

Monthly *investor update*



30 November 2022

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October 2022 highlights

Group traffic summary	OCTOBER					FINANCIAL YTD				
	FY23	FY22	% *	FY19 ^	% *	2023	2022	% *+	2019 ^	% *++
Passengers carried (000)	1,250	340	267.1%	1,377	(9.2%)	5,097	2,185	135.1%	5,750	(12.8%)
Revenue Passenger Kilometres(m)	2,002	180	1012.8%	2,933	(31.7%)	8,031	1,537	426.8%	12,537	(37.0%)
Available Seat Kilometres (m)	2,255	358	529.6%	3,504	(35.6%)	9,152	2,471	273.4%	15,006	(40.0%)
Passenger Load Factor (%)	88.8%	50.2%	38.6 pts	83.7%	5.1 pts	87.7%	62.2%	25.5 pts	83.5%	4.2 pts

Year-to-date RASK ¹	% change in reported RASK (incl. FX)		% change in reported RASK (excl. FX)	
	vs 2022	vs 2019 ^	vs 2022	vs 2019 ^
Group	13.2%	53.5%	12.4%	52.4%
Short Haul	17.7%	36.6%	17.1%	36.2%
Long Haul	117.0%	43.7%	114.3%	41.2%

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 2021 (32 days) compared with July 2022 (31 days). This is because Air New Zealand operates on a 4,4,5 accounting calendar but closes the annual accounts on 30 June.

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^ From 1 July 2022, Honolulu flights are categorised as Americas (was Pacific) and Denpasar flights are categorised as Asia (was Pacific). All historic data has been adjusted to reflect this change.

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				
	FY23	FY22	% *	FY19 ^	% *	2023	2022	% *+	2019 ^	% *++
Passengers carried (000)	1,250	340	267.1%	1,377	(9.2%)	5,097	2,185	135.1%	5,750	(12.8%)
Revenue Passenger Kilometres(m)	2,002	180	1012.8%	2,933	(31.7%)	8,031	1,537	426.8%	12,537	(37.0%)
Available Seat Kilometres (m)	2,255	358	529.6%	3,504	(35.6%)	9,152	2,471	273.4%	15,006	(40.0%)
Passenger Load Factor (%)	88.8%	50.2%	38.6 pts	83.7%	5.1 pts	87.7%	62.2%	25.5 pts	83.5%	4.2 pts

Short Haul Total	OCTOBER					FINANCIAL YTD				
	FY23	FY22	% *	FY19 ^	% *	2023	2022	% *+	2019 ^	% *++
Passengers carried (000)	1,164	337	245.0%	1,199	(2.9%)	4,760	2,170	121.2%	4,974	(5.9%)
Revenue Passenger Kilometres(m)	1,144	148	675.1%	1,240	(7.8%)	4,716	1,378	245.1%	5,184	(10.5%)
Available Seat Kilometres (m)	1,242	235	428.0%	1,450	(14.3%)	5,356	1,939	178.5%	6,206	(15.9%)
Passenger Load Factor (%)	92.1%	62.7%	29.4 pts	85.6%	6.5 pts	88.1%	71.1%	17.0 pts	82.8%	5.3 pts

Domestic	OCTOBER					FINANCIAL YTD				
	FY23	FY22	% *	FY19 ^	% *	2023	2022	% *+	2019 ^	% *++
Passengers carried (000)	905	334	171.0%	895	1.1%	3,686	2,051	81.2%	3,697	(1.9%)
Revenue Passenger Kilometres(m)	463	138	234.7%	454	1.9%	1,910	1,027	87.5%	1,889	(0.5%)
Available Seat Kilometres (m)	514	197	160.8%	537	(4.2%)	2,175	1,338	63.8%	2,289	(6.5%)
Passenger Load Factor (%)	90.1%	70.2%	19.9 pts	84.7%	5.4 pts	87.8%	76.7%	11.1 pts	82.5%	5.3 pts

Tasman / Pacific	OCTOBER					FINANCIAL YTD				
	FY23	FY22	% *	FY19 ^	% *	2023	2022	% *+	2019 ^	% *++
Passengers carried (000)	259	3	7607.7%	304	(14.9%)	1,074	119	809.5%	1,277	(17.3%)
Revenue Passenger Kilometres(m)	681	9	7249.5%	786	(13.4%)	2,806	351	706.3%	3,296	(16.3%)
Available Seat Kilometres (m)	728	38	1808.0%	913	(20.3%)	3,181	600	434.3%	3,972	(21.2%)
Passenger Load Factor (%)	93.5%	24.3%	69.2 pts	86.1%	7.4 pts	88.2%	58.4%	29.8 pts	83.0%	5.2 pts

Long Haul Total	OCTOBER					FINANCIAL YTD				
	FY23	FY22	% *	FY19 ^	% *	2023	2022	% *+	2019 ^	% *++
Passengers carried (000)	86	3	2586.2%	178	(51.5%)	337	16	2051.8%	776	(57.3%)
Revenue Passenger Kilometres(m)	858	32	2552.6%	1,692	(49.3%)	3,315	159	2001.0%	7,353	(55.7%)
Available Seat Kilometres (m)	1,013	123	724.1%	2,054	(50.7%)	3,796	533	618.6%	8,746	(57.3%)
Passenger Load Factor (%)	84.7%	26.3%	58.4 pts	82.4%	2.3 pts	87.3%	29.9%	57.4 pts	84.1%	3.2 pts

Asia	OCTOBER					FINANCIAL YTD				
	FY23	FY22	% *	FY19 ^	% *	2023	2022	% *+	2019 ^	% *++
Passengers carried (000)	36	1	3436.6%	71	(49.7%)	134	5	2841.2%	307	(57.0%)
Revenue Passenger Kilometres(m)	314	9	3317.1%	620	(49.4%)	1,176	42	2736.7%	2,658	(56.5%)
Available Seat Kilometres (m)	376	77	392.0%	744	(49.4%)	1,428	326	341.3%	3,221	(56.4%)
Passenger Load Factor (%)	83.4%	12.0%	71.4 pts	83.4%	-	82.4%	12.8%	69.6 pts	82.5%	(0.1 pts)

Americas / UK	OCTOBER					FINANCIAL YTD				
	FY23	FY22	% *	FY19 ^	% *	2023	2022	% *+	2019 ^	% *++
Passengers carried (000)	51	2	2199.3%	107	(52.7%)	203	11	1727.9%	470	(57.5%)
Revenue Passenger Kilometres(m)	544	23	2249.5%	1,072	(49.2%)	2,139	117	1738.7%	4,695	(55.2%)
Available Seat Kilometres (m)	636	46	1271.9%	1,311	(51.4%)	2,368	206	1057.4%	5,525	(57.8%)
Passenger Load Factor (%)	85.5%	50.0%	35.5 pts	81.8%	3.7 pts	90.3%	56.8%	33.5 pts	85.0%	5.3 pts

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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 25 October 2022 to 29 November 2022)

Air NZ redeems remaining \$200 million of redeemable shares

28 November 2022

Air New Zealand has redeemed the remaining \$200 million of redeemable shares on issue to the Crown.

Air New Zealand first issued \$600 million of redeemable shares to the Crown in April and May 2022 as part of the airline's recapitalisation undertaken earlier this year. Air New Zealand elected to redeem \$400 million of those shares in June 2022. In August 2022 the airline indicated that the remaining \$200 million would be redeemed once the airline's recovery was further progressed.

This redemption is the final redemption, and this facility has now been cancelled.

Air New Zealand issues Performance Rights

2 November 2022

Under the Plan, executives may be issued with 3-year performance rights. There is no cost to the Company or to the employee when these rights are issued. If future targets, known as 'vesting conditions' as set out below, are met then these rights will see participants receive ordinary shares in the Company at a future date.

If targets are not met, the rights lapse and no shares are awarded to the executives participating in the Plan. This happened when the vesting conditions set for performance rights due to vest in 2020, 2021 and 2022 were not met.

Chair Dame Therese Walsh says the Plan is part of the broader remuneration package for senior executives and is designed to incentivise management to outperform over time for the benefit of all shareholders, employees and customers.

"Air New Zealand is restarting operations in a complex environment with economic headwinds. Guiding the airline through those challenges to deliver exceptional service, attract and retain key talent and deliver results to shareholders will test our senior executives. The Long Term Incentive Plan will recognise that effort, but only if value is created for the airline and its shareholders over the next few years"

Under the Plan, the Company has now issued 14,788,362 performance rights for no consideration to the Chief Executive Officer and to selected executives. The performance rights were issued on 1 November 2022 as approved by the directors of the Company on 4 October 2022.

These performance rights give participants the right to receive ordinary shares in the Company subject to certain vesting conditions being met on or after 13 September 2025.

The rights will only vest if the Company's share price outperforms a comparison index made up 50:50 between the NZX All Index and the Bloomberg World Airline Index over a three-year measurement period from the date of issue. In particular:

- a) 50% of performance rights will vest if the Company's share price has matched that comparison index over the measurement period; and
- b) for each 1% the share price outperforms the comparison index, a further 2.5% of performance rights will vest up to the maximum 100%.

If the share price does not match that index on the third anniversary of the issue date, there will be a further six-month opportunity for the performance rights to vest, failing which they will lapse.

In connection with the issue of these 2022 performance rights, Air New Zealand advises the following details:

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- (a) Class of security and ISIN: Performance Rights- ISIN: N/A
- (b) Number of Performance Rights issued: 14,788,362
- (c) Issue Price: NIL
- (d) Payment in cash: NIL
- (e) Amount paid up: N/A
- (f) Percentage of total class of securities: 59% (of Performance Rights on issue)
- (g) Reason for issue: Issued under the Air New Zealand Long Term Incentive Performance Rights Plan
- (h) Specific authority for issue: Directors' Resolution
- (i) Terms/details of issue: Issued under the Air New Zealand Long Term Incentive Performance Rights Plan
- (j) Total number of securities of the class after issue: 25,011,530 (Performance Rights)
- (k) Treasury Stock: Not applicable
- (l) Date of issue: 1 November 2022 (Grant Date: 13 September 2022)
- (m) Vesting Date 13 September 2025

Air New Zealand releases 2022 Sustainability Report

27 October 2022

Air New Zealand is pleased to release its 2022 Sustainability Report today. The report is attached or can be accessed via the link [here](#)

For additional information on Air New Zealand's commitment to sustainability, please see our website at: www.airnewzealand.co.nz/sustainability

Media Releases

(during the period 25 October 2022 to 29 November 2022)

Goodbye boarding passes, hello biometric facial recognition

16 November 2022

Boarding passes will soon be a thing of the past. Last week, Air New Zealand customers were some of the first to experience biometric verification at the boarding gate after a successful trial at Los Angeles Airport. It's all part of Air New Zealand's plan to take the friction out of travel and to make the journey through the airport that much smoother. No sighting passports and no scanning boarding passes.

Upon entering the US, customers are provided with the opportunity to register with Customs and Border Protection (CBP) using their biometric information. Using the automated airport kiosks, this same data is then used to verify their identity at the time of boarding. Biometric information is secured by CBP and not directly accessible to Air New Zealand or any other airline using this service.

Air New Zealand Chief Digital Officer Nikhil Ravishankar says this technology will speed up the boarding process, creating a seamless experience for customers and airport staff.

"We've heard from customers that they want their airport experience to be hassle-free and technology is a key enabler of that. According to IATA, more than 75 percent of customers see huge value in biometric verification and want to use it instead of passports and boarding passes.

"The feedback from the more than 1000 customers who have used this technology to board our flights has been really positive."

The next cab off the rank is San Francisco, followed by the airline's other US ports.

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“Contactless technology changes are coming thick and fast and we’re continuing to learn and adapt to new innovations that will make travel easier. In the new travel era, we need simplicity not complexity.”

Earlier this month, the airline launched its improved Air NZ App, which has had close to 2.3 million downloads.

“Using biometrics at the boarding gate is only the beginning and we’re in talks with industry players, globally and here in New Zealand, about how we can use biometric technology throughout the whole airport process.”

This is another step towards our ambition to become the world’s leading digital airline, and is the result of months of hard mahi, planning and collaboration.”

[Air New Zealand to welcome 2.8 million customers this summer](#)

15 November 2022

Air New Zealand is gearing up its resources to welcome 2.8 million passengers between 15 December 2022 and 31 January 2023, following a surge in demand for what will be the first summer holiday period since Covid restrictions eased.

Air New Zealand Chief Operating Officer Alex Marren says during the same period last year, the airline carried just 1.1 million passengers, a clear indication that travel is rebounding.

“Over recent weeks, we’ve seen a strong increase in bookings and over the summer, we’ll be operating at pre-Covid levels.

We know how important it is to get our customers to where they need to be safely, so we’ve strengthened our operations to ensure customers enjoy a seamless airport and inflight experience.”

Over the last 10 months, Air New Zealand has hired more than 1,950 operational employees – around 1,200 cabin crew, 250 pilots, 400 airport employees and 30 engineers. By February 2023, the airline will have hired an additional 700 people.

“Over the summer peak, we’re also adding a pool of casual employees across our airports to help customers on our busiest days. Where possible, we’re offering our part-time employees a full-time role.

We’re back to more robust performance compared to our winter months where we experienced high levels of Covid. In preparation for summer, we’ve added some additional flexibility around our flight schedule and increased crew standby levels.”

Air New Zealand is welcoming two new domestic A321neos into the fleet adding 50 additional seats per flight, brought in charter airline Wamos Air to operate daily return Auckland – Perth services and is continuing to bring back Boeing 777s from long term storage.

With almost 3 million customers travelling on the Air New Zealand network this summer, the airline is gearing up for a busy few weeks.

[Air New Zealand launches ambitious programme for zero emissions aircraft](#)

4 November 2022

Some of the world’s most innovative aircraft developers will join forces with Air New Zealand with the ambition of making zero emissions aircraft technology a reality in Aotearoa New Zealand.

Today, Air New Zealand has announced Mission Next Generation Aircraft – an accelerator programme to progress two ambitious goals:

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1. Fly its first commercial demonstrator flight from 2026
2. Begin replacing its Q300 domestic fleet with a more sustainable aircraft – likely green hydrogen or battery hybrid systems – from 2030

These goals follow the airline's [Product Requirements Document](#) (PRD) released in December 2021, which saw more than 30 aircraft developers respond with ideas and insights to guide the technology development. Air New Zealand is in close negotiations and expects to sign letters of intent by the end of the year with the partners it will work with.

Air New Zealand Chief Executive Officer Greg Foran says Air New Zealand aims to lead the world in introducing a more sustainable fleet.

“We have bold sustainability goals. Conventional business processes are not going to address the technology or infrastructure required to meet them. We want to lead the roll out of zero emission aircraft and will work alongside aircraft developers, innovators and infrastructure providers to give them the confidence they're developing a product that's a viable option for us.

“The next three years will be focused on supporting the building, testing and certifying of aircraft and associated infrastructure. By 2026, we're aiming to have our first zero emissions aircraft – either cargo or passenger – take flight in New Zealand.

“The learnings we will take from flying an aircraft with next generation propulsion technology from 2026 will pave the way for our long-term green hydrogen and hybrid partners to deliver an aircraft that can replace our Q300 domestic fleet. We're breaking new ground here – it's not just the aircraft that needs to be developed, but also the infrastructure and regulation required to fly commercially.”

“We know these goals are ambitious, but ambition is exactly what is required to make this new technology a reality.”

The PRD process highlighted how New Zealand, and Air New Zealand, are ideally suited to lead the development of zero emissions aircraft deployment and the establishment of supporting infrastructure.

“We mainly operate short-range routes up and down the country, and New Zealand is largely built on renewable electricity generation – it's an ideal landscape to adopt zero emission aircraft.

“But we can't do it alone. It will take the minds of many within the industry to find the right solution. The technology is getting there, it just needs to be developed to a scale we can roll out across our network. It's a wicked problem to solve but we're two feet in.”

While zero emissions aircraft technology will decarbonise the airline's domestic network over the period to 2050, Sustainable Aviation Fuel (SAF) is important in the near term.

SAF is a 'drop in' fuel which can power current aircraft, so it can reduce emissions for long haul travel and domestic flights while the airline continues to operate conventional aircraft.

[Air New Zealand says hello to Chicago once again and celebrates reopening of all international ports](#)

31 October 2022

Air New Zealand has resumed its non-stop service to Chicago, bringing the airline back to all 29 of its international pre-Covid destinations.

The services will initially operate three times a week with state-of-the-art Boeing 787 Dreamliner aircraft, meaning customers flying these routes will be able to enjoy the airline's innovative Business Premier, Premium Economy and Economy Skycouch.

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“This is an exciting time for us. Since New Zealand’s borders reopened, we’ve been slowly resuming services and to now be flying to all our international destinations is a milestone moment for us,” says Air New Zealand Chief Customer and Sales Officer Leanne Geraghty.

“The North American network plays a key role in Air New Zealand’s rebuild and as the third biggest city in the United States, Chicago is an important destination for us,” she says.

In 2019, visitors from the US spent over \$1.5 billion in New Zealand, supporting local tourism and hospitality industries.

With 12,000 visitors from Illinois alone and almost 40% of travellers connecting to Chicago from other US states, that figure is expected to grow even further.

“Customers flying into Chicago O’Hare International will benefit from convenient one-stop codeshare connections to around 100 destinations across the US via the airline’s strong partnership with United Airlines. This resumed service also adds to Chicago O’Hare International’s ranking as the most connected airport in the world.”

Chicago is an exciting destination with a lot to offer from its fascinating history, world-class museums and stunning architecture to internationally renowned jazz and blues scene, and famous dishes including the iconic deep-dish pizza.”

Air New Zealand now serves seven destinations in North America – Chicago, Honolulu, Houston, Los Angeles, San Francisco, Vancouver and New York City.

[Air New Zealand resumes non-stop flights to Bali](#)

[31 October 2022](#)

Kiwis wanting to escape wintery months next year will be delighted to hear Air New Zealand will be returning to the tropical shores of Bali in March 2023.

Air New Zealand Chief Customer and Sales Officer Leanne Geraghty says tickets have gone on sale today to Bali, which remains one of the hottest international holiday spots for Kiwis.

“We first flew to Bali in 2012. Our last flight was in 2019 when we flew around 17,000 customers. It’s awesome to be back offering non-stop services and give Kiwis direct access a tropical paradise that suits any type of travellers.

“Bali regularly features as one our topmost searched destinations – currently in the top five – and we’re expecting interest to be hotter than the Balinese sunshine as Kiwis flock to book a winter getaway.”

Next year, Air New Zealand will fly a seasonal service between 29 March – 27 October 2023. This seasonal service covers April, July and October school holidays and is subject to government and regulatory approvals.

The airline will fly a 787-9 Dreamliner three times weekly in the only non-stop flight between Auckland and Denpasar.

Following Air New Zealand’s customer research on longer flights, Bali will move to our full-service longhaul which means all Economy customers will receive a tasty meal, Inflight Entertainment, and a checked bag. Customers will also be able to book our award-winning Business Premier and Premium Economy.

[Air New Zealand named Best Airline in the South Pacific at APEX Awards](#)

[28 October 2022](#)

Yesterday Air New Zealand picked up top honours at the prestigious 2022 APEX Awards – receiving the 2023 APEX Passenger Choice Award for Best Airline in the South Pacific and being named a 2023 APEX Five Star winner.

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The 2022 APEX Awards are held annually to recognise airlines in various regions for providing the best passenger experiences as rated by passengers.

Air New Zealand Chief Executive Officer Greg Foran says the airline is incredibly proud to be named Best Airline in the South Pacific by the Airline Passenger Experience Association.

“This award is testament of the outstanding product and service our teams continue to deliver to our customers – this award goes to our Air New Zealand whānau (family). A very big thank you to all our employees who played an important role in getting us to where we are today.”

With New Zealand’s international borders reopened, this is a fantastic way to celebrate that once our Chicago service resumes on 30 October, we’ll be not only be back to flying to all 29 of our international destinations, but we’ve also grown – having launched New York last month.”

For the 2023 Awards, nearly one million flights were rated by passengers across more than 600 airlines from around the world using a five-star scale. Passengers were given the opportunity to provide anonymous ratings in five subcategories: seat comfort, cabin service, food and beverage, entertainment, and Wi-Fi.

These awards follow Air New Zealand being named the ‘World’s Safest Airline 2022’ in the annual Airline Ratings, marking the airlines commitment to leading safety improvements and protecting the health and safety of its people and customers.