



VIRGIN AUSTRALIA HOLDINGS LIMITED (ASX:VAH)

VIRGIN AUSTRALIA WELCOMES ACCC CLEARANCE OF THE ACQUISITION OF SKYWEST AIRLINES

31 January 2013

Virgin Australia Holdings Limited (**Virgin Australia**) today welcomed the ACCC's clearance of the proposed acquisition of 100% of the issued share capital in Skywest Airlines Ltd (**Skywest, ASX: SXR, LSE:SYKW**) pursuant to a scheme of arrangement which is subject to the laws of Singapore.

Under the agreement, Skywest would become part of the Virgin Australia brand but would continue to operate under its current Air Operator's Certificate (AOC) with its own management team, based in Western Australia. This would enable Virgin Australia to fast-track its growth in regional Australia and develop a more integrated network, service and frequent flyer program for the benefit of its customers.

Virgin Australia CEO John Borghetti said: "The ACCC's clearance represents an important step for Virgin Australia in completing the proposed acquisition of Skywest.

"This acquisition will enable us to accelerate our expansion in the high growth fly-in-fly-out (FIFO) and regional markets, increasing competition in these important segments and bringing new benefits to customers.

"It will also be very positive for business and tourism, particularly in Western Australia and regional Australia, as we will invest to support the growth of Skywest", Mr Borghetti said.

The proposed transaction still remains subject to certain conditions and regulatory approvals, including Foreign Investment Review Board approval, Skywest shareholder approval and the approval of the Singapore High Court.

ENDS

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