

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

MARKET ANNOUNCEMENT

27 May 2021

Air New Zealand awarded further international cargo flights

Air New Zealand has been awarded an additional five months of cargo flights under the Government's Maintaining International Air Connectivity (MIAC) scheme.

The MIAC scheme (the scheme) was announced by the Government in March 2021, following the success of the International Air Freight capacity (IAFC) scheme, to ensure a predictable and regular schedule of international air services. Under the scheme the Government provides financial assistance to all airlines that are awarded flights, to support the cost of flying. This will help keep New Zealand connected to its global trade partners and allow for essential travel to continue while international borders remain closed.

With the scheme now operating through to the end of October 2021, the airline has been awarded an average of 30 flights per week to 13 destinations including Los Angeles, Hong Kong, Shanghai and key Pacific ports. With the trans-Tasman and Rarotonga bubbles now in operation, services to Australia and the Cook Islands are currently operating outside of the scheme.

The Government financial support for these flights is expected to contribute between \$120 million and \$145 million towards the airline's cargo revenue over the five-month period of the current scheme. For FY21 overall, Government financial support will contribute between \$320 million and \$340 million to total cargo revenue.

The MIAC award will continue to support the company's international business until such time as international borders reopen. With the certainty of the next phase of this arrangement, along with cargo flying previously undertaken under the IAFC, cargo revenue for FY21 will exceed FY20 levels, however the airline still expects to make a significant loss in FY21.

Ends.

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