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November market conditions

Air New Zealand carried 1,185,000 passengers during the month of November, 8.7% more than the same period last year. Revenue passenger kilometres (RPKs) were 12.4% higher on a capacity (ASKs) increase of 9.5%. Group load factors were up 2.3 percentage points to 85.1%.

Short Haul passenger numbers were up 7.6%. In the Domestic market demand (RPKs) and capacity (ASKs) increased by 10.3% and 8.3%, respectively. Domestic load factor was 82.8%, up 1.4 percentage points.

Tasman/Pacific demand (RPKs) increased 5.2% while capacity (ASKs) increased by 3.3%. Load factor on Tasman/Pacific increased 1.6 percentage points to 87.1%.

Long Haul passenger numbers increased 18.2% when compared to November last year, with demand (RPKs) up 17.4% and capacity (ASKs) up 13.4%. Load factor on Long Haul routes was 84.7%, up 2.9 percentage points.

On North American/UK routes, demand (RPKs) increased 4.3% with capacity (ASKs) increasing 5.0%. Load factor was down 0.5 percentage points to 82.3%.

On Asia/Japan/Singapore routes, demand (RPKs) increased 42.5%, with capacity (ASKs) increasing by 28.8% due to the new Auckland-Singapore route and larger B787-9 aircraft operating on the Auckland-Shanghai route. Load factor increased 8.5 percentage points to 88.3%.

Group-wide yields for the financial year to date were down 1.2% on the same period last year. Short Haul yields were down 0.2% while Long Haul yields were up 1.1%. Removing the impact of foreign exchange, Group-wide yields were down 4.4%.



Company news

[First Air New Zealand and Air China alliance flight arrives in Auckland](#)

On December 10th, Air China and Air New Zealand celebrated the inaugural flight of their alliance service between Beijing and Auckland, with flight CA783 touching down in Auckland. Under the alliance, Air China will operate a daily direct A330-200 service between Auckland and Beijing and Air New Zealand will continue to operate daily B787-9 Dreamliner services between Auckland and Shanghai.

Together the two national carriers will boost capacity between Auckland and Mainland China by more than 25 percent year round.

[Air New Zealand introduces world first biometric bag drop](#)

Air New Zealand has introduced new self-service bag drops featuring world-first biometric technology for customers departing from Auckland International Airport. The new self-service bag drop complements the airline's existing online check-in option and the self-service kiosks in the terminal, enabling customers to take total control of their check-in experience.

Featuring technology similar to that used by SmartGate passport control facilities, customers scan their passports and boarding passes to have their identities verified by a biometric camera before being invited to place their bags on the scale to be weighed before they are sent through to the airline's baggage handling system.

Five new automatic self-service bag drops are now available for use by customers checking in at Auckland International Airport with a further eight planned to be installed in early 2016.

[Air New Zealand touches down in Buenos Aires](#)

On December 2nd, Air New Zealand's inaugural flight to Argentina landed at Ministro Pistarini International Airport in Ezeiza, Buenos Aires.

The inaugural flight marks Air New Zealand's first scheduled service linking New Zealand and South America. The airline will fly between Auckland and Buenos Aires three times a week using its Boeing 777-200 aircraft offering award winning interior products including lie flat Business Premier beds and comfortable new Premium Economy seats. The new

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service also introduces Air New Zealand's unique Economy Skycouch™ to the South American market for the first time.

Additionally, Air New Zealand signed a Memorandum of Understanding (MoU) with the National Institute of Tourism Promotion (Inprotur) in Buenos Aires, Argentina to promote tourism and trade activities. The two organisations will promote inbound marketing campaigns to Argentina from New Zealand and Australia and provide support for international media programmes.

[Air New Zealand named Airline of the Year third year running](#)

Air New Zealand has again received the title of Airline of the Year by world leading airline safety and product rating review website [AirlineRatings.com](#) for the third consecutive year.

The website's editorial team praised Air New Zealand for its products, environmental commitment, innovation and internal culture which it says has resulted in exceptional performance in the market and in operational safety. The airline has also been awarded the Best Premium Economy and Best Economy titles.

[Air New Zealand's Airband™ a world first](#)

Air New Zealand has introduced a world first for children flying unaccompanied, giving parents and guardians the opportunity to follow the steps in their journey.

Children travelling alone on Air New Zealand services will now receive an Airband™ at check-in as part of the service. The wristband is embedded with a chip which is scanned at key stages of the journey to trigger text notifications to up to five nominated contacts. Air New Zealand is the only carrier in New Zealand offering a service for children travelling alone.

Monthly *investor update*



Group	NOVEMBER			FINANCIAL YTD		
	2015	2014	% *	2016	2015	% * +
Passengers carried (000)	1,185	1,090	8.7%	6,243	5,613	6.8%
Revenue Passenger Kilometres(m)	2,381	2,117	12.4%	13,367	11,439	12.2%
Available Seat Kilometres (m)	2,798	2,556	9.5%	15,870	13,681	11.4%
Passenger Load Factor (%)	85.1%	82.8%	2.3 pts	84.2%	83.6%	0.6 pts
Short Haul Total	NOVEMBER			FINANCIAL YTD		
	2015	2014	% *	2016	2015	% * +
Passengers carried (000)	1,050	976	7.6%	5,487	5,012	5.2%
Revenue Passenger Kilometres(m)	1,085	1,014	7.0%	6,067	5,561	4.8%
Available Seat Kilometres (m)	1,269	1,207	5.1%	7,346	6,779	4.1%
Passenger Load Factor (%)	85.5%	84.0%	1.5 pts	82.6%	82.0%	0.6 pts
Domestic	NOVEMBER			FINANCIAL YTD		
	2015	2014	% *	2016	2015	% * +
Passengers carried (000)	792	731	8.3%	3,985	3,630	5.5%
Revenue Passenger Kilometres(m)	395	358	10.3%	1,978	1,776	6.9%
Available Seat Kilometres (m)	477	440	8.3%	2,503	2,223	8.2%
Passenger Load Factor (%)	82.8%	81.4%	1.4 pts	79.0%	79.9%	(0.9 pts)
Tasman / Pacific	NOVEMBER			FINANCIAL YTD		
	2015	2014	% *	2016	2015	% * +
Passengers carried (000)	258	244	5.6%	1,502	1,382	4.4%
Revenue Passenger Kilometres(m)	690	656	5.2%	4,089	3,785	3.8%
Available Seat Kilometres (m)	792	767	3.3%	4,843	4,556	2.1%
Passenger Load Factor (%)	87.1%	85.5%	1.6 pts	84.4%	83.1%	1.3 pts
Long Haul Total	NOVEMBER			FINANCIAL YTD		
	2015	2014	% *	2016	2015	% * +
Passengers carried (000)	135	114	18.2%	756	601	20.8%
Revenue Passenger Kilometres(m)	1,296	1,103	17.4%	7,300	5,878	19.3%
Available Seat Kilometres (m)	1,529	1,349	13.4%	8,524	6,902	18.6%
Passenger Load Factor (%)	84.7%	81.8%	2.9 pts	85.6%	85.2%	0.4 pts
Asia / Japan / Singapore	NOVEMBER			FINANCIAL YTD		
	2015	2014	% *	2016	2015	% * +
Passengers carried (000)	60	43	42.2%	318	207	47.6%
Revenue Passenger Kilometres(m)	541	380	42.5%	2,840	1,878	45.3%
Available Seat Kilometres (m)	612	475	28.8%	3,305	2,306	37.7%
Passenger Load Factor (%)	88.3%	79.8%	8.5 pts	85.9%	81.4%	4.5 pts
North America / UK	NOVEMBER			FINANCIAL YTD		
	2015	2014	% *	2016	2015	% * +
Passengers carried (000)	74	71	4.0%	438	394	6.8%
Revenue Passenger Kilometres(m)	755	724	4.3%	4,460	4,000	7.1%
Available Seat Kilometres (m)	917	874	5.0%	5,219	4,596	9.1%
Passenger Load Factor (%)	82.3%	82.8%	(0.5 pts)	85.5%	87.0%	(1.5 pts)

* % change is based on numbers prior to rounding.

+ The month on month percentage movements have been adjusted for the 22% difference in days for the month of July 15 (33 days) compared with July 2014 (27 days).

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 above operational data and statistics is additional supplementary information only.