



7 October 2020

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## August 2020 highlights

Note: The August 2020 Passenger Load Factor in the table below includes a 19-day period across which social distancing requirements had to be maintained on board Domestic flights as a result of COVID-19. This includes more than two-weeks of level 3 lockdown in Auckland, over which time travel in and out of Auckland was heavily restricted. Excluding the impact of social distancing, Domestic Passenger Load Factor was 77.5% (vs 61.6%), Short Haul was 60.1% (vs 51.1%) and Group was 39.5% (vs 36.5%).

Group traffic summary	AUGUST			FINANCIAL YTD		
	2020	2019	% *	2021	2020	% *+
Passengers carried (000)	350	1,321	(73.6%)	1,063	2,725	(64.2%)
Revenue Passenger Kilometres(m)	262	2,943	(91.1%)	761	6,157	(88.6%)
Available Seat Kilometres (m)	718	3,532	(79.7%)	1,591	7,365	(80.2%)
Passenger Load Factor (%)	36.5%	83.3%	(46.8 pts)	47.8%	83.6%	(35.8 pts)

Year-to-date RASK <sup>1</sup>	% change in reported RASK (incl. FX)		% change in underlying RASK (excl. FX)	
Group		21.5%		21.1%
Short Haul		31.6%		31.4%
Long Haul		(29.5%)		(30.5%)

Please note that the available seat kilometre (capacity) numbers included in the tables within this disclosure do not include any cargo-only flights. This is because these capacity numbers are used to calculate passenger load factors and passenger RASK

\* % 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.

+ 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 2019 (28 days) compared with July 2020 (33 days). This is because Air New Zealand operates on a 4,4,5 accounting calendar but closes the annual accounts on 30 June.

# Monthly investor update



## Operating statistics table

Group	AUGUST			FINANCIAL YTD		
	2020	2019	% *	2021	2020	% *+
Passengers carried (000)	350	1,321	(73.6%)	1,063	2,725	(64.2%)
Revenue Passenger Kilometres(m)	262	2,943	(91.1%)	761	6,157	(88.6%)
Available Seat Kilometres (m)	718	3,532	(79.7%)	1,591	7,365	(80.2%)
Passenger Load Factor (%)	36.5%	83.3%	(46.8 pts)	47.8%	83.6%	(35.8 pts)
<b>Short Haul Total</b>	<b>AUGUST</b>			<b>FINANCIAL YTD</b>		
	<b>2020</b>	<b>2019</b>	<b>% *</b>	<b>2021</b>	<b>2020</b>	<b>% *+</b>
Passengers carried (000)	342	1,156	(70.4%)	1,046	2,381	(59.7%)
Revenue Passenger Kilometres(m)	187	1,329	(86.0%)	593	2,782	(80.4%)
Available Seat Kilometres (m)	365	1,606	(77.2%)	928	3,410	(75.0%)
Passenger Load Factor (%)	51.1%	82.8%	(31.7 pts)	63.9%	81.6%	(17.7 pts)
<b>Domestic</b>	<b>AUGUST</b>			<b>FINANCIAL YTD</b>		
	<b>2020</b>	<b>2019</b>	<b>% *</b>	<b>2021</b>	<b>2020</b>	<b>% *+</b>
Passengers carried (000)	332	835	(60.2%)	1,022	1,710	(45.2%)
Revenue Passenger Kilometres(m)	166	423	(60.9%)	538	876	(43.6%)
Available Seat Kilometres (m)	269	514	(47.7%)	719	1,066	(38.1%)
Passenger Load Factor (%)	61.6%	82.4%	(20.8 pts)	74.8%	82.2%	(7.4 pts)
<b>Tasman / Pacific</b>	<b>AUGUST</b>			<b>FINANCIAL YTD</b>		
	<b>2020</b>	<b>2019</b>	<b>% *</b>	<b>2021</b>	<b>2020</b>	<b>% *+</b>
Passengers carried (000)	9	321	(97.1%)	24	671	(96.7%)
Revenue Passenger Kilometres(m)	21	906	(97.7%)	55	1,906	(97.4%)
Available Seat Kilometres (m)	96	1,092	(91.2%)	210	2,344	(91.8%)
Passenger Load Factor (%)	21.7%	83.0%	(61.3 pts)	26.2%	81.3%	(55.1 pts)
<b>Long Haul Total</b>	<b>AUGUST</b>			<b>FINANCIAL YTD</b>		
	<b>2020</b>	<b>2019</b>	<b>% *</b>	<b>2021</b>	<b>2020</b>	<b>% *+</b>
Passengers carried (000)	8	165	(95.4%)	17	344	(95.4%)
Revenue Passenger Kilometres(m)	75	1,613	(95.3%)	168	3,375	(95.4%)
Available Seat Kilometres (m)	353	1,927	(81.7%)	663	3,955	(84.6%)
Passenger Load Factor (%)	21.4%	83.7%	(62.3 pts)	25.4%	85.3%	(59.9 pts)
<b>Asia / Japan / Singapore +</b>	<b>AUGUST</b>			<b>FINANCIAL YTD</b>		
	<b>2020</b>	<b>2019</b>	<b>% *</b>	<b>2021</b>	<b>2020</b>	<b>% *+</b>
Passengers carried (000)	4	74	(94.7%)	8	148	(94.8%)
Revenue Passenger Kilometres(m)	36	655	(94.5%)	78	1,307	(94.5%)
Available Seat Kilometres (m)	122	791	(84.6%)	271	1,565	(84.1%)
Passenger Load Factor (%)	29.6%	82.8%	(53.2 pts)	28.7%	83.5%	(54.8 pts)
<b>Americas / UK</b>	<b>AUGUST</b>			<b>FINANCIAL YTD</b>		
	<b>2020</b>	<b>2019</b>	<b>% *</b>	<b>2021</b>	<b>2020</b>	<b>% *+</b>
Passengers carried (000)	4	91	(95.9%)	9	196	(96.0%)
Revenue Passenger Kilometres(m)	39	958	(95.9%)	91	2,068	(96.0%)
Available Seat Kilometres (m)	231	1,136	(79.7%)	392	2,390	(84.9%)
Passenger Load Factor (%)	17.1%	84.4%	(67.3 pts)	23.1%	86.5%	(63.4 pts)

\* % change is based on numbers prior to rounding

+ 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 2019 (28 days) compared with July 2020 (33 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 3 September to 6 October 2020)

### Air New Zealand updates on Executive changes

6 October 2020

Air New Zealand has appointed Leanne Geraghty to the newly created position of Chief Customer and Sales Officer.

Ms Geraghty is one of the airline's most experienced global leaders and will report directly to Chief Executive Officer Greg Foran.

"Leanne is an outstanding leader with a tremendous depth of industry knowledge having worked in the aviation and tourism industries on both sides of the Tasman for more than 30 years and led teams around the world. Her detailed knowledge of the New Zealand, Australian and Pacific Island markets in particular sets us up well for the post COVID-19 international tourism recovery when the time comes," Mr Foran says.

"Leanne is held in the highest regard by key stakeholders ranging from trade and Government partners through to our most valuable customers and her fellow Air New Zealanders. She cares deeply about the success of our airline and its ability to make a positive difference for our nation."

Ms Geraghty is currently Group General Manager Airports and has responsibility for more than 1,800 employees and operations across 50 airports internationally. Originally from Australia, she holds a Bachelor of Economics and Finance from the University of New South Wales and has studied International Business Management at IMD in Switzerland and Marketing at the Australian Institute of Marketing. She is also a graduate from the Company Directors course from the Australian Institute of Directors.

Meantime, Chief Financial Officer Jeff McDowall has confirmed he intends to leave the airline towards the middle of 2021 after the completion of the planned capital raise.

"Jeff is playing a critical role in supporting myself and the Board as we rebuild from the ravages of COVID-19, but after a career spanning more than two decades with the airline, he feels it will be time to open a new chapter of his career once the capital raise is complete. We will shortly commence a global search for a successor, and I would like to thank Jeff for giving us such a long line of sight of his career intentions. He has had an illustrious career at Air New Zealand, including as acting Chief Executive Officer pending me starting earlier this year. Without Jeff's leadership over the past two decades, especially as part of the Executive team in recent years, the airline would not have delivered its long run of commercial success or grown its international footprint around the world so successfully"

### Results of 2020 Annual Shareholders Meeting

29 September 2020

At Air New Zealand's shareholder meeting, held virtually on Tuesday, 29 September 2020, shareholders were asked to vote on four resolutions, which were supported by the Board of Directors.

Voting on the resolutions was by way of poll and all four resolutions were approved by shareholders.

Detail of the total number of votes cast in person or by a proxy holder are:

Resolution	For	Against	Abstain
1. To re-elect Linda Jenkinson	691,667,867 99.76%	1,651,138 0.24%	817,710

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2. To re-elect Laurissa Cooney	692,006,634 99.81%	1,317,575 0.19%	822,506
3. To re-elect Dean Bracewell	692,204,584 99.78%	1,541,103 0.22%	401,028
4. To re-elect Larry De Shon	692,924,484 99.84%	1,138,017 0.16%	84,214

## [Air NZ 2020 Annual Shareholders' Meeting Materials](#)

29 September 2020

Please find the [Chairman and CEO address](#), in addition to the [presentation](#) for Air New Zealand's 2020 Annual Shareholders' Meeting.

## [Air NZ continues its strategic capital structure review](#)

25 September 2020

Air New Zealand has a wide range of stakeholders. Air New Zealand and the Crown, as majority shareholder and lender, are focused on securing the long-term future of the airline.

The Crown Standby Facility ("CSF") has started to be drawn down and provides the Company with necessary liquidity support as it works on a plan for the future shape and size of its business post COVID-19. The CSF was always intended by both parties to provide the necessary time for the airline to reposition its operations and facilitate the implementation of a long-term capital structure.

The Company continues to evaluate a range of scenarios on how the pandemic may develop and the subsequent impacts on its business operations, fleet, operating cost structure, and capital requirements. Assuming there are no further material adverse developments, the Company is expecting to complete the strategic capital structure review by early 2021 and be in a position to proceed with capital raising to be completed before June 2021.

The New Zealand Government has recently reaffirmed its commitment to maintaining its majority shareholding in Air New Zealand, and the Board is engaging constructively with the Crown in its capital structure and funding discussions.

## [Air NZ announces arrangements for virtual only 2020 ASM](#)

9 September 2020

Air New Zealand advises that in light of current and expected Covid-19 related social distancing restrictions, it will no longer offer shareholders the ability to attend the Annual Shareholders' Meeting in person.

Shareholders will be able to attend the meeting, which is to be held on Tuesday 29 September 2020, through a virtual meeting platform only.

The Notice of Meeting and Proxy Form have been revised to remove references to the physical meeting. No changes have been made to the business of the meeting, or the processes around virtual attendance.

The revised documents will be made available on the Company's website and emailed to shareholders this week. Physical copies will be sent to shareholders who receive correspondence in that manner post-dated no later than 14 September.

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## **Virtual Shareholder meeting details**

To participate in the meeting online, shareholders can register using the following link [www.virtualmeeting.co.nz/air20](http://www.virtualmeeting.co.nz/air20). Shareholders may also access the meeting link and Portal Guide from the Company's website, [www.airnewzealand.co.nz/annual-meeting](http://www.airnewzealand.co.nz/annual-meeting).

Shareholders attending and participating via the online platform will be able to vote and ask questions during the meeting. When participating online you will require your shareholder number, found on your proxy form, for verification purposes.

Information regarding virtual attendance at the meeting (including how to vote and ask questions virtually during the Meeting) is available in the Virtual Annual Meeting Online Portal Guide, which is available at <https://bcast.linkinvestorservices.co.nz/generic/docs/OnlinePortalGuide.pdf>. Questions can also be submitted in advance of the meeting using the proxy form, or during the meeting by asking questions via the online platform. The Chairman will answer as many of the most frequently asked questions as possible during the meeting.

Shareholders can also appoint a proxy and direct their votes in advance of the meeting. Please see the Notice of Meeting for instructions.

## **Media Releases**

(during the period 3 September to 6 October 2020)

### **Air New Zealand provides further certainty to its frequent flyers**

**28 September 2020**

Air New Zealand's frequent flyers are to receive a further 12-month extension to their status.

The airline announced in March 2020 it would be extending the status of Airpoints™ Elite, Gold and Silver members for a 12-month period as a result of the impact COVID-19 is having on travel.

Air New Zealand General Manager Loyalty Kate O'Brien says the airline is pleased to offer eligible frequent flyers a further 12-month extension, which means members will hold their existing tier status for an additional year.

"We appreciate travel in 2020 isn't what any of our frequent flyers were expecting or prepared for and as a result they have had fewer opportunities to maintain their tier status.

"We had fantastic feedback and messages of support following the extension announced earlier this year and this further 12-month extension will help eligible members protect their current status for longer."

More details on the airline's additional frequent flyer extension can be found [here](#).

### **Air New Zealand continues to require masks on board**

**21 September 2020**

Following the Prime Minister's announcement in late September regarding the change in Alert Levels, Air New Zealand will continue to require customers to wear masks on all its domestic services.

The airline continues to take extra precautions to keep customers and staff safe. While Auckland remains at Alert Level 2, masks on domestic services will be required. Customers are welcome to bring their own, or they

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will be available before boarding. Air New Zealand employees at the departure gate and domestic cabin crew will also continue to wear masks.

The airline is pleased to reintroduce food and beverage services on all domestic flights from Thursday 24 September.

Due to capacity restrictions under Alert Level 2, the maximum number of people able to access any of the airline's Auckland lounges is capped at 100. All other domestic Air New Zealand lounges will operate as usual.

For the latest information, customers can check the Air New Zealand COVID-19 Hub and travel alerts page.

## **Air New Zealand says thank you by releasing thousands of fares under \$50** 14 September 2020

Air New Zealand is making more than 180,000 of its cheapest fares available for sale across all 20 ports it flies to following the removal of physical distancing on aircraft.

The airline is also removing change fees for domestic flights booked for travel up until 31 March 2021.

Air New Zealand Chief Executive Officer Greg Foran says 2020 has been a difficult year to plan travel but the removal of physical distancing allows the airline to make more seats available at cheaper prices.

“We’re thrilled to be able to offer 160,000 of these fares for under \$50, with 9,000 of these available during the upcoming school holidays. This is our way of saying thanks to our customers for their support over the past few months. While our borders are closed, we know Kiwis are keen to get out and explore or visit friends and family, so we want to make travel as easy as possible – and this is also great news for local tourism.

“We had been planning for physical distancing up until late this week, so this news allows us to immediately make those seats available for those who want to travel in the coming days.

“It’s also important to note the removal of physical distancing doesn’t mean it’s not safe to fly – our crew will continue to wear masks, and face coverings are still a requirement for customers.

“Waiving domestic change fees also means customers can book with confidence in the coming months knowing if their circumstances change, we’ll look after them.”

Customers will be able to change their flight to a new date or time, or if they no longer wish to travel, they can put their fare in credit for a later trip. Any fare difference will apply.

Customers who choose to put their fare in credit before the end of March 2021 will have until the end of December 2021 to book using their credit and a further 12 months to fly after the date of booking.

The airline is encouraging anyone who no longer wishes to fly to place their fare in credit through its online booking tool. This is to ensure those who wish to travel can do so. If a customer does not turn up to their flight, normal fare rules will apply.

All customers with international flights booked for travel up until 31 March 2021 can also opt in for credit.

Flights are available to book at [www.airnewzealand.co.nz](http://www.airnewzealand.co.nz).

## **Air New Zealand grounds 777 fleet until September 2021**

10 September 2020

Air New Zealand has grounded its Boeing 777 fleet until at least September 2021 due to the ongoing impact of COVID-19.

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In May the airline grounded the majority of its seven 777-300 aircraft until the end of the 2020 calendar year. At the same time the company also signalled it was unlikely to fly its eight 777-200 aircraft in the foreseeable future and began preparing to send these into long term storage overseas.

Four of Air New Zealand's 777-300 aircraft will be stored in Victorville in the Californian desert, while the remaining three will stay in Auckland where they are able to be returned to service if required. The airline's 777-200 aircraft will be sent to long-term storage facilities in both Roswell, New Mexico and Victorville, California from later this month.

The North American locations were chosen for their arid conditions and existing storage facilities which will ensure aircraft are kept in a condition that will enable them to be returned to service within six to eight weeks if required.

Air New Zealand Chief Operating Officer Carrie Hurihanganui says the recovery of the airline's international network post-COVID-19 is now looking to be slower than initially thought.

"The recent resurgence of cases in New Zealand is a reminder that this is a highly volatile situation. We are not anticipating a return to any 777 flying until September 2021 at the earliest, which is why we have made the decision to ground the fleet until at least this time next year.

The 777s are the largest aircraft in Air New Zealand's fleet and have operated the majority of the airline's long-haul routes over the past 15 years. The airline's international schedule will be operated by the more fuel-efficient Boeing 787 Dreamliner aircraft, along with A320s and A320/21neos for trans-Tasman and Pacific Island routes.