Chairman

Tony Carter
Board of Directors
Meeting agenda

• Chairman’s address
• CEO’s address
• Questions on 2019 performance and 2020 outlook
• Resolutions
• General discussion and questions
2019 financial highlights

$5.8b
Operating revenue

$374m
Earnings before taxation

$986m
Operating cash flow

22cps
Ordinary dividend
Several challenges in 2019 impacted our financial and operational performance

Earnings before taxation ($M)

2015: 474  
2016: 663  
2017: 527  
2018: 540  
2019: 374

- Increased fuel price
- Rolls-Royce global engine issues impacted network and operating costs
- Moderation in demand growth
Balance sheet remains resilient

$1.1b
Cash on hand

54.6%
Gearing

Baa2
Investment grade
Continue to deliver strong dividends for our shareholders

Ordinary dividends declared

<table>
<thead>
<tr>
<th>Year</th>
<th>Dividend</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>16 cps</td>
</tr>
<tr>
<td>2016</td>
<td>20 cps</td>
</tr>
<tr>
<td>2017</td>
<td>21 cps</td>
</tr>
<tr>
<td>2018</td>
<td>22 cps</td>
</tr>
<tr>
<td>2019</td>
<td>22 cps</td>
</tr>
</tbody>
</table>

*Does not include special dividends, which were declared in the 2016 financial year of 25 cents per share.
2020 Outlook

Based upon current market demand and assuming an average jet fuel price of US$75 per barrel, the airline is targeting earnings before taxation to be in the range of $350 million to $450 million. This outlook excludes the impact of the new accounting standard for leases (IFRS 16).
Chief Executive Officer

Christopher Luxon
Successfully balancing our customers, our culture and our commercial performance
### Who we are

#### Operational
- **79** years in operation
- **32** international destinations\(^1\)
- **20** domestic destinations

**Pacific Rim**
Focused network driven by alliance relationships

- **\(~12,500\)** Air New Zealand employees based globally

#### Community
- **#1** corporate reputation in New Zealand for 5 consecutive years
- **#1** corporate reputation in Australia for 3 consecutive years
- **#1** New Zealand’s most attractive employer for the third consecutive year

**Winner**
2019 Eco-Airline of the year

#### Financial
- **Baa2** investment grade credit rating from Moody’s
- **15%** Annualised shareholder return over the past 10 years
- **16** Years of consecutive profitability
- **14** years of consecutive dividend distributions
- **8%** Average dividend yield over the past 10 years

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\(^1\) Includes Seoul route which commences late November 2019.
We have built the right business model and competitive advantages to sustain long-term commercial success...

- **Our brand and Kiwi service culture**
- **Customer loyalty, driven by strength of our domestic network and Airpoints™ programme**
- **Our alliance-driven Pacific Rim network**
- **Our simplified and fuel efficient fleet, with the ideal cost structure for the New Zealand market**
...as demonstrated by our shareholder return performance over the past 10 years

10 year total shareholder return (TSR)

Source: Bloomberg, period ended as at 30 June 2019.
We are adjusting our business for the slower growth environment

<table>
<thead>
<tr>
<th>Network</th>
<th>Fleet</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Revised medium term growth to 3% to 5% (from 5% to 7%)</td>
<td>• Adjust aircraft deliveries to reflect slower growth environment</td>
</tr>
<tr>
<td>• Focused on optimising network to maximise and diversify revenue</td>
<td>• Fleet deferrals of ~$750 million</td>
</tr>
<tr>
<td>• Stimulate new demand</td>
<td>• Smoother capex profile in 2020-2022 period</td>
</tr>
<tr>
<td>• A moderate rate of growth expected on existing routes</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Cost</th>
<th>Customer</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Launch of a two-year cost reduction programme</td>
<td>• Progressive roll-out of enhanced seats across multiple cabins</td>
</tr>
<tr>
<td>• Expecting to achieve an additional ~$60 million in annualised savings over this period</td>
<td>• New in-flight soft products including free Wi-Fi onboard enabled international flights</td>
</tr>
<tr>
<td>• Focused on both operational and overhead costs</td>
<td>• Upgraded lounge facilities across the network</td>
</tr>
</tbody>
</table>
Network growth in 2020 will include new routes to support leisure and business demand.
We will continue to invest in the customer experience
Our GoBeyond mission continues to guide our priorities for sustainable success

**OUR PURPOSE**

Supercharge New Zealand’s success socially, economically and environmentally

**OUR PROMISE**

Connect New Zealanders with each other and New Zealand with the world, through a liberating travel experience

**OUR OBJECTIVE**

Create a world class organisation by delivering cultural, customer and commercial excellence
Thank you
Questions on 2019 performance and 2020 outlook
Resolutions
Resolutions for voting

1. Re-election of Jan Dawson as Director
2. Re-election of Jonathan Mason as Director
3. Re-election of Dame Therese Walsh as Director
4. To approve the widebody aircraft transaction
5. To adopt a new constitution
Proxies and postal votes received
(as at 24 September 2019)

<table>
<thead>
<tr>
<th>Resolution 1: Re-election of Jan Dawson</th>
<th>Proxy votes</th>
<th>Postal votes</th>
</tr>
</thead>
<tbody>
<tr>
<td>For</td>
<td>Against</td>
<td>Abstain</td>
</tr>
<tr>
<td>332,071,709</td>
<td>1,414,658</td>
<td>621,583</td>
</tr>
<tr>
<td>Resolution 2: Re-election of Jonathan Mason</td>
<td></td>
<td></td>
</tr>
<tr>
<td>For</td>
<td>Against</td>
<td>Abstain</td>
</tr>
<tr>
<td>332,070,878</td>
<td>1,414,356</td>
<td>621,850</td>
</tr>
<tr>
<td>Resolution 3: Re-election of Dame Therese Walsh</td>
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<td></td>
</tr>
<tr>
<td>For</td>
<td>Against</td>
<td>Abstain</td>
</tr>
<tr>
<td>330,240,127</td>
<td>3,425,927</td>
<td>621,583</td>
</tr>
<tr>
<td>Resolution 4: To approve Widebody aircraft transaction</td>
<td></td>
<td></td>
</tr>
<tr>
<td>For</td>
<td>Against</td>
<td>Abstain</td>
</tr>
<tr>
<td>282,377,270</td>
<td>51,331,648</td>
<td>623,633</td>
</tr>
<tr>
<td>Resolution 5: To adopt A new constitution</td>
<td></td>
<td></td>
</tr>
<tr>
<td>For</td>
<td>Against</td>
<td>Abstain</td>
</tr>
<tr>
<td>333,399,586</td>
<td>2,000</td>
<td>623,155</td>
</tr>
</tbody>
</table>

For | Against | Abstain |
--- | --- | --- |
3,327,822 | 56,066 | 54,209 |
3,334,012 | 43,766 | 60,319 |
3,340,174 | 44,152 | 53,771 |
3,326,313 | 33,453 | 78,331 |
3,294,091 | 17,431 | 126,575 |
Resolution No. 1

Re-election of

Jan Dawson
Resolution No. 2

Re-election of

Jonathan Mason
Resolution No. 3

Re-election of

Dame Therese Walsh
Resolution No. 4

To approve the

Widebody aircraft transaction
Resolution No. 5

To adopt

A new constitution
General discussion and questions
Thank you