

2 0 1 3 A N N U A L R E P O R T

BY YOUR SIDE FOR 15 YEARS



TAHITI | LOS ANGELES | PARIS | TOKYO | AUCKLAND





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FOR 2014



Michel Monvoisin
Chairman of the Board
And Chief Executive Officer

2013, THE ADVENTURE GOES ON...

The "Tiare" flower-waving airline is back in the spotlight with a newfound financial health in 2013!

Air Tahiti Nui achieved a net profit of 1,677 billion F CFP (an increase of 1,4 billion F CFP compared to 2012 figures). However, we must be careful not to celebrate prematurely. Our industry is complex and exposed, and despite signs of recovery in some markets, the worldwide economy remains fragile. Therefore, cautiousness is required and the approach is to take advantage of the financial lull, in order to prepare the transition and take off again.

15 years later, the adventure goes on...

By accepting to take over the duties of Chairman of the Board and Chief Executive Officer of Air Tahiti Nui in October 2013, I had the opportunity to commemorate the 15th anniversary of its operation along with our partners and customers in Tahiti and on our markets. It was essential to honor our founders, the Air Tahiti Nui "pioneers", shareholders and employees who have taken up the formidable challenge of creating an airline. Not forgetting of course, our customers (including the members of our Club Tiare frequent flyer program) who have joined and supported this adventure throughout the years, to allow our company "Air Tahiti Nui" to grow !

However, the work is not complete. Reinforcing the basics, and remembering that Air Tahiti Nui has been created to ensure sustainable air services across the Polynesian sky, allow us to reassert that our main mission is indeed to contribute to the Country's tourism development. But this development can only be implemented by embracing two key pillars which are; maintaining high quality and safety standards and financial profitability which is crucial for any growth policy.

Major projects lie ahead:

- ✓ The renewal of the fleet;
- ✓ The reinforcement of alliances and partnerships;
- ✓ The optimization of the existing routes;
- ✓ Instilling a new sales and marketing momentum;
- ✓ Maximise organizational structure for tomorrow's challenges.

Air Tahiti Nui is the Country's main tourism development tool and a part of the common heritage shared by all Polynesians. My priority will be to give us all the means to tackle tomorrow's challenges, by launching an in-depth and progressive reform that will continue throughout the 2014 biennium.

Michel Monvoisin
Chairman of the Board
And Chief Executive Officer

MILESTONES



© SR Technics



In 2013 the airline with the stylish cabin

2013 will be remembered as the year of a return to growth in our cruise passengers' transport activity with the arrival of Oceania Cruises' ships in the Polynesian waters, requiring at short notice special flights to be set-up from Los Angeles, to carry up to 1200 customers per cruise.

Upon completion of cabin refit work lasting several weeks in Zurich, Air Tahiti Nui took delivery of three A340-300 aircraft, reconfigured in a two-class layout. The aircraft returned to service on the Papeete-Paris route from mid April onwards.

As a prelude to the reconfiguration the company modernised its logo to better visually reflect its blossoming maturity. The Tiare flower, being the traditional emblem of both the company and the Polynesian warm welcome, was preserved with some design enhancement.

2013 IN FIGURES...

5 Airbus A340-300
Including 3 aircraft renovated in a two-class layout

17 780 hours of flight

marked its 15th Anniversary in reconfiguration of 3 aircraft...

The route network was enhanced with the introduction of a third service to Auckland at the end of the year. This development was underpinned by the strengthening of the codeshare agreement with Qantas on the Australia-Auckland-Papeete route, and a newly implemented codeshare partnership with American Airlines between Los Angeles and Auckland.

Air Tahiti Nui has also successfully achieved the IOSA audit (IATA Operational Safety Audit), valid until 2015, certifying that the company complies with the most demanding safety standards in air transportation (ICAO international standards, North American or European regulations but also practices and procedures generally accepted by airline companies).

In December, Air Tahiti Nui reached a new landmark in maintenance activity by celebrating its one millionth hour of engine operation. This provides first-hand evidence of the excellent operational reliability of the engines (CFM56-5C), combined with a constructive partnership between Air Tahiti Nui and engine makers CFM International, along with the subcontractors in charge of engine maintenance (Air France Industries and Lufthansa Technik).

« Our mission:

Operating sustainable air services likely to support the development of the tourism industry in French Polynesia while preserving profitability and the high safety standards of our flight operations.”

420 782 passengers
carried
including **96 400**
residents of Tahiti

1,677 billion de F CFP
of positive results
(or almost 14 million euros)

629 millions de F CFP
of charter turnover
(or 1025 flight hours on behalf of
various freight forwarders)

8 843 tons
of freight
carried

89 466 members
of the **Club Tiare**
Frequent flyer program
(including 192 Corporate companies)

703 employees
(includes 392 flight crew and
60 staff based overseas)

Scan this code and watch “**Flying Tiare**”
on our Youtube channel,
the special 15 years anniversary video made
in Tahiti which went viral with over **850 000 views**



LEGAL STATUS AND CAPITAL



Source Présidence

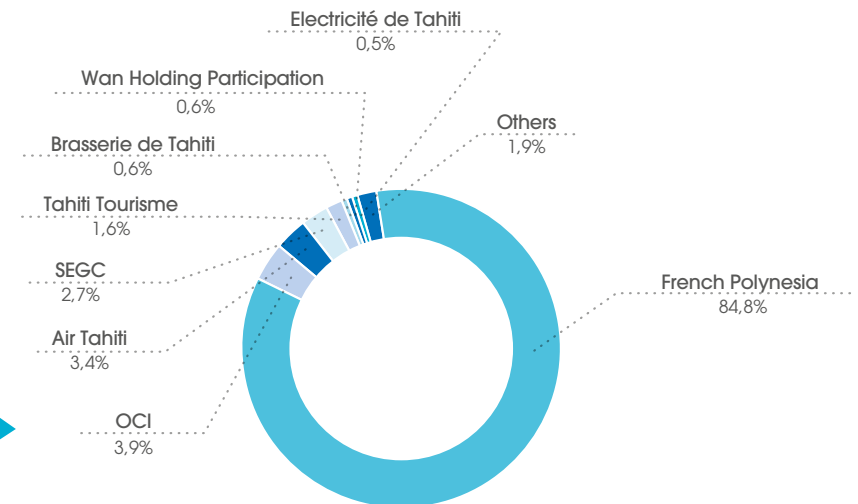
Nov 2000 – Shareholders agreement

Air Tahiti Nui’s employees gathered at the Presidential Palace in Tahiti, for the signature of the shareholders agreement, providing Air Tahiti Nui with the opportunity to sustain its activity and to grow. The celebration took place in the presence of the President of the government Mr. Gaston FLOSSE, that of the late founding CEO of Air Tahiti Nui Mr. Nelson LEVY and the members of the board of directors.

AIR TAHITI NUI WAS FOUNDED
ON **OCTOBER 31ST 1996**,
FLIGHT OPERATIONS
BEGAN IN **NOVEMBER 1998**

1. Capital breakdown

In September 2001, Air Tahiti Nui’s legal status evolved from that of a Limited Company to that of a Local Semi-Public Company, thereby meeting the statutory rules related to the country’s majority shareholding in the company’s capital. On November 22nd, 2011, the capital amounted to 1 622 956 875 F CFP and is distributed as follows:



**CAPITAL SHARING
OF 12/31/2013**

1,6
BILLION
capital

LEGAL STATUS AND CAPITAL

2. List of Directors

As a Local Semi-public company, the Air Tahiti Nui airline has a Board of Directors consisting of:

- **PUBLIC DIRECTORS (9)**
Representing the Country and appointed by the Council of Ministers
- **PRIVATE DIRECTORS (6)** representing the private sector

On January 1st, 2013

REPRESENTATIVES OF FRENCH POLYNESIA:

- M. Etienne HOWAN
Chairman & Chief Executive Officer
- M. Oscar Manutahi TEMARU
President of French Polynesia
- M. Pierre FREBAULT
Minister in charge of Economic Affairs, Finances, of Labor and of Employment
- M. Jean-Christophe BOUISSOU
Representative of the Assembly of French Polynesia
- M. Robert TANSEAU
Representative of the Assembly of French Polynesia
- M. René TEMEHARO
Representative of the Assembly of French Polynesia
- M. James SALMON
Minister in charge of Equipment and Land Transport
- M. Jacqui DROLLET
President of the Assembly of French Polynesia
- M. Hinoi FRITCH
Representative of the Air Tahiti Nui personnel

PRIVATE DIRECTORS :

- M. Vincent LAW
Representative of SEGC
- M. Marcel GALENON
Representative of SA Air Tahiti (LC)
- M. James ESTALL
Representative of OCI
- M. Yves BUHAGIAR
Representative of SA Financière Hôtelière Polynésienne (LC)
- M. Robert WAN
Representative of WAN Holding Participation
- M. Richard BAILEY
Representative of Tahiti Beachcomber LC

On October 1st, 2013

REPRESENTATIVES OF FRENCH POLYNESIA:

- M. Michel MONVOISIN
Chairman & Chief Executive Officer
- M. Geffry SALMON
Minister in charge of Tourism, Ecology, Culture and Air Transport
- M. Nuihau LAUREY
Vice-President, Minister in charge of Economic Affairs, Finance, Budget and Labor
- M. Marcel TUIHANI
Minister in charge of Housing, Land Affairs, Digital Economy and Craftmanship
- M. Edouard FRITCH
President of the Assembly of French Polynesia
- M. Jean-Christophe BOUISSOU
Representative of the Assembly of French Polynesia
- M. Teura IRITI
Representative of the Assembly of French Polynesia
- M. Daniel PALACZ
Representative of the Air Tahiti Nui personnel
- M. Gilles BERNEDE
Representative of the Air Tahiti Nui personnel

PRIVATE DIRECTORS:

- M. Vincent LAW
Representative of SEGC
- M. Joël ALLAIN
Representative of Air Tahiti LC
- M. James ESTALL
Representative of OCI
- M. Yves BUHAGIAR
Representative of SA Financière Hôtelière Polynésienne (Limited Company)
- M. Robert WAN
Representative of WAN Holding Participation
- M. Richard BAILEY
Representative of Tahiti Beachcomber LC

3. Statutory auditors

The company's statutory auditors are:

- **M. Jean-Pierre GOSSE**, representing the PPC (private professional company) GOSSE - PARION, Statutory Auditors;
- **M. Gilles REDON**, representing the PPC REDON - PELLOUX - CHAIZE - MU SI YAN - LIS, Statutory Auditors;

ACTIVITY SUMMARY



5 AIRBUS A340-300 MAKE UP THE FLEET

1. The fleet

Air Tahiti Nui's fleet consists of **5 Airbus A340-300** aircraft, each with the same engine configuration. The cabin interiors of three aircraft were newly renovated in 2013. The remaining two aircraft are equipped as follows in a two-class layout: 30 seats in Business and 264 seats in Economy (total of 294) each with individual audio-video system:

- MSN 395 F-OJTN on operating lease ("BORA BORA")
- MSN 668 F-OLOV on financial lease ("NUKU HIVA")

Poerava Business

Designed to accommodate 30 customers, the spacious forward Business cabin is delicately decorated and provides a high quality Polynesian hospitality. The ornamental designs and the spacing between the seats favor privacy and comfort. Each seat is equipped with a head-rest, a foot-rest as well as an individual video display offering movies and games.

Moana Economy

The Moana Economy cabin welcomes 264 guests with all the services and comfort required when travelling on long-haul flights. The 8 seats abreast, designed in a 2-2-2-2 pattern, meet travelers' space and comfort requirements. Each customer also benefits from an individual video display with movies and games.

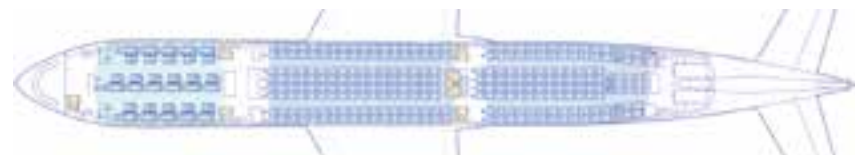
A new interior, reflecting the colors and charm of Tahiti

At the dawn of its 15 years of operation, Air Tahiti Nui has chosen to modernize its cabins in order to provide guests with optimal comfort. The investment of 13 million euros over 2 years includes an expansion of the Business Cabin, new larger and more comfortable seats, a new in-flight entertainment system that is entirely digital and on-demand.

With this new interior, Air Tahiti Nui has achieved a product standard the equal of major airlines globally, whilst differentiating itself with its unique Polynesian touch and welcome.

Three aircraft were remodeled in 2013 and are now featuring a two-class layout: 32 seats in Business and 264 seats in Economy (total of 296) equipped with individual on-demand audio-video screens

- MSN 385 F-OJGF owned ("MANGAREVA")
- MSN 438 F-OSEA on financial lease ("RANGIROA")
- MSN 446 F-OSUN on financial lease ("MOOREA")



Poerava Business

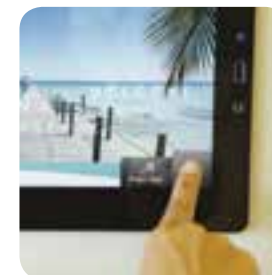
The new Poerava Business cabin offers 32 "Evolys" type seats: a reclining seat able to tilt up to 160 degrees, offering optimal comfort. Set out with 152cm-wide spacing between each row to allow greater privacy, the seatback shell allows the seat to be reclined whilst preserving the space for the person behind.



Moana Economy

In Moana Economy, the cabin features 264 comfortable "Steezy"-styled seats, with a 81cm pitch and 118° recline. Its 45cm-wide seating cushion makes it one of the widest available on Tahiti serving flights.

Each seat is equipped with a high definition touch-screen (9 inches) display which offers a wide variety of on-demand contents on each flight (i.e. over 14 movies, 24 TV shows, a wide selection of music and games).



This renovation has been provided by SR Technics, a Zurich group specializing in aircraft maintenance and one of the most important aeronautical technical service providers in the world.

ACTIVITY SUMMARY

2. Aircraft utilization

Overall, the airline has registered **17 780 flight hours in 2013**, an estimated 2.9% less than in 2012, due to slightly declining networking and chartering activities. The average flying hours for the Air Tahiti Nui fleet displays an efficient activity level of 9.75h/day (against 10h/day in 2012).

3. Safety at the very heart of our business

APPROVALS AND CERTIFICATES

Air Tahiti Nui is a French international airline company which holds the following permits in order to operate flight services:

- An air services license, renewed on December 1st, 2006 (decree 1389 CM),
- An air services operator certificate (CTA) n°F-PL003, renewed on October 27th, 2014,
- A Certificate of Maintenance Approval section 145 for FR 145 423 aircraft maintenance, renewed on October 29th, 2010.

SAFETY POLICY

Safety Management System (SMS or SGS in French):

Air Tahiti Nui has set up a safety management system as prescribed by Governing International organizations, Europe and French Polynesia. A continual improvement process through an internal organization ensures the highest standards of safety for customers, employees and contractors.

IATA Operational Safety Audit (IOSA):

Since 2005, Air Tahiti Nui has been complying with the international standard of safety audit, reviewed every two years. In every audit, the company must demonstrate its commitment towards the prescribed global standards and its implementation of newly established rules.

In terms of safety, Air Tahiti Nui applies all French regulations regarding civil aviation safety. These safety programs are also approved by the aviation oversight authorities in each of the countries served, for compliance with local requirements.



1 471
FLIGHTS
in 2013

4. The network

Air Tahiti Nui connects the South Pacific zone and four continents. It is positioned as the main air carrier serving French Polynesia with four daily flights to this destination.

The Tiare airline is also one of the two only airline companies to offer a direct roundtrip flight between Paris and Los Angeles. Additionally, Air Tahiti Nui serves Tokyo, Japan and Auckland, New Zealand, from Papeete.

It serves 39 other cities thanks to its code-share partners: SNCF in France, American Airlines in the United States, Qantas and Air New Zealand in Australia and in the South Pacific. It includes, among others: Sydney, Brisbane and Melbourne, 17 cities in the United States including New York, Boston, Washington, Chicago, Miami and Dallas and 19 cities in France among which Marseille, Lyon and Montpellier.

As part of Air Tahiti Nui's market development, **over fifty interline agreements have been secured** with other carriers, in order to offer customers a wider selection of destinations.



17 780
FLIGHT HOURS
in 2013



5. Flight programs

FREQUENCY OF FLIGHTS BY ROUTE

	2012	2013
Papeete - Paris via LAX	3/7 - 7/7	3/7 - 7/7
Papeete - Los Angeles	5/7 - 7/7	5/7 - 7/7
Papeete - Japan	2/7	2/7
Papeete - Auckland	2/7 - 3/7	2/7 - 3/7

NUMBER OF FLIGHTS BY ROUTE PER YEAR

	2012	2013	12/13 Variation
Papeete - Paris via LAX	478	460	-4%
Papeete - Los Angeles	535	574	7%
Papeete - Japan	210	206	-2%
Papeete - Auckland	234	231	-1%
TOTAL	1 457	1 471	1%

CUSTOMER SATISFACTION



88%

overall passenger
SATISFACTION



1. Our customer satisfaction is our priority

In order to better meet customers expectations, Air Tahiti Nui launched a permanent customer satisfaction survey program on all flights, commenced 2012. The feedback allows us to assess customers' satisfaction during their trip, as measured at different contact points from check-in to arrival, and to carry out improvement actions. For the period from January to May 2013, 1 315 people have been surveyed and the results are very positive.

The key points:

- The **assessment of the crew members** is the highest rated with 96% satisfaction (in Moana Economy & Poerava Business),
- The **onboard service quality** is praised with 88% overall satisfaction.

Areas for improvement:

Key areas identified for improvement were the check-in, catering, seat comfort, and the functionality of the inflight entertainment system (IFE).

On these later two points, Air Tahiti Nui has addressed the seat and IFE issues with the reconfiguration of three aircraft. A second wave of surveys carried out in October 2013 confirmed the improvement bought about by the investment in modern cabins and seat comfort. The enhanced IFE system (equipped with on-demand audio-video devices) now provides a satisfaction rating higher than 70%, in Economy and Business.



PUNCTUALITY
93,4%
 OF FLIGHTS
 LEAVING ON TIME

CUSTOMER SATISFACTION

2. Punctuality

In 2013, Air Tahiti Nui achieved excellent punctuality over its entire network with 93.4% of flights leaving on time or within 15 minutes.

Flights departing from Paris and Los Angeles remain lower with a respective punctuality of 83% and 93%.

3. Frequent Flyer program

The total membership of Air Tahiti Nui's frequent flyer program amounts to **89 466 members, including 192 companies** network wide (60% based in Polynesia and 40% in the external markets).

The cards

Tahia : Individual and private.

Silver : Available to Club Tiare members who have accumulated 30000 miles, in trips flown over a calendar year. .

Gold : The most privileged status of our program, available to Club Tiare members who have accumulated 60 000 miles in trips flown over a calendar year.

The Corporate and Fenua Student programs

The **Corporate program** was redesigned in 2012 to better meet the needs of companies domiciled in Tahiti, resulting in the doubling of memberships – **192 member companies in 2013** (representing 1433 employees travelling for business purposes).

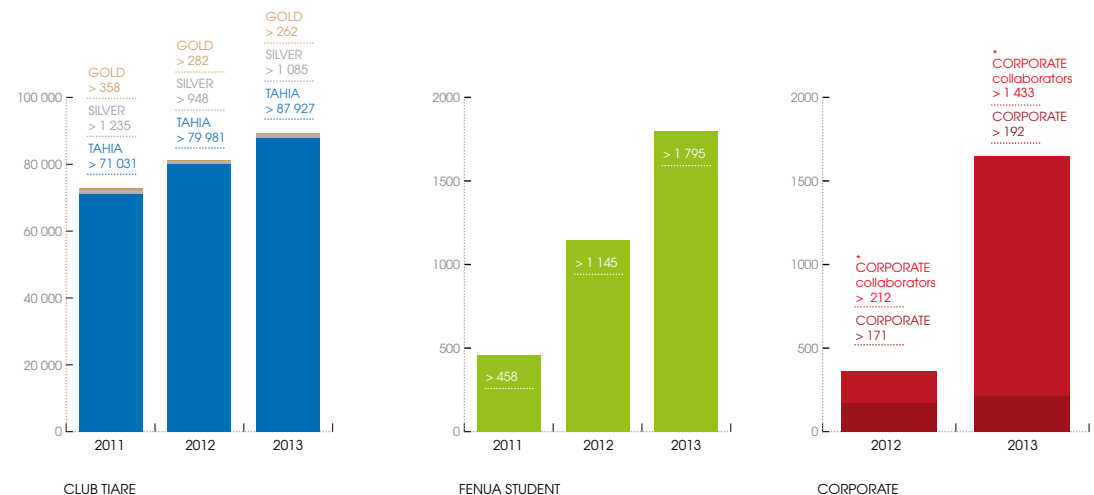
The **Fenua student program** supports Polynesian students who wish to pursue their studies abroad. It offers many benefits, including airfare reductions for the student and accompanying parents. With an average of 600 new memberships per year since 2011, there are **1 795 new memberships to Fenua Student at the end of 2013**.

89 466
MEMBERS

SIGN UP FOR THE **CLUB TIARE**
 FREQUENT FLYER PROGRAM
 (INCLUDING 192 MEMBER COMPANIES)



EVOLUTION OF THE AMOUNT OF MEMBERS OF THE FREQUENT FLYER PROGRAM



PASSENGER AND FREIGHT TRAFFIC

© Tahiti Tourisme - Tim McKenna

1. Passenger traffic to Tahiti

TOTAL PASSENGERS ON ALL LINES

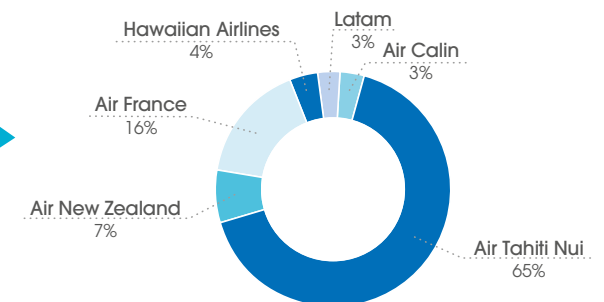
	Number of passengers 2013	Market share	2012-2013 Variation (number of passengers)
AIR TAHITI NUI	342 432	65%	0%
AIR NEW ZEALAND	39 378	7%	0%
AIR FRANCE	83 984	16%	+3%
HAWAIIAN AIRLINES	22 725	4%	+4%
LATAM	18 117	3%	-1%
AIR CALIN	17 962	3%	0%
TOTAL	526 611	100%	1%

Source : CIVIL Aviation

In 2013, the total number of passengers to and from French Polynesia was **526 611**, a variation of +1% compared to 2012.

- **Air Tahiti Nui** has carried **65%** of the international passenger traffic in 2013, and an equivalent share in 2012.
- **Air France** was the second biggest carrier, with 16% of traffic share, the same as in 2012.
- **Air New Zealand** carried 7% of the passenger traffic, showing a drop of -1% compared to 2012.

MARKET SHARE BY AIRLINE COMPANY



65%
INTERNATIONAL
PASSENGER TRAFFIC
carried
by Air Tahiti Nui

2. Evolution of Air Tahiti Nui passengers traffic by route

EVOLUTION OF THE NUMBER OF PASSENGERS CARRIED BY ROUTE

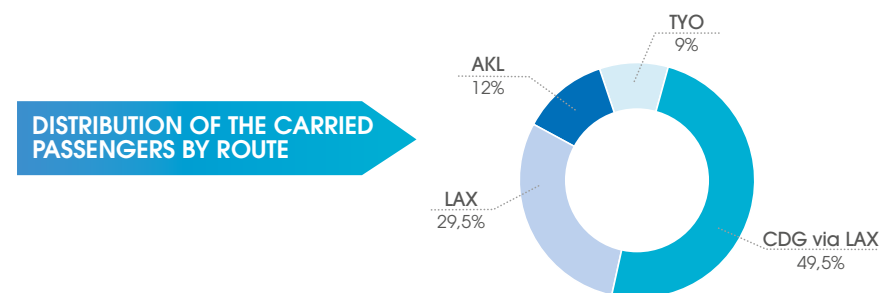
ROUTES	PASSENGERS CARRIED		
	2012	2013	VAR 2012/13
CDG VIA LAX	214 182	207 603	-3%
LAX	117 672	124 109	+5%
AKL	52 274	50 427	-4%
TYO	35 388	38 643	+9%
TOTAL	419 516	420 782	0%

Air Tahiti Nui carried 420 782 passengers in 2013, almost identical to the 2012 figure. In Europe, the bleak economies have resulted in a slight decrease in the passenger traffic volumes on the Paris route (-3%).

An increase in the passenger traffic on the Los Angeles route (+5%) has been boosted by an improvement in the American economy as well as an increase in cruise ship passenger traffic.

The Auckland route has experienced a strong increase in 2012, slowing down by -3% due to the increase in the competing offer.

The Tokyo route, on the other hand, is experiencing a rise of 9% in traffic.



420 782 passengers carried
Including 96 400 residents carried by Air Tahiti Nui in 2013

PASSENGER AND FREIGHT TRAFFIC



114 473

TOURISTS
carried
by Air Tahiti Nui

3. Passenger activity by route

ROUTES	LF		Revenue (Millions F CFP)		RPK (F CFP)	
	2013	VAR 2013/12	2013	VAR 2013/12	2013	VAR 2013/12
CDG VIA LAX	76%	+ 0,3 pt	13 017	+ 1%	8,0	+ 4%
LAX	74%	- 0,8 pt	8 284	+ 11%	10,1	+ 5%
AKL	74%	- 1,5 pt	1 925	- 3%	9,3	+ 1%
TYO	64%	+ 6,5 pt	3 112	- 6%	8,5	- 14%
TOTAL	74%	+ 0,8 pt	26 337	+ 2%	8,7	+ 2%

Definition: LF= Load Factor;
RPK = Revenue per passenger kilometer.

In comparison with 2012, the overall passenger load factor on the network has slightly increased to 74% in 2013. The supply for seats has decreased (-1%) and the number of passengers transported has remained unchanged.

The overall revenue has increased by +2%, specifically from the increase in revenue per kilometer travelled, by +2%.

The results vary according to markets, as follows:

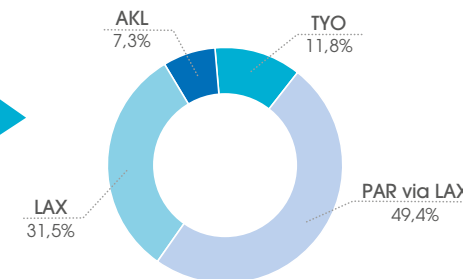
Paris route - The seat supply has slightly decreased (-3%). The revenues have remained stable (+1%) thanks to an increase of +4% in the average income.

Los Angeles route - The Passenger traffic and the average income have both increased by +5%, leading to a spectacular increase of the revenues of +11%, compared to 2012. The supply has increased by +7% for the year, showing a slight passenger load variation (-0.8%).

Auckland route - The amount of passengers carried in 2013 has slightly dropped (-4%) whereas the seat supply has decreased by -2%. The overall revenue has been affected by -3%.

Tokyo route - The increase of 9% in the number of passengers combined to a slight decrease in seat supply has led to an improvement of 64% in the passenger load. The decrease of -14% in the average income has contributed to a drop of -6% in revenues.

DISTRIBUTION OF THE REVENUES BY ROUTE



4. Air Tahiti Nui and the development of tourism in French Polynesia

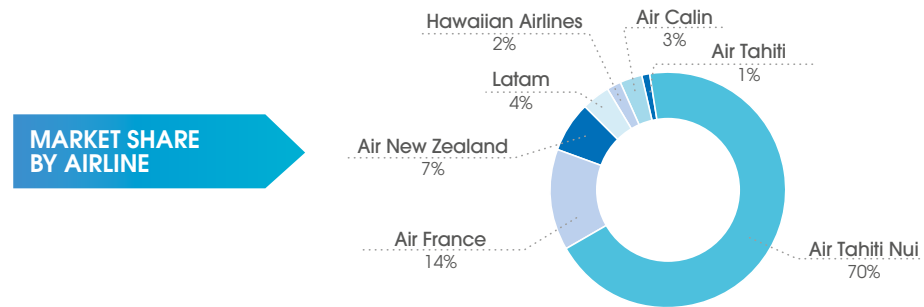
TOURISM TRAFFIC TO THE ISLANDS OF TAHITI

	Number of tourists in 2013	2012/2013 Variat°	Market share	Market share Variat°
Air Tahiti Nui	114 473	-4,6 %	70%	-1,3 pt
Air France	22 434	7,2 %	14%	+1,3 pt
Air New Zealand	11 331	-3,6 %	7%	-0,1 pt
Latam	6 791	-5,0 %	4%	-0,1 pt
Hawaiian Airlines	4 096	12,4 %	2%	+0,3 pt
Air Calin	4 333	-8,4 %	3%	-0,2 pt
Air Tahiti	935	10,7 %	1%	+0,1 pt
TOTAL	164 393	-2,7 %	100%	0 pt

Source: Tourism Office

70%
VISITORS
CARRIED
by Air Tahiti Nui

In 2013, over 164 000 tourists visited the Islands of Tahiti, two thirds of which have been transported by Air Tahiti Nui (70%), then followed by Air France (14%) and 17% representing the other airlines (Latam, Air New Zealand, Air Calin, Hawaiian Airlines and Air Tahiti).



EVOLUTION OF TOURISTS BY COUNTRY

	Amount of tourists carried in 2013		Variation of the amount of tourists carried in 2013/2012 in %	
	Air Tahiti Nui	Total of all airlines	Air Tahiti Nui	Total of all airlines
North America	49 766	60 862	-2%	+2%
France	20 056	32 946	-10%	-9%
Italy	7 156	8 103	-18%	-16%
United Kingdom	2 322	3 255	+15%	+20%
Spain	1 426	2 426	-37%	-24%
Germany	1 728	3 477	-12%	-2%
Switzerland	1 320	2 663	-17%	+4%
Europe (others)	2 956	5 175	-15%	-7%
Japan	12 704	13 175	+1%	+1%
Asia	3 154	4 209	+16%	+16%
Australia	6 000	9 167	-12%	-12%
New Zealand	2 918	6 477	-24%	-11%
Pacific	525	4 404	+25%	-6%
South America	1 334	6 491	+41%	+6%
Central America	747	978	-31%	-27%
Other countries	361	585	+3%	+5%
TOTAL	114 473	164 393	-5%	-3%

Source: Tourism Office

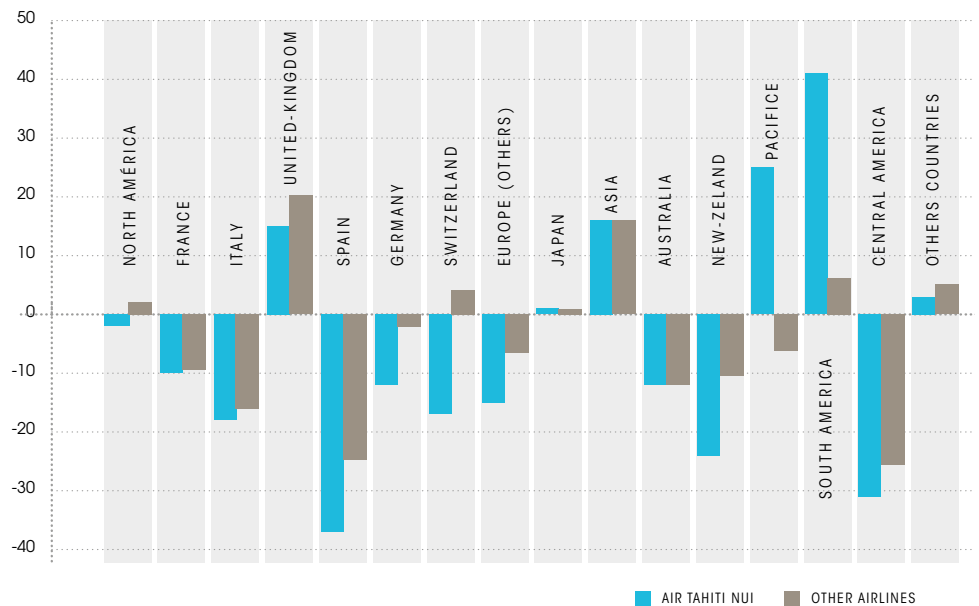
PASSENGER AND FREIGHT TRAFFIC

Regarding the markets served by Air Tahiti Nui, the arrival of North American tourists shows a slight 2% increase, whereas the French market shows a -9% drop. The European tourists (Spain -24%, Italy -16% and Germany -2%) are also fewer due to economic pressures.

In other markets on the Air Tahiti Nui network, the number of incoming Japanese tourists remains stable with 1% increase, whereas those originating from Australia and New Zealand have decreased, because of the competitors' supply, by -12% and -11% respectively.

The tourist growth mainly came from the emerging Asian markets (+16%), Latin America (+6%), while the growth in the inbound visitors from the United Kingdom (+20%) reflects the consumers' renewed confidence in the economy.

VARIATION OF TOURISTS CARRIED BY COUNTRY 2013/2012 IN %



PASSENGER AND FREIGHT TRAFFIC



Customers, journalists and partners (travel agents, airline subcontractors, etc.) were all invited to discover a preview of Air Tahiti Nui's new cabins in Los Angeles, Paris and Papeete for the 15 years anniversary of Air Tahiti Nui's operations.

Los Angeles Airport



Source La Dépêche

Promotional and advertising policy

The advertising investments in 2013 amount to 382 million F CFP (about +5% in comparison to 2012) and over 2 900 discounted air tickets (of an estimated 400 million F CFP).

It covers, for the most part, the 3 main markets being the United States (32%), France and Europe (21%), Japan and Asia (17.2%) In other markets, Australia represents 8% of investments, French Polynesia 6% and 5% for New Zealand.

The attached visuals are a few samples of the actions led on our markets on the occasion of Air Tahiti Nui's 15 years anniversary.



Travel agents from New Zealand on a familiarization trip in Moorea.



8 843 TONS
OF FREIGHT CARRIED

CHARTER FLIGHTS
629 MILLION
IN REVENUES GENERATED

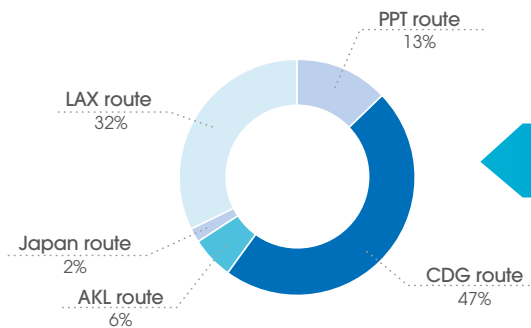


5. Freight outcomes

FREIGHT REVENUES BY ROUTE

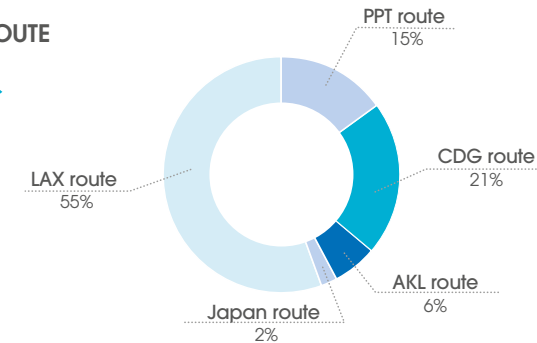
	REVENUES (in millions F CFP)			
	2012	2013	2012/2013 Variation	Variation in %
PPT route	409,006	352,709	-56,296	-14%
Charter Contract	13,261	7,003	-6,257	-47%
CDG route	1 044,958	1 228,770	183,812	+18%
AKL route	150,808	152,795	1,987	+1%
Japan route	79,154	52,219	-26,934	-34%
LAX route	801,390	824,265	22,875	+3%
TOTAL	2 498,577	2 617,763	119,186	5%

The freight revenues over the entire Air Tahiti Nui network in 2013 amount to 2617 million F CFP, increasing by 5% compared to 2012, for an overall tonnage



TONNAGE TRANSPORTED BY ROUTE

MARKET SHARE TONNAGE BY ROUTE



	WEIGHT IN TONS			
	2012	2013	2012/2013 Variation	Market share in %
PPT route	1 531	1 349	-182	-12%
Charter Contract	32	17	-15	-47%
CDG route	1 475	1 895	+419	+28%
AKL route	539	550	+11	+2%
Japan route	246	189	-56	-23%
LAX route	5 061	4 874	-187	-4%
TOTAL	8 884	8 874	-10	-0,12%

6. Overall results of the charter activity

Air Tahiti Nui's development of on-demand flight activity achieved 1025 hours of flight, delivered to various charterer customers. This valuable ancillary activity generated 629 million F CFP of revenue in 2013.

FINANCIAL RESULTS

© Tahiti Tourisme -HMLR

Simplified balance sheet drawn up on 31/12/2013

The balance sheet's total amounts to 23 997 million F CFP in 2013 against a 22 261 million F CFP in 2012, representing a 1 736 million F CFP rise.

BALANCE SHEET - ASSETS	GROSS 2013	PROV. AMORT.	NET		VARIATIONS	
			2013	2012	AMOUNTS	%
CAPITALIZED ASSETS						
Intangible fixed assets	180	143	36	1	35	2898%
Tangible fixed assets	17 460	11 402	6 058	4 652	1 406	30%
Financial fixed assets	7 501	1 203	6 298	7 994	-1 696	-21%
TOTAL CAPITALIZED ASSETS	25 141	12 748	12 393	12 647	-254	-2%
CURRENT ASSETS						
Spare parts stored, pursers and catering activity	685	2	683	593	90	15%
Accounts receivable	2 102	96	2 006	1 679	327	20%
Other accounts receivable	268	9	259	798	-540	-68%
Cash balances	8 541	2	8 539	6 446	2 093	32%
TOTAL CURRENT ASSETS	11 596	109	11 487	9 516	1 971	21%
CURRENCY CONVERSION ADJUSTMENT - ASSETS	117		117	98	20	20%
GRAND TOTAL	36 855	12 857	23 997	22 261	1 736	8%

CAPITAL ASSETS

The main tangible fixed assets' movements accounting for up to 1 406 million over the fiscal year of 2013 include:

- The remodeling of the cabins and the renewal aircraft: MANGAREVA, MOOREA and RANGIROA,
- The engine overhauls.

The gross financial fixed assets have decreased by 1 696 million F CFP. This drop mainly stems from the conversion rate adjustments for a total of 1,298 billion F CFP as well as an increase in the provision for depreciation of the value of the buy options on the Aircraft with tail-number SEA and SUN which total up to 393 million F CFP.

INVENTORY

The gross variation at the end of the fiscal year amounts to 90 million F CFP.

This variation results from:

- A 90 million F CFP increase in the airline's holdings,
- And a 20 million F CFP writeback of provisions for the purser's and catering stocks up to 24 million F CFP.

ACCOUNTS RECEIVABLE

The accounts receivable are increasing by 327 million F CFP.

CASH FLOW

At the end of the financial year, the cash flow amounts up to 8 539 million F CFP against 6 446 million FCF on 12/31/2012, a 2 093 million F CFP improvement.

BALANCE SHEET - LIABILITIES	2013	2012	VARIATIONS	
			AMOUNTS	%
Capital	1 623	1 623	0	0%
Premiums from issues	1 701	1 701	0	0%
Carried forward	-196	-427	231	-54%
Earnings	1 677	231	1 446	626%
Investment subsidy	1 138	1 358	-220	-16%
Statutory provisions	109	54	54	100%
OWNER'S EQUITY	6 052	4 540	1 512	33%
PROVISIONS FOR CONTINGENCIES AND LOSS	565	630	-65	-10%
DEBT	15 323	14 470	853	6%
CURRENCY CONVERSION ADJUSTMENTS - LIABILITIES	2 057	2 620	-563	-21%
GRAND TOTAL	23 997	22 261	1 736	8%

OWNER'S EQUITY

The owner's equity changed from 4,540 million F CFP to 6,052 million F CFP, an increase of 1,512 million F CFP over the 2013 financial year

This increase is mainly explained by the positive 1,677 million F CFP earnings for the 2013 fiscal year.

PROVISIONS FOR CONTINGENCIES AND LOSS

The total 565 million F CFP of provisions for contingencies and loss appears in the liabilities of the balance sheet, which is broken down as follows:

- 350 million F CFP in provisions for litigation and currency exchange risk,
- 157 million F CFP in provisions for superannuation commitments,
- 59 million F CFP in provisions for maintenance costs.

DEBT

The debt goes from 14 470 in 2012 to 15 323 million F CFP in 2013. The increase is mainly due to the 697 million F CFP rise in fiscal and social payables.

- Social security payables: 283 million F CFP,
- Fiscal payables: 414 million F CFP.



FINANCIAL RESULTS

1,677
BILLION F CFP
PROFIT
(about 14 million euros)

Income statement for the year 2013 (in millions F CFP)

	2013	2012	13/12 VARIATION	
			Millions	%
Commercial flights revenues including	26 846	26 872	-26	-0,1%
- Commercial passenger flight revenues	26 562	26 561	+ 1	0%
- Other commercial flights revenues	284	311	-27	-8,8%
Charter revenues	629	1 075	-446	-41,5%
Freight revenues	2 607	2 446	161	6,6%
EBT revenues*	151	207	-56	-27,1%
Revenues from subsidiary activities	222	529	-307	-58,1%
TOTAL	30 454	31 128	-674	-2,2%
Other products	63	98	-926	-949,3%
Writeback of amortisations & provisions Charge transfer	376	545	-170	-31,1%
Commercial monies received	39	50	-1 096	-2212,4%
TOTAL REVENUES	30 931	31 820	-889	-2,79%
Acquisition of goods and other supplies	11 101	11 886	-785	-6,6%
External services and outsourcing	9 668	10 257	-588	-5,7%
Taxes and duties	34	33	1	4,4%
Personnel costs	6 191	6 015	177	2,9%
Allocations to reserves for depreciation and provisions	1 116	1 068	48	4,5%
Allocations to reserves for current assets	8	11	-3	-25,1%
Allocations to reserves for risks and charges	161	406	-245	-60,4%
Other charges (airport taxes, overflights and landings)	1 019	1 093	-75	-6,8%
TOTAL EXPENDITURE	29 298	30 768	-1 470	-4,78%
RESULTS ANALYSIS				
OPERATING PROFIT	1 632	1 052	581	55,2%
FINANCIAL INCOME	-689	-934	245	-26,2%
EXCEPTIONAL RESULT	738	118	620	527,6%
TAX	-4	-4	0	0,0%
NET RESULT	1 677	231	1 446	26,12%

*Excess Bag Revenues

The **operating result** of the 2013 financial year is positive and reaches 1 632 million F CFP, against 1 052 million in 2012. The operating revenues decreased by 889 million F CFP. We may also note a more significant decrease in operating expenses, up to 1 470 million F CFP, hence displaying a 581 million F CFP improvement in the operating profit.

In 2013, the 689 million F CFP **financial results** are mainly made of currency exchange margin adjustments. It specially includes a provision on the buy options regarding the Airplanes SEA and SUN for an 810 million F CFP value in 2012 and a 395 million value in 2013.



ARRIVAL OF THE 20 «RANGIROA» AND 03 «MOOREA» AIRCRAFT

A religious baptism is held for the new planes as well as an epaulette award ceremony in regards of the technical crew.

NOV. **OPENING**
22ND PAPEETE - JAPAN LINE
98 1st commercial flight to Narita.



1998

2002

2003



NOV. **ARRIVAL OF**
14TH **THE 1ST AIRCRAFT**
98 An Airbus A340-200 baptized «Bora Bora 1» on the Tahiti-Faa'a tarmac.

20 02 **ARRIVAL OF THE** **«BORA BORA» AND** **«MANGAREVA»** **AIRCRAFT**

and opening of the Papeete-Paris line.

The **extraordinary result** goes from 118 million to a 738 million F CFP over the year 2013. This improvement is mainly due to a more significant decrease in charges, especially with the 1 122 million F CFP provision for depreciation of tangible assets applied to the Mangareva aircraft in 2012, not reinstated in the year 2013.

RETROSPECTIVE AIR TAHITI NUI : 15 YEARS OF HISTORY THE JOURNEY GOES ON



2006 WORLD TOUR CHARTER

Exceptional event on behalf of TMR with dream destinations: Aqaba, Cochin, Bali, Sydney, Tahiti, Costa Rica, Rio de Janeiro...



2010 ECLIPSE CHARTER

Air Tahiti Nui is proud to transport astronomers and eclipse hunters from the world over to observe the exceptional solar eclipse during a Papeete circular short flyover.

2013 NEW CABINS

Delivery of the 3 aircraft reconfigured in a two-class layout



2005 EXHIBIT OF THE «NUKU HIVA» AIRCRAFT AT LE BOURGET (FRANCE)

Before welcoming the 5th aircraft of its fleet, Air Tahiti Nui is proud to introduce «Nuku Hiva» to the famous Salon du Bourget. Moreover, its arrival will mark the opening in July of new direct flights to New York and Sydney.



2008 FIRST 10 YEAR ANNIVERSARY STAMP

To celebrate its 10 year anniversary, Air Tahiti Nui and l'Office des Postes (the local Post Office) come up with a special stamp.

SIGNATURE OF A CODE-SHARE AGREEMENT WITH AMERICAN AIRLINES 2012

2005

2006

2007

2008

2009

2010

2012

2013

2005 CHARITY FLIGHT AT SYDNEY

Charity event held in favor of Australian children in collaboration with the Camp Quality association.

4C/5 YEAR OVERHAUL 2007

Air Tahiti Nui plans the first major so-called 4C/5year overhaul in collaboration with Lufthansa Technik.

NEW UNIFORM 2009

created by Balenciaga and premiered during a Miss Tahiti fashion show.

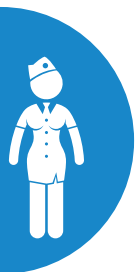
10 YEAR ANNIVERSARY OF THE PAPEETE-PARIS LINE 2012

Air Tahiti Nui offers the passengers of its first departing flight from Roissy Charles de Gaulle a festive plane boarding in the colors of Polynesia.



HUMAN RESOURCES





703

STAFF MEMBERS

AS OF DECEMBER 31ST, 2013

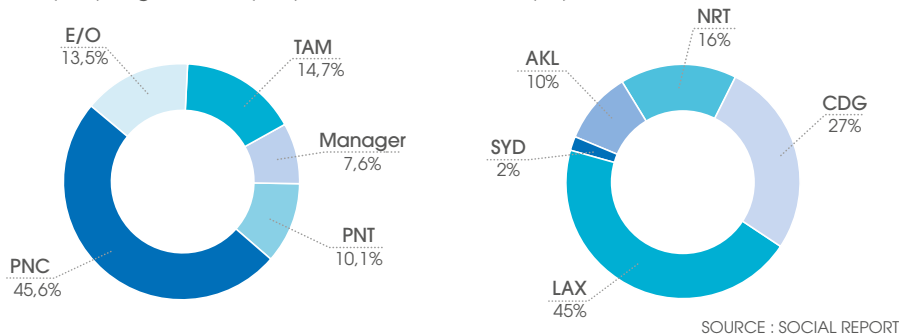
+ 50 MILLION F CFP

devoted to staff training

HUMAN RESOURCES

1. Distribution of the workforce by social and occupational category

The number of staff as at December 31st 2013 is 703 employees (to be compared to 706 as at December 31st, 2012, split between ground personnel in Tahiti (251), flight crew (392) and overseas staff (60)).



2. Evolution by category

	2011	2012	2013	Var 12/13
Executives	59	53	53	- %
Supervisors (TAM)	104	96	103	+7,3%
Employees (E/O)	107	99	95	-4,0%
Flight attendants (PNC)	357	323	321	-0,6%
Pilots and co-pilots (PNT)	76	73	71	-2,7%
Overseas staff	71	62	60	-3,2%
TOTAL STAFFING	774	706	703	-0,4%

The incentives to voluntary departure introduced in 2012 have had their impact on the overall staff and a reduction in the all categories staff graph is to be noted. At the close of 2013, the staff number became stable at the level of 643 wage-earners (Papeete-based), with an average of 653 employment contracts over the year.

3. 2013 main assets

2013 will stay as a key year with the continuing collective corporate agreement negotiations and the adoption of a new governance style in October 2013. As a whole, Air Tahiti Nui shows a relatively balanced social health with an unchanged overall staffing and a stabilization of the main indicators.

4. Indicators

Employment contracts

- 12 exits
- 13 recruits
- 241 staff salaries increased
- 634 permanent contracts (CDI)
- An average of 9 wage-earners on fixed-term contracts over the year (CDD)

Absenteeism

- 9426 sick-leave days
- 21 work-related accidents
- 1 666 days on maternity leave

5. Payroll

The payroll reaches up to 5.1 billion F CFP. Social security charges (employer's contributions) amount to 1.254 billion F CFP (i.e. an increase of 6.36% compared with the previous year).

6. Ongoing professional training

Year 2013 marked the resumption of the administrative and technical personnel training (skills building and strengthening) with the allocation of a 13 million F CFP budget envelope. The department of human resources expects to pursue this professionalization of the staff in 2014.

At the same time, 40 million F CFP are also allocated to the regulatory training for the cabin and cockpit crews (mostly the acquisition or the renewal of authorizations with limited validity imposed by the regulations in force).

OUTLOOK FOR 2014

The company is facing a number of challenges for 2014

The company launched a **third flight on the Auckland route** from December 2013. The commercial team is working hard to generate the extra traffic necessary to guarantee a full success of this development initiative. Air Tahiti Nui now offers 5 weekly Auckland-bound flights (3 directly operated and 2 operated in code share with Air New Zealand), with connections to Sydney with Qantas. The code share agreement signed in 2013 with American Airlines should help stimulate transpacific customer demand with new passengers that will also enjoy the possibility of a few days stop-over in Tahiti during their journey. Air Tahiti Nui and its partners have also reinforced their commercial activities on the New-Zealand and Australia markets in order to increase the number of inbound visitors.

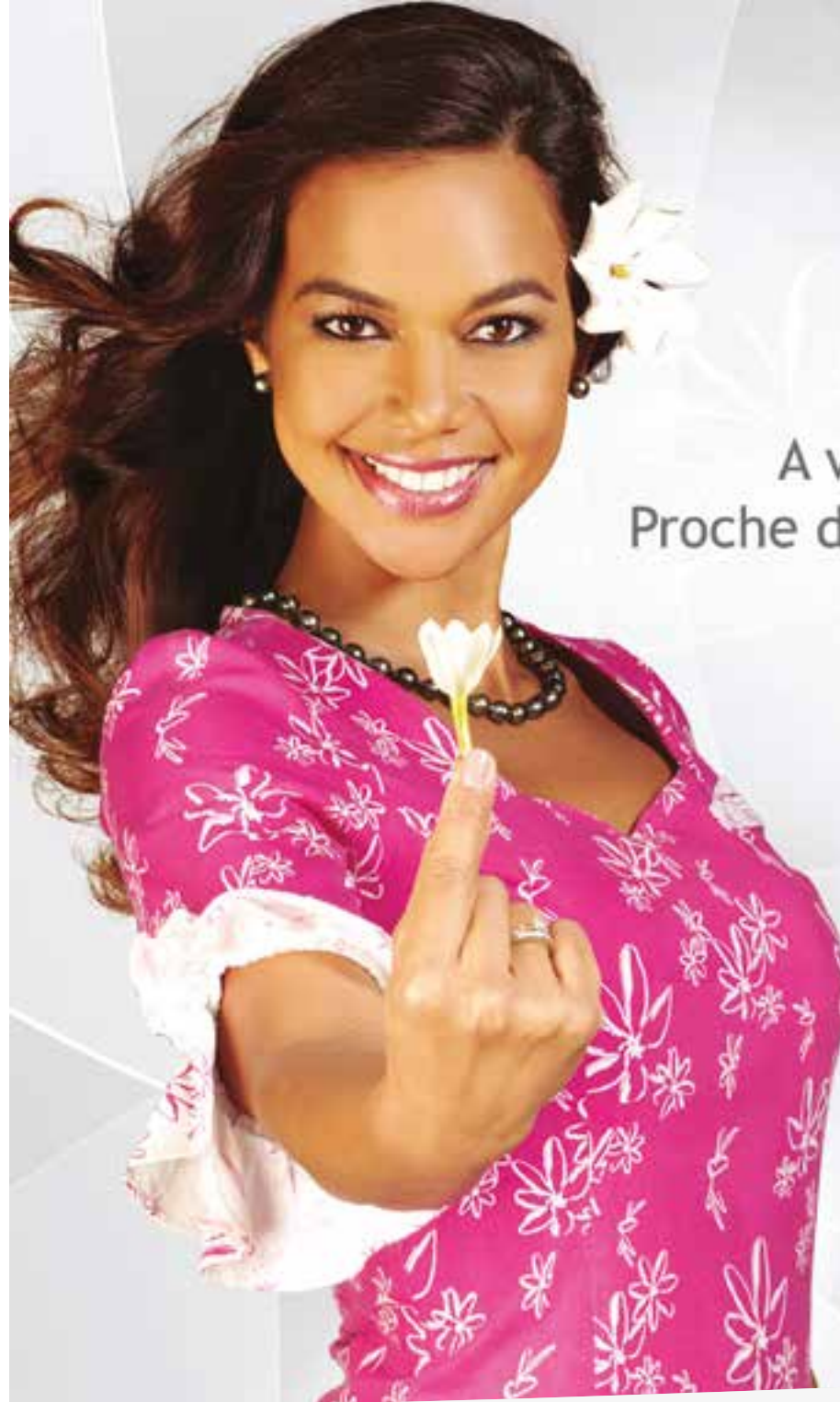
Product wise 2013 saw the remodeling of part of the fleet with latest last generation seats and audio-video systems. In 2014, it will be necessary to enhance the services offered to customers by launching the **the upgrade renovation project of a further aircraft**, which will ensure a consistent product. In line with its tourist development mission, Air Tahiti Nui's **ambitious 2014 objective is to increase by 10% the number of visitors carried by the company to Tahiti.**

To achieve or exceed this target, the flight program aims at increasing the number of seats available, and increasing promotional actions to be launched in our markets.

Over 15 000 seats will be available at sharply reduced fares in order to attract new targeted customers to the Islands of Tahiti. Additional agreements are in the pipeline with airline partners to strengthen our network offer.

With regard to the results, after two consecutive fiscal years with positive financial results, 2014 must **achieve a long-term financially balanced operation**. The positive results are crucial for Air Tahiti Nui's quest to perform its mission which requires substantial investment both in promotional actions on the various tourist markets and in the future renewal of its fleet. In this respect, 2014 should be the year dedicated to studying and selecting the new generation aircraft that will replace the A340-300. The delivery of the company's new fleet in 2019-2020 will futureproof international air transport to the Islands of Tahiti for the following 15 years.





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