MONTHLY INVESTOR UPDATE: 20 MAY 2013

CONTENTS

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

APRIL MARKET CONDITIONS

Air New Zealand carried 1,046,000 passengers during the month of April, 2.2% more than the same period last year. Revenue passenger kilometres (RPKs) decreased 0.8% on a capacity (ASKs) increase of 0.3%. Group load factor was 82.1%, down 0.9 of a percentage point.

Short Haul passenger numbers were up 3.2% on the same period last year. Demand (RPKs) increased in the Domestic market by 3.8%, while capacity increased 1.7%. Domestic load factor was up 1.7 percentage points to 85.0%.

Tasman/Pacific demand (RPKs) increased 4.7%, with capacity (ASKs) increasing 5.5%, reflecting the additional frequency on Auckland-Honolulu and the up-gauge to a B777 aircraft on Auckland-Perth. Load factor for Tasman/Pacific was down 0.6 of a percentage point to 83.3%.

Long Haul passenger numbers decreased 6.5% compared to April last year, with demand (RPKs) down 5.6% while capacity decreased 3.3% following the withdrawal of Hong Kong-London services from 4 March 2013. Load factor decreased by 2.0 percentage points to 80.3%.

On North America/UK routes, demand (RPKs) increased 9.3% with capacity (ASKs) increasing by 12.5%. Load factor decreased 2.4 percentage points on the previous year to 80.7%.

Demand (RPKs) was down 26.6% on Asia/Japan/UK routes, with capacity (ASKs) decreasing by 25.0% as a result of the consolidation of China flying into Shanghai and the withdrawal of Hong Kong-London flights. Load factor decreased 1.8 percentage points to 79.4%.

Group-wide yields for the financial year to date were up 1.6% on the same period last year. Short Haul yields were down 1.7%, while Long Haul yields were up 5.5%. Removing the impact of foreign exchange, Group-wide yields were up 2.6%.

In February, 82.0% of Air New Zealand's Domestic flights departed within 10 minutes of scheduled departure time.

COMPANY NEWS

New Chairman appointed

Air New Zealand has announced that Tony Carter will replace retiring Board Chairman John Palmer, when he steps down following the Annual Shareholders' Meeting in September.

Mr Carter's appointment follows a succession process initiated two years ago when Mr Palmer signalled that this would be his final term on the Board of Air New Zealand.

Mr Carter is currently Chairman of Fisher and Paykel Healthcare Ltd and a non Executive Director of ANZ Bank New Zealand Ltd and Fletcher Building Limited. He is a former Managing Director of Foodstuffs New Zealand.

Mr Palmer has been Chairman of Air New Zealand since 2001 and has played a pivotal role in the revitalisation of the airline, which is now regarded as one of the most profitable and best in the world. Mr Palmer will remain on the Board as a Director until early next year.

Air New Zealand tops Customer Experience index

Air New Zealand has topped the Nunwood Customer Experience Excellence (CEE) Index in Australia which measures companies that excel in the eyes of their customers.

The study surveyed 5,000 Australian consumers about their interactions with leading companies across six dimensions of customer experience: personalisation, resolution, integrity, time and effort, expectations and empathy.

Major milestone in Boeing 787-9 programme

The first of Air New Zealand’s Boeing 787-9 aircraft to be constructed has achieved a major milestone in early May with the arrival of the first major part of the new aircraft at Boeing’s Everett factory in Seattle three weeks ahead of schedule.

The aircraft is approaching the crucial final assembly phase which means the horizontal stabiliser section that arrived this week from another US based Boeing facility is the first of many that will be delivered to Seattle over the coming weeks to form the world’s first ever 787-9 aircraft.

Air New Zealand is the launch customer for the 787-9, which is longer than the 787-8 currently in operation - and the airline will welcome 10 of these new generation aircraft into its fleet between 2014 and 2017.

Group	APRIL			FINANCIAL YTD		
	2013	2012	% *	2013	2012	% * +
Passengers carried (000)	1,046	1,024	2.2%	11,273	11,088	2.3%
Revenue Passenger Kilometres(m)	1,999	2,015	(0.8%)	23,467	22,822	3.5%
Available Seat Kilometres (m)	2,436	2,429	0.3%	28,003	27,502	2.5%
Passenger Load Factor (%)	82.1%	83.0%	(0.9 pts)	83.8%	83.0%	0.8 pts

Short Haul Total	APRIL			FINANCIAL YTD		
	2013	2012	% *	2013	2012	% * +
Passengers carried (000)	944	914	3.2%	9,971	9,777	2.7%
Revenue Passenger Kilometres(m)	999	957	4.4%	10,829	10,353	5.3%
Available Seat Kilometres (m)	1,191	1,143	4.2%	13,010	12,381	5.8%
Passenger Load Factor (%)	83.9%	83.7%	0.2 pts	83.2%	83.6%	(0.4 pts)

Domestic	APRIL			FINANCIAL YTD		
	2013	2012	% *	2013	2012	% * +
Passengers carried (000)	699	680	2.7%	7,263	7,165	2.1%
Revenue Passenger Kilometres(m)	344	331	3.8%	3,532	3,421	3.9%
Available Seat Kilometres (m)	405	398	1.7%	4,287	4,172	3.4%
Passenger Load Factor (%)	85.0%	83.3%	1.7 pts	82.4%	82.0%	0.4 pts

Tasman / Pacific	APRIL			FINANCIAL YTD		
	2013	2012	% *	2013	2012	% * +
Passengers carried (000)	245	234	4.7%	2,708	2,613	4.3%
Revenue Passenger Kilometres(m)	655	625	4.7%	7,297	6,931	6.0%
Available Seat Kilometres (m)	786	745	5.5%	8,723	8,208	7.0%
Passenger Load Factor (%)	83.3%	83.9%	(0.6 pts)	83.7%	84.4%	(0.7 pts)

Long Haul Total	APRIL			FINANCIAL YTD		
	2013	2012	% *	2013	2012	% * +
Passengers carried (000)	102	109	(6.5%)	1,301	1,311	(0.1%)
Revenue Passenger Kilometres(m)	1,000	1,059	(5.6%)	12,638	12,470	2.0%
Available Seat Kilometres (m)	1,245	1,287	(3.3%)	14,992	15,122	(0.2%)
Passenger Load Factor (%)	80.3%	82.3%	(2.0 pts)	84.3%	82.5%	1.8 pts

Asia / Japan / UK	APRIL			FINANCIAL YTD		
	2013	2012	% *	2013	2012	% * +
Passengers carried (000)	35	48	(26.1%)	524	553	(4.7%)
Revenue Passenger Kilometres(m)	323	439	(26.6%)	4,768	5,061	(5.2%)
Available Seat Kilometres (m)	406	541	(25.0%)	5,892	6,289	(5.7%)
Passenger Load Factor (%)	79.4%	81.2%	(1.8 pts)	80.9%	80.5%	0.4 pts

North America / UK	APRIL			FINANCIAL YTD		
	2013	2012	% *	2013	2012	% * +
Passengers carried (000)	67	62	8.7%	777	757	3.3%
Revenue Passenger Kilometres(m)	677	620	9.3%	7,870	7,409	6.9%
Available Seat Kilometres (m)	839	745	12.5%	9,100	8,833	3.7%
Passenger Load Factor (%)	80.7%	83.1%	(2.4 pts)	86.5%	83.9%	2.6 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.