



ANNUAL SHAREHOLDERS' MEETING

2019

NZX: **AIR** | ASX: **AIZ** | US OTC: **ANZFY**

25 SEPTEMBER 2019

Chairman

**Tony
Carter**



Board of Directors



Antony (Tony) Carter, Chairman

Janice (Jan) Dawson, Deputy Chairman

Robert (Rob) Jager



Linda Jenkinson

Rt Hon Sir John Key

Jonathan Mason

Dame Therese Walsh

Meeting agenda

- Chairman's address
- CEO's address
- Questions on 2019 performance and 2020 outlook
- Resolutions
- General discussion and questions



2019 financial highlights

\$5.8b

Operating revenue

\$374m

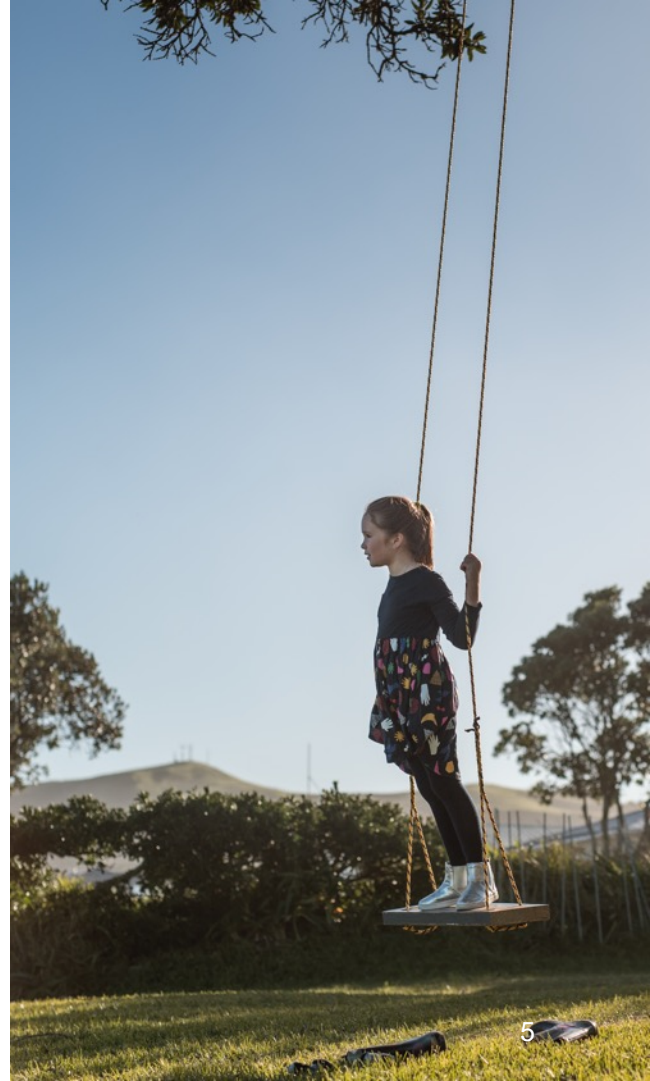
Earnings before taxation

\$986m

Operating cash flow

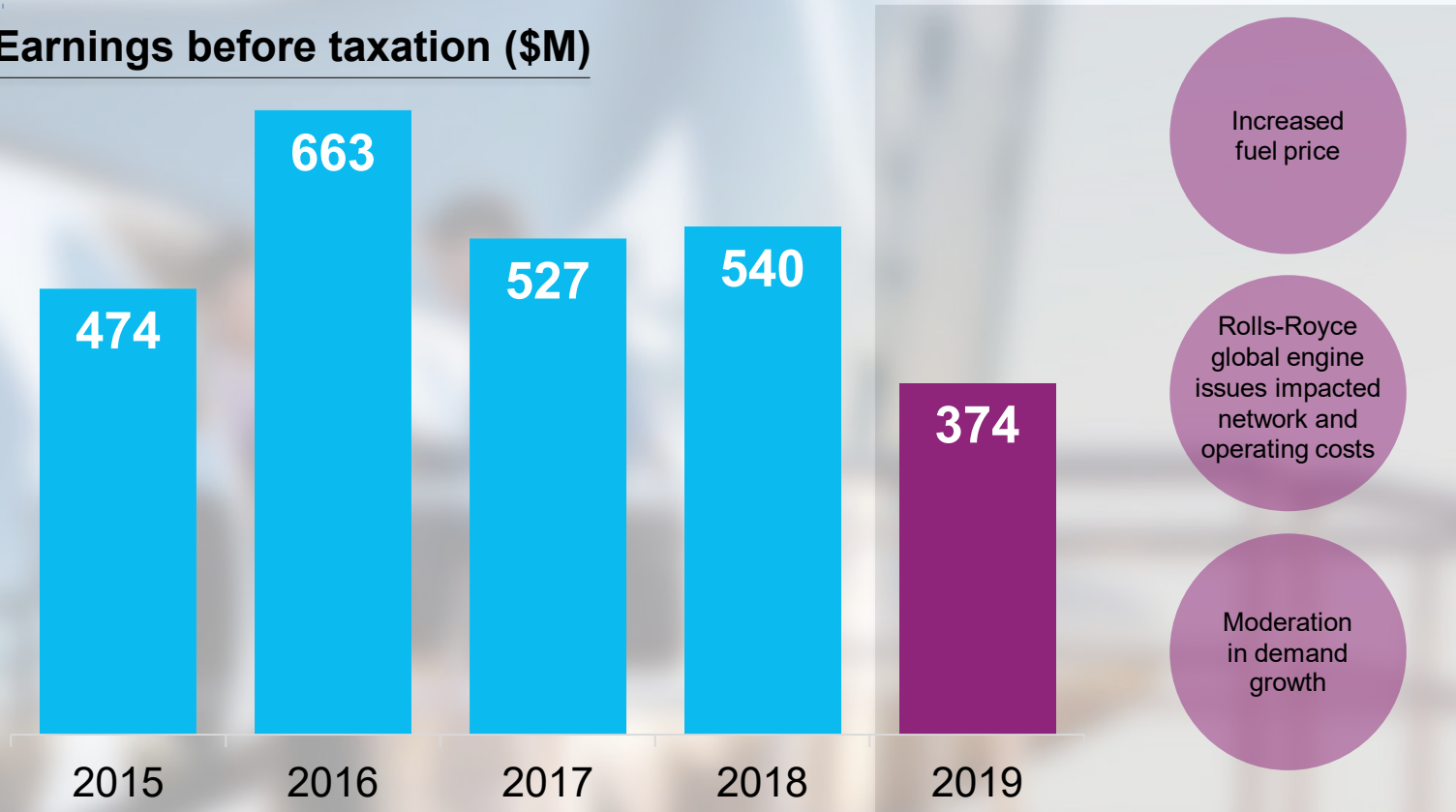
22cps

Ordinary dividend



Several challenges in 2019 impacted our financial and operational performance

Earnings before taxation (\$M)



Balance sheet
remains resilient

\$1.1b

Cash on hand

54.6%

Gearing

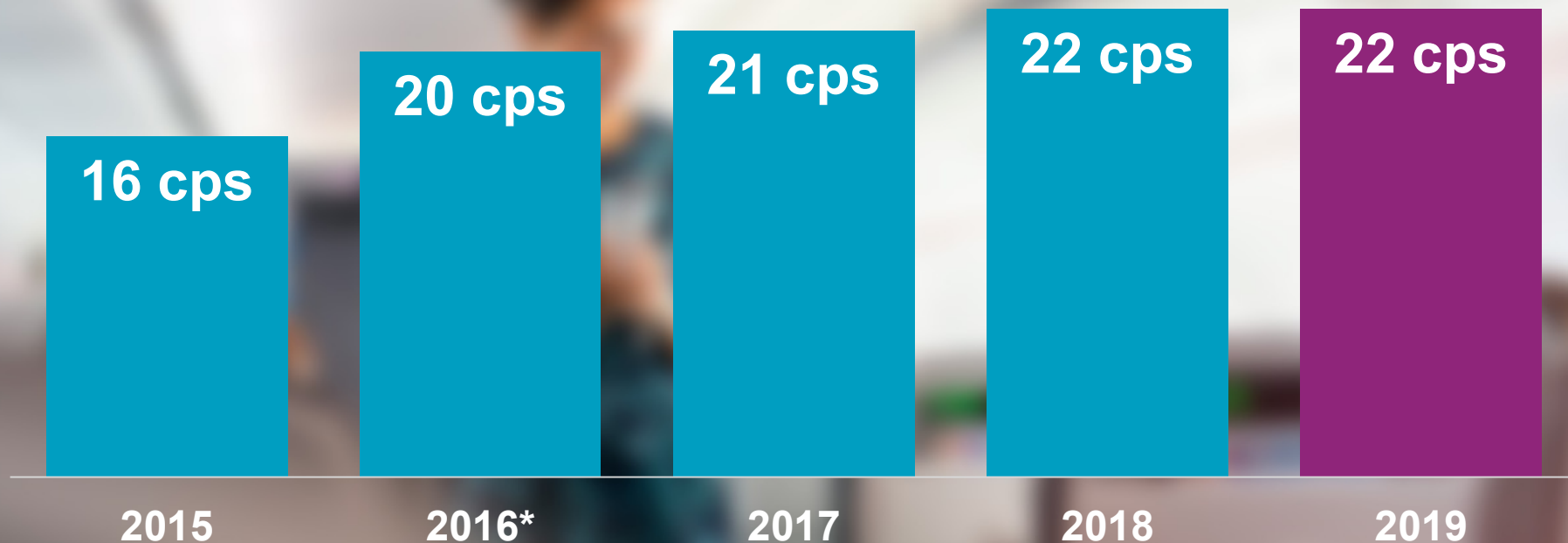
Baa2

Investment grade



Continue to deliver strong dividends for our shareholders

Ordinary dividends declared



*Does not include special dividends, which were declared in the 2016 financial year of 25 cents per share.

2020 Outlook

Based upon current market demand and assuming an average jet fuel price of US\$75 per barrel, the airline is targeting earnings before taxation to be in the range of \$350 million to \$450 million. This outlook excludes the impact of the new accounting standard for leases (IFRS 16).



Chief Executive
Officer

**Christopher
Luxon**



Successfully balancing our customers, our culture and our commercial performance



Who we are

Operational

79

years in operation

32

international destinations¹

20

domestic destinations

Pacific Rim

Focused network driven by
alliance relationships

~12,500

Air New Zealand employees
based globally

Community

#1

corporate reputation
in New Zealand for
5 consecutive years

#1

corporate reputation
in Australia for
3 consecutive years

#1

New Zealand's most
attractive employer for
the third consecutive year

Winner

2019 Eco-Airline of the year

Financial

Baa2

investment grade credit rating
from Moody's

15%

Annualised shareholder return
over the past 10 years

16

Years of consecutive profitability

14


years of consecutive dividend
distributions

8%

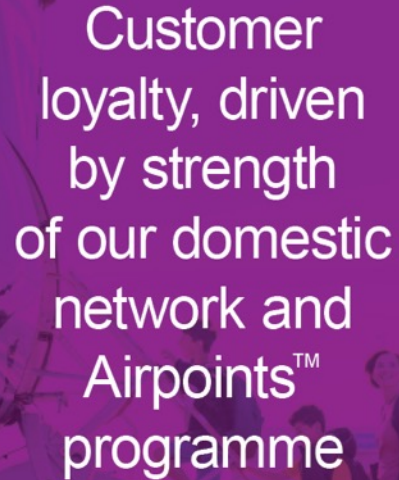
Average dividend yield over
the past 10 years

¹ Includes Seoul route which commences late November 2019.

We have built the right business model and competitive advantages to sustain long-term commercial success...



Our brand
and Kiwi
service culture



Customer
loyalty, driven
by strength
of our domestic
network and
Airpoints™
programme



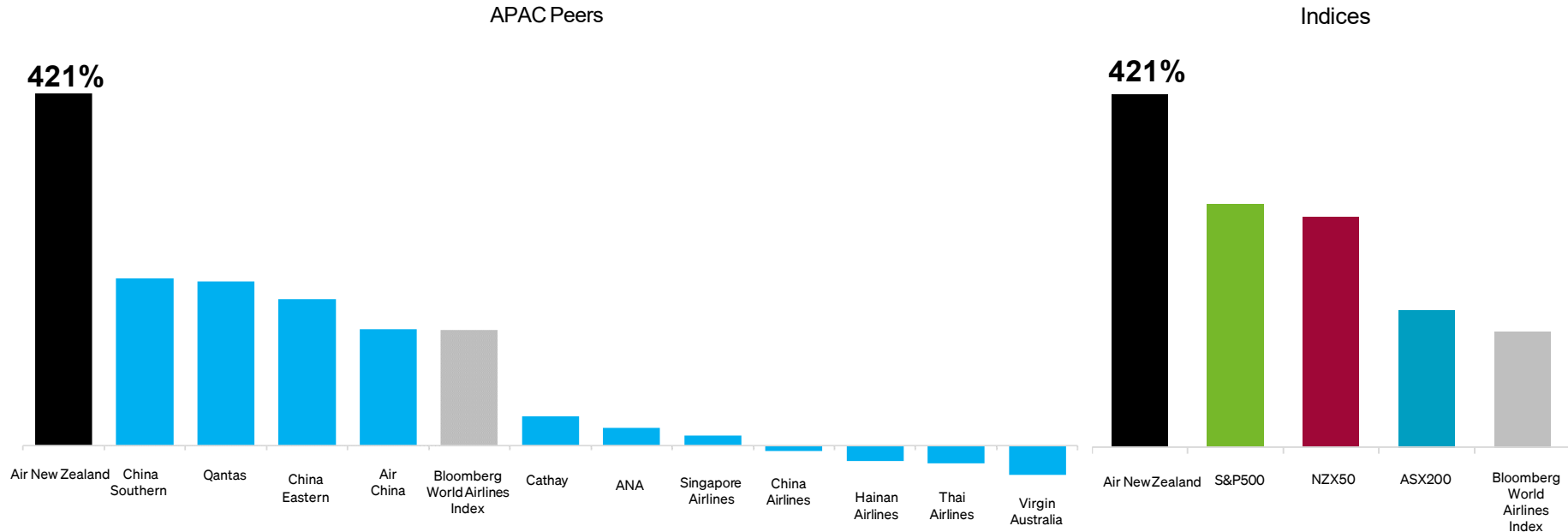
Our alliance-
driven Pacific
Rim network



Our simplified
and fuel efficient
fleet, with the
ideal cost
structure for the
New Zealand
market

...as demonstrated by our shareholder return performance over the past 10 years

10 year total shareholder return (TSR)



Source: Bloomberg, period ended as at 30 June 2019.

We are adjusting our business for the slower growth environment

Network

- Revised medium term growth to 3% to 5% (from 5% to 7%)
- Focused on optimising network to maximise and diversify revenue
- Stimulate new demand
- A moderate rate of growth expected on existing routes

Fleet

- Adjust aircraft deliveries to reflect slower growth environment
- Fleet deferrals of ~\$750 million
- Smoother capex profile in 2020-2022 period

Cost

- Launch of a two-year cost reduction programme
- Expecting to achieve an additional ~\$60 million in annualised savings over this period
- Focused on both operational and overhead costs

Customer

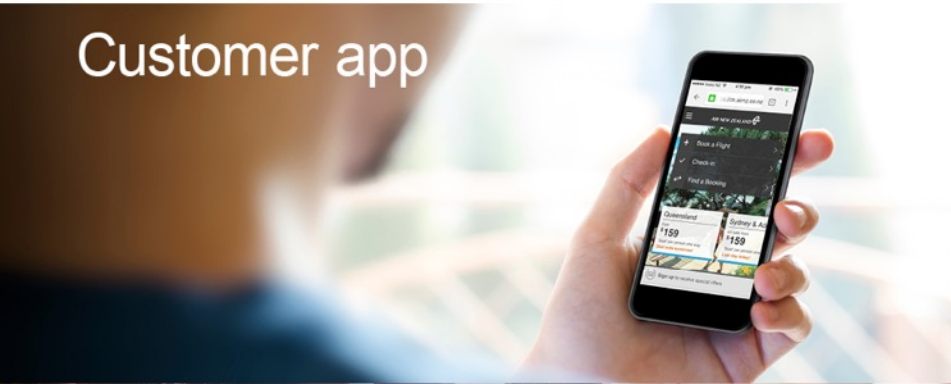
- Progressive roll-out of enhanced seats across multiple cabins
- New in-flight soft products including free Wi-Fi onboard enabled international flights
- Upgraded lounge facilities across the network

Network growth in 2020 will include new routes to support leisure and business demand



We will continue to invest in the customer experience

Customer app



Lounges



Wi-Fi



Aircraft interiors



Our GoBeyond mission continues to guide our priorities for sustainable success

GOBEYOND



OUR PURPOSE

Supercharge New Zealand's success socially, economically and environmentally



OUR PROMISE

Connect New Zealanders with each other and New Zealand with the world, through a liberating travel experience




OUR OBJECTIVE

Create a world class organisation by delivering cultural, customer and commercial excellence



Thank you





Questions on 2019 performance and 2020 outlook

An aerial photograph of a coastal landscape. In the foreground, a steep, forested hillside slopes down towards a narrow, pebbly beach. The beach curves along the edge of a large, calm body of water, likely a bay or fjord. Beyond the beach, there are green fields and some small buildings. In the background, rolling hills and mountains are visible under a soft, hazy sky. The water is a deep blue-green color.

Resolutions

Resolutions for voting

1. Re-election of Jan Dawson as Director
2. Re-election of Jonathan Mason as Director
3. Re-election of Dame Therese Walsh as Director
4. To approve the widebody aircraft transaction
5. To adopt a new constitution



Proxies and postal votes received

(as at 24 September 2019)

	Proxy votes				Postal votes		
	For	Against	Abstain	Discretion	For	Against	Abstain
<u>Resolution 1:</u> <i>Re-election of</i> Jan Dawson	332,071,709	1,414,658	621,583	585,338,381	3,327,822	56,066	54,209
<u>Resolution 2:</u> <i>Re-election of</i> Jonathan Mason	332,070,878	1,414,356	621,850	585,339,247	3,334,012	43,766	60,319
<u>Resolution 3:</u> <i>Re-election of</i> Dame Therese Walsh	330,240,127	3,425,927	621,583	585,158,694	3,340,174	44,152	53,771
<u>Resolution 4:</u> <i>To approve</i> Widebody aircraft transaction	282,377,270	51,331,648	623,633	585,113,780	3,326,313	33,453	78,331
<u>Resolution 5:</u> <i>To adopt</i> A new constitution	333,399,586	2,000	623,155	585,421,590	3,294,091	17,431	126,575

Resolution No. 1

Re-election of

**Jan
Dawson**



Resolution No. 2

Re-election of

**Jonathan
Mason**



Resolution No. 3

Re-election of

**Dame Therese
Walsh**



Resolution No. 4

To approve the

**Widebody aircraft
transaction**

Resolution No. 5

To adopt

**A new
constitution**

General discussion and questions



Thank you



AIR NEW ZEALAND 

A STAR ALLIANCE MEMBER 