



MONTHLY INVESTOR UPDATE: 15 DECEMBER 2011

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NOVEMBER MARKET CONDITIONS

Air New Zealand carried 1,044,000 passengers during the month of November, 1.1% less than last year. Revenue passenger kilometres (RPKs) decreased 4.6% on 3.1% less capacity (ASKs). The Group load factor decreased 1.2 percentage points.

Short Haul passenger numbers were up 0.4% on November last year. Demand (RPKs) increased in the Domestic market by 0.4% on last year and the load factor decreased 0.3 percentage points to 82.7% on increased capacity (ASKs) of 0.7%. Tasman / Pacific demand (RPKs) was 5.1% higher after capacity (ASKs) decreased by 0.3%. The Tasman / Pacific load factor increased by 4.5 percentage points compared to November 2010 to 87.8%.

Long Haul passenger numbers were 12.0% lower than November last year on 5.6% less capacity (ASKs). On North America / UK routes demand (RPKs) decreased by 10.4% on last November and capacity (ASKs) was decreased by 5.5%. Load factor decreased by 4.3 percentage points on last year to 78.6%. Demand (RPKs) decreased by 11.0% on Asia / Japan / UK routes, capacity (ASKs) decreased by 5.7% and load factor decreased by 4.6 percentage points to 77.0%. 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) decreased 0.6% on Asia/UK routes, demand (RPKs) decreased by 3.1% and load factor decreased by 2.0 percentage points to 79.5% compared to November last year.

Group-wide yields for the financial year to date were up 5.5% on the same period last year. Compared to last November year to date Short Haul yields were up 2.7%. Long Haul yields were up by 5.3%. Removing the impact of foreign exchange, Group-wide yields were up 7.4%.

In November, 80.54% of Air New Zealand's Domestic flights departed within 10 minutes of scheduled departure time.



COMPANY NEWS

700,000 Kiwis to get Air New Zealand's new OneSmart card

Air New Zealand has launched a new Airpoints membership card loaded with smart new features intended to transform its popular loyalty card into the ultimate travel companion.

On one side it's an Air New Zealand Airpoints card, enhanced with ePass technology which will enable every Airpoints member to fly through domestic check-in. The other side is an optional Prepaid Debit MasterCard® and travel wallet in one.

Once activated, OneSmart can be loaded with funds and used for everyday purchases and to shop online. Built in PayPass™ contactless technology means small value purchases are as simple as a tap of the card.

Air New Zealand introduces lower fares and more options for domestic travellers

Air New Zealand has reduced its lowest domestic airfares by an average six per cent with the launch of Seats to Suit style fares.

The airline's cheapest fares have fallen by up to \$10, with the introduction of new Seat with carry-on luggage only fares on all its regional and domestic jet services. This is in addition to the three existing baggage-inclusive fare levels of grabaseat, Smart Saver and Flexi plus.

Air New Zealand has also introduced standby fares nationwide until 30 June next year, following trials in Dunedin and Christchurch.

\$59 one way Standby Seat Only fares are now available to many of the airline's 27 domestic destinations on any non-stop off peak (10am-3.30pm) flight, with the two longest routes of Auckland-Dunedin and Auckland-Queenstown available for \$79 one way).

Air New Zealand secures seven charter flights from Japan

Air New Zealand is again operating its popular charter programme from Japan to New Zealand this summer as it continues to stimulate passenger growth from this important tourism market.

Between 25 January and 14 March 2012 Air New Zealand will operate a weekly charter service into Auckland from Nagoya, Fukuoka or Kagoshima utilising 230-seat Boeing 767-300 aircraft.

NOVEMBER STATISTICS TABLE

Group	NOVEMBER			FINANCIAL YTD		
	2011	2010	% *	2012	2011	Adj % * +
Passengers carried (000)	1,044	1,055	(1.1%)	5,440	5,476	0.0%
Revenue Passenger Kilometres(m)	1,969	2,065	(4.6%)	10,972	11,288	(2.2%)
Available Seat Kilometres (m)	2,417	2,495	(3.1%)	13,311	13,488	(0.6%)
Passenger Load Factor (%)	81.5%	82.7%	(1.2 pts)	82.4%	83.7%	(1.3 pts)
Short Haul Total	NOVEMBER			FINANCIAL YTD		
	2011	2010	% *	2012	2011	Adj % * +
Passengers carried (000)	932	928	0.4%	4,805	4,783	1.1%
Revenue Passenger Kilometres(m)	921	892	3.3%	4,965	4,789	4.4%
Available Seat Kilometres (m)	1,073	1,072	0.1%	5,993	5,739	5.1%
Passenger Load Factor (%)	85.9%	83.2%	2.7 pts	82.8%	83.4%	(0.6 pts)
Domestic	NOVEMBER			FINANCIAL YTD		
	2011	2010	% *	2012	2011	Adj % * +
Passengers carried (000)	704	709	(0.7%)	3,518	3,561	(0.6%)
Revenue Passenger Kilometres(m)	333	332	0.4%	1,662	1,665	0.5%
Available Seat Kilometres (m)	403	400	0.7%	2,070	2,040	2.2%
Passenger Load Factor (%)	82.7%	83.0%	(0.3 pts)	80.3%	81.6%	(1.3 pts)
Tasman / Pacific	NOVEMBER			FINANCIAL YTD		
	2011	2010	% *	2012	2011	Adj % * +
Passengers carried (000)	228	219	4.1%	1,287	1,222	6.0%
Revenue Passenger Kilometres(m)	588	560	5.1%	3,303	3,124	6.4%
Available Seat Kilometres (m)	670	672	(0.3%)	3,923	3,699	6.8%
Passenger Load Factor (%)	87.8%	83.3%	4.5 pts	84.2%	84.5%	(0.3 pts)
Long Haul Total	NOVEMBER			FINANCIAL YTD		
	2011	2010	% *	2012	2011	Adj % * +
Passengers carried (000)	112	128	(12.0%)	635	694	(7.8%)
Revenue Passenger Kilometres(m)	1,048	1,173	(10.7%)	6,007	6,499	(7.0%)
Available Seat Kilometres (m)	1,344	1,424	(5.6%)	7,318	7,749	(4.9%)
Passenger Load Factor (%)	78.0%	82.4%	(4.4 pts)	82.1%	83.9%	(1.8 pts)
Asia / Japan / UK	NOVEMBER			FINANCIAL YTD		
	2011	2010	% *	2012	2011	Adj % * +
Passengers carried (000)	47	54	(11.9%)	251	281	(10.1%)
Revenue Passenger Kilometres(m)	431	485	(11.0%)	2,295	2,601	(11.2%)
Available Seat Kilometres (m)	560	594	(5.7%)	2,847	3,161	(9.3%)
Passenger Load Factor (%)	77.0%	81.6%	(4.6 pts)	80.6%	82.3%	(1.7 pts)
North America / UK	NOVEMBER			FINANCIAL YTD		
	2011	2010	% *	2012	2011	Adj % * +
Passengers carried (000)	65	74	(12.1%)	384	413	(6.2%)
Revenue Passenger Kilometres(m)	616	688	(10.4%)	3,712	3,898	(4.1%)
Available Seat Kilometres (m)	784	830	(5.5%)	4,472	4,588	(1.9%)
Passenger Load Factor (%)	78.6%	82.9%	(4.3 pts)	83.0%	85.0%	(2.0 pts)

* % 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.