

Annual Shareholders' Meeting 2011



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John Palmer Chairman



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Annual Meeting



- Chairman's Address
- Chief Executive's Address
- Resolutions regarding Directors
- General discussion

Highlights



- Normalised earnings* \$75m
- Gearing at 46.7%
- Net cash position of \$860m
- New A320 and B777-300ER aircraft
- Seats to Suit
- Virgin Alliance and shareholding
- Bond Offer

Dividend

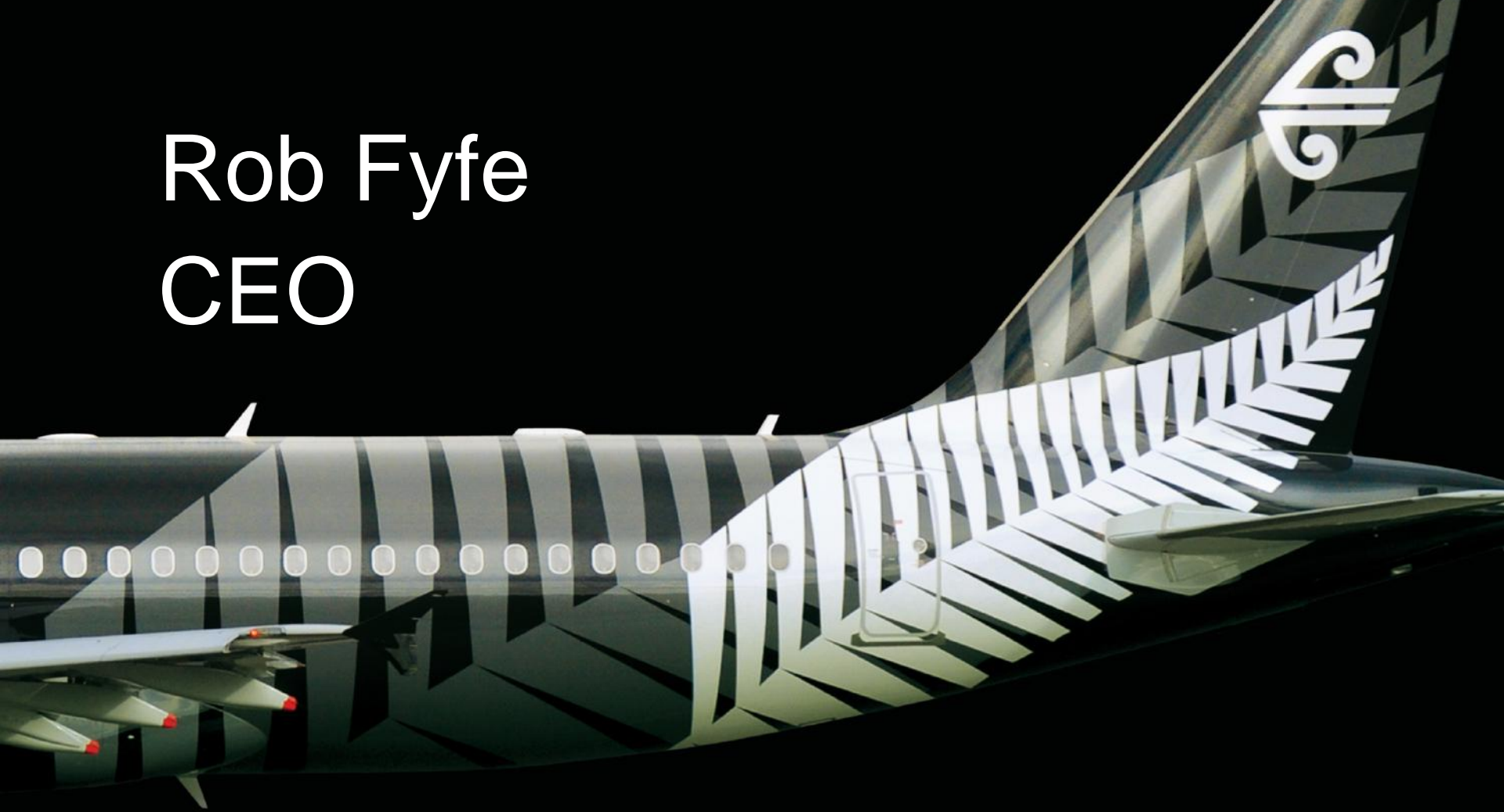
- Unimputed final dividend of 2.5 cents per share
- Annual dividend of 5.5 cents per share
- Total shareholder distributions of \$60 million

Outlook



- Seeing good performance in the short haul environment
- Expect better performance in long haul business in FY12
- But turbulence and turmoil in international financial markets is concerning
- We currently see an improved result in FY12, contingent on fuel price levels and global economic conditions

Rob Fyfe CEO



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Strategic Priorities

- Virgin Alliance – reinforcing key customer value propositions
- Long haul review
- Maximising loyalty programme opportunities
- Operational productivity and efficiency
- Managing fleet replacement programmes
- Maintaining our environmental leadership position

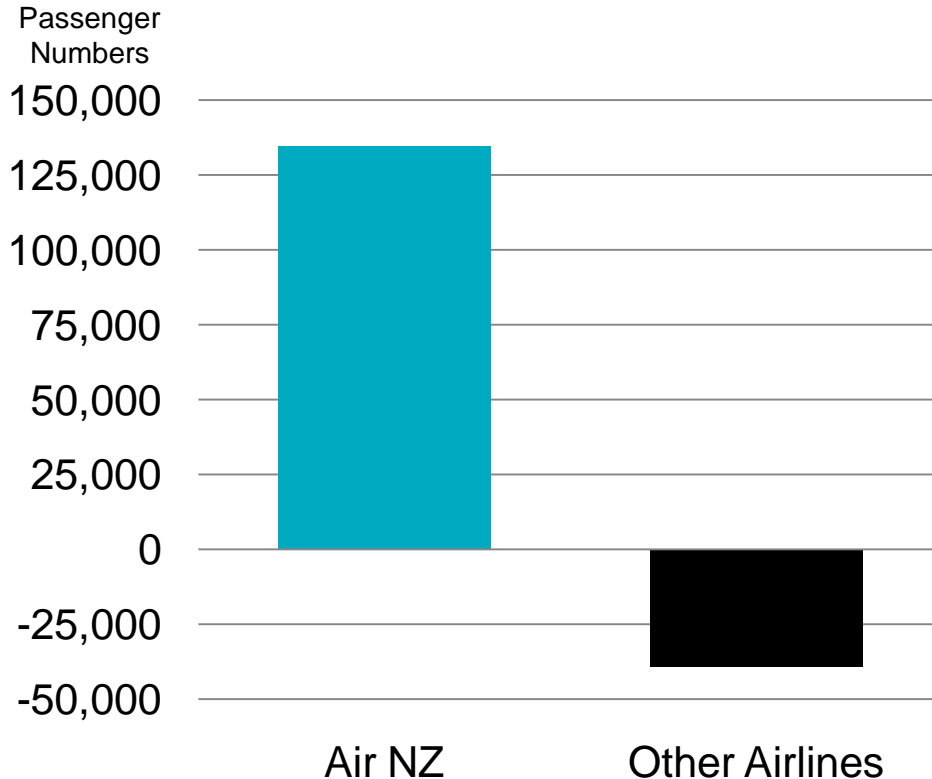
Seats to Suit a Success



Tasman Passenger Growth*

Year on Year

November 2010 - May 2011



- Yield dilution less than expected
- Delivered more capacity at minimal costs
- Load factors increased despite capacity increase
- Strong share shift evidenced

* Source: Statistics New Zealand. Excludes June 2011 due to the abnormal effect of the Chilean volcano ash cloud.

Christchurch Relief



- Prioritised community interest ahead of maximising short term financial performance
- Introduced \$50 compassionate fares immediately after the February earthquake for those needing to get in and out of Christchurch
- Deployed wide body capacity to assist movement of people and equipment
- Added 10,000 additional seats in and out of Christchurch in the four weeks after the February earthquake
- Ongoing support for our 2,000 Christchurch based Air New Zealanders

Ash Cloud



- Utilised processes from previous events and worked closely with regulatory authorities, Volcanic Ash Advisory Centre and Air Traffic Service providers
- Safety is our number one priority
- Our ability to adapt quickly meant we could adjust flight plans and procedures to continue to operate safely during these challenging conditions
- Investment in technology to assist in future events

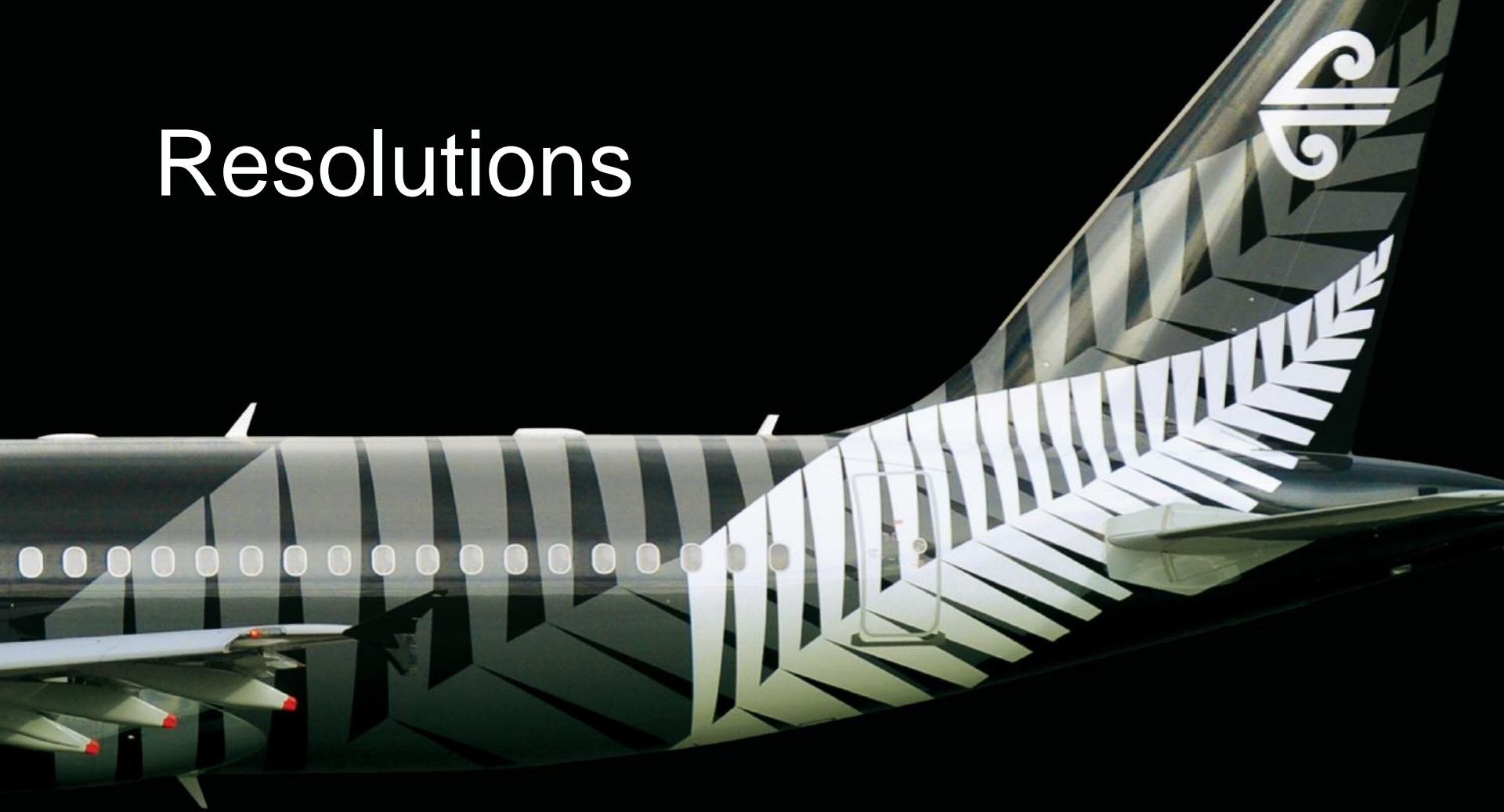
Questions on Company Performance



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Resolutions



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Resolutions

- Item 1: To re-elect Paul Bingham
- Item 2: To re-elect John Palmer
- Item 3: To elect Antony Carter
- Item 4: To elect Janice Dawson

Item 1



- Item 1: To re-elect Paul Bingham
- Item 2: To re-elect John Palmer
- Item 3: To elect Antony Carter
- Item 4: To elect Janice Dawson

Item 2



- Item 1: To re-elect Paul Bingham
- **Item 2: To re-elect John Palmer**
- Item 3: To elect Antony Carter
- Item 4: To elect Janice Dawson

Item 3



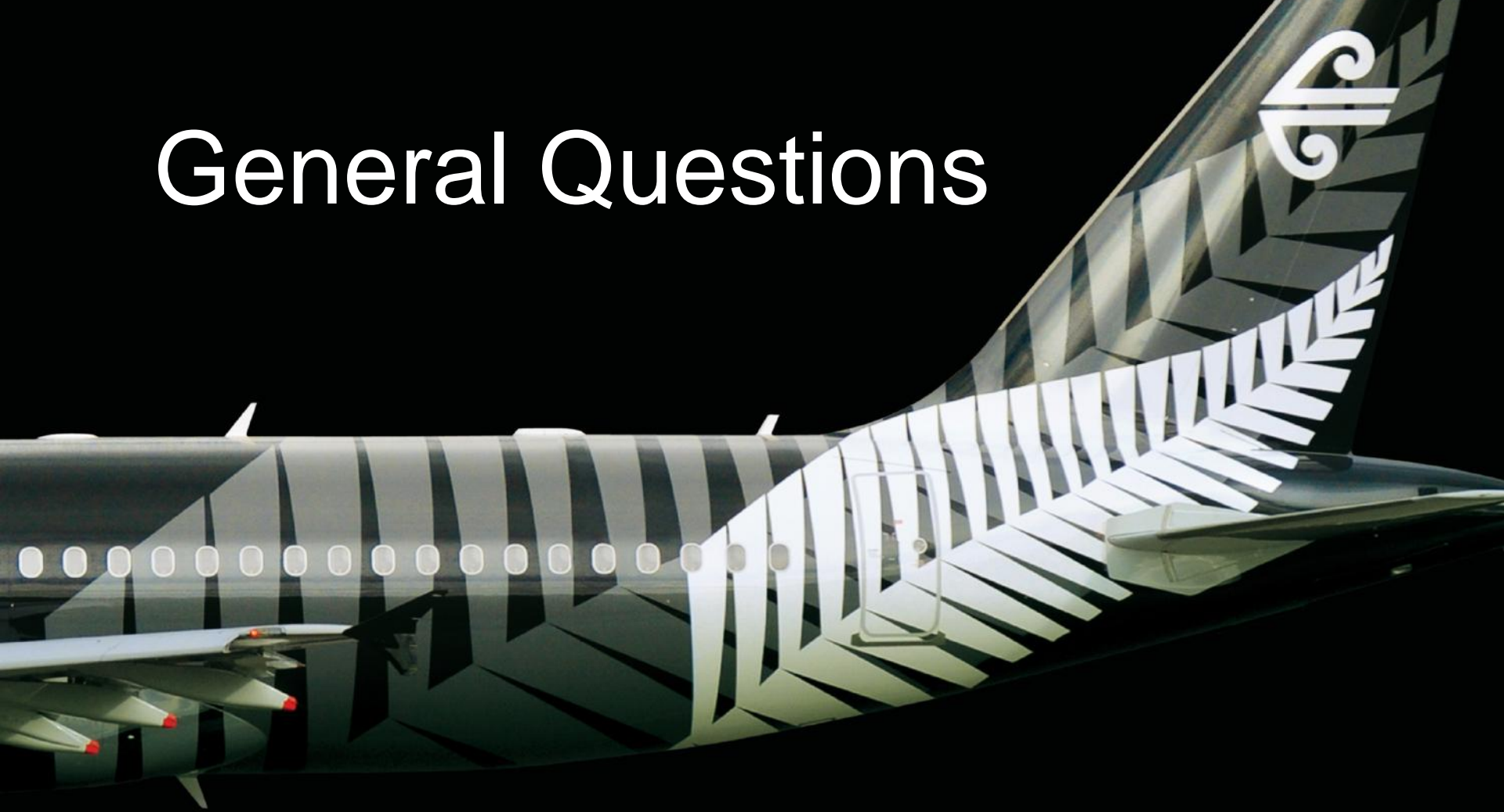
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Item 4



- Item 1: To re-elect Paul Bingham
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General Questions



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