



2016
**Annual
Shareholder
Meeting**

30 September 2016

Tony Carter
Chairman

Christopher Luxon
Chief Executive Officer



Tony Carter
Chairman



Tony Carter



Jan Dawson



Jonathan Mason



Board of Directors



Rob Jager



Dame Therese Walsh



Paul Bingham



Linda Jenkinson

Agenda

Chairman's address

CEO's address

Questions on performance and outlook

Resolutions

General discussion and questions



2016 Financial highlights

\$5.2b

Operating revenues

\$806m

Earnings before other significant items and taxation

\$1.1b

Operating cash flow

22%

Pre-tax ROIC*

45c

Dividends per share

* Before other significant items.



Earnings before other significant items and taxation

	June 2016 \$M
Earnings before taxation (per NZ IFRS)	663
Add back other significant items:	
Virgin Australia partial divestment	86
Settlement of legal claim	57
Earnings before other significant items and taxation	806

Further details of Other significant items is disclosed within the Group Financial Statements (note 3).



Balance sheet remains strong



Net cash on hand*

\$1.6b

Gearing*

48.6%



*As at 30 June 2016.

Dividends



Interim dividend

10c
per share

Final dividend

10c
per share

Special dividend

25c
per share

Note: all dividends were fully imputed.

2017 Outlook



Given the uncertain impact of competition and based upon current market conditions, expect earnings before taxation for the full year 2017 to be in the range of **\$400 million to \$600 million***

*Assumes fuel price of US\$55 per barrel for the remainder of the year.



Christopher Luxon
CEO

2016 commercial drivers



Capacity

↑ 12%
ASK growth

Fuel

↓ 40%
decline in price

Efficiencies

\$222m
contribution from
fleet & operations¹¹

Customer achievements

Record customer satisfaction

Brand health in great shape

#1 corporate reputation in
New Zealand

#6 corporate reputation in
Australia



People achievements



Record employee
engagement

Driving health & safety
culture

Deepened High
Performance Engagement
agenda

Company performance
bonus

Market environment



Strong inbound tourism growth

Current view of stable fuel prices

Increased competitive landscape

Pressure on revenue growth in 2017

2017 performance expected to be solid

Our unique strengths



Our alliance
driven network



Our brand and Kiwi
service culture



Our domestic
network



Our Airpoints™
members



Our simplified fleet
& competitive cost
structure

A proven record of **adapting** our business to perform well in **various trading conditions**

Growth plan for 2017

Group Capacity

↑ 4% to 6%

Domestic ↑ 7% to 9%

Tasman and Pacific Islands ↑ 3% to 5%

International long-haul ↑ 4% to 6%



What drives us everyday



GOBEYOND

OUR **PURPOSE**



Supercharge New Zealand's
success socially, economically
and environmentally

OUR **PROMISE**



Connect New Zealanders with each
other and New Zealand with the world,
through a liberating travel experience

OUR **OBJECTIVE**



Create a world class organisation
by delivering cultural, customer
and commercial excellence

Questions regarding 2016 performance and 2017 outlook





Resolutions

Proxies and postal votes received

(as at 28 September 2016)



Resolution	Proxy votes			
	For	Against	Abstain	Discretion
<u>Resolution 1:</u> Re-election of Jan Dawson	305,983,399	781,105	1,696,855	584,636,497
<u>Resolution 2:</u> Re-election of Jonathan Mason	305,982,548	779,830	1,698,130	584,637,348
<u>Resolution 3:</u> Election of Dame Therese Walsh	305,953,295	803,042	1,696,855	584,644,664

Postal votes		
For	Against	Abstain
1,693,395	20,389	52,813
1,704,495	15,309	46,793
1,675,315	27,974	63,308



Resolution #1

Re-election of

Jan Dawson



Resolution #2

Re-election of

Jonathan Mason





Resolution #3

Election of

Dame Therese Walsh





General
discussion and
questions



Thank you

AIR NEW ZEALAND 

A STAR ALLIANCE MEMBER 