

Dame Therese:

Tēnā koutou katoa

Earlier today, we released our 2024 financial results to the market. This result was an expected reduction on last year, when the airline recorded one of its highest ever profits following the reopening of New Zealand's borders.

And while we've operated in a challenging environment, we are incredibly proud of the agility, resilience and ongoing commitment to safety and excellence that the Air New Zealand whānau has demonstrated.

Greg:

Our team's energy and drive to deliver for our customers continues to shine through. This year we transported over 16 million passengers on our network, four percent more than last year, even with the aircraft availability constraints we faced. We also delivered improved on-time performance, up almost 3 percentage points.

Work to improve customer pain points continued, we rolled out new features on our digital app, including baggage tracing and various self-service enhancements, which give our customers more flexibility and helps us manage disrupts more efficiently. We also recently introduced our live chat function, enabling customers to resolve queries real time, which has been hugely popular. Non-voice channels now represent just over 30% of our customer interactions.

As a result of these, and many other small but meaningful improvements to our onboard offerings and pre-flight procedures, we saw customer satisfaction levels improve back to pre-Covid levels.

Dame Therese:

These achievements are especially impressive considering the raft of obstacles the airline has faced over the course of the year. Additional maintenance requirements globally for the engines that power our A321neo and Dreamliner fleets, have resulted in a number of aircraft being grounded for extended periods of time. A tougher economic backdrop here in New Zealand has also impacted demand on our domestic network, particularly in the corporate and government sectors.

These issues, alongside elevated competition from US carriers and the cumulative effect of high inflation, have had an impact on the airline's performance for the year, and continue to this day.

While we know the issues will pass, some faster than others, we estimate earnings for the year would have been around NZD\$100m higher, net of compensation, had we been able to operate our aircraft and schedule as intended.

Greg:

Although there are considerable distractions in the current environment, we are facing our challenges head on. We took immediate action to minimise the disruption for our customers from grounded aircraft by leasing three 777-300s and securing additional engine spares.

We also made some difficult decisions, such as the temporary suspension of our direct route to Chicago, to make sure we could deliver a schedule that was more reliable overall for our customers.

Dame Therese:

It's been a busy year managing both macroeconomic and operational headwinds. The Air New Zealand whānau have navigated these issues with great skill and manaaki, never losing sight of what the organisation needs to do to be a future fit airline.

Despite these temporary challenges, our balance sheet is robust, and has the capacity to weather this storm without compromising on our strategy. We remain committed to investing sensibly in the areas that matter for our customers and our people, and focusing on opportunities to improve returns for our shareholders.

Greg:

In the next few months, we have more exciting developments to share. We will start our trial of digital bag tags which will take our baggage tracing capabilities to the next level, allowing customers to track their baggage in real time. We will also finalise our new design for the Auckland International Koru Lounge, which will provide a world-class lounge experience for our customers.

And importantly, as we start to overcome the aircraft availability issues, we are also exploring the network opportunities and potential new markets that we may serve in the future.

Dame Therese:

We recognise that our success is thanks to our amazing people, who consistently go above and beyond to deliver for our customers. I want to express my gratitude and appreciation to the 11,700-strong Air New Zealand whānau for their hard work and commitment.

I'd also like to thank our customers and shareholders for their ongoing loyalty and support. While we still have some hurdles to overcome, we are excited for the future.

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