



**MONTHLY INVESTOR UPDATE: 27 APRIL 2012**

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## **MARCH MARKET CONDITIONS**

Air New Zealand carried 1,294,000 passengers during the month of March, 0.1% less than last year. Revenue passenger kilometres (RPKs) increased 1.6% on 1.6% less capacity (ASKs). This resulted in an increase in Group load factor of 2.6 percentage points to 82.4%.

Short Haul passenger numbers were slightly down by 0.2% on March last year. Demand (RPKs) decreased in the Domestic market by 0.6% compared to last year, with load factor increasing 0.6 of a percentage point to 84.0% on capacity (ASKs) reductions of 1.3%. Tasman / Pacific demand (RPKs) increased 4.2% while capacity (ASKs) decreased by 0.3%. Tasman / Pacific load factor increased by 3.6 percentage points to 82.5% when compared to March 2011.

Long Haul passenger numbers increased 1.0% compared to March last year on 2.4% less capacity (ASKs). On North America / UK routes demand (RPKs) decreased by 5.4% on last March with capacity (ASKs) reduced by 10.7%. As a result, load factor increased by 4.7 percentage points on the previous year to 84.8%. Demand (RPKs) increased by 11.4% on Asia / Japan / UK routes, with capacity (ASKs) increasing by 10.7%. Load factor increased by 0.5 of a percentage point to 78.1%.

Group-wide yields for the financial year to date were up 3.9% on the same period last year. Compared to last March, year to date Short Haul yields were up 1.8%. Long Haul yields were up by 4.0%. Removing the impact of foreign exchange, Group-wide yields were up 5.6%.

In March, 82% of Air New Zealand's Domestic flights departed within 10 minutes of scheduled departure time.

## **COMPANY NEWS**

### **Air New Zealand to go daily to Shanghai**

Air New Zealand plans to operate daily services to Shanghai within the coming 12 months. Following a review of current services into China, Air New Zealand has determined that this expansion will best be achieved by consolidating services into Shanghai and serving Beijing as a one-stop destination in conjunction with Star Alliance code-share partner Air China.

The airline will add a fifth weekly service to Shanghai from July 4 as it focuses its efforts on continuing to build this natural gateway between New Zealand and China. Air New Zealand will suspend the twice weekly direct Auckland - Beijing service from 30 June 2012 as it concentrates on growing the Shanghai service. Group General Manager International Airline, Christopher Luxon, says Air New Zealand still considers Beijing to be an important and growing market and the Air China code share arrangement provides convenient connections between Shanghai and Beijing in both directions.



## **Air New Zealand and Department of Conservation announce new partnership**

Air New Zealand and the Department of Conservation (DOC) have confirmed a major three year commercial partnership. The partnership is worth the equivalent of \$1 million annually to DOC through travel and marketing support for new conservation programmes around the National Parks Great Walks network, species translocations around the country and in promotion of the Great Walks themselves.

Air New Zealand's sole major sponsorship of the Great Walks network incorporates nine of New Zealand's finest tracks; Rakiura, Kepler, Milford, Routeburn, Heaphy, Abel Tasman Coast, Whanganui River Journey, Tongariro and Lake Waikaremoana.

The agreement will also see Air New Zealand using its national network to transport threatened species (birds, reptiles and invertebrates) to safe new breeding sites around the country as part of DOC's active recovery programmes. There are approximately 200 transfers each year of threatened wildlife.

Air New Zealand's marketing plans for the Great Walks include development of flight and hut packages and high-end group experiences on conservation land, promotion through its million strong frequent flyer database and significant local and international marketing and social media activity. The partnership represents an important expansion of the airline's environment strategy.

## MARCH STATISTICS TABLE

Group	MARCH			FINANCIAL YTD		
	2012	2011	% *	2012	2011	% *
Passengers carried (000)	1,294	1,295	(0.1%)	10,064	10,150	(0.8%)
Revenue Passenger Kilometres(m)	2,559	2,519	1.6%	20,806	21,263	(2.1%)
Available Seat Kilometres (m)	3,106	3,158	(1.6%)	25,072	25,346	(1.1%)
Passenger Load Factor (%)	82.4%	79.8%	2.6 pts	83.0%	83.9%	(0.9 pts)
<b>Short Haul Total</b>	<b>MARCH</b>			<b>FINANCIAL YTD</b>		
	<b>2012</b>	<b>2011</b>	<b>% *</b>	<b>2012</b>	<b>2011</b>	<b>% *</b>
Passengers carried (000)	1,142	1,145	(0.2%)	8,822	8,825	(0.0%)
Revenue Passenger Kilometres(m)	1,135	1,108	2.4%	9,111	8,895	2.4%
Available Seat Kilometres (m)	1,367	1,376	(0.7%)	10,913	10,689	2.1%
Passenger Load Factor (%)	83.0%	80.6%	2.4 pts	83.5%	83.2%	0.3 pts
<b>Domestic</b>	<b>MARCH</b>			<b>FINANCIAL YTD</b>		
	<b>2012</b>	<b>2011</b>	<b>% *</b>	<b>2012</b>	<b>2011</b>	<b>% *</b>
Passengers carried (000)	865	877	(1.4%)	6,484	6,552	(1.0%)
Revenue Passenger Kilometres(m)	416	418	(0.6%)	3,090	3,092	(0.1%)
Available Seat Kilometres (m)	495	501	(1.3%)	3,773	3,752	0.6%
Passenger Load Factor (%)	84.0%	83.4%	0.6 pts	81.9%	82.4%	(0.5 pts)
<b>Tasman / Pacific</b>	<b>MARCH</b>			<b>FINANCIAL YTD</b>		
	<b>2012</b>	<b>2011</b>	<b>% *</b>	<b>2012</b>	<b>2011</b>	<b>% *</b>
Passengers carried (000)	277	268	3.6%	2,338	2,273	2.9%
Revenue Passenger Kilometres(m)	719	690	4.2%	6,021	5,803	3.8%
Available Seat Kilometres (m)	872	875	(0.3%)	7,140	6,937	2.9%
Passenger Load Factor (%)	82.5%	78.9%	3.6 pts	84.3%	83.6%	0.7 pts
<b>Long Haul Total</b>	<b>MARCH</b>			<b>FINANCIAL YTD</b>		
	<b>2012</b>	<b>2011</b>	<b>% *</b>	<b>2012</b>	<b>2011</b>	<b>% *</b>
Passengers carried (000)	152	150	1.0%	1,241	1,325	(6.3%)
Revenue Passenger Kilometres(m)	1,424	1,411	0.9%	11,695	12,368	(5.4%)
Available Seat Kilometres (m)	1,739	1,782	(2.4%)	14,158	14,657	(3.4%)
Passenger Load Factor (%)	81.9%	79.1%	2.8 pts	82.6%	84.4%	(1.8 pts)
<b>Asia / Japan / UK</b>	<b>MARCH</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	58	12.2%	506	536	(5.7%)
Revenue Passenger Kilometres(m)	595	535	11.4%	4,621	4,928	(6.2%)
Available Seat Kilometres (m)	763	689	10.7%	5,748	5,942	(3.3%)
Passenger Load Factor (%)	78.1%	77.6%	0.5 pts	80.4%	82.9%	(2.5 pts)
<b>North America / UK</b>	<b>MARCH</b>			<b>FINANCIAL YTD</b>		
	<b>2012</b>	<b>2011</b>	<b>% *</b>	<b>2012</b>	<b>2011</b>	<b>% *</b>
Passengers carried (000)	87	93	(6.1%)	736	789	(6.8%)
Revenue Passenger Kilometres(m)	828	876	(5.4%)	7,074	7,440	(4.9%)
Available Seat Kilometres (m)	977	1,093	(10.7%)	8,411	8,715	(3.5%)
Passenger Load Factor (%)	84.8%	80.1%	4.7 pts	84.1%	85.4%	(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.