Annual Report
2019
Dear readers, in order to make it easier for you to read all of our company indicators this year, we have chosen to group them together in a single publication:

• Results of our activity
• Our financial data
• Our extra-financial performance and in particular CSR, which had until now been in the form of a separate biennial publication (with no change in regard to the compliance to the GRI G4 referential, situated on page 62 of this document).

Following the publication of the first two sustainable development reports of 2016 and 2018 which contributed to vulgarizing CSR in Polynesia, social responsibility policy of desired goals and those undertaken by our company can be read this year as a background to this consolidated report, thanks to indicators and key figures related to the 4 focus areas and 10 progress commitments that define it (ISO 26 000 standard):

FOCUS AREA 1:
Maintain responsible operations of our flights
#1: Guarantee flight safety by complying with CORSIA environmental regulations
#2: Maintain sustainable relations with our stakeholders

FOCUS AREA 2:
Reduce our environmental footprint
#3: Reduce our emissions and participate in the fight against climate change
#4: Mitigate the impact of our activity on the ground
#5: Contribute to the preservation and biodiversity of Tahiti as a tourist destination

FOCUS AREA 3:
Be a responsible employer
#6: Share a common vision and maintain trust-based relations
#7: Ensure health, safety and well-being at work
#8: Develop skills and support employee personal development

FOCUS AREA 4:
Accompany the development of French Polynesia
#9: Integrate sustainable development into our activity and business culture
#10: Support and promote social and economic development projects in the country

Air Tahiti Nui is one of the first Polynesian companies to have voluntarily reported its societal commitment to its stakeholders, with the intention of inciting more local businesses to commit to this virtuous cycle. As a local airline, it is a historical partner in the country’s development; a role that it continues to uphold with conviction through, amongst other things, medical evacuations and transfers within the territory.

Its CSR policy, which has become a reference in Polynesia, was consolidated in 2019 thanks to the support given to a number of local events and the ongoing internal functioning of various committees that provide cross-functional support for the approach related to ethics, health and the environment (CSR Collective and Carbon Committee). ATN’s pragmatic and sustainable environmental approach even took on an international dimension during the course of the year with the new CORSIA regulations.

Nevertheless, these fundamentals take on a different dimension in the light of the exceptional context in which we are finalizing this annual report.

In 2019 there was no shortage of structuring events for the years to come; we intend to demonstrate at the end of this unprecedented crisis that we have been experiencing since March 2020 that our choices have been relevant to ensuring the sustainability of Air Tahiti Nui.

With the progressive integration of our entire Boeing fleet, this transitional year has definitively marked a turning point in the modernization of our airline’s equipment. It also saw the unfolding of the new Air Tahiti Nui product. This quality product is a subtle blend of Polynesian warmth and authenticity mixed with the delicacy and charm inspired by our islands.

Throughout the year, a number of awards also supported our choices and our service orientations prioritizing excellence, quality and safety. Among them, was the title of “Best Airline in the South Pacific” for the second year running, and a ranking as “Five Star Major Airline” in the prestigious APEX Official Airline Ratings.

It was with great pride that we wholeheartedly rose to the challenge when we accepted our aircraft manufacturer’s request to make our Tahitian Dreamliner the star of the international Paris Air and Space Show at Le Bourget in June. The international media exposure has undoubtedly supported our company’s reputation and our new fleet across different markets; a reputation which was also confirmed through active regional campaigns and the optimization of our presence on the web.

The work carried out by teams over the year also focused on the digitization of processes and tools, continuing to improve both client and employee experience whilst ensuring the security of infrastructures. Safety, at the heart of our business, was also reinforced through the strengthening of the risk management strategy within our organization. The initiative was rewarded for these efforts, notably in June, on the occasion of the 7th renewal of IOSA certification with a compliance rate of nearly 98% obtained.

Without present visibility concerning the restarting of our flights and our schedule of activity for the months to come, our staff all remain mobilized and are maintaining a consented collective effort to safeguard our wonderful company. This is where the strength and the very essence of Air Tahiti Nui lie: its united humanity in the face of adversity.

We sincerely hope that you will soon have the pleasure of (re)discovering our uniqueness.

In the meantime, I hope you enjoy reading this report.

We look forward to welcoming you on our lines soon,

Michel MONVOISIN
Chairman of the Board of Directors and Chief Executive Officer, Air Tahiti Nui
Key figures & highlights

**176 MILLION XPF**
NET INCOME
(APPROX. 1.5 MILLION EUROS)

**434 280**
PASSAGERS
TRANSPORTED
-7.5% FROM 2018

**755**
EMPLOYEES
ON 31ST DECEMBER 2019
(OF WHICH 385 FLIGHT CREW)
-3.2% FROM 2018

**2.1 BILLION XPF**
OF OPERATING CASH FLOW
(APPROX. 18 MILLION EUROS)

**72%**
OCCUPANCY RATE
-2% FROM 2018

**154 086**
CLUB TIARE MEMBERS
+7.5% FROM 2018

**31.9 BILLION XPF**
IN SALES REVENUE
(APPROX. 268 MILLION EUROS)

**16 317**
FLIGHT HOURS
FOR 1 480 COMMERCIAL FLIGHTS

**7.5% FROM 2018**

Legal status & capital

DISTRIBUTION OF CAPITAL

In September 2001, Air Tahiti Nui’s legal status evolved from Public Limited Company to Local Mixed Economy Company (SAEML) in order to meet statutory rules when French Polynesia became the majority equity holder in the company.

Since 22nd November 2011, capital amounts to 1 622 956 875 XPF and is distributed as follows on 31st December 2019:

- **Mrs. Nicole BOUTEAU**, Minister of Tourism and Labor, in charge of institutional relations;
- **Mr. Jean-Christophe BOUSSOU**, Minister for Housing, Development and Urbanization, in charge of inter-island transport;
- **Mr. Michel BUILLARD**, Representative of the Assembly of French Polynesia;
- **Mr. Antonio PEREZ**, Representative of the Assembly of French Polynesia;
- **Mr. Rodrigue CHAN**, Air Tahiti Nui Staff Representative.

PRIVATE ADMINISTRATORS REPRESENTING THE PRIVATE SECTOR

- **Mr. Vincent LAW**, 1st Vice President of ATN Board of Directors, Representative of la Société d’Études et de Gestion Commerciale;
- **Mr. Jean-Pierre FOURCADE**, Representative of la Financière Hôtelière Polynésienne;
- **Mr. Bruno WAN**, Manager of Civil Society Wan Holding Participation;
- **Mr. Matahiarii BROTHERS**, President of SAS Océanienne de Capital Investissement (OCI);
- **Mr. James ESTALL**, Representative of Air Tahiti (replacing Mr. Joël Allain since November 2019);
- **Mr. Richard BAILEY**, Representative of Tahiti Beachcomber Plc.

STATUTORY AUDITOR

The statutory auditor for Air Tahiti Nui is SCP GOSSE-PARION-CHANGUES-MENARD-ALBERT, represented by Mr. Christophe PARION and the SARL (Limited Liability Company) KPMG represented by Mr. Jean-Louis PELLOUX.
Human Resources

COMPANY ORGANIZATION

GENERAL MANAGEMENT
Michel MONVOISIN
Chairman Chief Executive Officer

Mathieu BECHONNET
Chief Operating Officer

EXECUTIVE VP COMMERCIAL, MARKETING & ALLIANCES
Christopher KORENKE

REGION
Director Americas Nicholas PANZA
Director France Europe Jean-Marc HASTINGS
Director Asia Atsushi CHINO
Director Pacific Daniel Egenberger (since November)
Market Manager Brazil Thomas REBERGUE
Market Manager Polynesia Béatrice BERNUT

Director of Direct Customer Services Vaitea KOHLER
Director of Loyalty, Digital, Product & Communication Torea COLAS
Director of Commercial Tools & Processes Mihimana DAVID

Director of Sales & Business Development Lolita LUTH WONG-YEN

Director of Revenue Management, Pricing, Interline & Schaduling Raimana CHAMPS
Director of Human Resources & Legal Affairs Raimana CHAMPS

Director of Administration & Finance Pierre CHAMPION
Director of Administration & Organization Hélène MORENNE
Director of Information Systems Laurent HUSSON

Director of Administration Systems Gilles BERNEDE

EXECUTIVE VP OPERATIONS
Raymond TOPIN - Accountable Manager

Director of Management Systems Gilles BERNEDE

Director of Ground Operations, Stations & Freight Céline CLAEYS

Technical Director Yannick MERMET

Director of Air Operations Stanley BERICAMPS

Commercial crew Manager Éric BECQUETTE

SUPPORT MANAGEMENT

Director of Human Resources & Legal Affairs Raimana CHAMPS

Director of Administration & Organization Hélène MORENNE

Director of Information Systems Laurent HUSSON

Director of Revenue Administration & Finance Pierre CHAMPION

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DISTRIBUTION OF HUMAN RESOURCES

On 31st December 2019, the Company workforce consisted of 755 employees (compared to 780 on 31st December 2018) divided into Tahiti ground personnel (312), flight crew (383; of which 310 cabin crew and 73 technical crew), and agents of overseas offices and stations (60).

755
EMPLOYEES
ON 31TH DECEMBER 2019

WORKFORCE DISTRIBUTION
IN EXTERNAL STATIONS

CDG 29.2%
LAX 46.2%
SYD 1.5%
AKL 7.7%
NRT 15.4%

SOURCE : DHR ATN

Distribution of Air Tahiti Nui workforce by gender

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<thead>
<tr>
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<tbody>
<tr>
<td>Men</td>
<td>382</td>
<td>48.4 %</td>
<td>372</td>
<td>47.7 %</td>
<td>357</td>
<td>47.3 %</td>
</tr>
<tr>
<td>Women</td>
<td>408</td>
<td>51.6 %</td>
<td>408</td>
<td>52.3 %</td>
<td>398</td>
<td>52.7 %</td>
</tr>
<tr>
<td>Total</td>
<td>790</td>
<td>100 %</td>
<td>780</td>
<td>100 %</td>
<td>755</td>
<td>100 %</td>
</tr>
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</table>

SOURCE: SOCIAL AUDITS ATN

FRENCH POLYNESIA WORKFORCE DISTRIBUTION BY OCCUPATIONAL CATEGORY

TECHNICIANS MANAGERS 20.7%
EXECUTIVES 9.5%
FLIGHT CREW 10%
CABIN CREW 45%

SOURCE: Social Audit 2019 ATN
Parity
With 52.7% of female employees, the number of women working for Air Tahiti Nui has once again increased over the year. In particular, there has been an increase in their representation on the executive committee and in management (from 4% in 2018 to 47% in 2019) following the reorganization of the sales department.

Diversity
Since December 2018, the company has also been contracting the services of a registered freelance disabled worker (THI), a collaboration that enables it to fulfil its obligations regarding disabled employees.

REORGANIZATION OF SALES
In response to the redefined competitive context in 2018 with the arrival of two new air operators in Polynesia, the sales, marketing and alliances department was reorganized on 1st July with the aim of providing the necessary means and resources to build on our strengths and in particular, assert our qualities and Polynesian identity to reinforce our market position.

Three new departments were created. The Sales and Business Development department leads, accompanies and contributes to the development and implementation of action plans in the regions, with whom it works closely, in order to maximize revenue with the best possible cost-effectiveness.

The Commercial Tools & Processes department ensures that Air Tahiti Nui and its frontline employees have the best tools, processes, procedures and policies available to them to generate budgeted revenue and serve clients in a consistent manner across all points of contact throughout the world and on ATN.com. The overall management of our direct sales outlets in Polynesia was attached to the Direct Customer Services department with a strong functional link to the airport branches, the sales branch in Papeete and the call centres worldwide, as well as the customer services department.

The former marketing and communication department was renamed the Loyalty, Digital, Product and Communication department. It widened its scope to include customer loyalty management and the ground and flight product which coordinates the work of product committees across the board.

Finally, the former RMPPA Dpt. was renamed Revenue Management, Pricing, Interline & Scheduling department.

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Commitment #6
Since 2016, in order to work alongside the deployment of the CSR approach and regulate how it is governed, the CSR has been leading an ethics committee chaired by the company CEO and comprising of eight permanent members.

ATN’s values which were collectively defined by the executive committee, constitute the referential framework for Air Tahiti Nui’s ethical approach, which was completed in 2017 with the drafting of a managers’ charter signed by 70 senior managers.

In 2019 the committee strived towards strengthening the company’s ethical culture and formalized a global charter (due to be distributed in 2020) to serve as a guide to reflection and ethical arbitration as well as a support material for raising awareness among company stakeholders. Furthermore, an awareness campaign for around thirty financial directorate employees was also held to address the issue.

To support the relocation of staff to the new company head office, the HR department also organized exercises and fire evacuation drills as well as refreshers courses for guide and queuing training.

In line with its ongoing commitment to the ‘company actively engaged in employee health’ charter supported by the public health department, Air Tahiti Nui has continued initiatives undertaken in 2015 to promote healthy eating and regular exercise among staff.

Since the move into the new head office, which grouped together 77% of ground staff, the company has provided relaxation and refreshment areas on every floor, and notably a multi-purpose room designed for group lessons in dance, yoga, gentle exercise, etc., during lunch breaks.

The health committee, comprising of around ten volunteers, is responsible for leading this initiative and has also set up this year:

• support program with a dietician for overweight employees;
• conferences, sports days and challenges, in addition to the activities promoted by the company’s eight sports sections.

Commitment #7
The human resources department is implementing an action plan which aims to limit the risk level of workplace accidents for employees.

In 2019 the number of musculoskeletal disorders among cabin crew rose compared to 2018, mainly due to the change in work environment (new Boeing cabin). A specific ‘gestures and postures’ training session involving 83 cabin crew was held again and rolled out more widely to address the issue.

To prevent the relocation of staff to the new company head office, the HR department also organized exercises and fire evacuation drills as well as refreshers courses for guide and queuing training.

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Commitment #8
As a service company, Air Tahiti Nui devotes a considerable annual budget to training its personnel: 0.91% of the workforce in Polynesia in 2019, excluding Boeing participation (-0.06 pts compared to 2018) [G4-10].

Participative innovation at Air Tahiti Nui
With such a diverse range of skills, inclinations and profiles at its fingertips, the company has also decided to form an idea management facility with the aim of collecting and implementing ideas, seen as suggestions for company improvement. As key ambassadors for our company, who better to suggest improvements than our own employees.

Initially launched during 2018 with simple ‘idea notes’, the concept was consolidated and relaunched early August in the form of a participative innovation challenge. The ideas put forward for the challenge must contribute to the strategic focus areas of the company, which are the following:

• Focusing our efforts on customer satisfaction;
• Lowering our operating costs;
• Optimizing our resources;
• Developing efficiency.

The internal idea Committee studies the ideas suggested before arbitration by the executive committee. The idea Committee’s five representatives change with every new executive committee. The five top ideas voted for by the employees were validated and awarded by the executive committee.

They focused on developing the sale of TN articles, proposing a new ancillary service, creating new partnerships for the benefit of our clients and reducing the number of paper magazines aboard our aircraft.
The management system is a structured organization for managing security, uniting sectors including inflight and ground operations, maintenance, flight safety, security operations and Approved Training Organisation (ATO). Reporting to the responsible manager of the company, the MSD has four divisions:

• **Security:** intended to establish the company’s security programs in all countries served by the airline in accordance with the applicable regulations and directives, and to carry out security training for all personnel;

• **Emergency Response Plan (ERP):** whose mission is to establish an emergency plan in case of a company air disaster, allowing for a centralized, controlled and coordinated response to emergencies;

• **Safety:** aimed at identifying and analyzing the risks related to all areas of operations and implement appropriate corrective and preventive measures;

• **Compliance monitoring:** which must guarantee compliance with the applicable regulatory requirements in addition to any other further requirements.

The supervisory authorities (Directorate General of Civil Aviation (DGAC) State Civil Aviation Service (SEAC) and the Civil Aviation Safety Authority (OSAC) ensure through audits that Air Tahiti Nui complies with EASA (European Aviation Safety Agency) regulations.

<table>
<thead>
<tr>
<th>2017 Rating</th>
<th>2019 Rating</th>
<th>Evolution</th>
<th>Criteria</th>
</tr>
</thead>
<tbody>
<tr>
<td>B</td>
<td>A</td>
<td></td>
<td>Safety culture</td>
</tr>
<tr>
<td>E</td>
<td>A</td>
<td></td>
<td>Risk analysis</td>
</tr>
<tr>
<td>C</td>
<td>B</td>
<td></td>
<td>SGS steering</td>
</tr>
<tr>
<td>E</td>
<td>A</td>
<td></td>
<td>Implementation of corrective measures</td>
</tr>
<tr>
<td>D</td>
<td>A</td>
<td></td>
<td>Continuous improvement and change management</td>
</tr>
<tr>
<td>B</td>
<td>A</td>
<td></td>
<td>Interface management</td>
</tr>
<tr>
<td>B</td>
<td>A</td>
<td></td>
<td>Documentation</td>
</tr>
<tr>
<td>C</td>
<td>A</td>
<td></td>
<td>Training and communication</td>
</tr>
<tr>
<td>C</td>
<td>D</td>
<td></td>
<td>Compliance rate (numerous discrepancies following the Boeing integration, new processes (ETOPS) control of SDP (Standard Operating Procedures))</td>
</tr>
<tr>
<td>D</td>
<td>A</td>
<td></td>
<td>Capacity to obtain compliance</td>
</tr>
</tbody>
</table>

**Evolution of ATN management system performance from 2017 to 2019 (DGAC/SEAC)**

In October 2016, the plenary assembly of the International Civil Aviation Organization (ICAO) confirmed the global objective of carbon neutral growth from 2020 and in order to do so, the introduction of a global measure to compensate for CO₂ emissions above 2020 levels. This scheme is named CORSIA (Carbon Offsetting and Reduction Scheme for International Aviation).

Since 1st January 2019, all ICAO aircraft operator members emitting over 10,000 tons of CO₂ on their international flights must collect their CO₂ emissions data and report them to the relevant authority.

One of the issues of the year for Air Tahiti Nui was to comply with the requirements of this new regulation which fully implicates airline industry operators (whose CO₂ emissions represent 2.4% of global emissions) in the fight against global warming.

Since 1st January 2019, all ICAO aircraft operator members emitting over 10,000 tons of CO₂ on their international flights must collect their CO₂ emissions data and report them to the relevant authority.

From 2021, operators concerned will be required to offset a part of the CO₂ emissions by purchasing and cancelling emission units.

**CSR FOCUS AREA 1**

** Commitment #1**

The airline’s Emissions Monitoring Plan (EMP) was approved by the DGAC during the year. In accordance with this program, the company has committed to monitoring and reporting its annual emissions for the financial years 2019 and 2020. Based on these declarations, it may be subject to the obligation to offset its emissions (by purchasing credits generated by “low carbon” environmental projects).
INTERNAL CONTROL SYSTEM (ICS)

Internal control is as much aimed at continual improvement as the quality of company organization through the optimization of operational processes.

Attached to the Directorate General, this department’s main functions are the following:
- To develop the internal control system, promote and monitor its implementation;
- To ensure the efficiency of the risk management and internal control systems by performing audits.

Since 2016, an internal control committee has ensured the consistency and efficiency of the company’s internal control, the correct organization and completion of the permanent control of activities as well as the effectiveness of monitoring and risk control systems. The internal control committee meets regularly to review the audit reports, approve recommendations and ensure their implementation.

Internal audits allow for an assessment of the level of risks incurred, and check for compliance with procedures, as well as the efficacy and appropriateness of the systems in place. The internal auditor also verifies that company operations and internal procedures comply with legal and regulatory requirements in force and with professional standards and practices. It measures the adequacy as well as the effectiveness of risk assessment and management procedures and provides recommendations to improve, strengthen, secure and organize departments according to the risks to which they are exposed.

The recommendations provided in the reports, along with deadlines and level of risk, are validated when the control committee meets and become enforceable thereafter. The audited directorates are responsible for their implementation; these elements are registered by the internal audit department who periodically monitors and sends reminders to the departments concerned.

OBJECTIVES AND KEY ISS ACHIEVEMENTS OVER THE YEAR

<table>
<thead>
<tr>
<th>FOCUS 1 GOVERNANCE OF IS SECURITY</th>
<th>Key achievements of 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Update information system security policy (SSP) and risk mapping</td>
<td>• Develop a map of airmiles fraud risk and implement countermeasures</td>
</tr>
<tr>
<td>• Set up permanent controls related to specific security measures</td>
<td>• Implementation of security checklists and a weekly monitoring table</td>
</tr>
<tr>
<td>• Continue efforts for compliance with General Data Protection Regulation (GDPR)</td>
<td></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>FOCUS 2 INFORMATION SYSTEM SECURITY AUDIT</th>
<th>Key achievements of 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Audit airtahitinui.com web site</td>
<td>• Full audit of web site by a business specialized in intrusion testing</td>
</tr>
<tr>
<td>• Audit mobile application</td>
<td>• Implementation in-depth security testing throughout the development phase of the mobile application</td>
</tr>
</tbody>
</table>

INFORMATION SYSTEMS SECURITY (ISS)

IT and communication systems are vital for the smooth running of Air Tahiti Nui’s daily operations. The company uses hundreds of applications on a day-to-day basis, and the information they contain is increasingly under threat.

Cybercrime risk
As a responsible business, Air Tahiti Nui must protect the personal data of its clients, whether it includes credit card numbers or individual-related data. Strategic value data must also be protected. This informational heritage, which is, to a certain extent, the company’s memory, and anticipatory capacity, also needs to be safeguarded against any alteration or misappropriation by cybercriminals.

The risk of an IT system defect crucial to the continuity of operations
Information technology has become essential to the success of our activities and we are dependent on its proper functioning. A malfunction could lead to a flight delay and dissatisfied clients. The continuity of information systems operations must be ensured.

The risk of non-compliance and security breach
Airline authorities strongly recommend that airlines should take measures to secure all information systems. The arrival of new generation aircraft which are hyper-connected to their information systems has reinforced these requirements. Furthermore, the application of the General Data Protection Regulation (GDPR) and new guidelines such as the NIS directive (Network and Information System Security) have also imposed new provisions that Air Tahiti Nui must comply with.

In order to confront these risks and control them, four years ago the company initiated an approach to secure its information system through an action plan consisting of four interrelated focus areas: IS security governance, IS security audits, project security and raising employee awareness.
A better way to improve the quality of life for employees and optimize client experience is through a common strategy. The company chose this method for its strategic approach between 2014 and 2019, to formalize an information system action plan and develop a certain number of collaborative tools, internal processes, new platforms and software in order to optimize working methods and, in short, to improve both the external and internal user experience.

**Air Tahiti Nui mobile app**

This future mobile app (developed for Apple IOS and Android), created this year by a multidisciplinary working group for all Air Tahiti Nui customers is an essential asset for airlines to attract customers. Once it goes online during the course of 2020, it will become a real travel assistant for our French and English-speaking clients enabling them to customize their experience with Air Tahiti Nui.

In addition to the key functions which have become standard in the airline sector (ticket reservation, and additional services, online check-in, etc.), it will also offer our passengers quick and simple access to information as well as their Tiare loyalty account and air miles. The mobile app will also have a notifications system allowing travelers and their families to receive clear information about our flights and services in real time.

**Customer Relationship Management (CRM)**

At the heart of the close interaction between client and employee experience which is equally favorable for both, the CRM solution based on Salesforce technology (a market-leading publisher) implemented at the end of 2018 and launched during the year, has made it possible to improve the management of professional client relations and interactions (with tour operators, travel agents etc.) and end clients (travelers and individual clients).

The solution named “Hoani” by the Air Tahiti Nui teams (Clientele in Tahitian) is automatically updated with all the vital information for the preparation and fulfillment of our clients’ travel arrangements, and encourages smooth, efficient and personal interactions in accordance with each passenger profile. Thus, thanks to a 360°all round vision of client requirements and information, this system allows us to provide a top quality, fast experience tailored to each client on an individual basis.

Furthermore, it enables agents to benefit from a unique data base which is shared between all regions: In Polynesia since June, Los Angeles in mid-September and in the French market since the beginning of November; deployment in New Zealand and Japan will take place at the beginning of 2020.

Alongside the implementation of Salesforce, a nested Marketing Cloud platform was developed in order to centrally manage marketing campaigns and offer a Journey Builder.

Thanks to the ability to synchronize all the data indexed in the Hoani CRM, the correct message will be automatically addressed at the right time via the correct channel of communication (social media, email, text, newsletter, push notification thanks to a mobile app...) enabling clearer communication with our clients and in 2020 to offer them an increasingly customized experience throughout their journey.

**Air Tahiti Nui Entertainment, the companion app created by Panasonic**

In order to offer the best of technology and an even more immersive experience aboard the Tahitian Dreamliner, the very first ATN companion app named “Air Tahiti Nui Entertainment” has been created by Panasonic. Available since the end of January 2019 in both English and French on Apple Store and Google Play, it allows passengers to create their own program of entertainment before departure via a personal space by entering the flight number.

With a view to improving the in-flight entertainment experience of our passengers, the interface was designed to be used like a remote control to manage the screen and access flight information during the entire journey. Both practical and intuitive, when it was launched there was much talk about it in the specialized press.

Furthermore, it enables agents to benefit from a unique data base which is shared between all regions: In Polynesia since June, Los Angeles in mid-September and in the French market since the beginning of November; deployment in New Zealand and Japan will take place at the beginning of 2020.

Alongside the implementation of Salesforce, a nested Marketing Cloud platform was developed in order to centrally manage marketing campaigns and offer a Journey Builder.

Thanks to the ability to synchronize all the data indexed in the Hoani CRM, the correct message will be automatically addressed at the right time via the correct channel of communication (social media, email, text, newsletter, push notification thanks to a mobile app...) enabling clearer communication with our clients and in 2020 to offer them an increasingly customized experience throughout their journey.

 CLIENT EXPERIENCE, OUR TOP PRIORITY

It is already well documented that digitization has a positive effect on the client. However, above and beyond the development of connectivity, the key aspects of the client’s decision lie in speed of service, ease of access to information, trust in the brand and in the people they meet along the way, as well as another major element which is transparency.

**Digitization: a common improvement strategy for client and employee experience**

A better way to improve the quality of life for employees and optimize client experience is through a common strategy. The company chose this method for its strategic approach between 2014 and 2019, to formalize an information system action plan and develop a certain number of collaborative tools, internal processes, new platforms and software in order to optimize working methods and, in short, to improve both the external and internal user experience.
QUALITY EMPLOYEE EXPERIENCE: A STRONG BASE FOR SUCCESSFUL CUSTOMER EXPERIENCE

All these new-generation strategies and technological tools will be in vain if company employees have not also been placed at the heart of discussions and considerations before their implementation. The customer experience will be coherent and successful if the needs of professional users, in particular those who are implementing the strategies on the ground, are taken into consideration. This is Air Tahiti Nui’s role: to provide its employees with a high-performance work environment with the aim of unifying and gathering a multitude of software and applications using a minimum of tools to produce a more efficient management of information.

Collaborative tools

In 2019 the IDS finished a project to modernize and harmonize tools for collaborative work and messaging for Air Tahiti Nui agents. Thanks to new software solutions Exchange cloud and Microsoft 365 available in the cloud, the users at head office and from all other regions will from now on benefit from better performing digital tools, which facilitates the sharing of information, communication and collaboration from a distance, from a fixed workplace or for those travelling.

Limeflight: digitization of catering management

The management and implementation of materials and consumables in our aircraft cabins contribute directly to the quality of the service offered to our customers. This is why, in partnership with a software company, Air Tahiti Nui has designed and developed a digital solution destined to improve the setting up and distribution of loading plans according to the requirements of each flight.

A mobile app has also been created for flight attendants so they can quickly locate articles that have been loaded on board. Information exchange between ourselves and our catering colleagues has also been digitized to facilitate and increase reliability of the preparation of meal trays at our various ports of call.

Securing infrastructures

Following the move of the company to its new head office, the IDS completed several projects with the aim of securing its new technical infrastructure. Thus, the creation of a terrestrial wireless network enabled secure links between the Tua Rata building and the technical teams in place at the airport in order to manage the departures and arrivals as well as maintenance of aircraft.

In addition to this, a secondary IT room has been installed in the town center to guarantee functional continuity of equipment in the event of the main IT room being unavailable.

Digitization of internal processes

Air Tahiti Nui has thus this year pursued its program to digitize internal processes in order to simplify and improve the flow of its teams at work. In this way the management of commercial gestures or expense accounts has notably been digitalized. This has resulted in productivity gains and has made information more accessible and simpler to use for its agents, whether they are situated in head office or regional areas.

Tamau

During the month of June, the company began producing its new e-learning tool which made it possible to reference the provision and monitoring of professional training within the company and also to manage deadlines. More interactive, intuitive and versatile to use than the previously available tools, above all it offers the opportunity for all our mobile staff to distance learn easily. This platform called “Tamau” (“to learn” in Tahitian), in conjunction with the HRIS presents several advantages for co-workers and in-house trainers but also for managers ensuring the monitoring of training and results (monitoring of training by team and publishing of precise monitoring tables by co-workers for managers), which allows interaction with trainers and other platform users making the platform accessible offline and on mobile devices.

Cornerstone or (CSOD), the cloud solutions provider for learning and talent managing was chosen to configure and install the software.
ATN’S active role in development of French Polynesia

Air Tahiti Nui was the second largest employer in Polynesia in 2019 and has been a historical partner in the country’s development since its creation. Spearheading its principal economy, the airline with the Tiare flower distinguished itself this year despite a new competitive context that has totally reshaped the face of the transport network to the Islands of Tahiti.

With 20 years of experience of service to Polynesians, Air Tahiti Nui was able to take advantage of its change of fleet to redesign the contours of a product and service of excellence that constitutes its international reputation. The integral renewal of its aircraft is also a perfect illustration of the role that the company plays in sustainable development.

Customer satisfaction remains at the forefront of Air Tahiti Nui’s concerns, demonstrated not only through an international award-winning onboard service, but also a multitude of new services; making it possible to offer a global and immersive experience from departure to arrival, consistent with the values and ethos of Air Tahiti Nui.

ACTIVE ROLE IN LOCAL DEVELOPMENT

As a leader in tourist and freight transport to Polynesia, Air Tahiti Nui actively participates in local economic activity and has contributed over the year to the following in particular:

- 755 direct jobs, 92% of which are based in Tahiti and 78% of senior executives are locals —Executive/Management Committees [G4-EC6] (from 75% in 2018), in addition to the capital for salaries and social charges paid to Social Security;
- Training for local youth with internships for 92 students (compared to 75 in 2018);
- The promotion of Polynesian talents with the “Ambassadors” program;
- The promotion of Polynesian culture and landscapes through support provided to international audio-visual productions, which enabled the production of 12 documentaries and 2 TV and film dramas;
- The promotion of the destination with Tahiti Tourisme playing an active and historic role of Tahiti Tourisme (trade fairs such as IFTM Top Resa, ITB Berlin, ParauParau Tahiti...); - Local economy with 21% of expenditure on local suppliers and service providers (compared to 23% in 2018); an involvement that is also reflected in the significant contribution to the country’s dividends and taxes;
- Occupational integration initiatives (Job academy) and/or school dropout prevention (sponsor of the “TEKNIK” competition for sixty students from Aorai high school who invented and presented prototypes for eco-responsible transport) in partnership with the Face Polynésia association;
- Events to inspire and share good CSR and sustainable development practices (Tahiti Woman’s Forum, “Polynesian Forum for Mobility”, TEDx Papeete, “The Food and innovation Village”);
- Collective solidarity initiatives with the distribution of meals to homeless people in Papeete with the Order of Malta Polynesia, mobilization for “Pink October”, collection of clothes and free freight for the association A taura ia ni (Paris supporting sick Polynesians in France, etc.).

Air Tahiti Nui also renewed its partnership in the districts of Papeete et Punaauia with “Util’our”, a charity offering transport as a means of social inclusion for associations and inhabitants of deprived neighborhoods.

ATN, a pioneer for transporting oxygen kits and incubators aboard the Dreamliners

As a Polynesian airline assigned the task of undertaking medical evacuations for Polynesians since its creation, (90% of the country’s MEDEVAC flights are performed by the Tiare airline), Air Tahiti Nui had to acquire new authorizations following the renewal of its fleet. The transport of newborns in incubators and passengers on stretchers requiring specific oxygenation became possible aboard Air Tahiti Nui’s Tahitian Dreamliners since September 2019 and is a world-first for the American aircraft manufacturer.  

CSR FOCUS AREA 4
Commitment #9

A key societal role

In partnership with numerous heavily involved local organizations, Air Tahiti Nui and its staff have actively contributed to various initiatives promoting CSR and/or supporting charitable projects for vulnerable individuals.

Company flagship initiatives in 2019 include:

- Occupational integration initiatives (Job academy) and/or school dropout prevention (sponsor of the “TEKNIK” competition for sixty students from Aorai high school who invented and presented prototypes for eco-responsible transport) in partnership with the Face Polynésia association;
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At the end of the year, in continuity with its endeavour of transparency and accountability towards its stakeholders, the company published its second sustainable development report, providing an overview of Air Tahiti Nui’s contribution to the Fenua and its environment over the financial years 2017-18.

INITIATIVES PROMOTING CSR
(COMPARED WITH 6 IN 2018)

Company flagship initiatives in 2019 include:

- The promotion of Polynesian culture and landscapes through support provided to international audio-visual productions, which enabled the production of 12 documentaries and 2 TV and film dramas;
- The promotion of the destination with Tahiti Tourisme playing an active and historic role of Tahiti Tourisme (trade fairs such as IFTM Top Resa, ITB Berlin, ParauParau Tahiti...);
- Local economy with 21% of expenditure on local suppliers and service providers (compared to 23% in 2018); an involvement that is also reflected in the significant contribution to the country’s dividends and taxes;
- Financial support of 16.8 million XPF towards social and charitable initiatives (eg: La Ligue Contre Le Cancer [Cancer Support], SOS Suicide, Téléthon, la Saga Tahiti), compared to 18.7 million in 2018.

To tatou manureva / www.airtahitinui.com
The Club Tiare loyalty program plays an essential role in the Polynesian economic fabric by helping to enrich the local arts scene through support for cultural and musical productions.

This involvement has also made it possible to reward members for their loyalty and to offer them greater opportunities to earn and use their miles. In order to do so, the Club Tiare has regularly developed new partnerships over the past several years.

In 2019, 244 million miles were exchanged for services proposed by the company such as tickets, upgrades, excess baggage, etc., tickets to events and shows (Laura Laune, Very Bad Potes concerts – Jack Johnson, Kassav – Master class – Norbert Tarayre – plays and festivals...) and in vouchers for our partners (Millésime, Beauty Success, Jeff de Bruges, Vahineri Tea House, Fauchon, Tahiti Nui Helicopters).

On 31st December, 2019, Club Tiare had a total of 154,086 members, representing an increase of 7.5% compared to 2018.

ACTIVE ROLE IN THE DEVELOPMENT OF POLYNESIAN TOURISM

Air Tahiti Nui remains the major transporter of tourists to French Polynesia and maintained its promotional endeavors in 2019 by investing once again close to 1 billion XPF (8.38 million euros) across the entire promotional program supporting the growth of Polynesian tourism.

Other than the roll out of new branding across all bases and markets, the completion of our fleet renewal, with its new products and above all, its new Premium Class, was celebrated all over the world, thus promoting Air Tahiti Nui and also The Islands of Tahiti.

Throughout the year, company marketing and communication efforts were supported by an inspirational promotional policy to allow a great many visitors to come and discover or rediscover our islands.

Promotional policy & presence in markets

Polynesia starts with Air Tahiti Nui...

When its fleet of Airbus A340-300 was replaced by Boeing Dreamliner 787-9, Air Tahiti Nui chose the occasion to introduce a three-class cabin configuration with a state-of-the-art onboard entertainment system, including Wi-Fi access.

THE NEW THREE-CLASS PRODUCT ABOARD THE TAHITIAN DREAMLINER COMPRISSES:

• a Business-class product, **POERAVA Business**, with a horizontal sleeper-seat, convertible into a 180° bed (full flat) length 198 cm, in a 6 forward-facing (2-2-2) configuration over 5 rows providing a 100% couple offer adapted to our tourist clientele;

• a Premium Economy product, **MOANA Premium**, tailored to provide an intermediary option between Business and Economy with a total of 32 seats in a 7 forward-facing (2-3-2) configuration;

• an Economy class product, **MOANA Economy**, with a total of 322 seats over two cabins in a 9 forward-facing (3-3-3) configuration.

Each seat is equipped with a high definition touchscreen (30 to 40 cm diagonally according to class) offering a wide range of audio-visual content: choice of films, documentaries, TV programs, music and games, etc.
Papeete: ceremonies to celebrate the company aircraft

Strengthened by the attachment of its population to To tatou Manureva (The people’s airline in Tahitian), Air Tahiti Nui wanted to involve the people of Polynesia in the welcome of its new fleet by organising a blessing ceremony to mark the arrival of each new aircraft. The ceremonies were relayed to the population through the local and international press, in the presence of the aircraft’s honorary patrons. Therefore, following the example of the Fakarava arrival ceremony, the Tupapa, the second B787-9, was welcomed on 17th January 2019 by country officials, local media and part of the airline’s staff.

On 20th May 2019, a presidential delegation led by President Edouard Fritch and Air Tahiti Nui’s general management traveled to the Boeing Delivery Center in Everett, Washington State, to receive delivery of the third Tahitian Dreamliner 787-9, named Bora Bora. Air Tahiti Nui’s first company-owned aircraft. This was also the name of the very first aircraft of the company, whose operations began on 20th November 1998. Its welcoming ceremony marked the birth of nearly a generation of Polynesians since the company’s inception.

In the same vein, Air Tahiti Nui organised commemorative festivities paying tribute to the A340s which had seen the arrival of the very first aircraft of the company, whose operations began on 20th November 1998. Its welcoming ceremony was postponed until 24th July since the Bora Bora had been chosen as a demonstration model by the American aircraft manufacturer for the 53rd International Paris Air Show in Le Bourget (see below).

On 16th August the blessing ceremony was finally held for the Tetiaroa, the fourth and final B787-9 of the new fleet to arrive in Tahiti on 10th August 2019.

France: Three major events secure Air Tahiti Nui’s reputation

The F-OVAA, first company-owned aircraft and 3rd in the new fleet, was chosen by Boeing to perform demonstration flights of its Dreamliner model 787-9 at the 53rd International Paris Air Show (SIAE) in Le Bourget, making it the American aircraft manufacturer’s centrepiece during the event. Two demonstration flights took place on 17th and 18th June 2019, in front of thousands of spectators and television viewers worldwide. The Polynesian tattoo livery caught the eye of numerous international media, aircraft enthusiasts, photographers and other influencers who relayed the flight of the Tahitian Dreamliner over the web.

As the only in-service commercial aircraft to be presented by Boeing, the Bora Bora was the focus of a great deal of attention: its presentation at the Le Bourget Air show 2019 generated scores of digital media spin-offs throughout the world, thus contributing to further securing Air Tahiti Nui’s reputation as an ambassador for Polynesia.

NEW UNIFORMS

Air Tahiti Nui wanted to incorporate new colours and patterns into its new fleet, in the immersive spirit surrounding their whole new brand and product. It was at the International Paris Air Show that the company publicly presented its new staff uniforms.

For the design of the new outfits, Air Tahiti Nui called on two Polynesian designers, Steeve Liu, known for the brand “Steeve L”, is the creator of the new shirts and blouses, and Moerani Margrin, known for the label “Moya B”, created the new Purotu (slim-fitting Polynesian dress) and Mamaruau (loose-fitting Polynesian dress) for Air Tahiti Nui’s female flight attendants and sales staff.
Asia: A difficult context requiring concerted efforts from all stakeholders
Together with all the Polynesian stakeholders (transporters, hotel keepers, guest house hosts, tourist office etc.) the country led a dialogue and an action plan to boost the Asian market (mainly Japan). Air Tahiti Nui, for its part, adapted its flight schedules and fares to Japan for the winter season 2018-2019 in order to offer its Asian clients attractive rates and package deals in an effort to attract more clientele. Despite these efforts, these efforts have not yet paid off due to a limited hotel number issue in Tahiti and the islands, and the purchasing behavior of Japanese customers who are inclined to book very late whereas other markets which are larger in volume, tend to do so earlier. Polynesia also faces strong competition from other more affordable, easier to sell destinations.

United States:
Long-standing cultural partnerships
On the American market, a new General Sales Agent (GSA) was appointed to represent the company in Mexico. With a population of 125 million and a gross domestic product of 1.3 billion dollars, Mexico is the most populated Spanish-speaking country in the world. Tahiti has an excellent reputation there and Tahitian dance (OrI Tahiti) is very popular; several Mexican dance groups in particular participate in events in French Polynesia. Air Tahiti Nui was incited to further develop this market in collaboration with Aviajeros by the fact that knowledge of Tahiti has grown there over the years and the reputation of our islands makes them an attractive holiday destination. Hollywood and the film industry both continued their love story with Air Tahiti Nui for the 15th year running. Air Tahiti Nui had the pleasure and recognition of being a major backer and exclusive airline sponsor of the “COLCOA (City of Lights, City of Angeles) French Film Festival” and for an annual French film festival held in Hollywood. Hosting over 20 000 Francophiles, cinephiles and movie industry professionals from Hollywood and France, COLCOA is the most extensive yearly French cultural event in the United States, and the biggest festival devoted to French cinema and television in the world. Air Tahiti Nui has also had the immense pleasure of supporting another cultural promoter for Polynesian culture, the “Heiva i San Diego” for nearly 20 years. This 3-day dance festival takes place in August, attracting thousands of spectators every year and the best dance groups in Southern California. It has become the leading Tahitian dance festival in the United States, sponsored by Air Tahiti Nui.

South America:
Working towards a better sales coverage
From now on, promotional and sales activities in South America are handled by our representatives in Los Angeles. Despite the geographical distance, this system allows for a better coverage of these markets thanks to our Spanish and Portuguese-speaking employees and an experienced and structured back office.

Pacific—New Zealand and Australia:
Renewal and increased commitment
On 1st December, to mark its presence and the importance of the Pacific region, Air Tahiti Nui set up its own sales structure with its own sales staff for the first time since the airline has been operating flights to New Zealand, as sales and marketing activities of its Pacific branch had been previously conducted by a third party (General Sales Agent). New positions were opened, and the company outsourced all calls to a call center. In line with the same objective of serving our New Zealand customers in a more efficient manner, more accessible and convivial new premises now welcome them in Auckland city center. These refurbished premises were accompanied by a quicker and more efficient new digital policy for the region. This resulted in a change of public relations agency for both the New Zealand and Australian markets at the beginning of the year, and in the wake of this, the creative agency was also replaced, coinciding well with the deployment of new company branding. These transformations were carried out with remarkable efficiency, regarding both the level of quality of service and its implementation, as well as the management of costs. Promotional activities showcasing Polynesia were also opportunies to shine the spotlight on our company due to frequent requests for partnerships; for example, in New Zealand, Air Tahiti Nui partnered with the Documentary film festival Doc Edge. As official sponsor of Nicolas Brown’s film “The Serengeti Rules”, concerning the fragility of the planet and its biodiversity which reflects many of the values and virtues equally shared by Air Tahiti Nui, the company invited its Gold and Silver Club Tiare members to the festival and held a prize draw for entrance tickets on social networks.

Web optimization
Improvements to the company’s websites continued during the year to offer the airline’s customers new features, such as access to the most attractive rates at a given moment in just a few clicks, or online payment options with the implementation of sales support tools.

Split payments
Launched on 5th June, firstly on the French website designated as the pilot platform for the region, the new split payment solution allows customers to opt to pay in 3 or 4 instalments when they book online for a total fare of less than 400 euros, including travel insurance.

Thanks to this solution proposed in partnership with Frantfinance, for every ticket bought online departing from mainland France (including all other points of departure from France with a TN code), the client can benefit from a 66 or 90-day payment plan with the first instalment on the day of purchase. French or Polynesian credit cards, Visa and MasterCard are accepted, with the option of paying for close relatives with the same card.
Customer satisfaction policy
As part of its continuous improvement plan, Air Tahiti Nui has been carrying out an on-going program of surveys aboard all flights since 2012 in order to measure customer satisfaction and better meet their expectations.

Over the first six months of the year, surveys were carried out on the two fleets (Airbus and Boeing) and the questionnaires were distributed indiscriminately between aircraft type. 1277 passengers were surveyed over the period between January and June 2019.

Other than an overall satisfaction rate of 98%:
- 92% of passengers surveyed recommend this class,
- 93% are globally satisfied with its comfort,
- 91% are satisfied with the seats,
- 83% declare they are satisfied with the meals.

Over the last quarter of 2019, these surveys continued in the three Business, Premium and Eco cabins. 1 766 passengers were surveyed between 7th October and 31st December, 2019, exclusively on the flight of 8787-9. The results show clear improvements, notably in the cabins and above all, the entertainment system.

Awards in 2019
Contributing to the reputation and notoriety of air carriers for travelers across the world, awards showcase airlines in various fields.

The internationally acclaimed partnerships established during the year and the resulting media coverage together with the numerous awards received have collectively supported the work of Air Tahiti Nui’s teams. Appreciated for its authenticity, warmth of its welcome, excellence of inflight service and efforts made in digitization and customer service, Air Tahiti Nui received many distinctions in 2019. These include:

Client satisfaction
The title of “Five Star Major Airline” in the APEX Official Airline Ratings 2020, in the September issue, for the quality of service provided by the airline, which retains its place of leading airline to France Polynesian and the South Pacific.

The “APEX 2020 Regional Passenger Choice Award”, in November, for the most comfortable seats in the South Pacific region.

The nomination in early December by the readers of Global Traveler for “Best Airline in the South Pacific”, for the second year running.

Gastronomy
Two medals (silver for the “Best Champagne in Business class and bronze for the “Best Rose in Business class”), on the occasion of the prestigious “Cellars in the Sky 2019” ceremony, rewarding the quality of Air Tahiti Nui’s on-board wine cellar among a selection of over 250 bottles served to passengers of 35 international airlines;

As well as prestigious rankings for its wines and champagnes (second place in “Top Champagnes Internatio
nal Business Class”, third place in “Top Five White Wines International Business Class” and fifth position in the “Top International Business-Class Wines on the Wing”), during the “Wines on the Wing Contest 2019” of Global Traveler. In addition, and for the first time, one of our caterers, TFK Corporation, in Narita—was awarded the 3rd prize in the Asia zone during the “11th Annual QSAI Excellence Awards”. The Quality and Safety Alliance for Inflight services (QSAl) is an alliance of major passenger carriers of the world, who work with their caterers to promote excellence in the quality, safety and value of the food offered on board. Air Tahiti Nui has been a member of this alliance since May 2014.

Economy
Finally, the company also received the “Award for the fi
nancial transaction of the year 2019” from the Asia-Pacific region “during the Airline Economics conference 2019, held in Hong Kong on 5th November, for its unprecedented international financial package involving the Société Générale and the AFIC (Aircare Insurance Consortium) ena
bl ing the two direct-purchases of Boeing aircraft to benefit from tax-free financing.
**CERTIFICATES AND LICENSES**

To operate as a French international air carrier, Air Tahiti Nui holds:
- an air carrier license, December 2006 (Decree 1339 CM);
- an air carrier certificate (CTA) n°FR.AOC.O083, 15th October 2013;
- a certificate of approval from the Continuing Airworthiness Management Organization FR.MG.0061 31st March 2020;
- a certificate of approval of maintenance part 145 for the maintenance of aircraft FR 145.0423, 4th October 2018.

The different authorizations include the Boeing 787-9 and the LAX-PPT section).

**ETOPS 225**

Since November Air Tahiti Nui has been operating within ETOPS 225 (first ETOPS 225 flight 28th November 2019 on the LAX-PPT section).

This approval makes Air Tahiti Nui the 4th B787 operator (out of 57) to be approved for an ETOPS operation above 180 minutes, along with LATAM, Air New Zealand and Japan Airlines.

**THE NETWORK**

Air Tahiti Nui is positioned as the main airline serving French Polynesia with daily flights to the destination. The company operates over four continents, offering Flights from Papeete to Los Angeles, Tokyo, Auckland and Paris (via Los Angeles).

Air Tahiti Nui offers routes to a total of 62 cities thanks to its code-share partners:

- **SNCF trains with the TGV Air program in France and Europe** departing daily from CDG: to Aix-en-Provence, Angers, Avignon, Bordeaux, Le Mans, Lille, Lyon, Marseille, Metz, Montpellier, Nantes, Nîmes, Poitiers, Rennes, Riom, Strasbourg, Tours, Unece and Brussels.
- **Qantas and Air Cailin** connect the Air Tahiti Nui offer in the South Pacific to Sydney, Melbourne, Brisbane, Perth and Nouméa.
- **Japan Airlines and Korean Air** depart to Osaka, Fukuoka, Nagoya and Sapporo in Japan and Hong Kong (JL) and Seoul (KE) in Asia.
- **LATAM Airlines** in South America depart to Easter Island and Santiago, Chile.

The codeshare with American Airlines was extended on the 27th June 2019 adding eight new destinations to the US. At the same time, Air Tahiti Nui applies its company code on the Air New Zealand flights to increase the frequency of service between Tahiti and Auckland bringing the number to five return flights a week on this route and with Air France between Los Angeles and Paris to extend the Paris-Tahiti service to one return flight per week.

The following partners apply their company codes on flights operated by Air Tahiti Nui:

- American Airlines: PPT-LAX / PPT-AKL and LAX-CDG
- Qantas: PPT-AKL / PPT-LAX
- Air New Zealand: PPT-AKL / PPT-LAX
- Air Cailin: PPT-AKL / PPT-LAX
- Japan Airlines: PPT-NRT

**INTERSERVICE AGREEMENTS WITH OTHER TRANSPORTERS**

In addition, as part of the airline’s development within its markets, 43 interline agreements have been made with other transporters to date, in order to offer clients a wider choice of destinations.

- **Air France**: PPT-LAX / PPT-AKL
- **Korean Air**: PPT-NRT
- **LATAM Airlines**: PPT-AKL

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### Flight Schedule

<table>
<thead>
<tr>
<th>Route</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Papeete - Paris via LAX</td>
<td>5 to 7 flights/wk</td>
<td>5 to 7 flights/wk</td>
</tr>
<tr>
<td>Papeete - Los Angeles</td>
<td>4 to 6 flights/wk</td>
<td>4 to 6 flights/wk</td>
</tr>
<tr>
<td>Papeete - Japan</td>
<td>2 to 3 flights/wk</td>
<td>2 to 3 flights/wk</td>
</tr>
<tr>
<td>Papeete - Auckland</td>
<td>2 to 3 flights/wk</td>
<td>2 to 3 flights/wk</td>
</tr>
<tr>
<td>Papeete - NRT</td>
<td>2 to 3 flights/wk</td>
<td>2 to 3 flights/wk</td>
</tr>
<tr>
<td>Papeete - ITM</td>
<td>2 to 3 flights/wk</td>
<td>2 to 3 flights/wk</td>
</tr>
<tr>
<td>Papeete - NGO</td>
<td>2 to 3 flights/wk</td>
<td>2 to 3 flights/wk</td>
</tr>
<tr>
<td>Papeete - FUK</td>
<td>2 to 3 flights/wk</td>
<td>2 to 3 flights/wk</td>
</tr>
<tr>
<td>Papeete - CTS</td>
<td>2 to 3 flights/wk</td>
<td>2 to 3 flights/wk</td>
</tr>
</tbody>
</table>

**Annual number of flights per route**

<table>
<thead>
<tr>
<th>Route</th>
<th>2017</th>
<th>2018</th>
<th>Variation 17-18</th>
<th>2019</th>
<th>Variation 18-18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Papeete - Paris via LAX</td>
<td>500</td>
<td>476</td>
<td>-5%</td>
<td>486</td>
<td>+2%</td>
</tr>
<tr>
<td>Papeete - Los Angeles</td>
<td>594</td>
<td>594</td>
<td>0%</td>
<td>492</td>
<td>-17%</td>
</tr>
<tr>
<td>Papeete - Japan</td>
<td>233</td>
<td>217</td>
<td>-7%</td>
<td>207</td>
<td>-5%</td>
</tr>
<tr>
<td>Papeete - Auckland</td>
<td>313</td>
<td>307</td>
<td>-2%</td>
<td>295</td>
<td>-4%</td>
</tr>
<tr>
<td>TOTAL</td>
<td>1 631</td>
<td>1 594</td>
<td>-2%</td>
<td>1 480</td>
<td>-7%</td>
</tr>
</tbody>
</table>

**Frequency of weekly services by code-share partner**

*Except American Airlines and SNCF who operate daily links.

**Punctuality**

In 2019 ATN’s punctuality improved with 88.46% of flights leaving on time or within 15 mins of scheduled time (+2.4% compared with 2018). PPT, CDG et LAX stopovers experienced an increase in performance with punctuality increasing to 80.86% (78.79% in 2018), 88.74% (78.71% in 2018) and 71.83% (64.44% in 2018) respectively. LAX airport mainly encounters delays due to immigration procedures which are not in line with new airport infrastructures.

Punctuality in Auckland decreased slightly in 2019 with a score of 87.59% (89.61% in 2018), due to an increase in numbers of passengers using the airport creating congestion throughout the operational chain.

Departures in Narita fell to 86.27% (from 93.58% in 2018); with 50% of delays were due to inclement weather conditions which affected the region throughout the year.

**End of the A340-B787-9 Transition**

The year was marked by the exit of the A340 fleet (exit of the aircraft, stock of spare parts and tools, and refitting of the warehouse for a unique fleet) and the progressive introduction of the exclusive Dreamliner B787-9 fleet.

Initially, the company fleet consisted of 5 Airbus A340-300. Each aircraft was named after Polynesian islands: the Mangareva (F-OJGF), the Rangiroa (F-OSEA) and the Moorea (F-OSUN) were owned by Air Tahiti Nui, the Bora Bora (F-OJTN) rented to AerCap and the Nuku Hiva (F-OLOV) rented on lease with a purchase option. The last Airbus left the airline on 25th September 2019.

The year was marked by the exit of the A340 fleet (exit of the aircraft, stock of spare parts and tools, and refitting of the warehouse for a unique fleet) and the progressive introduction of the exclusive Dreamliner B787-9 fleet.

Departures in Narita fell to 86.27% (from 93.58% in 2018); with 50% of delays were due to inclement weather conditions which affected the region throughout the year.
TAHITI NUI HELICOPTERS SUBSIDIARY

Tahiti Nui Helicopters, the first affiliate company of the Tiare airline, is a SAS owned 50% by Air Tahiti Nui and 50% by HBG, a French-Swiss helicopter transport group, one of the leading companies in France and within the top 5 in the European market.

The company operates using three aircraft: 2 Airbus Helicopters H135 (EC135T2) and 1 Airbus Helicopter H125 (AS350 B2). Two helicopters are based in Tahiti and also serve Moorea; the third is stationed in Bora Bora. The affiliate company began to operate commercially in July 2018, and has 4 main purposes:

- On-demand passenger transport, a no-wait direct transportation of clients from international flights or connecting international private jet flights, and in the last few years a growing number of;
- Sightseeing (in and around Tahiti, Moorea, and the Leeward Islands);
- Helicopter operations (pylon equipment etc.) and mountain rescue;
- Medical evacuation or medical emergencies from the island.

Since it first started, Tahiti Nui Helicopters has carried out 945 flight hours:

Tahiti “Treasure hunt” in 2020

The TV production company Adventure Line visited in August to find suitable areas and camera angles for its show, and the filming of an episode of “Treasure Hunt” was organized for the first two weeks of November in Polynesia. The teams travelled aboard Air Tahiti Nui, the program’s exclusive partner, and three helicopters were hired from Tahiti Nui Helicopters. The vast area included in the game will showcase a considerable part of the Society Islands so viewers can discover the charm, culture, and all that each island has to offer. In terms of viewing figures, “Treasure Hunt”, presented by Cyril Féraud, attracts an average of 3 million viewers (mostly family viewing with an average audience aged between 10 and 24 years), making it the best performing program on the Wednesday 9pm slot, on France 3. The program will be broadcast in spring 2020. This partnership will actively contribute to the visibility and promotion of our destination in mainland France, and statistics from French travel agencies have confirmed that this type of production boosts booking demand.

Partnership agreement with the CPS

In 2019 a partnership was formed with the CPS (French Polynesian social welfare system) for the provision of company crew and helicopters to ensure medical emergency evacuations under the best possible conditions. Following consultations with various helicopter operators, there will be a designated THN aircraft based in Tahiti on a permanent basis starting in 2020 for these specific flights during daytime (from 6:30am to 6:30pm). The agreement has been signed for a six-year period.

The renewal of the Air Tahiti Nui fleet began in October 2018 marked with the reception of the first of 4 Boeing Dreamliner 787-9s in the new fleet (2 leased from ALC and two purchased outright) and was finalised in August 2019 with the arrival of the last Tahitian Dreamliner.

As in the case of the previous fleet, the new aircraft were named and registered in the order they arrived: Fakarava (F-OMUA : F(France)-O(Overseas)+[MU] for “forward”), Tupai (F-ONUI for “great”), Bora Bora (F-OVAA for “canoe”) and Tetiaroa (F-OTOA for “the warrior”) in tribute to the beauty of the Polynesian Islands and their first explorers.

One of the principal issues of the Airbus to Boeing transition was crew training, and air operations management, which has to reconcile regulatory constraints and operational requirements. In accordance with the initial finishing target at the start of transition, it should all be completed by the end of February 2020.

For the technical teams, the main work has consisted in assimilating new navigation tracking and maintenance software (AMOS) and an increase in their level of skills for the new aircraft (different methodology and documentation). The website www.tahitinuihelicopters.com/en presents the range of panoramic flights including in particular, our showcase 10-minute discovery flights departing from Tahiti or Bora Bora.
I - OPTIMIZING THE CARBON EFFICIENCY OF OUR FLIGHTS

After a transitional phase with the two fleets (replacement of the new Boeing Dreamliner 787-9 from the beginning of 2018 and the exit of the 5 Airbus A340-300 at the end of the year), Air Tahiti Nui has been operating an exclusive fleet of four Tahitian Dreamliners, latest generation twin-engine aircraft enabling significant noise pollution reduction (below 85 decibels during take-off and landing) and greenhouse gas emissions (the aim of 20% carbon efficiency was reached with the replacement of the Boeing fleet).

II - INVOLVING TN EMPLOYEES THROUGH AN INTERNAL ENVIRONMENTAL APPROACH

Many initiatives have been developed to help improve this reduction within activity on the ground, to promote energy efficiency in buildings, encourage employees to be more eco-friendly at work and promote eco-mobility.

At the Tua Rata head office where 77% of ground staff work, representing 63% of the company’s energy consumption, a new central air-conditioning configuration using a continuously operating refrigerated water system was set up. It is the first energy consumption unit of its kind in a tropical area and was designed to reduce energy consumption within the building while optimizing staff comfort particularly during periods of intense heat. Renovation and insulation work has also been carried out on company premises especially in the technical department and will proceed until 2020.

ENERGY CONSUMPTION IN THE 4 BUILDINGS IN TAHITI (kW)

<table>
<thead>
<tr>
<th>Year</th>
<th>Consumption</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>773 739</td>
</tr>
<tr>
<td>2019</td>
<td>946 242</td>
</tr>
</tbody>
</table>

This represents a reduction of 22% compared with 2018.

IV - OFFSETTING OUR EMISSIONS

Since its first carbon report in 2015 which allowed the company to measure its greenhouse gas emissions, Air Tahiti Nui is continuing to apply the ADEME recommendations to reduce these emissions as far as possible as a prerequisite for compensation.

The company has thus far been exempt from carbon tax and from regulatory obligation to compensate for its CO2 emissions.In accordance with its environmental approach it also intends to contribute on a medium term voluntary basis by supporting local projects, ideally in Polynesia or in the Pacific area which is particularly exposed to the effects of global warming. With this in mind, at the end of the year Air Tahiti Nui launched a first market study which aims to give customers who are aware of this approach, the possibility of compensating for travel emissions via a compensation project platform.

Meanwhile the company continues to sponsor local associations and initiatives who are fully committed to preserving the environment and biodiversity of Polynesia, such as Te Mana O Te Moana, Mata Tohora, Nana sac plastique, Coral Gardeners, to the tune of 4.8 million XPF a year (compared with 12.6 million XPF in 2018).
Traffic and business results

**TAHITI-BOUND TRAFFIC**

In 2019, the total number of incoming and outgoing passengers to Polynesia was 713,062, namely a variation of +6.8% compared with 2018. It should be noted that seat availability numbers increased by 8.1% having a full year effect with the presence of French Bee and United Airlines.

Air Tahiti Nui transported 48.2% of international traffic in 2019, which is -9.7 points compared with 2018 due to the hugely increased capacity of two new operators in Tahiti.

**RESULTS & EVOLUTION OF ATN FARE-PAYING PASSENGERS BY ROUTE**

<table>
<thead>
<tr>
<th>Fare-paying passengers by route</th>
<th>2018</th>
<th>2019</th>
<th>Variation n/n-1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average passenger load factor</td>
<td>77%</td>
<td>75.3%</td>
<td>-2.6%</td>
</tr>
<tr>
<td>Revenue (in million XPF)</td>
<td>30,399</td>
<td>28,425</td>
<td>-6%</td>
</tr>
</tbody>
</table>

Source: Revenue Management – Air Tahiti Nui Financial Department

In 2019 Air Tahiti Nui transported 434,280 passengers, 7% fewer than in 2018, with reduced capacity (4% less than in 2018). From the second quarter of 2019, Air Tahiti Nui managed to regain its market shares on the Paris-Tahiti route, complemented by a good transatlantic sales performance supported by our partner American Airlines, whilst the Asian market continued to encounter problems accessing the list of hotels.

In 2019, Air Tahiti Nui managed to generate passenger traffic revenue of 28.4 billion XPF.

**ENERGY EFFICIENCY**

Average consumption of fuel per passenger/100km

- In 2018: 3.9 L
- In 2019: 3.29 L (3.96 L for the 787-9 and 4.38 L for the A340-300)

**TOURIST TRAFFIC**

In 2019, 236,642 tourists visited The Islands of Tahiti, a 9.4% increase of 20,374 tourists compared with 2018.

Air Tahiti Nui transported over 114,000 tourists (48.3%), allowing the airline to continue its role as French Polynesia’s principal tourism partner.

In 2019, The Islands of Tahiti saw a large increase of +9.4% in tourist numbers compared to the previous year.

The North American, French and European markets performed well increasing by +15.8%, +22.5% and +3.5% respectively.

The number of cruise ship passengers also experienced strong growth of +3.7% in comparison to 2018, whilst the number of land-based tourists showed an increase of +10.1%.
8 922 TONNES OF FREIGHT TRANSPORTED
FOR 2.8 BILLION XPF IN REVENUE

FREIGHT REVENUE

Despite a difficult global context for airfreight which had its worst results since 2012, due to a reduction in demand teamed with an increase in capacity, Air Tahiti Nui fared very well over the year.

Comparative table of freight revenue & tonnage in 2018 and 2019

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2019</th>
<th>Variation n/n-1</th>
<th>Variation %</th>
</tr>
</thead>
<tbody>
<tr>
<td>REVENUE (in million XPF)</td>
<td>2 960</td>
<td>2 882</td>
<td>-78</td>
<td>-2.6%</td>
</tr>
<tr>
<td>WEIGHT IN TONNES</td>
<td>9 697</td>
<td>8 922</td>
<td>-775</td>
<td>-8.6%</td>
</tr>
</tbody>
</table>

Source: Fret - Service du contrôle de gestion d’Air Tahiti Nui

2019 marks the first fully operational year for our new competition and the first full year of operations for our B787-9. The reduction in flight schedules as well as a decrease in annual revenue had been budgeted for, thus allowing the company to finish the year exceeding its revenue forecasts. Nevertheless, the results still reveal an overall decrease of -2.6% in comparison to 2018.

The 2019 freight revenue over the whole Air Tahiti Nui network amounts to 2 882 million XPF for an overall tonnage of 8 922 tonnes.

Export from Papeete shows an increase of +11% compared to 2018 thanks to several shipments of fresh fish;

The New Zealand base results show an increase of +5% on traffic to Papeete but a fall in shipments to the United States due to new AKL-LAX direct flight competition by United Airlines and American Airlines;

The French market is showing strong resilience in the face of its competition with an increase of +3%;

The American market, however, is showing a reduction of -7% due to a significant decrease in travel to the United States;

The Japanese market fell -25% in comparison to 2018 due to a decrease in global export from Japan and an overcapacity to The United States.

CHARTER ACTIVITY

During the year 114 hours of flights were conducted on behalf of various shippers (representing a decrease of 46% compared to 2018).

This activity generated 225 million XPF in revenue during the year (compared to 369 million XPF in 2018, representing a decrease of -39%).

In 2019 it was only thanks to its loyal customers who return year on year that full charter flights took place. There was no charter activity to China this year. A contract with the French Polynesian Olympic Committee was signed to provide the transport of athletes during the 2020 Pacific Games.

Comparative table of charter activity in 2018 and 2019

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2019</th>
<th>Variation n/n-1</th>
<th>Variation %</th>
</tr>
</thead>
<tbody>
<tr>
<td>ACMI*</td>
<td>11</td>
<td>0</td>
<td>-100%</td>
<td>-100%</td>
</tr>
<tr>
<td>Full charter</td>
<td>201</td>
<td>114</td>
<td>-43%</td>
<td>-43%</td>
</tr>
<tr>
<td>Total Nb flight hours</td>
<td>212</td>
<td>114</td>
<td>-46%</td>
<td>-46%</td>
</tr>
<tr>
<td>ACMI*</td>
<td>8</td>
<td>0</td>
<td>-100%</td>
<td>-100%</td>
</tr>
<tr>
<td>Full charter</td>
<td>361</td>
<td>225</td>
<td>-39%</td>
<td>-39%</td>
</tr>
<tr>
<td>Total revenue (million XPF)</td>
<td>369</td>
<td>225</td>
<td>-39%</td>
<td>-39%</td>
</tr>
</tbody>
</table>

* ACMI (Aircraft Crew Maintenance and Insurance): Charter flights chartered on behalf of other airlines where the aircraft, crew, maintenance and insurance costs are included in the whole charter tariff unlike full charter which also includes costs related to handling, catering, and fuel.

225 MILLION XPF OF REVENUE GENERATED BY CHARTER FLIGHTS (-39% COMPARED TO 2018)

DISTRIBUTION OF TONNAGE TRANSPORTED BY ORIGIN*

Number of flight hours

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Full</td>
<td>250</td>
<td>200</td>
</tr>
<tr>
<td>ACMI</td>
<td>150</td>
<td>100</td>
</tr>
</tbody>
</table>

Revenue (MXPF)

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Full</td>
<td>400</td>
<td>300</td>
</tr>
<tr>
<td>ACMI</td>
<td>350</td>
<td>250</td>
</tr>
</tbody>
</table>
Financial statements

Summary

46 Assets balance sheet
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50 Annex of accounts
57 Statutory auditors’ report on the annual financial statements

DISCLAIMER:
The English version of this report is a translation of the original in French for information purposes only. In case of a discrepancy, the French original will prevail.
## Assets

**Gross assets balance sheet**

<table>
<thead>
<tr>
<th>Liabilities, patents and similar rights</th>
<th>In XPF</th>
<th>Net 31/12/2019</th>
<th>Net 31/12/2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Licenses, patents and similar rights</td>
<td>580 320 314</td>
<td>280 482 283</td>
<td>299 838 031</td>
</tr>
<tr>
<td>Other intangible fixed assets</td>
<td>16 454 850</td>
<td>16 454 850</td>
<td>7 006 933</td>
</tr>
<tr>
<td>TOTAL intangible fixed assets</td>
<td>596 775 164</td>
<td>280 482 283</td>
<td>316 292 881</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Tangible fixed assets</th>
<th>In XPF</th>
<th>Net 31/12/2019</th>
<th>Net 31/12/2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sites/lands</td>
<td>1 651 599 072</td>
<td>71 350 109</td>
<td>1 580 248 963</td>
</tr>
<tr>
<td>Technical installations, industrial equipment &amp; tools</td>
<td>4 899 150 811</td>
<td>1 812 732 768</td>
<td>3 086 418 043</td>
</tr>
<tr>
<td>Other tangible fixed assets</td>
<td>884 538 273</td>
<td>513 299 516</td>
<td>371 238 767</td>
</tr>
<tr>
<td>Fixed assets in progress</td>
<td>160 451 513</td>
<td></td>
<td></td>
</tr>
<tr>
<td>TOTAL tangible fixed assets</td>
<td>7 436 254 656</td>
<td>2 397 382 393</td>
<td>7 105 500 849</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Financial fixed assets</th>
<th>In XPF</th>
<th>Net 31/12/2019</th>
<th>Net 31/12/2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment valued using the equity method</td>
<td>417 500 000</td>
<td>417 500 000</td>
<td>2 063 648 849</td>
</tr>
<tr>
<td>Other fixed equity</td>
<td>147 402 000</td>
<td>123 000 000</td>
<td>2 000 000</td>
</tr>
<tr>
<td>Loans</td>
<td>2 000 000</td>
<td>2 000 000</td>
<td>2 059 692</td>
</tr>
<tr>
<td>Other financial fixed assets</td>
<td>1 741 086 191</td>
<td>87 201 425</td>
<td>1 653 884 766</td>
</tr>
<tr>
<td>TOTAL financial fixed assets</td>
<td>2 650 550 849</td>
<td>540 500 000</td>
<td>2 110 050 849</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Fixed assets</th>
<th>In XPF</th>
<th>Net 31/12/2019</th>
<th>Net 31/12/2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inventories &amp; work in progress</td>
<td>10 683 580 669</td>
<td>2 118 364 676</td>
<td>7 465 215 983</td>
</tr>
<tr>
<td>RECEIVABLES</td>
<td>924 696 851</td>
<td>214 299 526</td>
<td>710 397 325</td>
</tr>
<tr>
<td>Other receivables</td>
<td>32 322 717 180</td>
<td>2 608 126</td>
<td>32 320 109 054</td>
</tr>
<tr>
<td>Uncalled subscribed capital</td>
<td>11 859 915</td>
<td>11 859 915</td>
<td>11 859 915</td>
</tr>
<tr>
<td>TOTAL receivables</td>
<td>34 075 663 286</td>
<td>89 809 551</td>
<td>33 985 853 735</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Liquid assets and other</th>
<th>In XPF</th>
<th>Net 31/12/2019</th>
<th>Net 31/12/2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Liquid assets</td>
<td>10 165 896 774</td>
<td>10 165 896 774</td>
<td>10 165 896 774</td>
</tr>
<tr>
<td>Prepaid expenses</td>
<td>2 630 932 557</td>
<td>2 630 932 557</td>
<td>2 630 932 557</td>
</tr>
<tr>
<td>TOTAL liquid assets and other</td>
<td>18 376 829 331</td>
<td>18 376 829 331</td>
<td>18 376 829 331</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Total assets</th>
<th>In XPF</th>
<th>Net 31/12/2019</th>
<th>Net 31/12/2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total assets</td>
<td>64 597 064 806</td>
<td>3 522 473 753</td>
<td>61 074 591 053</td>
</tr>
</tbody>
</table>

## Liabilities

**Liabilities balance sheet**

<table>
<thead>
<tr>
<th>Liabilities, patents and similar rights</th>
<th>In XPF</th>
<th>Net 31/12/2019</th>
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<td>280 482 283</td>
<td>299 838 031</td>
</tr>
<tr>
<td>Goodwill</td>
<td>16 454 850</td>
<td>16 454 850</td>
<td>7 006 933</td>
</tr>
<tr>
<td>TOTAL intangible fixed assets</td>
<td>596 775 164</td>
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<td>123 000 000</td>
<td>2 000 000</td>
</tr>
<tr>
<td>Loans</td>
<td>2 000 000</td>
<td>2 000 000</td>
<td>2 059 692</td>
</tr>
<tr>
<td>Other financial fixed assets</td>
<td>1 741 086 191</td>
<td>87 201 425</td>
<td>1 653 884 766</td>
</tr>
<tr>
<td>TOTAL financial fixed assets</td>
<td>2 650 550 849</td>
<td>540 500 000</td>
<td>2 110 050 849</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Fixed assets</th>
<th>In XPF</th>
<th>Net 31/12/2019</th>
<th>Net 31/12/2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inventories &amp; work in progress</td>
<td>10 683 580 669</td>
<td>2 118 364 676</td>
<td>7 465 215 983</td>
</tr>
<tr>
<td>RECEIVABLES</td>
<td>924 696 851</td>
<td>214 299 526</td>
<td>710 397 325</td>
</tr>
<tr>
<td>Other receivables</td>
<td>32 322 717 180</td>
<td>2 608 126</td>
<td>32 320 109 054</td>
</tr>
<tr>
<td>Uncalled subscribed capital</td>
<td>11 859 915</td>
<td>11 859 915</td>
<td>11 859 915</td>
</tr>
<tr>
<td>TOTAL receivables</td>
<td>34 075 663 286</td>
<td>89 809 551</td>
<td>33 985 853 735</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Liquid assets and other</th>
<th>In XPF</th>
<th>Net 31/12/2019</th>
<th>Net 31/12/2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Liquid assets</td>
<td>10 165 896 774</td>
<td>10 165 896 774</td>
<td>10 165 896 774</td>
</tr>
<tr>
<td>Prepaid expenses</td>
<td>2 630 932 557</td>
<td>2 630 932 557</td>
<td>2 630 932 557</td>
</tr>
<tr>
<td>TOTAL liquid assets and other</td>
<td>18 376 829 331</td>
<td>18 376 829 331</td>
<td>18 376 829 331</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Total liabilities</th>
<th>In XPF</th>
<th>Net 31/12/2019</th>
<th>Net 31/12/2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total liabilities</td>
<td>64 597 064 806</td>
<td>3 522 473 753</td>
<td>61 074 591 053</td>
</tr>
</tbody>
</table>

## Notes

To tatou manureva / www.airtahitinui.com
## Income Statement

**Compte de résultat**

<table>
<thead>
<tr>
<th>Date</th>
<th>In XPF</th>
<th>Net 31/12/2019</th>
<th>Net 31/12/2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sale of products-services</td>
<td>31,939,830,301</td>
<td>34,084,167,028</td>
<td></td>
</tr>
<tr>
<td>Net revenue</td>
<td>31,939,830,301</td>
<td>34,084,167,028</td>
<td></td>
</tr>
<tr>
<td>Operations subsidies</td>
<td>66,434,614</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Write-backs of provisions and transfers of expenditure</td>
<td>495,205,818</td>
<td>721,740,536</td>
<td></td>
</tr>
<tr>
<td>Other products</td>
<td>7,448,475</td>
<td>36,260,888</td>
<td></td>
</tr>
<tr>
<td><strong>OPERATING INCOME</strong></td>
<td><strong>32,508,919,208</strong></td>
<td><strong>35,174,168,452</strong></td>
<td></td>
</tr>
<tr>
<td><strong>EXTERNAL EXPENSES</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Purchase of raw materials and other supplies</td>
<td>8,123,081,372</td>
<td>10,252,108,714</td>
<td></td>
</tr>
<tr>
<td>Inventory change [raw material and supply of provisions]</td>
<td>(2,322,024)</td>
<td>(114,529,217)</td>
<td></td>
</tr>
<tr>
<td>Other purchases and external charges</td>
<td>13,496,812,705</td>
<td>11,599,300,606</td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL external charges:</strong></td>
<td><strong>21,617,572,053</strong></td>
<td><strong>21,736,880,103</strong></td>
<td></td>
</tr>
<tr>
<td>TAXES, DUTIES AND SIMILAR LEVIES</td>
<td>68,311,860</td>
<td>106,846,014</td>
<td></td>
</tr>
<tr>
<td><strong>STAFF COSTS</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries and wages</td>
<td>5,504,150,218</td>
<td>5,421,671,158</td>
<td></td>
</tr>
<tr>
<td>Social costs</td>
<td>2,342,340,761</td>
<td>2,341,099,654</td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL staff costs:</strong></td>
<td><strong>7,846,490,979</strong></td>
<td><strong>7,762,770,812</strong></td>
<td></td>
</tr>
<tr>
<td><strong>OPERATIONAL PROVISIONS</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation allowance for amortization on fixed assets</td>
<td>2,403,317,753</td>
<td>5,859,655,591</td>
<td></td>
</tr>
<tr>
<td>Provisions for fixed assets</td>
<td>61,467,952</td>
<td>199,358,211</td>
<td></td>
</tr>
<tr>
<td>Provisions for current assets</td>
<td>1,826,769,060</td>
<td>255,573,437</td>
<td></td>
</tr>
<tr>
<td>Provisions for risks and expenses</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL operating provisions:</strong></td>
<td><strong>4,290,554,765</strong></td>
<td><strong>6,314,586,239</strong></td>
<td></td>
</tr>
<tr>
<td><strong>OTHER OPERATING COSTS</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating costs</td>
<td>34,765,882,098</td>
<td>37,028,697,260</td>
<td></td>
</tr>
<tr>
<td><strong>OPERATING RESULT</strong></td>
<td><strong>(2,256,962,888)</strong></td>
<td><strong>(1,854,528,808)</strong></td>
<td></td>
</tr>
</tbody>
</table>

### Financial Income

<table>
<thead>
<tr>
<th>Items</th>
<th>Net 31/12/2019</th>
<th>Net 31/12/2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial income from investments</td>
<td>2,074,000</td>
<td>2,488,800</td>
</tr>
<tr>
<td>Other interest receivable and similar income</td>
<td>116,239,965</td>
<td>143,601,936</td>
</tr>
<tr>
<td>Write-backs of provisions and transfer of expenditure</td>
<td>4,497,803</td>
<td></td>
</tr>
<tr>
<td>Exchange rate gains</td>
<td>1,080,864,268</td>
<td>1,480,620,527</td>
</tr>
<tr>
<td>Net income from sale of investment securities</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>FINANCIAL EXPENSES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial allowance for depreciation and provisions</td>
<td>50,000,000</td>
<td>150,000,000</td>
</tr>
<tr>
<td>Interest and related expenses</td>
<td>338,320,488</td>
<td>18,977,465</td>
</tr>
<tr>
<td>Exchange rate losses</td>
<td>931,599,562</td>
<td>1,199,131,870</td>
</tr>
<tr>
<td><strong>FINANCIAL RESULT</strong></td>
<td><strong>(120,541,817)</strong></td>
<td><strong>4,738,266,971</strong></td>
</tr>
</tbody>
</table>

### Income Before Tax

<table>
<thead>
<tr>
<th>Items</th>
<th>Net 31/12/2019</th>
<th>Net 31/12/2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Extraordinary income from management operations</td>
<td>1,450,551,490</td>
<td>970,675,653</td>
</tr>
<tr>
<td>Extraordinary income from capital transactions</td>
<td>33,555,143,610</td>
<td>448,533,956</td>
</tr>
<tr>
<td>Write-back of provisions and transfer of expenditure</td>
<td>1,943,399,434</td>
<td>3,319,057,308</td>
</tr>
<tr>
<td><strong>EXTRAORDINARY INCOME</strong></td>
<td><strong>36,949,094,534</strong></td>
<td><strong>4,738,266,971</strong></td>
</tr>
</tbody>
</table>

### Extraordinary Expenses

<table>
<thead>
<tr>
<th>Items</th>
<th>Net 31/12/2019</th>
<th>Net 31/12/2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Extraordinary management operations expenses</td>
<td>487,704,434</td>
<td>285,449,873</td>
</tr>
<tr>
<td>Extraordinary capital transaction expenses</td>
<td>33,201,909,056</td>
<td>693,741,420</td>
</tr>
<tr>
<td>Extraordinary amortization and provision allowance</td>
<td>125,654,305</td>
<td>638,623,191</td>
</tr>
<tr>
<td><strong>EXTRAORDINARY EXPENSES</strong></td>
<td><strong>33,815,267,795</strong></td>
<td><strong>1,617,814,411</strong></td>
</tr>
</tbody>
</table>

### Extraordinary Result

<table>
<thead>
<tr>
<th>Items</th>
<th>Net 31/12/2019</th>
<th>Net 31/12/2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Profit-sharing</td>
<td>14,063,269</td>
<td>23,078,539</td>
</tr>
<tr>
<td>Income tax payable</td>
<td>566,467,903</td>
<td>1,217,463,134</td>
</tr>
<tr>
<td><strong>PROFIT OR LOSS</strong></td>
<td><strong>175,790,862</strong></td>
<td><strong>288,481,736</strong></td>
</tr>
</tbody>
</table>

ANNUAL REPORT . 2019

To tatou manureva / www.airtahitinui.com
I - GENERAL
S.A.E.M. AIR TAHITI NUI is a local semi-public limited company, formed 31st October 1996. The head office is established in French Polynesia and the fiscal year began 1st January and ended 31st December.

The purpose of the Company is the operation of a passenger and freight airline business and the provision of all services directly or indirectly linked to its corporate purpose.

II - PRESENTATION OF ANNUAL ACCOUNTS
Accounts presented for S.A.E.M. AIR TAHITI NUI were prepared in accordance with the provision of the chart of accounts 1999, made applicable in French Polynesia by the ruling n° 2011-13 APF of 5th May 2011.

The balance sheet as presented covers the period of 1st January to 31st December 2019, a period of 12 months. The previous year also covered a period of 12 months.

The accounts were established by applying the following general principles:
- Business continuity,
- Cut-off procedures,
- Prudence Concept,
- Consistent methods.

Note on Foreign currency transactions:
Incomes and expenses denominated in foreign currency are recorded as their equivalent value in MXPF on the operation date. Debts, receivables and existing cash balances in foreign currency are converted at the exchange rate effective on 31st December. Any differences are carried over to the profit and loss account for cash balance and recorded on the balance sheet under “conversion differences” for debts and receivables. Unrealized losses are provided for.

III - KEY EVENTS
III - 1. Boeing Fleet
During 2019 the company received the 3 last Boeing aircraft replacing the Airbus fleet. The Boeing fleet was delivered as follows:
- F-OMUA on lease from ALC and put into service in June 2019
- F-OVAA purchased and put into service in June 2019
- F-OVBB purchased and put into service in August 2019

The two purchased Boeings were financed by company equity, bank loans and tax assistance for investment. The accounting treatment consisted of recording them as durable assets at purchase price and immediately devested cent for cant to portage vehicles. The company granted a vendor credit to the portage vehicles for the acquisition of the aircraft which were then leased to the company. Thus the rental invoices issued by the portage vehicles are recorded against the vendor credit.

III - 2. Airbus fleet
Following the contract signing with KPA Aviation in November 2018, the Airbus A340 were transferred as follows:
- F-OLNV “Nuku Hiva” in February 2019
- F-OSEAA “Moorea” in June 2019

Proceeds for all the aircraft were registered at 1,773 MXPF.

Tax depreciation was fully written back to the sum of 980 MXPF, as well as the provision for the tax depreciation for a total of 963 MXPF, the two having been recorded as extraordinary income.

For the year 2019, amortizations to the sum of 1,857 MXPF were recorded.

III - 3. Maintenance provisions
Taking into consideration the different financing methods for the new fleet, it was considered that the component-based approach would not provide a true reflection of the financial situation regarding the maintenance obligations linked to aircraft airworthiness. Hence the entity decided to change the method of accounting them to multi-annual maintenance, thus leading to clearer financial information.

In the context of the fleet’s replacement, the processing in relation to maintenance was reviewed. A consistent approach across the entire fleet was selected.

Henceforth, maintenance related to engine servicing, APU, landing gear and airfores are recorded under risk provision based on the maintenance contract signed by the company or on the basis of an estimate of maintenance costs.

For the financial year 2019, these provisions amount to 1,208 MXPF.

III - 4. Tax-exempted investment
On 27th December 2019, the company subscribed to a tax-exemption scheme with the SCP FINANCIERE BORA BORA PEARL BEACH as part of a renovation project for the BORA BORA PEARL BEACH hotel. The total project was 4,500 MXPF. As such the company made a capital contribution of 40.5 MXPF which allowed for a tax credit of 54 MXPF. This contribution which will be waived at the end of the operation was subject to a ‘100%’ provision for depreciation on the financial year. The full amount of this subscription was used for the financial year.

IV - OUTLOOK AND CONTINUITY OF BUSINESS FOR 2020
The emergence and spread of the Corona virus at the start of 2020 affected economic and commercial activity worldwide. Decisions taken by different countries to limit or ban travel have had a significant impact on all international air transport including Air Tahiti Nui.

The company thus decided to temporarily suspend all flights during April and to revise its flight schedules for 2020 with a view to returning to normal activity during the course of the first half of 2021. Certain measures were taken in order to limit the impact of this crisis on the company’s liquidity and profitability.
- The suspension or cancelling of all expenditure, projects and investments that are not essential for our security, safety and operations;
- The suspension of all non-essential recruitment for operations;
- Freezing of salary rises and incentives;
- Paid and unpaid leave to be taken to reduce the payroll;
- The reduction or deferral of budgeted expenditures for 2020.

Consequently, all share values were reviewed (intangible and tangible fixed assets, trade receivables, stock), with no impact on accounts.

Finally the Assembly of French Polynesia voted, on 26th March 2020 in favour of a support program for the Polynesian economy. As it is a majority stakeholder, the country decided to provide financial support to Air Tahiti Nui. On 30th March 2020, liquid assets amount to 15,900 billion XFP and ensures the continuity of company operations.

V - ACCOUNTING PRINCIPLES, RULES AND METHODS
Accounting methods applied
In accordance with current accounting and tax provisions, the principal methods used are as follows:

V - 1. Durable assets
V - 1.1. Intangible assets
The valuation method for intangible assets was based on historical cost. Gross intangible assets amount to 596.8 MXPF and cover the following durable assets:

<table>
<thead>
<tr>
<th>Intangible assets</th>
<th>Gross total MXPF</th>
</tr>
</thead>
<tbody>
<tr>
<td>Software</td>
<td>355.2</td>
</tr>
<tr>
<td>Image bank</td>
<td>132.6</td>
</tr>
<tr>
<td>Web platform</td>
<td>92</td>
</tr>
<tr>
<td>Assets under construction (primarily software)</td>
<td>16.4</td>
</tr>
</tbody>
</table>

Acquisitions for the year amount to 50.2 MXPF, corresponding to various software as well as the brand name and the image bank.

Intangible assets were amortized at 280.5 MXPF, and software at 171.2 MXPF.
V – 1.2. Tangible assets
The valuation method for tangible assets was based on historical cost. Gross tangible assets amount to 7,456.1 MXPF and are broken down as follows:

<table>
<thead>
<tr>
<th>Tangible assets</th>
<th>Gross total MXPF</th>
</tr>
</thead>
<tbody>
<tr>
<td>Technical installations, materials, ind. tools and constructions</td>
<td>6,650.7</td>
</tr>
<tr>
<td>Fixtures and fittings</td>
<td>499.5</td>
</tr>
<tr>
<td>Transport material</td>
<td>12.5</td>
</tr>
<tr>
<td>Office equipment</td>
<td>56.2</td>
</tr>
<tr>
<td>IT equipment</td>
<td>98.2</td>
</tr>
<tr>
<td>Furniture</td>
<td>118.1</td>
</tr>
</tbody>
</table>

Amortizations
The principal amortization rates applied are as follows

<table>
<thead>
<tr>
<th>Amortizations</th>
<th>Rate</th>
<th>Duration</th>
</tr>
</thead>
<tbody>
<tr>
<td>Industrial material</td>
<td>20 to 50 %</td>
<td>(2 to 5 years)</td>
</tr>
<tr>
<td>Buildings and fittings</td>
<td>2 % to 5 %</td>
<td>(20 to 50 years)</td>
</tr>
<tr>
<td>Fixtures and fittings</td>
<td>10 to 33.33 %</td>
<td>(3 to 10 years)</td>
</tr>
<tr>
<td>Transport material</td>
<td>20 to 100 %</td>
<td>(1 to 5 years)</td>
</tr>
<tr>
<td>Office equipment</td>
<td>10 to 50 %</td>
<td>(2 to 10 years)</td>
</tr>
<tr>
<td>IT equipment</td>
<td>20 to 50 %</td>
<td>(2 to 5 years)</td>
</tr>
</tbody>
</table>

Amortizations are applied according to the straight line method.

Acquisitions:
The year’s acquisitions amount to 26,058.7 MXPF and principally concern the purchase of aircraft, rotables, tooling.

Sorties:
Sorties for the year are 56,349 MXPF and principally concern Airbus and Boeing sorties.

V – 1.3. Financial fixed assets
Principally this concerns deposits and guarantees made in currency (USD, EUR, JPY, XPF, NZD, CAD). These assets were evaluated during the closure of accounts on 31st December 2019. They figure on the balance sheet assets for a total gross sum of 2,650.6 MXPF.

V – 2. Stocks
At the year end, stock valued as balance sheet assets for a total gross sum of 2,650.6 MXPF and break down principally as follows:

- Airbus and Boeing consumables stock for 464.9 MXPF, valued at weighted-average cost;
- Aircraft catering stock supplies for 316.1 MXPF, distributed across storage sites in Papeete and other stations and valued at last cost price.

Provision at the end of year closure of accounts is 214.3 MXPF and corresponds to the depreciation of Airbus spare parts and consumables and catering stock.

V – 3. Trade receivables
Receivables are recorded at their nominal value and amount to 1,741.1 MXPF on 31st December 2019. Receivables presenting a non-recovery risk at the end of the financial year are funded for 100% of their gross value in the assessment. These doubtful accounts amount to 62.4 MXPF on 31st December 2018.

An allowance and recovery of the funding for doubtful accounts were recorded respectively for the financial year at 26.3 MXPF and 0.8 MXPF.

V – 4. Other receivables
This entry increased from 475.5 MXPF in December 2018 to 32,320.1 MXPF in December 2019. The remaining receivables break down principally as follows:

- Vendor credit granted to SNC Diderot Financement 30 and SNC OTOA 31,540.4 MXPF
- Accounts linked to Unused flight tickets 271.6 MXPF
- Accrued income 237.7 MXPF
- Other 115.2 MXPF
- Other 160.2 MXPF

V – 5. Liquid assets
On 31st December 2019 the amount of liquid assets is 16,105.9 MXPF.

Foreign currency bank balances have been valued according to foreign currency exchange rates on 31st December 2019.

V – 6. Prepaid expenses
These amount to 2,630.9 MXPF at the end of the financial year, compared to 712.6 MXPF in December 2018.

Prepaid expenses are principally divided as follows:

- Rent ALC 2020 817 MXPF
- Maintenance charges 844 MXPF
- Insurance premiums 666 MXPF

V – 7. Equity
Capital stock composition
At the end of the financial year, capital stock is composed of 12,983,655 shares with a nominal value of 125 XPF.

Variations in equity
At the end of the financial year equity is 12,872 MXPF. The table below details the variations during the financial year of 2019:

<table>
<thead>
<tr>
<th>In Thousands XPF</th>
<th>Equity 31/12/2018</th>
<th>Appropriation N-1 by AGO</th>
<th>Share investments</th>
<th>Tax depreciation</th>
<th>Financial year result</th>
<th>Equity 31/12/19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital stock</td>
<td>1 622 957</td>
<td>1 622 957</td>
<td>1 700 974</td>
<td>162 296</td>
<td>162 296</td>
<td>1 700 974</td>
</tr>
<tr>
<td>Issue premiums</td>
<td>1 700 974</td>
<td>1 700 974</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Legal reserve</td>
<td>162 296</td>
<td>162 296</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Retained earnings</td>
<td>8 921 271</td>
<td>288 482</td>
<td>143 831</td>
<td></td>
<td>175 791</td>
<td>9 209 753</td>
</tr>
<tr>
<td>Result</td>
<td>288 482</td>
<td>-288 482</td>
<td></td>
<td></td>
<td>175 791</td>
<td>175 791</td>
</tr>
<tr>
<td>Investment subsidies</td>
<td>143 831</td>
<td>-143 831</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tax depreciation</td>
<td>894 846</td>
<td>-894 846</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total equity</td>
<td>13 734 655</td>
<td>0</td>
<td>-143 831</td>
<td>-894 846</td>
<td>175 791</td>
<td>12 871 770</td>
</tr>
</tbody>
</table>
V – 8. Appropriation of profits
The legal reserve is 162.3 MXPF which represents 10% of the capital stock.

The general meeting, having approved the end of year accounts for 2018, retained the appropriation for 288.5 MXPF.

V – 9. Investment subsidies
Reported result for the year end 2019 is 143,830,642 XPF.

These subsidies have been fully amortized and no longer figure in the assessment, following the divestiture of the Airbus aircraft.

The total figure for provisions for liabilities and expenses appears in the liabilities side of the balance sheet and amounts to 2,092.8 MXPF and breaks down as follows:
- Provisions for liabilities at 1,094.1 MXPF,
- Provisions for foreign exchange risk at 176.3 MXPF,
- Provisions for pension commitments 433 MXPF,
- Provisions for maintenance 1,208.4 MXPF.

V – 10.1. Provision for litigation and foreign exchange risk
Provision for litigations amount to 1,094.1 MXPF and are a reflection of the exact sum of contested debt for litigations linked to transportation and suppliers.

The evaluation of these liabilities and receivables in foreign currency was conducted according to the closing price. The exchange rate differential was funded to the sum of 276.3 MXPF.

V – 10.2. Provisions for retirement benefits
Since 2013 the company has applied the method recommended by The Association of Chartered Accountants (France), defined in accordance with the standard IAS 19 (International Accounting Standard 19).

It was selected as the reference salary for calculating of an average year’s salary over the 12 final months.

The selected discounting rate is the Bloomberg 15-year rate which is 0.85% at the end of December 2019.

Provision for Papeete employee retirement indemnities amounts to 416.4 MXPF at the end of the financial year 2019.

V – 10.3. Provisions for maintenance
Maintenance provision (Engine, APU, landing gear and airframe) has risen to 1,208.4 MXPF, valued for the most part in USD and converted according to exchange rates. The method applied is consistent for the whole of the fleet.

Provision for maintenance assigned to leasing contracts are recorded as prepaid expenses under liabilities. During maintenance work, reserve calls will be deducted from these prepaid expenses. Risk provision was recorded at the year end corresponding to the balance of paid provisions which cannot be recovered at the end of the contract.

V – 11. Loans and debts with Credit institutions
On 31st December 2019 loans and debts from credit institutions amounted to 29,761.6 MXPF of which 51.4 MXPF is accrued interest.

Statement of debt maturities from credit institutions (in MXPF).

<table>
<thead>
<tr>
<th>Denomination</th>
<th>Gross amount 31/12/19</th>
<th>At 1 year maximum</th>
<th>At over 1 year and maximum at 5 years</th>
<th>At over 5 years</th>
</tr>
</thead>
<tbody>
<tr>
<td>Banque de Polynésie - 2015</td>
<td>141 374 997</td>
<td>69 583 334</td>
<td>34 799 663</td>
<td></td>
</tr>
<tr>
<td>Banque de Polynésie - 2019</td>
<td>941 611 112</td>
<td>332 333 328</td>
<td>609 277 784</td>
<td></td>
</tr>
<tr>
<td>AFD - 2015</td>
<td>108 709 510</td>
<td>72 144 249</td>
<td>36 565 261</td>
<td></td>
</tr>
<tr>
<td>Société Générale - 2019</td>
<td>7 648 447 826</td>
<td>609 083 478</td>
<td>2 541 882 856</td>
<td>4 497 481 492</td>
</tr>
<tr>
<td>Pré-financement - 2019</td>
<td>5 750 880 657</td>
<td>5 750 880 657</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Banque de Tahiti - 2018</td>
<td>1 554 666 151</td>
<td>70 613 601</td>
<td>371 072 907</td>
<td>1 112 979 643</td>
</tr>
<tr>
<td>Société Générale - 2019</td>
<td>7 683 167 284</td>
<td>526 152 642</td>
<td>2 326 281 225</td>
<td>4 830 733 417</td>
</tr>
<tr>
<td>Pré-financement - 2019</td>
<td>5 786 025 936</td>
<td>5 786 025 936</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grand Total</td>
<td>29 577 883 473</td>
<td>1 679 910 631</td>
<td>5 919 871 696</td>
<td>21 978 101 145</td>
</tr>
</tbody>
</table>

V – 12. Miscellaneous loans and financial debts
Miscellaneous loans and financial debts amount to 59.7 MXPF and principally concerns administrator fees and travel agency deposits.

V – 13. Operating liabilities
Liabilities are carried over onto the balance sheet at their nominal value after taking into consideration all accruals that may result from company contractual obligations and applicable fiscal and social legislation.

Suppliers liabilities amount to 2,461.3 MXPF on 31st December 2019 compared to 2,993 MXPF 31st December 2018. Fiscal and social liabilities amount to 2,456.1 MXPF on 31st December and are broken down as follows:
- Social liabilities to the amount of 1,481.1 MXPF are divided as follows:
  - Provision for paid leave: 652 MXPF
  - Social contributions: 329.3 MXPF
  - Provision for social costs on paid leave: 245.7 MXPF
  - Other: 254 MXPF
- Tax liabilities to the sum of 975 MXPF are broken down as follows:
  - Collected passenger tax: 886.3 MXPF
  - Other tax liabilities: 88.7 MXPF

V – 14. Other liabilities
The entry “other liabilities” went from 1,283.6 MXPF on 31st December 2018 to 1,451.3 MXPF on 31st December 2019 and is divided as follows:
- Loyalty points value for “Frequent flyer”:
  - Accruals: 1,076 MXPF
  - Other: 329.3 MXPF
  - Other: 46 MXPF

The company offers a “Club Tiare” loyalty program which enables those who subscribe to collect air miles when they fly with Air Tahiti Nui or when they purchase their services via credit card company. Members can exchange these air miles for travel or other company services.

Loyalty point value is calculated based on the basis of the stock of miles in circulation at the end of year closure of accounts.

V – 15. Deferred revenue
Deferred revenue of 8,200 MXPF on 31st December 2018 amounts to 8,673.5 MXPF on 31st December 2019. At the end of the financial year, deferred revenue is itemized as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>MXPF</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unused flight tickets</td>
<td>7,126.4</td>
</tr>
<tr>
<td>Fuel surcharge</td>
<td>1,890.3</td>
</tr>
<tr>
<td>Deferred revenue tax credit</td>
<td>113.5</td>
</tr>
<tr>
<td>Insurance surcharge</td>
<td>43.3</td>
</tr>
</tbody>
</table>

Note on unused tickets:
In accordance with the principle usually applied by Airlines, sales revenue is recorded when passengers actually travel, and is based on the coupons received when they actually travel. When the ticket is issued the company records a deferred income which is discounted upon travel, exchange or refund of tickets.

Coupons received upon travel and issued by a third party airline are invoiced to the latter according to IATA rules or specific agreements.

The value of unused flight tickets at the end of the financial year 2019 appear in the liability section of the balance sheet. Taking into account that issued tickets are valid for a year, Air Tahiti Nui has made an exceptional accounting entry of 432.5 MXPF, which corresponds to the cancellation of all tickets issued and not used within 12 months.
V – 16. Auditor's fees
Year ending December 2019, auditor’s fees figure in the end of year income statement, ammounts to 14.3 MXPF.

V – 17. Workforce on 31st December 2019 (FTE – Full-time equivalent)

<table>
<thead>
<tr>
<th></th>
<th>31/12/2017</th>
<th>31/12/2018</th>
<th>31/12/2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Executive managers</td>
<td>68</td>
<td>70</td>
<td>67.8</td>
</tr>
<tr>
<td>Supervisors</td>
<td>148.8</td>
<td>144.1</td>
<td>147</td>
</tr>
<tr>
<td>Manual workers &amp; employees</td>
<td>102.4</td>
<td>106.3</td>
<td>93</td>
</tr>
<tr>
<td>Commercial flight crew</td>
<td>310</td>
<td>305</td>
<td>307</td>
</tr>
<tr>
<td>Technical flight crew</td>
<td>78.5</td>
<td>77</td>
<td>73</td>
</tr>
<tr>
<td>Total French Polynesia</td>
<td>707.7</td>
<td>702.4</td>
<td>687.8</td>
</tr>
<tr>
<td>Employees based abroad</td>
<td>64.2</td>
<td>64.1</td>
<td>58.7</td>
</tr>
<tr>
<td>Total workforce</td>
<td>771.9</td>
<td>766.5</td>
<td>746.5</td>
</tr>
</tbody>
</table>

V – 18. Consolidated accounts
Consolidated annual accounts were drawn up for the Air Tahiti Nui group from the financial year 2019.

V – 19. Information concerning receivables and liabilities with related parties

<table>
<thead>
<tr>
<th>Related Party: Tahiti Nui Helicopters</th>
<th>Amount in XPF</th>
</tr>
</thead>
<tbody>
<tr>
<td>Receivables</td>
<td>24,832,439</td>
</tr>
<tr>
<td>Suppliers</td>
<td>476,015</td>
</tr>
</tbody>
</table>

Opinion
In our capacity as statutory auditors entrusted to us by your annual general meeting, we conducted an audit on the annual accounts of S.A.E.M.L. AIR TAHITI NUI relating to the past financial year ending the 31st December 2019, as attached to this report. These accounts were examined by the board of directors on the 26th of May 2020 and based on the elements available at the time during which the Covid-19 crisis was evolving.

We certify that the annual accounts are, in accordance with French accounting rules and principles applicable in French Polynesia, a true and fair view of the financial position of the past fiscal year and also the company’s financial situation and assets at the end of the financial year.

Basis of audit opinion
Audit terms
We have undertaken our audit according to the professional standards applicable in France. We believe that the elements we have collated are sufficient and appropriate to form an opinion.

Our responsibilities in accordance with these standards are indicated in the section “Auditor responsibilities relating to annual accounts audit” of this document.

Independence
We have carried out our audit respecting the independence rulings which apply from the 1st January 2019 up until the date of issue of our report, and we have not provided any services that are prohibited by the applicable professional standards.

Observation
Without qualifying our opinion, please refer to section IV of the annual accounts’ annex which reveal business continuity prospects for 2020.

Assessment justification
By applying professional standards relative to assessment justification, we bring the following assessments to your attention which, in our professional capacity, believe to be the most significant for the company annual accounts audit.

Your company makes provisions for requirements in maintaining airworthy aircraft as described in sections “III – 3” and “V – 10.3” of the annex. Our review consisted, notably, in verifying the account processing adopted for the translation of maintenance obligations, to assess the statistics and hypotheses on which estimates are based, to ensure they are reasonable, to review calculations performed by the company and verify that sections “III – 3” and “V – 10.3” of the annual account present appropriate information. These assessments were made within the context of annual account audits, taken as a whole, established under the conditions referred to earlier, and the formation of our previously expressed opinion. We do not express an opinion about individual items in these annual accounts.

Verification of management report and other documents addressed to stakeholders.
In accordance with French professional standards we have also conducted specific legally required verifications.
We have no comments to make concerning the fair presentation and consistency of the annual accounts, the information provided in your board of directors’ management report and in documents addressed to stakeholders about the financial state of annual accounts.

Management informed us that with regard to events that occurred and to elements known subsequently to the end of year accounts linked to the Covid-19 crisis, they will communicate with the General meeting called to approve the accounts.
Responsibilities of management and those charged with corporate governance in relation to the annual accounts

It is the responsibility of Management to establish annual accounts that present a truthful view in accordance with the rules and principles of French Accounting applicable in French Polynesia, and also to implement internal control that it deems necessary to establish that the annual accounts contain no significant material misstatement, whether due to fraud or error.

When establishing annual accounts it is incumbent upon Management to evaluate the company’s capacity to continue operations, and, if need be, present necessary information in the accounts relative to the continuation of operations and to apply the accounting policy for business continuity, unless the company is expected to go into liquidation or cease trading.

The annual accounts were approved by your Board of Directors.

Responsibility of auditors relating to the audit of annual accounts

Our task is to establish a report on annual accounts. Our aim is to obtain reasonable assurance that the annual accounts taken as a whole do not contain any material misstatement.

Reasonable assurance means an elevated level of assurance, without, however, the guarantee that an audit conducted in accordance with professional standards can consistently detect all material misstatement.

By applying professional standards applicable in France, our mission to certify accounts does not consist in guaranteeing the viability or the quality of management of your company.

A more detailed description of our responsibilities as auditors linked to annual account audits can be found in the annex to this document and is an integral part thereof.

Papeete,
5th June 2020.

For the SCP
GOSSE PARION CHANGUES MENARD ALBERT
For the SARL
KPMG

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REPORT ANNEX
AUDITOR RESPONSIBILITIES IN DETAIL

Within the framework of an audit conducted in accordance with the professional standards applicable in France, the auditor shall exercise professional judgement throughout.

In addition:

• They identify risks that the annual accounts may contain material misstatements, whether the latter come from fraud or are a result of errors, they define and put into practice audit procedures in the face of these risks, and gather together elements they feel are sufficient and appropriate on which to base their opinion. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting a material misstatement due to error because fraud may involve collusion, falsification, wilful omission, misrepresentation or circumvention of internal control;

• They take heed of relevant internal control for the audit to define the audit procedures that are appropriate under the circumstances, and not with the aim of expressing an opinion regarding the efficiency of internal control;

• They assess the appropriate character of the accounting methods selected and the reasonable accounting estimates made by management, as well as information provided about this in the annual accounts;

• They assess the appropriate nature of the management’s application of the standard accounting policy and according to the information gathered, the existence or absence of existence of any significant uncertainty linked to events or circumstances that are susceptible of questioning the capacity of the company to continue its business. This assessment is backed up with elements collected up to the date of the report, always being aware that subsequent circumstances or events could jeopardise ongoing operations. If they reach the conclusion that there is a significant uncertainty, they draw the reader’s attention to their report about the information provided in the annual accounts linked to this uncertainty or, if the information is not provided or relevant, they issue a certification with reservations or a refusal of certification;

• They assess all the annual accounts as a whole and evaluate if the annual accounts are a reflection of underlying operations and events in order to present a fair picture.
Outlook 2020

At the start of 2020, the Covid-19 health crisis and its subsequent disastrous consequences on the worldwide economy, particularly for the aviation and tourism sector, put an abrupt halt to activity that had already been buffeted by the arrival of competition in 2019. Fortunately, Air Tahiti Nui entered this crisis with good fundamentals (both liquid assets and capital) and above average ratios for the industry. However, this brutal pandemic has affected each and every company, and however robust they may be, even the strongest will need help from their government.

High levels of debt and the weakening of the market after the crisis will lead to a constant struggle in order to restore sustainable margins. All airlines will have to undergo extensive changes in order to cope with this major upheaval based on a steep fall in demand and health restrictions, involving greater rationalization of cost structures and even reductions in workforce, as many leading airlines in the sector have already been obliged to do. Air Tahiti Nui is no exception to the rule and although there was a concerted effort to reduce structural costs to make the company more competitive in 2019, these efforts must also be sustained next year.

Just like its fellow airlines, our own company will seek the necessary assistance to maintain it within a very degraded working environment. Air Tahiti Nui’s economic importance in French Polynesia and its essential role in territorial continuity and support for tourism, the country’s primary industry, both reinforce its quality seal as a “strategic business”. Indeed, it represents much more than just an asset for tourist development and will play an undeniably fundamental part in the slow and gradual rebuilding of an industry already extensively shaken by the present crisis.

2019 saw the successful completion of the fleet transition that had begun five years earlier. Our company thus became owners of a new working tool enabling us to capitalize on the key success factors such as the excellence of its service and the immersive experience provided by our brand. The introduction of the Tahitian Dreamliners finally occurred in an environment vastly different to the one in 2015, requiring the company to develop distinctive elements for the unveiling of its signature, assert its added value and thus stand out from its competitors.

In line with this continuous improvement philosophy, in 2020 the operational product committee will be refocusing on the methods formalized at the time of rebranding to strengthen Air Tahiti Nui service, giving rise to the development of service markers in particular.

As planned before the advent of the health crisis, the distribution, digitization and revenue components should also see their initiatives intensified during the course of the year as part of the 2020 business plan.

Today the challenge for airlines remains to secure the necessary cash flow in order to withstand the crisis and bounce back when it comes to an end. They will also have to quickly reinvent themselves in order to respond to the specificities of a post-Covid market and regain their place in an international airspace in the midst of a reconstruction.

Air Tahiti Nui will be part of that journey.
TABLE OF KEY INDICATORS AND GRI CORRESPONDENCES
The guiding principles and recommendations of the Global Reporting Initiative were taken into account in the drafting of this report.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>SOCIAL</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number of employees</td>
<td>unit</td>
<td>790</td>
<td>780</td>
<td>755</td>
<td>-3%</td>
</tr>
<tr>
<td>Recruitment</td>
<td>unit</td>
<td>54</td>
<td>48</td>
<td>26</td>
<td>-46%</td>
</tr>
<tr>
<td>Departures</td>
<td>unit</td>
<td>53</td>
<td>50</td>
<td>46</td>
<td>-6%</td>
</tr>
<tr>
<td>Amount of total payroll</td>
<td>billion</td>
<td>7.44</td>
<td>7.25</td>
<td>7.26</td>
<td>0%</td>
</tr>
<tr>
<td>Amount allocated to professional training</td>
<td>million XPF</td>
<td>78</td>
<td>65</td>
<td>110</td>
<td>69%</td>
</tr>
<tr>
<td>Percentage of payroll devoted to training personnel</td>
<td>percentage</td>
<td>0.99</td>
<td>0.97</td>
<td>0.91</td>
<td>-6%</td>
</tr>
<tr>
<td>Number of workplace accidents</td>
<td>unit</td>
<td>12</td>
<td>16</td>
<td>20</td>
<td>25%</td>
</tr>
<tr>
<td>Parity (percentage of female employees - all positions included)</td>
<td>percentage</td>
<td>51.6</td>
<td>52.3</td>
<td>52.8</td>
<td>1%</td>
</tr>
<tr>
<td>Number of employees with a disability</td>
<td>unit</td>
<td>2</td>
<td>2</td>
<td>1</td>
<td>-50%</td>
</tr>
<tr>
<td><strong>ENVIRONMENT</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number of flights operated</td>
<td>Unit in number of legs</td>
<td>2 170</td>
<td>2 129</td>
<td>1 994</td>
<td>-6%</td>
</tr>
<tr>
<td>Number of flight hours *</td>
<td>Block unit hours (block to block)</td>
<td>19 108</td>
<td>18 607</td>
<td>17 314</td>
<td>-7%</td>
</tr>
<tr>
<td>Direct CO2 emissions*</td>
<td>equivalent tonnes CO2</td>
<td>379 070</td>
<td>368 655</td>
<td>305 020**</td>
<td>-17%</td>
</tr>
<tr>
<td>Energy consumption</td>
<td>Kilowatt kW</td>
<td>706 810</td>
<td>773 739</td>
<td>946 242</td>
<td>22%</td>
</tr>
<tr>
<td><strong>SOCIETAL</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales revenue</td>
<td>billion XPF</td>
<td>35.4</td>
<td>34.1</td>
<td>31.9</td>
<td>-6%</td>
</tr>
<tr>
<td>Number of passengers transported</td>
<td>unit</td>
<td>484 722</td>
<td>471 542</td>
<td>434 280</td>
<td>-8%</td>
</tr>
<tr>
<td>Number of tourists transported</td>
<td>unit</td>
<td>137 772</td>
<td>132 456</td>
<td>114 061</td>
<td>-14%</td>
</tr>
<tr>
<td>Market share of tourist traffic</td>
<td>percentage</td>
<td>69.20%</td>
<td>61.20%</td>
<td>48.30%</td>
<td>-21%</td>
</tr>
<tr>
<td>Tourist revenue generated (Indirect impact from Air Tahiti Nui activity)</td>
<td>billion XPF</td>
<td>35</td>
<td>39.6</td>
<td>na</td>
<td>na</td>
</tr>
<tr>
<td>Tonnage of goods transported</td>
<td>tonnes</td>
<td>9 512</td>
<td>9 697</td>
<td>8 922</td>
<td>-8%</td>
</tr>
<tr>
<td>Amount devoted to support of local associations (charities and environmental assoc.)</td>
<td>millions FPF</td>
<td>32.1</td>
<td>31.3</td>
<td>21.6</td>
<td>-31%</td>
</tr>
<tr>
<td><strong>SKATEHOLDER FEEDBACK</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number of active Club Tiare members</td>
<td>unit</td>
<td>129 786</td>
<td>143 291</td>
<td>154 086</td>
<td>8%</td>
</tr>
<tr>
<td>Rate of customer satisfaction</td>
<td>percentage</td>
<td>96%</td>
<td>96%</td>
<td>na**</td>
<td>na</td>
</tr>
<tr>
<td>Number of customers surveyed</td>
<td>unit</td>
<td>6 604</td>
<td>4 326</td>
<td>4 124</td>
<td>-5%</td>
</tr>
</tbody>
</table>

*Due to the introduction of the new Boeing aircraft during the course of the year, onboard surveys in 2019 were conducted in several waves from January to June; they were carried out on the two fleets irrespective of aircraft type from July to September, feedback was focused on the new Boeing fleet and the entire company product. Over the last quarter, the surveys continued on an exclusively B787-9 fleet (see 8 Customer satisfaction policy on p.30 of this report).

** According to CORSIA declaration and audit

Certain data may have changed since the publication of the sustainable development report 2018 following the value adjustment and indicator update.