



28 July 2020

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## June 2020 highlights

Note: The June 2020 Passenger Load Factor in the table below includes a 15-day period across which social distancing requirements had to be maintained on board all Domestic flights as a result of COVID-19. Excluding the impact of social distancing, **Domestic Passenger Load Factor was 81.2%** (vs 68.0%), **Short Haul was 73.1%** (vs 63.9%) and **Group was 64.7%** (vs 59.1%).

Group traffic summary	JUNE			FINANCIAL YTD		
	2020	2019	%*+	2020++	2019	%*
Passengers carried (000)	430	1,576	(74.2%)	13,525	17,738	(23.8%)
Revenue Passenger Kilometres(m)	329	3,423	(90.9%)	29,568	38,573	(23.3%)
Available Seat Kilometres (m)	557	4,108	(87.2%)	36,335	46,029	(21.1%)
Passenger Load Factor (%)	59.1%	83.3%	(24.2 pts)	81.4%	83.8%	(2.4 pts)

Year-to-date RASK <sup>1++</sup>	% change in reported RASK (incl. FX)	% change in underlying RASK (excl. FX)
Group	0.7%	0.0%
Short Haul	2.7%	2.7%
Long Haul	(0.7%)	(2.2%)

\* % 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.

<sup>+</sup> The month's 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 June 2019 (35 days) compared with June 2020 (37 days). This is because Air New Zealand operates on a 4,4,5 accounting calendar but closes the annual accounts on 30 June.

<sup>++</sup> The figures for the financial YTD have been restated to reflect an immaterial allocation error for a small subset of non-refundable tickets in the March 2020 operating statistics. Accordingly, YTD Passenger revenue, Passenger count, RPKs and load factor figures have all been restated.





## Market Announcements

(during the period 27 June to 27 July 2020)

### Director Update

8 July 2020

In April 2020, Air New Zealand advised that Deputy Chairman Jan Dawson would retire in September 2020.

Ms Dawson was re-elected to the Board in 2019 for a further 3-year term. Ms Dawson will now continue past the 2020 Annual Shareholders' meeting to provide continuity on the Board as Air New Zealand continues to work through the impacts of COVID-19 on its business.

## Media Releases

(during the period 27 June to 27 July 2020)

### Air New Zealand domestic schedule ramps up

24 July 2020

Air New Zealand has ramped up its domestic schedule for August to 70 percent of pre-COVID-19 levels.

The airline had planned to operate around 55 percent of its usual domestic capacity (compared to pre-COVID-19 levels) during August.

Air New Zealand General Manager Networks Scott Carr says the airline has been pleasantly surprised with demand for domestic travel.

“As a result of demand, we’ve added or upgauged more than 400 one-way flights in August. This includes operating an additional 408 one-way flights and 18 flights which have been upgauged to a larger aircraft.”

### Air New Zealand helps manage flow of international arrivals

22 July 2020

Air New Zealand is working with the New Zealand Government to align incoming passenger flows with available isolation facilities.

The move is to help ensure the country is able to continue to provide quarantine accommodation for inbound passengers for the required 14-day period. The airline has had a hold on international services into New Zealand since early July, following a request from the Government.

Air New Zealand Chief Executive Officer Greg Foran says the airline continues to work closely with the Government to support efforts to contain COVID-19 at the border.

“We recognise we play an important part in supporting the Government and New Zealand’s fight against COVID-19.

“We have extended a hold on new bookings until 29 July, to ensure we comply with the rolling 14-day quota. Following this there is capacity for Kiwis to book flights to return home and we will continue to manage this going forward.”

If customers have a flight booked to New Zealand and no longer wish to travel, they are encouraged to let the airline know to free up space for other returning New Zealanders.

# Monthly **investor update**



There may be a small number of customers who will need to be moved to other flights, and the airline will contact any affected customers.

Outbound Air New Zealand services from New Zealand to international ports are not affected by the New Zealand Government restrictions. Domestic services are not impacted.

## Thousands use Air New Zealand credit tool

21 July 2020

Air New Zealand's online credit tool is proving helpful with customers already redeeming \$1.36 million in credit on the first day.

The online tool went live on 20 July and allows customers who hold credit directly with the airline to manage their credit online.

Air New Zealand Chief Commercial and Customer Officer Cam Wallace says it's been promising to see such a great response after just 24 hours of the tool being live.

"We're thrilled to see so many customers being able to use their credit and book flights online. So far, popular destinations have been Queenstown, Auckland and Christchurch.

"We know it's been tough for customers trying to get through to our contact centre but with this tool now being live, it gives customers a choice as to whether they would like to self-service or speak to an Air New Zealand employee.

"In addition to customers redeeming credit, a lot are checking their balance and thinking about where they want to fly to next. To date, we've had around 38,000 customers use the tool to look up their credit balance."

Air New Zealand has extended the period for using credits – customers now have until 31 December 2021 to book using their credit and 12 months after booking to travel.

Over the coming weeks, the airline will be working to evolve its credit tool to improve its self-service capability and to increase the number of customers who can use it.

## Air New Zealand credit redemption goes digital

20 July 2020

Air New Zealand's online credit redemption tool is now live, allowing customers who hold credit directly with the airline to manage their credit online.

The new online tool enables more than 300,000 customers who purchased a ticket with New Zealand Dollars to view a breakdown of their credit, including seat selection or carbon emissions offset, and use their credit to book new flights.

Air New Zealand Chief Commercial and Customer Officer Cam Wallace says offering a self-service tool will make it simpler for customers to use their credit, without having to call the airline's contact centre.

"We know this hasn't been quick to resolve, and we would like to thank our customers for their patience. Pre-COVID-19, we didn't have the systems in place for customers to redeem credits at this scale, so our teams have had to build this long-term solution from scratch.

"There are a lot of Kiwis who are keen to get out and explore New Zealand so for customers to be able to use their credit from their own device, booking flights will be much easier.

"Customers now have more flexibility with using their credits, including the ability to use credit from an international flight to book a domestic one and vice versa, and for the credit owner to choose who the credit



# Monthly *investor update*



is used for. We've also extended the period in which customers can use their credit – they have until 31 December 2021 to book and a further 12 months after booking to travel.”

Throughout June and July, around 57,000 customers who had paid in full using Airpoints Dollars had the value of their fare returned as Airpoints Dollars.

Air New Zealand Chief Digital Officer Jennifer Sepull says the airline's digital team has been working hard over the past few months to get the online tool up and running.

“We wanted to create a solution that was intuitive and able to manage the large number of customers needing to redeem credit. Over the next few months, we'll be working to evolve this credit tool to increase its self-service capability.

“At this stage, the online tool can only process credit from single bookings and we are actively working on extending this so credit from multiple flights can be combined and used. In the meantime, customers with multiple flights will still need to call our contact centre.”

If customers do not use the full value of their credit in one booking, the remaining balance will be available to view and use for as long as the credit is valid.

From 20 July, the airline is proactively emailing customers who have a fare in credit with Air New Zealand to let them know this tool is now available on the website.

The airline is currently working on a solution for its international customers and those who have booked through a travel agent. There are also a number of ticket types that will not have access to this tool immediately, for example group bookings. A solution is also being worked on for these.

## Air New Zealand limits capacity on inbound international services

7 July 2020

Air New Zealand has put a hold on new bookings on international services into New Zealand following a request from the New Zealand Government.

The move is to help ensure the country is able to provide quarantine accommodation for inbound passengers for the required 14-day period.

As well as the temporary hold on new bookings for the next three weeks, the airline is also looking at aligning daily arrivals with the capacity available at managed isolation facilities. This may mean some customers will need to be moved to another flight.

Air New Zealand Chief Commercial and Customer Officer Cam Wallace says the airline has been working closely with the government to understand how it can support the government's efforts to contain COVID-19 at the border.

“We accept this is a necessary short-term measure given the limited capacity in quarantine facilities and we're keen to do what we can to help New Zealand's continued success in its fight against COVID-19.”

The airline is proactively contacting customers affected by these changes. The Air New Zealand contact centre is currently experiencing very high demand, and customers are also welcome to contact the airline via its social media channels. Customers booked via a travel agent, including a third-party website (e.g. Expedia, Booking.com) should speak directly with their agent.

Air New Zealand is grateful to customers for their patience while it works through these changes.

Outbound Air New Zealand services from New Zealand to international ports are not affected by the New Zealand Government restrictions. Domestic services are not impacted.