



**MONTHLY INVESTOR UPDATE: 22 FEBRUARY 2013**

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## **JANUARY MARKET CONDITIONS**

Air New Zealand carried 1,010,000 passengers during the month of January, 3.1% more than the same period last year. Revenue passenger kilometres (RPKs) increased 2.2% on a capacity (ASKs) increase of 1.2%. Group load factor was 87.2%, up 0.9 of a percentage point.

Short Haul passenger numbers were up 4.2% on the same period last year. Demand (RPKs) increased in the Domestic market by 5.4%, while capacity increased 5.7%. Domestic load factor was down 0.2 of a percentage point to 83.6%.

Tasman/Pacific demand (RPKs) increased 7.4%, with capacity (ASKs) increasing 7.9%, driven by the introduction of B777 aircraft on the Auckland-Perth route and increased frequency on the Auckland-Honolulu route. Load factor for Tasman/Pacific was down 0.4 percentage points to 86.6%.

Long Haul passenger numbers decreased 3.3% compared to January last year, with decreases in capacity (ASKs) and demand (RPKs) of 2.9% and 0.9% respectively. Load factor increased by 1.8 percentage points to 88.3%.

On North America/UK routes, demand (RPKs) increased 4.2% with capacity (ASKs) increasing by 1.6%. Load factor increased 2.3 percentage points on the previous year to 91.5%.

Demand (RPKs) was down 8.3% on Asia/Japan/UK routes, with capacity (ASKs) decreasing by 9.1% due to consolidation of China flying onto the Shanghai route and reduced frequency on the Auckland-Hong Kong route. Load factor increased 0.7 of a percentage point to 83.5%.

Group-wide yields for the financial year to date were up 1.3% on the same period last year. Short Haul yields were down 1.7%, while Long Haul yields were up 5.0%. Removing the impact of foreign exchange, Group-wide yields were up 1.9%.

In January, 85.05% of Air New Zealand's Domestic flights departed within 10 minutes of scheduled departure time.



## **COMPANY NEWS**

### **Excessive Wellington Airport profit confirmed**

Air New Zealand welcomes the Commerce Commission's report on Wellington Airport which confirms that WIAL earns excessive profit through an unreasonable charging regime.

The Commerce Commission estimates that under the current regime Wellington Airport will receive up to \$69 million in excess revenue over the next five years.

Air New Zealand is committed to reducing airfares into and out of Wellington as soon as a more reasonable charging system is implemented.

Now the report is final, Air New Zealand looks forward to working cooperatively with the Government to help develop a swift and enduring solution to this long-running industry issue.

Group	JANUARY			FINANCIAL YTD		
	2013	2012	% *	2013	2012	% * +
Passengers carried (000)	1,010	980	3.1%	7,803	7,734	1.9%
Revenue Passenger Kilometres(m)	2,386	2,334	2.2%	16,614	16,118	4.1%
Available Seat Kilometres (m)	2,738	2,705	1.2%	19,830	19,347	3.5%
Passenger Load Factor (%)	87.2%	86.3%	0.9 pts	83.8%	83.3%	0.5 pts
<b>Short Haul Total</b>	<b>JANUARY</b>			<b>FINANCIAL YTD</b>		
	<b>2013</b>	<b>2012</b>	<b>% *</b>	<b>2013</b>	<b>2012</b>	<b>% * +</b>
Passengers carried (000)	869	834	4.2%	6,877	6,809	2.0%
Revenue Passenger Kilometres(m)	1,012	948	6.8%	7,605	7,315	4.9%
Available Seat Kilometres (m)	1,181	1,101	7.2%	9,167	8,720	6.1%
Passenger Load Factor (%)	85.7%	86.0%	(0.3 pts)	83.0%	83.9%	(0.9 pts)
<b>Domestic</b>	<b>JANUARY</b>			<b>FINANCIAL YTD</b>		
	<b>2013</b>	<b>2012</b>	<b>% *</b>	<b>2013</b>	<b>2012</b>	<b>% * +</b>
Passengers carried (000)	601	583	3.2%	4,951	4,933	1.3%
Revenue Passenger Kilometres(m)	298	283	5.4%	2,396	2,345	3.1%
Available Seat Kilometres (m)	357	338	5.7%	2,943	2,884	3.0%
Passenger Load Factor (%)	83.6%	83.8%	(0.2 pts)	81.4%	81.3%	0.1 pts
<b>Tasman / Pacific</b>	<b>JANUARY</b>			<b>FINANCIAL YTD</b>		
	<b>2013</b>	<b>2012</b>	<b>% *</b>	<b>2013</b>	<b>2012</b>	<b>% * +</b>
Passengers carried (000)	268	251	6.5%	1,926	1,876	3.6%
Revenue Passenger Kilometres(m)	713	664	7.4%	5,209	4,970	5.8%
Available Seat Kilometres (m)	824	764	7.9%	6,224	5,837	7.6%
Passenger Load Factor (%)	86.6%	87.0%	(0.4 pts)	83.7%	85.1%	(1.4 pts)
<b>Long Haul Total</b>	<b>JANUARY</b>			<b>FINANCIAL YTD</b>		
	<b>2013</b>	<b>2012</b>	<b>% *</b>	<b>2013</b>	<b>2012</b>	<b>% * +</b>
Passengers carried (000)	141	146	(3.3%)	927	925	1.1%
Revenue Passenger Kilometres(m)	1,374	1,387	(0.9%)	9,009	8,803	3.3%
Available Seat Kilometres (m)	1,557	1,604	(2.9%)	10,663	10,626	1.3%
Passenger Load Factor (%)	88.3%	86.5%	1.8 pts	84.5%	82.8%	1.7 pts
<b>Asia / Japan / UK</b>	<b>JANUARY</b>			<b>FINANCIAL YTD</b>		
	<b>2013</b>	<b>2012</b>	<b>% *</b>	<b>2013</b>	<b>2012</b>	<b>% * +</b>
Passengers carried (000)	57	62	(7.4%)	378	386	(1.1%)
Revenue Passenger Kilometres(m)	517	564	(8.3%)	3,457	3,527	(1.1%)
Available Seat Kilometres (m)	620	682	(9.1%)	4,280	4,359	(0.9%)
Passenger Load Factor (%)	83.5%	82.8%	0.7 pts	80.8%	80.9%	(0.1 pts)
<b>North America / UK</b>	<b>JANUARY</b>			<b>FINANCIAL YTD</b>		
	<b>2013</b>	<b>2012</b>	<b>% *</b>	<b>2013</b>	<b>2012</b>	<b>% * +</b>
Passengers carried (000)	84	84	(0.2%)	549	539	2.8%
Revenue Passenger Kilometres(m)	857	822	4.2%	5,553	5,276	6.3%
Available Seat Kilometres (m)	937	922	1.6%	6,383	6,268	2.8%
Passenger Load Factor (%)	91.5%	89.2%	2.3 pts	87.0%	84.2%	2.8 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 2012 (29 days) compared with July 2011 (31 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.