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January market conditions

Air New Zealand carried 1,071,000 passengers during the month of January, 3.1% more than the same period last year. Revenue passenger kilometres (RPKs) were 8.8% higher on a capacity (ASKs) increase of 9.5%. Group load factor was 87.0%, down 0.5 of a percentage point.

Short Haul passenger numbers were up 1.5%, while in the Domestic market demand (RPKs) and capacity (ASKs) increased by 2.4% and 4.6% respectively. Domestic load factor was 80.7%, down 1.7 percentage points.

Tasman/Pacific demand (RPKs) increased 2.8% while capacity (ASKs) increased by 2.3%. Load factor on Tasman/Pacific increased 0.4 of a percentage point to 87.0%.

Long Haul passenger numbers increased 14.1% when compared to January last year, with demand (RPKs) up 13.8% and capacity (ASKs) up 15.1%. Load factor on Long Haul routes was 88.4%, down 1.0 percentage point.

On North American/UK routes, demand (RPKs) increased 3.5% with capacity (ASKs) increasing 4.9%. Load factor was down 1.2 percentage points to 89.0%.

Demand (RPKs) increased 38.9% on Asia/Japan routes, with capacity (ASKs) increasing by 39.2% due to the commencement of flying on the new Auckland-Singapore route. Load factor decreased 0.3 of a percentage points to 87.3%.

Group-wide yields for the financial year to date were up 1.2% on the same period last year. Short Haul yields were up 2.4%, while Long Haul yields were down 0.3%. Removing the impact of foreign exchange, Group-wide yields were up 2.9%.



Company news

[Air New Zealand brings back \\$29 Nightrider service](#)

Air New Zealand has reintroduced its Nightrider service, and this time the deals will extend to regional New Zealand destinations as well as main trunk routes.

From 20 February, for a limited time, every seat on an additional late night service on selected regional and trunk routes is priced at just \$29 one way or \$39 for the 'Seat + Bag' option.

Auckland, Nelson and Christchurch will be Night Rider's first ports of call, with the service operating both the Auckland-Nelson and Auckland-Christchurch routes, five days a week through until 19 March 2015. Further Night Rider services will be announced periodically on a surprise and delight basis.

Air New Zealand Group General Manager New Zealand and Pacific Islands Louise Struthers says Night Rider proved a huge hit with customers in the past and this expanded version is expected to be very popular again.

[Air New Zealand and Tourism New Zealand team up on Japanese campaign](#)

Air New Zealand and Tourism New Zealand recently launched a major joint campaign to encourage Japanese travellers to visit New Zealand between April and October 2015.

The campaign, which aims to attract at least 7,000 additional visitors to New Zealand over the upcoming shoulder season, is being driven through a combination of marketing and PR activities including leading Japanese travel TV shows, newspapers, trade publications and digital channels - offering travellers a special all inclusive airfare starting from ¥88,000 to New Zealand.

Air New Zealand General Manager Japan Scott Carr says the airline is confident in the growth of the Japan market for travel to New Zealand and has a goal to double the number of visitors from Japan by 2019.

"We're investing significantly in the Japanese market through marketing initiatives and joint campaigns such as this one, as well as investing in the customer experience for those travelling on the Tokyo - Auckland route," says Mr Carr.

Monthly *investor update*



Group	JANUARY			FINANCIAL YTD		
	2015	2014	% *	2015	2014	% * +
Passengers carried (000)	1,071	1,039	3.1%	8,116	7,965	2.4%
Revenue Passenger Kilometres(m)	2,604	2,394	8.8%	17,004	16,620	2.8%
Available Seat Kilometres (m)	2,995	2,735	9.5%	20,155	19,612	3.3%
Passenger Load Factor (%)	87.0%	87.5%	(0.5 pts)	84.4%	84.7%	(0.3 pts)
Short Haul Total	JANUARY			FINANCIAL YTD		
	2015	2014	% *	2015	2014	% * +
Passengers carried (000)	918	905	1.5%	7,199	7,068	2.3%
Revenue Passenger Kilometres(m)	1,109	1,080	2.7%	8,032	7,863	2.6%
Available Seat Kilometres (m)	1,304	1,266	3.0%	9,706	9,484	2.8%
Passenger Load Factor (%)	85.1%	85.3%	(0.2 pts)	82.8%	82.9%	(0.1 pts)
Domestic	JANUARY			FINANCIAL YTD		
	2015	2014	% *	2015	2014	% * +
Passengers carried (000)	624	619	0.8%	5,186	5,084	2.5%
Revenue Passenger Kilometres(m)	322	315	2.4%	2,563	2,495	3.2%
Available Seat Kilometres (m)	399	382	4.6%	3,178	3,073	3.9%
Passenger Load Factor (%)	80.7%	82.4%	(1.7 pts)	80.7%	81.2%	(0.5 pts)
Tasman / Pacific	JANUARY			FINANCIAL YTD		
	2015	2014	% *	2015	2014	% * +
Passengers carried (000)	294	285	3.0%	2,012	1,984	1.9%
Revenue Passenger Kilometres(m)	787	765	2.8%	5,468	5,368	2.3%
Available Seat Kilometres (m)	904	884	2.3%	6,528	6,411	2.3%
Passenger Load Factor (%)	87.0%	86.6%	0.4 pts	83.8%	83.7%	0.1 pts
Long Haul Total	JANUARY			FINANCIAL YTD		
	2015	2014	% *	2015	2014	% * +
Passengers carried (000)	153	134	14.1%	917	898	2.6%
Revenue Passenger Kilometres(m)	1,495	1,314	13.8%	8,972	8,756	3.0%
Available Seat Kilometres (m)	1,691	1,469	15.1%	10,450	10,128	3.7%
Passenger Load Factor (%)	88.4%	89.4%	(1.0 pts)	85.9%	86.5%	(0.6 pts)
Asia / Japan	JANUARY			FINANCIAL YTD		
	2015	2014	% *	2015	2014	% * +
Passengers carried (000)	59	43	36.6%	326	301	8.6%
Revenue Passenger Kilometres(m)	531	382	38.9%	2,954	2,693	10.2%
Available Seat Kilometres (m)	608	437	39.2%	3,555	3,280	8.9%
Passenger Load Factor (%)	87.3%	87.6%	(0.3 pts)	83.1%	82.1%	1.0 pts
North America / UK	JANUARY			FINANCIAL YTD		
	2015	2014	% *	2015	2014	% * +
Passengers carried (000)	94	91	3.4%	591	596	(0.4%)
Revenue Passenger Kilometres(m)	964	932	3.5%	6,018	6,063	(0.3%)
Available Seat Kilometres (m)	1,083	1,033	4.9%	6,894	6,848	1.2%
Passenger Load Factor (%)	89.0%	90.2%	(1.2 pts)	87.3%	88.5%	(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.