

CAMERON & COMPANY
Investment Bankers

To: First NZ Capital

From: Andrew Wallace

Date: 13 November 2002

Subject: Information Request

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memo

PROJECT VANILLA FINANCIAL INFORMATION DOCUMENTS

Attached are several documents in response to the FNZC information request dated 7 November 2002.

Financial Information

1. Any updates to the FY03 Final Budget Report;

[No budget updates]

2. Monthly management accounts for July, August, September and October 2002;

[Attached Monthly management accounts for July, August, and September 2002]

3. FY02 divisional earnings and comparison with FY02 budget by division and any commentary on the variation to the budget forecasts;

[Attached (provided by DM) is a one page EBIT Summary for FY02 by business division. Note the original FY02 included Ansett and was prepared by completely different management team.]

4. Breakdown of forecast capex including funding arrangements for A320s and forecasts for any upgrade of Air NZ's long-haul aircraft or fittings;

[Capex information is included in Monthly Reports, Long Haul Capex forecasts are still to be developed, See RM for A320 capex forecasts]

5. Any work on Air NZ's cost of capital;

[No new material cost of capital material]

- 6.

- ✓ 7. Any qualitative or quantitative analysis on the performance to date of NZ Express;
[Attached is one page that accompanies the monthly report that provides a commentary on NZ Express]
- || 8. Proposed rights issue terms and timing and any work on the need for a further capital raising;
[Terms and timing of proposed rights issue are yet to be finalised]
- ✓ 9. Work on the placement price of shares to Qantas;
[Cam & Co to provide]
- | 10. Updated materials on Air NZ's current and historical gearing and interest coverage; and
[Historical Gearing is given in Monthly reports, refer to RM for interest coverage material]
- ✓ 11. Air NZ's divisional EBIT for 2000, 2001, 2002 and 2003F.
[Attached (provided by DM) one pager EBIT SUMMARY for business divisions 2000-2003F]

2. Modelling

[Simon Healy to provide]

3. Operational

- || 1. Air NZ's business plan and earnings forecasts under the scenario of scaling back/eliminating long haul operations; *[Cam & Co and Mike Swiatek]*
- ✓ 2. Update on talks held with Virgin Blue; and
[MS]
- ✓ 3. Update on talks held with members of Star Alliance or any other alliance regarding a potential equity subscription or strategic alliance with Air NZ.
[M.S]

4. Term Sheets and Legal Documents

[Bell Gully to provide]