

Monthly *investor update*



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30 January 2018

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December 2017 highlights

Group traffic summary	DECEMBER			FINANCIAL YTD		
	2017	2016	%*	2018	2017	%*
Passengers carried (000)	1,691	1,595	6.1%	8,530	8,086	5.5%
Revenue Passenger Kilometres(m)	3,678	3,583	2.6%	18,274	17,790	2.7%
Available Seat Kilometres (m)	4,399	4,289	2.6%	22,138	21,409	3.4%
Passenger Load Factor (%)	83.6%	83.5%	0.1 pts	82.5%	83.1%	(0.6 pts)

Year-to-date RASK ¹	% change in reported RASK (incl. FX)	% change in underlying RASK (excl. FX)
Group	2.0%	2.5%
Short Haul	5.3%	5.2%
Long Haul	(3.3%)	(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.

* % change is based on numbers prior to rounding.



Operating statistics table

Group	DECEMBER			FINANCIAL YTD		
	2017	2016	% *	2018	2017	% *
Passengers carried (000)	1,691	1,595	6.1%	8,530	8,086	5.5%
Revenue Passenger Kilometres(m)	3,678	3,583	2.6%	18,274	17,790	2.7%
Available Seat Kilometres (m)	4,399	4,289	2.6%	22,138	21,409	3.4%
Passenger Load Factor (%)	83.6%	83.5%	0.1 pts	82.5%	83.1%	(0.6 pts)
Short Haul Total	DECEMBER			FINANCIAL YTD		
	2017	2016	% *	2018	2017	% *
Passengers carried (000)	1,480	1,383	7.1%	7,502	7,060	6.3%
Revenue Passenger Kilometres(m)	1,613	1,503	7.3%	8,236	7,753	6.2%
Available Seat Kilometres (m)	1,975	1,883	4.9%	10,044	9,584	4.8%
Passenger Load Factor (%)	81.6%	79.8%	1.8 pts	82.0%	80.9%	1.1 pts
Domestic	DECEMBER			FINANCIAL YTD		
	2017	2016	% *	2018	2017	% *
Passengers carried (000)	1,102	1,025	7.5%	5,564	5,207	6.9%
Revenue Passenger Kilometres(m)	579	535	8.3%	2,851	2,649	7.6%
Available Seat Kilometres (m)	692	647	7.1%	3,491	3,319	5.2%
Passenger Load Factor (%)	83.6%	82.6%	1.0 pts	81.7%	79.8%	1.9 pts
Tasman / Pacific	DECEMBER			FINANCIAL YTD		
	2017	2016	% *	2018	2017	% *
Passengers carried (000)	378	358	5.7%	1,938	1,853	4.6%
Revenue Passenger Kilometres(m)	1,034	968	6.8%	5,385	5,104	5.5%
Available Seat Kilometres (m)	1,283	1,236	3.8%	6,553	6,265	4.6%
Passenger Load Factor (%)	80.6%	78.4%	2.2 pts	82.2%	81.5%	0.7 pts
Long Haul Total	DECEMBER			FINANCIAL YTD		
	2017	2016	% *	2018	2017	% *
Passengers carried (000)	211	212	(0.3%)	1,028	1,026	0.2%
Revenue Passenger Kilometres(m)	2,065	2,080	(0.7%)	10,038	10,037	0.0%
Available Seat Kilometres (m)	2,424	2,406	0.7%	12,094	11,825	2.3%
Passenger Load Factor (%)	85.2%	86.4%	(1.2 pts)	83.0%	84.9%	(1.9 pts)
Asia / Japan / Singapore	DECEMBER			FINANCIAL YTD		
	2017	2016	% *	2018	2017	% *
Passengers carried (000)	88	90	(2.0%)	421	418	0.9%
Revenue Passenger Kilometres(m)	784	801	(2.1%)	3,754	3,723	0.8%
Available Seat Kilometres (m)	911	927	(1.8%)	4,661	4,482	4.0%
Passenger Load Factor (%)	86.0%	86.3%	(0.3 pts)	80.5%	83.1%	(2.6 pts)
Americas / UK	DECEMBER			FINANCIAL YTD		
	2017	2016	% *	2018	2017	% *
Passengers carried (000)	123	122	1.0%	607	608	(0.2%)
Revenue Passenger Kilometres(m)	1,281	1,279	0.1%	6,284	6,314	(0.5%)
Available Seat Kilometres (m)	1,513	1,479	2.3%	7,433	7,343	1.2%
Passenger Load Factor (%)	84.7%	86.4%	(1.8 pts)	84.5%	86.0%	(1.5 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 13 December 2017 to 26 January 2018)

[Air New Zealand releases 2017 Databook](#)

12 December 2017

Air New Zealand advises the release of the 2017 Databook, which provides a summary of the airline's strategy, operations, financial performance and leadership. The Databook can be accessed via Air New Zealand's Investor Centre website at www.airnzinvestor.com or by clicking [here](#).

Media releases

(during the period 13 December 2017 to 26 January 2018)

[Dunedin-Auckland moves to triple daily jet services](#)

25 January 2018

Air New Zealand has announced an additional return Airbus A320 service between Dunedin and Auckland on Saturdays, taking the number of jet services operated on the route to three per day, seven days a week.

The additional Saturday afternoon service will add around 17,000 seats annually to the route.

Air New Zealand Chief Revenue Officer Cam Wallace says the additional flight will not only provide more options for weekend travellers but will also benefit the wider Dunedin region.

"Dunedin is a key destination for Air New Zealand so it's terrific to see continued strong demand for services.

"We are committed to growing services between the two cities and working closely with Dunedin Airport. In November 2017, we opened our new Dunedin Regional Lounge at the airport which caters for more than 120 customers," says Mr Wallace.

[Air New Zealand boosts Fiji flights from Christchurch](#)

18 December 2017

Air New Zealand will fly nearly 6,000 extra seats on its seasonal service between Christchurch and Fiji in 2018, an increase of more than 40 percent.

The airline currently operates two services per week from Christchurch to Nadi International Airport between July and October, increasing to three services per week at peak times.

Next year Air New Zealand's Christchurch-Fiji service will start five weeks earlier on 26 May, with up to four services per week in the busy school holiday period.

Air New Zealand Chief Revenue Officer Cam Wallace says the airline has tripled capacity between Christchurch and Fiji over the past five years.

"Fiji is a clear favourite for Kiwi holidaymakers. We're pleased these extra flights will offer South Island travellers greater flexibility for their holiday plans."

The new flights will be operated by the airline's A320 aircraft and are available for purchase.



Air New Zealand grows Wellington-Queenstown route

15 December 2017

Air New Zealand is set to grow the number of seats available on the Wellington-Queenstown route by around 50 percent from April next year.

The airline will operate an extra five A320 direct services a week between Wellington and Queenstown, the equivalent of 38,000 extra one-way seats compared with the previous year.

The five new services are in addition to the airline's existing daily direct jet service and will operate between Thursday and Monday, taking the total number of jet services per week to 12. In addition to this, a number of other Wellington-Queenstown services are operated by the airline's ATR turboprop aircraft.

Air New Zealand and Virgin Australia boost Brisbane-Auckland services

14 December 2017

Air New Zealand and Virgin Australia have announced changes to one of their key alliance routes driven by an improved demand outlook.

The two airlines are set to provide customers with an expanded schedule of flights on the Auckland-Brisbane route, with up to five extra flights a week delivering an additional 38,000 seats between April and October 2018. This means customers will now be able to choose from up to 34 return services per week.

In addition, Virgin Australia will be re-timing its weekday Auckland-Brisbane service to provide a better evening schedule proposition for the alliance, with the choice of departure times of 4:00pm, 6:00pm and 7:30pm allowing for more flexibility for customers.

Air New Zealand charts 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 by mid-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.

"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."