Monthly
investor update

For personal use only

30 March 2021

Contents

- February 2021 traffic highlights
- Operating statistics table
- Recent market announcements and media releases

February 2021 highlights

Group traffic summary	FEBRUARY			FINANCIAL YTD		
	2021	2020	% *	2021	2020	% *+
Passengers carried (000)	624	1,363	(54.2%)	5,211	11,734	(55.6%)
Revenue Passenger Kilometres(m)	379	3,015	(87.4%)	3,435	26,508	(87.0%)
Available Seat Kilometres (m)	674	3,798	(82.2%)	6,309	31,631	(80.1%)
Passenger Load Factor (%)	56.3%	79.4%	(23.1 pts)	54.4%	83.8%	(29.4 pts)

Year-to-date RASK[1]	% change in reported RASK (incl. FX)	% change in underlying RASK (excl. FX)
Group	31.4%	31.3%
Short Haul	25.3%	25.2%
Long Haul	(30.7%)	(30.8%)

Please note that the available seat kilometre (capacity) numbers included in the tables within this disclosure do not include any cargo-only flights. This is because these capacity numbers are used to calculate passenger load factors and passenger RASK

** % change is based on numbers prior to rounding.*

1 Reported RASK (unit passenger revenue per available seat kilometre) is inclusive of foreign currency impact, and underlying RASK excludes foreign currency impact.

For personal use only

Operating statistics table

Group	FEBRUARY			FINANCIAL YTD		
	2021	2020	% *	2021	2020	% *
Passengers carried (000)	624	1,363	(54.2%)	5,211	11,734	(55.6%)
Revenue Passenger Kilometres(m)	379	3,015	(87.4%)	3,435	26,508	(87.0%)
Available Seat Kilometres (m)	674	3,798	(82.2%)	6,309	31,631	(80.1%)
Passenger Load Factor (%)	56.3%	79.4%	(23.1 pts)	54.4%	83.8%	(29.4 pts)

Short Haul Total	FEBRUARY			FINANCIAL YTD		
	2021	2020	% *	2021	2020	% *
Passengers carried (000)	620	1,182	(47.6%)	5,156	10,193	(49.4%)
Revenue Passenger Kilometres(m)	338	1,231	(72.6%)	2,899	11,380	(74.5%)
Available Seat Kilometres (m)	512	1,553	(67.0%)	4,377	13,749	(68.2%)
Passenger Load Factor (%)	66.0%	79.3%	(13.3 pts)	66.2%	82.8%	(16.6 pts)

Domestic	FEBRUARY			FINANCIAL YTD		
	2021	2020	% *	2021	2020	% *
Passengers carried (000)	608	899	(32.4%)	5,042	7,466	(32.5%)
Revenue Passenger Kilometres(m)	310	470	(34.0%)	2,644	3,863	(31.6%)
Available Seat Kilometres (m)	436	565	(23.0%)	3,481	4,562	(23.7%)
Passenger Load Factor (%)	71.2%	83.1%	(11.9 pts)	75.9%	84.7%	(8.8 pts)

Tasman / Pacific	FEBRUARY			FINANCIAL YTD		
	2021	2020	% *	2021	2020	% *
Passengers carried (000)	12	283	(95.7%)	114	2,727	(95.8%)
Revenue Passenger Kilometres(m)	28	761	(96.4%)	256	7,517	(96.6%)
Available Seat Kilometres (m)	76	987	(92.3%)	896	9,188	(90.3%)
Passenger Load Factor (%)	36.3%	77.1%	(40.8 pts)	28.6%	81.8%	(53.2 pts)

Long Haul Total	FEBRUARY			FINANCIAL YTD		
	2021	2020	% *	2021	2020	% *
Passengers carried (000)	4	181	(97.7%)	54	1,541	(96.5%)
Revenue Passenger Kilometres(m)	41	1,784	(97.7%)	535	15,128	(96.5%)
Available Seat Kilometres (m)	162	2,245	(92.8%)	1,932	17,881	(89.2%)
Passenger Load Factor (%)	25.6%	79.5%	(53.9 pts)	27.7%	84.6%	(56.9 pts)

Asia / Japan / Singapore	FEBRUARY			FINANCIAL YTD		
	2021	2020	% *	2021	2020	% *
Passengers carried (000)	1	78	(98.1%)	26	686	(96.2%)
Revenue Passenger Kilometres(m)	14	693	(98.0%)	242	6,099	(96.0%)
Available Seat Kilometres (m)	116	909	(87.2%)	1,095	7,302	(85.0%)
Passenger Load Factor (%)	11.7%	76.3%	(64.6 pts)	22.1%	83.5%	(61.4 pts)

Americas / UK	FEBRUARY			FINANCIAL YTD		
	2021	2020	% *	2021	2020	% *
Passengers carried (000)	3	103	(97.4%)	28	855	(96.7%)
Revenue Passenger Kilometres(m)	28	1,091	(97.4%)	293	9,030	(96.8%)
Available Seat Kilometres (m)	46	1,336	(96.5%)	837	10,579	(92.1%)
Passenger Load Factor (%)	60.1%	81.6%	(21.5 pts)	35.0%	85.4%	(50.4 pts)

* % change is based on numbers prior to rounding

Air New Zealand operates primarily in one segment, its primary business being the transportation of passengers and cargo on an integrated network of scheduled airline services to, from and within New Zealand. The following operational data and statistics is additional supplementary information only.

For personal use only

Market Announcements

(during the period 9 March January 2021 to 29 March 2021)

Air New Zealand appoints Chief Corporate Affairs Officer — 26 March 2021

Air New Zealand has appointed Mat Bolland to the newly created role of Chief Corporate Affairs Officer.

With a corporate affairs career of more than 20 years, Mr Bolland's experience has spanned energy, water and telecommunications through periods of crisis and significant industry change.

Mr Bolland is currently General Manager Corporate and Regulatory Affairs at 2degrees where he is responsible for government relations, regulatory and public policy, corporate communications and public relations.

Chief Executive Officer Greg Foran says Mat will be an outstanding addition to the Executive team at a time of growth and recovery for the airline.

"By bringing our government relations, regional, cultural and regulatory affairs, and communications functions into one team under Mat, the airline will be well placed to strengthen those key stakeholder relationships which have never been more important. I know Mat is going to make a terrific contribution to shaping our future business for the benefit of all stakeholders.

"It's an exciting time to come onboard as we look forward to starting up more travel with our close neighbours. We look forward to welcoming Mat to the Air New Zealand team."

Mr Bolland is a Fellow of the Public Relations Institute of New Zealand.

This announcement is made pursuant to Listing Rule 3.20.1

Air New Zealand Chief Digital Officer to leave the airline — 15 March 2021

Chief Digital Officer, Jennifer Sepull, has advised that she will be leaving Air New Zealand after two years in the role.

Jennifer moved from the United States to New Zealand to take up the Chief Digital Officer role in May 2019.

Air New Zealand Chief Executive Officer Greg Foran said Jennifer has led the digital team through the toughest period the airline has experienced while delivering on some major programmes of work.

"Under Jennifer's leadership, Air New Zealand's cybersecurity and core technology has become stronger, simplified, and more resilient. Jennifer and her team have also started the journey to build our future digital architecture.

"On behalf of the Executive and the Board, I would like to thank Jennifer for her contribution to the airline over the past two years. The digital strategy that she has led will be key to the airline's future success as we emerge from COVID-19."

The airline has commenced a global search for a Chief Digital Officer to drive the digital strategy forward. Jennifer will be leaving the airline this week but will provide transition support to CEO Greg Foran until October 2021. Interim arrangements are being put in place to manage the digital functions until the new appointment can be made.

This announcement is made pursuant to Listing Rule 3.20.1

For personal use only

Media Releases

(during the period 9 March January 2021 to 29 March 2021)

Air New Zealand sets sights on Hobart — 19 March 2021

Air New Zealand is thrilled to announce it is adding Hobart as its tenth Australian destination.

The airline will be launching a non-stop service between Auckland and Hobart once quarantine-free travel is up and running.

Air New Zealand Chief Executive Officer Greg Foran says he expects this new route to be a great attraction for both Kiwis and Tasmanians.

"This route will be a much-needed economic boost for New Zealand's tourism industry. Our Hobart-Auckland route will open a direct link between 540,000 potential Tasmanian tourists and our biggest city, with regional hot spots like Queenstown and Rotorua a short skip away.

"We'll be providing flights on Thursdays and Sundays to make the most of domestic connectivity and provide the best long weekend options for travellers."

While New Zealand will be a key destination for Tasmanians, the route will open opportunities for Kiwis too.

"As Australia's second oldest city, Hobart is rich in heritage and its world-famous Museum of Old and New Art mixes antiquities among contemporary art. The city's vibrant Salamanca Market and surrounding bars and restaurants are a terrific introduction to what's on offer.

"But there is much more to see beyond the city. I think New Zealanders will be blown away with what they discover in Tasmania, from world class art and culture, to the food and wine scene, spectacular landscapes and an abundance of wildlife.

"There are 18 National Parks to explore, with over 2,000 kilometres of walking tracks where you may bump into a wombat or if you're lucky, a Tasmanian Devil.

"Similarly, we know Tasmanians love to visit New Zealand and this non-stop service to Auckland will make it that much easier to get out into our great outdoors and access our winter playgrounds."

Tasmanian Premier Peter Gutwein says the announcement of the new non-stop flights to Hobart from New Zealand is a significant opportunity for both destinations.

"I am very pleased that this service will enable us to welcome more New Zealanders to our State and encourage them to consider booking their next holiday in Tassie and see what we have to offer."

Subject to final contract agreement, and government and regulatory approval, the airline will be flying year-round between Auckland and Hobart twice weekly using its A320neo fleet. Tickets will go on sale once quarantine-free travel across the Tasman is available.

Air New Zealand Gas Turbines review – further update — 16 March 2021

Air New Zealand has received confirmation from the Ministry of Foreign Affairs and Trade that permits were not required for exporting the specific type of engines (GE LM2500) the business was repairing for the Royal Saudi Navy.

Air New Zealand Chairman Dame Therese Walsh says this aligns with advice the airline received from the QC appointed to review the licensing requirements for the engines.

For personal use only

"The legal advice we received from Mike Heron QC is that the export of the two engines to Germany for the Royal Saudi Navy did not require an export permit under the Customs Act, nor did it require a notification to the Secretary of Foreign Affairs and Trade.

"The advice is that new notification requirements introduced in late 2020 do not apply to contracts entered into before September 2020 (when the notification requirement was expanded for certain military related exports). The contract for this Royal Saudi Navy work was in May 2019."

The independent external review being carried out by PwC on Air New Zealand's Gas Turbines business is almost finalised, with a report to the Board expected at the end of this month.

Air New Zealand Chief Executive Officer Greg Foran says the internal review is due to be completed shortly and early findings have helped the business to identify opportunities to improve processes.

"In late February we took immediate steps to ensure all future work of a military or government nature is escalated to Executive level for review, including ethical considerations, and approval before a contract can proceed. We will also work with relevant governmental agencies to ensure our understanding of issues for differing jurisdictions is kept up to date.

"For Air New Zealand, business is more than just revenue, we've got to make sure the work we are doing fits within our values. Our internal review has seen us change our processes to support us to make the right decisions as an organisation. We are also committed to making further changes pending the outcome of the independent external review."

Air New Zealand says 'fakaalofa atu' to Niue — 13 March 2021

Flights from Niue to New Zealand are on sale now following the announcement of a one-way quarantine-free travel route from Niue to New Zealand.

Air New Zealand will operate one return passenger service every two weeks on a Wednesday (NZT) using the airline's A320 fleet with the first flight arriving into Auckland on 24 March at 7:30pm.

Air New Zealand Chief Executive Officer Greg Foran says the airline is excited to be bringing our Niuean neighbours to New Zealand.

"Since successfully and safely launching the one-way quarantine free flights from Rarotonga earlier in the year, our business is primed to operate to more international destinations when it is safe to do so."

"This quarantine free travel option from Niue to New Zealand is another great step forward on the journey to safe travel between New Zealand and the Pacific Islands."

Returning Niuean citizens and residents will be required to quarantine on arrival into Niue. Customers travelling from Niue to New Zealand will be required to wear masks inflight and will arrive at Auckland Airport into a designated area separated from passengers arriving on quarantine flights.

More information can be found on Air New Zealand's Travel Alert page.

Air New Zealand extends domestic flexibility scheme and welcomes back food and beverage service — 12 March 2021

Air New Zealand has extended its domestic flexibility policy in response to the recent alert level changes around the country.

For personal use only

Customers who book or currently hold tickets for domestic flights scheduled to depart up until 11.59pm on 30 June 2021 will now be able to hold that fare in credit for rebooking until 30 June 2022 or amend the date of their flight with change fees waived (normal fare difference may still apply).

Air New Zealand's Chief Customer and Sales Officer Leanne Geraghty says the airline wants its customers to be able to continue to book with confidence, especially after the recent alert level changes.

"Having recently gone through a period of elevated alert levels around the country, many of our customers had their travel plans disrupted. This extension will provide more options should circumstances change in the future.

The airline recently made an adjustment to its credit policy and customers who hold an existing credit with the airline will have until 30 June 2022 to make a new booking using their credit, and until 30 June 2023 to take the travel. This applies to both domestic and international credit.

In addition to the flexibility extension, the airline's full food and beverage service will be back on board from Monday after Auckland joins the rest of the country at Alert Level One.

"The decision to bring food and beverage back on board was made under guidance from the Ministry of Health. Feedback from customers has been that they really enjoy a snack and a cup of coffee or tea while flying so we're looking forward to welcoming this back. Care is at the heart of our brand and offering food and beverage on board is very much an extension of that.

"Customers are of course still required to wear their mask or face covering while they are not enjoying a drink or bite to eat."

Air New Zealand Airpoints can now be used to buy Apple products 11 March 2021

Air New Zealand Airpoints™ members are now able to purchase Apple products through the Airpoints Store using Airpoints Dollars™.

Air New Zealand General Manager Loyalty Kate O'Brien says she is thrilled to be able to share this news with the airline's 3.5 million Airpoints members.

"Apple has been the most searched for brand on our Airpoints Store for some time now, so we know this is something our members have been wanting.

"Since COVID-19 we've seen a dramatic shift in the way Airpoints members spend their Airpoints Dollars, with people choosing to spend more on products like technology, homewares, DIY and domestic tourism experiences while international travel has been limited – in fact, total redemptions across the Airpoints Store increased by 122 percent in 2020. It's a great reminder that Airpoints Dollars don't have to be spent on flights. We're glad to be able to offer our members so much choice around how they spend their Airpoints Dollars.

"We've really appreciated the support our customers have shown us over the past year and hope they will enjoy having the option to purchase Apple products with their Airpoints Dollars alongside the more than 6,000 other local and global products available."

A range of Apple products is now available from the Airpoints Store including iPhone, Apple Watch, iPad, Mac and a selection of accessories.