



2 August 2024

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June 2024 Commentary

- Group capacity was down 4.2% in June compared to the same month last year. May and June typically represent the airlines two lowest demand months except in FY23 when the airline experienced exceptionally high demand as part of the initial post COVID recovery period. Long-haul international ASKs decreased 5.1%, short-haul international ASKs decreased 2.6%, and domestic ASKs were down 4.0% compared to last year.
- The decline in Group YTD RASK compared to the prior year was driven by the significant mix change for the 2024 financial year to date, whereby long-haul capacity growth and load factors were substantially higher relative to short-haul.
- Short-haul YTD RASK, which includes the Domestic, Tasman and Pacific islands networks declined 6.0% compared to last year. This was driven by a Tasman and Pacific islands YTD RASK decline, offset by a small increase in Domestic YTD RASK.
- Long-haul YTD RASK declined 11.1% driven by both North American and to a lesser extent, Asian routes. Intense international competition features heavily in the current trading environment, particular for North America. US competitors have not yet returned to China at scale, and for now have directed some of that additional capacity to the New Zealand market, putting pressure on yields.
- As previously disclosed in a market announcement dated 22 April 2024, Covid-credit related breakage will be applied to passenger revenue for the 2024 financial year. This includes the \$45 million already recognised in the 2024 interim financial statements released to the market in February 2024. It also includes a further amount, in line with the estimate provided in the April market announcement, which will be disclosed when the airline releases its annual results on 29 August 2024. These credits are not allocated to a particular route group in this document and therefore are not included within the June YTD operating statistics information provided on page 2.



June 2024 highlights

Group traffic summary	JUNE			FINANCIAL YTD		
	FY24	FY23	% *+	2024	2023	% *+
Passengers carried (000)	1,428	1,381	(2.5%)	16,461	15,776	4.1%
Revenue Passenger Kilometres(m)	3,050	2,931	(1.9%)	34,286	29,032	17.8%
Available Seat Kilometres (m)	3,801	3,743	(4.2%)	42,070	34,281	22.4%
Passenger Load Factor (%)	80.2%	78.3%	1.9 pts	81.5%	84.7%	(3.2 pts)

Year-to-date RASK ¹	% change in reported RASK (incl. FX)	% change in reported RASK (excl. FX)
	vs 2023	vs 2023
Group	(10.9%)	(11.2%)
Short Haul	(6.0%)	(6.0%)
Long Haul	(10.4%)	(11.1%)

Please note that the available seat kilometre (capacity) numbers included in the tables within this disclosure do not include any cargo-only flights. This is because these capacity numbers are used to calculate passenger load factors and passenger RASK

* % change is based on numbers prior to rounding

+ The month 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 2022 (31 days) compared with July 2023 (30 days). This is because Air New Zealand operates on a 4,4,5 accounting calendar but closes the annual accounts on 30 June.

¹ Reported RASK (unit passenger revenue per available seat kilometre) is inclusive of foreign currency impact, and underlying RASK excludes foreign currency impact.



Operating statistics table

Group	JUNE			FINANCIAL YTD		
	FY24	FY23	% *+	2024	2023	% *+
Passengers carried (000)	1,428	1,381	(2.5%)	16,461	15,776	4.1%
Revenue Passenger Kilometres(m)	3,050	2,931	(1.9%)	34,286	29,032	17.8%
Available Seat Kilometres (m)	3,801	3,743	(4.2%)	42,070	34,281	22.4%
Passenger Load Factor (%)	80.2%	78.3%	1.9 pts	81.5%	84.7%	(3.2 pts)

Short Haul Total	JUNE			FINANCIAL YTD		
	FY24	FY23	% *+	2024	2023	% *+
Passengers carried (000)	1,249	1,208	(2.5%)	14,533	14,298	1.4%
Revenue Passenger Kilometres(m)	1,339	1,237	2.0%	15,403	14,386	6.8%
Available Seat Kilometres (m)	1,632	1,588	(3.1%)	18,277	16,921	7.7%
Passenger Load Factor (%)	82.0%	77.9%	4.1 pts	84.3%	85.0%	(0.7 pts)

Domestic	JUNE			FINANCIAL YTD		
	FY24	FY23	% *+	2024	2023	% *+
Passengers carried (000)	914	907	(5.0%)	10,722	10,946	(2.3%)
Revenue Passenger Kilometres(m)	465	460	(4.8%)	5,572	5,679	(2.2%)
Available Seat Kilometres (m)	590	579	(4.0%)	6,621	6,685	(1.2%)
Passenger Load Factor (%)	78.8%	79.5%	(0.7 pts)	84.2%	84.9%	(0.7 pts)

Tasman / Pacific	JUNE			FINANCIAL YTD		
	FY24	FY23	% *+	2024	2023	% *+
Passengers carried (000)	335	301	5.0%	3,811	3,352	13.4%
Revenue Passenger Kilometres(m)	874	777	6.1%	9,831	8,707	12.6%
Available Seat Kilometres (m)	1,042	1,009	(2.6%)	11,656	10,236	13.6%
Passenger Load Factor (%)	83.9%	77.0%	6.9 pts	84.3%	85.1%	(0.8 pts)

Long Haul Total	JUNE			FINANCIAL YTD		
	FY24	FY23	% *+	2024	2023	% *+
Passengers carried (000)	179	173	(2.4%)	1,928	1,478	30.1%
Revenue Passenger Kilometres(m)	1,711	1,694	(4.8%)	18,883	14,646	28.6%
Available Seat Kilometres (m)	2,168	2,154	(5.1%)	23,793	17,359	36.7%
Passenger Load Factor (%)	78.9%	78.7%	0.2 pts	79.4%	84.4%	(5.0 pts)

Asia	JUNE			FINANCIAL YTD		
	FY24	FY23	% *+	2024	2023	% *+
Passengers carried (000)	99	93	(0.4%)	1,026	697	46.9%
Revenue Passenger Kilometres(m)	832	809	(3.0%)	8,967	6,128	45.9%
Available Seat Kilometres (m)	1,078	1,082	(6.0%)	10,912	7,423	46.6%
Passenger Load Factor (%)	77.2%	74.8%	2.4 pts	82.2%	82.6%	(0.4 pts)

Americas	JUNE			FINANCIAL YTD		
	FY24	FY23	% *+	2024	2023	% *+
Passengers carried (000)	80	80	(4.9%)	902	781	15.2%
Revenue Passenger Kilometres(m)	879	885	(6.4%)	9,916	8,518	16.1%
Available Seat Kilometres (m)	1,090	1,072	(4.2%)	12,881	9,936	29.3%
Passenger Load Factor (%)	80.6%	82.6%	(2.0 pts)	77.0%	85.7%	(8.7 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 2022 (31 days) compared with July 2023 (30 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 27 June 2024 to 1 August 2024)

Air New Zealand to withdraw from Science Based Target initiative

30 July 2024

After careful consideration, Air New Zealand is removing its 2030 science based carbon intensity reduction target and will withdraw from the Science Based Targets initiative.

Many of the levers needed to meet the target, including the availability of new aircraft, the affordability and availability of alternative jet fuels, and global and domestic regulatory and policy support, are outside the airline's direct control and remain challenging.

Air New Zealand Chief Executive Officer, Greg Foran says, "In recent months, and more so in the last few weeks, it has also become apparent that potential delays to our fleet renewal plan pose an additional risk to the target's achievability. It is possible the airline may need to retain its existing fleet for longer than planned due to global manufacturing and supply chain issues that could potentially slow the introduction of newer, more fuel-efficient aircraft into the fleet. As such and given so many levers needed to meet the target are outside our control, the decision has been made to retract the 2030 target and withdraw from the SBTi network immediately.

Work has begun to consider a new near-term carbon emissions reduction target that could better reflect the challenges relating to aircraft and alternative jet fuel availability within the industry.

Air New Zealand Chair, Dame Therese Walsh says, "Air New Zealand remains committed to reaching its 2050 net zero carbon emissions target. Our work to transition away from fossil fuels continues, as does our advocacy for the global and domestic regulatory and policy settings that will help facilitate Air New Zealand, and the wider aviation system in New Zealand, to do its part to mitigate climate change risks."

Air New Zealand updates on director resignation

26 July 2024

Air New Zealand director Paul Goulter has advised the Chair that he will retire from the board due to increasing workload and commitments in his role as CEO of the NZ Nurses Organisation.

He will retire at this year's Annual Shareholders Meeting to be held in Christchurch on 26 September 2024.

Chair Dame Therese Walsh said that Paul has served the airline for nearly 3 years and will not seek re-election at this year's ASM. She noted that Paul has made a significant contribution in his time as a director. His deep industrial relations experience and insights have been invaluable, particularly in the People, Remuneration and Diversity Committee as well as through the complexities of managing the airline's diverse workforce over the last few years.

Dame Therese thanked Paul for his commitment and contribution to the airline. In due course Air New Zealand will advise a replacement director for Goulter.

Annual Meeting and Nomination of Directors

12 July 2024

Air New Zealand Limited's Annual Shareholders' Meeting will be held in Christchurch at 2pm on Thursday 26 September 2024 in the Tekapo Room, Novotel Hotel, 30 Durey Road, Christchurch.

In addition to the physical meeting, Air New Zealand will also offer shareholders the choice to attend and participate in the meeting via an online platform.

The Notice of Meeting (which will be emailed or sent to shareholders after the 2024 Annual Results to be released on Thursday 29 August 2024) will contain details of how to participate online.



Nomination of Directors

Air New Zealand advises that the period for nominations for the position of director opens today and will close at 5.00pm on Friday 26 July 2024.

Nominations must be:

- (a) made in writing;
- (b) may only be made by a security holder entitled to attend and vote at the Annual Meeting;
- (c) accompanied by the written consent of the person being nominated as well as their brief biographical details (for inclusion in the Notice of Meeting); and
- (d) be addressed to the Company Secretary at Air New Zealand, Private Bag 92007, Auckland 1142.

This announcement is made pursuant to Listing Rule 2.3.2.

Media Releases

(during the period 27 May 2024 to 1 August 2024)

[Astounding response to the Mangōpare Air New Zealand Pilot Cadetship](#)

18 July 2024

The dream of flying has inspired nearly 2,000 to apply for the Mangōpare Air New Zealand Pilot Cadetship, demonstrating the strong desire of Kiwis to pursue a career as a pilot.

The cadetship, a first for Air New Zealand, is designed to be an all-inclusive training programme that accelerates the journey to becoming a fully qualified ATR pilot from the typical 24-36 months to approximately 14 months.

Applications closed last week, with thousands of Kiwis applying. All applicants who met the requirements were invited to complete various aptitude tests and interviews online.

Air New Zealand Chief Operational Integrity and Safety Officer Captain David Morgan said the airline is encouraged by the enthusiastic response from aspiring aviators interested in the Mangōpare Air New Zealand Pilot Cadetship.

“The response to the cadetship has been astounding, and we have been impressed with the incredibly high calibre of applicants from across Aotearoa. We’re excited to have a new generation of pilots to connect New Zealanders with each other and the world.

“We always knew there would be plenty of Kiwis out there who wanted to pursue a career as a pilot but who might have needed a little bit of help to achieve their dream, and it is a privilege to play a supporting role in that.

“It has been incredibly inspiring to see applications from a wide range of New Zealanders, all of whom come with their own unique stories and dreams about why they want to be a pilot for Air New Zealand.

“Applications have now been reviewed, with a shortlist of prospective cadets being invited to in-person interviews with our selection panel in Auckland from this week. Everything is on track to have the first cohort commencing their training in Arizona from September,” Captain Morgan said.

Air New Zealand has also received positive engagement through the Expression of Interest (EOI) process, aimed at identifying New Zealand-based training organisations to deliver a fully integrated pilot training cadetship aligned with our turboprop operations.



“We look forward to evaluating the EOI responses over the coming months, with the intention of establishing a similar training programme with New Zealand-based schools in the future,” Captain Morgan said.

[Air New Zealand releases 750,000 domestic fares under \\$100](#)

17 July 2024

Air New Zealand has today launched its biggest domestic sale of the year with three-quarters of a million seats on sale for under \$100.

The 750,000 fares will start from \$59 one way and will be available from 7pm tonight until midnight on 24 July.

Air New Zealand General Manager Domestic Scott Carr says those looking for a getaway are spoilt with choice with all 20 of the airline’s domestic destinations on sale.

“Whether it’s a romantic weekend getaway to Invercargill, or cheeky date night in Palmerston North – we’re challenging Kiwis to think outside the box and visit a new destination this year.

“We’ve made sure there’s a selection of fares available between now and early 2025 to ensure those who aren’t so keen on a winter getaway can book for a summer escape”.

[Domestic airlines welcome Commerce Commission’s findings; shows need for urgent inquiry into airport regulation](#)

17 July 2024

- Joint statement from domestic airlines Air Chathams, Air New Zealand, Barrier Air and Jetstar
- Commerce Commission report into airport charges highlights Auckland International Airport Limited (AIAL) pricing is costing Kiwis
- Domestic airlines call for AIAL to right-size the redevelopment plan
- Makes the case for the Government to commence independent inquiry into airport regulation

Domestic airlines operating from Auckland Airport have today welcomed the draft findings of the Commerce Commission’s report on the latest Price Setting Event 4 (PSE4, which covers the period 2023 to 2027). Price setting events are the process by which the three major airports in New Zealand set their prices.

Today’s report shows that Auckland Airport is targeting excess profits between \$193.4 million and \$226.5 million over PSE4. The Commerce Commission previously found that Auckland Airport was targeting excess profits of \$53m in PSE3 (2018 to 2022). When airports make excessive profits, it’s ultimately airline passengers who are paying.

Domestic carriers have expressed concern for some time about the scale and cost of the current Auckland Airport redevelopment, which would ultimately leave the travelling public footing the bill and domestic travel becoming less affordable for many.

While the Commerce Commission’s draft suggests that the investment in Auckland Airport’s development may be appropriate, this is not a view shared by many of AIAL’s aeronautical partners and that will be a strong feature of the response to this draft report.

Domestic carriers believe the current regulatory regime is not in the best interests of New Zealand consumers. AIAL is currently only required to consult with airlines, but it doesn’t need to reach any agreement.



Domestic airlines are calling on the Government to urgently commission an independent inquiry into airport regulation. This can be conducted under s56G of the Commerce Act, at the Minister's direction.

The Commission has a menu of regulatory options to keep regulated airports under control. These include steps that require airports to negotiate with their airline customers on a commercial basis, go to arbitration if that fails, or the regulator can set the price and quality of their service.

These options do not require new laws to be passed, so it's not a case of more red tape or government intervention - airlines are simply asking the Commission to use its existing inquiry power to determine which regulatory option will deliver more control over airports and, therefore, better value for consumers.

Air Chatham's Chief Operating Officer Duane Emeny said, "An inquiry into airport regulation is a crucial opportunity to establish a regulatory environment that more effectively protects consumers and ensures that airport investments are made responsibly and affordably.

Air New Zealand Chief Executive Greg Foran said, "New Zealanders are in the midst of a cost of living crisis and businesses are cutting costs, the last thing they need is for more costs to be piled onto travel because Auckland Airport isn't acting in the best interests of New Zealanders.

"We agree some development is needed, but we're ready to get back to the table with Auckland Airport to ensure that the airport has an affordable and enduring plan that helps connect New Zealanders with each other and the world. The right regulatory framework will allow us to do that."

Barrier Air CEO Grant Bacon said, "The currently proposed redevelopment at Auckland Airport still has turboprops in another terminal, meaning smaller carriers and regional passengers need to walk to another terminal and get very little from the large-scale development, but we'll still be paying for it. There is also no new runway factored in to the large spend."

Jetstar Group CEO Stephanie Tully said, "As a low-cost carrier, Auckland Airport's proposed redevelopment would result in steep increases to passenger charges, impacting demand for air travel and our ability to offer the low fares we know Kiwis really value."