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November 2017 highlights

Group traffic summary	NOVEMBER			FINANCIAL YTD		
	2017	2016	%*	2018	2017	%*+
Passengers carried (000)	1,322	1,232	7.3%	6,837	6,490	6.0%
Revenue Passenger Kilometres(m)	2,677	2,570	4.2%	14,594	14,210	3.4%
Available Seat Kilometres (m)	3,233	3,086	4.8%	17,738	17,119	4.3%
Passenger Load Factor (%)	82.8%	83.3%	(0.5 pts)	82.3%	83.0%	(0.7 pts)

Year-to-date RASK ¹	% change in reported RASK (incl. FX)	% change in underlying RASK (excl. FX)
Group	1.8%	2.6%
Short Haul	5.3%	5.4%
Long Haul	(3.8%)	(2.0%)

¹ Reported RASK (unit passenger revenue per available seat kilometre) is inclusive of foreign currency impact, and underlying RASK excludes foreign currency impact.

+ The year to date 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 July 17 (30 days) compared with July 16 (31 days).

* % change is based on numbers prior to rounding.



Operating statistics table

Group	NOVEMBER			FINANCIAL YTD		
	2017	2016	% *	2018	2017	% *+
Passengers carried (000)	1,322	1,232	7.3%	6,837	6,490	6.0%
Revenue Passenger Kilometres(m)	2,677	2,570	4.2%	14,594	14,210	3.4%
Available Seat Kilometres (m)	3,233	3,086	4.8%	17,738	17,119	4.3%
Passenger Load Factor (%)	82.8%	83.3%	(0.5 pts)	82.3%	83.0%	(0.7 pts)
Short Haul Total	NOVEMBER			FINANCIAL YTD		
	2017	2016	% *	2018	2017	% *+
Passengers carried (000)	1,171	1,085	7.9%	6,020	5,677	6.7%
Revenue Passenger Kilometres(m)	1,211	1,130	7.2%	6,622	6,252	6.6%
Available Seat Kilometres (m)	1,447	1,371	5.5%	8,068	7,701	5.5%
Passenger Load Factor (%)	83.8%	82.5%	1.3 pts	82.1%	81.2%	0.9 pts
Domestic	NOVEMBER			FINANCIAL YTD		
	2017	2016	% *	2018	2017	% *+
Passengers carried (000)	892	822	8.5%	4,461	4,182	7.4%
Revenue Passenger Kilometres(m)	454	419	8.4%	2,271	2,115	8.1%
Available Seat Kilometres (m)	549	520	5.5%	2,798	2,672	5.4%
Passenger Load Factor (%)	82.8%	80.6%	2.2 pts	81.2%	79.2%	2.0 pts
Tasman / Pacific	NOVEMBER			FINANCIAL YTD		
	2017	2016	% *	2018	2017	% *+
Passengers carried (000)	279	263	5.9%	1,559	1,495	5.0%
Revenue Passenger Kilometres(m)	757	711	6.5%	4,351	4,137	5.9%
Available Seat Kilometres (m)	898	851	5.5%	5,270	5,029	5.5%
Passenger Load Factor (%)	84.4%	83.6%	0.8 pts	82.6%	82.3%	0.3 pts
Long Haul Total	NOVEMBER			FINANCIAL YTD		
	2017	2016	% *	2018	2017	% *+
Passengers carried (000)	151	147	2.7%	817	813	1.2%
Revenue Passenger Kilometres(m)	1,466	1,440	1.8%	7,972	7,958	0.8%
Available Seat Kilometres (m)	1,786	1,715	4.2%	9,670	9,418	3.4%
Passenger Load Factor (%)	82.1%	84.0%	(1.9 pts)	82.4%	84.5%	(2.1 pts)
Asia / Japan / Singapore	NOVEMBER			FINANCIAL YTD		
	2017	2016	% *	2018	2017	% *+
Passengers carried (000)	66	61	7.0%	333	327	2.5%
Revenue Passenger Kilometres(m)	586	548	6.9%	2,970	2,922	2.3%
Available Seat Kilometres (m)	733	674	8.7%	3,749	3,554	6.2%
Passenger Load Factor (%)	79.9%	81.2%	(1.3 pts)	79.2%	82.2%	(3.0 pts)
Americas / UK	NOVEMBER			FINANCIAL YTD		
	2017	2016	% *	2018	2017	% *+
Passengers carried (000)	85	86	(0.4%)	484	484	0.7%
Revenue Passenger Kilometres(m)	880	892	(1.4%)	5,002	5,036	(0.0%)
Available Seat Kilometres (m)	1,053	1,041	1.2%	5,921	5,864	1.6%
Passenger Load Factor (%)	83.5%	85.8%	(2.3 pts)	84.5%	85.9%	(1.4 pts)

+ The year to date 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 July 2017 (30 days) compared with July 2016 (31 days).

* % 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 18 November to 12 December 2017)

Air New Zealand Fleet Maintenance

7 December 2017

Air New Zealand advises that as a result of recent Rolls Royce engine events on its Boeing 787-9 fleet there will be limited international flight cancellations and delays each day over the coming weeks.

Rolls Royce has informed Air New Zealand that some of its engines on the Boeing 787-9 fleet will require maintenance sooner than previously advised and that it does not have any spare engines available while that maintenance work is undertaken. Air New Zealand will be focussed on finding replacement aircraft capacity.

At this stage, we do not anticipate any change to current guidance.

Media releases

(during the period 18 November to 12 December 2017)

Air New Zealand charters two aircraft to maintain international summer schedule

11 December 2017

Air New Zealand has leased two aircraft to help maintain its timetable during the unscheduled maintenance of some Rolls-Royce engines on its 787-9 fleet.

The Airbus 330 and Airbus 340 are being chartered from European company Hi Fly. They are expected to begin operating some Auckland-Sydney and all Auckland-Perth services the week of 18 December.

Air New Zealand General Manager Customer Experience Anita Hawthorne says the airline is working hard to minimise the impact on customers caused by the unscheduled Rolls-Royce engine maintenance.

“Unfortunately, around 4,500 customers have been affected by international flight delays and a small number of cancellations over the past week. Once these two additional aircraft are in service we will be able to operate a near normal timetable,” Ms Hawthorne says.

“We are acutely mindful of how important travel is to so many of our customers at this time of year and we are committed to ensuring we connect people with family, friends and the experiences they are looking forward to. Equally, it is a critical time of year for our cargo customers, so giving them certainty to be able to continue to move goods internationally is important.”

Ms Hawthorne says customers travelling on the leased aircraft will notice some difference in product and service style.

“The aircraft will be operated by pilots and crew from Hi Fly under the oversight of Air New Zealand. This was a much quicker path to get the aircraft into our network than going through a lengthy certification and training programme for our own people, who are not trained to operate the Airbus widebody aircraft.

“Air New Zealand’s union partners have been extremely understanding of this situation and share our commitment to take the necessary steps to maintain the flight schedule over this important Christmas and summer period. We thank them for their support.”



[Air New Zealand and Singapore Airlines to boost Auckland-Singapore services to three daily flights](#)

7 December 2017

Air New Zealand and Singapore Airlines announced they will jointly launch a third daily flight between Auckland and Singapore from 28 October 2018.

This will boost capacity on the route by up to 40 percent and add more than 165,000 seats annually between the two cities.

The additional service, along with a revision of current schedules, will shorten connection times and improve connectivity through the Singapore hub.

The new service will operate daily during the peak Northern Winter season (28 October 2018 - 30 March 2019), and five times per week during the Northern Summer season (31 March 2019 - 26 October 2019). During peak months the airlines will jointly operate a total of 35 return services a week between Singapore and New Zealand, including Christchurch and Wellington flights.

Under their joint venture alliance that took effect in January 2015 the airlines will continue to operate one daily return service each on the Auckland-Singapore route, with a third service operated by Singapore Airlines during the Northern Winter season and Air New Zealand during the Northern Summer season.

Air New Zealand will operate its new configuration 787-9 aircraft, offering more Premium Economy and Business Premier seats than its current 787-9 fleet. Singapore Airlines will operate a mix of Airbus A380s and Boeing 777-300ERs, depending on the season.

Air New Zealand Chief Strategy, Networks and Alliances Officer, Nick Judd, expects the new service and revised schedules to be especially appealing to travellers to and from Europe, India and Southeast Asia.

The new joint service and revised flight schedules are subject to regulatory approvals.

[Air New Zealand makes schedule changes due to maintenance requirements](#)

7 December 2017

Air New Zealand advises that it will be re-timing some international flights and making a limited number of cancellations over coming weeks as a result of two recent events involving the Rolls-Royce engines on its Boeing 787-9 aircraft.

Rolls-Royce has advised that some of the Trent 1000 engines in the airline's Boeing 787-9 fleet require maintenance sooner than previously indicated.

Rolls-Royce does not have any replacement engines available while this maintenance work is undertaken which means some schedule changes are unavoidable.

In addition to these changes, Air New Zealand is focused on securing replacement aircraft capacity.

Customers affected by these changes will be proactively contacted with new travel information. In addition to this, the latest available information on any schedule changes will be published to the Travel Alerts section of the Air New Zealand website. Customers are encouraged to check this first before calling the airline's contact centre.



[Air New Zealand opens brand new lounge in Perth](#)

4 December 2017

On 4 December, Air New Zealand opened its first-ever lounge at Perth Airport. The new lounge caters for more than 110 customers and carries the airline's signature sleek modern design created in conjunction with award-winning global architectural firm Gensler and Australian based design firm Marsden Collective. The design follows that already seen in Air New Zealand lounges in Sydney, Melbourne and Brisbane airports, as well as in lounges throughout New Zealand.

Air New Zealand General Manager Customer Experience Anita Hawthorne says the airline is excited to open a brand-new space for customers flying out of Perth.

"We are committed to improving the customer experience and continue to invest heavily in the Australian market. This includes the operation of the Boeing 787-9 Dreamliner on many routes and promoting services through our 'Better Way to Fly' campaign starring Dave the Goose which encourages Australians to travel to North and South America on Air New Zealand," Ms Hawthorne says.

[Air New Zealand's Dreamliner goes year-round to Adelaide](#)

29 November 2017

Air New Zealand has announced plans to deploy the Boeing 787-9 Dreamliner aircraft on the Auckland - Adelaide route year-round. The move will increase capacity on the route by more than 30 percent over the Northern Summer season.

The aircraft was initially scheduled to operate the route three times per week over the peak period from 26 October 2017 until 25 March 2018, complemented by A320 services. The aircraft will now operate on a year-round basis and will continue to be supplemented by A320 flying in peak travel periods.

[Air New Zealand and Government scope new afforestation fund](#)

21 November 2017

Air New Zealand has announced it will work with the Ministry for the Environment and the Ministry for Primary Industries (MPI) to explore the establishment of a private afforestation scheme, providing funding to landowners to plant trees in return for the carbon benefits this will create.

Building on the success of MPI's existing Afforestation Grant Scheme, Air New Zealand is working with Government to scope a complementary private afforestation fund, with the airline to engage landowners to plant up to 15,000 hectares of new native and exotic trees.

If the fund goes ahead, Air New Zealand intends to offset some of the emissions from its domestic operations with credits generated by the new forestry. It hopes planting will commence in winter 2018.

Air New Zealand Chief Executive Officer Christopher Luxon says the initiative demonstrates how business and government can work together to move New Zealand towards a low emissions future.

"As an airline, managing our carbon footprint is a key challenge and while we are working hard to improve efficiencies, offsetting is an important tool in our carbon reduction efforts.

"Air New Zealand has been a strong advocate for more quality offsetting options within New Zealand and we are pleased to work with Government to encourage thousands more hectares of trees into the emissions trading scheme, which will create broader social, environmental and economic benefits," says Mr Luxon.

MPI Director-General Martyn Dunne says the Ministry is well-placed to be involved with this initiative.

Monthly **investor update**



"MPI has significant expertise and experience in forestry and forestry-related investment. We're proud to be working with Air New Zealand and the Ministry for the Environment to scope this important initiative, which could have far-reaching environmental and economic benefits," says Mr Dunne.

Secretary for the Environment Vicky Robertson says: "I'd like to congratulate Air New Zealand. Partnerships like this between Government and industry provide the opportunity to make a positive difference to New Zealanders and the environment."

Aussies turn to Air New Zealand for satisfaction

21 November 2017

When it comes to international air travel, Roy Morgan Research statistics show that Air New Zealand is Australia's most satisfying international airline.

Air New Zealand's "exceptional" customer satisfaction rating of 88.8% saw the airline finish first in Roy Morgan's International Airline Customer Satisfaction Top 5, edging out a host of international and Australian airlines.

Air New Zealand Regional General Manager Australia Kathryn Robertson says the airline is fast becoming a fan favourite in Australia.

"Earlier this year Air New Zealand was also named most reputable company in Australia in the annual Australian Corporate Reputation Index and we're chuffed with this most recent accolade.

"We've made significant investments in the customer space - including our modern fleet of Boeing 777 and 787-9 Dreamliner aircraft, our new lounges in a number of Australian and New Zealand ports, and technology to further streamline the airport experience.

"This outstanding customer feedback is testament to this, and to the hard work of nearly 12,000 Air New Zealanders who are focussed on delivering the best possible customer experience."

The airline was also recently named 2018 Airline of the Year by AirlineRatings.com and Top Airline in the World by prestigious US magazine Condé Nast Traveler.