



27 June 2019

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## May 2019 highlights

Group traffic summary	MAY			FINANCIAL YTD		
	2019	2018	% *	2019	2018	% *
Passengers carried (000)	1,281	1,239	3.4%	16,163	15,495	4.3%
Revenue Passenger Kilometres(m)	2,684	2,608	2.9%	35,149	33,443	5.1%
Available Seat Kilometres (m)	3,187	3,203	(0.5%)	41,922	40,307	4.0%
Passenger Load Factor (%)	84.2%	81.4%	2.8 pts	83.8%	83.0%	0.8 pts

Year-to-date RASK <sup>1</sup>	% change in reported RASK (incl. FX)	% change in underlying RASK (excl. FX)
Group	1.7%	0.6%
Short Haul	0.3%	0.0%
Long Haul	3.0%	0.9%

\* % change is based on numbers prior to rounding

<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.

# Monthly *investor update*



## Operating statistics table

Group	MAY			FINANCIAL YTD		
	2019	2018	% *	2019	2018	% *
Passengers carried (000)	1,281	1,239	3.4%	16,163	15,495	4.3%
Revenue Passenger Kilometres(m)	2,684	2,608	2.9%	35,149	33,443	5.1%
Available Seat Kilometres (m)	3,187	3,203	(0.5%)	41,922	40,307	4.0%
Passenger Load Factor (%)	84.2%	81.4%	2.8 pts	83.8%	83.0%	0.8 pts

Short Haul Total	MAY			FINANCIAL YTD		
	2019	2018	% *	2019	2018	% *
Passengers carried (000)	1,126	1,093	3.1%	14,179	13,595	4.3%
Revenue Passenger Kilometres(m)	1,168	1,169	(0.0%)	15,667	14,862	5.4%
Available Seat Kilometres (m)	1,389	1,422	(2.3%)	18,922	18,032	4.9%
Passenger Load Factor (%)	84.1%	82.2%	1.9 pts	82.8%	82.4%	0.4 pts

Domestic	MAY			FINANCIAL YTD		
	2019	2018	% *	2019	2018	% *
Passengers carried (000)	855	829	3.2%	10,488	10,134	3.5%
Revenue Passenger Kilometres(m)	431	420	2.7%	5,444	5,240	3.9%
Available Seat Kilometres (m)	500	509	(1.9%)	6,476	6,296	2.9%
Passenger Load Factor (%)	86.3%	82.4%	3.9 pts	84.1%	83.2%	0.9 pts

Tasman / Pacific	MAY			FINANCIAL YTD		
	2019	2018	% *	2019	2018	% *
Passengers carried (000)	271	264	2.8%	3,690	3,461	6.6%
Revenue Passenger Kilometres(m)	737	749	(1.5%)	10,223	9,622	6.2%
Available Seat Kilometres (m)	889	913	(2.6%)	12,445	11,736	6.0%
Passenger Load Factor (%)	82.9%	82.0%	0.9 pts	82.1%	82.0%	0.1 pts

Long Haul Total	MAY			FINANCIAL YTD		
	2019	2018	% *	2019	2018	% *
Passengers carried (000)	155	146	6.2%	1,984	1,900	4.4%
Revenue Passenger Kilometres(m)	1,516	1,439	5.3%	19,482	18,581	4.8%
Available Seat Kilometres (m)	1,798	1,781	0.9%	23,000	22,275	3.3%
Passenger Load Factor (%)	84.3%	80.8%	3.5 pts	84.7%	83.4%	1.3 pts

Asia / Japan / Singapore	MAY			FINANCIAL YTD		
	2019	2018	% *	2019	2018	% *
Passengers carried (000)	71	56	27.2%	833	775	7.5%
Revenue Passenger Kilometres(m)	629	499	26.1%	7,418	6,908	7.4%
Available Seat Kilometres (m)	764	616	23.9%	8,792	8,443	4.1%
Passenger Load Factor (%)	82.4%	81.0%	1.4 pts	84.4%	81.8%	2.6 pts

Americas / UK	MAY			FINANCIAL YTD		
	2019	2018	% *	2019	2018	% *
Passengers carried (000)	84	90	(6.7%)	1,151	1,125	2.4%
Revenue Passenger Kilometres(m)	887	940	(5.7%)	12,064	11,673	3.3%
Available Seat Kilometres (m)	1,034	1,165	(11.3%)	14,208	13,832	2.7%
Passenger Load Factor (%)	85.8%	80.7%	5.1 pts	84.9%	84.4%	0.5 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.



## Market announcements

(during the period 24 May 2019 to 26 June 2019)

### Air New Zealand CEO Christopher Luxon to resign

20 June 2019

Air New Zealand Chief Executive Officer Christopher Luxon has resigned and will step down from day to day leadership of the airline on September 25.

Chairman Tony Carter says Mr Luxon has made an outstanding contribution to the airline, which has experienced a period of enhanced profitability, strong dividends to shareholders, record customer satisfaction scores, outstanding brand health and the best corporate reputation in New Zealand and Australia during his seven year tenure.

“It was on this day seven years ago that Christopher’s appointment to the role of Chief Executive Officer of Air New Zealand was announced,” Mr Carter says.

“The opportunity to lead New Zealand’s most iconic company will attract many great candidates both internationally and within New Zealand. The Board has commenced an international search and expects to be in a position to announce the appointment of a new Chief Executive Officer in the near future.”

“Further, Christopher will be in the role until 25 September, and then he will move to advising and supporting the incoming Chairman and new CEO so we have a seamless transition and are set up well for further success.”

### Air New Zealand 2019 Investor Day Materials & FY19 Outlook

27 May 2019

Air New Zealand held its 2019 investor day for institutional shareholders in Auckland on 27 May 2019.

Please find a link to the investor day materials and webcast [here](#).

### Air NZ announces multi-billion-dollar investment in aircraft

27 May 2019

Air New Zealand has announced significant investment in its international network and customer experience with commitments to purchase eight Boeing 787-10 Dreamliner aircraft powered by GE Aviation’s GENx-1B engines.

At 27 May 2019 list prices, the agreement represents a value of US \$2.7 billion. As is usual with such orders, Air New Zealand has negotiated a significant discount on current list prices and the parties have agreed not to disclose the actual purchase price.

The first of these highly fuel-efficient aircraft will join the Air New Zealand fleet in 2022 and together they will have the potential to save 190,000 tonnes of carbon per year.

Air New Zealand currently operates a fleet of 13 787-9 Dreamliners which Chief Executive Christopher Luxon says have proved to be the perfect aircraft for the airline’s Pacific Rim focus.



“The 787-10 is longer and even more fuel efficient. However, the game changer for us has been that by working closely with Boeing, we’ve ensured the 787-10 will meet our network needs, including the ability to fly missions similar to our current 777-200 fleet.

“This is a hugely important decision for our airline. With the 787-10 offering almost 15 percent more space for customers and cargo than the 787-9, this investment creates the platform for our future strategic direction and opens up new opportunities to grow,” says Mr Luxon.

In addition to the eight firm orders announced today, the agreement includes options to increase the number of aircraft from eight to up to 20. The airline has also negotiated substitution rights that allow a switch from the larger 787-10 aircraft to smaller 787-9s, or a combination of the two models for future fleet and network flexibility. The delivery schedule can also be delayed or accelerated according to market demand.

These new long-haul aircraft will replace Air New Zealand’s fleet of eight 777-200 aircraft, which will be phased out by 2025. Combined with GE’s GEnx-1B engines, they are expected to be 25 percent more fuel efficient than the aircraft they’re replacing.

Mr Luxon says, “This is incredibly exciting for our business and our customers as we continue to invest in the most innovative, sustainable and comfortable aircraft on the market and deliver on our commitment to grow our business sustainably.

“In connecting New Zealand with the world, we naturally offer a high proportion of long-haul flights, and these state-of-the-art aircraft will ensure we continue to operate one of the world’s youngest and most efficient jet fleets.”

Air New Zealand’s widebody fleet currently consists of 13 Boeing 787-9s, eight Boeing 777-200s and seven Boeing 777-300 aircraft. A 14th Boeing 787-9 will enter the fleet later this year.

This constitutes a major transaction as defined by NZX Listing Rule 5.1, and the letters of intent are contingent upon approval from a simple majority of 51 percent of shareholders. The transaction will be voted on at the airline’s Annual Shareholder Meeting in September. As a 52 percent shareholder, the Crown has indicated to Air New Zealand’s Board of Directors that the Government will vote in favour of the transaction at that time.

## Media Releases

(during the period 24 May 2019 to 26 June 2019)

[Southland on show ahead of first ever direct  
Invercargill-Auckland jet service](#)

20 June 2019

Air New Zealand has launched a southern inspired campaign ahead of the airline’s first ever direct scheduled jet service between Auckland and Invercargill which gets underway at the end of August.

The month-long campaign ‘Find yourself speechless in Southland’ has been developed in partnership with key Southland stakeholders and will focus on travellers to and from Invercargill and the wider Southland region.

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It will showcase all that's on offer in Southland – from food and local experiences to adventures in Milford Sound and Stewart Island along with stunning imagery of the city and beyond. Locally the campaign in Southland will promote Auckland as being only a cookie, coffee and magazine read away.

Air New Zealand General Manager Market Development and Retail Sales Annabelle Fowler says the campaign is all about encouraging people to get behind the direct jet service. “There are some fantastic experiences in Southland, and we're excited to share these through this new campaign ahead of our new direct service to Invercargill which gets underway in just two months' time.

“Equally the Southland community has told us a direct service to Auckland is important to them and we look forward to locals supporting the direct A320 jet service.”

With a flight time of approximately two hours, the new Invercargill-Auckland service will be the longest domestic Air New Zealand flight.

## [Air New Zealand run Star Alliance lounge in LA named world's best alliance lounge](#)

19 June 2019

The Air New Zealand designed and managed Star Alliance Lounge in Los Angeles has won the Best Airline Alliance Lounge Award at the Skytrax World Airline Awards.

This is the fifth year in a row the lounge, situated in Los Angeles' Tom Bradley International Terminal, has won the accolade.

Announced at the 2019 International Paris Air Show, 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. The survey covers 335 airlines globally and measures passenger satisfaction across more than 40 key performance indicators of airline product and service.

Air New Zealand General Manager Customer Experience Nikki Goodman says winning the award for the fifth year in a row demonstrates the commitment of both Air New Zealand and Star Alliance to providing the very best product and service for their customers.

“This award shows we've refined a winning combination of fantastic design, amazing employees and a sense of always looking for what we can improve on. The LA lounge team loves bringing a bit of Kiwi flavour to the US and they take pride in creating meaningful connections and superb service for our customers.”

At the same awards ceremony, Star Alliance was also awarded the Best Airline Alliance Award 2019 for an equally unprecedented fourth consecutive year.

## [Air New Zealand has teamed up with ST Engineering to trial the use of drones to inspect aircraft](#)

17 June 2019

ST Engineering's Aerospace arm is the world's largest airframe MRO (maintenance, repair and overhaul) service provider with an extensive global network of facilities in the Americas, Asia Pacific and Europe. The drone inspection trials Air New Zealand is collaborating on with ST Engineering

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take place at its facility next to Changi Airport in Singapore where Air New Zealand aircraft undergo heavy maintenance checks.

ST Engineering has developed an unmanned drone system, known as DroScan, which sees a drone take a planned route around the outside of an aircraft to inspect its surface and produce high definition images. These images are processed using a software with smart algorithms to detect and classify defects, which aircraft engineers can review and confirm, or carry out further inspection for defects if required.

Air New Zealand Chief Ground Operations Officer Carrie Hurihanganui says the airline is committed to exploring new and innovative ways of operating – including in the aircraft engineering space.

“Using a drone to inspect our aircraft will save time, taking around one to two hours, compared to up to six – depending on aircraft type – which means repairs can start sooner if needed, and our aircraft will be able to get back in the air more quickly.

“We’ve trialed using DroScan on a number of our aircraft undergoing maintenance inspections in Singapore now and believe using a drone will also help improve inspection quality. In future, there may be an opportunity to use the device in New Zealand, for example to conduct ad hoc inspections after lightning strikes.”

Further to the DroScan, Air New Zealand and ST Engineering are collaborating to manufacture a growing number of 3D printed replacement interior parts, and in data analytics to optimise maintenance activities.

## [Air New Zealand still New Zealand’s Most Attractive Employer](#)

11 June 2019

Air New Zealand has been named New Zealand’s Most Attractive Employer in the annual Randstad Employer Brand Research for the third consecutive year, a record six times in total.

The research reveals public perception of the country’s 150 largest employers. Air New Zealand was recognised by more than 4,000 Kiwis for its financial health, use of the latest technology and strong reputation. Kiwis also perceived the airline as having attractive salary and benefits and a pleasant work atmosphere.

Air New Zealand has been awarded the top prize every year it has been eligible since the awards began in New Zealand in 2011. The airline 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).

Air New Zealand’s Chief Executive Officer Christopher Luxon says the airline is thrilled to be recognised again in 2019.

“It’s an incredible honour to be named New Zealand’s Most Attractive Employer for the sixth time. It’s an indicator that we continue to create a work environment where our employees can thrive, and this is clearly being recognised outside of Air New Zealand as well.

“While our operation could technically be replicated anywhere in the world, it is our people that set us apart and we continue to work hard to boost the diversity and inclusion culture within our business.”



Air New Zealand wins international diversity and inclusion award

3 June 2019

Air New Zealand has been awarded the inaugural Diversity & Inclusion Team Award at the 2019 International Air Transport Association (IATA) Annual General Meeting held in Seoul, Korea.

The award internationally recognises Air New Zealand as leading the way for diversity and inclusion in the aviation industry, by implementing positive and tangible change in the diversity and inclusion space as part of its diversity agenda.

Air New Zealand Chief People Officer Jodie King says the Air New Zealand Board and Executive are very clear on their commitment in this space and wholeheartedly support enabling an inclusive workplace culture.

“Celebrating diversity in the workforce leverages our people’s unique backgrounds, qualities and contributions and allows us to bring our authentic and best selves to work every day.

“Companies in the top quartile of ethnic and gender diversity are 33 percent and 38 percent respectively more likely to have a higher than average market share and we encourage diversity of thought in our decision-making processes to authentically reflect our customer base.”

Air New Zealand launched its first diversity and inclusion strategy in 2013 to foster an organisation that is proudly representative of Aotearoa – a place where Air New Zealanders can be themselves and thrive.

Since then, the airline has elevated its gender diversity by increasing the number of females in its 80 strong senior leadership team from 16 percent in 2013 to 43 percent in 2019. Women’s groups within the airline, such as Women Pilots Inspiring the Next Generation (WINGS), have worked alongside the community to encourage more women to consider aviation as a career path. With the global average of female pilots sitting at 5 percent, Air New Zealand continues to focus on growing its percentage of female pilots across its regional and jet fleet which currently sits at 7.4 percent.

The airline has also put a focus on cultural competency within all areas of the business and is working towards increasing the number of Māori and Pasifika employees in leadership roles, setting a target of 20 percent by 2022. Its senior leaders will work to build their fluency in Māori culture and customs, including attending immersive overnight marae workshops.

Air New Zealand is proud to have been awarded the Gender Tick Accreditation and the Rainbow Tick Accreditation earlier this year and is currently working towards the Accessibility Tick accreditation.

The airline hosts seven employee networks, which are agitators for positive change. To date, 500 Air New Zealand employees have taken part in unconscious knowledge workshops, with more planned to encourage inclusive leadership and address potential workplace bias.