

## THE VIRGIN BLUE GROUP OF AIRLINES ANNOUNCES FIRST PHASE OF NETWORK REVIEW

- **Pacific Blue to boost trans-Tasman capacity and exit of NZ domestic**
  - Increased Pacific Blue services to SE Asia and Pacific Islands
- **V Australia to focus on long haul: USA, South Africa and Thailand**
  - Virgin Blue Domestic capacity up by 490,000 seats

**BRISBANE MONDAY 16 AUGUST 2010:** The Virgin Blue Group of Airlines (VBA) Chief Executive Officer John Borghetti today announced the first phase of the Group's network review aimed at delivering increased competition and capturing growth opportunities.

Mr Borghetti said: "As we enter a new era for Virgin Blue it is vital that we have the right aircraft on the right routes if we are to fully exploit our competitive advantages in the context of the Group's three core business: domestic short haul, international medium haul and international long haul.

"We are adding capacity to routes with strong revenue potential and accordingly, removing capacity from services which are underperforming," he said.

"These changes will maximise yields, increase aircraft utilisation and also provide a more attractive schedule for the business market, including better integration of our international and domestic schedules."

Mr Borghetti said that Pacific Blue would expand as an international medium haul airline with operations across the Tasman, the Pacific Islands and South East Asia.

"Pacific Blue will cease flying New Zealand domestic routes and redeploy its New Zealand-based aircraft on to trans-Tasman and medium haul international routes. Guests holding forward bookings on New Zealand domestic routes from 18 October onward will be provided with re-accommodation and refund options," he said.

Mr Borghetti said that growing capacity on trans-Tasman routes was a positive step that would see an increase in New Zealand-based staff.

"By restructuring our Pacific Blue operations we are now able to free up our long haul V Australia aircraft to capture the growing demand for travel to the USA.



"By year-end, V Australia will be fully devoted to international long haul business more suited to the B777 fleet, with Fiji serviced by Pacific Blue.

Recent changes to our domestic flight patterns and frequencies now provide more than 490,000 additional seats across the Virgin Blue domestic network.

"We are delivering what our Guests tell us they need – more capacity and frequency on Eastern seaboard capital city routes, and to key tourist destinations such as the Gold Coast and Uluru," Mr Borghetti said.

Key route and frequency changes

## 1. PACIFIC BLUE INTERNATIONAL EXPANSION (INCLUDING PREVIOUSLY ANNOUNCED AND NEW ROUTES)

- From 6 August 2010, Brisbane - Hamilton (New Zealand) flights increase from three to four flights per week. Sydney – Hamilton flights ceased on 30 July;
- From 18 August 2010, Denpasar - Melbourne direct flights will increase from five flights per week to daily;
- From 19 August 2010, Perth – Phuket services will increase from two to three flights per week;
- From 17 September 2010, Brisbane – Dunedin services will increase from three to four flights per week; and
- From 31 October 2010, Christchurch – Melbourne frequency will increase from four flights per week to a daily service.

## 2. V AUSTRALIA CAPACITY INCREASE INTO USA, SOUTH AFRICA AND SE ASIA

- From 19 October 2010, V Australia's Sydney - Los Angeles schedules will be adjusted to a morning departure from Sydney to provide travellers convenient same-day connections to the US East Coast;
- From 19 October, capacity on V Australia medium haul flights to Fiji will be taken up by Pacific Blue\*;
- From December 2010, V Australia will operate daily services between Sydney and Los Angeles; and
- From December 2010 V Australia will also operate an additional service weekly between Melbourne and Johannesburg; Melbourne and Los Angeles; and Melbourne and Phuket.

## 3. VIRGIN BLUE

Virgin Blue will continue to focus on strengthening its domestic operations, building on its recently increased frequency and capacity on key routes and the bi-lateral agreement with Sky West, increasing its reach into the burgeoning Western Australian intrastate market.



# ASX release

virginblue.com.au

Mr Borghetti said there were more developments in the pipeline to increase domestic competitiveness and further announcements would be made in due course.

**\*Subject to regulatory approvals.**

## Further information:

**Media:** Danielle Keighery, Group Executive Corporate Communications  
Phone: 0400 22 31 36 or 1800 142 467  
Email: danielle.keighery@virginblue.com.au

**Investors:** Keith Neate, Chief Financial Officer, Phone: + 61 7 3295 5046

*polynesianblue*

*pacificblue*

*V*australia

*Virgin* *blue*

*Virgin* *blue*