

MONTHLY INVESTOR UPDATE: 20 MARCH 2013

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FEBRUARY MARKET CONDITIONS

Air New Zealand carried 1,062,000 passengers during the month of February, 2.5% more than the same period last year. Revenue passenger kilometres (RPKs) increased 4.4% on a capacity (ASKs) increase of 1.9%. Group load factor was 83.3%, up 2.0 percentage points.

Short Haul passenger numbers were up 2.8% on the same period last year. Demand (RPKs) increased in the Domestic market by 4.0%, while capacity increased 3.6%. Domestic load factor was up 0.3 of a percentage point to 83.3%.

Tasman/Pacific demand (RPKs) increased 7.3%, with capacity (ASKs) increasing 5.4%, driven by the introduction of B777 aircraft on the Auckland-Perth route and increased frequency on the Auckland-Honolulu route. Load factor for Tasman/Pacific was up 1.5 percentage points to 82.9%.

Long Haul passenger numbers increased 0.5% compared to February last year, with demand (RPKs) up 3.1% while capacity decreased 0.3%. Load factor increased by 2.7 percentage points to 83.5%.

On North America/UK routes, demand (RPKs) increased 7.3% with capacity (ASKs) increasing by 3.4%. Load factor increased 3.0 percentage points on the previous year to 84.6%.

Demand (RPKs) was down 2.9% on Asia/Japan/UK routes, with capacity (ASKs) decreasing by 5.5% due to consolidation of China flying onto the Shanghai route and reduced frequency on the Auckland-Hong Kong route. Load factor increased 2.2 percentage point to 81.9%.

Group-wide yields for the financial year to date were up 1.4% on the same period last year. Short Haul yields were down 1.6%, while Long Haul yields were up 5.2%. Removing the impact of foreign exchange, Group-wide yields were up 2.2%.

In February, 87.7% of Air New Zealand's Domestic flights departed within 10 minutes of scheduled departure time.



COMPANY NEWS

Air New Zealand appoints new GM Customer Experience

Air New Zealand has appointed Calum Laming to the newly created role of General Manager Customer Experience. Mr Laming joins Air New Zealand from Abu Dhabi where he was most recently Head of Guest Experience for Etihad Airways, the national airline of the United Arab Emirates.

He joined Etihad initially to manage its First and Business Class customer experience before taking on overall responsibility for the strategic development of the airline's entire customer journey.

Mr Laming has previously held senior customer experience and marketing roles at Virgin Atlantic and Procter and Gamble. He also has a strong operational background in airlines having held a number of in-flight and ground roles with British Airways' low cost carrier, Go.

New 'Bear Essentials' safety video a hit

More than 2 million people have already viewed Air New Zealand's latest onboard safety video, The Bear Essentials of Safety online. The video, featuring internationally renowned adventurer Bear Grylls was released 27 February.

Air New Zealand is world renowned for its creative take on airline safety videos with hugely popular past hits including Hobbit-inspired 'An Unexpected Briefing', 'Fit to Fly' - featuring Richard Simmons and the body painted video 'Nothing to Hide' collectively viewed more than 23 million times online.

Air New Zealand Link named Domestic Airline of the Year

Air New Zealand Link has been named Domestic Airline of the Year at the second annual Roy Morgan Customer Satisfaction Awards.

The awards honour businesses that lead their industry in customer satisfaction and are determined through the Roy Morgan Research Single Source survey of more than 12,000 New Zealand consumers annually.

Air New Zealand ranked highest in the survey every month in 2012 with Air New Zealand Link, which comprises Air Nelson, Eagle Airways and Mount Cook Airline, coming out on top a total of seven times and Air New Zealand's Domestic jet services ranking number one for the other five months.

Group	F	FEBRUARY	1
	2013	2012	% *
Passengers carried (000)	1,062	1,036	2.5%
Revenue Passenger Kilometres(m)	2,224	2,130	4.4%
Available Seat Kilometres (m)	2,669	2,620	1.9%
Passenger Load Factor (%)	83.3%	81.3%	2.0 pts
Short Haul Total	F	FEBRUARY	<i>f</i>
	2013	2012	% *

FINANCIAL YTD		
2013	2012	% * +
8,865	8,770	1.9%
18,838	18,249	4.1%
22,499	21,968	3.3%
83.7%	83.1%	0.6 pts

Short Haul Total	FEBRUARY		
	2013	2012	% *
Passengers carried (000)	933	907	2.8%
Revenue Passenger Kilometres(m)	973	917	6.1%
Available Seat Kilometres (m)	1,171	1,118	4.8%
Passenger Load Factor (%)	83.0%	82.0%	1.0 pts

FINANCIAL YTD			
2013	2012	% * +	
7,810	7,717	2.0%	
8,577	8,232	5.1%	
10,339	9,839	6.0%	
83.0%	83.7%	(0.7 pts)	

Domestic	FEBRUARY		7
	2013	2012	% *
Passengers carried (000)	696	686	1.4%
Revenue Passenger Kilometres(m)	343	329	4.0%
Available Seat Kilometres (m)	411	397	3.6%
Passenger Load Factor (%)	83.3%	83.0%	0.3 pts

FINANCIAL YTD			
2013	2012	% * +	
5,647	5,619	1.3%	
2,738	2,675	3.2%	
3,354	3,281	3.1%	
81.6%	81.5%	0.1 pts	

Tasman / Pacific	FEBRUARY		/
	2013	2012	% *
Passengers carried (000)	237	222	7.0%
Revenue Passenger Kilometres(m)	630	587	7.3%
Available Seat Kilometres (m)	760	722	5.4%
Passenger Load Factor (%)	82.9%	81.4%	1.5 pts

FINANCIAL YTD			
2013	2012	% * +	
2,163	2,098	4.0%	
5,839	5,558	5.9%	
6,985	6,559	7.4%	
83.6%	84.7%	(1.1 pts)	

Long Haul Total	FEBRUARY		1
	2013	2012	% *
Passengers carried (000)	129	129	0.5%
Revenue Passenger Kilometres(m)	1,251	1,213	3.1%
Available Seat Kilometres (m)	1,498	1,502	(0.3%)
Passenger Load Factor (%)	83.5%	80.8%	2.7 pts

FINANCIAL YTD		
2013	2012	% * +
1,056	1,053	1.1%
10,260	10,016	3.3%
12,160	12,128	1.1%
84.4%	82.6%	1.8 pts

Asia / Japan / UK	FEBRUARY		<u> </u>
	2013	2012	% *
Passengers carried (000)	54	55	(1.7%)
Revenue Passenger Kilometres(m)	485	499	(2.9%)
Available Seat Kilometres (m)	592	626	(5.5%)
Passenger Load Factor (%)	81.9%	79.7%	2.2 pts

FINANCIAL YTD			
2013	2012	% * +	
432	441	(1.2%)	
3,942	4,026	(1.3%)	
4,872	4,985	(1.4%)	
80.9%	80.8%	0.1 pts	

North America / UK	FEBRUARY		
	2013	2012	% *
Passengers carried (000)	75	74	2.2%
Revenue Passenger Kilometres(m)	766	714	7.3%
Available Seat Kilometres (m)	905	876	3.4%
Passenger Load Factor (%)	84.6%	81.6%	3.0 pts

FINANCIAL YTD			
2013	2012	% * +	
624	613	2.7%	
6,319	5,990	6.4%	
7,288	7,143	2.9%	
86.7%	83.9%	2.8 pts	

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.

^{* %} 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).