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July market conditions

Air New Zealand carried 1,055,000 passengers during the month of July, 1.2% more than the same period last year. Revenue passenger kilometres (RPKs) increased 0.8% on a capacity (ASKs) increase of 2.3%. Group load factor was 84.2%, down 1.3 percentage points.

Short Haul passenger numbers were up 1.5%, with demand (RPKs) increasing in the Domestic market by 2.3%, while capacity increased by 4.9%. Domestic load factor was down 2.0 percentage points to 79.0%.

Tasman/Pacific demand (RPKs) increased 1.6% while capacity (ASKs) increased by 3.4%. Load factor on Tasman/Pacific was down 1.4 percentage points to 81.5%.

Long Haul passenger numbers decreased 0.7% compared to July last year, with demand (RPKs) flat and capacity (ASKs) up 0.9%. Load factor decreased by 0.8 of a percentage point to 87.7%.

On North America/UK routes, demand (RPKs) decreased 0.1% with capacity (ASKs) increasing by 2.3%. Load factor decreased 2.3 percentage points to 91.1%.

Demand (RPKs) was up 0.1% on Asia/Japan routes, with capacity (ASKs) decreasing by 2.1%. Load factor increased 1.8 percentage points to 80.4%.

Group-wide yields for the financial year to date were up 2.0% on the same period last year. Short Haul yields were up 2.3%, while Long Haul yields were up 1.0%. Removing the impact of foreign exchange, Group-wide yields were up 4.6%.

In the 2014 financial year, 86.5% of Air New Zealand's Domestic Jet flights departed within 10 minutes of scheduled departure time.



Company news

[Air New Zealand-Singapore Airlines alliance approved](#)

Air New Zealand welcomed the decision on 7 August 2014 by the New Zealand Minister of Transport to approve the alliance between Air New Zealand and Singapore Airlines.

“It’s very pleasing to receive regulatory approval for this alliance which will enable us to grow our network with operations between Auckland and Singapore in the very near future,” said Air New Zealand Chief Executive Officer Christopher Luxon.

“We look forward to working with our colleagues at Singapore Airlines to boost capacity between New Zealand and Singapore which will deliver some great benefits to our customers and other stakeholders in the New Zealand tourism industry,” says Mr Luxon.

The approval follows the clearance of the alliance by the Competition Commission of Singapore.

The two carriers will announce on sale and operational dates for alliance services shortly.

[New Zealand’s largest single solar array goes live](#)

On 8 August 2014 New Zealand’s largest single solar array was switched on at Air New Zealand’s Technical Operations base at Auckland Airport.

The installation on the roof of one of the airline’s hangars comprises 480 solar panels covering an area of around 750 square metres, almost three tennis courts.

The array is expected to generate 160,000KwH of electricity each year, powering up to 30 per cent of the hangar’s electricity needs. Metering equipment has also been installed and will allow the airline to measure electricity consumption in real time.

Air New Zealand set a target in FY11 to reduce electricity use by five percent per annum and has already significantly exceeded this goal, with around 25 percent savings in the programme to date.

Monthly *investor update*



Group	JULY		
	2014	2013	% * +
Passengers carried (000)	1,055	1,081	1.2%
Revenue Passenger Kilometres(m)	2,247	2,311	0.8%
Available Seat Kilometres (m)	2,670	2,705	2.3%
Passenger Load Factor (%)	84.2%	85.5%	(1.3 pts)
Short Haul Total	JULY		
	2014	2013	% * +
Passengers carried (000)	937	958	1.5%
Revenue Passenger Kilometres(m)	1,090	1,111	1.8%
Available Seat Kilometres (m)	1,350	1,349	3.8%
Passenger Load Factor (%)	80.7%	82.3%	(1.6 pts)
Domestic	JULY		
	2014	2013	% * +
Passengers carried (000)	662	672	2.2%
Revenue Passenger Kilometres(m)	327	332	2.3%
Available Seat Kilometres (m)	415	410	4.9%
Passenger Load Factor (%)	79.0%	81.0%	(2.0 pts)
Tasman / Pacific	JULY		
	2014	2013	% * +
Passengers carried (000)	275	286	(0.3%)
Revenue Passenger Kilometres(m)	763	779	1.6%
Available Seat Kilometres (m)	936	939	3.4%
Passenger Load Factor (%)	81.5%	82.9%	(1.4 pts)
Long Haul Total	JULY		
	2014	2013	% * +
Passengers carried (000)	117	123	(0.7%)
Revenue Passenger Kilometres(m)	1,157	1,201	(0.0%)
Available Seat Kilometres (m)	1,319	1,356	0.9%
Passenger Load Factor (%)	87.7%	88.5%	(0.8 pts)
Asia / Japan	JULY		
	2014	2013	% * +
Passengers carried (000)	37	39	(1.2%)
Revenue Passenger Kilometres(m)	337	349	0.1%
Available Seat Kilometres (m)	419	444	(2.1 pts)
Passenger Load Factor (%)	80.4%	78.6%	1.8 pts
North America / UK	JULY		
	2014	2013	% * +
Passengers carried (000)	80	84	(0.5%)
Revenue Passenger Kilometres(m)	821	852	(0.1%)
Available Seat Kilometres (m)	901	913	2.3%
Passenger Load Factor (%)	91.1%	93.4%	(2.3 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 reported month of July 2014 (27 days) compared to July 2013 (28 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.