



29 November 2018

## Contents

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

## October 2018 highlights

| Group traffic summary           | OCTOBER |       |         | FINANCIAL YTD |        |         |
|---------------------------------|---------|-------|---------|---------------|--------|---------|
|                                 | 2018    | 2017  | % *     | 2019          | 2018   | % *+    |
| Passengers carried (000)        | 1,377   | 1,318 | 4.4%    | 5,750         | 5,515  | 5.1%    |
| Revenue Passenger Kilometres(m) | 2,933   | 2,781 | 5.5%    | 12,537        | 11,918 | 6.1%    |
| Available Seat Kilometres (m)   | 3,504   | 3,346 | 4.7%    | 15,006        | 14,505 | 4.3%    |
| Passenger Load Factor (%)       | 83.7%   | 83.1% | 0.6 pts | 83.5%         | 82.2%  | 1.3 pts |

| Year-to-date RASK <sup>1</sup> | % change in reported RASK<br>(incl. FX) | % change in underlying RASK<br>(excl. FX) |
|--------------------------------|---|---|
| Group                          | 3.3%                                    | 2.0%                                      |
| Short Haul                     | 1.0%                                    | 0.5%                                      |
| Long Haul                      | 5.0%                                    | 2.5%                                      |

\* % 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 2018 (29 days) compared with July 2017 (30 days).

<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                           | OCTOBER        |             |            | FINANCIAL YTD        |             |             |
|---------------------------------|----------------|-------------|------------|----------------------|-------------|-------------|
|                                 | 2018           | 2017        | % *        | 2019                 | 2018        | % *+        |
| Passengers carried (000)        | 1,377          | 1,318       | 4.4%       | 5,750                | 5,515       | 5.1%        |
| Revenue Passenger Kilometres(m) | 2,933          | 2,781       | 5.5%       | 12,537               | 11,918      | 6.1%        |
| Available Seat Kilometres (m)   | 3,504          | 3,346       | 4.7%       | 15,006               | 14,505      | 4.3%        |
| Passenger Load Factor (%)       | 83.7%          | 83.1%       | 0.6 pts    | 83.5%                | 82.2%       | 1.3 pts     |
| <b>Short Haul Total</b>         | <b>OCTOBER</b> |             |            | <b>FINANCIAL YTD</b> |             |             |
|                                 | <b>2018</b>    | <b>2017</b> | <b>% *</b> | <b>2019</b>          | <b>2018</b> | <b>% *+</b> |
| Passengers carried (000)        | 1,217          | 1,164       | 4.5%       | 5,063                | 4,850       | 5.3%        |
| Revenue Passenger Kilometres(m) | 1,367          | 1,277       | 7.1%       | 5,804                | 5,411       | 8.2%        |
| Available Seat Kilometres (m)   | 1,616          | 1,522       | 6.2%       | 7,027                | 6,622       | 7.0%        |
| Passenger Load Factor (%)       | 84.6%          | 83.8%       | 0.8 pts    | 82.6%                | 81.7%       | 0.9 pts     |
| <b>Domestic</b>                 | <b>OCTOBER</b> |             |            | <b>FINANCIAL YTD</b> |             |             |
|                                 | <b>2018</b>    | <b>2017</b> | <b>% *</b> | <b>2019</b>          | <b>2018</b> | <b>% *+</b> |
| Passengers carried (000)        | 895            | 865         | 3.4%       | 3,697                | 3,570       | 4.4%        |
| Revenue Passenger Kilometres(m) | 454            | 441         | 3.1%       | 1,889                | 1,817       | 4.8%        |
| Available Seat Kilometres (m)   | 537            | 527         | 1.8%       | 2,289                | 2,249       | 2.6%        |
| Passenger Load Factor (%)       | 84.7%          | 83.6%       | 1.1 pts    | 82.5%                | 80.8%       | 1.7 pts     |
| <b>Tasman / Pacific</b>         | <b>OCTOBER</b> |             |            | <b>FINANCIAL YTD</b> |             |             |
|                                 | <b>2018</b>    | <b>2017</b> | <b>% *</b> | <b>2019</b>          | <b>2018</b> | <b>% *+</b> |
| Passengers carried (000)        | 322            | 299         | 7.5%       | 1,366                | 1,280       | 7.6%        |
| Revenue Passenger Kilometres(m) | 913            | 836         | 9.2%       | 3,915                | 3,594       | 9.8%        |
| Available Seat Kilometres (m)   | 1,080          | 995         | 8.5%       | 4,738                | 4,373       | 9.2%        |
| Passenger Load Factor (%)       | 84.6%          | 84.0%       | 0.6 pts    | 82.6%                | 82.2%       | 0.4 pts     |
| <b>Long Haul Total</b>          | <b>OCTOBER</b> |             |            | <b>FINANCIAL YTD</b> |             |             |
|                                 | <b>2018</b>    | <b>2017</b> | <b>% *</b> | <b>2019</b>          | <b>2018</b> | <b>% *+</b> |
| Passengers carried (000)        | 160            | 154         | 3.7%       | 687                  | 665         | 4.1%        |
| Revenue Passenger Kilometres(m) | 1,565          | 1,504       | 4.1%       | 6,733                | 6,507       | 4.3%        |
| Available Seat Kilometres (m)   | 1,887          | 1,824       | 3.5%       | 7,979                | 7,883       | 2.1%        |
| Passenger Load Factor (%)       | 82.9%          | 82.4%       | 0.5 pts    | 84.4%                | 82.5%       | 1.9 pts     |
| <b>Asia / Japan / Singapore</b> | <b>OCTOBER</b> |             |            | <b>FINANCIAL YTD</b> |             |             |
|                                 | <b>2018</b>    | <b>2017</b> | <b>% *</b> | <b>2019</b>          | <b>2018</b> | <b>% *+</b> |
| Passengers carried (000)        | 66             | 64          | 2.6%       | 273                  | 267         | 3.1%        |
| Revenue Passenger Kilometres(m) | 586            | 572         | 2.6%       | 2,431                | 2,384       | 2.8%        |
| Available Seat Kilometres (m)   | 700            | 700         | 0.0%       | 2,965                | 3,016       | (0.9%)      |
| Passenger Load Factor (%)       | 83.8%          | 81.7%       | 2.1 pts    | 82.0%                | 79.0%       | 3.0 pts     |
| <b>Americas / UK</b>            | <b>OCTOBER</b> |             |            | <b>FINANCIAL YTD</b> |             |             |
|                                 | <b>2018</b>    | <b>2017</b> | <b>% *</b> | <b>2019</b>          | <b>2018</b> | <b>% *+</b> |
| Passengers carried (000)        | 94             | 90          | 4.5%       | 414                  | 398         | 5.0%        |
| Revenue Passenger Kilometres(m) | 979            | 932         | 5.0%       | 4,303                | 4,123       | 5.2%        |
| Available Seat Kilometres (m)   | 1,187          | 1,124       | 5.6%       | 5,014                | 4,867       | 3.9%        |
| Passenger Load Factor (%)       | 82.4%          | 82.9%       | (0.5 pts)  | 85.8%                | 84.7%       | 1.1 pts     |

+ 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 2018 (29 days) compared with July 2017 (30 days).

\* % 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.



## Market announcements

(during the period 1 November to 28 November 2018)

[Air New Zealand 2018 Databook](#)

15 November 2018

Please find attached Air New Zealand's 2018 Databook.

[Air New Zealand 2018 Databook](#)

## Media Releases

(during the period 1 November to 28 November 2018)

[Lonely Planet names Auckland-Chicago a top 10 'most exciting' new flight route for 2019](#)

14 November 2018

Lonely Planet has named Air New Zealand's new nonstop Auckland-Chicago service as one of the most exciting new airline routes of 2019.

The inclusion of Auckland-Chicago on Lonely Planet's [Where to fly in 2019? The 10 most exciting new flight routes](#) list comes just two weeks before Air New Zealand prepares to celebrate its inaugural flight to Chicago's O'Hare International Airport on 30 November.

Air New Zealand Chief Revenue Officer Cam Wallace says it's terrific Lonely Planet is recognising this first ever link between New Zealand and the US Midwest as a must-do experience for 2019.

"We're experiencing great customer demand for what will be our sixth North American port, which not only opens up a direct link to Chicago, but makes popular East Coast cities such as New York, Washington, D.C. and Boston even more accessible to Kiwi travellers. It's also attracting significant numbers of American visitors from the Chicago area and beyond to commit to ticking a trip to New Zealand off their travel bucket list."

With a flight time of around 15 hours northbound and just over 16 hours southbound, the Auckland-Chicago direct service will be Air New Zealand's longest. It will be operated by the airline's Boeing 787-9 Dreamliner aircraft three times a week.

[Air New Zealand boosts Tauranga travel](#)

13 November 2018

Air New Zealand is set to increase capacity into and out of Tauranga, with extra flights to operate between the city and both Auckland and Wellington.

The airline will operate an additional 10 one-way services a week between Tauranga and Auckland, and between Tauranga and Wellington from April next year.

Air New Zealand Head of Regional Affairs Reuben Levermore says demand for services into and out of Tauranga continues to strengthen.



“We’re pleased to be able to boost capacity by adding additional services using our 68-seat ATR aircraft on both our Auckland-Tauranga and Wellington-Tauranga routes to meet this demand. We’re also looking forward to opening our new Regional Lounge at Tauranga Airport next month to cater for travellers out of the city.

“We’re committed to continuing to support the growth of tourism in Tauranga and the Bay of Plenty and this includes working closely with stakeholders in the region – such as the airport, council, Tauranga Chamber of Commerce, Priority One and Tourism Bay of Plenty.”

Tauranga Mayor Greg Brownless has welcomed the news saying, “The additional flights will provide more choices for locals, business travellers and tourists alike. They also reinforce the decision to renovate and extend the airport building and infrastructure to cater for growing air travel demand well into the future.”

## [Air New Zealand adds more flights Auckland-Gold Coast](#)

13 November 2018

Air New Zealand is using its brand new A321neo (new engine option) aircraft to increase the number of seats available on its Auckland-Gold Coast route by almost 60 percent. From February 2019, the airline will add a new return service between Auckland and the Gold Coast on the A321neo and move existing return services to the new aircraft.

Air New Zealand Chief Revenue Officer Cam Wallace says the aircraft has 214 seats – 46 more than the current international A320 fleet and the move to five days a week will be great for holidaymakers.

“The Gold Coast is a popular destination for Kiwi tourists and Australia is New Zealand’s largest source of inbound visitors, so it’s fantastic to be able to increase capacity to meet this demand.”

Air New Zealand’s first A321neo arrived in Auckland in early November after departing the Airbus facility in Hamburg. The aircraft is the first of 13 new Airbus neo aircraft to join Air New Zealand’s fleet and is expected to enter commercial service on 23 November operating flight NZ739 from Auckland to Brisbane.

A second A321neo is also expected to enter service in the coming weeks, while the majority of the remaining aircraft will follow at intervals through until late 2019, with the new fleet eventually replacing the airline’s A320s that currently operate Tasman and Pacific Island services.

## [Air New Zealand and ATR explore the future of a regional aviation ecosystem including hybrid aircraft](#)

9 November 2018

Air New Zealand and aircraft manufacturer ATR have signed an agreement to explore the role new propulsion technologies could play in the future of the regional aircraft ecosystem. Under the agreement the partners will investigate the development of these new solutions and the required systems to support them such as airport and regulatory infrastructure, maintenance, ground and flight operations.



Air New Zealand Chief Executive Officer Christopher Luxon says with New Zealand's renewable electricity supply and Air New Zealand's comprehensive regional network, the country is seen as the ideal test bed for these technologies.

"Hybrid aircraft are expected to enter the market in the next decade or so. Depending on when hybrid and electric technologies become available for larger turbo-prop aircraft, we believe there is potential for these to be a viable option for our regional network.

"Our regional fleet accounts for approximately 40 percent of our domestic emissions so there's an enormous opportunity for carbon savings. It could be a significant contributor to us reaching our twin goals of carbon neutral growth from 2020 and reducing emissions to 50% of 2005 levels by 2050."

ATR Chief Executive Officer Stefan Bortoli says, "ATR, as a market leader, is working on the future and turboprop technology will be an essential part of that. Hybrid and electric aircraft clearly are in that way forward. The combination of ATR and Air New Zealand jointly exploring the huge opportunities and implications on the whole regional aviation ecosystem is the perfect team."

## [Air New Zealand gets set for a super summer](#)

8 November 2018

As Kiwis get planning their summer break, Air New Zealand is also well underway in its preparations for the busy holiday period.

The airline will carry more than six million customers between 1 December and the end of March 2019. December and January are shaping up to be the busiest months, with the airline expecting to operate 30,000 flights over those two months. It's anticipated the busiest single flying day will be Friday 21 December when Air New Zealand is expecting to operate more than 600 flights across its network.

Air New Zealand GM Customer Experience Anita Hawthorne says, "Our operational teams are gearing up to get customers where they need to be over the summer months, including hiring additional staff in customer facing roles at Auckland Airport during the summer peak.

"With so many people travelling to much anticipated events – whether they be family gatherings or major concerts – it's important for customers to protect themselves from the unexpected.

"Every year events outside our control, such as bad weather, mean travellers' plans don't always go as expected, and domestic travel insurance is often one of the things Kiwis enjoying their summer break in New Zealand forget."

## [Air New Zealand's Kiwi-as safety video a homegrown hit](#)

7 November 2018

Air New Zealand's latest safety video ***It's Kiwi Safety*** has been released. The video is the largest scale safety video in Air New Zealand safety video history, with a cast of around 600, including well-known Kiwi actor Julian Dennison, local musicians Kings, Theia and Randa as well as talent from 30 community groups across the country.

# Monthly **investor update**



The video's backing soundtrack *It's Kiwi* performed by Kings and Randa is a remake of the popular RUN-DMC song *It's Tricky*, with bespoke New Zealand themed lyrics. The track also features *In the Neighbourhood* by New Zealand duo Sisters Underground, performed by Theia. The track was produced by Josh Fountain of Auckland's Golden Age Studios.

Air New Zealand General Manager of Global Brand and Content Marketing Jodi Williams is thrilled at the response to the video so far.

"We've had some great feedback through our social media channels with millions of viewers enjoying the music video style approach we have taken with ***It's Kiwi Safety***, along with the involvement of members of the community from throughout New Zealand.

"It's fantastic to see so much interest in our latest video including from global publications such as CNN, the Daily Mail, the Evening Standard and Mashable – putting our country, people and airline in the spotlight."

***It's Kiwi Safety*** can be viewed [here](#).

## Take off for Air New Zealand's first neo

3 November 2018

Air New Zealand formally took delivery of its first A321neo (new engine option) in November, with the aircraft departing the Airbus Delivery Centre at Finkenwerder, Hamburg to make its way to New Zealand. The four-day journey saw the aircraft travel from Hamburg to Auckland via Oman, Kuala Lumpur and Cairns with a small team of nine on board.

The aircraft, with the tail registration ZK-NNA, is the first of 13 new Airbus neo aircraft (seven A321neos and six A320neos) to join Air New Zealand's fleet and is expected to enter commercial service on 23 November, operating flight NZ739 from Auckland to Brisbane.