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## October 2019 highlights

Group traffic summary	OCTOBER			FINANCIAL YTD		
	2019	2018	% *	2020	2019	% **
Passengers carried (000)	1,396	1,377	1.4%	5,816	5,750	2.0%
Revenue Passenger Kilometres(m)	3,041	2,933	3.7%	12,959	12,537	4.2%
Available Seat Kilometres (m)	3,582	3,504	2.2%	15,375	15,006	3.3%
Passenger Load Factor (%)	84.9%	83.7%	1.2 pts	84.3%	83.5%	0.8 pts

Year-to-date RASK <sup>1</sup>	% change in reported RASK (incl. FX)	% change in underlying RASK (excl. FX)
Group	(0.9%)	(1.2%)
Short Haul	1.4%	1.6%
Long Haul	(2.7%)	(3.5%)

\* % change is based on numbers prior to rounding.

+ The year to date percentage movements have been adjusted on a daily weighted average basis. The adjustment takes into account the difference in days for the accounting month of July 2019 (29 days) compared with July 2020 (28 days). This is because Air New Zealand operates on a 4,4,5 accounting calendar but closes the annual accounts on 30 June.

<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.



## Operating statistics table

Group	OCTOBER			FINANCIAL YTD		
	2019	2018	% *	2020	2019	% **
Passengers carried (000)	1,396	1,377	1.4%	5,816	5,750	2.0%
Revenue Passenger Kilometres(m)	3,041	2,933	3.7%	12,959	12,537	4.2%
Available Seat Kilometres (m)	3,582	3,504	2.2%	15,375	15,006	3.3%
Passenger Load Factor (%)	84.9%	83.7%	1.2 pts	84.3%	83.5%	0.8 pts
<b>Short Haul Total</b>	<b>OCTOBER</b>			<b>FINANCIAL YTD</b>		
	<b>2019</b>	<b>2018</b>	<b>% *</b>	<b>2020</b>	<b>2019</b>	<b>% **</b>
Passengers carried (000)	1,224	1,217	0.6%	5,088	5,063	1.3%
Revenue Passenger Kilometres(m)	1,362	1,367	(0.4%)	5,824	5,804	1.2%
Available Seat Kilometres (m)	1,602	1,616	(0.9%)	7,005	7,027	0.5%
Passenger Load Factor (%)	85.0%	84.6%	0.4 pts	83.1%	82.6%	0.5 pts
<b>Domestic</b>	<b>OCTOBER</b>			<b>FINANCIAL YTD</b>		
	<b>2019</b>	<b>2018</b>	<b>% *</b>	<b>2020</b>	<b>2019</b>	<b>% **</b>
Passengers carried (000)	898	895	0.3%	3,689	3,697	0.6%
Revenue Passenger Kilometres(m)	455	454	0.2%	1,877	1,889	0.2%
Available Seat Kilometres (m)	523	537	(2.6%)	2,227	2,289	(1.9%)
Passenger Load Factor (%)	87.1%	84.7%	2.4 pts	84.3%	82.5%	1.8 pts
<b>Tasman / Pacific</b>	<b>OCTOBER</b>			<b>FINANCIAL YTD</b>		
	<b>2019</b>	<b>2018</b>	<b>% *</b>	<b>2020</b>	<b>2019</b>	<b>% **</b>
Passengers carried (000)	327	322	1.5%	1,399	1,366	3.3%
Revenue Passenger Kilometres(m)	906	913	(0.7%)	3,946	3,915	1.6%
Available Seat Kilometres (m)	1,079	1,080	(0.0%)	4,779	4,738	1.7%
Passenger Load Factor (%)	84.0%	84.6%	(0.6 pts)	82.6%	82.6%	-
<b>Long Haul Total</b>	<b>OCTOBER</b>			<b>FINANCIAL YTD</b>		
	<b>2019</b>	<b>2018</b>	<b>% *</b>	<b>2020</b>	<b>2019</b>	<b>% **</b>
Passengers carried (000)	172	160	7.4%	728	687	6.8%
Revenue Passenger Kilometres(m)	1,679	1,565	7.3%	7,135	6,733	6.9%
Available Seat Kilometres (m)	1,979	1,887	4.9%	8,369	7,979	5.8%
Passenger Load Factor (%)	84.8%	82.9%	1.9 pts	85.3%	84.4%	0.9 pts
<b>Asia / Japan / Singapore</b>	<b>OCTOBER</b>			<b>FINANCIAL YTD</b>		
	<b>2019</b>	<b>2018</b>	<b>% *</b>	<b>2020</b>	<b>2019</b>	<b>% **</b>
Passengers carried (000)	79	66	19.4%	317	273	17.2%
Revenue Passenger Kilometres(m)	696	586	18.7%	2,806	2,431	16.4%
Available Seat Kilometres (m)	791	700	13.0%	3,320	2,965	12.9%
Passenger Load Factor (%)	87.9%	83.8%	4.1 pts	84.5%	82.0%	2.5 pts
<b>Americas / UK</b>	<b>OCTOBER</b>			<b>FINANCIAL YTD</b>		
	<b>2019</b>	<b>2018</b>	<b>% *</b>	<b>2020</b>	<b>2019</b>	<b>% **</b>
Passengers carried (000)	93	94	(1.0%)	411	414	(0.0%)
Revenue Passenger Kilometres(m)	983	979	0.5%	4,329	4,303	1.5%
Available Seat Kilometres (m)	1,188	1,187	0.1%	5,049	5,014	1.6%
Passenger Load Factor (%)	82.7%	82.4%	0.3 pts	85.7%	85.8%	(0.1 pts)

\* % change is based on numbers prior to rounding.

+ The year to date percentage movements have been adjusted on a daily weighted average basis. The adjustment takes into account the difference in days for the accounting month of July 2019 (29 days) compared with July 2020 (28 days). This is because Air New Zealand operates on a 4,4,5 accounting calendar but closes the annual accounts on 30 June.

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.



## Media Releases

(during the period 22 October 2019 to 26 November 2019)

### Air New Zealand crowned Airline of the Year

26 November 2019

Air New Zealand has been named 2020 Airline of the Year by AirlineRatings.com.

This is the sixth time the airline has received the top honour in AirlineRatings.com's Airline Excellence Awards.

AirlineRatings.com's panel of seven judges, who have more than 200 years of aviation experience between them, assess airlines on 12 key criteria for the awards each year. This includes customer reviews, product offerings, safety, fleet age, profitability and environmental leadership.

The judges come from the United States, France, United Kingdom and Australia.

AirlineRatings.com editor-in-chief Geoffrey Thomas says Air New Zealand remains on top in virtually every category, which is an extraordinary achievement.

"Air New Zealand is a clear industry leader which is remarkable when it is up against much larger global carriers. The airline is committed to excellence in all areas of its business with its employees across the globe consistently delivering exceptional customer service."

Air New Zealand Acting Chief Executive Jeff McDowall says the airline is honoured to take out AirlineRatings.com's top award for a record sixth time.

"Our 12,500 employees both on the ground and in the air are committed to offering the best travel experience on the 17 million customer journeys we facilitate every year, so it's fantastic to have these efforts recognised by such an esteemed global judging panel. We'd also like to thank our customers for their ongoing loyalty to Air New Zealand.

"While we are extremely proud to receive this award, 2020 marks Air New Zealand's 80th year and we are focused on delivering some great new initiatives, as well as launching our non-stop Auckland-New York service in late October."

In addition to being named Airline of the Year, Air New Zealand has also won the AirlineRatings.com award for Best Premium Economy for the sixth time in a row.

### Air New Zealand makes summer international schedule changes due to Rolls-Royce maintenance requirements

18 November 2019

Air New Zealand has made some changes to its international schedule over summer as a result of ongoing global issues impacting some Rolls-Royce engines on its Boeing 787-9 aircraft.

Rolls-Royce requires operators of its Trent 1000 TEN model engines to carry out more frequent maintenance due to an issue with the engine's high-pressure turbine blades. Rolls-Royce does not have any replacement engines available while maintenance work is undertaken and has advised Air New Zealand there's significant wait for repair services.

Air New Zealand has 10 Trent 1000 TEN engines fitted to its 787-9 fleet and has been working to minimise disruption but schedule changes are now unavoidable. Further changes may also be required as the airline progresses the engine checks.

# Monthly **investor update**



The most substantive of changes announced today is the suspension of its twice-weekly seasonal Christchurch-Perth service, resulting in the cancellation of 62 flights.

The airline will also cancel its second daily Auckland-Perth service from 10 December 2019 until 5 January 2020.

Outside the Perth route, a limited number of international cancellations will also take place from 10 December-2 January as follows (all dates given in local time):

<b>Flight</b>	<b>Route</b>	<b>Status</b>
<b>NZ105</b>	Auckland – Sydney	Cancelled 29 December
<b>NZ108</b>	Sydney – Auckland	Cancelled 29 December
<b>NZ107</b>	Auckland – Sydney	Cancelled 12 December, 2 January
<b>NZ109</b>	Auckland – Sydney	Cancelled 10, 13, 16, 17, 18, 29 December
<b>NZ110</b>	Sydney – Auckland	Cancelled 12 December, 2 January
<b>NZ112</b>	Sydney – Auckland	Cancelled 10, 13, 16, 17, 18, 29 December
<b>NZ270</b>	Auckland – Tonga	Cancelled 30 December
<b>NZ273</b>	Tonga – Auckland	Cancelled 30 December

The airline will process changes to customers' bookings and directly contact customers affected by these changes with new travel information. Customers booked via a travel agent (including online travel agents) will be contacted by their booking agent. The latest information on any changes will also be published on the Travel Alerts section of the Air New Zealand website and customers are encouraged to check this, before calling the airline's contact centre. Customers are also welcome to directly message the airline through its social media channels.

Air New Zealand Senior Fleet Manager 787 Captain Dave Wilson says the airline has been performing regular precautionary checks on its TEN engines since April and has been doing all it can to fast-track required maintenance from Rolls-Royce.

"Based on the maintenance needs of our engines, we expect some will need to be inspected in December and January and then serviced by Rolls-Royce offshore and unfortunately Rolls-Royce has no capacity to alleviate this pressure.

"We have 14 787-9 Dreamliner aircraft in our fleet and four spare engines to power these. However, all these spare engines are with Rolls Royce offshore either undergoing service or waiting for a service slot."

Air New Zealand Senior Manager Customer Care and Communications Doug Grant says while the airline never expected to still be facing issues with its Rolls-Royce engines, it's well placed to navigate these with the least impact to customers.

"Going into the holiday season we're acutely aware how important travel is to our customers, and our schedule changes are designed to keep cancellations to a minimum.

"Unfortunately, around 14,000 customers will be impacted by cancellations and we thank them in advance for their understanding."

Air New Zealand has been managing issues with the Rolls-Royce Trent 1000 engines since December 2017, when it first secured lease aircraft capacity to help maintain its timetable. The airline still has one widebody aircraft on lease from EVA Air in its fleet. There is no impact to the airline's 22 Trent 1000 Package C model engines as a result of this HPT blade issue.





## Air New Zealand opens new Auckland Regional Lounge

14 November 2019

Air New Zealand's new Regional Lounge at Auckland Airport will open to customers in November.

The new lounge which has been under construction since October last year will cater for up to 265 customers – three times the seating of the previous regional lounge space.

It's located on Level 1 of the Auckland Airport domestic terminal, above the airline's old regional lounge and offers expansive views out over the runway. A new valet service area has also been constructed as part of the project. The integrated design features a new and expanded undercover drop-off zone directly below the lounge, providing valet customers with an easy transition from the drop off area to the lounge and to regional departure gates.

Air New Zealand Chief Marketing and Customer Officer Mike Tod says it's fantastic to open such an expansive new space for the airline's customers.

"Our Regional Lounge at Auckland Airport has always been extremely popular with both business and leisure travellers so it's great to be able to welcome customers to this brand-new space and have it up and running ahead of the busy summer travel period.

"There are a number of different zones in the new lounge to meet the needs of our customers – this includes a bar/barista, buffet and light refreshments, a self-service drinks station, as well as business, lounge and quiet areas. I know our customers will enjoy a fantastic experience in this much larger new space before they fly."

The new Auckland Regional Lounge is part of a \$60 million investment in lounges throughout New Zealand over the next two years. This includes a refurbishment of the airline's domestic lounges at Auckland and Wellington airports and new regional lounges in Nelson and New Plymouth.

## Air New Zealand wins South Pacific Passenger Choice Award

14 November 2019

Air New Zealand has taken out the South Pacific Regional Passenger Choice Award™ at the Future Travel Experience Airline Passenger Experience Association (APEX) Asia Awards in Singapore.

The award, voted by customers, recognises the airline's overall commitment to customer experience.

Air New Zealand General Manager Customer Experience Nikki Goodman says the award reflects the airline's commitment to delivering an outstanding experience on the 17 million customer journeys it facilitates every year.

"Feedback is extremely important to us, and we remain committed to elevating the travel experience for customers, with cabin and seat enhancements on the way, upgrades to our lounges, and free Wi-Fi across enabled aircraft. Our people work extremely hard to create a seamless experience for our customers, so it's satisfying to see their efforts acknowledged."

More than one million flights were rated by passengers across nearly 600 airlines from around the world between July 2018 and the end of June 2019 based on their flight experience, seat comfort, cabin service, food and beverage, entertainment and Wi-Fi.

In September, the airline received the APEX/IFSA Best Product or Service award for enhancements to its Economy Skycouch™ at the APEX Awards in Los Angeles, where it was also named a Five Star Global Airline.



## Air New Zealand adds further capacity to regional routes

12 November 2019

Air New Zealand is adding hundreds more regional flights to its schedule at the start of 2020 following the withdrawal of Jetstar's regional services.

The airline will operate an additional 586 one-way flights from January to March on services it operates between Auckland and Napier, New Plymouth, Nelson and Palmerston North, as well as between Nelson and Wellington.

The airline also announced late last month it will be adding an extra 253 one-way services on the same routes in December, reflecting an increase of more than 15,500 extra seats in that month alone.

Details of the additional services for January-March are as follows:

Route	Seats	Number of extra flights
Auckland – Napier	9,172	145
Auckland – New Plymouth	4,300	68
Auckland – Nelson	7,512	119
Auckland – Palmerston North	7,132	148
Wellington – Nelson	5,344	106
<b>Total</b>	<b>33,460</b>	<b>586</b>

Air New Zealand Acting Chief Executive Officer Jeff McDowall says the airline has been working hard to look at how best to utilise its turboprop aircraft and crew to support routes impacted by Jetstar's withdrawal.

"We're pleased to be able to get behind regional New Zealand by adding these extra services, particularly during the summer months. These additional services reflect an increase of nearly 50,000 extra seats to and from regional New Zealand from December through to the end of March."

Air New Zealand is also assisting affected Jetstar customers with a special fare. Eligible customers can email [jgsupport@airnz.co.nz](mailto:jgsupport@airnz.co.nz) with proof of their affected Jetstar ticket.

## Air New Zealand wins Tourism Sustainability Business Excellence Award

25 October 2019

Air New Zealand has been recognised for its contribution to growing a sustainable tourism industry at the New Zealand Tourism Awards, winning the Tourism Sustainability Business Excellence category for businesses with more than \$6m annual turnover.

The accolade acknowledges the airline's successful development of initiatives that provide high-value, positive outcomes for tourism and deliver economic benefit to the country, while making progress towards environmental and community sustainability.

Air New Zealand demonstrates leadership through a range of initiatives including saving more than 17,300 tonnes of carbon since it began plugging aircraft into electric ground power while on the gate, partnering with the Department of Conservation to bring birdsong back to New Zealand's iconic Great Walks, and working with local stakeholders and iwi in regions such as Tairāwhiti Gisborne to promote a sustainable tourism industry.

The airline has also been instrumental in the launch and ongoing promotion of 'Tiaki – Care for New Zealand', which aims to educate domestic and international visitors around ways to experience the country while respecting local culture and protecting New Zealand for future generations.

# Monthly **investor update**



Air New Zealand Chief Strategy, Networks & Alliances Officer, Nick Judd says sustainability is at the heart of New Zealand's tourism value proposition, and that growing a sustainable tourism industry for all New Zealanders is a priority.

"It is the airline's goal to play a pivotal role in enabling the New Zealand tourism sector to deliver economic prosperity while enhancing natural and cultural resources and providing outstanding experiences for New Zealanders and visitors."

"We are proud of our progress contributing to the development of a sustainable tourism sector that will deliver economic prosperity, while being mindful of New Zealand's natural environment. It is our goal to embed sustainability in our DNA, and to supercharge New Zealand's success socially, environmentally and economically to ensure a strong, vibrant business into the future."

Further information on Air New Zealand's sustainability efforts can be found in the airline's latest [Sustainability Report](#)

Start spreading the news:

24 October 2019

[Air New Zealand reveals Auckland-New York flight details](#)

Air New Zealand's inaugural flight from Auckland to Newark Liberty International Airport will take off on 29 October 2020, becoming the first ever non-stop service between New Zealand and New York.

The new service deepens the alliance between Air New Zealand and United Airlines and follows Air New Zealand's successful launch of non-stop flights to United's hub in Chicago in November 2018.

Air New Zealand will fly the route three times weekly, year-round, under its flagship flight numbers NZ1 southbound and NZ2 northbound. The service will be operated by Air New Zealand's Boeing 787-9 Dreamliner aircraft in its latest, premium-focused configuration.

From its East Coast gateway at Newark Liberty International Airport, United Airlines operates more than 400 daily flights across the United States. The new service between Auckland and Newark will also provide customers with convenient onward connections to more than 90 destinations across the United States.

New York is one of the most exciting cities in the world with its iconic landmarks, galleries, museums, Broadway shows and food scene placing it top of many travellers' bucket lists.

"Our non-stop flight will cut travel time by around three hours, putting New Zealand in easy reach of New York and the US Eastern Seaboard," says Air New Zealand Acting Chief Executive Officer Jeff McDowall. "It's terrific we can make a seamless journey a reality for Kiwis wanting to experience New York and Americans keen to explore New Zealand and we'll work with United to grow the route and visitor numbers in both directions."

Air New Zealand's new flights to New York go on sale in November 2019. Flight time is expected to be 15 hours 40 minutes northbound and 17 hours 40 minutes southbound.

[New era for Air New Zealand's International Network](#)

23 October 2019

Air New Zealand is accelerating its ambitions for North America and will launch a non-stop service between Auckland and New York using its 787-9 Dreamliner in October 2020.

To direct capacity to faster-growing markets, the airline has also made the difficult decision to withdraw from its daily Los Angeles-London service from October 2020.

# Monthly **investor update**



Air New Zealand Acting Chief Executive Officer Jeff McDowall says while it's hard to farewell such an iconic route, the airline must remain focused on markets with the greatest opportunity for long-term profitable growth.

"Air New Zealand is strongest when operating direct flights to and from our home base and this reset will put us in the best possible position to take advantage of increasing demand across the Pacific Rim.

"Visitor growth to New Zealand is strongest from North America and performance of our new service to Chicago is exceeding expectations. New York has been an aspiration for Air New Zealand for some time and withdrawal from the Atlantic will free up aircraft capacity to make this milestone a reality," says Mr McDowall.

Air New Zealand will fly between Auckland and its alliance partner United Airlines' New York hub Newark Liberty International Airport three times weekly, year-round, using its latest configuration Boeing 787-9 aircraft.

Tickets for Air New Zealand's New York service will go on sale soon, subject to regulatory approvals and landing slot confirmation.

## London decision

Los Angeles-London has been a flagship route for Air New Zealand and an important link connecting New Zealand and Europe since its launch in 1982, however Mr McDowall says market dynamics have affected performance in recent years.

"Today Kiwis have more than twice the number of ways to fly to London than a decade ago and preferences have changed. Less than seven percent of all airline travellers between Auckland and London chose to fly via Los Angeles last year.

"At the same time, the Atlantic has become one of the most hotly contested routes in the world and Air New Zealand lacks the home market advantages and scale of the North American and European airlines we're up against."

Mr McDowall says the hardest aspect of the decision is the impact on Air New Zealand's people who've worked incredibly hard to build the route and to achieve the highest customer satisfaction levels across the airline's international network.

"Sadly, the withdrawal will see the disestablishment of our London cabin crew base of around 130 people and, subject to consultation, around 25 roles in our Hammersmith sales office and ground team. We will be working with our people and their union to help with the next steps in their career, including looking at opportunities in other areas of the airline."

Los Angeles-London will operate as scheduled until October 2020 and no tickets have been sold beyond this date. Air New Zealand has chosen to announce the withdrawal more than a year in advance to allow time to support its people and to avoid any impact to customers booked to travel.

Europe, including the UK, remains a significant sales region for Air New Zealand. Currently more than two thirds of revenue generated by its London team is unrelated to the Atlantic route and the airline will retain a sales, marketing and cargo presence in London to serve this important market, including after the cessation of its Los Angeles-London service.

"We fully expect customers will want to take advantage of the many connection options on our partner networks through Air New Zealand's gateways in Asia and the Americas, including New York. It's important to us that customers continue to enjoy a seamless journey, and we'll be working closely with our partners to ensure the best experience and benefits for travellers," says Mr McDowall.