



MONTHLY INVESTOR UPDATE: 20 September 2011

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AUGUST MARKET CONDITIONS

Air New Zealand carried 1,005,000 passengers during the month of August, 2.7% more than last year. Revenue passenger kilometres (RPKs) decreased 2.8% along with capacity (ASKs) which decreased by 2.8%. The Group load factor remained the same.

Short Haul passenger numbers were up 4.7% on August last year. Demand (RPKs) increased in the Domestic market by 4.9% on last year and the load factor increased 2.0 percentage points to 80.9% on increased capacity (ASKs) of 2.2%. Tasman / Pacific demand (RPKs) was 6.3% higher after capacity (ASKs) increased by 4.4%. The Tasman / Pacific load factor increased by 1.6 percentage points compared to August 2010 to 83.6%.

Long Haul passenger numbers were 10.1% lower than August last year on 7.5% less capacity (ASKs). On North America / UK routes demand (RPKs) decreased by 7.8% on last August and capacity (ASKs) was decreased by 5.7%. Load factor decreased by 1.9 percentage points on last year to 81.5%. Demand (RPKs) decreased by 10.7% on Asia / Japan / UK routes, capacity (ASKs) decreased by 10.1% and load factor decreased by 0.5 percentage points to 80.9%. The impact of the Christchurch and Japan earthquakes earlier in the year continues to significantly affect passenger numbers on the Japan routes. Excluding Japan, capacity (ASKs) remained the same on Asia/UK routes, demand (RPKs) decreased by 2.3% and load factor decreased by 1.9 percentage points to 80.3% compared to August last year.

Group-wide yields for the financial year to date were up 6.5% on the same period last year. Compared to last August, year to date Short Haul yields were up 4.3%. Long Haul yields were up by 4.9%. Removing the impact of foreign exchange, Group-wide yields were up 7.8%.

In August, 79.11% of Air New Zealand's Domestic flights departed within 10 minutes of scheduled departure time due to challenging operating conditions from extreme weather.

COMPANY NEWS

2011 Annual Shareholder Meeting

Air New Zealand will hold its Annual Shareholder Meeting at 2pm on Wednesday 28 September at Auckland Museum.

A webcast of the investor presentation will be available for view from 2pm at:
www.airnewzealand.co.nz/investor-centre.

Air New Zealand Profit Declines

Air New Zealand announced normalised earnings* before taxation of \$75 million for the 12 months to 30 June 2011.

The Board has declared an unimputed dividend of 2.5 cents per share. This takes total dividends for the year to 5.5 cents per share.

AUGUST OPERATING STATISTICS TABLE

Group	AUGUST			FINANCIAL YTD		
	2011	2010	% *	2012	2011	Adj % * +
Passengers carried (000)	1,005	978	2.7%	2,154	2,132	2.8%
Revenue Passenger Kilometres(m)	2,019	2,077	(2.8%)	4,421	4,556	(1.3%)
Available Seat Kilometres (m)	2,466	2,537	(2.8%)	5,271	5,485	(2.3%)
Passenger Load Factor (%)	81.9%	81.9%	-	83.9%	83.1%	0.8 pts
Short Haul Total	AUGUST			FINANCIAL YTD		
	2011	2010	% * +	2012	2011	Adj % * +
Passengers carried (000)	889	849	4.7%	1,900	1,850	4.4%
Revenue Passenger Kilometres(m)	916	866	5.8%	1,983	1,901	6.0%
Available Seat Kilometres (m)	1,108	1,070	3.6%	2,388	2,319	4.7%
Passenger Load Factor (%)	82.7%	80.9%	1.8 pts	83.0%	82.0%	1.0 pts
Domestic	AUGUST			FINANCIAL YTD		
	2011	2010	% * +	2012	2011	Adj % * +
Passengers carried (000)	649	622	4.2%	1,380	1,353	3.7%
Revenue Passenger Kilometres(m)	305	291	4.9%	653	635	4.6%
Available Seat Kilometres (m)	377	369	2.2%	795	800	1.1%
Passenger Load Factor (%)	80.9%	78.9%	2.0 pts	82.1%	79.4%	2.7 pts
Tasman / Pacific	AUGUST			FINANCIAL YTD		
	2011	2010	% * +	2012	2011	Adj % * +
Passengers carried (000)	240	226	5.9%	520	497	6.4%
Revenue Passenger Kilometres(m)	611	575	6.3%	1,329	1,266	6.8%
Available Seat Kilometres (m)	731	701	4.4%	1,592	1,519	6.6%
Passenger Load Factor (%)	83.6%	82.0%	1.6 pts	83.5%	83.4%	0.1 pts
Long Haul Total	AUGUST			FINANCIAL YTD		
	2011	2010	% * +	2012	2011	Adj % * +
Passengers carried (000)	116	129	(10.1%)	255	282	(8.0%)
Revenue Passenger Kilometres(m)	1,103	1,212	(9.0%)	2,438	2,655	(6.6%)
Available Seat Kilometres (m)	1,357	1,468	(7.5%)	2,883	3,166	(7.4%)
Passenger Load Factor (%)	81.3%	82.5%	(1.2 pts)	84.6%	83.9%	0.7 pts
Asia / Japan / UK	AUGUST			FINANCIAL YTD		
	2011	2010	% * +	2012	2011	Adj % * +
Passengers carried (000)	49	54	(8.5%)	103	116	(9.6%)
Revenue Passenger Kilometres(m)	449	503	(10.7%)	942	1,082	(11.4%)
Available Seat Kilometres (m)	555	618	(10.1%)	1,131	1,324	(13.1%)
Passenger Load Factor (%)	80.9%	81.4%	(0.5 pts)	83.3%	81.7%	1.6 pts
North America / UK	AUGUST			FINANCIAL YTD		
	2011	2010	% * +	2012	2011	Adj % * +
Passengers carried (000)	67	75	(11.2%)	152	166	(6.8%)
Revenue Passenger Kilometres(m)	654	709	(7.8%)	1,496	1,573	(3.3%)
Available Seat Kilometres (m)	802	850	(5.7%)	1,752	1,842	(3.3%)
Passenger Load Factor (%)	81.5%	83.4%	(1.9 pts)	85.4%	85.4%	-

* % change is based on numbers prior to rounding

+ 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 July 2011 accounting period (31 days) compared with the July 2010 accounting period (32 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.