



MONTHLY INVESTOR UPDATE: 22 AUGUST 2013

CONTENTS

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

JULY MARKET CONDITIONS

Air New Zealand carried 1,081,000 passengers during the month of July, 4.2%* more than the same period last year. Revenue passenger kilometres (RPKs) increased 2.2%* on a capacity (ASKs) reduction of 1.0%*. Group load factor was 85.5%, up 2.7 percentage points.

Short Haul passenger numbers were up 4.9%* on the same period last year. Demand (RPKs) increased in the Domestic market by 7.4%*, while capacity increased 5.4%*. Domestic load factor was up 1.5 percentage points to 81.0%.

Tasman/Pacific demand (RPKs) increased 5.0%*, with capacity (ASKs) increasing 3.6%*, reflecting the up-gauge to a B777 aircraft on Auckland-Perth. Load factor for Tasman/Pacific was up 1.1 percentage points to 82.9%.

Long Haul passenger numbers decreased 1.1%* compared to July last year, with demand (RPKs) down 0.9%* while capacity decreased 5.6%*. Load factor increased by 4.1 percentage points to 88.5%.

On North America/UK routes, demand (RPKs) increased 14.1%* with capacity (ASKs) increasing by 7.9%*. Load factor increased 5.0 percentage points to 93.4%.

Demand (RPKs) was down 25.0%* on Asia/Japan/UK routes, with capacity (ASKs) decreasing by 24.9%* due to the withdrawal of Hong Kong-London flights. Load factor decreased 0.1 of a percentage point to 78.6%.

Group-wide yields for the financial year to date were up 0.9% on the same period last year. Short Haul yields were down 1.0%, while Long Haul yields were up 1.8%. Removing the impact of foreign exchange, Group-wide yields were up 2.7%.

In July, 76.3% of Air New Zealand's Domestic flights departed within 10 minutes of scheduled departure time.

*Month on month percentage movements have been adjusted on a daily weighted average basis. The adjustment takes into account the difference in days for the July 2013 accounting period (28 days) compared to July 2012 (29 days).



COMPANY NEWS

Launch of new mobile booking service

Air New Zealand customers can now book domestic tickets on the fly, straight from their smartphone's web browser or via the airline's mobile travel app - mPass.

General Manager Customer Experience Calum Laming says the airline is continually looking at ways to enhance the customer experience from booking through to arrival.

"The new mobile booking system has been developed in-house and will enable our customers to book their domestic flights quickly and easily from their mobile phone.

"Based on initial feedback we certainly expect the system to be popular among customers and plan to expand mobile technology later in the year, including introducing mobile booking for international flights," says Mr Laming.

Customers are able to further speed up the booking process by saving their credit card details to their online profile in order to use the new Express Checkout. Flights can also be purchased with Air New Zealand Airpoints Dollars™.

Partnership with Auckland International Airport on China tourism initiative

Air New Zealand and Auckland International Airport Limited have signed a partnership to work together to grow Chinese visitor numbers to New Zealand.

The partnership will focus on targeting new geographic areas in China, promoting year-round travel to New Zealand, especially during the low-season, and positioning Auckland Airport as a main gateway for travel from China to New Zealand and the Pacific Islands.

Joint activity includes advertising, consumer road shows, trade training and familiarisation trips in order to develop new products for special interests, corporate customers and families.

Appointment of new General Manager Japan

Air New Zealand has appointed Scott Carr to the position of General Manager Japan.

Mr Carr has more than 20 years experience at Air New Zealand having joined subsidiary Mount Cook Airline in 1989. Since then he has held a number of senior leadership roles at Air New Zealand including General Manager UK/Europe and most recently General Manager New Zealand.

Air New Zealand Deputy Chief Executive Officer and Acting Chief Sales Officer Norm Thompson says Mr Carr brings a wealth of knowledge and expertise to what is a key offshore role.

"Scott has proven experience across a number of the airline's key markets and while the Japanese market is still in recovery mode, we are seeing positive signs of growth and under his leadership I believe we are poised to take our Japanese operation to the next level of commercial success," says Mr Thompson.



Group	JULY		
	2013	2012	% * +
Passengers carried (000)	1,081	1,075	4.2%
Revenue Passenger Kilometres(m)	2,311	2,343	2.2%
Available Seat Kilometres (m)	2,705	2,829	(1.0%)
Passenger Load Factor (%)	85.5%	82.8%	2.7 pts
Short Haul Total	JULY		
	2013	2012	% * +
Passengers carried (000)	958	946	4.9%
Revenue Passenger Kilometres(m)	1,111	1,088	5.7%
Available Seat Kilometres (m)	1,349	1,342	4.1%
Passenger Load Factor (%)	82.3%	81.1%	1.2 pts
Domestic	JULY		
	2013	2012	% * +
Passengers carried (000)	672	663	5.1%
Revenue Passenger Kilometres(m)	332	320	7.4%
Available Seat Kilometres (m)	410	403	5.4%
Passenger Load Factor (%)	81.0%	79.5%	1.5 pts
Tasman / Pacific	JULY		
	2013	2012	% * +
Passengers carried (000)	286	284	4.4%
Revenue Passenger Kilometres(m)	779	768	5.0%
Available Seat Kilometres (m)	939	939	3.6%
Passenger Load Factor (%)	82.9%	81.8%	1.1 pts
Long Haul Total	JULY		
	2013	2012	% * +
Passengers carried (000)	123	128	(1.1%)
Revenue Passenger Kilometres(m)	1,201	1,255	(0.9%)
Available Seat Kilometres (m)	1,356	1,487	(5.6%)
Passenger Load Factor (%)	88.5%	84.4%	4.1 pts
Asia / Japan / UK	JULY		
	2013	2012	% * +
Passengers carried (000)	39	52	(22.6%)
Revenue Passenger Kilometres(m)	349	481	(25.0%)
Available Seat Kilometres (m)	444	612	(24.9%)
Passenger Load Factor (%)	78.6%	78.7%	(0.1 pts)
North America / UK	JULY		
	2013	2012	% * +
Passengers carried (000)	84	77	13.6%
Revenue Passenger Kilometres(m)	852	774	14.1%
Available Seat Kilometres (m)	913	876	7.9%
Passenger Load Factor (%)	93.4%	88.4%	5.0 pts

* % change is based on numbers prior to rounding.

+ The month-on-month percentage movements have been adjusted for the 3% difference in days for the month of July 2013 (28 days) compared with July 2012 (29 days).

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.