

TO	Listed Company Relations NZSX Market	VIA NZ MAP
CC	Company Announcements Office Australian Stock Exchange	VIA ASX ONLINE
FROM	Julia Belk Manager, Investor Relations	DATE 20 October 2016
NUMBER OF PAGES INCLUDING COVER SHEET	One	
SUBJECT	Air New Zealand Announces Interest Rate for Bond Issue and Closes Offer	

Air New Zealand Limited (**Air New Zealand**) today announced that, following the successful bookbuild process for its offer of six year, unsecured, unsubordinated fixed rate bonds (**Bonds**), the offer has now closed (the **Offer**). NZ\$50 million of Bonds will be issued under the Offer. There was no public pool for the Offer.

The interest rate for the Bonds has been set at 4.25% per annum.

The Bonds will be issued on 28 October 2016 and will mature on 28 October 2022. The Bonds are expected to be quoted on the NZX Debt Market under the ticker code AIR020.

The full details of the Offer are contained in the updated terms sheet which is attached.

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