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November market conditions

Air New Zealand carried 1,057,000 passengers during the month of November, 1.1% more than the same period last year. Revenue passenger kilometres (RPKs) decreased 0.4% on a capacity (ASKs) decrease of 2.5%. Group load factor was 83.2%, up 1.8 percentage points.

Short Haul passenger numbers were up 1.6% on the same period last year. Demand (RPKs) increased in the Domestic market by 2.4%, while capacity increased 3.7%. Domestic load factor was down 1.0 percentage point to 80.2%.

Tasman/Pacific demand (RPKs) increased 1.2%, with capacity (ASKs) increasing 0.4%. Load factor for Tasman/Pacific was up 0.7 of a percentage point to 85.1%.

Long Haul passenger numbers decreased 2.6% compared to November last year, with demand (RPKs) and capacity (ASKs) down 2.3% and 6.0% respectively. Load factor increased by 3.2 percentage points to 83.1%.

On North America/UK routes, demand (RPKs) increased 8.1% with capacity (ASKs) increasing by 4.5%. Load factor increased 2.7 percentage point to 82.9%.

Demand (RPKs) was down 18.1% on Asia/Japan/UK routes, with capacity (ASKs) decreasing by 21.9% due to the withdrawal of Hong Kong-London flights. Load factor increased 3.9 percentage points to 83.3%.

Group-wide yields for the financial year to date were up 0.1% on the same period last year. Short Haul yields were down 1.2%, while Long Haul yields were up 0.9%. Removing the impact of foreign exchange, Group-wide yields were up 2.1%.

In November, 82.3% of Air New Zealand's Domestic flights departed within 10 minutes of scheduled departure time.



Company news

Profit update

Air New Zealand has made good progress year to date and remains on target to exceed last year's earnings for the full year.

With sufficient confidence in the expected outcome of the important December month, together with the greater certainty around the costs for voluntary redundancy from recent labour contract settlements, the company expects Earnings Before Taxation for the six months to 31 December 2013 (including redundancy costs estimated at \$10 million) to exceed the previous corresponding period by approximately 20 percent.

Airpoints programme bolsters generosity for members

Air New Zealand's 1.4 million Airpoints members will now earn Airpoints Dollars on every regularly available fare and can look forward to enjoying several million more Airpoints Dollars every year following recently announced changes.

Key changes include:

- Airpoints Dollars now to be earned on every regularly available fare (excludes last minute grabaseat greenlight fares through grabaseat.co.nz and tickets purchased using Airpoints Dollars)
- Higher Airpoints Dollar earning rates on 62% of all airfares
- Regional, domestic and trans-Tasman travellers will be better recognised, with 78% of all Smart Saver and Flexi fare classes on these routes offering higher Status Point earning rates
- Airpoints Dollar and Status Point earning when flying on partner airlines will be easier to understand
- A new Airpoints website is now available offering a significantly enhanced user experience and optimised for viewing on tablet devices

The majority of changes will take effect on 31 March 2014.

Monthly investor update



Group	NOVEMBER			FINANCIAL YTD		
	2013	2012	% *	2014	2013	% * +
Passengers carried (000)	1,057	1,045	1.1%	5,533	5,436	2.5%
Revenue Passenger Kilometres(m)	2,028	2,038	(0.4%)	11,364	11,318	1.1%
Available Seat Kilometres (m)	2,439	2,502	(2.5%)	13,563	13,710	(0.4%)
Passenger Load Factor (%)	83.2%	81.4%	1.8 pts	83.8%	82.6%	1.2 pts
Short Haul Total	NOVEMBER			FINANCIAL YTD		
	2013	2012	% *	2014	2013	% * +
Passengers carried (000)	948	933	1.6%	4,925	4,818	2.9%
Revenue Passenger Kilometres(m)	975	959	1.7%	5,442	5,306	3.2%
Available Seat Kilometres (m)	1,170	1,152	1.6%	6,616	6,464	3.1%
Passenger Load Factor (%)	83.3%	83.2%	0.1 pts	82.3%	82.1%	0.2 pts
Domestic	NOVEMBER			FINANCIAL YTD		
	2013	2012	% *	2014	2013	% * +
Passengers carried (000)	714	703	1.5%	3,561	3,483	2.9%
Revenue Passenger Kilometres(m)	345	337	2.4%	1,732	1,672	4.3%
Available Seat Kilometres (m)	430	415	3.7%	2,154	2,085	4.0%
Passenger Load Factor (%)	80.2%	81.2%	(1.0 pts)	80.4%	80.2%	0.2 pts
Tasman / Pacific	NOVEMBER			FINANCIAL YTD		
	2013	2012	% *	2014	2013	% * +
Passengers carried (000)	235	230	1.9%	1,364	1,335	2.9%
Revenue Passenger Kilometres(m)	629	622	1.2%	3,709	3,634	2.8%
Available Seat Kilometres (m)	740	737	0.4%	4,462	4,379	2.6%
Passenger Load Factor (%)	85.1%	84.4%	0.7 pts	83.1%	83.0%	0.1 pts
Long Haul Total	NOVEMBER			FINANCIAL YTD		
	2013	2012	% *	2014	2013	% * +
Passengers carried (000)	109	112	(2.6%)	608	618	(0.9%)
Revenue Passenger Kilometres(m)	1,054	1,079	(2.3%)	5,923	6,012	(0.8%)
Available Seat Kilometres (m)	1,269	1,350	(6.0%)	6,947	7,246	(3.5%)
Passenger Load Factor (%)	83.1%	79.9%	3.2 pts	85.3%	83.0%	2.3 pts
Asia / Japan / UK	NOVEMBER			FINANCIAL YTD		
	2013	2012	% *	2014	2013	% * +
Passengers carried (000)	40	47	(16.6%)	204	249	(17.6%)
Revenue Passenger Kilometres(m)	351	428	(18.1%)	1,830	2,295	(19.7%)
Available Seat Kilometres (m)	421	539	(21.9%)	2,308	2,911	(20.2%)
Passenger Load Factor (%)	83.3%	79.4%	3.9 pts	79.3%	78.8%	0.5 pts
North America / UK	NOVEMBER			FINANCIAL YTD		
	2013	2012	% *	2014	2013	% * +
Passengers carried (000)	69	65	7.6%	404	368	10.3%
Revenue Passenger Kilometres(m)	703	650	8.1%	4,093	3,716	10.9%
Available Seat Kilometres (m)	848	811	4.5%	4,639	4,335	7.7%
Passenger Load Factor (%)	82.9%	80.2%	2.7 pts	88.2%	85.7%	2.5 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 2013 (28 days) Compared to July 2012 (29 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.