

Monthly *investor update*



7 July 2022

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May 2022 highlights

Group traffic summary	MAY					FINANCIAL YTD				
	2022	2021	% *	2019	% *	2022	2021	% *	2019	% *
Passengers carried (000)	891	844	5.6%	1,281	(30.5%)	6,649	7,748	(14.2%)	16,163	(58.9%)
Revenue Passenger Kilometres(m)	1,113	668	66.6%	2,684	(58.5%)	5,790	5,175	11.9%	35,149	(83.5%)
Available Seat Kilometres (m)	1,328	1,095	21.2%	3,187	(58.3%)	9,104	9,180	(0.8%)	41,922	(78.3%)
Passenger Load Factor (%)	83.8%	61.0%	22.8 pts	84.2%	(0.4 pts)	63.6%	56.4%	7.2 pts	83.8%	(20.2 pts)

Year-to-date RASK ¹	% change in reported RASK (incl. FX)		% change in underlying RASK (excl. FX)	
	vs. 2021	vs. 2019	vs. 2021	vs. 2019
Group	(6.4%)	24.4%	(6.3%)	24.6%
Short Haul	(8.9%)	14.5%	(8.8%)	14.6%
Long Haul	23.5%	(19.7%)	23.6%	(19.5%)

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.



Operating statistics table

Group	MAY					FINANCIAL YTD				
	2022	2021	% *	2019	% *	2022	2021	% *	2019	% *
Passengers carried (000)	891	844	5.6%	1,281	(30.5%)	6,649	7,748	(14.2%)	16,163	(58.9%)
Revenue Passenger Kilometres(m)	1,113	668	66.6%	2,684	(58.5%)	5,790	5,175	11.9%	35,149	(83.5%)
Available Seat Kilometres (m)	1,328	1,095	21.2%	3,187	(58.3%)	9,104	9,180	(0.8%)	41,922	(78.3%)
Passenger Load Factor (%)	83.8%	61.0%	22.8 pts	84.2%	(0.4 pts)	63.6%	56.4%	7.2 pts	83.8%	(20.2 pts)
Short Haul Total	MAY					FINANCIAL YTD				
	2022	2021	% *	2019	% *	2022	2021	% *	2019	% *
Passengers carried (000)	853	840	1.5%	1,126	(24.2%)	6,521	7,681	(15.1%)	14,179	(54.0%)
Revenue Passenger Kilometres(m)	731	633	15.5%	1,168	(37.5%)	4,505	4,517	(0.3%)	15,667	(71.2%)
Available Seat Kilometres (m)	887	933	(4.9%)	1,389	(36.1%)	6,578	6,725	(2.2%)	18,922	(65.2%)
Passenger Load Factor (%)	82.4%	67.9%	14.5 pts	84.1%	(1.7 pts)	68.5%	67.2%	1.3 pts	82.8%	(14.3 pts)
Domestic	MAY					FINANCIAL YTD				
	2022	2021	% *	2019	% *	2022	2021	% *	2019	% *
Passengers carried (000)	708	739	(4.2%)	855	(17.2%)	5,957	7,404	(19.5%)	10,488	(43.2%)
Revenue Passenger Kilometres(m)	357	370	(3.4%)	431	(17.1%)	3,008	3,845	(21.8%)	5,444	(44.7%)
Available Seat Kilometres (m)	476	452	5.2%	500	(4.7%)	4,385	4,971	(11.8%)	6,476	(32.3%)
Passenger Load Factor (%)	75.0%	81.7%	(6.7 pts)	86.3%	(11.3 pts)	68.6%	77.4%	(8.8 pts)	84.1%	(15.5 pts)
Tasman / Pacific	MAY					FINANCIAL YTD				
	2022	2021	% *	2019	% *	2022	2021	% *	2019	% *
Passengers carried (000)	145	101	43.4%	271	(46.5%)	564	277	103.3%	3,690	(84.7%)
Revenue Passenger Kilometres(m)	373	263	41.9%	737	(49.3%)	1,496	672	122.5%	10,223	(85.4%)
Available Seat Kilometres (m)	411	480	(14.4%)	889	(53.8%)	2,193	1,755	25.0%	12,445	(82.4%)
Passenger Load Factor (%)	90.9%	54.8%	36.1 pts	82.9%	8.0 pts	68.2%	38.3%	29.9 pts	82.1%	(13.9 pts)
Long Haul Total	MAY					FINANCIAL YTD				
	2022	2021	% *	2019	% *	2022	2021	% *	2019	% *
Passengers carried (000)	38	4	983.7%	155	(75.5%)	128	67	90.8%	1,984	(93.6%)
Revenue Passenger Kilometres(m)	382	35	985.7%	1,516	(74.8%)	1,285	658	95.3%	19,482	(93.4%)
Available Seat Kilometres (m)	441	162	171.3%	1,798	(75.5%)	2,526	2,454	2.9%	23,000	(89.0%)
Passenger Load Factor (%)	86.8%	21.7%	65.1 pts	84.3%	2.5 pts	50.9%	26.8%	24.1 pts	84.7%	(33.8 pts)
Asia	MAY					FINANCIAL YTD				
	2022	2021	% *	2019	% *	2022	2021	% *	2019	% *
Passengers carried (000)	11	1	834.3%	71	(84.8%)	36	30	19.6%	833	(95.6%)
Revenue Passenger Kilometres(m)	92	11	771.8%	629	(85.4%)	313	279	12.2%	7,418	(95.8%)
Available Seat Kilometres (m)	124	116	7.4%	764	(83.7%)	1,055	1,466	(28.0%)	8,792	(88.0%)
Passenger Load Factor (%)	74.1%	9.1%	65.0 pts	82.4%	(8.3 pts)	29.7%	19.1%	10.6 pts	84.4%	(54.7 pts)
Americas / UK	MAY					FINANCIAL YTD				
	2022	2021	% *	2019	% *	2022	2021	% *	2019	% *
Passengers carried (000)	27	2	1056.9%	84	(67.7%)	91	36	153.1%	1,151	(92.1%)
Revenue Passenger Kilometres(m)	290	25	1077.4%	887	(67.3%)	972	379	156.6%	12,064	(91.9%)
Available Seat Kilometres (m)	316	47	577.6%	1,034	(69.4%)	1,470	989	48.7%	14,208	(89.7%)
Passenger Load Factor (%)	91.8%	52.8%	39.0 pts	85.8%	6.0 pts	66.1%	38.3%	27.8 pts	84.9%	(18.8 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.



Market Announcements

(during the period 2 June 2022 to 6 July 2022)

Air NZ updates on FY2022 outlook

10 June 2022

On 30 March 2022 Air New Zealand confirmed its expectation that its FY2022 full year result would be a loss before other significant items and taxation of less than \$800 million. On 4 May 2022, the airline updated on trading conditions including that the FY2022 result could be better than that expectation.

The airline now expects its FY2022 full year result to be a loss before other significant items and taxation of less than \$750 million.

The airline continues to see strong passenger booking activity on short haul and international services following the opening of the New Zealand border. Domestic demand has also improved in recent weeks with business-related demand returning to approximately 90 percent of pre-Covid levels.

The airline remains mindful that the macroeconomic environment continues to be uncertain with disruptions caused by the impact of covid variants, continued travel restrictions in some markets, and the ongoing conflict in Ukraine contributing to high jet fuel prices.

Air New Zealand appoints Chief Sustainability Officer

7 June 2022

Kiri Hannifin has been appointed to the newly created role of Chief Sustainability Officer, an executive position recognising the importance of sustainability across all aspects of the company's operation and increased focus the airline is placing on addressing its environmental impact.

Ms Hannifin is the Director of Corporate Affairs, Quality, Health & Safety and Sustainability at Countdown. Since 2017 she has spearheaded the company's programme to reduce emissions, managed the health, safety and wellbeing of the company's 21,000 staff and led its internal and external stakeholder management activity.

Air New Zealand Chief Executive Officer Greg Foran says sustainability is the biggest issue facing the airline's future and requires increased focus from a leader who will be a passionate public advocate for the changes all stakeholders need to make to deliver real change. "As we rebuild Air New Zealand, we need to advance the extensive work already undertaken to become a truly sustainable airline. Kiri's experience in driving change across the supply chain, engaging customers via tangible measures such as removing plastic bags from stores and diverting food waste from landfill will help our efforts move to a new level," says Mr Foran.

Kiri Hannifin will join Air New Zealand on 5 December 2022. She holds an LLB and BA in Political Science from Canterbury University.



Media Releases

(during the period 2 June 2022 to 6 July 2022)

[Air New Zealand offers best sleep in the sky as it unveils new cabin](#)

29 June 2022

- From 2024, Air New Zealand will offer a new Business Premier Luxe suite, a new Business Premier seat and the world's first Skynest
- It will offer the most choice of any airline in its three cabins to get the best sleep in the sky
- The airline has responded to overwhelming customer feedback on the importance of sleep and need for more comfort and space
- The interior design is inspired by the uniqueness of Aotearoa so customers will experience New Zealand as soon as they step onboard.

Air New Zealand's new Dreamliners, due to arrive in 2024, will give customers more choice than any airline in the world, providing the best sleep in the sky regardless of the cabin customers choose to fly in.

This includes a new Business Premier Luxe seat, designed for customers looking for more space and privacy, and Skynest, the world's first sleep pods in the sky for Economy travellers.

Feedback from extensive customer research over five years has highlighted the importance for a good night's sleep and the need for more space and comfort, so the new experience is designed around creating a home away from home that leaves customers refreshed and raring to go at their destination.

Air New Zealand Chief Executive Officer Greg Foran points to the airline's ambition to create the greatest flying experience and says the new cabin, combined with world-leading Kiwi hospitality, is the winning formula.

"New Zealand's location puts us in a unique position to lead on the ultra-longhaul travel experience. We have zeroed in on sleep, comfort, and wellness because we know how important it is for our customers to arrive well-rested. Whether they are heading straight into a meeting, or to their first holiday hotspot – they want to hit the ground running.

"It's a proud moment to finally unveil five years of hard mahi, in what truly is a cabin of possibility. One that will provide customers with options to get some shut eye wherever they're sitting."

Innovation has driven the new cabin experience from nose to tail. For Economy customers, the Skynest concept, first announced in 2020, will be a world-first.

"We wanted to offer our Economy customers a lie-flat option and that's how Skynest was born. It's going to be a real game changer for the economy travel experience."

Chief Customer and Sales Officer Leanne Geraghty says the cabin's interior design is inspired by the uniqueness of Aotearoa, from the forest inspired carpet to the seats that draw inspiration from New Zealand's native bird, the Tui.

"Whether we are welcoming visitors or flying New Zealanders home, we want our customers to experience Aotearoa from the moment they step onboard – and get the best night's rest.

"Research shows us the first night away from home is the hardest to get a good night's sleep so everything we do onboard is to help create a sense of calm – from the lighting and sleep ritual including sleepy teas and balms, to the healthier food choices and breathable fabrics. Meditative onscreen content, Zentertainment, will also help customers unwind and get ready for rest.

The airline has also added a Sky Pantry to the Premium Economy and Economy cabins, so customers can

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stretch their legs, grab a bite to eat and hydrate at their leisure throughout their journey.

“Our new cabin experience is set to be world class, and we know our customers will love it.”

Sustainability has been at the heart of the design process. Using modern fabrics, rather than leather, has saved around one kilogram in weight per Business Premier and Premium Economy seat, reducing overall carbon emissions. In Premium cabins, the airline will also switch to serviceware that is 20% lighter, helping to reduce carbon emissions, and in Economy, the new serviceware will reduce plastic dishes used in flight by 28 million every year.

The Cabin of Possibility

Business Premier Luxe

The best sleep in the sky. Our new offering is for customers looking for the ultimate space and privacy. A luxury experience with all the features of Business Premier, but with a fully closing door and space for two to dine.

Business Premier

A comfortable and private nest for a blissful journey and tranquil sleep. And if traveling with a companion, the middle row allows customers to open their nest and share their experience.

Premium Economy

For the treat-seekers looking for a little luxury to unwind and enjoy a taste of Aotearoa. Our new seat offers more privacy and protected space where you can recline at leisure without interrupting the person behind.

Economy Skynest

It's time to swap the headrest for some bedrest. Say hello to the world's first sleep pods in the sky, Skynest. Stretch out in one of six pods for part of your journey and catch some shut eye. A game changer for economy travellers.

Economy Skycouch

Use the Skycouch the way you want. Sit, spread out, or lie down and snooze. Share the space or keep it all to yourself.

Economy Stretch

It's all in the name. This seat is for those who want to rest and stretch their legs further than the regular Economy seat.

Economy seat

An enhanced economy seat designed with more storage, comfort and space and a 50% bigger screen for entertainment. Connect to Bluetooth audio and pair your device to act as a remote control or second screen.

Notes

The eight Boeing 787-9 Dreamliners arriving from 2024 and retrofitted current 787-9 fleet will have either eight or four Business Premier Luxe seats, 42 or 22 Business Premier, 52 or 33 Premium Economy, 125 or 213 Economy seats, and specifically on the ultra-longhaul aircraft, six Skynest sleep pods.

[The sky is the limit - Air New Zealand to relaunch
14 international routes in 16 days](#)

23 June 2022

Air New Zealand is gearing up for the busiest July in two years with the relaunch of 14 international routes in 16 days. With these routes back in action, the airline will be operating 60 percent of its international capacity - the most international flying in the last two years.

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From 9 July, the airline will have three quarters of its international and domestic routes back up and running with popular destinations like Honolulu, Houston and Tahiti restarting after around 820 days of not operating.

The Boeing 777-300 aircraft will also be back flying passengers, helping towards the addition of around 40,000 seats per week in July on the international network.

Air New Zealand Chief Executive Officer Greg Foran says it takes a village to get the airline back up and running and is incredibly proud of the sheer amount of work the team at Air New Zealand has put in to get to this moment.

“To bring one Boeing 777-300 out of storage in Auckland takes around six to eight weeks to get it ready for the skies. We’ve hired or rehired more than 2,000 Air New Zealanders across the business including 150 pilots, more than 500 cabin crew, and 270 airport employees, with another 1100 vacancies to be filled. It’s no easy feat but we’re getting back to where we were so we can give our customers that Air New Zealand service they know and love.

“We’re seeing first hand how keen people are to travel again, particularly across the Tasman. Come July, we will double our services across the Tasman and restart popular direct services like the Sunshine Coast, Hobart and Adelaide. By 9 July we will be back to all nine Australian ports which is an important milestone for us.

“I’d like to thank our customers for their patience while we get back to where we were pre-Covid, as well as our teams who are working hard to gear back up.

“Getting aircraft out of storage, people back in, opening ports, and working with new travel requirements, there’s a lot to consider, and the Air New Zealand team are doing their very best to make it happen as quickly as possible.”

Air New Zealand’s restart schedule is as follows:

Auckland	Commencing from	Frequency Jul-Oct
Honolulu	4 July	3 per week
Tahiti	6 July	2 per week
New Caledonia	6 July	2 per week
Houston	7 July	3 per week
Adelaide	6 July	3-4 per week
Cairns	5 July	3 per week
Hobart	7 July	2 per week
Sunshine Coast	9 July	2 per week
Christchurch		
Gold Coast	3 July	4-2 per week
Nadi	5 July	3-2 per week
Wellington		
Nadi	5 Jul	3-2 per week
Queenstown		
Brisbane	24 June	4-3 per week
Melbourne	24 June	7-6 per week
Sydney	25 June	9-5 per week

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“It’s Aotearoa on a plate” – Air New Zealand unveils new menu

8 June 2022

As international travel kicks off again, Air New Zealand is switching up its inflight menu to highlight the finest local produce and show meals are anything but plane at 40,000ft.

The airline is unveiling its new Business Premier menu, which showcases the best of Aotearoa on a plate, including local ingredients like Southland Lamb Prosciutto, Hawke’s Bay extra virgin olive oil and mānuka smoked free-range chicken from the Waikato.

Last week, Air New Zealand customers flying to and from Rarotonga were given a first taste of the Business Premier menu, which will be officially launched and rolled out on all long-haul routes from October. To welcome customers to their dining experience, the airline has also introduced a Koha from the Kitchen to be served after take-off.

The airline’s talented culinary team has put together these bite-sized morsels to hero local ingredients and as a token of gratitude to those flying with us.

Air New Zealand General Manager Customer Leeanne Langridge says “We all know how important food is when travelling and what a difference it makes to our customers to be served a tasty meal full of fresh, local produce while on their journey.

“Our inflight meals showcase the best of New Zealand produce to the world, and also gives our Kiwi customers a taste of home from the moment they are welcomed onboard.

“Through customer research we found our Premium customers wanted more choice in the air, so we’ve added a build your own component to the main meal service. Customers can add the likes of seared Salmon from Marlborough, free-range chicken from Waikato or bacon for greater protein, or streamed green vegetables or fresh, crisp salads picked straight from orchards and fields in Gisborne, Waikato or the Manawatū.”

Many of the meals like the artisan pasta bowl and superfood salad are also vegetarian, giving our customers plenty of meat-free options.

There’s a huge amount the airline must consider when it comes to creating a tasty dining experience in the air. “Meals have to meet certain requirements for heating and assembling onboard, and at altitude in the drier aircraft environment, taste buds are suppressed by around 30% so we need to ensure all our food components are full of flavour!”

Air New Zealand works with many well-known local suppliers when it comes to creating its menu. To keep up with changing food trends, the airline switches up the menu three times a year on long-haul flights, with more frequent changes for its Australia and Pacific Island routes.

Air New Zealand will be refreshing its Premium Economy and Economy offering at the same time. Sustainability has been at the forefront of developing the new menu, and the airline will also be rolling out new sustainable serviceware in all cabins, helping to reduce weight and single-use plastic on the aircraft. The new serviceware in the Premium cabins can reduce weight on an aircraft by around 20 per cent, and switching to a more sustainable serviceware option in the Economy cabin could also remove some 28 million single-use plastic dishes and knives, forks and spoons from inflight every year.

“This is another step towards our sustainability goals. We have been on a journey towards reducing the impact of our serviceware on the environment and the beautiful country we call home, by moving away from single-use plastics to more sustainable options.”