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April market conditions

Air New Zealand carried 1,204,000 passengers during the month of April, 3.3% more than the same period last year. Revenue passenger kilometres (RPKs) were 6.6% higher on a capacity (ASKs) increase of 10.3%. Group load factors were down 2.9 percentage points to 82.6%.

Short Haul passenger numbers were up 2.6%. In the Domestic market demand (RPKs) and capacity (ASKs) increased by 6.2% and 10.2%, respectively. Domestic load factor was 82.9%, down 3.0 percentage points.

Tasman/Pacific demand (RPKs) declined 0.4% while capacity (ASKs) increased by 4.1%. Load factor on Tasman/Pacific decreased 3.7 percentage points to 81.4%.

Long Haul passenger numbers increased 8.7% when compared to April last year, with demand (RPKs) up 10.5% and capacity (ASKs) up 13.8%. Load factor on Long Haul routes was 83.1%, down 2.5 percentage points.

On Americas/UK routes, demand (RPKs) increased 16.1% with capacity (ASKs) increasing 18.7% due to the Auckland-Houston and Auckland-Buenos Aires routes. Load factor was down 1.9 percentage points to 82.3%.

On Asia/Japan/Singapore routes, demand (RPKs) increased 2.5%, with capacity (ASKs) increasing by 6.6%. Load factor decreased 3.3 percentage points to 84.4%.

Group-wide yields for the financial year to date were down 1.5% on the same period last year. Short Haul yields were down 1.8% while Long Haul yields were up 2.0%. Removing the impact of foreign exchange, Group-wide yields were down 5.5%.



Company news

[Air New Zealand hosts 2016 Investor Day](#)

On 3 May 2016, Air New Zealand hosted an investor day in Auckland to provide analysts and investors an update on the airline's strategic initiatives.

Presentations from executives focused on the ability of the airline to achieve future returns through disciplined network growth. Topics included an overview of the demand trends and market development that is supporting tourism growth into New Zealand, an update on the network strategy and alliance partnerships, a discussion on the scale economies that are being leveraged through a simplified and modern fleet as well as a summary of the key components of the airline's financial framework.

The 2016 Investor Day presentation can be accessed on the Air New Zealand Investor Centre website at www.airnewzealand.co.nz/investor-centre.

[Air New Zealand to introduce Dreamliner on Buenos Aires services and increases frequency](#)

Air New Zealand will begin flying the Boeing 787-9 Dreamliner on the Auckland-Buenos Aires route from 30 October 2016.

The airline will also step up frequency over the peak summer period offering an additional weekly service between Auckland and Buenos Aires from 12 December 2016 to 27 February 2017, bringing the total to four weekly return flights.

Air New Zealand launched services between Auckland and Buenos Aires in December 2015, and has seen the demand go from strength to strength.

Air New Zealand Chief Executive Officer Christopher Luxon made the announcement at New Zealand's premier travel trade event, TRENZ, saying the new route has performed very well in its first six months of operation.



[Air New Zealand lands historic first evening flight in Queenstown in preparation for commercial evening service](#)

On 30 April, Air New Zealand successfully operated the first evening flight into Queenstown in preparation for scheduled commercial services commencing on 23 May.

Air New Zealand Chief Flight Operations and Safety Officer Captain David Morgan says the implementation of evening flights has involved significant collaboration across multiple stakeholders.

"It really is a milestone for New Zealand aviation and we're proud to be the first airline to offer this service to customers which is sure to bring significant benefits to the Central Otago economy through the additional flights."

The full schedule will allow new and increased same day connections, as well as reduced connection times both to and from destinations across Air New Zealand's network, including Australia. The schedule will also see the airline grow capacity between Auckland and Queenstown by 15 percent in FY17 with an additional 100,000 seats.

[Air New Zealand Dreamliner takes off to Honolulu](#)

Air New Zealand will become the only airline to operate scheduled Dreamliner services between Auckland and Hawaii.

This is the first time the airline has operated the Dreamliner on one of its five North American routes on a scheduled and exclusive basis. Earlier this year, Air New Zealand also increased its service between Auckland and Honolulu to four times weekly. With the frequency increase and now the larger aircraft, the airline is delivering an almost 20 percent seat capacity increase.

The airline's Boeing 787-9 Dreamliner aircraft will replace Boeing 767-300s on the route.

Monthly *investor update*



Group	APRIL			FINANCIAL YTD		
	2016	2015	% *	2016	2015	% *
Passengers carried (000)	1,204	1,167	3.3%	12,875	11,927	7.9%
Revenue Passenger Kilometres(m)	2,568	2,410	6.6%	28,280	24,910	13.5%
Available Seat Kilometres (m)	3,111	2,819	10.3%	33,550	29,402	14.1%
Passenger Load Factor (%)	82.6%	85.5%	(2.9 pts)	84.3%	84.7%	(0.4 pts)
Short Haul Total						
Passengers carried (000)	1,057	1,031	2.6%	11,235	10,558	6.4%
Revenue Passenger Kilometres(m)	1,122	1,101	1.9%	12,322	11,576	6.4%
Available Seat Kilometres (m)	1,370	1,290	6.2%	14,916	13,843	7.8%
Passenger Load Factor (%)	81.9%	85.4%	(3.5 pts)	82.6%	83.6%	(1.0 pts)
Domestic						
Passengers carried (000)	795	764	4.0%	8,222	7,689	6.9%
Revenue Passenger Kilometres(m)	402	378	6.2%	4,148	3,806	9.0%
Available Seat Kilometres (m)	485	440	10.2%	5,133	4,658	10.2%
Passenger Load Factor (%)	82.9%	85.9%	(3.0 pts)	80.8%	81.7%	(0.9 pts)
Tasman / Pacific						
Passengers carried (000)	262	266	(1.6%)	3,013	2,869	5.0%
Revenue Passenger Kilometres(m)	720	723	(0.4%)	8,175	7,770	5.2%
Available Seat Kilometres (m)	885	850	4.1%	9,783	9,185	6.5%
Passenger Load Factor (%)	81.4%	85.1%	(3.7 pts)	83.6%	84.6%	(1.0 pts)
Long Haul Total						
Passengers carried (000)	147	136	8.7%	1,640	1,369	19.8%
Revenue Passenger Kilometres(m)	1,446	1,308	10.5%	15,958	13,335	19.7%
Available Seat Kilometres (m)	1,741	1,529	13.8%	18,634	15,559	19.8%
Passenger Load Factor (%)	83.1%	85.6%	(2.5 pts)	85.6%	85.7%	(0.1 pts)
Asia / Japan / Singapore						
Passengers carried (000)	61	60	2.5%	679	525	29.3%
Revenue Passenger Kilometres(m)	550	536	2.5%	6,059	4,736	27.9%
Available Seat Kilometres (m)	652	611	6.6%	6,985	5,622	24.2%
Passenger Load Factor (%)	84.4%	87.7%	(3.3 pts)	86.7%	84.2%	2.5 pts
Americas / UK						
Passengers carried (000)	86	76	13.5%	961	844	13.9%
Revenue Passenger Kilometres(m)	896	772	16.1%	9,899	8,598	15.1%
Available Seat Kilometres (m)	1,089	917	18.7%	11,649	9,937	17.2%
Passenger Load Factor (%)	82.3%	84.2%	(1.9 pts)	85.0%	86.5%	(1.5 pts)

* % change is based on numbers prior to rounding.

Air New Zealand operates primarily in one segment, its primary business being the transportation of passengers and cargo on an integrated network of scheduled airline services to, from and within New Zealand. The following operational data and statistics is additional supplementary information only.