MEDIA RELEASE



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Virgin Australia granted interim authorisation to cooperate with Virgin Atlantic

The ACCC has granted interim authorisation for Virgin Australia (ASX: VAH) to cooperate with Virgin Atlantic on flights between Australia and the United Kingdom/Ireland, via Hong Kong, Los Angeles and any other future mutual connecting points.

While the two airlines are separate businesses, they already have a codeshare arrangement which allows them to market flights on planes flown by the other.

Authorisation will allow the two airlines to coordinate on a wide range of matters such as jointly managing prices, inventory, and marketing strategies, which would not currently be permitted in their existing arm's length commercial codeshare and loyalty arrangements.

Virgin Australia and Virgin Atlantic do not currently operate flights on any of the relevant routes.

"We do not think this enhanced cooperation is likely to lessen competition on the routes between Australia and the British Isles," ACCC Commissioner Sarah Court said.

Interim authorisation will remain in effect while the ACCC considers the application for authorisation in more detail, with a draft determination, which will be open for public comment, expected by September.

The ACCC's interim authorisation statement of reasons is available at <u>Virgin Australia &</u> <u>Virgin Atlantic</u>.

Background

Authorisation provides statutory protection from court action for conduct that might otherwise raise concerns under the competition provisions of the Competition and Consumer Act 2010. Broadly, the ACCC may grant an authorisation when it is satisfied that the public benefit from the conduct outweighs any public detriment.

Further information can be found at Virgin Australia & Virgin Atlantic

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