

## Boeing to Help Air New Zealand Harness Data and Boost Operational Efficiency

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Component Exchange and Airplane Health Management to Streamline Maintenance

Boeing [NYSE:BA] will supply a comprehensive component-exchange program and an interconnected, prognostic airplane health monitoring system to Air New Zealand, making the Auckland-based carrier a leader in e-Enabling its operations.

Boeing's Component Services Program (CSP) gives airlines fast access to critical airplane components while significantly reducing costs. Air New Zealand's eight new 777-200ERs (Extended Range), the first of which was delivered in October 2005, join a Boeing CSP global network of 97 additional 777s. Using this unique network will save the airline as much as 30 percent of its inventory, repair and administrative costs.

The same eight 777s will be monitored by Boeing's Airplane Health Management (AHM) system, which will also track the airline's fleet of eight 747s. AHM provides real-time maintenance information to airlines that can be used to address potential problems before they force airplanes out of service and impair an airline's operations.

"This deal demonstrates Air New Zealand's leadership in adopting new tools that will give the airline fast and actionable information as well as ready access to the components it needs to operate efficiently and reliably," said Dan da Silva, vice president of Sales and Marketing for Boeing's Commercial Aviation Services. "Both of the solutions are designed to make Air New Zealand's fleet more reliable and dependable for its flying customers. That is exactly where Boeing wants to be."

Because of its location far from population centers in Asia, Europe and the Americas, Air New Zealand maintains one of the industry's highest utilization rates. The airline's 777s are typically in the air 13 out of every 24 hours, and Air New Zealand plans to increase this utilization to 16 hours a day. The high utilization of the fleet requires the airline to find efficient and proven ways to minimize unplanned maintenance events.

"The Boeing CSP Program enables Air New Zealand to operate its fleet at spares service levels and costs that would have been difficult to achieve on its own. The same applies to the AHM Program. In order to stay competitive we need to take advantage of modern programs such as these," said Chris Nassenstein, Air New Zealand's General Manager Engineering Services.

The combination of CSP and AHM provides Air New Zealand with valuable tools to cost-effectively manage its spare-parts needs and a monitoring system that can provide the data needed to maximize the CSP's inherent efficiencies.

Under CSP, Boeing will provide Air New Zealand with the components it requires from a defined set of part numbers within 24 hours of the request. Since Boeing owns the parts until Air New Zealand needs them, the airline can reduce costs while guaranteeing a level of service at least on par with its prior experience. The airline also gains by acquiring a working component right away, rather than having to wait for a completed repair that could ground an airplane.

AHM will enhance the benefits Air New Zealand gains from CSP by providing real-time maintenance information that can be used to address potential problems in a timely fashion, activating a CSP exchange and part replacement before a failure causes an unscheduled maintenance event that takes the airplane out of service.

Working together, the two products represent a strong endorsement of Boeing's strategy to e-Enable the air-transport system so that data, information and knowledge can be shared across an entire enterprise to help

make key operational decisions.

The CSP program is offered jointly by Boeing and Air France Industries. Boeing offers a similar CSP program for Next-Generation 737 aircraft.

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