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## JUNE MARKET CONDITIONS

Air New Zealand carried 1,178,000 passengers during the month of June, 1.8% more than the same period last year. Revenue passenger kilometres (RPKs) decreased 2.5% on a capacity (ASKs) decrease of 2.1%. Group load factor was 83.3%, down 0.3 of a percentage point.

Short Haul passenger numbers were up 3.1% on the same period last year. Demand (RPKs) increased in the Domestic market by 5.7%, while capacity increased 0.2%. Domestic load factor was up 4.2 percentage points to 83.1%.

Tasman/Pacific demand (RPKs) increased 2.0%, with capacity (ASKs) increasing 3.6%, reflecting the additional frequency on Auckland-Honolulu and the up-gauge to a B777 aircraft on Auckland-Perth. Load factor for Tasman/Pacific was down 1.2 percentage points to 82.4%.

Long Haul passenger numbers decreased 7.2% compared to June last year, with demand (RPKs) down 6.9% while capacity decreased 5.7%. Load factor decreased by 1.1 percentage points to 83.8%.

On North America/UK routes, demand (RPKs) increased 13.0% with capacity (ASKs) increasing by 13.0%. Load factor remained static on the previous year at 89.8%.

Demand (RPKs) was down 37.2% on Asia/Japan/UK routes, with capacity (ASKs) decreasing by 30.7% as a result of the consolidation of China flying onto Shanghai and the withdrawal of Hong Kong-London flights. Load factor decreased 7.3 percentage points to 70.9%.

Group-wide yields for the financial year to date were up 0.9% on the same period last year. Short Haul yields were down 2.3%, while Long Haul yields were up 4.3%. Removing the impact of foreign exchange, Group-wide yields were up 2.0%.

In June, 79.0% of Air New Zealand's Domestic flights departed within 10 minutes of scheduled departure time.



## **COMPANY NEWS**

### **Draft ACCC decision on Virgin Australia alliance**

Air New Zealand welcomes the ACCC's draft determination to reauthorise the Air New Zealand and Virgin Australia trans-Tasman alliance for three years. Air New Zealand will now engage with the ACCC as it considers submissions before finalising its decision over the coming weeks.

The airline considers that in the current market structure, capacity conditions are not necessary to maintain strong competition in the trans-Tasman market and will work with the ACCC to understand its rationale for requiring such conditions and the limited three year authorisation period.

In the two years since the alliance became operational it has delivered benefits to tourism and business in the form of more flight capacity, more frequency, new routes, better scheduling and service quality while maintaining competitive pricing.

### **New Paraparaumu-Christchurch service announced**

Air New Zealand is expanding its services to and from the Kapiti Coast, with a new daily direct service between Paraparaumu and Christchurch from November and a special early bird fare to celebrate.

The new service will be operated by Air New Zealand subsidiary Air Nelson and provide more than 36,000 direct seats per year between the two regions. Air New Zealand is offering a special launch fare of \$59 one way for travel until 18 December.

### **Air New Zealand teams up with the San Francisco Giants**

San Francisco Giants fans were treated to a uniquely Kiwi experience at last Friday night's home game against the Diamondbacks with Air New Zealand staging a 'take over' of AT&T Park including a cultural and sporting exchange with four All Blacks players.

Several World Champion All Blacks met up on the field with some World Series Champion Giants players prior to the official game day batting practice. The Giants were taught some rugby tips and tricks before the All Blacks stood at home plate and faced off against some of the Giants' world class pitchers.

The Giants also partnered with Air New Zealand to challenge their fans to jump onto Twitter and explain why they should be chosen to be transported directly from AT&T Park on Friday night and onto a direct Air New Zealand flight to Auckland for a 'Giant New Zealand Weekend.'



Group	JUNE			FINANCIAL YTD		
	2013	2012	% * +	2013	2012	% *
Passengers carried (000)	1,178	1,124	1.8%	13,411	13,122	2.2%
Revenue Passenger Kilometres(m)	2,413	2,403	(2.5%)	27,733	27,012	2.7%
Available Seat Kilometres (m)	2,897	2,875	(2.1%)	33,167	32,618	1.7%
Passenger Load Factor (%)	83.3%	83.6%	(0.3 pts)	83.6%	82.8%	0.8 pts
<b>Short Haul Total</b>	<b>JUNE</b>			<b>FINANCIAL YTD</b>		
	<b>2013</b>	<b>2012</b>	<b>% * +</b>	<b>2013</b>	<b>2012</b>	<b>% *</b>
Passengers carried (000)	1,045	985	3.1%	11,875	11,573	2.6%
Revenue Passenger Kilometres(m)	1,110	1,045	3.2%	12,797	12,214	4.8%
Available Seat Kilometres (m)	1,344	1,275	2.4%	15,386	14,663	4.9%
Passenger Load Factor (%)	82.6%	82.0%	0.6 pts	83.2%	83.3%	(0.1 pts)
<b>Domestic</b>	<b>JUNE</b>			<b>FINANCIAL YTD</b>		
	<b>2013</b>	<b>2012</b>	<b>% * +</b>	<b>2013</b>	<b>2012</b>	<b>% *</b>
Passengers carried (000)	774	724	3.8%	8,694	8,500	2.3%
Revenue Passenger Kilometres(m)	371	341	5.7%	4,218	4,050	4.2%
Available Seat Kilometres (m)	447	433	0.2%	5,108	4,969	2.8%
Passenger Load Factor (%)	83.1%	78.9%	4.2 pts	82.6%	81.5%	1.1 pts
<b>Tasman / Pacific</b>	<b>JUNE</b>			<b>FINANCIAL YTD</b>		
	<b>2013</b>	<b>2012</b>	<b>% * +</b>	<b>2013</b>	<b>2012</b>	<b>% *</b>
Passengers carried (000)	272	261	1.0%	3,181	3,073	3.5%
Revenue Passenger Kilometres(m)	739	704	2.0%	8,579	8,164	5.1%
Available Seat Kilometres (m)	897	842	3.6%	10,277	9,694	6.0%
Passenger Load Factor (%)	82.4%	83.6%	(1.2 pts)	83.5%	84.2%	(0.7 pts)
<b>Long Haul Total</b>	<b>JUNE</b>			<b>FINANCIAL YTD</b>		
	<b>2013</b>	<b>2012</b>	<b>% * +</b>	<b>2013</b>	<b>2012</b>	<b>% *</b>
Passengers carried (000)	133	139	(7.2%)	1,536	1,549	(0.9%)
Revenue Passenger Kilometres(m)	1,302	1,358	(6.9%)	14,936	14,799	0.9%
Available Seat Kilometres (m)	1,553	1,600	(5.7%)	17,781	17,956	(1.0%)
Passenger Load Factor (%)	83.8%	84.9%	(1.1 pts)	84.0%	82.4%	1.6 pts
<b>Asia / Japan / UK</b>	<b>JUNE</b>			<b>FINANCIAL YTD</b>		
	<b>2013</b>	<b>2012</b>	<b>% * +</b>	<b>2013</b>	<b>2012</b>	<b>% *</b>
Passengers carried (000)	38	57	(35.1%)	596	652	(8.6%)
Revenue Passenger Kilometres(m)	347	537	(37.2%)	5,418	5,979	(9.4%)
Available Seat Kilometres (m)	489	686	(30.7%)	6,780	7,495	(9.6%)
Passenger Load Factor (%)	70.9%	78.2%	(7.3 pts)	79.9%	79.8%	0.1 pts
<b>North America / UK</b>	<b>JUNE</b>			<b>FINANCIAL YTD</b>		
	<b>2013</b>	<b>2012</b>	<b>% * +</b>	<b>2013</b>	<b>2012</b>	<b>% *</b>
Passengers carried (000)	94	81	12.5%	940	897	4.8%
Revenue Passenger Kilometres(m)	955	822	13.0%	9,517	8,820	7.9%
Available Seat Kilometres (m)	1,064	915	13.0%	11,002	10,460	5.2%
Passenger Load Factor (%)	89.8%	89.8%	-	86.5%	84.3%	2.2 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 month of June 2013 (35 days) compared with June 2012 (34 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.