

Virgin Australia Holdings Limited (ASX: VAH) Welcomes ACCC Approval of Landmark Alliance with HNA Aviation, Hong Kong Airlines and HK Express**10 August 2017**

Virgin Australia Holdings Limited (ASX: VAH) (**Virgin Australia Group**) today welcomed the final decision of the Australian Competition and Consumer Commission (**ACCC**) to authorise Virgin Australia's strategic alliance with HNA Aviation, Hong Kong Airlines and HK Express for a five year term. This decision follows the ACCC's decision to grant draft authorisation for the alliance in June 2017.

Virgin Australia Group CEO and Managing Director John Borghetti said: "We are delighted that the ACCC has decided to authorise this alliance. HNA Aviation, Hong Kong Airlines and HK Express are very well regarded in the aviation industry and we are excited to work closely with them to give travellers between Australia, Hong Kong and mainland China more choice and better value.

"Travellers are already embracing the benefits offered by the alliance, including the direct Melbourne – Hong Kong services that Virgin Australia launched last month. We look forward to working with our partners to strengthen the important tourism and trade connections between Australia, Hong Kong and mainland China and bring more travellers to Australia," Mr Borghetti said.

Virgin Australia and its alliance partners have commenced the first stage of the alliance with the launch of:

- Virgin Australia's direct, five-times weekly return services between Melbourne and Hong Kong;
- a codeshare partnership between Virgin Australia and Hong Kong Airlines that offers codeshare connectivity to 11 destinations across their flight networks¹;
- an interline agreement between Virgin Australia and Hong Kong Airlines that enables guests travelling from Australia to Hong Kong to easily book onward travel to 10 destinations in mainland China; and
- a reciprocal partnership between Velocity Frequent Flyer and Fortune Wings Club, the loyalty program of Hong Kong Airlines, Hainan Airlines, Capital Airlines and Tianjin Airlines, that gives members of both loyalty programs the opportunity to earn points and status recognition on eligible routes across the airlines' flight networks¹.

Under the second stage of the alliance, Virgin Australia is exploring the introduction of new direct services between Australia and China. The alliance partners also plan to continue to expand their codeshare and interline arrangements to provide travellers with convenient and comprehensive access to their domestic networks and to flights between Australia and mainland China. Velocity Frequent Flyer and Fortune Wings Club will soon offer further benefits through their reciprocal agreement, including lounge access, priority check in, priority boarding and additional baggage and the ability to redeem frequent flyer points.¹

ENDS**Media contact:**

Kristyn Mealing +61 438 476 909

¹ Subject to government and regulatory approval.