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FROM	Leila Peters Head of Investor Relations	DATE 30 March 2016
NUMBER OF PAGES INCLUDING COVER SHEET	One	
SUBJECT	Air New Zealand reviews its financial investment in Virgin Australia	

Air New Zealand (NZX: AIR) advises that it is exploring options with respect to its shareholding in Virgin Australia Holdings Limited (Virgin Australia or the Company), including a possible sale of all, or part of its shareholding.

Air New Zealand has retained First NZ Capital and Credit Suisse to advise it on options with respect to its shareholding in Virgin Australia.

Virgin Australia has undertaken a successful transformation programme over the past five years that has seen it evolve from a low cost carrier to a diversified airline group.

As Virgin Australia now embarks on the next phase of its programme of optimising its balance sheet and capital structure, Air New Zealand's Chairman, Tony Carter, has advised Elizabeth Bryan, the Chairman of Virgin Australia, that Air New Zealand will undertake a review of its financial investment in the Company, including possible alternate uses of capital currently deployed in Virgin Australia.

Mr Carter says Air New Zealand does not want a large minority equity position in Virgin Australia as it focuses on its own growth opportunities.

Air New Zealand Chief Executive Officer Christopher Luxon says the airline is supportive of the significant transformation that Virgin Australia has undergone over the past five years, under John Borghetti's leadership.

"We look forward to continuing our partnership on the Tasman alliance, providing customers of both airlines with the most comprehensive trans-Tasman network," Mr Luxon says.

Air New Zealand intends to coordinate its review of its investment in Virgin Australia with that airline's broader capital structure review, and looks forward to continuing its strong relationship with Virgin Australia and working constructively together.

As a result of this announcement, Christopher Luxon will resign from the board of Virgin Australia, effective immediately.

Further details on the outcomes of the review will be provided in due course.

Ends