

# Monthly **investor update**



20 August 2018

## Contents

- July 2018 traffic highlights
- Operating statistics table
- Recent market announcements and media releases

## July 2018 highlights

Group traffic summary	JULY		
	2018	2017	% *+
Passengers carried (000)	1,420	1,404	4.7%
Revenue Passenger Kilometres(m)	3,183	3,069	7.3%
Available Seat Kilometres (m)	3,811	3,711	6.2%
Passenger Load Factor (%)	83.5%	82.7%	0.8 pts

Year-to-date RASK <sup>1</sup>	% change in reported RASK (incl. FX)	% change in underlying RASK (excl. FX)
Group	(0.4%)	(1.3%)
Short Haul	(2.0%)	(2.5%)
Long Haul	1.0%	(0.5%)

\* % change is based on numbers prior to rounding

+ The July month percentage movements have been adjusted for the 3.3% difference in days for the accounting month of July 18 (29 days) compared with July 17 (30 days). Air New Zealand uses a 4,4,5 accounting calendar.

<sup>1</sup> Reported RASK (unit passenger revenue per available seat kilometre) is inclusive of foreign currency impact, and underlying RASK excludes foreign currency impact.

# Monthly *investor update*



## Operating statistics table

Group	JULY		
	2018	2017	% *+
Passengers carried (000)	1,420	1,404	4.7%
Revenue Passenger Kilometres(m)	3,183	3,069	7.3%
Available Seat Kilometres (m)	3,811	3,711	6.2%
Passenger Load Factor (%)	83.5%	82.7%	0.8 pts

Short Haul Total	JULY		
	2018	2017	% *+
Passengers carried (000)	1,248	1,236	4.4%
Revenue Passenger Kilometres(m)	1,488	1,428	7.8%
Available Seat Kilometres (m)	1,840	1,760	8.1%
Passenger Load Factor (%)	80.9%	81.2%	(0.3 pts)

Domestic	JULY		
	2018	2017	% *+
Passengers carried (000)	892	892	3.4%
Revenue Passenger Kilometres(m)	461	458	4.0%
Available Seat Kilometres (m)	569	561	5.0%
Passenger Load Factor (%)	81.0%	81.7%	(0.7 pts)

Tasman / Pacific	JULY		
	2018	2017	% *+
Passengers carried (000)	356	344	7.0%
Revenue Passenger Kilometres(m)	1,027	970	9.5%
Available Seat Kilometres (m)	1,271	1,199	9.6%
Passenger Load Factor (%)	80.8%	80.9%	(0.1 pts)

Long Haul Total	JULY		
	2018	2017	% *+
Passengers carried (000)	172	168	6.3%
Revenue Passenger Kilometres(m)	1,695	1,641	6.9%
Available Seat Kilometres (m)	1,971	1,951	4.5%
Passenger Load Factor (%)	86.0%	84.1%	1.9 pts

Asia / Japan / Singapore	JULY		
	2018	2017	% *+
Passengers carried (000)	65	66	2.8%
Revenue Passenger Kilometres(m)	584	588	2.8%
Available Seat Kilometres (m)	704	728	(0.0%)
Passenger Load Factor (%)	82.9%	80.7%	2.2 pts

Americas / UK	JULY		
	2018	2017	% *+
Passengers carried (000)	107	102	8.5%
Revenue Passenger Kilometres(m)	1,111	1,053	9.2%
Available Seat Kilometres (m)	1,267	1,223	7.1%
Passenger Load Factor (%)	87.7%	86.1%	1.6 pts

\* % change is based on numbers prior to rounding

+ The July month percentage movements have been adjusted for the 3.3% difference in days for the accounting month of July 18 (29 days) compared with July 17 (30 days). Air New Zealand uses a 4,4,5 accounting calendar

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.



## Market announcements

(during the period 31 July to 20 August 2018)

### Air New Zealand 2018 Annual Results Webcast Details

1 August 2018

Air New Zealand's 2018 annual results will be announced before NZX trading begins on Thursday 23 August 2018.

**A conference call for investors and analysts will be hosted by Christopher Luxon (Chief Executive Officer) and Jeff McDowall (Chief Financial Officer) at 10:00am NZT on the same day and can be accessed in the following ways:**

- Live via webcast: [Click here for link to the investor and analyst webcast](#)
- Live via telephone (for "listen-only" participants and those who would like to ask a question):  
Conference ID: 348006  
New Zealand Toll Free: 0800 453 055  
NZ Local (Auckland): 09 929 1687  
NZ Local (Wellington): 04 974 7738  
NZ Local (Christchurch): 03 974 2632  
Australia Toll Free: 1 800 558 698  
Alternate Australia Toll Free: 1 800 809 971  
Australia Local: 02 9007 3187  
United States: (855) 881 1339  
United Kingdom: 0800 051 8245  
China Wide: 4001 200 659  
Hong Kong: 800 966 806  
Japan: 0053 116 1281  
Singapore: 800 101 2785
- Replay via webcast – will be accessible through the results section of the Investor Centre on Air New Zealand's website:  
<https://www.airnewzealand.co.nz/investor-centre>

### Air New Zealand Board Chairman Tony Carter to retire in 2019

31 July 2018

Air New Zealand Chairman Tony Carter will retire at the airline's Annual Shareholders' Meeting in September next year and be replaced by current Director Dame Therese Walsh. Mr Carter has held the role of Chairman at the airline since 2013 after joining the Board in 2010.

Mr Carter signalled to the Board last year that 2019 was likely to be his final year at the helm of the national carrier and by making this decision now allows fellow Directors the time to adequately plan for his succession.

"I am thrilled that Dame Therese Walsh, who has been on the Board for two years, will succeed me with the unanimous support of her fellow Directors. Dame Therese will be Air New Zealand's first female Chairman and is an outstanding leader with extremely strong corporate governance and commercial skills. Importantly, she is highly customer centric and intimately understands the role of iconic brands to supercharge our nation's success," Mr Carter says.

Dame Therese is currently Chairman of TVNZ, a Director of ASB and Contact Energy and a previous Director of the NZX. She is also a Trustee of Wellington Regional Stadium, a Board member of Antarctica New Zealand and Pro Chancellor at Victoria University. Her appointment as Chairman of Air New Zealand will coincide with the conclusion of her tenure as Chairman of TVNZ.



In her management career, she held roles including Chief Operating Officer for the 2011 Rugby World Cup and Head of New Zealand for the 2015 Cricket World Cup. Prior to these she was the Chief Financial Officer at NZ Rugby and an auditor at KPMG.

Dame Therese says she is humbled to have been unanimously elected Chairman-elect of Air New Zealand.

"I have had the privilege of working with an outstanding Chairman, Board, Chief Executive Officer and Executive team at Air New Zealand for the past two years. When I take up the position of Chairman at the Annual Shareholders' Meeting in September next year, I look forward to continuing the great work we are doing to supercharge New Zealand's success. The fortunes of our airline and our nation are inextricably linked." she says.

Chief Executive Officer Christopher Luxon welcomed Dame Therese's selection by her fellow Directors as Air New Zealand's next Chairman.

"I'm excited about working more closely with Dame Therese, who will be an absolutely excellent Chairman. I am in no doubt that she will both challenge and support the Executive to make our airline even more successful," Mr Luxon says.

Mr Carter will be formally acknowledged for his outstanding contribution to the ongoing success of Air New Zealand, which has been regularly recognised during his tenure as one of the world's best airline's, at the Annual Shareholders' Meeting next year.

## **Media releases**

(during the period 31 July to 20 August 2018)

### **Air New Zealand ventures into 3D printing of metal aircraft parts**

**9 August 2018**

Air New Zealand has teamed up with New Zealand company Zenith Tecnica to investigate 3D printed metal parts for aircraft and tools.

The airline has been working with the North Shore based, New Zealand owned and operated company which specialises in the design and manufacture of 3D printed titanium and other metals using a technology called electron beam melting (EBM). The EBM machines are manufactured by Arcam EBM, a GE Additive company.

Air New Zealand Chief Operations Officer Bruce Parton says the airline is committed to innovation through 3D printing with new materials.

"It's fantastic to be able to team up with and support local operator Zenith Tecnica and work with global company GE Additive to learn and collaborate in this space. While we are in the initial stages of working with these companies on 3D printing, so far, we have printed prototype metal framing for our Business Premier cabin, to quickly test new concepts and ideas and we have also made novelty wine aerators.

"While the aerators, made to look like replica aircraft engines, are a bit of fun we're really excited by the possibility they represent as 3D printing is both cost and space effective."

Zenith Tecnica Managing Director Martyn Newby says the company is pleased to bring its years of metal 3D printing experience with specialist aerospace and space component manufacture to the local New Zealand market.



"This is a good project to demonstrate the strength, versatility and utility of titanium 3D printed parts for aircraft applications and it's very exciting to be working alongside Air New Zealand on this journey."

Air New Zealand first began its foray into the area of 3D printing in 2016 and has now moved into items like improved small parts for IFE screens which save cost and time, as well as working with new partners such as ST Engineering Aerospace on more advanced parts. The airline is also exploring the boundaries of new processes with Auckland University, Victoria University of Wellington and other technology companies. Most recently it has been using a 3D laser scanner for creating parts' designs, tool designs and interior modelling.

## [Air New Zealand named in FTSE4Good Index Series](#)

9 August 2018

Air New Zealand has been named in the FTSE4Good Index Series for the second consecutive year. The global series is made up of 14 indexes and has been designed in response to growing interest in socially responsible investment around the world.

To be included in the series, organisations are assessed across 300 data points and must support human rights, have good relationships with stakeholders, be making progress to become environmentally sustainable, ensure good labour standards (both internally and with suppliers), and fight bribery and corruption.

Air New Zealand Head of Sustainability Lisa Daniell says it's terrific for the airline to be recognised in this way.

"We continue to invest considerably in our sustainability programme, so it's great to have this work acknowledged and globally benchmarked," says Ms Daniell.

The FTSE4Good Index Series includes more than 15 benchmarks, based on the Environmental, Social and Governance (ESG) ratings of more than 4,000 securities in 47 Developed and Emerging markets.

## [Extra flights to boost business to The Bay](#)

2 August 2018

Air New Zealand will operate up to an additional 12 one-way flights between Napier and Auckland each week at peak business times from the end of October.

The new service to be operated over the summer period by the airline's 50-seat Q300 aircraft will depart Auckland at 5:50pm with the aircraft overnighing at Hawke's Bay Airport and returning to Auckland at 7:15am.

Air New Zealand Regional Affairs Manager Ian Collier says the additional flights between Hawke's Bay and Auckland come in response to growing demand from business travellers.

It's great to be able to meet the needs of businesses, with the additional flights offering those travelling from Hawke's Bay the option of three services to Auckland before 8:30am and customers heading to Hawke's Bay three flight options after 5pm."