

Stock exchange listings: New Zealand (NZX: AIR) / Australia (ASX: AIZ) / ADR (OTC: ANZLY)

MARKET ANNOUNCEMENT

27 November 2020

Air New Zealand awarded second phase of international cargo flights

Air New Zealand has been awarded four months of additional cargo flights under the Government's International Air Freight Capacity (IAFC) scheme.

This comes after the Government announced Phase Two of the IAFC scheme which runs from 1 December 2020 through to 31 March 2021. Under the scheme, the Government provides financial assistance to all airlines that are awarded flights under the IAFC to support the cost of flying, thereby ensuring continuity for aviation freight in and out of New Zealand. Air New Zealand has now been awarded an average of 55 flights per week. The Government financial support for these flights is expected to contribute between \$100 million and \$145 million towards cargo revenue over the four month period.

The IAFC award will continue to support the company's international business until such time as international borders reopen. With the certainty of the next four months of this arrangement, the company expects cargo revenue for FY21 to exceed FY20 levels. Since the start of Covid-19, Air New Zealand Cargo's revenue contribution has grown from ten percent to nearly half of the current monthly revenue of the airline.

The airline still expects to make a loss in FY21.

Ends.

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