



MONTHLY INVESTOR UPDATE: 21 February 2011

CONTENTS

- *January market conditions*
- *Company news*
- *Operating statistics table*

JANUARY MARKET CONDITIONS

Air New Zealand carried 990,000 passengers during the month of January, 5.4% greater than last year. Revenue passenger kilometres (RPKs) were up 7.8% and capacity (ASKs) was increased by 6.1%. The Group load factor increased by 1.4 percentage points.

Short Haul passenger numbers were up 5.3% on January last year. Demand (RPKs) increased in the Domestic market by 3.3% on last year and the load factor decreased by 0.3 percentage points to 81.9% on a capacity increase of 3.6%. Tasman / Pacific demand was 12.3% higher after capacity was increased by 9.3%, primarily due to the introduction of "seats to suit". The Tasman / Pacific load factor increased 2.3 percentage points on January 2010 to 85.1%.

Long Haul passenger numbers were 6.2% higher than January last year. On North America / UK routes demand increased by 7.4% on last January and capacity was increased by 7.7%. Load factor decreased by 0.3 percentage points on last year to 90.5%. Demand increased by 6.1% on Asia / Japan / UK routes, capacity increased by 1.7% and load factor increased by 3.6 percentage points to 88.3%.

Group-wide yields for the financial year to date were up 2.4% on the same period last year. Compared to last January, year to date Short Haul yields were down 1.5% partly due to the new seats to suit product. Long Haul yields were up by 5.9%. Removing the impact of foreign exchange, Group-wide yields were up 5.1%.

In January, 87.3% of Air New Zealand's Domestic flights departed within 10 minutes of scheduled departure time.

COMPANY NEWS

Air New Zealand and Etihad Airways in Code Share Arrangement

Air New Zealand has signed a code share agreement with Etihad Airways providing Air New Zealand customers with flight options to and through the Middle East for the first time.

Air New Zealand will code share on Etihad's services between Sydney, Brisbane, Melbourne and Abu Dhabi as well as between Abu Dhabi and London Heathrow.

Etihad Airways will code share on Air New Zealand trans-Tasman and domestic services.

GrabOne with Grabaseat

Grabaseat is now working with GrabOne.co.nz to offer travellers great deals on activities to complement their grabaseat holiday.

From February 14 2011, the 100,000 people who visit grabaseat.co.nz each day will not only be able to grab a fantastic airfare deal, they'll also be able to click on a new 'Experiences' tab to access a range of great offers on activities in 13 different regions around the country. The offers will change daily so there'll be a fresh new experience up for grabs every day.

Air New Zealand Moves to Daily China Services

Air New Zealand is adding two additional direct services each week between New Zealand and China in response to 20% growth in international visitor numbers from China.

Air New Zealand is adding an additional Auckland - Beijing return service from 6 December 2011 and an additional Auckland - Shanghai return service over the peak summer season from 11 December through to 18 March 2012.

The new Sunday Shanghai service and Tuesday Beijing service mean the airline will be offering daily direct services, offering more than 4,250 seats per week between New Zealand and China.

JANUARY OPERATING STATISTICS TABLE

Group	JANUARY			FINANCIAL YTD		
	2011	2010	%	2011	2010	%
Passengers carried (000)	990	939	5.4%	7,789	7,243	7.5%
Revenue Passenger Kilometres(m)	2,364	2,193	7.8%	16,513	15,534	6.3%
Available Seat Kilometres (m)	2,705	2,550	6.1%	19,510	18,908	3.2%
Passenger Load Factor (%)	87.4%	86.0%	1.4 pts	84.6%	82.2%	2.4 pts
Short Haul Total	JANUARY			FINANCIAL YTD		
	2011	2010	%	2011	2010	%
Passengers carried (000)	834	792	5.3%	6,757	6,245	8.2%
Revenue Passenger Kilometres(m)	914	835	9.4%	6,881	6,283	9.5%
Available Seat Kilometres (m)	1,087	1,011	7.4%	8,216	7,891	4.1%
Passenger Load Factor (%)	84.1%	82.6%	1.5 pts	83.7%	79.6%	4.1 pts
Domestic	JANUARY			FINANCIAL YTD		
	2011	2010	%	2011	2010	%
Passengers carried (000)	583	570	2.3%	4,974	4,623	7.6%
Revenue Passenger Kilometres(m)	279	270	3.3%	2,337	2,154	8.5%
Available Seat Kilometres (m)	340	329	3.6%	2,847	2,768	2.8%
Passenger Load Factor (%)	81.9%	82.2%	(0.3 pts)	82.1%	77.8%	4.3 pts
Tasman / Pacific	JANUARY			FINANCIAL YTD		
	2011	2010	%	2011	2010	%
Passengers carried (000)	251	223	12.9%	1,783	1,622	9.9%
Revenue Passenger Kilometres(m)	635	565	12.3%	4,544	4,130	10.0%
Available Seat Kilometres (m)	746	683	9.3%	5,370	5,123	4.8%
Passenger Load Factor (%)	85.1%	82.8%	2.3 pts	84.6%	80.6%	4.0 pts
Long Haul Total	JANUARY			FINANCIAL YTD		
	2011	2010	%	2011	2010	%
Passengers carried (000)	156	147	6.2%	1,032	999	3.4%
Revenue Passenger Kilometres(m)	1,451	1,357	6.9%	9,632	9,251	4.1%
Available Seat Kilometres (m)	1,619	1,539	5.2%	11,293	11,017	2.5%
Passenger Load Factor (%)	89.6%	88.2%	1.4 pts	85.3%	84.0%	1.3 pts
Asia / Japan / UK	JANUARY			FINANCIAL YTD		
	2011	2010	%	2011	2010	%
Passengers carried (000)	64	60	6.7%	420	404	4.2%
Revenue Passenger Kilometres(m)	575	542	6.1%	3,863	3,664	5.4%
Available Seat Kilometres (m)	651	640	1.7%	4,620	4,511	2.4%
Passenger Load Factor (%)	88.3%	84.7%	3.6 pts	83.6%	81.2%	2.4 pts
North America / UK	JANUARY			FINANCIAL YTD		
	2011	2010	%	2011	2010	%
Passengers carried (000)	93	87	5.9%	612	595	2.8%
Revenue Passenger Kilometres(m)	876	816	7.4%	5,769	5,587	3.3%
Available Seat Kilometres (m)	968	899	7.7%	6,673	6,505	2.6%
Passenger Load Factor (%)	90.5%	90.8%	(0.3 pts)	86.5%	85.9%	0.6 pts

Air New Zealand operates primarily in one segment, its primary business being the transportation of passengers and cargo on scheduled airline services to, from and within New Zealand. The following operational data and statistics is additional supplementary information only.