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## **June market conditions**

Air New Zealand carried 1,215,000 passengers during the month of June, an increase of 4.8% compared to the same period last year. Revenue passenger kilometres (RPKs) were 6.5% higher on a capacity (ASKs) increase of 7.7%. Group load factors were down 0.9 percentage points overall to 80.8%.

Short Haul passenger numbers increased 4.5%. In the Domestic market demand (RPKs) and capacity (ASKs) increased by 7.2% and 9.8%, respectively. Domestic load factor was 77.7%, down 1.9 percentage points.

Tasman/Pacific demand (RPKs) increased 3.7% while capacity (ASKs) increased by 4.2%. Load factor on Tasman/Pacific decreased 0.4 percentage points to 82.6%.

Long Haul passenger numbers increased 6.5% when compared to June last year, with demand (RPKs) up 7.7% and capacity (ASKs) up 8.8%. Load factor on Long Haul routes was 80.7%, down 0.9 percentage points.

On Americas/UK routes, demand (RPKs) increased 9.4% with capacity (ASKs) increasing 8.9% due to the Auckland-Houston and Auckland-Buenos Aires routes, which was partially offset by reduced frequency on the Auckland-Los Angeles route. Load factor increased 0.4 percentage points to 85.9%.

On Asia/Japan/Singapore routes, demand (RPKs) increased 4.6%, with capacity (ASKs) increasing by 8.7%, due to the commencement of the seasonal Auckland-Ho Chi Minh City route. Load factor decreased 2.9 percentage points to 72.5%.

Group-wide yields for the financial year to date were down 1.9% on the same period last year. Short Haul yields were down 2.3% while Long Haul yields were up 1.4%. Removing the impact of foreign exchange, Group-wide yields were down 5.7%.



## **Company news**

### [Air New Zealand scoops International Airline of the Year at Roy Morgan Customer Satisfaction Awards](#)

Air New Zealand has been named both International Airline of the Year and Domestic Airline of the Year at the fifth annual Roy Morgan Customer Satisfaction Awards.

The awards recognise businesses that lead their respective industries in customer satisfaction and are determined by the feedback of more than 13,000 New Zealand consumers through the Roy Morgan Single Source survey carried out throughout the year.

Air New Zealand General Manager Customer Experience Carrie Hurihanganui says the awards reaffirm the relentless focus the airline places on customer experience.

“We operate in one of the world’s most competitive industries and delivering a seamless experience to our customers, irrespective of where on our network they are travelling, is something we pride ourselves on.

“We have been very focused on enhancing our customers’ journeys, including making substantial investments in new aircraft, new and refreshed lounges, and innovative technology.”

### [Air New Zealand wins again at Skytrax World Airline Awards](#)

Air New Zealand has taken out World’s Best Premium Economy Class and World’s Best Premium Economy Class Airline Seat at the prestigious Skytrax World Airline Awards.

Air New Zealand General Manager Customer Experience Carrie Hurihanganui says the awards recognise the hard work the airline puts into delivering a world-class experience to its customers travelling in Premium Economy.

“We’ve invested a lot in our Premium Economy experience – from New Zealand inspired cuisine to a new inflight entertainment system offering gate-to-gate entertainment and great inflight product and we know it’s popular with our customers.”

The Air New Zealand designed and managed Star Alliance Los Angeles Lounge was also named Best Alliance Lounge at the awards for the second consecutive year.

# Monthly **investor update**



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 18 million passengers. The survey covers close to 250 airlines globally and measures passenger satisfaction across more than 40 key performance indicators of airline product and service including on board seat comfort, food and staff service.

## [Air New Zealand shareholding in Virgin Australia reduced to 2.5%](#)

Following the announcement from Virgin Australia on 23 June 2016 regarding the completion of their A\$159 million placement to HNA Innovation, Air New Zealand on 24 June announced the sale of additional shares to Nanshan Group, restoring their shareholding in Virgin Australia to 19.98%.

As a result of the sale to Nanshan Group and Virgin Australia's placement to HNA Innovation, Air New Zealand's holding in Virgin Australia is approximately 2.5%.

# Monthly investor update



Group	JUNE			FINANCIAL YTD		
	2016	2015	% * +	2016	2015	% *
Passengers carried (000)	1,215	1,341	4.8%	15,161	14,297	6.0%
Revenue Passenger Kilometres(m)	2,688	2,919	6.5%	33,223	29,934	11.0%
Available Seat Kilometres (m)	3,328	3,573	7.7%	39,684	35,601	11.5%
Passenger Load Factor (%)	80.8%	81.7%	(0.9 pts)	83.7%	84.1%	(0.4 pts)
<b>Short Haul Total</b>	<b>2016</b>	<b>2015</b>	<b>% * +</b>	<b>2016</b>	<b>2015</b>	<b>% *</b>
Passengers carried (000)	1,057	1,170	4.5%	13,232	12,634	4.7%
Revenue Passenger Kilometres(m)	1,137	1,254	4.9%	14,419	13,745	4.9%
Available Seat Kilometres (m)	1,406	1,532	6.1%	17,503	16,480	6.2%
Passenger Load Factor (%)	80.9%	81.9%	(1.0 pts)	82.4%	83.4%	(1.0 pts)
<b>Domestic</b>	<b>2016</b>	<b>2015</b>	<b>% * +</b>	<b>2016</b>	<b>2015</b>	<b>% *</b>
Passengers carried (000)	789	866	5.4%	9,725	9,246	5.2%
Revenue Passenger Kilometres(m)	388	418	7.2%	4,887	4,561	7.2%
Available Seat Kilometres (m)	499	526	9.8%	6,065	5,592	8.5%
Passenger Load Factor (%)	77.7%	79.6%	(1.9 pts)	80.6%	81.6%	(1.0 pts)
<b>Tasman / Pacific</b>	<b>2016</b>	<b>2015</b>	<b>% * +</b>	<b>2016</b>	<b>2015</b>	<b>% *</b>
Passengers carried (000)	268	304	2.1%	3,507	3,388	3.5%
Revenue Passenger Kilometres(m)	749	835	3.7%	9,532	9,184	3.8%
Available Seat Kilometres (m)	907	1,006	4.2%	11,438	10,888	5.1%
Passenger Load Factor (%)	82.6%	83.0%	(0.4 pts)	83.3%	84.4%	(1.1 pts)
<b>Long Haul Total</b>	<b>2016</b>	<b>2015</b>	<b>% * +</b>	<b>2016</b>	<b>2015</b>	<b>% *</b>
Passengers carried (000)	158	172	6.5%	1,929	1,663	16.0%
Revenue Passenger Kilometres(m)	1,551	1,665	7.7%	18,804	16,189	16.2%
Available Seat Kilometres (m)	1,922	2,042	8.8%	22,181	19,121	16.0%
Passenger Load Factor (%)	80.7%	81.6%	(0.9 pts)	84.8%	84.7%	0.1 pts
<b>Asia / Japan / Singapore</b>	<b>2016</b>	<b>2015</b>	<b>% * +</b>	<b>2016</b>	<b>2015</b>	<b>% *</b>
Passengers carried (000)	61	67	4.8%	791	642	23.3%
Revenue Passenger Kilometres(m)	542	599	4.6%	7,070	5,784	22.2%
Available Seat Kilometres (m)	747	795	8.7%	8,349	7,022	18.9%
Passenger Load Factor (%)	72.5%	75.4%	(2.9 pts)	84.7%	82.4%	2.3 pts
<b>Americas / UK</b>	<b>2016</b>	<b>2015</b>	<b>% * +</b>	<b>2016</b>	<b>2015</b>	<b>% *</b>
Passengers carried (000)	97	105	7.6%	1,138	1,021	11.4%
Revenue Passenger Kilometres(m)	1,009	1,066	9.4%	11,734	10,405	12.8%
Available Seat Kilometres (m)	1,175	1,247	8.9%	13,832	12,099	14.3%
Passenger Load Factor (%)	85.9%	85.5%	0.4 pts	84.8%	86.0%	(1.2 pts)

+ The year on year percentage movements have been adjusted for the 13.5% difference in days for the month of June 16 (32 days) compared with June 2015 (37 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.