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29 July 2019

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June 2019 highlights

Group traffic summary	JUNE			FINANCIAL YTD		
	2019	2018	% *+	2019	2018	% *
Passengers carried (000)	1,576	1,471	4.0%	17,738	16,966	4.5%
Revenue Passenger Kilometres(m)	3,423	3,220	3.3%	38,573	36,662	5.2%
Available Seat Kilometres (m)	4,108	3,968	0.6%	46,029	44,274	4.0%
Passenger Load Factor (%)	83.3%	81.1%	2.2 pts	83.8%	82.8%	1.0 pts

Year-to-date RASK ¹	% change in reported RASK (incl. FX)	% change in underlying RASK (excl. FX)
Group	1.6%	0.6%
Short Haul	0.6%	0.4%
Long Haul	2.7%	0.7%

* % change is based on numbers prior to rounding

+ The month's 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 June 2018 (34 days) compared with June 2019 (35 days). This is because Air New Zealand operates on a 4,4,5 accounting calendar but closes the annual accounts on 30 June.

¹ 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	JUNE			FINANCIAL YTD		
	2019	2018	% *+	2019	2018	% *
Passengers carried (000)	1,576	1,471	4.0%	17,738	16,966	4.5%
Revenue Passenger Kilometres(m)	3,423	3,220	3.3%	38,573	36,662	5.2%
Available Seat Kilometres (m)	4,108	3,968	0.6%	46,029	44,274	4.0%
Passenger Load Factor (%)	83.3%	81.1%	2.2 pts	83.8%	82.8%	1.0 pts

Short Haul Total	JUNE			FINANCIAL YTD		
	2019	2018	% *+	2019	2018	% *
Passengers carried (000)	1,379	1,291	3.7%	15,557	14,887	4.5%
Revenue Passenger Kilometres(m)	1,484	1,441	0.1%	17,152	16,303	5.2%
Available Seat Kilometres (m)	1,822	1,837	(3.6%)	20,744	19,868	4.4%
Passenger Load Factor (%)	81.5%	78.4%	3.1 pts	82.7%	82.1%	0.6 pts

Domestic	JUNE			FINANCIAL YTD		
	2019	2018	% *+	2019	2018	% *
Passengers carried (000)	1,025	954	4.3%	11,513	11,089	3.8%
Revenue Passenger Kilometres(m)	512	479	3.9%	5,957	5,719	4.1%
Available Seat Kilometres (m)	627	609	0.0%	7,104	6,905	2.9%
Passenger Load Factor (%)	81.7%	78.6%	3.1 pts	83.9%	82.8%	1.1 pts

Tasman / Pacific	JUNE			FINANCIAL YTD		
	2019	2018	% *+	2019	2018	% *
Passengers carried (000)	354	337	2.0%	4,044	3,798	6.5%
Revenue Passenger Kilometres(m)	972	962	(1.8%)	11,195	10,584	5.8%
Available Seat Kilometres (m)	1,195	1,228	(5.4%)	13,640	12,963	5.2%
Passenger Load Factor (%)	81.3%	78.4%	2.9 pts	82.1%	81.6%	0.5 pts

Long Haul Total	JUNE			FINANCIAL YTD		
	2019	2018	% *+	2019	2018	% *
Passengers carried (000)	197	180	6.3%	2,181	2,079	4.9%
Revenue Passenger Kilometres(m)	1,939	1,779	5.9%	21,421	20,359	5.2%
Available Seat Kilometres (m)	2,285	2,131	4.1%	25,285	24,406	3.6%
Passenger Load Factor (%)	84.8%	83.4%	1.4 pts	84.7%	83.4%	1.3 pts

Asia / Japan / Singapore	JUNE			FINANCIAL YTD		
	2019	2018	% *+	2019	2018	% *
Passengers carried (000)	81	63	26.2%	914	837	9.2%
Revenue Passenger Kilometres(m)	722	560	25.2%	8,140	7,467	9.0%
Available Seat Kilometres (m)	907	726	21.2%	9,699	9,169	5.8%
Passenger Load Factor (%)	79.6%	77.1%	2.5 pts	83.9%	81.4%	2.5 pts

Americas / UK	JUNE			FINANCIAL YTD		
	2019	2018	% *+	2019	2018	% *
Passengers carried (000)	116	117	(4.4%)	1,267	1,242	2.0%
Revenue Passenger Kilometres(m)	1,217	1,219	(3.0%)	13,281	12,892	3.0%
Available Seat Kilometres (m)	1,379	1,405	(4.7%)	15,586	15,237	2.3%
Passenger Load Factor (%)	88.3%	86.7%	1.6 pts	85.2%	84.6%	0.6 pts

* % change is based on numbers prior to rounding

+ The month's 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 June 2018 (34 days) compared with June 2019 (35 days). This is because Air New Zealand operates on a 4,4,5 accounting calendar but closes the annual accounts on 30 June.

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 27 June 2019 to 28 July 2019)

Annual Meeting and Nomination of Directors

10 July 2019

Annual Shareholders' Meeting

Air New Zealand Limited advises that its Annual Shareholders' Meeting will be held at the Hunua Rooms, Aotea Centre, 50 Mayoral Drive, Auckland, on Wednesday 25 September 2019 at 2.00pm. In addition to our usual physical meeting, Air New Zealand will also be offering 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 2019 Annual Results on 22 August 2019.

Nomination of Directors

Nominations for the position of director may be made on or before 5pm Thursday 25 July 2019. 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 2.3.)

Media Releases

(during the period 27 June 2019 to 28 July 2019)

Air New Zealand boosts Bali

19 July 2019

Air New Zealand is giving its Bali seasonal service a boost in 2020, increasing capacity on the route by 80 percent, or 30,000 additional seats, compared with the current season.

The airline currently operates three services per week between Auckland and Bali's Denpasar International Airport from late June to mid-October using Boeing 787-9 Dreamliner aircraft, increasing up to four services per week during peak periods such as the school holidays.

Next year the airline will operate its seasonal services from 11 April through to 24 October with up to six services per week (subject to regulatory approvals).

Air New Zealand Chief Revenue Officer Cam Wallace says Bali has continued to be a popular holiday spot for Kiwis.

"By extending our flying season by more than two months, ultimately putting on close to 50 extra return flights, it's going to be easier than ever for Kiwis to experience the beautiful and diverse destination that is Bali," says Mr Wallace.



Air New Zealand doubles down on plastic waste reduction

8 July 2019

Air New Zealand has committed to increasing the number of single-use plastic items it will remove from its operation this year by more than double, from 24 million to nearly 55 million items.

To mark Plastic Free July the airline has removed individual plastic water bottles from its Business Premier and Premium Economy cabins, as well as from its Works Deluxe offering on Tasman and Pacific Island services under five hours in duration. This is expected to divert more than 460,000 bottles from landfill annually and reduce carbon emissions by more than 300,000 kilograms per year by reducing weight on the aircraft.

Individual plastic sauce packets are being removed from Business Premier cabins on mainland North America and Hong Kong services, and these will be eliminated entirely from the global network by the end of October. Customers will instead be served sauce in reusable dishes which is expected to prevent around 200,000 plastic packets going to landfill each year.

The airline is also set to roll out coffee cups made from plants rather than plastic across its domestic and international networks from October, while plastic water cups will be transitioned to recyclable alternatives from September. The previous commitment targeted coffee and water cups on Air New Zealand's domestic network where the majority of cups are used, however, the scope has now expanded to introduce the lower impact cups across the international network, lifting the total number of cups being replaced this year from 14.7 million to 44.5 million.

Air New Zealand's Acting Head of Sustainability Anna Palairt says the airline is focused on reducing the amount of single-use plastic products it purchases at source, as the lack of composting infrastructure in New Zealand at present poses a challenge.

"Single-use plastic is a highly topical and visible issue for us and our customers, so we're really pleased to be able to share this progress to celebrate Plastic Free July. The lack of composting infrastructure available in New Zealand is a challenge so we have been focused on reducing the amount of single-use plastic products we purchase in the first place.

"It's great to see more and more customers are bringing their reusable drink bottles and keep cups on board, and we encourage people to do this – our cabin crew team is happy to fill these."

Air New Zealand secures fourth US Navy engine overhaul contract

5 July 2019

Air New Zealand's Gas Turbines business has won a fourth significant contract to service ten additional US Navy LM2500™ Power Turbines.

The latest contract, worth more than USD\$17 million, will see the Auckland-based Gas Turbines team carry out maintenance on the LM2500™ Gas Turbines which power the US Navy's cruiser fleet.

The Air New Zealand Gas Turbines business has secured USD\$80 million of confirmed work covering 39 engine units since the power turbine contracts were first opened for tender by the US Navy in 2017.

To date, the Gas Turbines business has delivered seven overhauled units back to the US Navy, with 13 units currently in work and another nine onsite ready for induction. The 10 additional units

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awarded in the latest contract will arrive in New Zealand late August and the overall body of work is expected to conclude in 2021.

Air New Zealand's Chief Ground Operations Officer Carrie Hurihanganui says the contracts are competitively bid for and the win only solidifies the airline's longstanding relationship with the US Navy.

"This fourth contract win is a credit to the Gas Turbines team and further strengthens our more than 20-year relationship with the US Navy. It's a clear indicator of the calibre of work the team produces."

Air New Zealand Gas Turbines is a business unit of Air New Zealand and a General Electric "Authorised LM2500™ Service Provider" providing LM2500™ gas turbine overhaul and repair services to clients globally across a range of industries. The business began sourcing work in the industrial and marine sector more than 35 years ago and has since supported several of the world's navies, offshore oil and gas platform operators and power generation companies.