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September 2018 highlights

Group traffic summary	SEPTEMBER			FINANCIAL YTD		
	2018	2017	% *	2019	2018	% *+
Passengers carried (000)	1,661	1,567	6.0%	4,373	4,197	5.3%
Revenue Passenger Kilometres(m)	3,593	3,408	5.4%	9,605	9,138	6.3%
Available Seat Kilometres (m)	4,278	4,131	3.6%	11,502	11,160	4.2%
Passenger Load Factor (%)	84.0%	82.5%	1.5 pts	83.5%	81.9%	1.6 pts

Year-to-date RASK ¹	% change in reported RASK (incl. FX)	% change in underlying RASK (excl. FX)
Group	3.2%	1.9%
Short Haul	1.1%	0.5%
Long Haul	4.4%	2.1%

* % 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).

¹ 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	SEPTEMBER			FINANCIAL YTD		
	2018	2017	% *	2019	2018	% *+
Passengers carried (000)	1,661	1,567	6.0%	4,373	4,197	5.3%
Revenue Passenger Kilometres(m)	3,593	3,408	5.4%	9,605	9,138	6.3%
Available Seat Kilometres (m)	4,278	4,131	3.6%	11,502	11,160	4.2%
Passenger Load Factor (%)	84.0%	82.5%	1.5 pts	83.5%	81.9%	1.6 pts
Short Haul Total	SEPTEMBER			FINANCIAL YTD		
	2018	2017	% *	2019	2018	% *+
Passengers carried (000)	1,463	1,373	6.6%	3,846	3,686	5.5%
Revenue Passenger Kilometres(m)	1,649	1,515	8.8%	4,436	4,135	8.5%
Available Seat Kilometres (m)	1,976	1,856	6.5%	5,411	5,101	7.2%
Passenger Load Factor (%)	83.4%	81.6%	1.8 pts	82.0%	81.1%	0.9 pts
Domestic	SEPTEMBER			FINANCIAL YTD		
	2018	2017	% *	2019	2018	% *+
Passengers carried (000)	1,080	1,017	6.2%	2,802	2,705	4.7%
Revenue Passenger Kilometres(m)	548	513	6.7%	1,434	1,377	5.3%
Available Seat Kilometres (m)	653	643	1.7%	1,752	1,723	2.8%
Passenger Load Factor (%)	83.8%	79.9%	3.9 pts	81.9%	79.9%	2.0 pts
Tasman / Pacific	SEPTEMBER			FINANCIAL YTD		
	2018	2017	% *	2019	2018	% *+
Passengers carried (000)	382	356	7.5%	1,044	981	7.5%
Revenue Passenger Kilometres(m)	1,101	1,002	10.0%	3,002	2,758	10.0%
Available Seat Kilometres (m)	1,323	1,213	9.1%	3,659	3,378	9.5%
Passenger Load Factor (%)	83.2%	82.6%	0.6 pts	82.1%	81.7%	0.4 pts
Long Haul Total	SEPTEMBER			FINANCIAL YTD		
	2018	2017	% *	2019	2018	% *+
Passengers carried (000)	198	194	2.3%	527	511	4.2%
Revenue Passenger Kilometres(m)	1,944	1,893	2.7%	5,168	5,003	4.4%
Available Seat Kilometres (m)	2,302	2,275	1.2%	6,092	6,059	1.6%
Passenger Load Factor (%)	84.4%	83.2%	1.2 pts	84.8%	82.6%	2.2 pts
Asia / Japan / Singapore	SEPTEMBER			FINANCIAL YTD		
	2018	2017	% *	2019	2018	% *+
Passengers carried (000)	77	76	0.6%	207	203	3.0%
Revenue Passenger Kilometres(m)	684	681	0.4%	1,844	1,812	2.8%
Available Seat Kilometres (m)	850	877	(3.0%)	2,265	2,316	(1.2%)
Passenger Load Factor (%)	80.4%	77.7%	2.7 pts	81.4%	78.2%	3.2 pts
Americas / UK	SEPTEMBER			FINANCIAL YTD		
	2018	2017	% *	2019	2018	% *+
Passengers carried (000)	122	118	3.4%	320	308	5.0%
Revenue Passenger Kilometres(m)	1,260	1,212	3.9%	3,324	3,191	5.3%
Available Seat Kilometres (m)	1,452	1,398	3.8%	3,827	3,743	3.4%
Passenger Load Factor (%)	86.8%	86.7%	0.1 pts	86.9%	85.2%	1.7 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 17 September to 31 October 2018)

Air NZ General Counsel and Company Secretary resignation

2 October 2018

Air New Zealand's General Counsel and Company Secretary, Karen Clayton will be leaving the airline next year to join IATA, based in Geneva, Switzerland.

Ms Clayton will join IATA's Executive team in the global role of Corporate Secretary where her responsibilities will include advising the IATA Board and Management on IATA's strategic plans, including industry and IATA innovation and transformation issues, and ensuring the integrity of IATA's governance framework.

Ms Clayton joined Air New Zealand in December 2016 from Mercury NZ Limited and before that National Grid plc in the UK and has made a significant impact during her time at the airline, supporting the Board, Executive and various teams on a wide range of legal, risk, privacy, compliance and governance issues.

Air New Zealand will be conducting a global search to identify a new General Counsel and Company Secretary.

Results of 2018 Annual Shareholders Meeting

26 September 2018

At Air New Zealand's shareholder meeting, held in Christchurch on Wednesday, 26 September 2018, shareholders were asked to vote on two resolutions, which were supported by the Board of Directors.

Voting on both resolutions was by way of poll.

The resolutions passed by shareholders were:

- To re-elect Tony Carter
- To re-elect Rob Jager

Detail of the total number of votes cast in person or by a proxy holder are:

Resolution	For	Against	Abstain
1. To re-elect Tony Carter	939,581,947 98.80%	11,428,776 1.20%	2,056,728 -
2. To re-elect Rob Jager	951,157,115 100.00%	25,186 0.00%	1,886,370 -

Air New Zealand 2018 Annual Shareholders' Meeting Materials

26 September 2018

Please find below a link to the Chairman and CEO address, in addition to the presentation for Air New Zealand's 2018 Annual Shareholders' Meeting.

[2018 Air NZ Annual Meeting Address](#)

[2018 Air NZ Annual Meeting Presentation](#)



Media Releases

(during the period 17 September to 31 October 2018)

Three million members for Air New Zealand Airpoints™

23 October 2018

New Zealand's most rewarding loyalty programme, Airpoints™ is celebrating three million members.

The Airpoints programme was first introduced in 1989 as the Frequent Traveller Club and has evolved over the past 19 years to become the most rewarding frequent flyer and coalition loyalty programme in New Zealand.

As well as earning Airpoints Dollars™ and Status Points when members fly with Air New Zealand and other airline partners, members can earn at more than 60 retail and service partners on the ground and at over 150 online retailers through the Airpoints Mall.

To mark the occasion, Airpoints members have the opportunity to enter an online competition for their chance to win a share of prizes, including flights, Airpoints Dollars and prizes from partners such as Liquorland, Harvey Norman, Bayleys and Aelia Duty Free.

Air New Zealand General Manager Loyalty Mark Street says in less than three years more than one million members have joined the programme attracted by more ways to earn and spend Airpoints Dollars.

"In the past year alone, members have enjoyed more than 1.1 million rewards purchased using Airpoints Dollars, including flights, gifts and experiences from our Airpoints Store, and other travel-related products.

"We've recently introduced some great new products, such as Airpoints Flexipay which lets people part pay with Airpoints Dollars and cash for flights and in the past few weeks introduced the ability for members to spend their Airpoints Dollars instore at Mitre 10 stores nationwide.

"We would like to thank members for their loyalty over the years and look forward to continuing to reward them as we celebrate this significant programme milestone."

Air New Zealand to lift plastic waste reduction to more than 24 million items per year

16 October 2018

Air New Zealand will substitute a further 14 single-use plastic products from its supply chain over the next 12 months – lifting plastic waste reduction to more than 24 million items per year.

At its Sustainability Breakfast in Wellington the airline committed to replacing five single-use plastic products across domestic services, including water cups, café cups and lids, Koru Hour cheese plates, as well as nine types of plastic bags network-wide, with lower impact alternatives over the next 12 months.

Already this year the airline has removed single-use plastic straws, stir sticks, eye mask wrappers and plastic toothbrushes from lounges and on-board aircraft. Over a 12-month period this will see the airline reduce its plastic footprint by 260,000 plastic toothbrushes, 3,000 straws, 7.1 million stirrers and 260,000 eye mask wrappers.

These changes are part of a wider programme aimed at reducing the airline's use of plastic, supported by the Ministry for the Environment, which has assisted the airline in identifying lower impact alternatives and aligning its end-of-life solutions to New Zealand's existing facilities, recycling and composting capabilities.

Air New Zealand's Head of Sustainability Lisa Daniell says the airline's employees and its customers have been a real catalyst for this change.



“Plastics are top of mind for us and our customers. Several of our waste and plastic reduction initiatives have been brought about by our employees telling us we can do better in this area. We know these are small steps but given our scale, they do result in a significant amount of single-use plastic being avoided.

“We are also working closely with our suppliers, who to date have been really supportive in helping us search for new ways to directly procure a number of inflight single-use plastic products, as has the Ministry for the Environment,” says Ms Daniell.

Air New Zealand partners with Zephyr Airworks to bring air taxis to New Zealanders

16 October 2018

Air New Zealand and Zephyr Airworks announced they have signed an agreement to work collaboratively on bringing the world’s first autonomous electric air taxi service to market in New Zealand.

The agreement with the operator of Cora, the world’s first autonomous electric air taxi, signals the intention to form a long-term relationship to make autonomous, electric air travel a reality for all New Zealanders.

Air New Zealand Chief Executive Officer Christopher Luxon says the airline is committed to embracing new technologies that make life easier, as well as understanding the potential of cleaner energy solutions for travel.

“Zephyr Airworks is leading the way in re-defining personal mobility to make it easier for all of us to get around. Zephyr Airworks’ innovative technology and commitment to New Zealand make them an ideal partner for advancing the future of travel in New Zealand.

“Both companies see the potential for our airspace to free people from the constraints of traffic and its associated social, economic and environmental impacts.

“Through the development of their autonomous electric air taxi Cora, the possibility of getting from A to B quickly and safely, and also relieving the impact of polluting emissions, is very real indeed.”

Zephyr Airworks Chief Executive Fred Reid says the company is delighted to be fostering a close relationship with one of the world’s top-rated and successful airlines.

“Air New Zealand is one of Aotearoa’s best-known international brands. With its culture of innovation, high standards, and vision for a sustainable future, Air New Zealand is the perfect partner to help us reinvent mobility for everyday flight in New Zealand.”

Air New Zealand and Singapore Airlines welcome renewed regulatory approval for alliance

5 October 2018

Air New Zealand and Singapore Airlines welcome the New Zealand Ministry of Transport’s decision this month to extend authorisation of their joint venture alliance.

The renewed New Zealand regulatory approval is the final step in enabling the two flag carriers to extend their alliance for a further five years until March 2024.

Air New Zealand Chief Strategy, Networks and Alliances Officer, Nick Judd, says the approval reaffirms the airline’s alliance strategy.

Monthly **investor update**



“Partnerships such as this have been key to successfully growing Air New Zealand’s international network and delivering important benefits to our customers. Singapore Airlines has been a strong alliance partner and we are excited at the opportunities the re-authorisation provides our two airlines,” says Mr Judd.

Singapore Airlines Senior Vice President Marketing Planning, Mr Tan Kai Ping says, “The decision to re-authorise the alliance reinforces the benefits it has delivered to the New Zealand market in its first four years. We look forward to continue working closely with our alliance partner Air New Zealand, to provide even more travel options for our customers.”

Since the launch of the alliance in January 2015, the two airlines have increased flight frequency on routes between New Zealand and Singapore, providing travellers with greater choice and convenience and increasing seat capacity by more than 25 per cent.

The carriers will be launching a third daily service between Auckland and Singapore on 28 October 2018, boosting capacity by 40 per cent on the route, with more than 165,000 additional seats annually. It will also shorten connection times and improve connectivity to destinations in Europe, India and Southeast Asia through the Singapore hub.

During peak months, the airlines will jointly operate a total of 35 return services a week between New Zealand and Singapore, including services from Wellington and Christchurch.

US Navy expands engine overhaul contracts with Air New Zealand

1 October 2018

The United States Navy has awarded Air New Zealand Gas Turbines a USD\$17 million contract to service and overhaul 12 General Electric LM2500 Power Turbines that power some of the Navy’s cruisers.

The work will be carried out at the airline’s gas turbines facility in Auckland and is expected to commence in October, concluding in the 2020 Financial Year.

Air New Zealand Chief Ground Operations Officer Carrie Hurihanganui says this latest contract is testament to the high regard the US Navy has for the airline’s gas turbines division.

“This is a significant win for our Gas Turbines business, building on what has already become a strong relationship with the US Navy to service the engine units that power much of its fleet,” says Ms Hurihanganui.

In early 2017 Air New Zealand Gas Turbines, along with competitor maintenance facilities, secured two significant US Navy contracts which enable each party to bid for turbine overhaul work from a total pool of US \$126 million worth of work. Air New Zealand Gas Turbines was also independently awarded three smaller contracts.

The airline last year secured USD\$20 million worth of confirmed work covering 11 US Navy engine units. This latest stream of work brings the total committed US Navy work to date to US\$37 million for a total of 23 engines.

Air New Zealand’s new A321neo nears take-off

26 September 2018

Air New Zealand confirmed its first A321neo aircraft will enter commercial service in mid-November.

Air New Zealand is investing in 13 Airbus neo aircraft (seven A321neos and six A320neos) to replace the A320 fleet that currently operates Tasman and Pacific Island services and a further seven Airbus A321neo for anticipated domestic network growth. At current list prices, the combined value of the two aircraft orders is NZD\$2.8 billion.

Monthly **investor update**



The new cabin layout for the international aircraft will have 165 seats on board the A320neos while the longer A321neos will offer 214 seats – 46 more than the airline’s current international A320 fleet.

Air New Zealand Chief Executive Officer Christopher Luxon says the arrival of the new fleet is a significant step in the airline’s short haul strategy.

“Australia and the Pacific Islands are a vitally important part of our Pacific Rim network. We operate up to 240 services each week with our Airbus narrow body aircraft. These new aircraft are key to enabling us to grow our short haul network while offering our customers a great inflight experience,” says Mr Luxon.

Customer feedback has informed much of the fleet’s new-look cabin interior. The New Zealand leather upholstered seats are 3cm wider at the middle seat and 1cm wider on the aisle and window. Their slim-line and curved design means passengers sink further into the seat back creating up to 7 percent more usable space when compared with the equivalent pitch on the existing fleet.

Other customer enhancements include around 25 percent more overhead locker space, a new Android based inflight entertainment system with a larger screen and Wi-Fi connectivity.

New generation engines, fuel efficient Sharklet wing tip devices and approximately 25 percent more seats mean the A321neos are expected to help deliver fuel savings and efficiencies of at least 15 percent compared with the aircraft they’re replacing, helping reduce carbon emissions.

A second A321neo is also expected to enter service in November, while the airline’s first A320neo is scheduled for February 2019. The remaining aircraft will follow at intervals through until late 2019. The additional A321neos for the airline’s domestic network are expected to be delivered from 2020 to 2024.

[Air New Zealand suspends Vietnam seasonal service](#)

19 September 2018

Air New Zealand has elected not to operate its seasonal service between Auckland and Ho Chi Minh City, Vietnam in 2019 due to inconsistent customer demand.

The twice weekly service, currently in its third season, has proved popular with Kiwi families in the key school holiday periods however outside of that timeframe demand has not met expectations.

Air New Zealand Chief Revenue Officer Cam Wallace says the future of the route also has to be considered in light of the ongoing challenges the airline is experiencing as a result of the issues affecting the Rolls-Royce engines powering some of the global Dreamliner fleet.

“We expect to continue to have a need for flexible wide body aircraft capacity and this move will help ensure we can deliver the rest of our northern summer schedule.

“While the current direct season will be our last, our customers can still continue to access Vietnam with Air New Zealand on partner airlines via either Singapore or Hong Kong.”

Air New Zealand’s final service to Ho Chi Minh City operates on 23 October.