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SUBJECT	AIR NEW ZEALAND TO INCREASE VIRGIN AUSTRALIA SHAREHOLDING	

Air New Zealand is pleased to announce that it has received approval from the Australian Treasurer to increase its shareholding in Virgin Australia Holdings Ltd to 25.9%.

The Treasurer's approval follows consideration by the Foreign Investment Review Board (FIRB) and a public inquiry by the Australian Competition and Consumer Commission (ACCC).

Air New Zealand will acquire an additional 3% of shares in Virgin Australia under an existing forward contract, taking Air New Zealand's holding to a total of 22.9%. The approval allows the acquisition of up to a further 3%, subject to Air New Zealand complying with the 'creep' provisions under the Australian Corporations Act.

Welcoming the announcement, Air New Zealand's CEO, Christopher Luxon said:

"The opportunity to take our shareholding in Virgin to 25.9% and the recently extended Tasman Alliance with Virgin mean we can confidently work with Virgin to provide a strongly competitive, Australasian and international airline network. We are fully supportive of the Virgin management team and strategy which provide an ideal complement to our own network and importantly, an opportunity to participate in the Australian market with a respected partner."

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