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## ***June market conditions***

Air New Zealand carried 1,242,000 passengers during the month of June, 2.5% more than the same period last year. Revenue passenger kilometres (RPKs) increased 3.6% on a capacity (ASKs) increase of 4.5%. Group load factor was 82.5%, down 0.8 of a percentage point.

The Short Haul passenger numbers were up 2.3%, with demand (RPKs) increasing in the Domestic market by 2.4%, while capacity increased by 8.8%. Domestic load factor was down 4.8 percentage points to 78.3%.

Tasman/Pacific demand (RPKs) increased 2.8% while capacity (ASKs) increased by 3.8%. Load factor on Tasman/Pacific was down 0.8 of a percentage point to 81.6%.

Long Haul passenger numbers increased 4.3% compared to June last year, with demand (RPKs) and capacity (ASKs) up 4.3% and 3.7% respectively. Load factor increased by 0.5 of a percentage point to 84.3%.

On North America/UK routes, demand (RPKs) decreased 0.4% with capacity (ASKs) increasing by 1.0%. Load factor decreased 1.2 percentage points to 88.6%.

Demand (RPKs) was up 17.1% on Asia/Japan/UK routes, with capacity (ASKs) increasing by 9.5%. Load factor increased 5.0 percentage points to 75.9%.

Group-wide yields for the financial year to date were up 1.0% on the same period last year. Short Haul yields were up 0.3%, while Long Haul yields were up 0.9%. Removing the impact of foreign exchange, Group-wide yields were up 3.3%.

In June, 88.1% of Air New Zealand's Domestic Jet flights departed within 10 minutes of scheduled departure time.



## **Company news**

### [Air New Zealand's new 787-9 touches down in Auckland](#)

On 11 July 2014 Air New Zealand's first Boeing 787-9 aircraft landed in Auckland following a successful delivery flight from Seattle.

Chief Flight Operations and Safety Officer, Captain David Morgan, was on deck for the delivery flight and said it was a proud moment to see the aircraft, displaying the Koru and New Zealand fern touch down at its new Auckland hub.

"Being on the flight deck on the delivery flight of this magnificent 787-9 aircraft to Air New Zealand has been a career highlight. Like the Boeing 747-400 in the 1980s this aircraft really is a game changer for the airline and our customers," Captain Morgan says.

This aircraft, with the tail registration ZK-NZE, is the first of 10 787-9 Dreamliners to join Air New Zealand's fleet. The aircraft will operate its first scheduled commercial route between Auckland and Perth in October, followed by services to Shanghai and Tokyo later this year.

### [Air New Zealand customers enjoy gate-to-gate use of electronic devices](#)

Air New Zealand customers are some of the first in the Asia Pacific region to be able to use their handheld portable electronic devices in non-transmitting mode for the entire duration of their flights, following approval from the New Zealand Civil Aviation Authority.

Since 16 July 2014 the airline has been able to allow the use of handheld portable electronic devices including tablets, smartphones, e-readers and mp3 players during all phases of flight provided the devices are in flight mode. Previously customers could not use their devices during the taxi, take-off and landing phases of flight.

Initially this option is available to customers travelling on domestic and international services operated by Airbus A320 and Boeing 787-9, 777-200 and 777-300 aircraft with plans to include Air New Zealand's regional turbo prop and Boeing 767-300 fleets over time, subject to regulatory approval.

# Monthly *investor update*



Group	JUNE			FINANCIAL YTD		
	2014	2013	% * +	2014	2013	% *
Passengers carried (000)	1,242	1,178	2.5%	13,719	13,411	2.3%
Revenue Passenger Kilometres(m)	2,570	2,413	3.6%	28,078	27,733	1.2%
Available Seat Kilometres (m)	3,114	2,897	4.5%	33,396	33,167	0.7%
Passenger Load Factor (%)	82.5%	83.3%	(0.8 pts)	84.1%	83.6%	0.5 pts
<b>Short Haul Total</b>						
Passengers carried (000)	1,100	1,045	2.3%	12,197	11,875	2.7%
Revenue Passenger Kilometres(m)	1,173	1,110	2.7%	13,228	12,797	3.4%
Available Seat Kilometres (m)	1,458	1,344	5.5%	16,007	15,386	4.0%
Passenger Load Factor (%)	80.5%	82.6%	(2.1 pts)	82.6%	83.2%	(0.6 pts)
<b>Domestic</b>						
Passengers carried (000)	815	774	2.4%	8,920	8,694	2.6%
Revenue Passenger Kilometres(m)	391	371	2.4%	4,370	4,218	3.6%
Available Seat Kilometres (m)	500	447	8.8%	5,385	5,108	5.4%
Passenger Load Factor (%)	78.3%	83.1%	(4.8 pts)	81.1%	82.6%	(1.5 pts)
<b>Tasman / Pacific</b>						
Passengers carried (000)	285	272	1.9%	3,277	3,181	3.0%
Revenue Passenger Kilometres(m)	782	739	2.8%	8,858	8,579	3.3%
Available Seat Kilometres (m)	958	897	3.8%	10,622	10,277	3.4%
Passenger Load Factor (%)	81.6%	82.4%	(0.8 pts)	83.4%	83.5%	(0.1 pts)
<b>Long Haul Total</b>						
Passengers carried (000)	142	133	4.3%	1,522	1,536	(0.9%)
Revenue Passenger Kilometres(m)	1,397	1,302	4.3%	14,850	14,936	(0.6%)
Available Seat Kilometres (m)	1,656	1,553	3.7%	17,389	17,781	(2.2%)
Passenger Load Factor (%)	84.3%	83.8%	0.5 pts	85.4%	84.0%	1.4 pts
<b>Asia / Japan / UK</b>						
Passengers carried (000)	46	38	16.2%	517	596	(13.3%)
Revenue Passenger Kilometres(m)	418	347	17.1%	4,630	5,418	(14.5%)
Available Seat Kilometres (m)	551	489	9.5%	5,656	6,780	(16.6%)
Passenger Load Factor (%)	75.9%	70.9%	5.0 pts	81.9%	79.9%	2.0 pts
<b>North America / UK</b>						
Passengers carried (000)	97	94	(0.6%)	1,005	940	6.9%
Revenue Passenger Kilometres(m)	979	955	(0.4%)	10,220	9,517	7.4%
Available Seat Kilometres (m)	1,106	1,064	1.0%	11,733	11,002	6.6%
Passenger Load Factor (%)	88.6%	89.8%	(1.2 pts)	87.1%	86.5%	0.6 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 June 2014 (36 days) compared to June 2013 (35 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.