

Partner Luke Woodward
Contact Louise Klamka
T +61 2 9263 4371
lklamka@gtlaw.com.au
Our ref LXW:LXK: 1010633



LAWYERS

1 September 2011

By email

Richard Chadwick
General Manager, Adjudication
Australian Competition and Consumer Commission
23 Marcus Clarke Street
Canberra ACT 2601

Copies to:
Darrell Channing
Clare McGinness
Imogen Hartcher-O'Brien

Public register version

Gilbert + Tobin

2 Park Street
Sydney NSW 2000
Australia

GPO Box 3810
Sydney NSW 2001

T +61 2 9263 4000
F +61 2 9263 4111

DX 10348 SSE

www.gtlaw.com.au

Dear Dr Chadwick,

Virgin Australia and Singapore Airlines – Applications for Authorisation of Alliance

We refer to Gold Airways' submission to the ACCC of 15 August 2011, which was provided to the Applicants on 26 August 2011, and to Clayton Utz's letter of 26 August 2011 notifying the ACCC of the Tiger Holdings Rights Issue.

Gold Airways has suggested that, as a result of the Alliance, Singapore Airlines may seek to influence Tiger Airways by preventing it from joining an independent alliance or by compelling it not to compete aggressively on particular routes.¹ For the reasons set out in Clayton Utz's letter, Singapore Airlines would not have the ability or the incentive to do so.

The Alliance has no bearing on Tiger Airways' ability or incentive to compete in the domestic Australian market or on its ability to itself pursue a strategic alliance should it choose to do so. Tiger Airways is not a part of and will not benefit from the Alliance. The Alliance does not change Tiger Airways' incentive to maximise the profitability of its own operations by competing with low fare carriers serving the leisure market (including Jetstar, Strategic and Virgin Australia).

The re-capitalisation of Tiger Airways through the Rights Issue strengthens its balance sheet and enhances its ability and flexibility to pursue future opportunities. Further, it demonstrates that the Alliance does not change Singapore Airlines' incentive to invest in Tiger Airways.

Neither the Alliance nor an increase in Singapore Airlines' share of Tiger Holdings will have an adverse impact on Virgin Australia's ability or incentive to vigorously compete within the domestic Australian market.

¹ Submission of Gold Airways to ACCC, 15 August 2011.

Rather, Virgin Australia's ability to compete domestically is enhanced by the Alliance, particularly against its closest competitor Qantas/Jetstar.²

Please contact us if you would like to discuss this letter or require further information from the Applicants.

Yours faithfully

Gilbert + Tobin



Luke Woodward
Partner
T +61 2 9263 4014
lwoodward@gtlaw.com.au



Louise Klamka
Lawyer
T +61 2 9263 4371
lklamka@gtlaw.com.au

² As discussed in the Applicants' submission of 20 June 2011, in particular sections 4.4.