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## December market conditions

Air New Zealand carried 1,431,000 passengers during the month of December, 2.7% more than the same period last year. Revenue passenger kilometres (RPKs) were 3.5% higher on a capacity (ASKs) increase of 5.0%. Group load factor was 85.1%, down 1.2 percentage points.

Short Haul passenger numbers were up 2.5%, while in the Domestic market demand (RPKs) and capacity (ASKs) increased by 3.7% and 3.4% respectively. Domestic load factor was 83.6%, up 0.2 of a percentage point.

Tasman/Pacific demand (RPKs) increased 0.3% while capacity (ASKs) increased by 0.2%. Load factor on Tasman/Pacific increased 0.2 of a percentage point to 84.0%.

Long Haul passenger numbers increased 4.5% when compared to December last year, with demand (RPKs) up 5.2% and capacity (ASKs) up 8.5%. Load factor on Long Haul routes was 86.1%, down 2.7 percentage points.

On North American/UK routes, demand (RPKs) increased 1.4% with capacity (ASKs) increasing 3.3%. Load factor was down 1.5 percentage points to 86.8%.

Demand (RPKs) increased 13.5% on Asia/Japan routes, with capacity (ASKs) increasing by 19.8% due mostly to increased frequency into the Japan market during the peak season. Load factor decreased 4.8 percentage points to 84.9%.

Group-wide yields for the financial year to date were up 1.9% on the same period last year. Short Haul yields were up 2.7%, while Long Haul yields were up 0.3%. Removing the impact of foreign exchange, Group-wide yields were up 3.8%.



## Company news

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

The alliance between Air New Zealand and Singapore Airlines took flight in the early hours of 6 January 2015 with the first return service between New Zealand and Singapore departing Auckland just after midnight.

Air New Zealand Chief Executive Officer Christopher Luxon said: “The operational launch of our alliance is an exciting way to kick off 2015, a year which will see us grow our long haul network. Our New Zealand–Singapore service is key to our Pacific Rim strategy, providing our customers with not only a convenient direct service, but great connectivity to South East Asia and markets beyond.”

On the Auckland–Singapore route Air New Zealand is operating newly refurbished Boeing 777-200ER aircraft, while Singapore Airlines is operating the world’s largest aircraft, the Airbus A380. Refurbished Boeing 777-200ERs will also be operated by Singapore Airlines on the Singapore-Christchurch route.

Through the alliance, the carriers aim to increase capacity between New Zealand and Singapore by up to 30% year-round over time, while delivering enhanced benefits to customers.

In addition to the increased capacity Air New Zealand’s customers can now enjoy codeshare connectivity to more than 50 additional destinations on the Singapore Airlines and SilkAir networks. In turn, Singapore Airlines is codesharing on a further 40 routes in the Air New Zealand network.

# Monthly investor update



Group	DECEMBER			FINANCIAL YTD		
	2014	2013	% *	2015	2014	% * +
Passengers carried (000)	1,431	1,394	2.7%	7,044	6,927	2.3%
Revenue Passenger Kilometres(m)	2,960	2,861	3.5%	14,399	14,226	1.8%
Available Seat Kilometres (m)	3,480	3,315	5.0%	17,160	16,878	2.2%
Passenger Load Factor (%)	85.1%	86.3%	(1.2 pts)	83.9%	84.3%	(0.4 pts)
<b>Short Haul Total</b>	<b>DECEMBER</b>			<b>FINANCIAL YTD</b>		
	<b>2014</b>	<b>2013</b>	<b>% *</b>	<b>2015</b>	<b>2014</b>	<b>% * +</b>
Passengers carried (000)	1,268	1,238	2.5%	6,280	6,163	2.5%
Revenue Passenger Kilometres(m)	1,361	1,342	1.4%	6,922	6,784	2.6%
Available Seat Kilometres (m)	1,623	1,603	1.3%	8,402	8,219	2.8%
Passenger Load Factor (%)	83.8%	83.7%	0.1 pts	82.4%	82.5%	(0.1 pts)
<b>Domestic</b>	<b>DECEMBER</b>			<b>FINANCIAL YTD</b>		
	<b>2014</b>	<b>2013</b>	<b>% *</b>	<b>2015</b>	<b>2014</b>	<b>% * +</b>
Passengers carried (000)	932	904	3.2%	4,562	4,465	2.7%
Revenue Passenger Kilometres(m)	465	448	3.7%	2,241	2,181	3.3%
Available Seat Kilometres (m)	556	537	3.4%	2,778	2,692	3.8%
Passenger Load Factor (%)	83.6%	83.4%	0.2 pts	80.7%	81.0%	(0.3 pts)
<b>Tasman / Pacific</b>	<b>DECEMBER</b>			<b>FINANCIAL YTD</b>		
	<b>2014</b>	<b>2013</b>	<b>% *</b>	<b>2015</b>	<b>2014</b>	<b>% * +</b>
Passengers carried (000)	336	334	0.7%	1,718	1,698	1.8%
Revenue Passenger Kilometres(m)	896	894	0.3%	4,681	4,604	2.2%
Available Seat Kilometres (m)	1,068	1,066	0.2%	5,624	5,527	2.3%
Passenger Load Factor (%)	84.0%	83.8%	0.2 pts	83.2%	83.3%	(0.1 pts)
<b>Long Haul Total</b>	<b>DECEMBER</b>			<b>FINANCIAL YTD</b>		
	<b>2014</b>	<b>2013</b>	<b>% *</b>	<b>2015</b>	<b>2014</b>	<b>% * +</b>
Passengers carried (000)	163	156	4.5%	764	764	0.6%
Revenue Passenger Kilometres(m)	1,599	1,519	5.2%	7,477	7,442	1.0%
Available Seat Kilometres (m)	1,857	1,712	8.5%	8,758	8,659	1.7%
Passenger Load Factor (%)	86.1%	88.8%	(2.7 pts)	85.4%	86.0%	(0.6 pts)
<b>Asia / Japan</b>	<b>DECEMBER</b>			<b>FINANCIAL YTD</b>		
	<b>2014</b>	<b>2013</b>	<b>% *</b>	<b>2015</b>	<b>2014</b>	<b>% * +</b>
Passengers carried (000)	60	54	10.4%	267	258	3.9%
Revenue Passenger Kilometres(m)	545	480	13.5%	2,423	2,311	5.4%
Available Seat Kilometres (m)	642	535	19.8%	2,947	2,844	4.2%
Passenger Load Factor (%)	84.9%	89.7%	(4.8 pts)	82.2%	81.3%	0.9 pts
<b>North America / UK</b>	<b>DECEMBER</b>			<b>FINANCIAL YTD</b>		
	<b>2014</b>	<b>2013</b>	<b>% *</b>	<b>2015</b>	<b>2014</b>	<b>% * +</b>
Passengers carried (000)	103	102	1.4%	497	506	(1.1%)
Revenue Passenger Kilometres(m)	1,054	1,039	1.4%	5,054	5,131	(1.0%)
Available Seat Kilometres (m)	1,215	1,176	3.3%	5,810	5,815	0.5%
Passenger Load Factor (%)	86.8%	88.3%	(1.5 pts)	87.0%	88.2%	(1.2 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 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.