

VIRGIN AUSTRALIA HOLDINGS LIMITED (ASX:VAH)**VIRGIN AUSTRALIA WELCOMES ACCC INTERIM APPROVAL OF
PROPOSED ALLIANCE WITH HNA AVIATION, HONG KONG AIRLINES
AND HK EXPRESS**

20 March 2017

The Virgin Australia Group today welcomed the ACCC's interim approval of Virgin Australia's proposed alliance with HNA Aviation, Hong Kong Airlines and HK Express.

Once implemented, the proposed alliance will enable Virgin Australia to introduce new direct services between Australia and Hong Kong as well as Australia and China. Subject to all necessary approvals, the airlines will also codeshare on each other's flights between Australia and Hong Kong, between Australia and mainland China, and on each other's domestic networks as well as introduce a reciprocal frequent flyer partnership between Velocity Frequent Flyer and Fortune Wings Club.

The Virgin Australia Group will announce further detail on the route, on sale date and when flights will commence soon.

The ACCC is expected to make its final ruling in May/June 2017.

ENDS

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