



Contents

- January market conditions
- Company news
- Operating statistics table

January market conditions

Air New Zealand carried 1,039,000 passengers during the month of January, 2.8% more than the same period last year. Revenue passenger kilometres (RPKs) increased 0.3% on a capacity (ASKs) decrease of 0.1%. Group load factor was 87.5%, up 0.3 of a percentage point.

Short Haul passenger numbers were up 4.1% on the same period last year. Demand (RPKs) increased in the Domestic market by 5.4%, while capacity increased 7.0%. Domestic load factor was down 1.2 percentage points to 82.4%.

Tasman/Pacific demand (RPKs) increased 7.3%, with capacity (ASKs) also increasing by 7.3%. Load factor for Tasman/Pacific was unchanged at 86.6%.

Long Haul passenger numbers decreased 5.2% compared to January last year, with demand (RPKs) and capacity (ASKs) down 4.4% and 5.6% respectively. Load factor increased by 1.1 percentage points to 89.4%.

On North America/UK routes, demand (RPKs) increased 8.7% with capacity (ASKs) increasing by 10.2%. Load factor decreased 1.3 percentage points to 90.2%.

Demand (RPKs) was down 26.1% on Asia/Japan/UK routes, with capacity (ASKs) decreasing by 29.5% due to the withdrawal from the Hong Kong-London and Auckland-Osaka routes. Load factor increased 4.1 percentage points to 87.6%.

Group-wide yields for the financial year to date were up 0.2% on the same period last year. Short Haul yields were down 1.2%, while Long Haul yields were up 0.6%. Removing the impact of foreign exchange, Group-wide yields were up 2.6%.

In January, 87.8% of Air New Zealand's Domestic Jet flights departed within 10 minutes of scheduled departure time.



Company news

New Board member appointed

Air New Zealand recently announced the appointment of former Fonterra CFO, Jonathan Mason as a director of the Company with effect from 1 March 2014. Mr Mason will replace long serving director and former chairman John Palmer who will retire from the Board on 31 March.

John Palmer served as Chairman of Air New Zealand from November 2001 until he resigned from that role in September 2013.

Commenting on John Palmer's retirement, Chairman Tony Carter said: "It would be hard to overstate the enormous contribution John has made, initially to the survival and then to the successful rebuilding of Air New Zealand. During the 12 years of his oversight of the Board and management, the airline has through successive CEO's become a truly iconic New Zealand company and a global leader in the aviation industry. John's professional, approachable and inclusive style with the Board and management has steered the company through substantial change at every level. My colleagues on the Air New Zealand Board and I have all benefited from the considered guidance and friendship John has extended to all of us."

Mr Mason has extensive international financial experience in USA and New Zealand having held senior management positions at Carter Holt Harvey, International Paper Company, Cabot Corporation and most recently as CFO of Fonterra Cooperative. He is currently a director of Vector Limited and Zespri Group Ltd.

"We are very pleased to be able to welcome Jonathan to our Board," said Tony Carter. "His international and financial experience with other highly regarded New Zealand companies in competitive markets brings a combination of skills which will contribute to the ongoing growth and success of Air New Zealand."

Monthly *investor update*



Group	JANUARY			FINANCIAL YTD		
	2014	2013	% *	2014	2013	% * +
Passengers carried (000)	1,039	1,010	2.8%	7,965	7,803	2.6%
Revenue Passenger Kilometres(m)	2,394	2,386	0.3%	16,620	16,614	0.5%
Available Seat Kilometres (m)	2,735	2,738	(0.1%)	19,612	19,830	(0.6%)
Passenger Load Factor (%)	87.5%	87.2%	0.3 pts	84.7%	83.8%	0.9 pts
Short Haul Total	JANUARY			FINANCIAL YTD		
	2014	2013	% *	2014	2013	% * +
Passengers carried (000)	905	869	4.1%	7,068	6,877	3.3%
Revenue Passenger Kilometres(m)	1,080	1,012	6.7%	7,863	7,605	3.9%
Available Seat Kilometres (m)	1,266	1,181	7.2%	9,484	9,167	4.0%
Passenger Load Factor (%)	85.3%	85.7%	(0.4 pts)	82.9%	83.0%	(0.1 pts)
Domestic	JANUARY			FINANCIAL YTD		
	2014	2013	% *	2014	2013	% * +
Passengers carried (000)	619	601	3.0%	5,084	4,951	3.2%
Revenue Passenger Kilometres(m)	315	298	5.4%	2,495	2,396	4.6%
Available Seat Kilometres (m)	382	357	7.0%	3,073	2,943	4.9%
Passenger Load Factor (%)	82.4%	83.6%	(1.2 pts)	81.2%	81.4%	(0.2 pts)
Tasman / Pacific	JANUARY			FINANCIAL YTD		
	2014	2013	% *	2014	2013	% * +
Passengers carried (000)	285	268	6.6%	1,984	1,926	3.5%
Revenue Passenger Kilometres(m)	765	713	7.3%	5,368	5,209	3.5%
Available Seat Kilometres (m)	884	824	7.3%	6,411	6,224	3.5%
Passenger Load Factor (%)	86.6%	86.6%	-	83.7%	83.7%	-
Long Haul Total	JANUARY			FINANCIAL YTD		
	2014	2013	% *	2014	2013	% * +
Passengers carried (000)	134	141	(5.2%)	898	927	(2.6%)
Revenue Passenger Kilometres(m)	1,314	1,374	(4.4%)	8,756	9,009	(2.3%)
Available Seat Kilometres (m)	1,469	1,557	(5.6%)	10,128	10,663	(4.6%)
Passenger Load Factor (%)	89.4%	88.3%	1.1 pts	86.5%	84.5%	2.0 pts
Asia / Japan / UK	JANUARY			FINANCIAL YTD		
	2014	2013	% *	2014	2013	% * +
Passengers carried (000)	43	57	(24.6%)	301	378	(19.8%)
Revenue Passenger Kilometres(m)	382	517	(26.1%)	2,693	3,457	(21.7%)
Available Seat Kilometres (m)	437	620	(29.5%)	3,280	4,280	(23.0%)
Passenger Load Factor (%)	87.6%	83.5%	4.1 pts	82.1%	80.8%	1.3 pts
North America / UK	JANUARY			FINANCIAL YTD		
	2014	2013	% *	2014	2013	% * +
Passengers carried (000)	91	84	8.1%	596	549	9.2%
Revenue Passenger Kilometres(m)	932	857	8.7%	6,063	5,553	9.7%
Available Seat Kilometres (m)	1,033	937	10.2%	6,848	6,383	7.8%
Passenger Load Factor (%)	90.2%	91.5%	(1.3 pts)	88.5%	87.0%	1.5 pts

* % change is based on numbers prior to rounding.

+The year to date percentage movements have been adjusted on a daily weighted average basis. The adjustment takes into account the difference in days for the accounting month of July 2013 (28 days) Compared to 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.