

# Monthly *investor update*



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## September 2019 highlights

Group traffic summary	SEPTEMBER			FINANCIAL YTD		
	2019	2018	% *	2020	2019	% *+
Passengers carried (000)	1,694	1,661	2.0%	4,419	4,373	2.2%
Revenue Passenger Kilometres(m)	3,761	3,593	4.7%	9,918	9,605	4.4%
Available Seat Kilometres (m)	4,428	4,278	3.5%	11,793	11,502	3.7%
Passenger Load Factor (%)	84.9%	84.0%	0.9 pts	84.1%	83.5%	0.6 pts

Year-to-date RASK <sup>1</sup>	% change in reported RASK (incl. FX)	% change in underlying RASK (excl. FX)
Group	(1.0%)	(1.2%)
Short Haul	1.3%	1.5%
Long Haul	(2.7%)	(3.6%)

\* % 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 (29 days) compared with July 2020 (28 days). This is because Air New Zealand operates on a 4,4,5 accounting calendar but closes the annual accounts on 30 June.

<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.

# Monthly *investor update*



## Operating statistics table

Group	SEPTEMBER			FINANCIAL YTD		
	2019	2018	% *	2020	2019	% **
Passengers carried (000)	1,694	1,661	2.0%	4,419	4,373	2.2%
Revenue Passenger Kilometres(m)	3,761	3,593	4.7%	9,918	9,605	4.4%
Available Seat Kilometres (m)	4,428	4,278	3.5%	11,793	11,502	3.7%
Passenger Load Factor (%)	84.9%	84.0%	0.9 pts	84.1%	83.5%	0.6 pts
<b>Short Haul Total</b>	<b>SEPTEMBER</b>			<b>FINANCIAL YTD</b>		
	<b>2019</b>	<b>2018</b>	<b>% *</b>	<b>2020</b>	<b>2019</b>	<b>% **</b>
Passengers carried (000)	1,482	1,463	1.3%	3,864	3,846	1.6%
Revenue Passenger Kilometres(m)	1,680	1,649	1.9%	4,462	4,436	1.7%
Available Seat Kilometres (m)	1,993	1,976	0.8%	5,403	5,411	1.0%
Passenger Load Factor (%)	84.3%	83.4%	0.9 pts	82.6%	82.0%	0.6 pts
<b>Domestic</b>	<b>SEPTEMBER</b>			<b>FINANCIAL YTD</b>		
	<b>2019</b>	<b>2018</b>	<b>% *</b>	<b>2020</b>	<b>2019</b>	<b>% **</b>
Passengers carried (000)	1,081	1,080	0.1%	2,791	2,802	0.7%
Revenue Passenger Kilometres(m)	546	548	(0.3%)	1,422	1,434	0.2%
Available Seat Kilometres (m)	637	653	(2.4%)	1,704	1,752	(1.7%)
Passenger Load Factor (%)	85.6%	83.8%	1.8 pts	83.5%	81.9%	1.6 pts
<b>Tasman / Pacific</b>	<b>SEPTEMBER</b>			<b>FINANCIAL YTD</b>		
	<b>2019</b>	<b>2018</b>	<b>% *</b>	<b>2020</b>	<b>2019</b>	<b>% **</b>
Passengers carried (000)	401	382	5.0%	1,072	1,044	3.9%
Revenue Passenger Kilometres(m)	1,134	1,101	2.9%	3,040	3,002	2.4%
Available Seat Kilometres (m)	1,356	1,323	2.5%	3,700	3,659	2.2%
Passenger Load Factor (%)	83.6%	83.2%	0.4 pts	82.2%	82.1%	0.1 pts
<b>Long Haul Total</b>	<b>SEPTEMBER</b>			<b>FINANCIAL YTD</b>		
	<b>2019</b>	<b>2018</b>	<b>% *</b>	<b>2020</b>	<b>2019</b>	<b>% **</b>
Passengers carried (000)	212	198	7.0%	556	527	6.6%
Revenue Passenger Kilometres(m)	2,081	1,944	7.1%	5,456	5,168	6.7%
Available Seat Kilometres (m)	2,435	2,302	5.8%	6,390	6,092	6.1%
Passenger Load Factor (%)	85.5%	84.4%	1.1 pts	85.4%	84.8%	0.6 pts
<b>Asia / Japan / Singapore</b>	<b>SEPTEMBER</b>			<b>FINANCIAL YTD</b>		
	<b>2019</b>	<b>2018</b>	<b>% *</b>	<b>2020</b>	<b>2019</b>	<b>% **</b>
Passengers carried (000)	91	77	18.1%	238	207	16.4%
Revenue Passenger Kilometres(m)	803	684	17.4%	2,110	1,844	15.7%
Available Seat Kilometres (m)	964	850	13.4%	2,529	2,265	12.9%
Passenger Load Factor (%)	83.3%	80.4%	2.9 pts	83.4%	81.4%	2.0 pts
<b>Americas / UK</b>	<b>SEPTEMBER</b>			<b>FINANCIAL YTD</b>		
	<b>2019</b>	<b>2018</b>	<b>% *</b>	<b>2020</b>	<b>2019</b>	<b>% **</b>
Passengers carried (000)	122	122	(0.0%)	317	320	0.3%
Revenue Passenger Kilometres(m)	1,278	1,260	1.4%	3,346	3,324	1.8%
Available Seat Kilometres (m)	1,471	1,452	1.3%	3,861	3,827	2.0%
Passenger Load Factor (%)	86.9%	86.8%	0.1 pts	86.7%	86.9%	(0.2 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 (29 days) compared with July 2020 (28 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 19 September 2019 to 21 October 2019)

### Air New Zealand Chief Executive Officer Appointment

11 October 2019

Air New Zealand's Board of Directors has appointed Greg Foran as the airline's next Chief Executive Officer.

Greg is currently President and Chief Executive Officer of Walmart U.S. He is responsible for the strategic direction and performance of the company's 4,600 stores and more than 1 million staff. Last year Walmart U.S. served more than 160 million customers a week and had revenues of US\$307 billion. It is part of the world's largest company by revenues, Walmart Inc, which had global revenues of more than US\$500 billion last year.

Greg took up his current role in 2014 and led a transformation of the business based around Walmart's principles of Every Day Low Costs and Every Day Low Price. As a result, Walmart U.S. has achieved multiple, consecutive quarters of sales growth over the past several years. He joined Walmart International in 2011 where he served in a number of capacities, including as President and Chief Executive Officer of Walmart China up until he assumed his current role. Before joining Walmart, Greg held a number of positions with Woolworths in Australia.

Air New Zealand Chairman Dame Therese Walsh says Greg, who grew up in Hastings and Hamilton, will be an outstanding leader of the airline.

"We are thrilled to have attracted a world class Kiwi back home. Greg has an impeccable track record in delivering strong commercial performance, outstanding customer focus and in building teams that can take a business to the next level," Dame Therese says.

Greg says he is privileged to have been given the opportunity to grow an iconic and critical New Zealand company and brand on the global stage.

"I am an incredibly proud Kiwi and to be given the job of nurturing and building on the legacy of an iconic company that represents the best of our nation at home and around the world really excites me. Air New Zealand is deservedly recognised as one of the world's great airlines and I look forward to working alongside its people to take it to the next level.

Air New Zealanders have an absolute love and passion for the business and their level of customer focus and care is one of the airline's competitive advantages that I look forward to building on," he says.

"Air New Zealand is immensely important across many spectrums, from not just timely and convenient travel but also to tourism and the environment, community support and innovation, to name but a few. I want Air New Zealand to continue to be at the forefront of its industry across the world and to deliver strong commercial results in the process."

Greg will take up the position of Chief Executive Officer in the first quarter of 2020.

### Air New Zealand Board of Directors Appointment

1 October 2019

Air New Zealand has appointed Laurissa Cooney to its Board of Directors.

Laurissa is of Te Āti Hau Nui a Pāpā Rangi (Whanganui) descent and is a professional independent Director with several iwi affiliated entities as well as Chief Financial Officer for Te Whare Wānanga o Awanuiārangi. She has previously held senior auditing and consulting roles with Deloitte in New Zealand and Deloitte Touche in London.

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Air New Zealand Chairman Dame Therese Walsh says Laurissa will bring a strong regional tourism and iwi perspective to the Board.

“Laurissa is a Director of Tourism Bay of Plenty and several iwi affiliated entities around New Zealand. She will strengthen the Board with a new depth of perspective to some of the key stakeholder groups and communities that are highly important to the airline’s future success”

Laurissa will be up for election by shareholders at the Annual Shareholders’ Meeting next year.

## Results of 2019 Annual Shareholders’ Meeting

25 September 2019

At Air New Zealand’s shareholder meeting, held in Auckland on Wednesday, 25 September 2019, shareholders were asked to vote on five resolutions, which were supported by the Board of Directors.

Voting on the resolutions was by way of poll and all five 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 Jan Dawson	926,784,768 99.83%	1,564,366 0.17%	678,092 -
2. To re-elect Jonathan Mason	926,846,161 99.84%	1,498,021 0.16%	683,044 -
3. To re-elect Dame Therese Walsh	924,779,846 99.62%	3,571,305 0.38%	676,075 -
4. To approve the widebody aircraft transaction	876,908,554 94.46%	51,412,279 5.54%	706,393 -
5. To adopt a new Constitution	928,218,724 99.99%	54,106 0.01%	754,110 -

## Air New Zealand 2019 Annual Shareholders’ Meeting Materials

25 September 2019

Please find below a link to the Chairman and CEO address, in addition to the presentation for Air New Zealand’s 2019 Annual Shareholders’ Meeting which was held on 25 September 2019.

[2019 Air NZ Annual Meeting Address](#)

[2019 Air NZ Annual Meeting Presentation](#)

## Air NZ signs contracts for multi-billion-dollar fleet

24 September 2019

Air New Zealand has today announced the signing of contracts for the airline’s multi-billion-dollar investment to purchase eight Boeing 787-10 Dreamliner aircraft. The aircraft will be powered by GE Aviation’s GENx-1B engines. The airline first announced its intention to enter into contracts with both Boeing and GE Aviation on 27 May 2019.

The first new aircraft is expected to join the Air New Zealand fleet in late 2022 with the remainder delivered at intervals through to 2027.



## Media Releases

(during the period 19 September 2019 to 21 October 2019)

### Air New Zealand gets set for Economy Stretch

16 October 2019

Air New Zealand is introducing a new, more spacious Economy product on its widebody fleet from late 2020, offering customers extra legroom and perks on long-haul flights.

Economy Stretch is a comfort-led enhancement to Air New Zealand's leading Economy service with a roomy 35-inch pitch seat and amenities such as a premium headset and plush pillow.

Air New Zealand is currently reconfiguring its Boeing 777-200, 777-300 and 787-9 aircraft to fit a stretch zone at the front of the Economy cabin, with up to 42 of these spacious spots.

Through innovations such as the ground-breaking Economy Skycouch, Air New Zealand has set the standard for economy travel, and the airline's Chief Revenue Officer Cam Wallace says it's exciting to introduce further choice to the Economy cabin.

"We know one size doesn't fit all and we want customers to have a fantastic experience, whatever the cabin. Economy customers told us they want more space and comfort and we're looking forward to giving customers a new option when travelling long haul.

"While our premium cabins will remain the first choice for those wanting all the luxuries, Economy Stretch is a step-up at a competitive price, and we're confident it will appeal."

The new product will be available for purchase from early next year and will be offered on all Air New Zealand operated long-haul flights from late 2020.

### Air New Zealand uses NASA technology to enhance sleep

2 October 2019

Air New Zealand is the first airline in the world to launch an innovative new pillow – which uses technology originally developed for astronauts – to further improve comfort for its passengers.

The pillow is coated with Outlast® which was developed for use in space gloves to protect against extreme temperature fluctuations and keep hands cool. The temperature regulating product, awarded certified space technology by the Space Foundation, absorbs heat as the skin gets hot and as the skin cools the heat is released.

The new hypo allergenic pillow has been introduced on the airline's Chicago route and is available to passengers travelling in Business Premier.

Air New Zealand Senior Manager Customer Experience Niki Chave says the airline is always looking at ways to enhance the customer experience in an innovative way.

"We know quality sleep is important to our passengers, particularly those travelling in Business Premier on our long-haul routes. This pillow allows passengers to lay on the side that regulates their temperature or sleep on the regular side, which ultimately gives them more control over their environment."

The pillow is now available alongside the All Birds eye mask to enhance comfort on the Chicago route, the longest in Air New Zealand's network.



## Air New Zealand releases latest sustainability report

26 September 2019

Air New Zealand has released its latest sustainability report, which outlines the airline's progress against its sustainability goals over the past year.

The report tackles key themes including climate change and carbon reduction, embracing diversity and inclusion, supporting sustainable tourism, working with suppliers and reducing waste and plastic.

Air New Zealand Head of Sustainability Lisa Daniell says she is pleased at the airline's progress against its goals but admits there is still much work to be done.

"We have set ourselves some ambitious targets, but we've made great strides against our goals over the past 12 months. This includes preventing more than 15,000 tonnes of CO<sub>2</sub>-e from entering the atmosphere through combined operational initiatives, reducing plastic by nearly 55 million items across our network, increasing the number of women in senior leadership roles to 44 percent (up from 39 percent in 2018), and flying 350,000 more customers to destinations on our regional network than in the previous year.

"Ultimately though, responding to the climate crisis remains our single biggest sustainability challenge. While we've continued to build efficiencies in our own operation and invest in more modern, fuel efficient aircraft to curb carbon emissions, we've also been pleased to see an increase in the number of travellers who offset their emissions from flying over the past year. Going forward, we would love to see more corporate customers commit to offsetting their flights as well."

The 2019 report is available to view on Air New Zealand's [website](#).

## Air New Zealand steps in to support affected Jetstar customers

25 September 2019

Air New Zealand is offering discounted airfares to Jetstar customers affected by today's announcement that it is planning to withdraw its regional services.

Affected Jetstar customers will be able to purchase an Air New Zealand seat-only fare for the same route on the same day (schedule permitting) for no more than \$50 each way.

"We know how important air services are for regional New Zealand and that's why we're stepping in to support Jetstar customers with a special discounted fare," says Air New Zealand Chief Revenue Officer Cam Wallace.

Eligible customers can email [jgsupport@airnz.co.nz](mailto:jgsupport@airnz.co.nz) with proof of their affected Jetstar ticket to take advantage of Air New Zealand's offer of support.

Mr Wallace says Air New Zealand will commit to not increase its lowest lead-in fares on the routes affected by Jetstar's withdrawal until at least the end of 2020, subject to fuel prices remaining stable.

Mr Wallace says Air New Zealand will explore opportunities to add further capacity to the routes affected by Jetstar's planned withdrawal over the coming weeks.

"Air New Zealand currently has 51 aircraft operating 320 flights per day to regional centres. We will evaluate the demand outlook on the affected Jetstar routes and determine whether we have the flexibility within our current fleet to add more capacity."