



MONTHLY INVESTOR UPDATE: 21 August 2009

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JULY MARKET CONDITIONS

In July Air New Zealand carried 1.1m passengers, down 8.4%* on the same month last year. Capacity was lower across both the Short Haul and Long Haul airlines to match the lower passenger demand. The airline's capacity was reduced by 9.6%* on the same month last year and the Group's passenger load factor decreased by 3.2 percentage points. Last year July benefited from the World Youth Day which took place in Sydney increasing passenger demand.

Short Haul passenger numbers were down 6.9%* compared to July last year. The Tasman / Pacific load factor increased by 2.0 percentage points and the Domestic airline's load factor decreased by 1.8 percentage points on similar domestic capacity to last year.

In the Long Haul airline passenger numbers decreased by 16.9%* and capacity was reduced by 9.7%* on the same month last year. Influenza A (H1N1) continued to soften demand out of Japan with passenger numbers on Asia / Japan / UK routes down 24.2%* on last July. Capacity was reduced by 16.2%*, this was achieved by combining flights from Osaka and Tokyo and the down gauging to a Boeing 777-200 on the Hong Kong / London service.

Group-wide yields for July were down 11.3% on the same month last year. Short Haul and Long Haul yields were down by 13.1% and 11.9% respectively. Removing the impact of foreign exchange, Group-wide yields were down 15.1%. Yields were higher last year partially due to fuel price related increases, which have reduced as fuel price has decreased.

86% of Air New Zealand's Domestic flights departed within 10 minutes of schedule departure time.

*Year on year percentage movements have been adjusted on a daily weighted average basis. The adjustment takes into account the difference in days for the July 2009 accounting period (33 days) compared with July 2008 (27 days)

COMPANY NEWS

Air New Zealand welcomes Government trans-Tasman Plan

The New Zealand Government's plan for streamlining trans-Tasman border processes is welcome news for travellers and will further assist tourism growth between New Zealand and Australia

Air New Zealand is already working closely with border agencies to help make plans announced yesterday a reality.



Trans-Tasman services from Rotorua

Air New Zealand has announced it will launch a twice weekly service from Rotorua to Sydney from the 12 December.

The service will operate twice weekly, utilising a 152 seat Airbus A320-200 aircraft.

Air New Zealand had been working closely with Rotorua Airport to launch the new service, with strong support from key tourism and business operators.

Rotorua is an iconic kiwi destination and well known amongst Australian travellers. As a destination it has many attractions for travellers all year round and during the winter months this service will open up the central North Island ski fields for Australian travellers.

Air New Zealand reports OTP at 10 minute standard

Air New Zealand has challenged domestic competitors in New Zealand to start reporting their On-Time Performance (OTP) based on a standard 10 minute window.

Air New Zealand's domestic OTP, as reported on Page 1 of this update, will be reported each month.

2009 Annual Results

Air New Zealand will announce its Annual Results for the 2009 financial year prior to the market opening on Thursday 27th August 2009.

A webcast will be available to view at www.airnewzealand.co.nz/aboutus/investorcentre/ at 11am.

JUNE OPERATING STATISTICS TABLE

Group	JULY		
	2009	2008	Adj %*
Passengers carried (000)	1,111	992	(8.4%)
Revenue Passenger Kilometres(m)	2,394	2,254	(13.0%)
Available Seat Kilometres (m)	2,990	2,706	(9.6%)
Passenger Load Factor (%)	80.1%	83.3%	(3.2 pts)

Short Haul Total	JULY		
	2009	2008	Adj %*
Passengers carried (000)	960	844	(6.9%)
Revenue Passenger Kilometres(m)	988	884	(8.5%)
Available Seat Kilometres (m)	1,267	1,144	(9.4%)
Passenger Load Factor (%)	78.0%	77.3%	0.7 pts

Domestic	JULY		
	2009	2008	Adj %*
Passengers carried (000)	700	604	(5.2%)
Revenue Passenger Kilometres(m)	327	275	(2.5%)
Available Seat Kilometres (m)	429	352	(0.4%)
Passenger Load Factor (%)	76.3%	78.1%	(1.8 pts)

Tasman / Pacific	JULY		
	2009	2008	Adj %*
Passengers carried (000)	260	240	(11.4%)
Revenue Passenger Kilometres(m)	661	609	(11.2%)
Available Seat Kilometres (m)	838	792	(13.4%)
Passenger Load Factor (%)	78.9%	76.9%	2.0 pts

Long Haul Total	JULY		
	2009	2008	Adj %*
Passengers carried (000)	150	148	(16.9%)
Revenue Passenger Kilometres(m)	1,406	1,369	(16.0%)
Available Seat Kilometres (m)	1,723	1,562	(9.7%)
Passenger Load Factor (%)	81.6%	87.7%	(6.1 pts)

Asia / Japan / UK	JULY		
	2009	2008	Adj %*
Passengers carried (000)	57	62	(24.2%)
Revenue Passenger Kilometres(m)	518	549	(23.0%)
Available Seat Kilometres (m)	671	655	(16.2%)
Passenger Load Factor (%)	77.1%	83.9%	(6.8 pts)

North America / UK	JULY		
	2009	2008	Adj %*
Passengers carried (000)	93	86	(11.4%)
Revenue Passenger Kilometres(m)	889	820	(11.4%)
Available Seat Kilometres (m)	1,052	907	(5.1%)
Passenger Load Factor (%)	84.5%	90.5%	(6.0 pts)

* Year on year percentage movements have been adjusted on a daily weighted average basis for July. The adjustment takes into account the difference in days for the July 2009 accounting period (33 days) compared with July 2008 (27 days).

Notes:

1. Monthly operating statistics are issued on a preliminary basis and are subject to change. Any changes made will flow through the year-to-date column.

2. Year-on-year percentage movements are calculated on operating statistics prior to rounding adjustments.

ASKs: The number of seats made available for sale multiplied by the distance flown.
 RPKs: The number of revenue passengers carried multiplied by the distance flown.
 Yield: Revenue (adjusted for currency movements) over distance flown on a per passenger basis (Revenue/RPKs)
 Load Factor: RPKs as a percentage of ASKs.
 Short Haul: Includes New Zealand, Australia and Pacific Islands.
 Long Haul: Includes Asia, North America and Europe