



**Australian
Competition &
Consumer
Commission**

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Our Ref: C2007/2175
Contact Officer: Gina D'Ettorre
Contact Number: 03 9290 1483

17 December 2007

Ms Emily Bird
Legal Counsel
Virgin Blue Airlines
PO Box 1034
SPRING HILL QLD 4006

Dear Ms Bird

Third line forcing notification N93224 - Virgin Blue Airlines Pty Limited

I refer to the above third line forcing notification lodged with the Australian Competition and Consumer Commission (the ACCC) on 21 November 2007. The notification has been placed on the ACCC's public register.

Virgin Blue Airlines Pty Limited (Virgin Blue) proposes to offer members of its Velocity loyalty rewards program who earn a specified number of Velocity points either through eligible activities with Velocity partners, or by way of points transfer from other loyalty programs run by Velocity partners:

- a discounted annual membership to Virgin Blue's airport lounge (The Lounge), and/or
- a discounted joining fee to join The Lounge; or
- a free Lounge membership (where both the annual membership fee and the joining fee are waived).

Legal immunity conferred by the notification commenced on 5 December 2007.

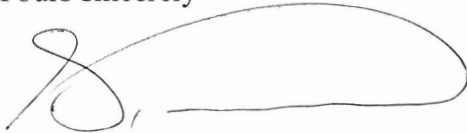
On the basis of the information you have provided, it is not intended that further action be taken in this matter at this stage.

As with any notification, please note that the ACCC may act to remove the immunity afforded by the notification at a later stage if it is satisfied that the likely benefit to the

public from the conduct will not outweigh the likely detriment to the public from the conduct.

A copy of this letter has been placed on the ACCC's public register. If you wish to discuss any aspect of this matter, please do not hesitate to contact Gina D'Ettorre on 03 9290 1483.

Yours sincerely

A handwritten signature in black ink, consisting of a stylized 'S' followed by a horizontal line and a large loop.

Scott Gregson
General Manager
Adjudication Branch

