

Stock exchange listings: New Zealand (NZX: AIR) / Australia (ASX: AIZ) / ADR (OTC: ANZLY)

MARKET RELEASE

21 October 2026

Air New Zealand Quarterly Trading Update **For 3 months ending 30 September 2026**

Quarterly operating statistics commentary^{1, 2}

- The Group carried 4,162 million passengers in the quarter (FY27 Q1), down 1.0% compared to the same period last year (FY26 Q1).
- Group capacity (ASKs) decreased 2.1% in the quarter compared to the same period last year.
- Group load factors improved 1.8pts to 84.8% as we managed capacity and demand in response to elevated fuel prices.
- Group YTD Underlying RASK (excluding FX) improved 12.7% year-on-year. RASK benefited from a combination of capacity management and higher average fares across the network, partially mitigating the impact of significantly higher jet fuel prices.

Domestic network

- Domestic passengers carried decreased 2.7% and ASKs decreased 2.5%.
- These contributed to a higher load factor, up 1.5pts to 84.4%.
- The reduction in ASKs reflects targeted fuel-price driven capacity adjustments across the domestic network. RASK benefited from a combination of these capacity settings and higher average fares, partially mitigating the impact of significantly higher jet fuel prices.

Short-haul (Tasman and Pacific Islands) network

- Short haul passengers carried increased 3.7% and ASKs increased 4.2%.
- The ASK increase was driven primarily by increased widebody flying, with Boeing 777 and 787 capacity up 11.6% on a normalised basis, particularly on Auckland to Perth and Auckland to Papeete. Additionally, new services on Christchurch to Rarotonga and Queenstown to Brisbane contributed approximately 2.3 percentage points of growth.

Long-haul network

- Long-haul passengers carried decreased 2.3% and ASKs decreased 5.4%, contributing to 2.8pts increase in load factor to 84.5%.
- The reduction in Long-haul ASKs is driven primarily by reduced LA flying, where quarterly departures fell from 246 to 204 (-17%), combined with a shift from Boeing 777 to smaller, but more fuel efficient, Boeing 787-9 aircraft, resulting in a 27.6% day-adjusted reduction in LA ASKs.

¹ % change is based on numbers prior to rounding.

² The percentage movements have been adjusted on a daily weighted average basis to account for differences in accounting days between reporting periods. The July–September 2026 quarter (FY27 Q1) comprises 96 days compared with 90 days in FY26 Q1 (6.7% more days), reflecting the difference in July accounting days (33 days in 2026 compared with 27 days in 2025). This arises from Air New Zealand's 4-4-5 accounting calendar and 30 June financial year-end, with the corresponding offset occurring in June (31 days in 2027 compared with 37 days in 2026).

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Quarterly operating statistics

	FY27 Q1 (July – Sept 2026)	FY26 Q1 (July – Sept 2025)	Daily weighted variance % ^{1, 2}
GROUP			
Passengers carried	4,162	3,942	(1.0%)
Revenue Passenger Kilometres (m)	9,079	8,511	0.0%
Available Seat Kilometres (ASK, m)	10,706	10,255	(2.1%)
Passenger Load Factor (%)	84.8%	83.0%	+ 1.8 pts
Change in Group RASK			+ 14.3%
Change in Group Underlying RASK (exc. FX)			+ 12.7%
DOMESTIC			
Passengers carried	2,554	2,460	(2.7%)
Revenue Passenger Kilometres (m)	1,371	1,296	(0.8%)
Available Seat Kilometres (ASK, m)	1,625	1,563	(2.5%)
Passenger Load Factor (%)	84.4%	82.9%	+ 1.5 pts
SHORT-HAUL (TASMAN & PACIFIC ISLANDS)			
Passengers carried	1,099	993	+ 3.7%
Revenue Passenger Kilometres (m)	2,907	2,615	+ 4.2%
Available Seat Kilometres (ASK, m)	3,400	3,060	+ 4.2%
Passenger Load Factor (%)	85.5%	85.5%	-
LONG-HAUL			
Passengers carried	510	489	(2.3%)
Revenue Passenger Kilometres (m)	4,801	4,600	(2.2%)
Available Seat Kilometres (ASK, m)	5,680	5,632	(5.4%)
Passenger Load Factor (%)	84.5%	81.7%	+ 2.8 pts

1. % change is based on numbers prior to rounding.

2. The percentage movements have been adjusted on a daily weighted average basis to account for differences in accounting days between reporting periods. The July–September 2026 quarter (2027 Q1) comprises 96 days compared with 90 days in 2026 Q1 (6.7% more days), reflecting the difference in July accounting days (33 days in 2026 compared with 27 days in 2025). This arises from Air New Zealand's 4-4-5 accounting calendar and 30 June financial year-end, with the corresponding offset occurring in June (31 days in 2027 compared with 37 days in 2026).

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 above operational data and statistics is additional supplementary information only.

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Quarterly Customer performance metrics

Customer Metric	FY27 Q1 (July – Sept 2026)	FY26 Q1 (July – Sept 2025)	Movement
On-Time Performance (OTP) ³	85.2%	78.0%	+7.2 pts
Controllable cancellations	1.0%	2.0%	(1.0 pts)
Customer Satisfaction (CSAT)	84.9	84.1	+0.8 pts

Air New Zealand delivered a strong improvement in on-time and reliability performance in the first quarter of FY27. On-time arrival performance was **85.2%**, up 7.2pts from 78.0% in the prior corresponding period.

In the month of September, 87.3% of Air New Zealand flights arrived within 15 minutes of schedule, up from 75.5% for the same month last year. The global average for airline on-time performance was 77.7% percent in September 2026. The result placed Air New Zealand third among Asia-Pacific airlines for on-time performance in aviation analytics company Cirium's rankings for September.

Controllable cancellations (flights cancelled for reasons within the airline's control) fell to **1.0%** of scheduled services, compared to 2.0% in FY26 Q1, halving the rate year-on-year.

Customer satisfaction gains were supported by improvements in both ground and onboard service and products, to **84.9** for the three months ending 30 September 2026, reflecting customer focused initiatives including the final rollout of next-generation kiosks and improvements in disruption handling, alongside stronger food, crew and in-flight entertainment performance. Lower levels of disruption also contributed to the uplift, with performance remaining resilient throughout the school holiday period compared with the weather and disruption challenges experienced in the same quarter last year.

Fuel and Hedging update

Singapore jet fuel price has increased from an average of US\$85/barrel in FY26 Q1 to an average of US\$140/barrel in FY27 Q1.

Air New Zealand's hedging position remains similar to that reported at the 2026 annual results, with 80% of brent fuel and 20% of crack spread hedged for FY27 H1 and 40% of brent fuel hedged for FY27 H2, as at 30 September 2026.

ENDS

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³ OTP (or A15) refers to the percentage of operated flights arriving within 15 minutes of their scheduled time.