MONTHLY INVESTOR UPDATE: 19 DECEMBER 2012

CONTENTS

- *November market conditions*
- *Company news*
- *Operating statistics table*

NOVEMBER MARKET CONDITIONS

Air New Zealand carried 1,045,000 passengers during the month of November, 0.1% more than the same period last year. Revenue passenger kilometres (RPKs) increased 3.5% on a capacity (ASKs) increase of 3.5%. Group load factor was 81.4%, down 0.1 of a percentage point.

Short Haul passenger numbers were down 0.2% on the same period last year. Demand (RPKs) increased in the Domestic market by 1.1%, while capacity increased 3.0%. Domestic load factor was down 1.5 percentage points to 81.2%.

Tasman/Pacific demand (RPKs) increased 1.6%, with capacity (ASKs) increasing 5.9%, driven mostly by the introduction of B777 aircraft on the Auckland-Perth route. Load factor for Tasman/Pacific was down 3.5 percentage points to 84.4%.

Long Haul passenger numbers increased 2.7% compared to November last year, with growth in capacity (ASKs) of 2.4% and demand (RPKs) of 5.3%. Load factor increased by 2.2 percentage points to 79.9%.

On North America/UK routes, demand (RPKs) increased 9.7% with capacity (ASKs) increasing by 7.0% due to increased frequencies on the Auckland-Los Angeles route. Load factor increased 2.0 percentage points on the previous year to 80.2%.

Demand (RPKs) was down 0.7% on Asia/Japan/UK routes, with capacity (ASKs) decreasing by 3.7% due to the introduction of B767 aircraft on Japan routes. Load factor increased by 2.4 percentage points to 79.4%.

Group-wide yields for the financial year to date were down 1.4% on the same period last year. Short Haul yields were down 3.6% reflecting price reductions to stimulate demand, while Long Haul yields were up 2.0%. Removing the impact of foreign exchange, Group-wide yields were down 1.3%.

In November, 87.0% of Air New Zealand's Domestic flights departed within 10 minutes of scheduled departure time.

COMPANY NEWS

Debut of Hobbit-themed 777-300

One of Air New Zealand's flagship Boeing 777-300s has become a flying billboard for *The Hobbit: An Unexpected Journey*, the first in a trilogy of films from Kiwi director Sir Peter Jackson. The aircraft has received significant attention from global media and wowed crowds at the film's premiere in Wellington with a low pass over the red carpet.

Air New Zealand Chief Executive Officer Rob Fyfe said: "New Zealand is the home of Middle-earth and The Hobbit movies will be hugely important to New Zealand's tourism industry in the next couple of years as international tourists are inspired to come and see and experience for themselves the landscapes which have shaped the movies."

Second season of direct Sunshine Coast flights

Travellers will again be able to leave their winter woes behind and fly non-stop to the heart of Queensland's Sunshine Coast next year with alliance partners Air New Zealand and Virgin Australia confirming a second season of direct services between Auckland and Sunshine Coast. The direct service will operate twice a week on Tuesdays and Sundays from 18 June to 13 October 2013.

The 17 week season is being extended next year to include the October school holidays, following the success of the 2012 season. An A320 aircraft will operate the service, offering a 'Seats to Suit' fare structure and seamless connections to the domestic and international networks of Air New Zealand and Virgin Australia.

Group	NOVEMBER			FINANCIAL YTD		
	2012	2011	% *	2013	2012	% * +
Passengers carried (000)	1,045	1,044	0.1%	5,436	5,440	1.3%
Revenue Passenger Kilometres(m)	2,038	1,969	3.5%	11,318	10,972	4.6%
Available Seat Kilometres (m)	2,502	2,417	3.5%	13,710	13,311	4.4%
Passenger Load Factor (%)	81.4%	81.5%	(0.1 pts)	82.6%	82.4%	0.2 pts

Short Haul Total	NOVEMBER			FINANCIAL YTD		
	2012	2011	% *	2013	2012	% * +
Passengers carried (000)	933	935	(0.2%)	4,818	4,830	1.1%
Revenue Passenger Kilometres(m)	959	945	1.5%	5,306	5,144	4.5%
Available Seat Kilometres (m)	1,152	1,099	4.8%	6,464	6,199	5.7%
Passenger Load Factor (%)	83.2%	86.0%	(2.8 pts)	82.1%	83.0%	(0.9 pts)

Domestic	NOVEMBER			FINANCIAL YTD		
	2012	2011	% *	2013	2012	% * +
Passengers carried (000)	703	704	(0.1%)	3,483	3,518	0.3%
Revenue Passenger Kilometres(m)	337	333	1.1%	1,672	1,662	2.0%
Available Seat Kilometres (m)	415	403	3.0%	2,085	2,070	2.1%
Passenger Load Factor (%)	81.2%	82.7%	(1.5 pts)	80.2%	80.3%	(0.1 pts)

Tasman / Pacific	NOVEMBER			FINANCIAL YTD		
	2012	2011	% *	2013	2012	% * +
Passengers carried (000)	230	231	(0.3%)	1,335	1,312	3.1%
Revenue Passenger Kilometres(m)	622	612	1.6%	3,634	3,483	5.8%
Available Seat Kilometres (m)	737	696	5.9%	4,379	4,129	7.5%
Passenger Load Factor (%)	84.4%	87.9%	(3.5 pts)	83.0%	84.4%	(1.4 pts)

Long Haul Total	NOVEMBER			FINANCIAL YTD		
	2012	2011	% *	2013	2012	% * +
Passengers carried (000)	112	109	2.7%	618	610	2.6%
Revenue Passenger Kilometres(m)	1,079	1,024	5.3%	6,012	5,828	4.6%
Available Seat Kilometres (m)	1,350	1,318	2.4%	7,246	7,112	3.3%
Passenger Load Factor (%)	79.9%	77.7%	2.2 pts	83.0%	81.9%	1.1 pts

Asia / Japan / UK	NOVEMBER			FINANCIAL YTD		
	2012	2011	% *	2013	2012	% * +
Passengers carried (000)	47	47	0.2%	249	251	0.7%
Revenue Passenger Kilometres(m)	428	431	(0.7%)	2,295	2,295	1.3%
Available Seat Kilometres (m)	539	560	(3.7%)	2,911	2,847	3.6%
Passenger Load Factor (%)	79.4%	77.0%	2.4 pts	78.8%	80.6%	(1.8 pts)

North America / UK	NOVEMBER			FINANCIAL YTD		
	2012	2011	% *	2013	2012	% * +
Passengers carried (000)	65	62	4.6%	368	359	4.0%
Revenue Passenger Kilometres(m)	650	593	9.7%	3,716	3,532	6.6%
Available Seat Kilometres (m)	811	758	7.0%	4,335	4,266	3.0%
Passenger Load Factor (%)	80.2%	78.2%	2.0 pts	85.7%	82.8%	2.9 pts

* % change is based on numbers prior to rounding

+ The year-to-date percentage movements have been adjusted on a daily weighted average basis. The adjustment takes into account the difference in days for the accounting month of July 2012 (29 days) compared with July 2011 (31 days).

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.