



26 SEPTEMBER 2014

Contents

- August market conditions
- Company news
- Operating statistics table

August market conditions

Air New Zealand carried 1,046,000 passengers during the month of August, 0.9% more than the same period last year. Revenue passenger kilometres (RPKs) were flat on a capacity (ASKs) decrease of 0.4%. Group load factor was 83.6%, up 0.3 of a percentage point.

Short Haul passenger numbers were up 1.2%, with demand (RPKs) increasing in the Domestic market by 1.7%, while capacity increased by 3.7%. Domestic load factor was down 1.6 percentage points to 78.1%.

Tasman/Pacific demand (RPKs) increased 1.4% while capacity (ASKs) increased by 3.3%. Load factor on Tasman/Pacific was down 1.4 percentage points to 81.1%.

Long Haul passenger numbers decreased 1.9% compared to August last year, with demand (RPK) and capacity (ASKs) down 1.4% and 3.9% respectively. Load factor increased by 2.2 percentage points to 87.1%.

On North America/UK routes, demand (RPKs) decreased 1.3% with capacity (ASKs) decreasing 0.6%. Load factor decreased 0.6 of a percentage point to 88.8%.

Demand (RPKs) was down 1.6% on Asia/Japan routes, with capacity (ASKs) decreasing by 10.0% due to the withdrawal from the Auckland-Osaka route. Load factor increased 7.1 percentage points to 83.7%.

Group-wide yields for the financial year to date were up 1.1% on the same period last year. Short Haul yields were up 1.1%, while Long Haul yields were up 0.3%. Removing the impact of foreign exchange, Group-wide yields were up 3.7%.



Company news

[Singapore Airlines alliance flights now on sale](#)

Air New Zealand and Singapore Airlines have confirmed 6 January 2015 as the launch date for their alliance, with codeshare flights going on sale on both airlines' services between New Zealand and Singapore on 25 September.

The alliance will see the Star Alliance carriers operating one return service each per day on the Auckland–Singapore route and Singapore Airlines operating a daily return service between Christchurch and Singapore.

Under the alliance Air New Zealand and Singapore Airlines' goal is to increase their existing capacity between New Zealand and Singapore by up to 30% year round over time, while delivering enhanced benefits to their customers.

[Air New Zealand announces sale of Altitude Aerospace Interiors](#)

Air New Zealand has concluded an agreement for the sale of its wholly owned subsidiary Altitude Aerospace Interiors Limited to AIM Aviation Limited, a UK based airline interiors design, engineering and manufacturing company.

Air New Zealand's Chief Financial Officer, Rob McDonald, says Air New Zealand has been exploring options to take its Altitude business to the next stage of growth and is satisfied this transaction will provide a strong foundation for both companies to leverage the relationships they have with aircraft manufacturers and airline customers.

"With rapid growth forecast in aircraft deliveries over the coming five years and premium airlines increasingly demanding bespoke interior solutions, this is an exciting opportunity for Altitude, which will gain access to AIM Aviation's new UK based state-of-the art manufacturing facilities" he said.

The parties intend to complete the transaction at the end of October.

Monthly investor update



| Group | AUGUST | | | FINANCIAL YTD | | |
|---------------------------------|---------------|-------------|------------|----------------------|-------------|--------------|
| | 2014 | 2013 | % * | 2015 | 2014 | % * + |
| Passengers carried (000) | 1,046 | 1,037 | 0.9% | 2,101 | 2,118 | 1.0% |
| Revenue Passenger Kilometres(m) | 2,193 | 2,193 | (0.0%) | 4,440 | 4,505 | 0.4% |
| Available Seat Kilometres (m) | 2,622 | 2,632 | (0.4%) | 5,291 | 5,337 | 0.9% |
| Passenger Load Factor (%) | 83.6% | 83.3% | 0.3 pts | 83.9% | 84.4% | (0.5 pts) |
| Short Haul Total | AUGUST | | | FINANCIAL YTD | | |
| | 2014 | 2013 | % * | 2015 | 2014 | % * + |
| Revenue Passenger Kilometres(m) | 929 | 918 | 1.2% | 1,867 | 1,876 | 1.4% |
| Available Seat Kilometres (m) | 1,048 | 1,032 | 1.5% | 2,137 | 2,143 | 1.6% |
| Passenger Load Factor (%) | 1,307 | 1,264 | 3.4% | 2,658 | 2,613 | 3.6% |
| | 80.1% | 81.6% | (1.5 pts) | 80.4% | 82.0% | (1.6 pts) |
| Domestic | AUGUST | | | FINANCIAL YTD | | |
| | 2014 | 2013 | % * | 2015 | 2014 | % * + |
| Passengers carried (000) | 665 | 656 | 1.3% | 1,327 | 1,328 | 1.8% |
| Revenue Passenger Kilometres(m) | 326 | 320 | 1.7% | 653 | 652 | 1.9% |
| Available Seat Kilometres (m) | 417 | 402 | 3.7% | 832 | 812 | 4.3% |
| Passenger Load Factor (%) | 78.1% | 79.7% | (1.6 pts) | 78.5% | 80.4% | (1.9 pts) |
| Tasman / Pacific | AUGUST | | | FINANCIAL YTD | | |
| | 2014 | 2013 | % * | 2015 | 2014 | % * + |
| Passengers carried (000) | 265 | 262 | 0.9% | 540 | 548 | 0.3% |
| Revenue Passenger Kilometres(m) | 722 | 712 | 1.4% | 1,484 | 1,490 | 1.4% |
| Available Seat Kilometres (m) | 890 | 862 | 3.3% | 1,826 | 1,801 | 3.2% |
| Passenger Load Factor (%) | 81.1% | 82.5% | (1.4 pts) | 81.3% | 82.7% | (1.4 pts) |
| Long Haul Total | AUGUST | | | FINANCIAL YTD | | |
| | 2014 | 2013 | % * | 2015 | 2014 | % * + |
| Passengers carried (000) | 117 | 119 | (1.9%) | 234 | 242 | (1.4%) |
| Revenue Passenger Kilometres(m) | 1,145 | 1,161 | (1.4%) | 2,302 | 2,362 | (0.8%) |
| Available Seat Kilometres (m) | 1,315 | 1,369 | (3.9%) | 2,634 | 2,725 | (1.6%) |
| Passenger Load Factor (%) | 87.1% | 84.9% | 2.2 pts | 87.4% | 86.7% | 0.7 pts |
| Asia / Japan | AUGUST | | | FINANCIAL YTD | | |
| | 2014 | 2013 | % * | 2015 | 2014 | % * + |
| Passengers carried (000) | 40 | 41 | (2.8%) | 77 | 80 | (2.0%) |
| Revenue Passenger Kilometres(m) | 364 | 370 | (1.6%) | 700 | 718 | (0.8%) |
| Available Seat Kilometres (m) | 434 | 483 | (10.0%) | 853 | 926 | (6.2%) |
| Passenger Load Factor (%) | 83.7% | 76.6% | 7.1 pts | 82.1% | 77.5% | 4.6 pts |
| North America / UK | AUGUST | | | FINANCIAL YTD | | |
| | 2014 | 2013 | % * | 2015 | 2014 | % * + |
| Passengers carried (000) | 77 | 78 | (1.4%) | 157 | 162 | (1.1%) |
| Revenue Passenger Kilometres(m) | 782 | 792 | (1.3%) | 1,602 | 1,643 | (0.7%) |
| Available Seat Kilometres (m) | 881 | 886 | (0.6%) | 1,781 | 1,798 | 0.8% |
| Passenger Load Factor (%) | 88.8% | 89.4% | (0.6 pts) | 90.0% | 91.4% | (1.4 pts) |

* % change is based on numbers prior to rounding.

+The 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 accounting month of July 2014 (27 days) compared with 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.