

# Monthly *investor update*



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## June 2018 highlights

Group traffic summary	JUNE			FINANCIAL YTD		
	2018	2017	% *+	2018	2017	% *
Passengers carried (000)	1,471	1,357	5.2%	16,966	15,952	6.4%
Revenue Passenger Kilometres(m)	3,220	2,922	7.0%	36,662	34,814	5.3%
Available Seat Kilometres (m)	3,968	3,619	6.4%	44,274	42,169	5.0%
Passenger Load Factor (%)	81.1%	80.7%	0.4 pts	82.8%	82.6%	0.2 pts

Year-to-date RASK <sup>1</sup>	% change in reported RASK (incl. FX)		% change in underlying RASK (excl. FX)	
Group		1.6%		1.4%
Short Haul		3.2%		2.9%
Long Haul		(1.5%)		(1.5%)

<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.

\* % change is based on numbers prior to rounding

+The month's percentage movements have been adjusted for the 3.0% difference in days for the month of June 2018 (34 days) compared with June 2017 (33 days).



## Operating statistics table

Group	JUNE			FINANCIAL YTD		
	2018	2017	% *+	2018	2017	% *
Passengers carried (000)	1,471	1,357	5.2%	16,966	15,952	6.4%
Revenue Passenger Kilometres(m)	3,220	2,922	7.0%	36,662	34,814	5.3%
Available Seat Kilometres (m)	3,968	3,619	6.4%	44,274	42,169	5.0%
Passenger Load Factor (%)	81.1%	80.7%	0.4 pts	82.8%	82.6%	0.2 pts
<b>Short Haul Total</b>						
Passengers carried (000)	1,291	1,192	5.1%	14,887	13,940	6.8%
Revenue Passenger Kilometres(m)	1,441	1,290	8.4%	16,303	15,095	8.0%
Available Seat Kilometres (m)	1,837	1,597	11.6%	19,868	18,636	6.6%
Passenger Load Factor (%)	78.4%	80.8%	(2.4 pts)	82.1%	81.0%	1.1 pts
<b>Domestic</b>						
Passengers carried (000)	954	890	4.0%	11,089	10,379	6.8%
Revenue Passenger Kilometres(m)	479	444	4.7%	5,719	5,311	7.7%
Available Seat Kilometres (m)	609	581	1.8%	6,905	6,597	4.7%
Passenger Load Factor (%)	78.6%	76.5%	2.1 pts	82.8%	80.5%	2.3 pts
<b>Tasman / Pacific</b>						
Passengers carried (000)	337	302	8.3%	3,798	3,561	6.7%
Revenue Passenger Kilometres(m)	962	846	10.4%	10,584	9,784	8.2%
Available Seat Kilometres (m)	1,228	1,016	17.3%	12,963	12,039	7.7%
Passenger Load Factor (%)	78.4%	83.2%	(4.8 pts)	81.6%	81.3%	0.3 pts
<b>Long Haul Total</b>						
Passengers carried (000)	180	165	5.7%	2,079	2,012	3.3%
Revenue Passenger Kilometres(m)	1,779	1,632	5.8%	20,359	19,719	3.3%
Available Seat Kilometres (m)	2,131	2,022	2.3%	24,406	23,533	3.7%
Passenger Load Factor (%)	83.4%	80.7%	2.7 pts	83.4%	83.8%	(0.4 pts)
<b>Asia / Japan / Singapore</b>						
Passengers carried (000)	63	59	2.8%	837	814	2.8%
Revenue Passenger Kilometres(m)	560	529	2.8%	7,467	7,270	2.7%
Available Seat Kilometres (m)	726	729	(3.3%)	9,169	8,918	2.8%
Passenger Load Factor (%)	77.1%	72.5%	4.6 pts	81.4%	81.5%	(0.1 pts)
<b>Americas / UK</b>						
Passengers carried (000)	117	106	7.3%	1,242	1,198	3.7%
Revenue Passenger Kilometres(m)	1,219	1,103	7.3%	12,892	12,449	3.6%
Available Seat Kilometres (m)	1,405	1,293	5.5%	15,237	14,615	4.3%
Passenger Load Factor (%)	86.7%	85.3%	1.4 pts	84.6%	85.2%	(0.6 pts)

\* % change is based on numbers prior to rounding

+ The month's percentage movements have been adjusted for the 3.0% difference in days for the month of June 2018 (34 days) compared with June 2017 (33 days).

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 21 June to 31 July 2018)

### Air New Zealand Annual Meeting and Nomination of Directors

9 July 2018

#### Annual Shareholders' Meeting

Air New Zealand Limited advises that its Annual Shareholders' Meeting will be held at The Piano, 156 Armagh Street, Christchurch, on Wednesday 26 September 2018 at 2.00pm. Air New Zealand will be offering in addition to our usual meeting, an online attendance option, giving shareholders the choice to attend and participate in the Annual Meeting via an online platform. Details of registration for those who wish to participate online will be included in the Notice of Meeting sent after the 2018 Annual Results on 23 August 2018.

#### Nomination of Directors

Nominations for the position of director may be made on or before 5pm Thursday 26 July 2018. Nominations must be made in writing by a security holder entitled to attend and vote at the Meeting, and should be directed to the Company Secretary at Air New Zealand, Private Bag 92007, Auckland 1142. (This announcement is made pursuant to NZX Listing Rule 3.3.5 and ASX Listing Rule 14.3.)

### Australian Court Declines Air Cargo Appeal

26 June 2018

The Federal Court has ordered Air New Zealand to pay A\$15 million in penalties in relation to a previous decision of the High Court of Australia that the Company had breached Australian law in applying fuel and security charges to cargo transported from Hong Kong and Singapore to Australia in the period 2000 – 2006 (please refer to release dated 14 June 2017). Air New Zealand has also agreed to pay A\$2 million towards the ACCC's legal costs.

The penalty will not impact previous guidance given by the Company related to 2018 earnings before taxation.

## Media releases

(during the period 21 June to 31 July 2018)

### Air New Zealand top of class at Skytrax World Airline Awards

19 July 2018

Air New Zealand has been awarded Best Premium Economy Class and Best Premium Economy Seat at the Skytrax World Airline Awards.

The airline has scooped the prize for Best Premium Economy Class numerous times since the awards began in 1999.

Air New Zealand General Manager Customer Experience Anita Hawthorne said the awards recognise the investment the airline has consistently put into its Premium Economy experience.

"We've really invested in our Premium Economy product and service, starting with our luxury leather armchair which offers more legroom and recline, through to our premium New Zealand wines and Kiwi-inspired cuisine, which we know our customers value" said Ms Hawthorne.

The airline was also recognised for its role in the design and day-to-day management of the Star Alliance Lounge in Los Angeles' Tom Bradley International Terminal, which was voted Best Alliance Lounge for the fourth year in a row.

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The Skytrax World Airline Awards are the global benchmark of airline excellence. The awards are determined annually through the Skytrax airline passenger satisfaction survey of more than 20 million passengers.

## [Air New Zealand takes out global marketing award](#)

17 July 2018

Air New Zealand has taken out the Marketing Award at the Airline Strategy Awards in London.

The awards, organised by Flight Airline Business magazine in partnership with civil aviation practice Korn Ferry, celebrate individuals, airlines and companies supporting air transport that have demonstrated dynamic leadership and clear vision. Winners are selected by an independent panel of industry experts.

The Marketing Award recognises excellence and innovation in various aspects of marketing which have contributed to overall market positioning with strong commercial results.

Air New Zealand Chief Marketing and Customer Officer Mike Tod says it's terrific to have the airline's marketing efforts globally recognised in this way.

"As a relatively small carrier in global terms, award-winning marketing is strategically important for getting our brand recognised on the world stage.

"We have developed a reputation for doing things differently and awards like these prove our ability to punch above our weight and deliver campaigns and content that highlight our products and services and enable us to engage with our customers.

Mr Tod also acknowledged Air New Zealand's front line employees saying, "Of course, one of the most important drivers for our brand is the people who deliver our famous Kiwi service on the ground and in the air. This is what truly sets us apart."

## [JetBlue Technology Ventures and Air New Zealand announce innovation partnership](#)

12 July 2018

JetBlue Technology Ventures introduced Air New Zealand as the launch partner for its new international innovation ecosystem

JetBlue Technology Ventures® (JTV), the venture capital subsidiary of JetBlue Airways, this month announced its latest efforts to help fuel travel industry innovation. The Silicon-Valley-based company, which incubates, invests in, and partners with early-stage start-ups at the intersection of technology and travel has announced an International Innovation Partnership with launch partner Air New Zealand.

JTV and Air New Zealand will work together to build an internationally recognised technology innovation ecosystem that will seek out, partner and implement emerging technologies in the travel sector. For JetBlue Technology Ventures, the International Innovation Partnership will expand the opportunities for existing and potential portfolio companies, as well as other start-up partners. For Air New Zealand, the partnership will offer early access to emerging technologies as well as an entrance into the Silicon Valley innovation ecosystem.

"Air New Zealand has a proud history of product innovation and we're thrilled to be at the centre of the immense commercial and customer experience opportunities emerging from the intersection of technology and travel," said Christopher Luxon, CEO of Air New Zealand, "As one of the most innovative airlines globally, Air New Zealand has a proud reputation for nimbly being able to seize opportunities and take these to market. We have been growing a terrific ecosystem of global partners as we seek to redefine the future of air travel. Partnering with JetBlue Technology Ventures is an important step in achieving that goal."

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## Adelaide-Auckland to move to all Dreamliner schedule

12 July 2018

Air New Zealand will operate its Boeing 787-9 Dreamliner on all services between Adelaide and Auckland over the peak summer months.

The airline will fly four services a week between November and March 2019 – departing Adelaide at midday on Monday, Wednesday, Friday and Sunday. Between 18 December 2018 and 29 January 2019 this will increase to five services a week with an additional return service on a Tuesday.

Air New Zealand first launched the Dreamliner on services between Adelaide and Auckland in October 2017, using a mix of that aircraft and A320 aircraft on the route.

Air New Zealand Regional General Manager Australia Kathryn Robertson said operating the Dreamliner on all services between the two cities comes in response to strong demand.

“Customers are really enjoying the premium inflight offering available on our Boeing 787-9 Dreamliner aircraft so we’re delighted to be able to offer this on all of our weekly services between Adelaide and Auckland over the peak period.”

“Our flights to Auckland from Adelaide also connect seamlessly through our Auckland hub onto our long-haul network through to North and South America ensuring our customers receive a premium travel experience throughout their journey.”

## Air New Zealand serves up the impossible

3 July 2018

Air New Zealand is giving customers a taste of the future with a new inflight collaboration with Silicon Valley food tech start-up Impossible Foods.

The airline is the first in the world to serve the award-winning, plant-based Impossible Burger which is now available as part of its Business Premier menu on flights from Los Angeles to Auckland.

Impossible Burger's magic ingredient is an iron-containing molecule called heme which comes from the roots of soy plants. The heme in the Impossible Burger is the same as the heme found in animal meat. The result is a plant-based burger patty that cooks, smells and tastes like beef but contains no animal products whatsoever.

Air New Zealand's Inflight Customer Experience Manager Niki Chave says the airline has been watching Impossible Foods for some time and has been impressed with the work it's doing.

"Like Impossible Foods, we are committed to offering our customers a fresh and innovative approach to cuisine. We're incredibly excited about this partnership and the opportunity to offer our Business Premier customers travelling from Los Angeles to Auckland a delicious plant-based option that tastes just like the real deal.

"We're confident vegetarians, flexitarians and dedicated meat lovers alike will enjoy the delicious taste of the Impossible Burger, but for those who want to stay with the tried and true it will sit alongside our regular selection of menu items prepared by our talented culinary team and consultant chefs."

Impossible Foods CEO and Founder Dr. Patrick O. Brown says the company's mission is to make the global food system more sustainable by making products that don't compromise on sustainability, nutrition or taste.

"We launched with high-credibility, innovative chefs known for their delicious burgers, so it's no coincidence our first airline partner has been named Airline of the Year for five straight years."

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"The Impossible Burger is available in nearly 2,500 restaurants throughout the United States and now Air New Zealand will help us take the Impossible Burger to even greater heights."

Air New Zealand will serve the Impossible Burger on flights NZ1 and NZ5 from Los Angeles to Auckland through until late October.

## Air New Zealand waste reduction accelerates

25 June 2018

Air New Zealand's latest initiative to reduce inflight waste has seen more than 132 tonnes diverted from landfill in its first nine months - the equivalent weight of three of the airline's A320 aircraft.

Project Green was launched in August last year in conjunction with the airline's catering partner LSG Sky Chefs and the Ministry for Primary Industries (MPI) to tackle inflight waste from international services arriving in Auckland, with a goal to divert 150 tonnes of waste from landfill annually.

The project has seen 40 inflight products, which had previously been sent to landfill due to biosecurity controls, being reclassified so these can be reused on flights in future if they are removed from aircraft sealed and untouched.

Tracking to date shows more than nine million individual items have been recovered for reuse or recycling rather than going to landfill.

Air New Zealand Head of Sustainability Lisa Daniell says this includes more than one million of each of the following - plastic cups, sugar sticks, paper cups and paper cup lids.

"We are tracking our progress every month and are confident of hitting our 150 tonne goal in the first 12 months of this project. As an airline, we are extremely committed to sustainability, which is an important issue for our customers and our employees" says Ms Daniell.

Project Green is one of many initiatives the airline has in place to reduce waste, with programmes in place to tackle organic waste from office spaces, repurpose office materials and lounge furniture, and blankets.