

VIRGIN AUSTRALIA HOLDINGS LIMITED (ASX:VAH)**Preliminary Operating Statistics
May 2012****SUMMARY OF OPERATING STATISTICS****Domestic and International Operations EXCLUDING Virgin Samoa**

Month of May 2012

Virgin Australia's Domestic passenger numbers for the month of May increased by 10.3% over May 2011, with a Revenue Load Factor of 76.1%. Domestic traffic, measured by Revenue Passenger Kilometres (RPKs), increased by 11.2% over the same period, while capacity, measured by Available Seat Kilometres (ASKs), increased by 15.2%.

Domestic yield growth continues to be strong, in line with trends for the second half of FY12 and delivered positive RASK growth in May.

Virgin Australia's International passenger numbers for the month of May were approximately in line with May 2011. International capacity, measured by Available Seat Kilometres (ASKs), decreased by 3.6% over the same period, largely due to a reduction in international short-haul capacity as a result of maintenance and cabin refurbishment on our Boeing 737 international fleet.

Financial Year to Date – May 2012

Virgin Australia's Domestic passenger numbers for the year-to-date increased by 5.5% over the previous year, with a Revenue Load Factor of 79.1%, a decline of 0.9 points over the same period. Domestic RPKs for the year-to-date increased by 7.7% and ASKs increased by 9.0% over the previous year, which is consistent with Virgin Australia's expectation that domestic capacity growth for the full year FY12 will be less than 10%.

Virgin Australia's International passenger numbers for the year-to-date decreased by 6.2% over the previous year. International ASKs increased by 3.3% over the same period. These year-to-date variances are predominately driven by the withdrawal of services from the New Zealand Domestic Market in October 2010 and the restructure of the international network.

VIRGIN AUSTRALIA HOLDINGS OPERATING STATISTICS – MAY

		Month			Financial Year to Date (Year ending 30 June 2012)		
		May-12	May-11	Change	YTD May-12	YTD May-11	Change
DOMESTIC	Passengers Carried	1,422,194	1,289,639	10.3%	15,526,590	14,711,413	5.5%
	Revenue Passenger Kilometres (millions)	1,623	1,459	11.2%	17,630	16,367	7.7%
	Available Seat Kilometres (millions)	2,132	1,850	15.2%	22,296	20,453	9.0%
	Revenue Load Factor	76.1%	78.9%	(2.8pt)	79.1%	80.0%	(0.9pt)

INTERNATIONAL	Passengers Carried	192,434	193,084	(0.3%)	2,276,708	2,427,431	(6.2%)
	Available Seat Kilometres (millions)	1,282	1,330	(3.6%)	14,117	13,665	3.3%
	Revenue Load Factor	76.0%	76.9%	(0.9pt)	77.0%	79.6%	(2.6pt)

TOTAL NETWORK	Passengers Carried	1,614,628	1,482,723	8.9%	17,803,298	17,138,844	3.9%
	Available Seat Kilometres (millions)	3,414	3,181	7.3%	36,413	34,118	6.7%
	Revenue Load Factor	76.1%	77.5%	(1.4pt)	78.0%	79.8%	(1.8pt)

Notes:

- (1) Monthly operating statistics are issued on a preliminary basis and are subject to change. Any adjustments made will flow through to the year to date results.
- (2) RPKs means number of paying passengers carried multiplied by the number of kilometres flown on VA operated flights
- (3) ASKs means total number of seats available for passengers multiplied by the number of kilometres flown on VA operated flights
- (4) Revenue Load Factor means RPKs as a percentage of ASKs. International and Total Network Revenue Load Factor metrics include Virgin Australia and International Alliance Partner ASK and RPK data on our revenue-share routes with International Alliance Partners Air New Zealand and Delta Air Lines.

News Summary

6 June 2012: Virgin Australia announced a partnership with bookarestaurant.com which allows Velocity members the opportunity to earn Velocity Points, by simply making an online booking and dining out at their favourite restaurant.

7 June 2012: Blue Holidays, the holiday program of Virgin Australia, has introduced a range of cultural and musical event packages. Guests can book airfares, accommodation and show tickets in a few quick easy steps online.

8 June 2012: Virgin Australia, in partnership with Melbourne Airport, has commenced a significant refurbishment of the Terminal 3 (T3) domestic terminal space. The refurbishments will significantly enhance the travel experience for domestic passengers at Melbourne, bringing terminal facilities into line with the airline's new brand positioning and its fresh, contemporary, new look and feel.

12 June 2012: Virgin Australia announced that it plans to codeshare on a series of Virgin America routes within the United States. Subject to regulatory approval, Virgin Australia will codeshare on Virgin America services from Los Angeles to the following destinations: Portland, Washington, Boston, Dallas, Chicago, Fort Lauderdale, Philadelphia and Seattle.

25 June 2012: Virgin Australia announced the appointment of Judith Crompton to the newly created role of Group Executive Sales at Virgin Australia, commencing 1 August 2012. This role has been developed to spearhead Virgin Australia's domestic and global sales growth and will oversee all corporate, government, industry and leisure sales, including eCommerce, Blue Holidays and Call Centres, covering both Virgin's domestic and international network. Virgin Australia engaged executive search firm Heidrick & Struggles to conduct an internal and external global search for the role.

For Further Information:

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