

Stock exchange listings: New Zealand (NZX: AIR) / Australia (ASX: AIZ)

MARKET ANNOUNCEMENT

16 April 2018

Update:

Air New Zealand statement on global Rolls-Royce engine issue

Air New Zealand is working closely with engine manufacturer Rolls-Royce on a global issue involving some of the Trent 1000 engines that power its Boeing 787-9 Dreamliner fleet.

Last month Rolls-Royce, in conjunction with European regulator EASA, issued a directive requiring operators of a type of Trent 1000 engine known as 'Package C' to carry out earlier than usual maintenance checks on a specific part of the engine compressor.

This check was already required prior to the engine reaching a flying threshold of 2,000 cycles (one way journeys). The directive reduces that timeframe to 300 cycles. Rolls-Royce advises 380 engines globally are impacted by the directive, including nine in the Air New Zealand 787 fleet.

Trent 1000 Package C engines that have operated fewer than 300 cycles are unaffected by this directive. Air New Zealand also has Trent 1000 TEN model engines in its 787 fleet and these are unaffected.

Air New Zealand expects there will be some customer and operational impact to its international schedule as a result of the checks. However, the airline does not expect this global issue involving some of the Trent 1000 engines that power its Boeing 787-9 Dreamliner fleet to materially impact FY18 earnings and previous guidance remains unchanged.

Karen Clayton
General Counsel and Company Secretary

Ends.