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## **April market conditions**

Air New Zealand carried 1,285,000 passengers during the month of April, an increase of 6.6% compared to the same period last year. Revenue passenger kilometres (RPKs) were 5.6% higher on a capacity (ASKs) increase of 2.3%. Group load factors were up 2.6 percentage points overall to 85.2%.

Short Haul passenger numbers increased 7.0%. In the Domestic market demand (RPKs) increased by 9.5%, with capacity (ASKs) increasing by 8.4%, due to increased services on Auckland – Queenstown and the main trunk routes, as well as growth on the regional routes resulting from up-gauging to larger aircraft. Domestic load factor increased 0.8 percentage points to 83.7%.

Tasman/Pacific demand (RPKs) increased 8.2% while capacity (ASKs) increased by 7.4%. The timing of Easter drove a longer holiday period for leisure travel, which resulted in increased frequency on several Australia and Pacific Island routes compared to the prior period. Load factor on Tasman/Pacific increased 0.6 percentage points to 82.0%.

Long Haul passenger numbers increased 3.2% when compared to April last year, with demand (RPKs) increasing 3.2% and capacity (ASKs) declining 2.0%. Load factor on Long Haul routes was 87.5%, an increase of 4.4 percentage points.

On Americas/UK routes, demand (RPKs) increased by 6.0%, with capacity (ASKs) increasing 0.6%, while load factor increased 4.4 percentage points to 86.7%.

On Asia/Japan/Singapore routes, demand (RPKs) decreased 1.4%, on a capacity (ASKs) reduction of 6.4%, reflecting a shortened season of double-daily services on the Auckland-Tokyo route compared to the prior period. Load factor increased 4.5 percentage points to 88.9%.

For the financial year to date, Short Haul passenger revenue per ASK (RASK)\* decreased 4.8% and Long Haul RASK\* decreased 14.3%. Removing the impact of foreign exchange, Group-wide RASK\* decreased 7.5%, and Group-wide yields for the financial year to date decreased 5.9% on the same period last year.

\* Air New Zealand's operating statistics will provide Passenger revenue per ASK, or RASK, going forward as a key metric of revenue performance. RASK is defined as passenger revenue for the period divided by the total ASKs for the period; compared to yield which represents the passenger revenue per passenger kilometre flown.



## **Company news**

### [Air New Zealand recognised for corporate social responsibility](#)

Air New Zealand's sustainability efforts have been recognised in the 2017 Annual Review of the State of CSR (corporate social responsibility) in Australia and New Zealand, with the airline taking out a New Zealand CSR Top 3 Award.

The review, published by the Australian Centre for Corporate Social Responsibility, is one of the world's largest ongoing studies of CSR practices and trends and is the only one of its type in Australia and New Zealand.

The review surveys employees on CSR priorities, practices and management capabilities. The CSR Top 3 are the New Zealand companies with the strongest management capabilities for CSR.

Air New Zealand Chief Executive Officer Christopher Luxon believes business has an important role to play in society and in solving sustainability issues.

"The core purpose that underscores Air New Zealand's sustainability framework is to supercharge New Zealand's success socially, environmentally and economically. We have been working hard to embed sustainability within our business and it's great to see our efforts recognised in this way," says Mr Luxon.

### [Rt Hon John Key joining the Board of Air New Zealand](#)

The Air New Zealand Board is appointing former Prime Minister John Key as a Director effective from September 1.

Chairman Tony Carter says the Board has been actively searching for a Director with strong international business experience and a deep knowledge of tourism for around a year.

"Air New Zealand is one of the world's best airlines and the growth of its international operations around the Pacific Rim is an area of strong focus. The Board identified last year that the addition of a Director with international experience would be important to supporting the Chief Executive Officer and his Executive team as they take our award-winning airline into the future. We also identified that the ideal candidate would have a strong empathy for the tourism industry," Mr Carter says.

"When John Key announced he was stepping down as Prime Minister and moving to a new phase of life outside of politics, it became a priority for the Board to try to secure his services as a Director. John will bring extensive international commercial experience, outstanding leadership skills, global perspective and a keen understanding of the tourism sector gained during the years he was Tourism Minister as well as Prime Minister of New Zealand."

# Monthly **investor update**



Mr Key says he is delighted to have been approached by the Air New Zealand Board to join it as a Director.

"Air New Zealand is an incredible company that has significant opportunities ahead of it and I look forward to working with the Board, Chief Executive Officer and his Executive team to see it fulfil its potential," Mr Key says.

Meantime, Air New Zealand is also announcing that its longest serving Director Paul Bingham will be retiring at the Annual Shareholders' Meeting in September.

## [Air New Zealand: the country's most attractive employer](#)

Air New Zealand has been named New Zealand's Most Attractive Employer in the annual Randstad Awards for a record fourth time.

The awards have been running in New Zealand since 2011 and the airline has claimed the top prize every year it has been eligible. Air New Zealand was one of the first organisations anywhere in the world to take out the top honour for three consecutive years and became an inaugural member of the prestigious Randstad Awards Global Hall of Fame in 2014 - making it ineligible to win for the next three years (2014, 2015 and 2016).

This year more than 60 percent of respondents indicated they would like to work for Air New Zealand, and ranked the airline highly across a range of areas, including perceptions of available training opportunities, corporate financial health, management and progressive corporate social responsibility policies.

## [Air New Zealand opens expansive new Melbourne lounge](#)

Air New Zealand has opened its significantly larger new-look lounge at Melbourne International Airport.

Air New Zealand General Manager Customer Experience Anita Hawthorne says the airline is committed to improving the customer experience and is proud to be able to offer customers flying out of Melbourne a new lounge space with 50 percent more seating than the previous lounge.

The Air New Zealand Melbourne International Lounge forms part of the airline's four year programme to develop its network of lounges and follows the opening of new lounges in Sydney and Brisbane as well as in Auckland, Nadi, Wellington, Queenstown, Hamilton and Invercargill.

# Monthly investor update



Group	APRIL			FINANCIAL YTD		
	2017	2016	% *	2017	2016	% *
Passengers carried (000)	1,285	1,204	6.6%	13,430	12,875	4.3%
Revenue Passenger Kilometres(m)	2,711	2,568	5.6%	29,493	28,280	4.3%
Available Seat Kilometres (m)	3,183	3,111	2.3%	35,589	33,550	6.1%
Passenger Load Factor (%)	85.2%	82.6%	2.6 pts	82.9%	84.3%	(1.4 pts)
<b>Short Haul Total</b>	<b>APRIL</b>			<b>FINANCIAL YTD</b>		
	<b>2017</b>	<b>2016</b>	<b>% *</b>	<b>2017</b>	<b>2016</b>	<b>% *</b>
Passengers carried (000)	1,132	1,057	7.0%	11,721	11,235	4.3%
Revenue Passenger Kilometres(m)	1,219	1,122	8.7%	12,755	12,322	3.5%
Available Seat Kilometres (m)	1,477	1,370	7.8%	15,757	14,916	5.6%
Passenger Load Factor (%)	82.6%	81.9%	0.7 pts	80.9%	82.6%	(1.7 pts)
<b>Domestic</b>	<b>APRIL</b>			<b>FINANCIAL YTD</b>		
	<b>2017</b>	<b>2016</b>	<b>% *</b>	<b>2017</b>	<b>2016</b>	<b>% *</b>
Passengers carried (000)	849	795	6.7%	8,704	8,222	5.9%
Revenue Passenger Kilometres(m)	440	402	9.5%	4,472	4,148	7.8%
Available Seat Kilometres (m)	526	485	8.4%	5,524	5,133	7.6%
Passenger Load Factor (%)	83.7%	82.9%	0.8 pts	81.0%	80.8%	0.2 pts
<b>Tasman / Pacific</b>	<b>APRIL</b>			<b>FINANCIAL YTD</b>		
	<b>2017</b>	<b>2016</b>	<b>% *</b>	<b>2017</b>	<b>2016</b>	<b>% *</b>
Passengers carried (000)	283	262	7.9%	3,017	3,013	0.1%
Revenue Passenger Kilometres(m)	779	720	8.2%	8,283	8,175	1.3%
Available Seat Kilometres (m)	951	885	7.4%	10,233	9,783	4.6%
Passenger Load Factor (%)	82.0%	81.4%	0.6 pts	80.9%	83.6%	(2.7 pts)
<b>Long Haul Total</b>	<b>APRIL</b>			<b>FINANCIAL YTD</b>		
	<b>2017</b>	<b>2016</b>	<b>% *</b>	<b>2017</b>	<b>2016</b>	<b>% *</b>
Passengers carried (000)	153	147	3.2%	1,709	1,640	4.2%
Revenue Passenger Kilometres(m)	1,492	1,446	3.2%	16,738	15,958	4.9%
Available Seat Kilometres (m)	1,706	1,741	(2.0%)	19,832	18,634	6.4%
Passenger Load Factor (%)	87.5%	83.1%	4.4 pts	84.4%	85.6%	(1.2 pts)
<b>Asia / Japan / Singapore</b>	<b>APRIL</b>			<b>FINANCIAL YTD</b>		
	<b>2017</b>	<b>2016</b>	<b>% *</b>	<b>2017</b>	<b>2016</b>	<b>% *</b>
Passengers carried (000)	61	61	(1.2%)	703	679	3.5%
Revenue Passenger Kilometres(m)	542	550	(1.4%)	6,276	6,059	3.6%
Available Seat Kilometres (m)	610	652	(6.4%)	7,579	6,985	8.5%
Passenger Load Factor (%)	88.9%	84.4%	4.5 pts	82.8%	86.7%	(3.9 pts)
<b>Americas / UK</b>	<b>APRIL</b>			<b>FINANCIAL YTD</b>		
	<b>2017</b>	<b>2016</b>	<b>% *</b>	<b>2017</b>	<b>2016</b>	<b>% *</b>
Passengers carried (000)	92	86	6.4%	1,006	961	4.7%
Revenue Passenger Kilometres(m)	950	896	6.0%	10,462	9,899	5.7%
Available Seat Kilometres (m)	1,096	1,089	0.6%	12,253	11,649	5.2%
Passenger Load Factor (%)	86.7%	82.3%	4.4 pts	85.4%	85.0%	0.4 pts

\* % 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.