 6.4 applicable	Yes
	(b) Whether redemption of some only of the Notes permitted and, if so, any minimum aggregate principal amount and the means by which Notes will be selected for redemption:	Yes There is no minimum aggregate principal amount of the Notes which must be redeemed by the Issuer At the Issuer's election redemption will be of some of the Notes held by all Holders on a pro rata basis, or of Notes selected by the Registrar pursuant to Condition 6.4(d)
	(c) Early Redemption Premium:	Included (where applicable) in the calculation of the Early Redemption Amount set out in Schedule 2 to this Pricing Supplement
	(d) Call Period:	From and including the Issue Date to the Maturity Date
	(e) Minimum notice period:	30 days
	(f) Maximum notice period:	60 days

	(g) Call Dates:	Any Business Day during the Call Period. Despite Condition 6.4, the date fixed for redemption is not required to be an Interest Payment Date
	(h) Other conditions to early redemption:	Not applicable
	(i) Accrued interest payable on redemption:	Included (where applicable) in the calculation of the Early Redemption Amount set out in Schedule 2 to this Pricing Supplement
29	Details for Condition 6.5 (early redemption at Holder's option):	Applicable, subject to amendments to read as set out in Schedule 3 to this Pricing Supplement
	(a) Condition 6.5 applicable:	Yes, subject to amendments to read as set out in Schedule 3 to this Pricing Supplement
	(b) Early Redemption Premium:	Included (where applicable) in the calculation of the Early Redemption Amount set out in Schedule 3 to this Pricing Supplement
	(c) Put Period:	See Schedule 3 to this Pricing Supplement
	(d) Minimum notice period:	See Schedule 3 to this Pricing Supplement
	(e) Put Dates:	See Schedule 3 to this Pricing Supplement
	(f) Other conditions to early redemption:	See Schedule 3 to this Pricing Supplement
	(g) Accrued interest payable on early redemption:	See Schedule 3 to this Pricing Supplement
30	Details for Condition 10.3 (consequences of an Event of Default):	
	(a) Early Redemption Premium:	Not applicable
	(b) Accrued interest payable on early redemption:	Yes
PAYMENTS:		
31	Business Day Convention applicable to Condition 8.4:	Following
32	Amendments to Condition 8.7 (additional amounts):	Not applicable
33	Other amendments to Condition 8 (payments):	Not applicable

OTHER TERMS:		
34	Business Days:	Sydney and Brisbane
35	Other amendments to Conditions:	<p>Applicable. The definition of GAAP set out in Condition 1.1 is deleted and replaced with the following:</p> <p>“Australian Accounting Standards and Interpretations, issued by the Australian Accounting Standards Board, which are in effect on the Issue Date. Notwithstanding the foregoing definition, with respect to leases (whether or not they are required to be capitalised on a Person's balance sheet under generally accepted accounting principles in Australia in effect as of the Issue Date) and with respect to financial matters related to leases, including assets, liabilities and items of income and expense, "GAAP" shall mean and determinations and calculations shall be made in accordance with, generally accepted accounting principles in Australia, which are applicable to the Issuer for the purposes of preparation of its financial statements for the year ended 30 June 2019, in effect as of the Issue Date.”</p>
36	Additional Conditions:	Not applicable
OTHER DETAILS:		
37	ISIN:	AU3CB0261410
38	Common Code:	195894442
39	Clearing System:	Austraclear System
40	Additional selling restrictions:	Not applicable
41	Prohibition of Sales to EEA Retail Investors:	Applicable
42	Listing:	Not applicable
43	Other:	Not applicable

Schedule 1

Guarantors

1. Virgin Australia Airlines Holdings Pty Ltd (ABN 19 093 924 675)
2. Virgin Australia Airlines Pty Ltd (ABN 36 090 670 965)
3. VB Leaseco Pty Ltd (ABN 29 134 268 741)
4. VAH Newco No. 1 Pty Ltd (ABN 41 160 881 345)
5. VAH Newco No. 2 Pty Ltd (ABN 43 160 881 354)
6. A.C.N. 098 904 262 Pty Ltd (ABN 51 098 904 262)
7. Virgin Australia Regional Airlines Pty Ltd (ABN 76 008 997 662)
8. Virgin Australia International Holdings Pty Ltd (ABN 23 155 860 021)
9. Virgin Australia International Airlines Pty Ltd (ABN 63 125 580 823)
10. Virgin Australia Airlines (SE Asia) Pty Ltd (ABN 79 097 892 389)
11. Tiger Airways Australia Pty Limited (ABN 52 124 369 008)
12. Tiger International Number 1 Pty Ltd (ABN 61 606 131 944)

Schedule 2

Early redemption at the option of the Issuer

(a) For the purposes of Condition 6.4, the Early Redemption Amount payable by the Issuer on redemption of the Notes under Condition 6.4 (the **Early Redemption Amount**) on a date (**Early Call Date**) prior to the First Scheduled Call Date (as defined below) will be the greater of:

- (1) 100% of the principal amount of the Notes together with accrued and unpaid interest due up to (but excluding) the Early Call Date; and
- (2) the amount determined by a reputable bank or financial adviser selected by the Issuer (the **calculation agent**) to be the value of the Notes being redeemed, calculated in accordance with the Australian Office of Financial Management formula for the calculation of the settlement price of Australian Government Treasury Bonds, where the annual percentage yield to maturity which applies is the sum of (A) 0.50 per cent. per annum and (B) the 5 March 2024 Australian Government Bonds mid-market yield (as determined by the calculation agent by reference to Bloomberg page 'ACGB Govt' or such other sources as it may in good faith select) (or if there is no 5 March 2024 Australian Government Bond, the rate derived by linear interpolation between the mid-market yield on the Australian Government Bond with a maturity closest to but before 5 March 2024 and the mid-market yield on the Australian Government Bond with a maturity closest to but after 5 March 2024 (in each case as determined by the calculation agent by reference to Bloomberg page 'ACGB Govt' or such other sources as it may in good faith select) at or around 10.00 am (Sydney time) three business days prior to the Early Call Date.

For the avoidance of doubt, the Early Redemption Amount calculated in accordance with this provision is inclusive of any accrued and unpaid interest on the Notes up to (but excluding) the Early Call Date.

(b) The Early Redemption Amount payable by the Issuer on redemption of the Notes under Condition 6.4 on any Business Day specified in the table below (each a **Scheduled Call Date**) will be a redemption price being a percentage (as specified in the table below with respect to the relevant Scheduled Call Date) of the principal amount of the Notes, plus accrued and unpaid interest, if any, on the Notes to (but excluding) the Scheduled Call Date:

Scheduled Call Dates	Percentage
Each Business Day falling on or after 5 March 2022 (First Scheduled Call Date) and prior to 5 March 2023	104.03750%

Schedule 2 Early redemption at the option of the Issuer

Each Business Day falling on or after 5 102.01875%
March 2023 and prior to the Maturity Date

Schedule 3

Early redemption at the option of Holders in connection with a Change of Control Put Event

- (a) If at any time while any of the Notes remain outstanding, a Change of Control Put Event occurs, and the Issuer has not given notice electing to redeem the Notes in whole under any other Condition, the Issuer must promptly (and in any event within 30 days) after the Change of Control Put Event, give notice (a **Change of Control Put Event Notice**) to each Holder and the Registrar specifying:
- (1) that a Change of Control Put Event has occurred (by reference to this section) and describe in reasonable detail the Change of Control Put Event;
 - (2) that as a result of the Change of Control Put Event, each Holder may by notice to the Issuer (**Change of Control Put Notice**) require the Issuer to redeem some or all of its Notes in accordance with this Condition;
 - (3) the date by which a Holder must give a Change of Control Put Notice to the Issuer (or if so specified in the notice, the Registrar) (**Change of Control Put Exercise Date**), which must not be less than 10 Business Days prior to the Change of Control Put Event Redemption Date; and
 - (4) the date on which the Notes held by a Holder who gives a Change of Control Put Notice will be redeemed (the **Change of Control Put Event Redemption Date**), which must not be less than 30 days and not more than 95 days after the date of the Change of Control Put Event Notice.
- (b) A Change of Control Put Notice must:
- (1) be in the form (if any) available from the Registrar;
 - (2) specify that the Holder requires the Holder's Notes to be redeemed in accordance with this Condition;
 - (3) be accompanied with such evidence as the Registrar may require to establish the identity of the person giving the notice and his or her authority to do so; and
 - (4) be received by the Issuer (or if so specified in the notice, the Registrar) by the Change of Control Put Exercise Date.
- (c) A Change of Control Put Notice is irrevocable and on the Change of Control Put Event Redemption Date the Issuer must redeem the Notes of each Holder that has given such a notice in accordance with paragraph (b) above of this Condition by paying to the Record Date Holder the Early Redemption Amount of the Notes, which shall be the aggregate of:
- (1) 101% of the principal amount of the Notes; and
 - (2) any accrued but unpaid interest on the Notes.
- (d) The meanings of the terms used in this Condition are set out below:

Beneficial Owner has the meaning assigned to such term in Rule 13d-3 and Rule 13d-5 under the Exchange Act, except that in calculating the beneficial ownership of any particular “person” (as that term is used in Section 13(d)(3) of the Exchange Act), such “person” will be deemed to have beneficial ownership of all securities that such “person” has the right to acquire by conversion or exercise of other securities, whether such right is currently exercisable or is exercisable only after the passage of time.

Board of Directors means:

- (1) with respect to a corporation, the board of directors of the corporation or any committee thereof duly authorised to act on behalf of such board of directors;
- (2) with respect to a partnership, the Board of Directors of the general partner of the partnership;
- (3) with respect to a limited liability company, the managing member or members, manager or managers or any controlling committee of managing members or managers thereof; and
- (4) with respect to any other Person, the board or committee of such Person serving a similar function.

Change of Control Put Event means the occurrence of any of the following:

- (1) the sale, lease, transfer, conveyance or other Disposition (other than by way of merger or consolidation), in one or a series of related transactions, of all or substantially all of the properties or assets of the Issuer and its Subsidiaries taken as a whole to any Person (including any “person” (as that term is used in Section 13(d)(3) of the Exchange Act) but excluding any Excluded Person); or
- (2) the consummation of any transaction (including, without limitation, any merger or consolidation), the result of which is that any Person other than an Excluded Person (including any “person” (as defined above)) becomes the Beneficial Owner, directly or indirectly, of more than 50% of the Voting Stock of the Issuer (measured by voting power rather than number of shares), other than in the case of paragraph (1) above or this paragraph (2):
 - (A) any such transaction where the Voting Stock of the Issuer (measured by voting power rather than number of shares) outstanding immediately prior to such transaction constitutes or is converted into or exchanged for a majority of the outstanding shares of the Voting Stock of such Person or Beneficial Owner (measured by voting power rather than number of shares); or
 - (B) any sale, transfer, conveyance or other Disposition to, or any merger or consolidation of the Issuer with or into, any Person (including any “person” (as defined above)) which owns or operates (directly or indirectly through a contractual arrangement) a Permitted Business (a **Permitted Person**) or a Subsidiary of a Permitted Person, in each case under this paragraph (B), if immediately after such transaction no Person (including any “person” (as defined above)) is the Beneficial Owner, directly or indirectly, of more than 50% of the total Voting Stock of such Permitted Person (measured by voting power rather than number of shares).

For the avoidance of doubt, the merger or consolidation, if any, of the Issuer with any Restricted Subsidiary of the Issuer or any merger or consolidation, if any, of any Restricted Subsidiary of the Issuer with any other Restricted Subsidiary of the Issuer will not constitute a Change of Control Put Event.

Exchange Act means the United States Securities Exchange Act of 1934, as amended, and the rules and regulations thereunder.

Excluded Person means at any time:

- (1) Etihad Airways P.J.S.C.;
- (2) Singapore Airlines Limited;
- (3) HNA Innovation Ventures (Hong Kong) Co. Limited;
- (4) Nanshan Capital Holdings Ltd;
- (5) the Virgin Group or any Person both the Capital Stock and Voting Stock of which (or, in the case of a trust, the beneficial interests in which) are owned directly or indirectly more than 50% on a fully diluted basis by a Person specified above in paragraph (1) - (3); and
- (6) any group (within the meaning of Section 13(d)(3) or Section 14(d)(2) of the Exchange Act, or any successor provision) the members of which include any of the Excluded Persons specified in paragraphs (1), (2), (3) and/or (4) above, and that (directly or indirectly) hold or acquire beneficial ownership of the Voting Stock of the Issuer (an **Excluded Person Group**), so long as:
 - (A) each member of the Excluded Person Group has voting rights proportional to the percentage of ownership interests held or acquired by such member; and
 - (B) no Person or other "group" (other than Excluded Persons specified in paragraphs (1)-(4) above) beneficially owns more than 50% on a fully diluted basis of the Voting Stock held by such Excluded Person Group.

Any one or more Persons or group whose acquisition of beneficial ownership constitutes a Change of Control Put Event occurs will thereafter, together with its (or their) Affiliates, constitute an additional Excluded Person or Excluded Persons, as applicable.

Virgin Group means the Virgin Group of companies, including Virgin Group Holdings Limited, Virgin Group Limited and their respective Subsidiaries and Affiliates.

Voting Stock means of any specified Person as of any date is the Capital Stock of such Person that is at the time entitled to vote in the election of the Board of Directors of such Person.

CONFIRMED

Date: 27 February 2019

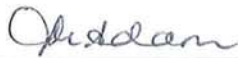
Issuer

Signed for and on behalf of

Virgin Australia Holdings Limited

by its attorney

sign
here ▶



Attorney

print
name

T.M. McADAM
Attorney

Guarantors

Signed for and on behalf of

Virgin Australia Airlines Holdings Pty Ltd;

Virgin Australia Airlines Pty Ltd;

VB Leaseco Pty Ltd;

VAH Newco No. 1 Pty Ltd;

VAH Newco No. 2 Pty Ltd;

A.C.N. 098 904 262 Pty Ltd;

Virgin Australia Regional Airlines Pty Ltd;

Virgin Australia International Holdings Pty Ltd;

Virgin Australia International Airlines Pty Ltd;

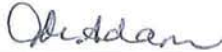
Virgin Australia Airlines (SE Asia) Pty Ltd;

Tiger Airways Australia Pty Limited; and

Tiger International Number 1 Pty Ltd,

by their attorney

sign
here ▶



Attorney

print
name

T.M. McADAM
Attorney
