

Virgin Australia Group announces changes to its Boeing 737 MAX order

30 April 2019: Virgin Australia Holdings Limited (ASX: VAH) (**Virgin Australia Group or Group**) has reached an agreement with Boeing to restructure its Boeing 737 MAX aircraft deliveries.

The Group has restructured its order book, deferring delivery of its first Boeing 737 MAX aircraft from November 2019 to July 2021 and converting an additional 15 of its 737 MAX 8 aircraft on order to 737 MAX 10s. The agreement means that the Virgin Australia Group will take delivery of its first 737 MAX 10 aircraft in 2021 with the first 737 MAX 8 scheduled to arrive in 2025. The restructure results in a significant deferral of capital expenditure and provides access to the superior economic benefits of the MAX 10 aircraft.

Virgin Australia Group Chief Executive Officer and Managing Director, Paul Scurrah, said: "I'm pleased that we have reached an agreement with Boeing to convert a further 15 of our Boeing 737 MAX 8 aircraft to MAX 10s and defer delivery of our order to July 2021.

"Safety is always the number one priority for Virgin Australia. As we have previously stated, we will not introduce any new aircraft to the fleet unless we are completely satisfied with its safety. We are confident in Boeing's commitment to returning the 737 MAX to service safely and as a long-term partner of Boeing, we will be working with them through this process.

"The revised timing also results in a number of positive commercial benefits for the Group. This includes a significant deferral of capital expenditure by extending the use of existing aircraft given the relatively young age of our fleet along with providing the Group earlier access to the superior operational economics of the MAX 10 aircraft."

The 737 MAX 10 aircraft is the ideal fleet type to meet many of the Virgin Australia Group's commercial and market needs. The 737 MAX 10 is the largest of the 737 fleet which allows for greater seat capacity and operating efficiencies.

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Detail of changes to Boeing 737 MAX order:

AIRCRAFT TYPE	PREVIOUS ORDER		NEW RESTRUCTURED ORDER	
	UNITS	DELIVERY DATE	UNITS	DELIVERY DATE
BOEING 737 MAX 10	10	First aircraft scheduled for January 2022	25	First aircraft scheduled to arrive in July 2021
BOEING 737 MAX 8	38	First aircraft scheduled for November 2019	23	First aircraft scheduled for February 2025