

MARCH OPERATING STATISTICS



MONTHLY INVESTOR UPDATE: 24 APRIL 2013

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MARCH MARKET CONDITIONS

Air New Zealand carried 1,362,000 passengers during the month of March, 5.2% more than the same period last year. Revenue passenger kilometres (RPKs) increased 2.8% on a capacity (ASKs) decrease of 1.2%. Group load factor was 85.8%, up 3.4 percentage points.

Short Haul passenger numbers were up 6.3% on the same period last year. Demand (RPKs) increased in the Domestic market by 8.2%, while capacity increased 6.8%. Domestic load factor was up 1.2 points to 85.2%.

Tasman/Pacific demand (RPKs) increased 7.3% on an increase in capacity (ASKs) of 5.3%, reflecting the additional frequency on Auckland-Honolulu and the up-gauge to a B777 aircraft on Auckland-Perth. Load factor for Tasman/Pacific was up 1.6 percentage points to 84.3%.

Long Haul passenger numbers decreased 3.0% compared to March last year, with demand (RPKs) down 1.2%. Capacity decreased 7.0% following the withdrawal of Hong Kong-London services from 4 March 2013. Load factor increased by 5.1 percentage points to 86.8%.

On North America/UK routes, demand (RPKs) increased 9.3% with capacity (ASKs) increasing by 3.0%. Load factor increased 5.2 percentage points on the previous year to 89.9%.

Demand (RPKs) was down 15.4% on Asia/Japan/UK routes with capacity (ASKs) reducing 19.5% when compared to the previous period as a result of the consolidation of China flying into Shanghai and the withdrawal of Hong Kong-London flights. Load factor increased 4.0 percentage points to 82.1%. Excluding the Hong Kong-London route, demand (RPKs) on the Asia/Japan routes was up 5% compared to the previous period.

Group-wide yields for the financial year to date were up 1.7% on the same period last year. Short Haul yields were down 1.5%, while Long Haul yields were up 5.5%. Removing the impact of foreign exchange, Group-wide yields were up 2.7%.

In March, 84.9% of Air New Zealand's Domestic flights departed within 10 minutes of scheduled departure time.

OUTLOOK

Based on current market conditions and the trading environment, Air New Zealand expects FY13 Normalised Earnings before Taxation to be in the range of NZ\$235 million to NZ\$260 million.

COMPANY NEWS



Air New Zealand enhances the customer experience for travel to North America

U.S. Customs has approved a new transit system for Air New Zealand passengers. On completion of US visa requirements, transiting passengers now receive a token which allows them access to the general terminal area and Air New Zealand's Los Angeles International Lounge without the need to clear security.

From mid next year, Air New Zealand relocates to the Tom Bradley International Terminal at LAX. The terminal is in the midst of a US\$1.7 billion make-over which will culminate in an improved food and retail experience as well as faster boarding and disembarking systems. Eligible passengers will also be able to relax in a brand new Star Alliance Lounge which Air New Zealand will design and manage. The new lounge is three times larger than the current Los Angeles Koru Lounge.

In addition to these ground experience changes, Air New Zealand will move to 16 return services per week on Auckland – Los Angeles during the Northern Winter peak mid December to the end of January, adding a third flight on Thursdays and Sundays – an 8.7 per cent increase in capacity. Capacity is also being increased on the Auckland-Vancouver route with an increase from three return services per week to six over the peak December – January period.

The airline is making improvements to its Auckland – San Francisco services as well. Two new Boeing 777-300 aircraft will join the fleet in July and October 2014 and will replace the two Boeing 747-400 aircraft currently operating the route. The new aircraft provide improved fuel efficiency and levels of passenger comfort with Air New Zealand's award-winning in-flight products such as the Economy Skycouch and Premium Economy Seats.

These schedule changes will see a total increase in capacity to North America of 9.3 per cent over the Northern Winter period.

Additionally, from mid-2014, the airline will begin the refurbishment of its Boeing 777-200 fleet. The project will cost more than \$100 million and will see a total of eight aircraft upgraded over a 12 month period and our international in-flight product aligned across the three long-haul fleet types.

Air New Zealand most attractive employer for third consecutive year

Air New Zealand has been inducted into the Randstad Awards Global Hall of Fame after being named the country's most attractive employer for a third consecutive year - the first time an organisation anywhere in the world has won the prestigious accolade three times in a row.

Air New Zealand and Virgin Australia launch direct link between Christchurch and Perth

The twice weekly non-stop service will operate through the peak demand period from December 2013 until late April 2014. It will be operated by an Air New Zealand Boeing 767 aircraft and Virgin Australia will codeshare on the service, so customers can book with either Air New Zealand or Virgin Australia and earn frequent flyer points and status credits in the process. Flights depart Christchurch at 1540 and Perth at 1910 on Wednesdays and Saturdays.

Air New Zealand to offer Nelson - Palmerston North direct services

Air New Zealand is trialling a daily service between Nelson and Palmerston North from 12 July. The 45 minute service between Nelson and Palmerston North will operate twice each week day with one return service on Sundays. The services will be operated by Air New Zealand subsidiaries Eagle Airways and Air Nelson utilising Beech 1900D and Bombardier Q300 aircraft.

COMPANY NEWS



Air New Zealand wins global sustainable tourism award

The airline was named the winner in the Global Tourism Business category at the World Travel and Tourism Council's (WTTC) annual Global Summit in Abu Dhabi, United Arab Emirates. The award recognises the airline's commitment to maintaining and protecting the country's clean, green image.

Christchurch Engine Centre gets \$20 million investment in new facilities

The V2500 engine shop overhauls the engines fitted to Air New Zealand's A320 fleet and other new generation aircraft and employs over 300 staff. The facility expansion is expected to be complete by the end of 2014. The move is a milestone in the successful joint venture between the airline and Pratt & Whitney and builds on the Christchurch Engine Centre's existing maintenance agreement for IAE V2500 engines.

Christchurch City Council and Christchurch International Airport have also supported this development.

More cheap seats for Kiwi travellers

Air New Zealand has reasserted its price leadership for the second time in a week announcing a further 100,000 grabaseat fares will be offered across its domestic network this year. The move comes on top of Air New Zealand's announcement that it was slashing fares on its Night Rider service between Auckland and Wellington to just \$9 each way over Queen's Birthday weekend.

In recognition of the greater availability of cheaper airfares and the fact customers prefer to be able to purchase confirmed seats at great prices, Air New Zealand will stop offering domestic Standby fares from 6 May 2013.

Air New Zealand and Virgin Australia boost trans-Tasman capacity to Queenstown during ski season

Air New Zealand and Virgin Australia will add more than 30,000 extra seats between Queenstown and Australia over this year's peak winter period of July to September. The airlines will operate at least five additional return A320 services per week from Brisbane, Melbourne and Sydney to Queenstown.

MARCH 2013 STATISTICS TABLE



Group	MARCH			FINANCIAL YTD		
	2013	2012	% *	2013	2012	% * +
Passengers carried (000)	1,362	1,294	5.2%	10,227	10,064	2.4%
Revenue Passenger Kilometres(m)	2,631	2,559	2.8%	21,469	20,806	3.9%
Available Seat Kilometres (m)	3,067	3,106	(1.2%)	25,567	25,072	2.7%
Passenger Load Factor (%)	85.8%	82.4%	3.4 pts	84.0%	83.0%	1.0 pts
Short Haul Total	MARCH			FINANCIAL YTD		
	2013	2012	% *	2013	2012	% * +
Passengers carried (000)	1,218	1,146	6.3%	9,028	8,863	2.6%
Revenue Passenger Kilometres(m)	1,253	1,164	7.6%	9,830	9,396	5.4%
Available Seat Kilometres (m)	1,481	1,399	5.8%	11,820	11,238	5.9%
Passenger Load Factor (%)	84.6%	83.2%	1.4 pts	83.2%	83.6%	(0.4 pts)
Domestic	MARCH			FINANCIAL YTD		
	2013	2012	% *	2013	2012	% * +
Passengers carried (000)	918	865	6.1%	6,564	6,484	2.0%
Revenue Passenger Kilometres(m)	450	416	8.2%	3,188	3,090	3.9%
Available Seat Kilometres (m)	528	495	6.8%	3,883	3,773	3.7%
Passenger Load Factor (%)	85.2%	84.0%	1.2 pts	82.1%	81.9%	0.2 pts
Tasman / Pacific	MARCH			FINANCIAL YTD		
	2013	2012	% *	2013	2012	% * +
Passengers carried (000)	301	281	6.8%	2,464	2,379	4.3%
Revenue Passenger Kilometres(m)	803	748	7.3%	6,643	6,306	6.1%
Available Seat Kilometres (m)	952	904	5.3%	7,937	7,463	7.1%
Passenger Load Factor (%)	84.3%	82.7%	1.6 pts	83.7%	84.5%	(0.8 pts)
Long Haul Total	MARCH			FINANCIAL YTD		
	2013	2012	% *	2013	2012	% * +
Passengers carried (000)	143	148	(3.0%)	1,199	1,201	0.5%
Revenue Passenger Kilometres(m)	1,378	1,395	(1.2%)	11,638	11,411	2.7%
Available Seat Kilometres (m)	1,587	1,707	(7.0%)	13,747	13,835	0.1%
Passenger Load Factor (%)	86.8%	81.7%	5.1 pts	84.7%	82.5%	2.2 pts
Asia / Japan / UK	MARCH			FINANCIAL YTD		
	2013	2012	% *	2013	2012	% * +
Passengers carried (000)	57	65	(12.2%)	489	506	(2.7%)
Revenue Passenger Kilometres(m)	504	595	(15.4%)	4,445	4,621	(3.1%)
Available Seat Kilometres (m)	614	763	(19.5%)	5,486	5,748	(3.9%)
Passenger Load Factor (%)	82.1%	78.1%	4.0 pts	81.0%	80.4%	0.6 pts
North America / UK	MARCH			FINANCIAL YTD		
	2013	2012	% *	2013	2012	% * +
Passengers carried (000)	86	83	4.2%	710	696	2.9%
Revenue Passenger Kilometres(m)	874	799	9.3%	7,193	6,789	6.7%
Available Seat Kilometres (m)	973	944	3.0%	8,261	8,087	2.9%
Passenger Load Factor (%)	89.9%	84.7%	5.2 pts	87.1%	83.9%	3.2 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.