



## CONTENTS

- *May market conditions*
- *Company news*
- *Operating statistics table*

## MAY MARKET CONDITIONS

Air New Zealand carried 910,000 passengers during the month of May, 2.0% more than last year. Revenue passenger kilometres (RPKs) increased 4.7% on a capacity (ASKs) increase of 3.1%. This resulted in an increase in Group load factor of 1.2 percentage points to 79.7%.

Short Haul passenger numbers were up 1.7% on May last year. Demand (RPKs) increased in the Domestic market by 1.5% compared to last year, with load factor down 0.1 of a percentage point on a capacity (ASKs) increase of 1.7%. Tasman/Pacific demand (RPKs) increased 5.9%, with capacity (ASKs) increasing 2.1%. Tasman/Pacific load factor increased by 3 percentage points to 81.9% when compared to May 2011.

Long Haul passenger numbers increased 4.8% compared to May last year, with growth in capacity (ASKs) of 4.0% and demand (RPKs) of 5.0%. Load factor increased 0.8 of a percentage point to 78.9%. On North America/UK routes, demand (RPKs) increased 1.2% with capacity (ASKs) reducing by 0.9%. As a result, load factor increased by 1.7 percentage points on the previous year to 82.9%. Demand (RPKs) increased by 11.9% on Asia/Japan/UK routes, with capacity (ASKs) increasing by 11.7%. Load factor increased by 0.1 of a percentage point to 73.3%.

Group-wide yields for the financial year to date were up 3.2% on the same period last year. Compared to May 2011, year to date Short Haul yields were up 1.1%. Long Haul yields were up by 3.7%. Removing the impact of foreign exchange, Group-wide yields were up 5.0%.

In May, 87.3% of Air New Zealand's Domestic flights departed within 10 minutes of scheduled departure time.

## COMPANY NEWS

### **Air New Zealand announces new CEO**

Air New Zealand has appointed Christopher Luxon as its next Chief Executive Officer. Mr Luxon is presently Group General Manager International Airline and has held the role since joining Air New Zealand in May, 2011, following a successful career at Unilever in North America, Asia and Australia. His most recent role there was President and Chief Executive Officer of Unilever's Canadian business.

Mr Luxon will take over from current Chief Executive Officer Rob Fyfe at the end of December.



### **Commencement of Auckland-Bali direct service**

Air New Zealand's first non-stop flight to the popular holiday destination of Bali took off from Auckland for Denpasar June 19, marking the start of a seasonal service lasting until October. Air New Zealand announced in February that it would operate a twice weekly direct link between New Zealand and Bali with a flight time of nine and a half hours in one direction and eight hours in the other. This is significantly more convenient than the indirect services offered by competitors.

The Bali service is being operated by Boeing 767-300 aircraft, offering 24 Business Class and 204 Economy Class seats with a highly competitive 'Seats to Suit' lead in fare of \$599 per person one way.

# AIR NEW ZEALAND

Group	MAY			FINANCIAL YTD		
	2012	2011	% *	2012	2011	% *
Passengers carried (000)	910	892	2.0%	11,998	12,047	(0.4%)
Revenue Passenger Kilometres(m)	1,787	1,707	4.7%	24,610	24,883	(1.1%)
Available Seat Kilometres (m)	2,241	2,174	3.1%	29,743	29,843	(0.3%)
Passenger Load Factor (%)	79.7%	78.5%	1.2 pts	82.7%	83.4%	(0.7 pts)
<b>Short Haul Total</b>						
	MAY			FINANCIAL YTD		
	2012	2011	% *	2012	2011	% *
Passengers carried (000)	807	793	1.7%	10,540	10,514	0.2%
Revenue Passenger Kilometres(m)	793	760	4.3%	10,837	10,552	2.7%
Available Seat Kilometres (m)	982	963	1.9%	13,012	12,746	2.1%
Passenger Load Factor (%)	80.8%	79.0%	1.8 pts	83.3%	82.8%	0.5 pts
<b>Domestic</b>						
	MAY			FINANCIAL YTD		
	2012	2011	% *	2012	2011	% *
Passengers carried (000)	611	609	0.4%	7,776	7,836	(0.8%)
Revenue Passenger Kilometres(m)	287	283	1.5%	3,708	3,697	0.3%
Available Seat Kilometres (m)	364	358	1.7%	4,536	4,504	0.7%
Passenger Load Factor (%)	78.9%	79.0%	(0.1 pts)	81.8%	82.1%	(0.3 pts)
<b>Tasman / Pacific</b>						
	MAY			FINANCIAL YTD		
	2012	2011	% *	2012	2011	% *
Passengers carried (000)	195	184	5.9%	2,764	2,678	3.2%
Revenue Passenger Kilometres(m)	506	478	5.9%	7,129	6,854	4.0%
Available Seat Kilometres (m)	618	605	2.1%	8,477	8,242	2.8%
Passenger Load Factor (%)	81.9%	78.9%	3.0 pts	84.1%	83.2%	0.9 pts
<b>Long Haul Total</b>						
	MAY			FINANCIAL YTD		
	2012	2011	% *	2012	2011	% *
Passengers carried (000)	103	98	4.8%	1,457	1,532	(4.9%)
Revenue Passenger Kilometres(m)	994	946	5.0%	13,773	14,331	(3.9%)
Available Seat Kilometres (m)	1,259	1,211	4.0%	16,731	17,097	(2.1%)
Passenger Load Factor (%)	78.9%	78.1%	0.8 pts	82.3%	83.8%	(1.5 pts)
<b>Asia / Japan / UK</b>						
	MAY			FINANCIAL YTD		
	2012	2011	% *	2012	2011	% *
Passengers carried (000)	41	37	10.8%	595	614	(3.2%)
Revenue Passenger Kilometres(m)	381	341	11.9%	5,443	5,643	(3.5%)
Available Seat Kilometres (m)	520	466	11.7%	6,809	6,879	(1.0%)
Passenger Load Factor (%)	73.3%	73.2%	0.1 pts	79.9%	82.0%	(2.1 pts)
<b>North America / UK</b>						
	MAY			FINANCIAL YTD		
	2012	2011	% *	2012	2011	% *
Passengers carried (000)	62	61	1.1%	863	918	(6.0%)
Revenue Passenger Kilometres(m)	613	606	1.2%	8,330	8,688	(4.1%)
Available Seat Kilometres (m)	739	746	(0.9%)	9,922	10,219	(2.9%)
Passenger Load Factor (%)	82.9%	81.2%	1.7 pts	84.0%	85.0%	(1.0 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.