



AIR NEW ZEALAND

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FROM	Sonya Joyce Manager Investor Relations	DATE 20 January 2011
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SUBJECT	Air New Zealand Acquires Substantial Shareholding in Virgin Blue	

Air New Zealand has acquired a substantial shareholding in Australian-based airline Virgin Blue.

Air New Zealand has notified the Australian Stock Exchange and New Zealand Stock Exchange that it has become a substantial shareholder in Virgin Blue, as part of a planned acquisition of a shareholding between 10% and 14.99%.

Air New Zealand Chief Executive Officer Rob Fyfe says there is no intention to make a takeover bid for Virgin Blue, something he confirmed to the Australian airline's Chief Executive, John Borghetti, in a telephone call today.

Air New Zealand has obtained Australian Foreign Investment Review Board approval to purchase up to 14.99% percent of Virgin Blue; a shareholding which it believes will keep the total foreign ownership of Virgin Blue within the statutory limit of 49%. Virgin Group based in the UK has a 26% shareholding.

"The investment in Virgin Blue is part of Air New Zealand's strategy to develop scale and reach in this region. The Tasman alliance with Virgin Blue was the first step in this strategy. This investment cements the emerging relationship between our two airlines and demonstrates the confidence we have in Virgin Blue both as an entity and as a partner for Air New Zealand," says Mr Fyfe.

Air New Zealand intends to make a further announcement about the shareholding to the NZX and ASX before the commencement of market trading tomorrow.

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