

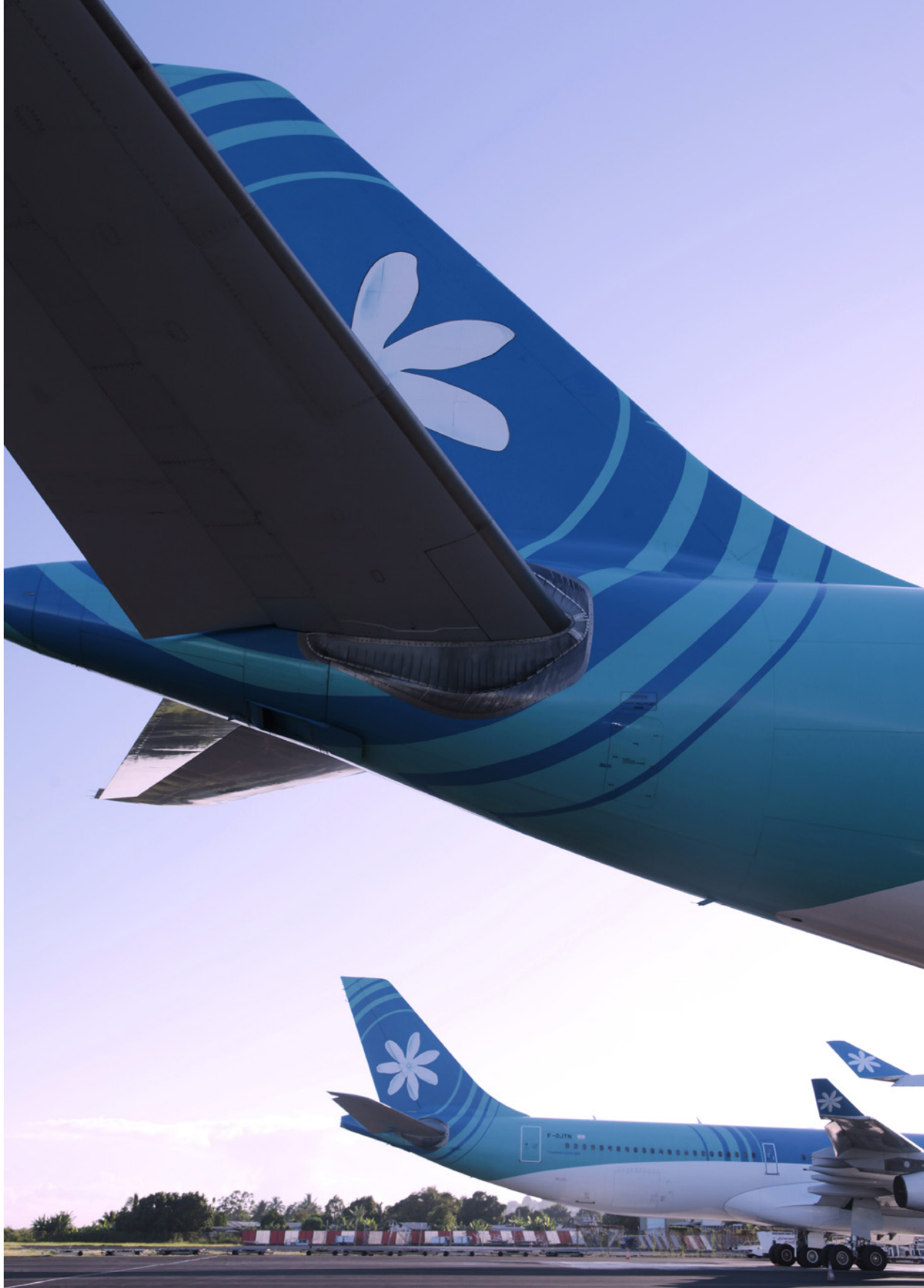
# 2014

## ANNUAL REPORT



**AirTahitiNui** 

TAHITI • LOS ANGELES • PARIS • TOKYO • AUCKLAND



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**P 04 2014 KEY FIGURES AND MILESTONES**

**P 06 LEGAL STATUS AND CAPITAL**

**P 08 ACTIVITY SUMMARY**

**P 12 CUSTOMER SATISFACTION**

**P 14 TRAFFIC AND COMMERCIAL RESULTS**

**P 20 FINANCIAL RESULTS**

**P 24 HUMAN RESOURCES**

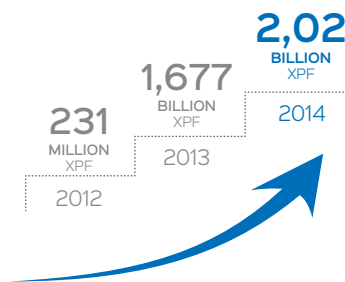
**P 26 OUTLOOK FOR 2015**





## 2014, AIR TAHITI NUI CONTINUES ITS CLIMB INTO PROFITABILITY

**F**or the third consecutive year, Air Tahiti Nui has delivered a positive result of 2.02 billion XPF in profits (up 20% from 2013). This significant improvement to the airlines profitability is also the best result historically, since the inception of the company. The continuation of Air Tahiti Nui's positive financial trajectory is thanks to the culture of teamwork and unity between all the stakeholders of the company (both internal and external) personnel, members of the Board, equity holders, members and customers, partners, etc.



### A TRANSITION YEAR TO PREPARE THE FUTURE

Committed to a dynamic of modernization since 2013, Air Tahiti Nui started many projects during financial year 2014: routes, fleet, alliances and partnerships, commercial and marketing development, organization and management. These reforms mark the implementation of the strategic directions validated by the Board of Directors and supported by social partners and collaborators. They reflect the need, expressed by all, to unite around the values and stakes that have prevailed since the creation of the company:

***“ To operate a long-lasting service for the Polynesian tourist industry ”***

This ambitious goal goes voluntarily beyond the simple purpose of an air carrier and gives us a great responsibility as the main instrument in the development of French Polynesian tourism. To play its part constructively, the company must obviously ensure and guarantee its profitability while upholding high quality and safety standards.

Armed with this ambition, we have taken advantage of our financial recovery to prepare Air Tahiti Nui for the future and its challenges; and we have done so in line with the country's tourism development strategy.

Thus we have structured the steering of the company around the CEO and deputy CEO, on the two pillars that are now the commercial managing directorate and the operations managing directorate, with the backing of support directorates (finance, organization and quality, HR, information systems). We have also created a management systems directorate, in charge of safety policy and compliance in order to meet the new requirements of European regulations. Some departments have been strengthened (marketing, customer service, offline market, etc.) and we also integrated additional functions (financial engineering, information systems security, corporate responsibility...)

We have decided as well to invest in the cabin modernization of a fourth aircraft (in addition to the three inaugurated last year) so as to offer our customers consistent quality throughout our network. The renovation will begin in the last quarter of 2015.

At the same time, a lot of our attention was devoted, since 2013 and all through 2014, to the enhancement of our fleet in 2018-2019. At the end of the year our efforts led to the signing of a valuable partnership for the lease of two latest-generation Boeing Dreamliner 787-9 aircraft, and to the cementing of a strategic relationship with Air Lease Corporation and Boeing.

For Air Tahiti Nui, this is a bold undertaking to ensure a sustainable and profitable future. Therefore our priority will be to maintain this collaborative strategy for the next four years, so that we are ready to welcome and operate these new aircraft as the company prepares to celebrate its 20th birthday.

Until then, To Tatou Manureva will be happy to keep serving you and welcoming you on our flights!

Maururu

**Michel MONVOISIN**  
Chairman of the Board  
and Chief Executive Officer

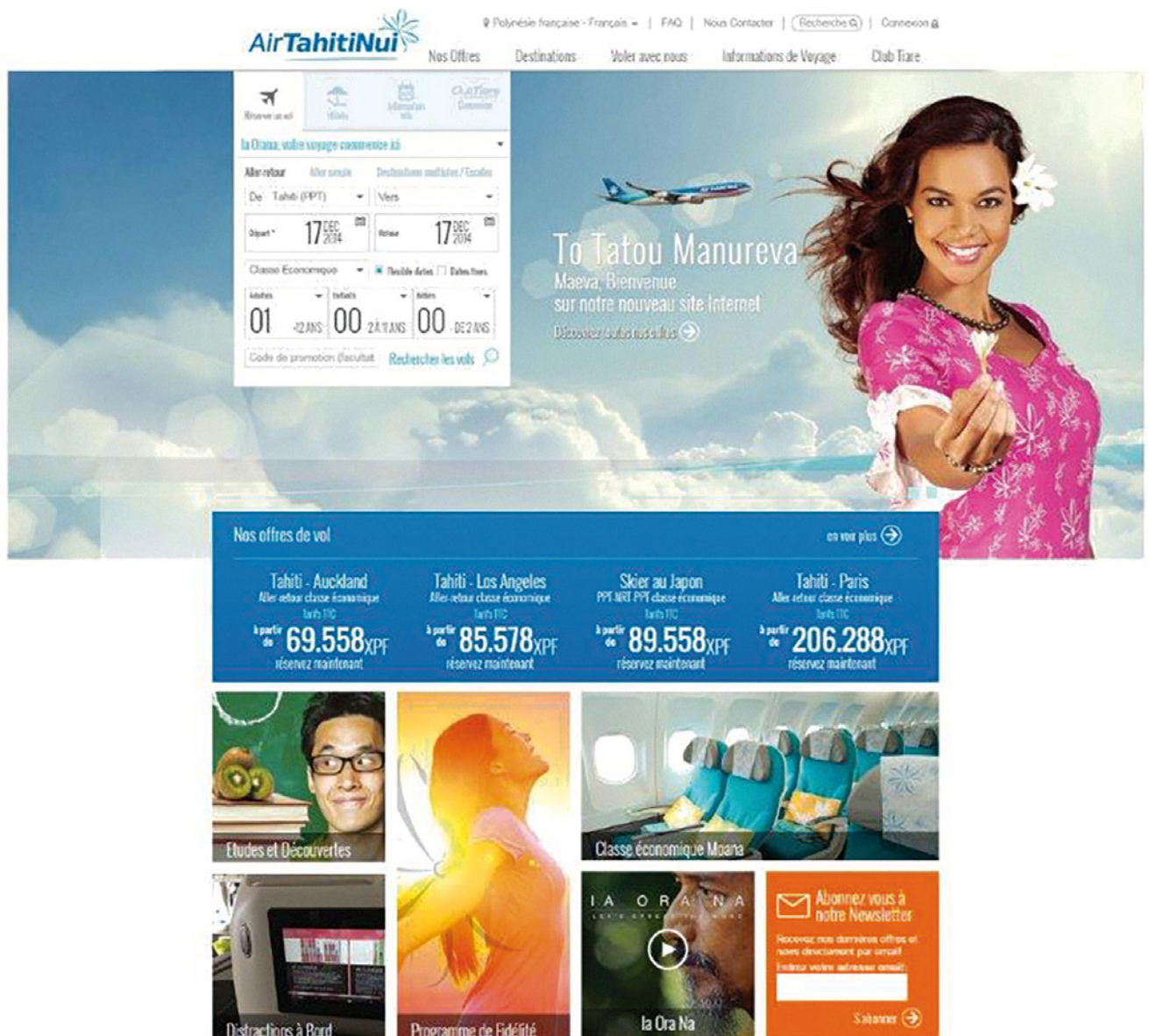
# 2014 KEY FIGURES AND MILESTONES

**A**ir Tahiti Nui continues to grow its operations and to improve its results, notably by taking advantage of diminishing fuel prices. After debuting its new cabin upgrades in 2013, the company chose to extend cabin renovation to a fourth aircraft of the fleet, to attain consistent quality throughout its network.

Thanks to the acquisition of an IT platform to host and develop multilingual Internet sites, Air Tahiti Nui innovates by

launching its new, 5-languages website, in a fully responsive version that optimizes the online experience across all kinds of devices. Air Tahiti Nui is among the first three airlines that use this innovative technology.

In terms of network, a new code-share agreement was signed with Korean Air in February 2014, encouraging the arrival of Korean tourists in French Polynesia, via the Tahiti-Japan route.





**459 800 PASSENGERS CARRIED**

**66%** of international traffic  
(+9% from 2013)



**18 870 FLIGHT HOURS** (i.e. 1623 flights)  
(+7% from 2013)



**9 914 TONS OF FREIGHT TRANSPORTED**  
(+12% from 2013)



**723 STAFF MEMBERS**  
(including 394 flight crew)  
(+2,9% from 2013)

**102 393**

**MEMBERS of Club Tiare**

(including 206 Corporate entities)  
(+16% from 2013)



**917 CHARTER FLIGHTS MILLIONS**

**XPF IN REVENUE**  
(i.e. 1170 flight hours)  
(+45.7% from 2013)

**+20%**  
from 2013

**2,02 billion XPF net income**

(approx. 17 million euros)

**33,3 billion XPF revenue**

(approx. 280 million euros)

**+9%**  
from 2013

**+3,8 points**  
from 2013

**12,1% gross operating surplus/income ratio**

**7,9 billion XPF equity**

(approx. 66 million euros)

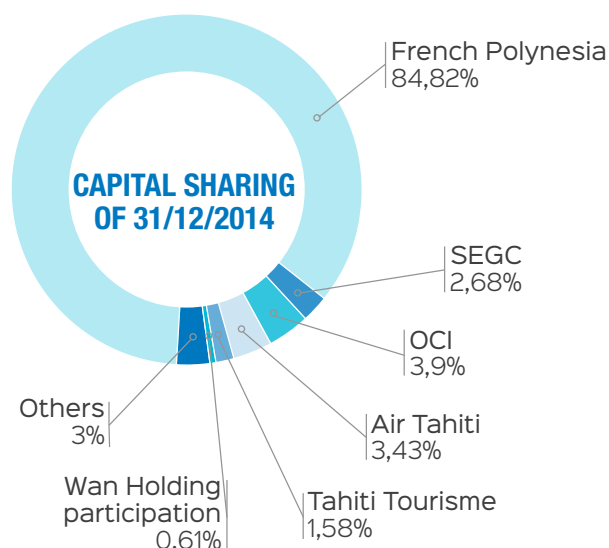
**+31%**  
from 2013

# LEGAL STATUS AND CAPITAL

## 1. CAPITAL DISTRIBUTION

In September 2001, Air Tahiti Nui's legal status evolved from limited company to local semi-public company, to meet the statutory rules applicable when French Polynesia became the majority equity holder in the company.

Since November 22, 2011, EQUITY is **1 622 956 875 F CPF**, distributed as follows :



## 2. MEMBERS OF THE BOARD

As a local semi-public company, Air Tahiti Nui has a Board of **Directors of 15 members** :

### \* REPRESENTATIVES OF FRENCH POLYNESIA, appointed by the Cabinet

- **M. Michel MONVOISIN**,  
*Chairman of the Board and Chief Executive Officer*
- **M. Jean-Christophe BOUISSOU**,  
*Minister of Economic Stimulus, Tourism and International Air Transport, Industry, Commerce and Business*
- **M. Nuihau LAUREY**,  
*Vice-President, Minister of Economy, Finance, Budget and Labor*
- **M. René TEMEHARO**,  
*Minister of Young and Sports*
- **M. Marcel TUIHANI**,  
*President of the Assembly of French Polynesia*
- **Mrs. Teura IRITI**,  
*representative of the Assembly of French Polynesia*
- **Mrs. Virginie BRUANT**,  
*representative of the Assembly of French Polynesia*
- **M. Daniel PALACZ**
- **M. Gilles BERNEDE**,  
*representative of Air Tahiti Nui personnel*

### PRIVATE DIRECTORS

- **M. Yves BUHAGIAR**,  
*representative of Financière Hôtelière Polynésienne Ltd*
- **M. Vincent LAW**,  
*representative of SEGC (Société d'Etudes et de Gestion Commerciale)*
- **M. Robert WAN**,  
*CEO of Wan Holding Participation*
- **M. James ESTALL**,  
*representative of OCI (Océanienne de Capital Investissement)*
- **M. Joël ALLAIN**,  
*representative of Air Tahiti Ltd*
- **M. Richard BAILEY**,  
*representative of Tahiti Beachcomber Ltd.*

## 3. STATUTORY AUDITORS

The company's statutory auditor is **M. Christophe PARION**, representing BDO Auditors.



# ACTIVITY SUMMARY



## 1. FLEET

Air Tahiti Nui's fleet consists of 5 Airbus A340-300 aircraft, each with the same engine configuration. Two of them have two-class cabins : 30 business class seats and 264 economy class seats, i.e. 294 seats with personal video systems. They are :

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

Three aircraft were remodeled in 2013 and their cabins are now fitted in a two-class configuration: 32 business class seats and 264 economy class seats, i.e. 296 seats with personal on-demand video systems.

- MSN 385 F-OJGF fully owned (« MANGAREVA »),
- MSN 438 F-OSEA on financial lease (« RANGIROA »),
- MSN 446 F-OSUN on financial lease (« MOOREA »),



The new Poerava Business class offers 32 "Evolys" seats that recline to 160° and offer optimal comfort. Laid out with a 152cm pitch between rows for better intimacy, particularly for traveling couples, the seat's hard back shell allows the passenger to recline without crowding the space of the passenger seated behind.

Each seat is fitted with a high-definition, 12-inch touch screen offering a wide range of on-demand contents on each flight: 16 feature films, over 40 documentaries, a large choice of music and games. A cable hand control is also integrated in the armrest for easy browsing.



18 870  
FLIGHT  
HOURS  
in 2014



The economy cabin has 264 stylish and comfortable “Steezy” seats, with an 81cm pitch. It reclines to 118° and its 45cm base makes it one of the widest available on the Tahiti route.

Each seat is fitted with a 9-inch high definition touch screen offering a wide range of on-demand contents on each flight (16 feature films, over 40 documentaries, a large choice of music and games).

## 2. AIRCRAFT UTILIZATION

Overall, the company has registered 18 870 flight hours in 2014, i.e. 7% more than in 2013, thanks to increased passenger and charter activity. ATN aircraft flight hours average at 10.3 hrs/day (up from 9.75 hrs/day in 2013).

## 3. SAFETY, THE VERY HEART OF OUR BUSINESS

### APPROVALS AND CERTIFICATES

Air Tahiti Nui is a French international airline company holding the following operation permits :

- An air service license issued in December 2006 (decree 1389 CM),
- An air operator certificate (AOC) FR.AOC.OO83, issued on December 18, 2014,
- A continuing airworthiness management organization approval certificate FR.MG. 0061 issued on December 24, 2014,
- A certificate of maintenance approval section 145 for FR 145 423 aircraft maintenance, issued on October 29, 2010.



+10% FLIGHTS  
IN 2014 COMPARED TO 2013



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### SAFETY POLICY

#### Creation of Safety Management Directorate

The incident and/or accident risk is inherent to air transport. This is why airline activities, passenger and freight transport and **aircraft maintenance are framed by a body of rules established by European safety agency EASA.**

Compliance with these rules is a condition for obtaining Air Tahiti Nui's air operator certificate, which is now valid without time limitation since the adoption of IR OPS regulations.

Control of the proper implementation of these rules is done by the Safety Management Directorate and includes the implementation of the safety policy designed by the executive in charge.

The management system is composed of the safety and compliance control system that ensures respect of regulations, and the safety management system for event analysis and risk management.



1623  
FLIGHTS in 2014



The management system is built on four pillars that have been integrated in all of our operational directorates :

- Policy and goals
- Risk management
- Safety conditions control
- and Safety promotion

The company's safety policy, a priority of our airline, was reaffirmed by the Chief Operating Officer/executive in charge, who personally committed to the implementation of a fair management policy to reinforce the feedback system, a crucial element of any safety policy.

Safety management professional training modules are being deployed in all of the company's operational departments.

The Safety Management Directorate's program aims for the continuing improvement of air operations safety through the detection, analysis and mitigation of any anomaly in conditions, policies and procedures. It must also ensure that employees always take into account the consequences of their own actions and the actions of their colleagues when it comes to safety.

Beyond this regulatory framework, Air Tahiti Nui, member of IATA, is subject to IOSA certification (IATA Operational Safety Audit), renewed every two years.

#### 4. OUR NETWORK

Air Tahiti Nui connects the South Pacific and four continents. It positions itself as the main air carrier serving French Polynesia with four daily flights to this destination. The Tiare airline is also one of only two airlines offering direct Papeete-Paris and Papeete-Los Angeles round-trip flights. Air Tahiti Nui also 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 the South Pacific. They include, among others, Sydney, Brisbane and Melbourne, 17 cities in the United States among which New York, Boston, Washington, Chicago, Miami and Dallas, and 19 cities in France such as Marseille, Lyon and Montpellier.

As part of Air Tahiti Nui's market development, **over 50 interline agreements have been secured** with other carriers, in order to offer customers a wider selection of destinations.



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## 5. FLIGHT PROGRAMS

### FLIGHT FREQUENCY PER ROUTE

	2013	2014
Papeete - Paris via LAX	3/7 to 7/7	3/7 to 7/7
Papeete - Los Angeles	5/7 to 7/7	5/7 to 7/7
Papeete - Japan	2/7	2/7
Papeete - Auckland	2/7 to 3/7	3/7

### NUMBER OF FLIGHTS PER YEAR

	2013	2014	14/13 VARIATION
Papeete - Paris via LAX	460	468	+2%
Papeete - Los Angeles	574	631	+10%
Papeete - Japan	206	208	+1%
Papeete - Auckland	231	316	+37%
<b>TOTAL</b>	<b>1471</b>	<b>1 623</b>	<b>+10%</b>



# CUSTOMER SATISFACTION



## 1. OUR PRIORITY: CUSTOMER SATISFACTION

As part of the continuation of its improvement plan, in order to measure customer satisfaction and better meet customer expectations, since 2012 Air Tahiti Nui conducts an ongoing on-board survey on all its flights.

In 2014, 6 910 customers were surveyed. Their encouraging feedback has strengthened the company in the continuation of its improvement program.

### STRONG POINTS

- **Crew assessment:** 95% of satisfied customers
- **Check-in assessment:** 83% satisfaction rate, i.e. 4 more points compared to 2013.

94% of our customers state that they would recommend our airline

## 2. PUNCTUALITY

In 2014, Air Tahiti Nui shows good average punctuality over its entire network, with 90.5% of flights leaving on time or within 15 minutes of scheduled departure time (down 2.9% compared to 2013).

Flights departing from Los Angeles and Paris remain below average with punctuality rates of 87.2% and 91% respectively.



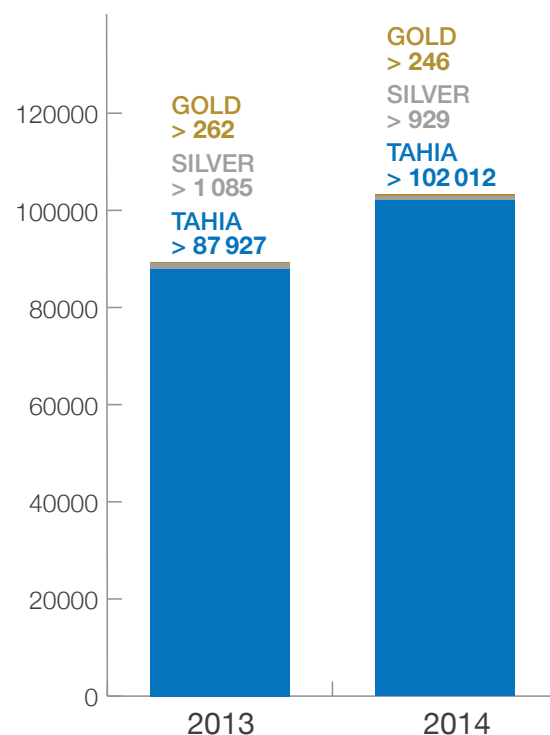
## 3. FREQUENT FLYER PROGRAM

On December 31, 2014, the Air Tahiti Nui **Club Tiare frequent flyer program has an active membership of 102 393**, distributed over the entire network, including:

- **206 companies in the Corporate program** with 2 053 business travelers,
- **1 242 students** in the Fenua Student program.

In 2014 Club Tiare has reinforced its partnerships with several cultural, sports and arts organizations, allowing members to use their miles for many events such as concerts, plays, gourmet dining, etc.

### EVOLUTION OF FREQUENT FLYER MEMBERSHIP:





# TRAFFIC AND COMMERCIAL RESULTS

## 1. PASSENGER TRAFFIC TO TAHITI

### TOTAL PASSENGERS ON ALL LINES

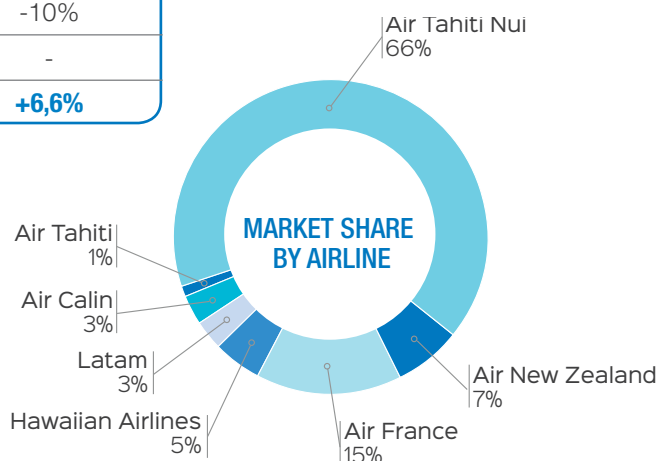
	NUMBER OF PASSENGERS 2014	MARKET SHARE	VARIATION (NUMBER OF PASSENGERS) 2014/2013
Air Tahiti Nui	373 920	66%	+9%
Air New Zealand	41 010	7%	+4%
Air France	82 400	15%	-2%
Hawaiian Airlines	26 630	5%	+17%
Latam	18 340	3%	+1%
Air Calin	16 260	3%	-10%
Air Tahiti	2 900	1%	-
<b>TOTAL</b>	<b>561 460</b>	<b>100%</b>	<b>+6,6%</b>

Source: Aviation

In 2014, the total number of passengers to and from French Polynesia was 561 460, i.e. a 6,6% increase over 2013.

- Air Tahiti Nui carried 66% of international traffic in 2014, a slightly higher market share than in 2013.
- Air France was the second largest carrier, with a 15% market share, down by 2% over 2013.
- Air New Zealand carried 7% of international passengers, showing a 4% growth since 2013.

**66%**   
**OF INTERNATIONAL PASSENGERS CARRIED BY AIR TAHITI NUI**  
 (+1 POINT COMPARED TO 2013)



## 2. RESULTS AND EVOLUTION OF PASSENGERS TRAFFIC BY ROUTE

### NUMBER OF PASSENGERS CARRIED PER LINES

ROUTES	PASSENGERS CARRIED		VAR 2014/13
	2013	2014	
CDG via LAX	207 603	215 610	+4%
LAX	124 109	144 340	+16%
AKL	50 427	60 521	+20%
NRT	38 643	39 340	+2%
<b>TOTAL</b>	<b>420 782</b>	<b>459 800</b>	<b>+9%</b>

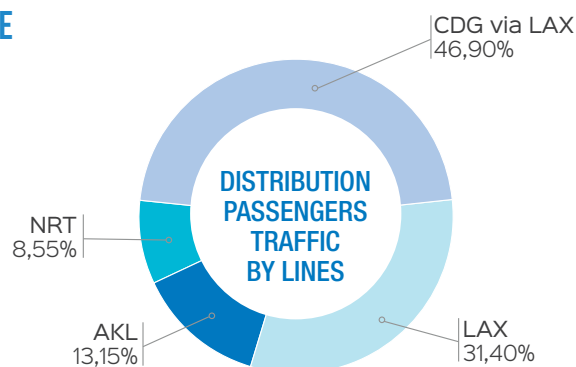
Source Datawarehouse 2014

Air Tahiti Nui carried 459 800 passengers in 2014, a 9% growth over 2013.

The budding economic recovery in Europe generated 4% growth on the Paris route. An important increase in traffic on the Los Angeles route (+16%) was stimulated by the gradual improvement of the American economy and a rise in cruise

passengers. The Auckland route saw a strong increase in 2014 (+20%) due to the rise of trans-Pacific traffic after the opening of the third rotation.

The Tokyo route shows a 2% rise in traffic, the decrease of the Japanese market being more than compensated by the increase of the Chinese market.

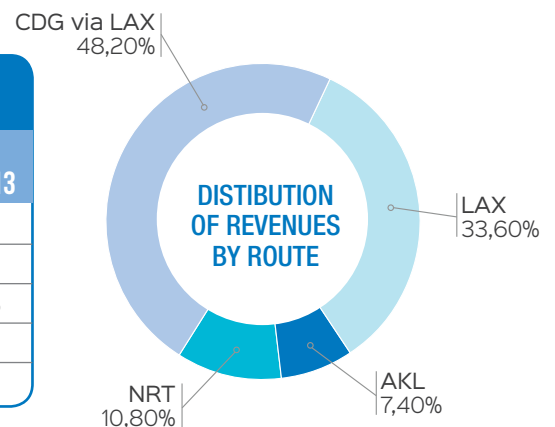




## PASSENGERS ACTIVITY PER ROUTE

ROUTES	LOAD FACTOR		REVENUE (MILLION XPF)		RPK* (XPF)	
	2014	VAR (PTS) 2014/13	2014	VAR 2014/13	2014	VAR 2014/13
CDG via LAX	78%	+2,3	13588	+4%	8,0	+ 0%
LAX	78%	+3,9	9493	+15%	10,1	-1%
AKL	65%	-9,1	2079	+8%	9,3	-10%
NRT	64%	+0,5	3050	-2%	8,5	-4%
<b>TOTAL</b>	<b>75%</b>	<b>+ 1,5</b>	<b>28210</b>	<b>+7%</b>	<b>8,7</b>	<b>-1%</b>

Source: Mercator - Datawarehouse - Revenue Management  
 Définitions : \*RPK : Revenue passanger kilometers



Compared to 2013, the global passenger load factor on the network rises 1,5 point to 75% in 2014. The available seat offer increased by 6% and the number of passengers carried increased by 8%. Overall revenue increased by more than 7%, with a 1% decrease of RPK.

### Results vary according to markets, as follows:

**Paris route** -The available seat offer increased slightly (+1%). Revenue is up (+4%) thanks to a 4% rise in passengers carried.

**Los Angeles route** - Passenger traffic increased by 15%, with average revenue down by 1%, which results in an

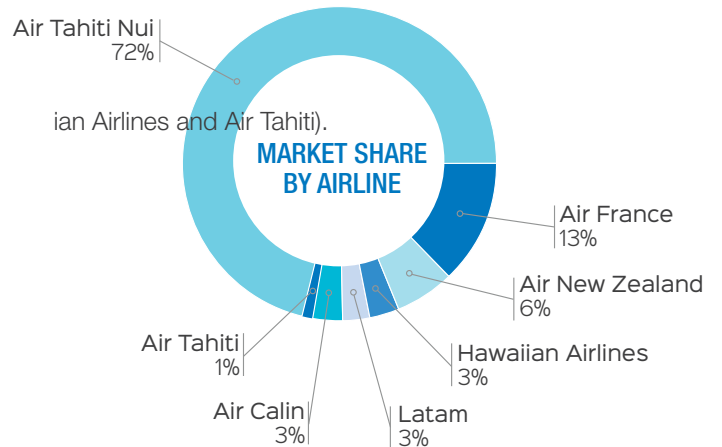
impressive increase in sales (+14%) compared to 2013. The offer is up by 11% for the year, which translates into a strong improvement in load factor (+3.9%).

**Auckland route** - The available seat offer reflects a steep rise through the third rotation (+37%)/ Passenger traffic also rises sharply (+20%), but less than the seat offer, generating a significant dip in load factor which reaches 65% (-9.1 points). Overall revenue is up by 7%.

**Tokyo route** - The 2% rise in passengers combined with a slight rise in the seat offer leads to a 0.5% improvement in load factor. The 3% decrease in average revenue contributed to an overall revenue decrease of 2%.

### 3. ATN AND THE DEVELOPMENT OF TOURISM IN FRENCH POLYNESIA

In 2014, more than 180 000 tourists visited the islands of Tahiti and two-thirds were carried by Air Tahiti Nui (72%) followed by Air France (13%), and 15% were carried by other airlines (Latam, Air New Zealand, Air Calin, Hawaiian Airlines and Air Tahiti).



#### TOURISM TRAFFIC TO THE ISLANDS OF TAHITI

	TOURISTS 2014	MARKET SHARE	VARIATION	
			2014/2013	MARKET SHARE
Air Tahiti Nui	129 334	72%	+13 %	+2,0 pts
Air France	22 682	13%	+1,1 %	-1,1 pt
Air New Zealand	11 482	6%	+1,3 %	-0,5 pt
Latam	6 018	3%	-11,4 %	-0,8 pt
Hawaiian Airlines	5 798	3%	+41,6 %	+0,7 pt
Air Calin	4 445	3%	+2,6 %	-0,2 pt
Air Tahiti	843	1%	-9,8 %	-0,1 pt
<b>TOTAL</b>	<b>180 602</b>	<b>100%</b>	<b>+9,9 %</b>	

Source: Tourism Office

**129 334**  
**TOURISTS**  
**CARRIED**  
BY AIR TAHITI NUI  
(+13% COMPARED TO 2013)



© Stéphane Mailion



## EVOLUTION OF TOURISTS BY COUNTRY

	AMOUNT OF TOURISTS CARRIED IN 2014		VARIATION IN NUMBER OF TOURISTS CARRIED 2014/2013 EN %	
	AIR TAHITI NUI	TOTAL OF ALL AIRLINES	AIR TAHITI NUI	TOTAL OF ALL AIRLINES
North America	58 028	71 548	+17%	+18%
France	21 850	34 887	+9%	+12%
Italy	7 063	7 887	-1%	-3%
United Kingdom	3 555	4 834	+53%	+48%
Spain	1 936	2 782	+36%	+15%
Germany	2 492	4 028	+44%	+16%
Switzerland	1 545	2 911	+17%	+9%
Europe (Others)	3 202	5 096	+8%	-2%
Japan	12 180	12 527	-4%	-5%
Asia	4 684	5 761	+48%	+37%
Australia	6 507	9 315	+8%	+2%
New Zealand	3 382	7 136	+16%	+10%
Pacific	626	4 626	+19%	+5%
South America	1 101	5 547	-17%	-15%
Central America	768	1 060	+3%	+8%
Other countries	415	657	+15%	+12%
<b>TOTAL</b>	<b>129 334</b>	<b>180 602</b>	<b>+13%</b>	<b>+10%</b>

Source: Tourism Office


In 2014, tourist arrivals in the islands of Tahiti increased by 10%, with growth showing across all markets except South America (-15%) and Japan (-5%).

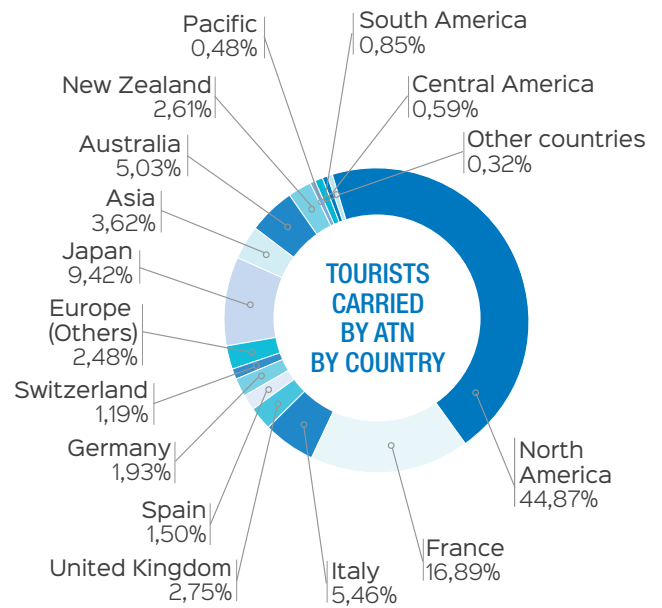
Salient facts are the strong growth of circuit tourism traffic (+23%) while destination tourism traffic only rises by 7%, and the sharp increase in cruise passengers (+43%) while the number of tourists in land-based accommodation only rises by 4%.

North America registers a strong growth of 18%, mainly due to cruise and circuit tourists. Europe in general is recovering, except for Italy which still declines slightly.

In the Pacific region, Australia is stable (+2%) while New Zealand grows by 10% thanks to a 37% increase in circuit tourists.

In this context of strong tourism growth (+10%), Air Tahiti Nui was able to carry 13% more tourists than in 2013 and thus take its market share to 72% (up 2 points).

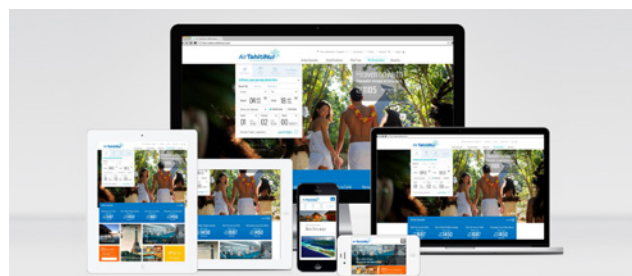
 **72%**  
**TOURISTS CARRIED**  
BY AIR TAHITI NUI 2014



## 4. PROMOTIONAL AND ADVERTISING POLICY

### Air Tahiti Nui debuts 5 new regional websites in December 2014:

This new showcase of the company offers a more user-friendly browsing experience, with a complete redesign and new features, as well as richer editorial content (photos and videos) than in the former version. In addition to optimized administration, human and financial resources, the platform's main asset is the responsive design for a better user experience. Today's Internet users browse on desktops, laptops, tablets and smartphones. Grid-based web design and dynamic content management have become crucial standards.



## TRAFFIC AND COMMERCIAL RESULTS



### Air Tahiti Nui ambassadors

In the last few years, Air Tahiti Nui has supported leading Polynesian figures whose fame and actions increase the visibility of Tahiti as a destination.

Whether they are high-level athletes or recognized figures of culture and the arts, they all have a connection to Tahiti. They are ambassadors because they represent excellence, exemplariness and surpassing oneself, but also because they possess Polynesian elegance and beauty. Air Tahiti Nui has made it its mission to encourage and promote internationally all the riches and talents of our islands. Today, the company sponsors some 40 ambassadors and many have been in headline news in 2014 : Michel Bourez (surfer), Teiva LC (singer), Sabrina Laughlin (singer), Georges Cronsteadt (stand up paddler) or Dany Gérard (jiu-jitsu).

### Low season support campaigns

These campaigns serve two purposes: first, to promote travel during the low season (January to March) and second, to bolster mid-season traffic leading to the high season. The chosen themes are : early booking, repeaters, mono-island, honeymoon and family.

**The Hidden Paradise campaign** (Taha'a, Rangiroa, Tikehau, Huahine) aims at diversifying the package offer by extending it to the less-visited islands (as complements to the flagship islands of Tahiti, Moorea and Bora Bora). It is also meant as an answer to the saturation in the overwater bungalow offer.

**The Bed & Breakfast campaigns** - This promotional plan is part of the work started in 2013 with the creation of the quality label "la Ora, at the heart of tradition" by the Association of Family Hotels of Tahiti and her Islands (presided by Mrs. Melinda Bodin) in close collaboration with the country's authorities, Tahiti Tourisme and the professionals of the destination's sales network. The objectives of these campaigns, launched first in France, then in New Zealand and soon in North America, are to assist the growth of the "la Ora, at the heart of tradition" recent labeling of 105 guesthouses, to convey the values of hospitality, culture and authenticity of French Polynesia, and to promote guesthouse vacations (as they have available accommodation, notably during the high season).



## 5. FREIGHT OUTCOMES

Overall freight revenues on the Air Tahiti Nui network amounts to 2 794 million XPF, an improvement of 7% over 2013, for a gross tonnage of 9 914 tons.

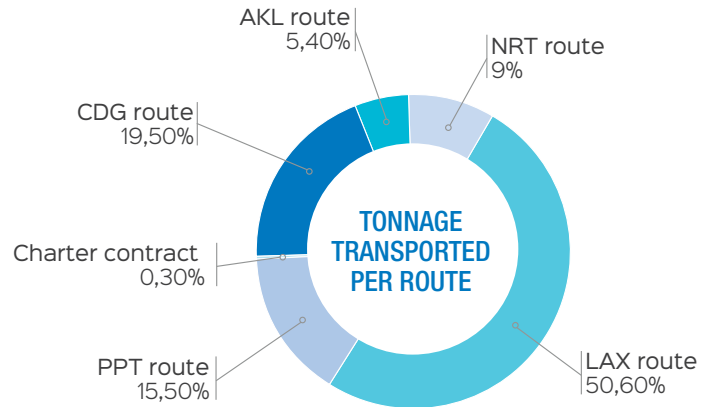
**9 914 TONS**  
OF FREIGHT CARRIED  
(+12% COMPARED TO 2013)



### TONNAGE TRANSPORTED PER ROUTE (IN TONS)

	2013	2014	VARIATION 2014/2013	VARIATION
Route PPT	1 349	1 501	+152	+11%
Route CDG	1 895	1 932	+37	+2%
Route AKL	550	539	-11	-2%
Route NRT	189	897	+708	+375%
Route LAX	4 874	5 016	+142	+3
Charter contract	17	27	+10	+59%
<b>TOTAL</b>	<b>8 875</b>	<b>9 914</b>	<b>+1 039</b>	<b>+12%</b>

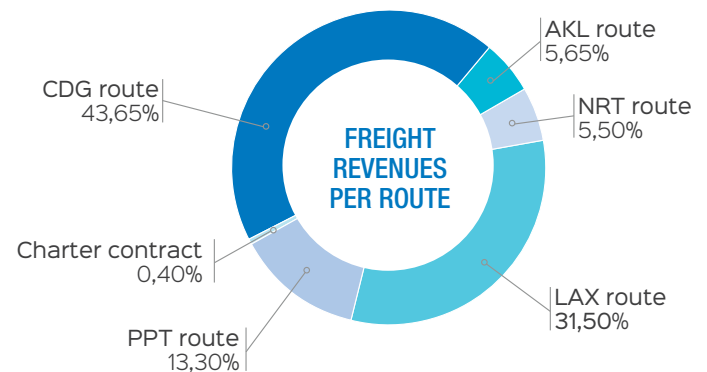
Source Datawarehouse



### FREIGHT REVENUES PER ROUTE (IN MILLION XPF)

	2013	2014	VARIATION 2014/2013	VARIATION
Route PPT	353	371	+18	+5%
Route CDG	1 229	1 220	-9	-1%
Route AKL	153	158	+5	+3%
Route NRT	52	154	+104	+196%
Route LAX	824	880	+56	+7%
Charter contract	7	11	+4	+62%
<b>TOTAL</b>	<b>2 618</b>	<b>2 795</b>	<b>+177</b>	<b>+7%</b>

Source Datawarehouse




## 6. OVERALL RESULTS OF THE CHARTER ACTIVITY

Air Tahiti Nui has developed an on-demand charter activity, registering 1 170 flight hours for several charterers. This

secondary activity generated **917 million XPF in revenue in 2014.**



# FINANCIAL RESULTS



**+31%**  
**OPERATING PROFIT UP**  
(I.E. 6% OF 2014 REVENUE)

## 1. CAPITAL ASSETS

### TANGIBLE FIXED ASSETS

The main movements of the 2014 financial year are:

- the end of the tax-exemption schemes for aircraft Rangiroa (OSEA) and Moorea (OSUN) through the exercise of the purchase options on December 29, 2014. The aircraft have thus been integrated in tangible fixed assets for a global amount of 4.5 billion XPF;
- Several maintenance operations recorded as fixed assets (engine overhauls, 12-year check, C-check) for 2.1 billion XPF;
- A 4.2 billion XPF depreciation provision for the three fully owned aircraft.

ASSETS (IN MILLION XPF)	GROSS 2014	PROV. & AMORT.	NET 2014	NET N-1 2013	VARIATION	VARIATION IN %
Intangible fixed assets	225	148	77	36	41	112%
Tangible fixed assets	23 888	15 841	8 046	6 058	1 988	33%
Financial fixed assets	2 684		2 684	6 298	-3 614	-57%
<b>TOTAL CAPITALIZED ASSETS</b>	<b>26 797</b>	<b>15 989</b>	<b>10 808</b>	<b>12 393</b>	<b>-1 585</b>	<b>-13%</b>
Inventory	647	2	645	683	-38	-6%
Accounts receivable	1 753	98	1 655	2 078	-423	-20%
Other accounts receivable	261	3	258	187	71	38%
Cash balances	11 604	3	11 601	7 712	3 889	50%
CCAV	730		730	827	-97	-12%
<b>TOTAL CURRENT ASSETS</b>	<b>14 996</b>	<b>106</b>	<b>14 889</b>	<b>11 487</b>	<b>3 402</b>	<b>30%</b>
Foreign exchange gains	48		48	117	-69	-59%
<b>GRAND TOTAL</b>	<b>41 841</b>	<b>16 095</b>	<b>25 746</b>	<b>23 997</b>	<b>1 749</b>	<b>7%</b>



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## 2. LIABILITIES

### EQUITY AND PROVISIONS

The main movements of the 2014 financial year are:

- The appropriation of the 2013 result as legal reserve (162 million XPF) and balance brought forward (1 515 million XPF);
- The net result of the 2014 financial year, at 2020 million XPF;
- The provision for adjustment risk on social contributions on 2012 and 2014, for a global amount of 555 million XPF.

### DEBT

The main movements of the 2014 financial year are:

- 275 million XPF in bank loan payments. The decrease in foreign exchange liability should be noted, partly due to a 657 million XPF exceptional exchange gain on some bank loans;
- The reclassification of 1 860 million XPF as deferred revenue of fuel surcharges and insurance debts.

LIABILITIES (IN MILLION XPF)	2014	2013	VARIATION	VARIATION IN %
Capital	1 623	1 623	0	0%
Premiums from issues	1 701	1 701	0	0%
Legal reserve	162		162	100%
Carried forward	1 319	-196	1 515	774%
Result	2 020	1 677	343	20%
Investment subsidy	938	1 138	-200	-18%
Statutory provisions	164	109	55	51%
<b>OWNER'S EQUITY</b>	<b>7 928</b>	<b>6 052</b>	<b>1 876</b>	<b>31%</b>
<b>PROVISIONS FOR CONTINGENCIES &amp; LOSS</b>	<b>1 035</b>	<b>565</b>	<b>470</b>	<b>83%</b>
Financial debt	2 622	2 897	-275	-9%
Other debt	5 735	6 976	-1 241	-18%
PCAV	7 624	5 450	2 174	40%
<b>TOTAL DEBT</b>	<b>15 981</b>	<b>15 323</b>	<b>658</b>	<b>4%</b>
Currency conversion adjustments - Liabilities	801	2 057	-1 256	-61%
<b>GRAND TOTAL</b>	<b>25 746</b>	<b>23 997</b>	<b>1 749</b>	<b>7%</b>



## 3. INCOME STATEMENT

INCOME STATEMENT (IN MILLION XPF)	2014	2013	VARIATION	VARIATION IN %
<b>REVENUES</b>	<b>33 337</b>	<b>30 454</b>	<b>2 883</b>	<b>9%</b>
Reversal of amortizations & provisions	362	376	-14	-4%
Others incomes	13	101	-88	-87%
<b>TOTAL REVENUES</b>	<b>33 712</b>	<b>30 931</b>	<b>2 781</b>	<b>9%</b>
Acquisitions of goods & supplies	11 302	11 101	201	2%
External services & outsourcing	10 587	9 668	919	10%
Taxes and duties	41	34	7	21%
Payroll	6 420	6 191	229	4%
Reserve for depreciation & provisions	1 442	1 116	326	29%
Reserve for current assets	11	8	3	38%
Reserve for risks & charges	696	161	535	332%
Other charges	1 081	1 019	62	6%
<b>TOTAL EXPENDITURE</b>	<b>31 580</b>	<b>29 298</b>	<b>2 282</b>	<b>8%</b>
<b>MILLION XPF</b>	<b>2014</b>	<b>2013</b>	<b>Variation</b>	<b>Variation in %</b>
Operating profit	2 131	1 632	499	31%
Financial result	2 699	-689	3 388	492%
Exceptional result	-2 806	738	-3 544	-480%
Tax	-4	-4	0	0%
<b>NET RESULT</b>	<b>2 020</b>	<b>1 677</b>	<b>343</b>	<b>20%</b>

Operating income is 33.7 billion XPF, against 30.9 billion XPF in 2013, i.e. a 9% increase in line with the increase in activity.

Operating expenses increase by 2.3 billion XPF, partly due to:

- The impact of the New Chart of Accounts: 326 million XPF;
- The impact of social contributions adjustments: 555 million XPF.

The financial result – 2.7 billion XPF – is mainly composed of:

- The reversal of the depreciation provisions on the purchase options of Rangiroa (OSEA) and Moorea (OSUN): 1.2 billion XPF;

- Foreign exchange gains of 534 million XPF and 657 million XPF on the purchase options of SEA and SUN and adjustment on bank loans.

The extraordinary result shows a 2.8 billion XPF loss, mostly due to:

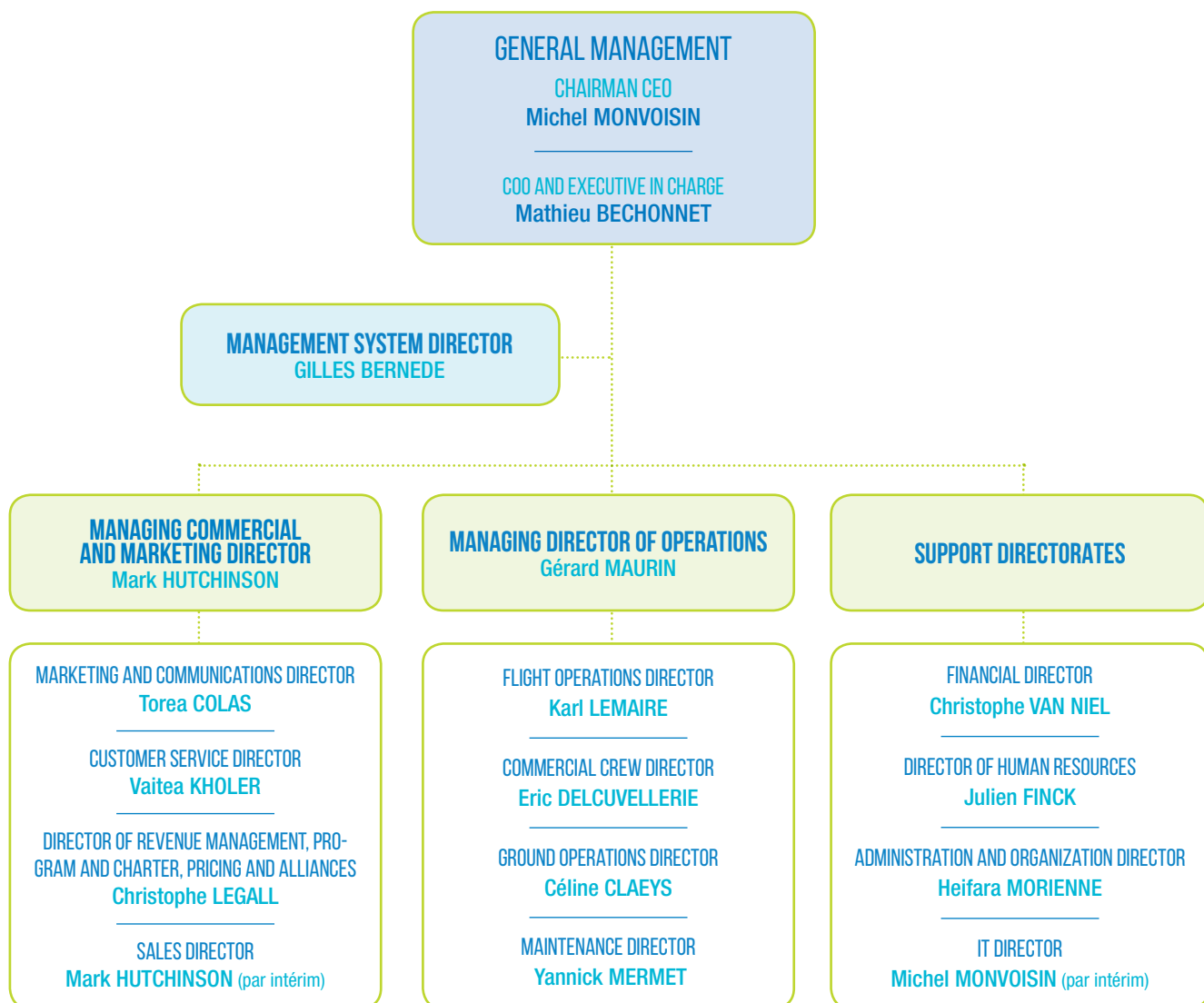
- a 343 million XPF gain on breakage (issued-but-unused tickets more than a year old);
- an aircraft depreciation provision of 3.2 billion XPF.



# HUMAN RESOURCES



## 1. EXECUTIVE TEAM



### OUR MISSION:

To operate a high quality sustainable air service that supports Economic Growth and Development of Tourism in French Polynesia, whilst ensuring the highest standards of safety, and maintaining profitability.

### OUR VALUES:

- ✦ **TO TATOU MANUREVA** *(a company of reference, Our Airline of French Polynesia)*
- ✦ **THE CULTURE OF CUSTOMER SERVICE**
- ✦ **SAFETY IS EVERYONE'S CONCERN**
- ✦ **A COLLECTIVE ADVENTURE**
- ✦ **A RESULTS-ORIENTED CULTURE** *(company-wide commitment and continuous improvement)*
- ✦ **EXEMPLARY**

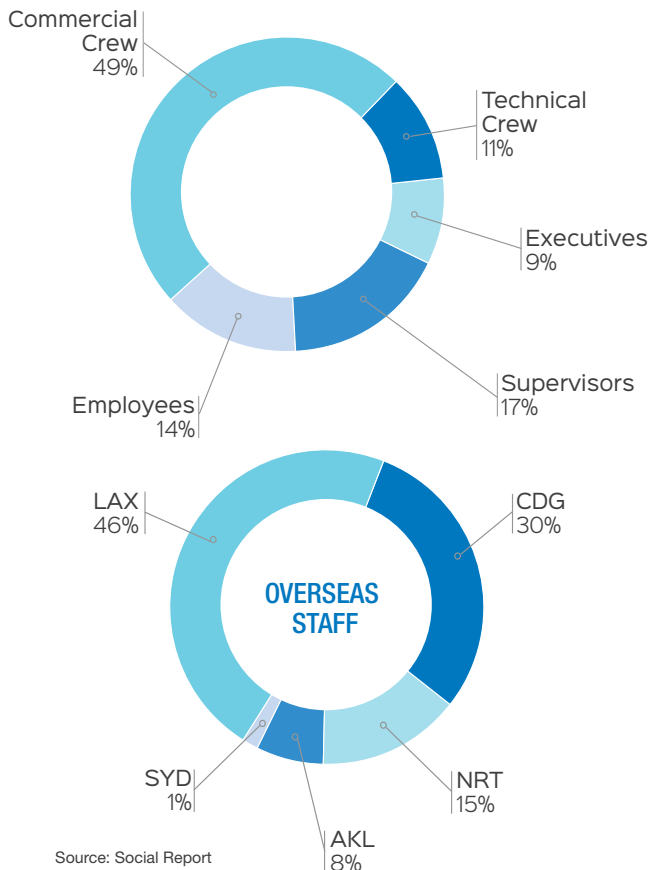




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## 2. DISTRIBUTION OF EMPLOYEES

On December 31, 2014, Air Tahiti Nui staff members numbered 723 to be compared to 703 on December 31, 2013), divided into Tahiti ground personnel (264), flight crew (394) and agents of overseas offices and stopovers (65).



**6,420** BILLION  
XPF  
OF PAYROLL



## 3. EVOLUTION BY CATEGORY

In 2014, a few new hirings are to be noted in the technical crews (none had been made since 2007). The new hirings of ground personnel were the upshot of recommendations of an organizational audit.

STAFF	2013	2014	VARIATION %
<b>PER CATEGORY</b>			
Executives	53	58	8,62%
Supervisors	103	112	8,04%
Employees	95	94	-1,06%
Commercial Crew	321	321	0,00%
Technical Crew	71	73	2,74%
<b>PER DIRECTORATE</b>			
Head Management	16	15	-6,67%
Commercial Managing Directorate	78	73	-6,85%
Operations Managing Directorate	511	527	3,04%
Support functions	38	43	11,63%



#### 4. INDICATORS

##### EMPLOYMENT CONTRACTS:

- 15 departures
- 24 hirings
- 148 promotions (salaries increased)
- 648 permanent contracts (CDI)
- 10 fixed-time contracts on average

##### ABSENTEEISM

- 10 115 sick leave days
- 22 work accidents - related
- 1 960 days maternity leave

#### 5. PAYROLL

Payroll amounts to 6.420 billion XPF (+3.7% more than in 2013), including 1.919 billion XPF in social contributions, i.e. 5.2% more than the previous year.

#### 6. ONGOING PROFESSIONAL TRAINING

In 2014, Air Tahiti Nui continued the reinforcement of ground staff skills (administration and operations) with targeted actions within a budget of 11.8 million XPF. The company also trained all its management in harassment prevention, in order to meet its regulatory requirements.

At the same time, 54.3 million XPF were earmarked for the compulsory training of commercial and technical crew, following the promotion of captains and the hiring of new airline pilots.



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# OUTLOOK FOR 2015



## THE LAUNCH OF OUR FLEET'S RENEWAL WILL BE THE MAJOR TURNING POINT OF AIR TAHITI NUI IN 2015.

For 2015, Air Tahiti Nui has set a goal of 5% growth in activity, with the continuation of an aggressive commercial policy to raise the number of tourists coming to Tahiti and her islands.

Therefore, over 30 000 discount fare seats will be offered across our markets.

The search for partners so as to grow the company's commercial network will continue, targeting in particular the high-potential markets in China and Brazil.

The financial result will largely depend on the price of jet fuel, but should nevertheless be positive.

2015 also marks the launch of the fleet renewal project, following the Board of Directors decision in early 2015 to acquire new generation Boeing B787-9 'Dreamliner' aircraft. The company has placed purchase orders with Boeing for two 787-9 Dreamliner's. A further two will be leased from Air Lease Corporation.

Air Tahiti Nui's new fleet will be delivered in 2018-2019.

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