



MONTHLY INVESTOR UPDATE: 22 FEBRUARY 2012

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JANUARY MARKET CONDITIONS

Air New Zealand carried 980,000 passengers during the month of January, 1.0% less than last year. Revenue passenger kilometres (RPKs) decreased 1.3% on the same capacity (ASKs). The Group load factor decreased 1.1 percentage points.

Short Haul passenger numbers were down 0.4% on January last year. Demand (RPKs) increased in the Domestic market by 1.6% on last year and the load factor increased 1.9 percentage points to 83.8% on decreased capacity (ASKs) of 0.7%. Tasman / Pacific demand (RPKs) was 0.9% higher after capacity (ASKs) decreased by 1.2%. The Tasman / Pacific load factor increased by 1.8 percentage points compared to January 2011 to 86.9%.

Long Haul passenger numbers were 4.3% lower than January last year on 0.7% more capacity (ASKs). On North America / UK routes demand (RPKs) decreased by 3.4% on last January and capacity (ASKs) was decreased by 2.1%. Load factor decreased by 1.3 percentage points on last year to 89.2%. Demand (RPKs) decreased by 1.8% on Asia / Japan / UK routes, capacity (ASKs) increased by 4.8% and load factor decreased by 5.5 percentage points to 82.8%. The impact of the Christchurch and Japan earthquakes in 2011 continues to significantly affect passenger numbers on the Japan routes. Excluding Japan, capacity (ASKs) increased 15.8% on Asia/UK routes as a result of additional services to Hong Kong and Shanghai. Demand (RPKs) increased by 10.3% and load factor decreased by 4.3 percentage points to 84.8% compared to January last year.

Group-wide yields for the financial year to date were up 4.1% on the same period last year. Compared to last January year to date Short Haul yields were up 1.7%. Long Haul yields were up by 4.3%. Removing the impact of foreign exchange, Group-wide yields were up 5.8%.

In January, 84.75% of Air New Zealand's Domestic flights departed within 10 minutes of scheduled departure time.



COMPANY NEWS

Air New Zealand CEO Resignation

Chairman John Palmer says Chief Executive Officer Rob Fyfe has confirmed this will be his last year at the helm of the national carrier.

“Rob has been - and continues to be - an outstanding Chief Executive Officer with the full support of the Air New Zealand Board. He has ensured that Air New Zealand has remained profitable despite the backdrop of turbulent economic times that have seen airlines lose billions globally. Alongside this Air New Zealand’s innovations, high customer satisfaction ratings and culture have become the envy of airlines around the world. Rob’s leadership skills have also been acknowledged internationally with his current chairmanship of the Star Alliance and his continuing role as a member of the IATA Board,” Mr Palmer says

We would expect significant international interest in the role and believe there are some very strong candidates from within Air New Zealand’s existing executive management team. There is no fixed time for when the decision will be made on the appointment of Air New Zealand’s next Chief Executive Officer but a normal period would be roughly six months.”

Mr Fyfe says his decision to leave Air New Zealand on 31 December 2012 coincides with the end of his term as Chairman of Star Alliance and will also see him complete four years as a Board member of the International Air Transport Association.

Bali is Air New Zealand’s newest international route

Kiwis will now be able to fly non-stop to the popular holiday destination of Bali with the launch of Air New Zealand’s new twice weekly service between Auckland and Denpasar Airport.

The Boeing 767-300 service will operate seasonally over the peak demand period of June to October, but has the potential to operate year round if there’s sufficient demand.

The inaugural flight will depart on Wednesday June 20, subject to government and regulatory approvals. The Boeing 767-300 has 24 Business Class and 204 Economy Class seats.

JANUARY STATISTICS TABLE

Group	JANUARY			FINANCIAL YTD		
	2012	2011	% *	2012	2011	% *
Passengers carried (000)	980	990	(1.0%)	7,734	7,789	(0.7%)
Revenue Passenger Kilometres(m)	2,334	2,364	(1.3%)	16,118	16,513	(2.4%)
Available Seat Kilometres (m)	2,705	2,705	(0.0%)	19,347	19,510	(0.8%)
Passenger Load Factor (%)	86.3%	87.4%	(1.1 pts)	83.3%	84.6%	(1.3 pts)
Short Haul Total						
	JANUARY			FINANCIAL YTD		
	2012	2011	% *	2012	2011	% *
Passengers carried (000)	831	834	(0.4%)	6,776	6,757	0.3%
Revenue Passenger Kilometres(m)	924	914	1.1%	7,082	6,881	2.9%
Available Seat Kilometres (m)	1,075	1,087	(1.0%)	8,456	8,216	2.9%
Passenger Load Factor (%)	85.9%	84.1%	1.8 pts	83.7%	83.7%	-
Domestic						
	JANUARY			FINANCIAL YTD		
	2012	2011	% *	2012	2011	% *
Passengers carried (000)	583	583	(0.0%)	4,933	4,974	(0.8%)
Revenue Passenger Kilometres(m)	283	279	1.6%	2,345	2,337	0.4%
Available Seat Kilometres (m)	338	340	(0.7%)	2,884	2,847	1.3%
Passenger Load Factor (%)	83.8%	81.9%	1.9 pts	81.3%	82.1%	(0.8 pts)
Tasman / Pacific						
	JANUARY			FINANCIAL YTD		
	2012	2011	% *	2012	2011	% *
Passengers carried (000)	248	251	(1.4%)	1,843	1,783	3.4%
Revenue Passenger Kilometres(m)	641	635	0.9%	4,736	4,544	4.2%
Available Seat Kilometres (m)	738	746	(1.2%)	5,572	5,370	3.8%
Passenger Load Factor (%)	86.9%	85.1%	1.8 pts	85.0%	84.6%	0.4 pts
Long Haul Total						
	JANUARY			FINANCIAL YTD		
	2012	2011	% *	2012	2011	% *
Passengers carried (000)	149	156	(4.3%)	958	1,032	(7.2%)
Revenue Passenger Kilometres(m)	1,410	1,451	(2.8%)	9,036	9,632	(6.2%)
Available Seat Kilometres (m)	1,630	1,619	0.7%	10,891	11,293	(3.6%)
Passenger Load Factor (%)	86.5%	89.6%	(3.1 pts)	83.0%	85.3%	(2.3 pts)
Asia / Japan / UK						
	JANUARY			FINANCIAL YTD		
	2012	2011	% *	2012	2011	% *
Passengers carried (000)	62	64	(2.7%)	386	420	(8.2%)
Revenue Passenger Kilometres(m)	564	575	(1.8%)	3,527	3,863	(8.7%)
Available Seat Kilometres (m)	682	651	4.8%	4,359	4,620	(5.7%)
Passenger Load Factor (%)	82.8%	88.3%	(5.5 pts)	80.9%	83.6%	(2.7 pts)
North America / UK						
	JANUARY			FINANCIAL YTD		
	2012	2011	% *	2012	2011	% *
Passengers carried (000)	88	93	(5.5%)	572	612	(6.5%)
Revenue Passenger Kilometres(m)	846	876	(3.4%)	5,509	5,769	(4.5%)
Available Seat Kilometres (m)	948	968	(2.1%)	6,533	6,673	(2.1%)
Passenger Load Factor (%)	89.2%	90.5%	(1.3 pts)	84.3%	86.5%	(2.2 pts)

* % change is based on numbers prior to rounding

Air New Zealand operates primarily in one segment, its primary business being the transportation of passengers and cargo on an integrated network of scheduled airline services to, from and within New Zealand. The following operational data and statistics is additional supplementary information only.