

Monthly **investor update**



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October 2021 highlights

Group traffic summary	OCTOBER			FINANCIAL YTD		
	2021	2020	% *	2022	2021	% *+
Passengers carried (000)	340	690	(50.7%)	2,185	2,432	(9.4%)
Revenue Passenger Kilometres(m)	180	442	(59.3%)	1,537	1,680	(7.7%)
Available Seat Kilometres (m)	358	744	(51.9%)	2,471	3,353	(25.7%)
Passenger Load Factor (%)	50.2%	59.4%	(9.2 pts)	62.2%	50.1%	12.1 pts

Year-to-date RASK ¹	% change in reported RASK (incl. FX)		% change in underlying RASK (excl. FX)	
Group		9.7%		10.1%
Short Haul		(3.0%)		(3.0%)
Long Haul		(7.0%)		(3.5%)

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.

+ The year to date percentage movements have been adjusted on a daily weighted average basis. The adjustment takes into account the difference in days for the accounting month of July 2020 (33 days) compared with July 2021 (32 days). This is because Air New Zealand operates on a 4,4,5 accounting calendar but closes the annual accounts on 30 June.

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

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Operating statistics table

Group	OCTOBER			FINANCIAL YTD		
	2021	2020	% *	2022	2021	% **
Passengers carried (000)	340	690	(50.7%)	2,185	2,432	(9.4%)
Revenue Passenger Kilometres(m)	180	442	(59.3%)	1,537	1,680	(7.7%)
Available Seat Kilometres (m)	358	744	(51.9%)	2,471	3,353	(25.7%)
Passenger Load Factor (%)	50.2%	59.4%	(9.2 pts)	62.2%	50.1%	12.1 pts
Short Haul Total	OCTOBER			FINANCIAL YTD		
	2021	2020	% *	2022	2021	% **
Passengers carried (000)	337	684	(50.7%)	2,170	2,399	(8.8%)
Revenue Passenger Kilometres(m)	148	375	(60.7%)	1,378	1,352	2.8%
Available Seat Kilometres (m)	235	550	(57.2%)	1,939	2,133	(8.4%)
Passenger Load Factor (%)	62.7%	68.2%	(5.5 pts)	71.1%	63.4%	7.7 pts
Domestic	OCTOBER			FINANCIAL YTD		
	2021	2020	% *	2022	2021	% **
Passengers carried (000)	334	672	(50.3%)	2,051	2,351	(12.1%)
Revenue Passenger Kilometres(m)	138	349	(60.4%)	1,027	1,244	(16.7%)
Available Seat Kilometres (m)	197	443	(55.6%)	1,338	1,688	(20.1%)
Passenger Load Factor (%)	70.2%	78.8%	(8.6 pts)	76.7%	73.7%	3.0 pts
Tasman / Pacific	OCTOBER			FINANCIAL YTD		
	2021	2020	% *	2022	2021	% **
Passengers carried (000)	3	12	(71.5%)	119	48	151.4%
Revenue Passenger Kilometres(m)	9	26	(64.5%)	351	108	227.1%
Available Seat Kilometres (m)	38	107	(64.2%)	600	445	36.1%
Passenger Load Factor (%)	24.3%	24.5%	(0.2 pts)	58.4%	24.3%	34.1 pts
Long Haul Total	OCTOBER			FINANCIAL YTD		
	2021	2020	% *	2022	2021	% **
Passengers carried (000)	3	7	(52.6%)	16	33	(52.3%)
Revenue Passenger Kilometres(m)	32	67	(51.4%)	159	328	(51.1%)
Available Seat Kilometres (m)	123	194	(36.7%)	533	1,220	(56.0%)
Passenger Load Factor (%)	26.3%	34.3%	(8.0 pts)	29.9%	26.9%	3.0 pts
Asia	OCTOBER			FINANCIAL YTD		
	2021	2020	% *	2022	2021	% **
Passengers carried (000)	1	4	(73.4%)	5	17	(73.2%)
Revenue Passenger Kilometres(m)	9	35	(73.7%)	42	159	(73.6%)
Available Seat Kilometres (m)	77	139	(44.9%)	326	582	(43.4%)
Passenger Load Factor (%)	12.0%	25.1%	(13.1 pts)	12.8%	27.4%	(14.6 pts)
Americas	OCTOBER			FINANCIAL YTD		
	2021	2020	% *	2022	2021	% **
Passengers carried (000)	2	3	(26.7%)	11	16	(29.7%)
Revenue Passenger Kilometres(m)	23	32	(26.8%)	117	168	(29.8%)
Available Seat Kilometres (m)	46	55	(16.1%)	206	638	(67.4%)
Passenger Load Factor (%)	50.0%	57.3%	(7.3 pts)	56.8%	26.4%	30.4 pts

* % change is based on numbers prior to rounding

+ The year to date percentage movements have been adjusted on a daily weighted average basis. The adjustment takes into account the difference in days for the accounting month of July 2020 (33 days) compared with July 2021 (32 days). This is because Air New Zealand operates on a 4,4,5 accounting calendar but closes the annual accounts on 30 June.

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 4 November 2021 to 1 December 2021)

Air New Zealand releases 2021 Databook

18 November 2021

Air New Zealand has released its databook for the 2021 financial year, which can be found by accessing this [link](#).

Media Releases

(during the period 4 November to 1 December 2021)

Air New Zealand supports sustainably endorsed tourism businesses in New Zealand

29 November 2021

Air New Zealand has today announced it will move to sell only activities and attractions awarded a Qualmark endorsement for their commitment to quality, safety and sustainability from 31 March 2022.

The airline's dedicated website, developed in partnership with Bookme, currently promotes over 465 Qualmark-endorsed New Zealand visitor activities with the ambition to increase that number as more businesses achieve a Qualmark award.

To become a Qualmark-awarded activity, businesses are assessed on four key criteria: economic, social and people, environment and culture, and health and safety. Following the evaluation, a Qualmark business will receive a Bronze, Silver or Gold award based on their performance under the Sustainable Tourism Business Award Criteria.

Air New Zealand Chief Customer and Sales Officer Leanne Geraghty says the pandemic has accelerated the airline's commitment to becoming more sustainable and we are committed to supporting businesses that share the same goals.

"Aotearoa has a lot to show off to the world including our stunning landscapes and wildlife - it's what we are known for and it's our responsibility to look after it.

"That's also why we're committed to supporting New Zealand operators who are contributing to Aotearoa becoming a world-class sustainable visitor destination. This is not just about Air New Zealand – it's about future-proofing our key export and tourism industries from impacts of climate change we are seeing every day."

General Manager Qualmark Steven Dixon welcomes Air New Zealand's commitment to showcasing the best of New Zealand's tourism experiences.

"Qualmark endorsed businesses have demonstrated a commitment to providing quality experiences to their guests, providing a valuable assurance to consumers. This includes actions by the business to consider and address their impact on the environment and the communities they operate in - something consumers are increasingly looking for."

RealNZ Chief Conservation Officer Paul Norris says the company's vision is to become a conservation business enabled by tourism.

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“We’re proud to be a Qualmark endorsed organization and are incredibly supportive of Air New Zealand’s announcement as it will encourage more New Zealand tourism businesses to turn their focus to becoming sustainably endorsed.”

Air New Zealand ready for take-off in January

24 November 2021

Kiwis are being urged to dust off their suitcases and dig out passports because Air New Zealand is ready to reconnect them with each other, and with the world!

Air New Zealand has welcomed the news that from 17 January 2022, New Zealanders will be able to travel to and from Australia, and from 14 February 2022 Kiwis can return home or explore the rest of the world.

From 30 April 2022, the airline will be saying Kia ora to all visitors who meet the government’s requirements for travel.

In line with the government’s requirements, all customers will need to provide evidence of a negative Covid-19 test prior to departure and must complete seven days home isolation upon arrival into New Zealand

“Today’s announcement signals the beginning of the return to international travel. This is incredibly exciting news for New Zealanders at home and overseas and we can’t wait to welcome our customers back on board,” says Air New Zealand Chief Customer and Sales Officer Leanne Geraghty.

“We’ve kept our operation ready for this, so look forward to seeing the tens of thousands of Kiwis who’ll be making plans to board our aircraft soon.”

“A date for travel is the certainty that Air New Zealand has been waiting for, and while it would have been nice to reunite friends and families this side of Christmas, customers will now have the confidence to plan reunions and holidays into the New Year.

Leanne says the airline is hopeful the plans to reopen the border to all customers globally can be brought forward.

“We can be ready before late April to fly visitors from around the globe and we’re hoping New Zealand’s success with vaccinations will see that decision reviewed and brought forward in the new year.”

Following the New Zealand Government’s announcement, Air New Zealand will be readjusting its schedule to reflect today’s border reopening plan for both trans-Tasman travel, and the rest of the world.

Quarantine free ‘green’ flights from Australia and New Zealand from 1 – 16 January will be cancelled, and customers will be reaccommodated on other services or have their fares placed into credit. The airline continues to operate a reduced schedule of flights into Sydney and Melbourne and ‘red flights’ from Australia into New Zealand for those with MIQ spots.

Customers are encouraged to use the airline’s self-service options to adjust their booking or place their fare into credit.

Those wanting to book to travel can do so via the [Air New Zealand website](#) where customers with credits can also use them as a form of payment.

Air New Zealand will be reigniting Kiwi’s love of international travel come Valentine’s Day 2022. The airline is working through the required changes to their international schedule to align with 14 February for New Zealanders who are wanting to reconnect with rest of the world.

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The airline will release more detail around its schedule soon, including when it will restart flying to key destinations like Los Angeles, Fiji and Honolulu. Customers are encouraged to continue to check the [Air New Zealand Travel Alerts](#) page for updates.

Following the airline's recent announcement, from February 1 all passengers travelling on Air New Zealand's international network will be required to show proof of full vaccination.

Border uncertainty forces Australia flight cancellations – Air NZ

22 November 2021

Continued border uncertainty between New Zealand and Australia means Air New Zealand must cancel more than 1000 flights through to 31 December 2021. This follows other cancellations made since quarantine-free travel was first paused.

"Now, due to recent statements by the New Zealand Government that quarantine-free travel between Australia and New Zealand is unlikely to re-commence this year, we've had to make the difficult decision to change our schedule," says Air New Zealand Chief Customer and Sales Officer Leanne Geraghty.

"This will be particularly tough news for families and friends who were hoping to catch up over Christmas. I appreciate how difficult this news will be, but our hands are tied until border restrictions ease, and we receive further clarity from the New Zealand Government."

The airline estimates around 1000 flights will need to be canceled, with around 20,000 customers expected to be impacted.

"Customers have already begun moving their bookings into credit and we're acting now to give customers as much certainty as possible, so they can make alternative plans.

"We appreciate this latest news means some customers will have to wait longer before reuniting with loved ones. We're continuing to do everything we can to get them home safely as quickly as possible."

Air New Zealand's schedule beyond 31 December remains in place until it receives an update from the New Zealand Government. The airline continues to operate a reduced schedule of flights into Sydney and Melbourne and 'red flights' from Australia into New Zealand for those with MIQ spots.

Impacted customers can opt to hold their fare in credit for travel at another date or receive a refund if they have purchased a refundable ticket.

Airpoints™ is launching its own credit card in 2022

18 November 2021

Airpoints™, Air New Zealand's loyalty programme, will launch a portfolio of products, starting with its own credit card in 2022, to take Kiwi travellers further and faster than they've ever been before.

Air New Zealand Chief Executive Officer Greg Foran says the airline is focussed on bringing back the magic of travel, and the airline's most loyal customers need to be taken care of first.

"At a time when travelling is limited, we're looking at different ways to connect with our customers. Our own branded credit card will deliver new and innovative ways for customers to earn Airpoints Dollars™. From the very first swipe, it will provide Airpoints members with best-in-class rewards and a range of exclusive benefits tailored to how people will travel in a post-pandemic world."

To ensure digital technology and innovation is at the heart of the project, Airpoints is working in partnership with hummgroup to develop a unique credit card that looks beyond traditional travel rewards and benefits. hummgroup will be the creditor and issuer of this Air New Zealand branded credit card and will bring deep expertise to the partnership with a number of credit card and BNPL products in New Zealand, Australia and Europe.

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The Airpoints credit card will be available in 2022 and will sit alongside Air New Zealand's existing co-brand cards, giving 2.6 million New Zealand based Airpoints members additional opportunity to earn Airpoints Dollars and be rewarded with other great benefits.

"While we are excited about having our own product in the market, our co-brand partners will continue to play a big role in our Airpoints strategy. We are introducing our own credit card to enhance the customer experience by giving our members more choice, more flexibility and more rewards," adds Greg.

Airpoints was first introduced in 1989 as the Frequent Traveller Club and has evolved over the past 19 years to become the most rewarding frequent flyer and coalition loyalty programme in New Zealand.

As well as earning Airpoints Dollars and Status Points when members fly with Air New Zealand and other airline partners, members can earn at more than 50 retail, service and travel partners on the ground and at over 142 online retailers through the Airpoints Mall.

Slip, slop, jab or swab your way to fly this summer

9 November 2021

Air New Zealand is helping customers to get travel ready for a safe summer, adding a new layer of assurance for customers travelling on its domestic network.

The airline is advising customers that from mid-December, all customers will be asked to present proof of either full vaccination or a negative Covid test before checking in to their domestic flights.

Air New Zealand Chief Executive Greg Foran says the change is about reducing the spread of Covid-19, ahead of what is expected to be a busy summer as Kiwis reconnect with friends and whānau.

"Delta has really upped the stakes. What once kept us safe is no longer enough and we need an extra layer of protection. That's why we're taking a step further to keep our customers safe, while allowing all Kiwis to fly."

The airline is aiming to have the change in place by 14 December 2021 for an initial period until 31 March 2022. It will apply to all passengers aged 12 or older travelling on an Air New Zealand aircraft within New Zealand. All vaccines and tests approved by the New Zealand Government will be accepted.

"For the most seamless experience, we're encouraging customers to download our Air New Zealand mobile app to make it easy as possible to connect their vaccination status in the Government's My Vaccine Pass with booking details, which will allow check-in."

Those not fully vaccinated will be able to provide evidence of a negative covid test taken within 72 hours before departure – from either free community testing or their GP.

The change follows overwhelming feedback from customers and employees calling for more protection during travel.

"We're making this change so we can all travel our beautiful country over summer and fly with a peace of mind that everyone onboard is seated shoulder-to-shoulder against Covid.

"We're doing it to protect vulnerable communities, for those with weakened immune systems or who can't get vaccinated, for the elderly in our rest homes and our wee tamariki at home.

"Customers will be flying this summer for a number of reasons, and it's our role to get them there. We don't want to leave anyone behind, which is why we're giving customers the choice to either be fully vaccinated or present a negative test."

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This is the latest step in the airline getting behind the public health effort, including mandating vaccinations for frontline employees and international customers, moving vaccines and vaccinators across New Zealand and the Pacific, and turning a 787 Dreamliner into a world-first Jabaseat vaccination clinic.

If customers are unable to provide proof before their flight, they can put their fare into credit, or get a refund (if they have purchased a flexirefund fare).

Air New Zealand gears up for quarantine free travel with Cook Islands

8 November 2021

Air New Zealand is welcoming news that it can help connect Kiwis to our Cook Island neighbours quarantine-free from early next year.

The Cook Islands Government announced quarantine-free travel will resume between New Zealand and the Cook Islands for travel from 14 January 2022.

Chief Customer and Sales Officer Leanne Geraghty says the airline is excited to help get New Zealanders to Rarotonga for some tropical sunshine and a holiday from early next year.

"We're really looking forward to resuming our daily flight schedule to get our customers to and from Rarotonga very soon.

"This is another exciting step towards more international travel and we can't wait to reconnect with our island neighbours."

To be able to travel to and from the Cook Islands quarantine-free, the Cook Islands Government requires visitors to be [fully vaccinated](#) or provide a certified medical exemption, and test negative before departure.

Customers are advised to check all the new entry and eligibility requirements for Cook Islands travel, which can be found at [Air New Zealand Travel Alerts & Flight information Updates](#)

Due to the continuation of the quarantine free travel pause, the airline is in the process of contacting customers booked to travel to Rarotonga between now and 13 January with their options for travel.

"We know that this will be very disappointing for our customers who were booked to travel over the Christmas and New Years period, but it is unsurprising given the current COVID-19 community cases in New Zealand. Health and safety are paramount, and we want to do everything we can to ensure customers, staff and our island neighbours are kept safe."

In other positive news, from 8 November, New Zealand citizens, residents or holders of a Critical Purpose Visa from Tonga and Samoa will also be able to come into the country without having to quarantine.

Air New Zealand will operate one flight per week from both Samoa and Tonga to Auckland, with the first quarantine-free flight departing Tonga on 9 November and Samoa from 13 November 2021.

New A320s to connect New Zealanders to the Tasman and beyond

4 November 2021

Air New Zealand is welcoming the latest addition to its fleet – a new Airbus A320neo that has made the 21,000km journey from Toulouse, France.

"Our new A320 is a welcome sign of international travel being just on the horizon," says Air New Zealand's Chief Pilot Captain David Morgan.

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The new short-haul aircraft travelled from France via Canada, Los Angeles, Honolulu and the Cook Islands before touching down at Auckland Airport.

It's the first of two new A320neo aircraft to join the Air New Zealand fleet in November.

The aircraft, which can seat up to 165 passengers, is also the first A320neo to join our fleet since the end of 2019.

Air New Zealand is asking Kiwis to get creative and help name the new plane. Customers can put name suggestions forward by visiting www.twitter.com/FlyAirNZ/status/1456008223153025024.

"It's welcome news, particularly in the context of the challenges that Covid has brought upon our business."

"It won't be sitting on the tarmac for long, before it's jetting out of Auckland across the Tasman and into the Pacific Islands. We're starting to gear up now so it's a tremendously exciting time for the team at Air New Zealand."

Captain Morgan says the new A320neos are powered by an engine that is exceptionally quiet for passengers and crew onboard. They also feature Wi-Fi to help people stay connected and inflight entertainment so customers can enjoy world-class movies, TV shows, music and more during flights.

The aircraft also uses significantly less fuel compared to older technology aircraft.

"I'm personally excited about our future with these airplanes. They're going to deliver very efficient and sustainable customer journeys."

Air New Zealand has an average fleet age of 6.7 years making it one of the youngest and most efficient fleets in the world.

The new plane is now going through a process to get it ready for service in the coming days.

"Someone is going to have an exciting day when they jump into an airplane and whether they're flying to the Sydney, Melbourne or Brisbane, undoubtedly they'll notice - instead of new car smell – the new plane smell.

"It will be quite a thrilling moment for customers to fly on the first official flight in this airplane."