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## **December market conditions**

Air New Zealand carried 1,514,000 passengers during the month of December, 5.8% more than the same period last year. Revenue passenger kilometres (RPKs) were 18.1% higher on a capacity (ASKs) increase of 18.3%. Group load factors were down 0.1 percentage points to 85.0%.

Short Haul passenger numbers were up 2.8%. In the Domestic market demand (RPKs) and capacity (ASKs) increased by 4.7% and 6.1%, respectively. Domestic load factor was 82.5%, down 1.1 percentage points.

Tasman/Pacific demand (RPKs) increased 6.8% while capacity (ASKs) increased by 10.7%. Load factor on Tasman/Pacific decreased 2.9 percentage points to 81.1%.

Long Haul passenger numbers increased 28.8% when compared to December last year, with demand (RPKs) up 28.4% and capacity (ASKs) up 26.3%. Load factor on Long Haul routes was 87.6%, up 1.5 percentage points.

On Americas/UK routes, demand (RPKs) increased 21.8% with capacity (ASKs) increasing 24.0% due to the new Auckland-Houston and Auckland-Buenos Aires routes. Load factor was down 1.6 percentage points to 85.2%.

On Asia/Japan/Singapore routes, demand (RPKs) increased 41.2%, with capacity (ASKs) increasing by 30.5% due to the new Auckland-Singapore route and larger B787-9 aircraft operating on the Auckland-Narita route. Load factor increased 7.0 percentage points to 91.9%.

Group-wide yields for the financial year to date were down 1.1% on the same period last year. Short Haul yields were down 0.5% while Long Haul yields were up 2.0%. Removing the impact of foreign exchange, Group-wide yields were down 4.6%.



## **Company news**

### [Air New Zealand touches down in Texas](#)

On December 16<sup>th</sup>, Air New Zealand's inaugural flight between Auckland and Houston arrived at Houston's George Bush Intercontinental Airport.

Passengers on-board, including Minister of Economic Development Steven Joyce and US Ambassador to New Zealand Mark Gilbert, were welcomed to Houston with a performance on the tarmac by a kapa haka group made up of Air New Zealand staff.

Air New Zealand Chief Executive Officer Christopher Luxon says the operational launch of the airline's new Houston service, its fifth to North America, was a great way to end 2015.

"We are committed to continuing to expand our Pacific Rim network and are excited to give our customers direct access to Houston and beyond."

December was a busy month for the airline which has also operated its first scheduled South American service to Buenos Aires and celebrated the launch of its alliance with Air China with an inaugural Auckland – Beijing service – and November announced a new seasonal service to Ho Chi Minh City, Vietnam.

# Monthly investor update



Group	DECEMBER			FINANCIAL YTD		
	2015	2014	% *	2016	2015	% *
Passengers carried (000)	1,514	1,431	5.8%	7,757	7,044	10.1%
Revenue Passenger Kilometres(m)	3,497	2,960	18.1%	16,864	14,399	17.1%
Available Seat Kilometres (m)	4,115	3,480	18.3%	19,985	17,160	16.5%
Passenger Load Factor (%)	85.0%	85.1%	(0.1 pts)	84.4%	83.9%	0.5 pts
<b>Short Haul Total</b>	<b>DECEMBER</b>			<b>FINANCIAL YTD</b>		
	<b>2015</b>	<b>2014</b>	<b>% *</b>	<b>2016</b>	<b>2015</b>	<b>% *</b>
Passengers carried (000)	1,304	1,268	2.8%	6,791	6,280	8.1%
Revenue Passenger Kilometres(m)	1,444	1,361	6.1%	7,511	6,922	8.5%
Available Seat Kilometres (m)	1,771	1,623	9.1%	9,117	8,402	8.5%
Passenger Load Factor (%)	81.5%	83.8%	(2.3 pts)	82.4%	82.4%	-
<b>Domestic</b>	<b>DECEMBER</b>			<b>FINANCIAL YTD</b>		
	<b>2015</b>	<b>2014</b>	<b>% *</b>	<b>2016</b>	<b>2015</b>	<b>% *</b>
Passengers carried (000)	947	932	1.5%	4,931	4,562	8.1%
Revenue Passenger Kilometres(m)	487	465	4.7%	2,464	2,241	10.0%
Available Seat Kilometres (m)	590	556	6.1%	3,093	2,778	11.3%
Passenger Load Factor (%)	82.5%	83.6%	(1.1 pts)	79.7%	80.7%	(1.0 pts)
<b>Tasman / Pacific</b>	<b>DECEMBER</b>			<b>FINANCIAL YTD</b>		
	<b>2015</b>	<b>2014</b>	<b>% *</b>	<b>2016</b>	<b>2015</b>	<b>% *</b>
Passengers carried (000)	357	336	6.3%	1,859	1,718	8.2%
Revenue Passenger Kilometres(m)	958	896	6.8%	5,046	4,681	7.8%
Available Seat Kilometres (m)	1,181	1,068	10.7%	6,025	5,624	7.1%
Passenger Load Factor (%)	81.1%	84.0%	(2.9 pts)	83.8%	83.2%	0.6 pts
<b>Long Haul Total</b>	<b>DECEMBER</b>			<b>FINANCIAL YTD</b>		
	<b>2015</b>	<b>2014</b>	<b>% *</b>	<b>2016</b>	<b>2015</b>	<b>% *</b>
Passengers carried (000)	210	163	28.8%	966	764	26.4%
Revenue Passenger Kilometres(m)	2,053	1,599	28.4%	9,353	7,477	25.1%
Available Seat Kilometres (m)	2,344	1,857	26.3%	10,868	8,758	24.1%
Passenger Load Factor (%)	87.6%	86.1%	1.5 pts	86.1%	85.4%	0.7 pts
<b>Asia / Japan / Singapore</b>	<b>DECEMBER</b>			<b>FINANCIAL YTD</b>		
	<b>2015</b>	<b>2014</b>	<b>% *</b>	<b>2016</b>	<b>2015</b>	<b>% *</b>
Passengers carried (000)	86	60	44.1%	404	267	51.4%
Revenue Passenger Kilometres(m)	769	545	41.2%	3,609	2,423	49.0%
Available Seat Kilometres (m)	837	642	30.5%	4,142	2,947	40.5%
Passenger Load Factor (%)	91.9%	84.9%	7.0 pts	87.1%	82.2%	4.9 pts
<b>Americas / UK</b>	<b>DECEMBER</b>			<b>FINANCIAL YTD</b>		
	<b>2015</b>	<b>2014</b>	<b>% *</b>	<b>2016</b>	<b>2015</b>	<b>% *</b>
Passengers carried (000)	124	103	19.9%	562	497	13.0%
Revenue Passenger Kilometres(m)	1,284	1,054	21.8%	5,744	5,054	13.6%
Available Seat Kilometres (m)	1,507	1,215	24.0%	6,726	5,811	15.7%
Passenger Load Factor (%)	85.2%	86.8%	(1.6 pts)	85.4%	87.0%	(1.6 pts)

\* % change is based on numbers prior to rounding.

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.