

WestJet announces definitive purchase agreement for the Boeing 737 MAX aircraft

Written by Australian Business

CALGARY, Sept. 26, 2013 /PRNewswire/ - WestJet (TSX: WJA) announced today it has entered into a definitive purchase agreement for 65 737 MAX aircraft from Boeing. This order was previously announced on August 29, 2013 as a letter of intent to purchase.

This purchase agreement includes commitments for 25 MAX 7 and 40 MAX 8 aircraft with substitution rights to the 737 MAX 9, with deliveries scheduled from 2017 through 2027. As previously announced, the airline will substitute 15 of its existing Boeing Next-Generation 737 aircraft orders currently scheduled to deliver between December 2014 and 2018, with Boeing 737 MAX aircraft, for a net increase of 50 committed deliveries to its fleet plan. (See the updated Boeing Fleet Plan Schedule below).

"We are pleased to announce the finalization of the MAX purchase agreement and look forward to being among the first North American airlines to fly the 737 MAX in 2017," said WestJet President and CEO Gregg Saretsky. "The increased fuel efficiency and enhanced in-cabin amenities provided by the Boeing 737 MAX will contribute to both lower operating costs and a remarkable inflight guest experience which is supportive of our low-cost business model and combined with our lease renewal options, maintains our fleet plan flexibility going forward."

		Year	WestJet Boeing Fleet Schedule	
Boeing 737 Commitments		(a) (b)	Total	Co
NG 700	(d)	NG 800	MAX 7	
Q4 2013	-	2	-	
2014	-	7	-	
2015	5	5	-	
2016	7	-	-	
2017	1	-	-	
2018	-	-	-	
2019	-	-	2	
2020	-	-	4	
2021	-	-	2	
2022	-	-	1	
2023	(f)	-	-	
2024-2027	-	-	15	
Total	13	14	25	

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- (a) As of September 26, 2013.
- (b) WestJet also has options to purchase an additional 10 Boeing 737 MAX aircraft.
- (c) Sale of 10 Boeing 737-700 aircraft to Southwest Airlines as announced on May 1, 2013.
- (d) WestJet has an option to convert any of these 737-700 Next Generation aircraft into 737 MAX aircraft.
- (e) WestJet expects to renew one of the three lease renewal options on its Boeing 737-700 aircraft.
- (f) Based on total commitments and lease renewal options, WestJet's fleet could grow to approximately 100 aircraft by 2018.

Caution regarding forward-looking information Certain statements set forth in this news release, including, without limitation, information regarding the anticipated timing of the 737 MAX deliveries to WestJet's fleet; the substitution of 15 Next-Generation 737 aircraft orders with 737 MAX aircraft; the expected operational and financial benefits to WestJet of the 737 MAX aircraft; and the expected renewal of one 737 leased aircraft in 2014; are forward-looking statements within the meaning of applicable Canadian securities laws. By their nature, forward-looking statements are subject to numerous risks and uncertainties, some of which are beyond WestJet's control. The forward-looking statements contained in this news release are based on WestJet's current long-term strategy, the terms and conditions of the definitive agreement with Boeing, the specifications of the 737 MAX aircraft, WestJet's existing fleet order schedule along with other available implementation plans and agreements but may vary due to factors including, but not limited to, changes in guest demand, changes in fuel prices, delays in aircraft delivery, changes in aircraft specifications, general economic conditions, competitive environment, ability to effectively implement and maintain critical systems and other factors and risks described in WestJet's public reports and filings which are available under WestJet's profile at www.sedar.com.

Readers are cautioned that undue reliance should not be placed on forward-looking statements as actual results may vary materially from the forward-looking statement. Any forward-looking statements contained in this news release represent WestJet's expectations as of the date of this news release and are subject to change after such date. WestJet does not undertake to update, correct or revise any forward-looking statements as a result of any new information, future events or otherwise, except as may be required by applicable law.

About WestJet WestJet is Canada's most preferred airline, offering scheduled service to 87 destinations in North America, Central America and the Caribbean.

. Powered by an award-winning culture of care, WestJet pioneered low-cost flying in Canada.

. Recognized nationally as a top employer, WestJet now has more than 9,600 WestJetters across Canada.

. Operating a fleet of more than 100 Boeing Next-Generation 737 and Bombardier Q400 NextGen aircraft, WestJet strives to be one of the five most successful international airlines in the world. This year, WestJet launched its new regional airline, WestJet Encore.

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