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FROM	Julia Belk Manager, Investor Relations	DATE 13 October 2016
NUMBER OF PAGES INCLUDING COVER SHEET	One	
SUBJECT	Air New Zealand Launches Fixed Rate Retail Bond Offer	

Air New Zealand Limited (**Air New Zealand**) confirmed today that it is offering NZ\$75 million of six year, unsecured, unsubordinated, fixed rate bonds maturing on 28 October 2022 (**Bonds**) to New Zealand retail and institutional investors (the **Offer**).

The Offer opens today and will be made pursuant to the Financial Markets Conduct Act 2013 as an offer of debt securities of the same class as existing quoted debt securities. The notice required by the Financial Markets Conduct Regulations 2014 has been provided to NZX and is attached. The Bonds are expected to be quoted on the NZX Debt Market.

Full details of the Offer are contained in the attached terms sheet. A roadshow presentation relating to the Offer is also attached.

The interest rate on the Bonds will be announced by Air New Zealand via NZX following a bookbuild process, expected to be on 20 October 2016. At that time the terms sheet will be updated to include the fixed interest rate and will be released with the announcement.

There is no public pool for the Offer, with all of the Bonds being reserved for the clients of the Joint Lead Managers, NZX Participants and other approved financial intermediaries. Interested investors should contact the Joint Lead Managers or their usual financial adviser for more details.

The Offer will close on 20 October 2016. The Bonds are expected to be issued on 28 October 2016.

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