



Australian
Competition &
Consumer
Commission

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NEWS RELEASE

ACCC TO NOT OPPOSE VIRGIN'S PROPOSED ACQUISITION OF SKYWEST

The Australian Competition and Consumer Commission today announced that it would not oppose the proposed acquisition of Skywest Airlines (Australia) Pty Ltd by Virgin Australia Holdings Limited.

Virgin Australia is the second largest airline operator in Australia behind Qantas Group. It currently operates approximately 100 aircraft on approximately 3200 regular passenger transport (RPT) services per week to many Australian and international destinations.

Skywest is a Perth-based regional airline with a fleet of 28 aircraft, providing charter, RPT and freight transport services primarily within, or to/from, Western Australia.

"The ACCC's view is that this acquisition is unlikely to lead to a substantial lessening of competition in any relevant market, primarily because the direct overlap between Virgin Australia and Skywest's services is limited to a single route between Perth and Broome," ACCC Chairman Rod Sims said.

In reaching its view, the ACCC consulted widely with a range of interested parties, including other regional and charter airlines, airports, potential charter customers and industry bodies.

"The message that we received from the market was broadly supportive of the proposed acquisition. The services that Virgin and Skywest supply are seen as largely complementary, rather than competitive with each other," Mr Sims said.

The ACCC also took into account the competitive constraint arising from the presence of Qantas and a number of regional airlines operating in Western Australia, including on flights between Perth and Broome as well as charter services.

The basis upon which the ACCC has reached its decision will be outlined on the ACCC's Mergers Register www.accc.gov.au/MergersRegister

The ACCC is continuing to assess the proposed acquisition of 60 per cent of the shares in Tiger Airways Australia Pty Ltd by Virgin Australia Holdings Limited. The proposed date for announcement of the ACCC's findings about that acquisition is 7 February 2013.

Media inquiries

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General inquiries

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NR 12/13

31 January 2013