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## APRIL MARKET CONDITIONS

Air New Zealand carried 1,024,000 passengers during the month of April, 1.8% more than last year. Revenue passenger kilometres (RPKs) increased 5.5% on a capacity (ASKs) increase of 4.6%. This resulted in an increase in Group load factor of 0.7 of a percentage point to 83.0%.

Short Haul passenger numbers were up 1.5% on April last year. Demand (RPKs) increased in the Domestic market by 2.6% compared to last year, with load factor increasing 1.2 percentage points to 83.3%. Capacity (ASKs) increased 1.1% on the comparative period. Tasman / Pacific demand (RPKs) increased 4.9%, with capacity (ASKs) increasing by 2.7%. Tasman / Pacific load factor increased by 1.7 percentage points to 83.7% when compared to April 2011.

Long Haul passenger numbers increased 4.4% compared to April last year, with capacity (ASKs) growth of 6.8% slightly ahead of demand (RPKs) growth of 6.7%. On North America / UK routes demand (RPKs) increased by 0.3% on last April with capacity (ASKs) growth of 1.8%. As a result, load factor decreased by 1.3 percentage points on the previous year to 83.3%. Demand (RPKs) increased by 17.7% on Asia / Japan / UK routes, with capacity (ASKs) increasing by 14.8%. Load factor increased by 2.0 percentage points to 81.2%.

Group-wide yields for the financial year to date were up 3.5% on the same period last year. Compared to April 2011, year to date Short Haul yields were up 1.5%. Long Haul yields were up by 3.9%. Removing the impact of foreign exchange, Group-wide yields were up 5.3%.

In April, 87.2% of Air New Zealand's Domestic flights departed within 10 minutes of scheduled departure time.

## COMPANY NEWS

### **Significant capacity boost for Auckland-Perth alliance services**

Air New Zealand will boost capacity on the Auckland-Perth route by more than 20% in the upcoming financial year. From 3 September, Air New Zealand will replace its 234 seat Boeing 767-300 with a 304 seat Boeing 777-200ER aircraft on its non-stop Auckland-Perth service. The introduction of the 777-200ER on Auckland-Perth adds another 70 seats on each flight and introduces lie-flat Business Premier beds and Premium Economy to the route for the first time. Tax inclusive seat fares Auckland-Perth start at NZ\$519 one way per person, with seat fares from Perth available from AU\$500 one way per person.

### **Ski-season capacity boost for Queenstown - more Tasman and domestic flights**

Air New Zealand and Virgin Australia are boosting direct flights between Australia and Queenstown by 8% this ski season to meet expected high demand from Australian skiers.



The increased services are part of the new alliance between Air New Zealand and Virgin Australia, which has seen the two airlines work together over the past year to offer passengers more choice and more convenient schedules for trans-Tasman travel.

The new services announced today will see Queenstown benefit from 13% more seats on Melbourne-Queenstown services, 10% more seats on Sydney-Queenstown services and 3% more seats on Brisbane-Queenstown services. The additional 6314 seats will take the total number of direct trans-Tasman flights into and out of Queenstown to 18 return trips per week for a total of 243 return flights over the season.

There is a greater spread of days that return flights are available, with Brisbane-Queenstown now operating daily where there were previously no Tuesday or Saturday services. Melbourne services now operate on Monday, Wednesday, Friday and Saturday compared to last season's Monday, Tuesday, Thursday and Saturday services. Sydney goes to double-daily Wednesday-Saturday with one daily service the other three days.

Air New Zealand is also increasing its domestic capacity into Queenstown over the same period with a 68% increase on Wellington-Queenstown (an extra 300 seats per week) and an 18% increase on Auckland-Queenstown (an extra 650 seats per week each way).

### **50% more seats to Hawaii**

Air New Zealand is adding significant new capacity to its Auckland - Honolulu route to meet high customer demand for this popular holiday destination. Between late October 2012 and March 2013 the airline will add a third weekly Boeing 767-300 service increasing the total number of seats available on this route by 50%.

In addition to this, between 9 June and 1 September 2012 Air New Zealand will upgrade its regular twice weekly service to a larger Boeing 777-200 aircraft, which is a 21% capacity increase on the same period last year. Air New Zealand will also be offering its popular Seats to Suit fare structure on the Auckland - Honolulu route for travel from 24 July 2012, bringing it into line with other Tasman and Island destinations.

## APRIL STATISTICS TABLE

Group	APRIL			FINANCIAL YTD		
	2012	2011	% *	2012	2011	% *
Passengers carried (000)	1,024	1,006	1.8%	11,088	11,155	(0.6%)
Revenue Passenger Kilometres(m)	2,015	1,911	5.5%	22,822	23,173	(1.5%)
Available Seat Kilometres (m)	2,429	2,323	4.6%	27,502	27,669	(0.6%)
Passenger Load Factor (%)	83.0%	82.3%	0.7 pts	83.0%	83.8%	(0.8 pts)
<b>Short Haul Total</b>	<b>APRIL</b>			<b>FINANCIAL YTD</b>		
	<b>2012</b>	<b>2011</b>	<b>% *</b>	<b>2012</b>	<b>2011</b>	<b>% *</b>
Passengers carried (000)	911	898	1.5%	9,734	9,722	0.1%
Revenue Passenger Kilometres(m)	933	896	4.1%	10,044	9,791	2.6%
Available Seat Kilometres (m)	1,116	1,093	2.1%	12,031	11,783	2.1%
Passenger Load Factor (%)	83.6%	82.0%	1.6 pts	83.5%	83.1%	0.4 pts
<b>Domestic</b>	<b>APRIL</b>			<b>FINANCIAL YTD</b>		
	<b>2012</b>	<b>2011</b>	<b>% *</b>	<b>2012</b>	<b>2011</b>	<b>% *</b>
Passengers carried (000)	680	676	0.6%	7,165	7,227	(0.9%)
Revenue Passenger Kilometres(m)	331	323	2.6%	3,421	3,415	0.2%
Available Seat Kilometres (m)	398	393	1.1%	4,172	4,146	0.6%
Passenger Load Factor (%)	83.3%	82.1%	1.2 pts	82.0%	82.4%	(0.4 pts)
<b>Tasman / Pacific</b>	<b>APRIL</b>			<b>FINANCIAL YTD</b>		
	<b>2012</b>	<b>2011</b>	<b>% *</b>	<b>2012</b>	<b>2011</b>	<b>% *</b>
Passengers carried (000)	230	221	4.0%	2,569	2,495	3.0%
Revenue Passenger Kilometres(m)	602	574	4.9%	6,623	6,376	3.9%
Available Seat Kilometres (m)	719	700	2.7%	7,859	7,637	2.9%
Passenger Load Factor (%)	83.7%	82.0%	1.7 pts	84.3%	83.5%	0.8 pts
<b>Long Haul Total</b>	<b>APRIL</b>			<b>FINANCIAL YTD</b>		
	<b>2012</b>	<b>2011</b>	<b>% *</b>	<b>2012</b>	<b>2011</b>	<b>% *</b>
Passengers carried (000)	113	108	4.4%	1,354	1,434	(5.5%)
Revenue Passenger Kilometres(m)	1,082	1,014	6.7%	12,778	13,382	(4.5%)
Available Seat Kilometres (m)	1,313	1,230	6.8%	15,471	15,886	(2.6%)
Passenger Load Factor (%)	82.4%	82.5%	(0.1 pts)	82.6%	84.2%	(1.6 pts)
<b>Asia / Japan / UK</b>	<b>APRIL</b>			<b>FINANCIAL YTD</b>		
	<b>2012</b>	<b>2011</b>	<b>% *</b>	<b>2012</b>	<b>2011</b>	<b>% *</b>
Passengers carried (000)	48	41	16.9%	553	577	(4.1%)
Revenue Passenger Kilometres(m)	439	373	17.7%	5,061	5,301	(4.5%)
Available Seat Kilometres (m)	541	472	14.8%	6,289	6,413	(1.9%)
Passenger Load Factor (%)	81.2%	79.2%	2.0 pts	80.5%	82.7%	(2.2 pts)
<b>North America / UK</b>	<b>APRIL</b>			<b>FINANCIAL YTD</b>		
	<b>2012</b>	<b>2011</b>	<b>% *</b>	<b>2012</b>	<b>2011</b>	<b>% *</b>
Passengers carried (000)	65	67	(3.3%)	801	856	(6.5%)
Revenue Passenger Kilometres(m)	643	641	0.3%	7,717	8,081	(4.5%)
Available Seat Kilometres (m)	771	758	1.8%	9,182	9,473	(3.1%)
Passenger Load Factor (%)	83.3%	84.6%	(1.3 pts)	84.0%	85.3%	(1.3 pts)

\* % change is based on numbers prior to rounding

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.