Forward looking statements

This presentation contains forward-looking statements. Forward-looking statements often include words such as “anticipate”, "expect", "intend", "plan", "believe“, “continue” or similar words in connection with discussions of future operating or financial performance.

The forward-looking statements are based on management's and directors' current expectations and assumptions regarding Air New Zealand’s businesses and performance, the economy and other future conditions, circumstances and results. As with any projection or forecast, forward-looking statements are inherently susceptible to uncertainty and changes in circumstances. Air New Zealand’s actual results may vary materially from those expressed or implied in its forward-looking statements.

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Nothing in this presentation constitutes financial, legal, tax or other advice.
Air New Zealand at a glance

77
Years in operation

30
International destinations

15 million
Passengers carried annually

#1
Corporate reputation
in New Zealand

#1
Corporate reputation
in Australia

11
Consecutive years of dividend payments

11,700
Air New Zealand employees based globally

Pacific Rim
Focused network driven by alliance partnerships

21
Domestic destinations

Baa2
Investment grade credit rating from Moody’s
Trading and ownership structure

**AIR**
NXZ stock ticker

- Average daily trading volume of 1.5 million shares
- Member of the NZX20 index – includes the 20 largest and most liquid companies of the NZX
- New Zealand Government holds 52%
  - No direct Board representation
- Seven independent Directors

**AIZ**
ASX stock ticker*

* As at 17 March 2017, Air New Zealand is an ASX Foreign Exempt Listing.

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**Share register**
(as at 31 March 2017)

- New Zealand Government 52%
- New Zealand institutional investors 39%
- International institutional investors 5%
- Retail investors 4%
We have demonstrated our ability to generate strong returns over the long-term...

Total shareholder return

1 year 3 year 5 year 10 year

AIR NZX50 ASX200 Bloomberg World Airlines Index S&P500

12% 71% 354% 98%

Total shareholder return includes the change in share price and dividends received (assuming dividends are reinvested in shares on payment date) over the relevant period.
Source: Bloomberg, period ending as at 24 April 2017.
…with profitability and dividends achieved through the cycle

13 years of consecutive profitability

11 years of consecutive dividends

Net profit after tax ($ millions)

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</thead>
<tbody>
<tr>
<td>2003</td>
<td>166</td>
<td>166</td>
<td>180</td>
<td>96</td>
<td>221</td>
<td>218</td>
<td>21</td>
<td>82</td>
<td>81</td>
<td>71</td>
<td>181</td>
<td>263</td>
<td>327</td>
<td>463</td>
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</table>

Dividends declared (cents per share)

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</thead>
<tbody>
<tr>
<td>2005</td>
<td>5.0</td>
<td>5.0</td>
<td>18.0</td>
<td>8.5</td>
<td>6.5</td>
<td>7.0</td>
<td>5.5</td>
<td>5.5</td>
<td>8.0</td>
<td>20.0</td>
<td>16.0</td>
<td>45.0</td>
</tr>
</tbody>
</table>
In a year that saw more competition than ever before, we have demonstrated the agility and resilience of our business.

Earnings before taxation ($ millions)

<table>
<thead>
<tr>
<th>Year</th>
<th>Earnings</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>94</td>
</tr>
<tr>
<td>2013</td>
<td>255</td>
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<tr>
<td>2014</td>
<td>358</td>
</tr>
<tr>
<td>2015</td>
<td>474</td>
</tr>
<tr>
<td>2016</td>
<td>663</td>
</tr>
</tbody>
</table>

**2017 outlook***

Based on the current market environment and expectations for the average jet fuel price in the second half of the year of US$ 65/bbl\(^1\), we are targeting 2017 earnings before taxation to be in the range of $475 to $525 million\(^2\)

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\* Outlook as communicated during 2017 Interim Results on 23 February 2017.

1. Refers to Singapore jet fuel.
2. Outlook for earnings before taxation includes the $22 million gain related to the divestment of the remaining interest in Virgin Australia and Air New Zealand’s share of earnings in associates.
Looking ahead, strong demand drivers support the New Zealand story

- Double-digit inbound tourism growth
- High domestic tourism
- Robust economic growth
Our unique characteristics position us for continued success

1. Resilient core domestic business
2. Pacific Rim focused international network
3. Focused on sustainable cost improvements
4. Investment-grade financial strength
Resilient core domestic business

Strong market share to leverage growth from inbound and domestic tourism

- Most iconic brand in New Zealand
- Unmatched network breadth and depth
- Differentiated in-flight and ground product that is valued by customers
- Strong loyalty base and still growing at 2.4 million members*
- Investing in the sustainable development of New Zealand tourism

* Airpoints™ membership as at 31 December 2016.
Pacific Rim-focused international network

Supported by strong revenue share alliance partnerships

Why revenue share alliances?

- Partners have “skin in the game” to sell the route
- Strength of sales & distribution in local markets
- Access to frequent flyer databases

Routes operated solely by alliance partners

- Services to Tokyo’s Haneda Airport commencing July 2017
Focused on sustainable cost improvements

*A simplified fleet driving improved efficiencies*

<table>
<thead>
<tr>
<th>2012</th>
<th>Today</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Wide-body</strong></td>
<td></td>
</tr>
<tr>
<td>B747</td>
<td>B747</td>
</tr>
<tr>
<td>B767</td>
<td>B767</td>
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<tr>
<td>B777 family</td>
<td>B777 family</td>
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<tr>
<td></td>
<td>B787</td>
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<tr>
<td><strong>Narrow-body</strong></td>
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<tr>
<td>B737</td>
<td>B737</td>
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<tr>
<td>A320</td>
<td>A320</td>
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<tr>
<td><strong>Turbo-prop</strong></td>
<td></td>
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<tr>
<td>ATR72s</td>
<td>ATR72s</td>
</tr>
<tr>
<td>Q300</td>
<td>Q300</td>
</tr>
<tr>
<td>Beech 1900D</td>
<td>Beech 1900D</td>
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</tbody>
</table>

Benefits from fleet programme:

- ✔ Competitive customer proposition
- ✔ Improving operating economics
- ✔ Efficient growth from fewer aircraft types


## Investment grade financial strength

*Providing stability and financial flexibility over the long-term*

### Investment grade credit rating of Baa2 with a stable outlook

<table>
<thead>
<tr>
<th>Investment grade</th>
<th>Moody’s credit rating</th>
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<tbody>
<tr>
<td>Baa1</td>
<td>Southwest, easyJet</td>
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<tr>
<td><strong>Baa2</strong></td>
<td>AIR NEW ZEALAND</td>
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<tr>
<td>Baa3</td>
<td>Delta, Qantas</td>
</tr>
<tr>
<td>Ba1</td>
<td>Lufthansa</td>
</tr>
<tr>
<td>Ba2</td>
<td>United, jetBlue</td>
</tr>
<tr>
<td>Ba3</td>
<td>AA</td>
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Source: Bloomberg as at 13 April 2017.

### Appropriate level of gearing

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<tr>
<td></td>
<td>46.1%</td>
<td>39.3%</td>
<td>42.9%</td>
<td>52.4%</td>
<td>48.6%</td>
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</tbody>
</table>

Target range of 45% to 55%

Gearing defined as net debt / (net debt plus equity); debt includes net aircraft operating lease commitments for the next twelve months, multiplied by a factor of seven.
Aircraft capex programme nearing completion

Actual and forecast aircraft capital expenditure* ($ millions)

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<tr>
<td>Actual</td>
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<tr>
<td>Forecast</td>
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</table>

* As disclosed during the company’s 2017 Interim Results on 23 February 2017.
A target of “consistent and sustainable” dividends

Ordinary dividends (cents per share)
Why invest in Air New Zealand?

- Resilient core domestic business
- Pacific Rim focused international network
- Focused on sustainable cost improvements
- Investment-grade financial strength