

MARKET RELEASE – Thursday 26 February 2026

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

**Air New Zealand announces 2026 interim result
and provides full year guidance****Summary**

- 1H 2026 Loss before taxation of \$59 million
- 1H 2026 Net loss after taxation of \$40 million
- 1H 2026 EBITDA of \$347 million
- Result largely driven by global engine maintenance delays, slower than expected recovery in domestic demand, increasing aviation system costs and a weaker NZD
- Strategic review underway to reset the business amid continuing cost escalation across the aviation system and supply chain
- No interim dividend declared, in line with the airline's Capital Management Framework
- Based on current trading conditions and assuming an average jet fuel price of US\$85 per barrel for the second half, Air New Zealand expects second-half earnings to be broadly in line with, or modestly below, the first half
- The airline will take delivery of the first two of ten new GE-powered 787s at the end of the financial year supporting widebody capacity growth of approximately 20% to 25% over the next two years
- Continued advocacy for fit-for-purpose aviation sector settings that underpin connectivity and affordability

Air New Zealand today announced a loss before taxation of \$59 million for the first half of the 2026 financial year, compared with earnings before taxation of \$144 million in the prior corresponding period. The net loss after taxation was \$40 million.

This result reflects the combined impact of ongoing fleet constraints, a slower recovery in domestic demand and rising costs, including persistently high aviation system inflation. Cost pressures have been further exacerbated by a weaker New Zealand dollar. The result is slightly outside the guidance range of a loss of \$30 to \$55 million provided to the market in October 2025, primarily reflecting a \$13 million headwind from higher-than-assumed fuel prices in the second quarter.

While the airline received \$55 million in compensation from engine manufacturers for the first half, it estimates an additional \$90 million¹ of earnings could have been included within the result had the fleet operated as intended. The airline is in ongoing negotiations with engine manufacturers to improve certainty around engine return schedules and appropriate compensation.

Chair Dame Therese Walsh said "given the ongoing volatility, including continued global engine maintenance impacts and a slower recovery in domestic demand, the Board and I asked Nikhil to undertake a full strategy review when he took up the Chief Executive Officer role in October.

"As New Zealand's national airline we play an important role in supporting New Zealand, particularly as it relates to export and tourism. The strategy reset will allow us to be firmly focused on strengthening and growing our airline to deliver long term growth and prosperity for New Zealand."

¹ This estimate was calculated based on internal modelling using operational assumptions, including capacity, passenger demand, revenue yield, disruption costs and historical performance across affected routes.

Chief Executive Officer Nikhil Ravishankar went on to say that “with the support of the Board we are undertaking a comprehensive review of all aspects of the business, with the objective of returning the airline to sustained profitability through enhanced operational performance, growth and further cost transformation initiatives.

“At the same time, a number of performance and product improvements are already underway, including improvements in domestic punctuality and reliability, and a decision to upgrade the interiors of our existing 777 fleet, so our widebody product is consistent, modern and mission ready.

“While we are disappointed that the engine availability issues have taken longer than anticipated to resolve, we are pleased with recent progress and now expect a total of four grounded Airbus neo and Boeing 787 aircraft to return to service throughout the 2026 calendar year. We will also take delivery of two of ten new 787 aircraft later in the financial year, providing widebody capacity growth of around 20 percent to 25 percent over the next two years.

“I want to thank our customers for their loyalty and Air New Zealanders for their ongoing professionalism and care for customers and each other as the tough operating environment persists”.

1H 2026 Financial performance

Passenger revenue improved four percent to \$3 billion, supported by additional capacity across the Tasman and Pacific Islands, and a higher mix of premium seats on long-haul international routes. Network capacity overall was broadly flat, with up to eight aircraft grounded at times due to global engine maintenance delays.

The airline experienced a slower than expected recovery in Domestic demand however international performance was supported by continued strong offshore bookings, particularly in the premium cabins. Demand for outbound long-haul travel remained subdued.

Fuel costs were \$774 million, an increase of 4 percent. Singapore jet fuel averaged around US\$88 per barrel compared to US\$91 per barrel in the prior period. The lower fuel price was more than offset by a weaker New Zealand dollar, an increase in the cost of the airline’s CORSIA obligations and the operation of less fuel-efficient aircraft due to global engine constraints.

Non-fuel operating cost inflation of approximately \$75 million was driven primarily by higher mandated domestic passenger levies, engineering and maintenance costs, and airport landing charges. The airline’s concern is not only about the current level of these costs, but the future trajectory and potential for further increases over time, which would place additional pressure on the business, and the sustainability of regional connectivity.

The airline continues to drive its Kia Mau transformation programme and delivered around \$45 million in incremental benefits in the half, with around \$145 million in cumulative benefits since the programme’s inception last year. This largely reflects the realisation and ramp-up of initiatives previously outlined at the 2025 annual results. While meaningful, these benefits have not been sufficient to offset the full extent of increases across the cost base, which will be addressed as part of the ongoing strategic review.

Dividend

Based on the result announced today, the Board has not declared an interim dividend, consistent with the airline’s Capital Management Framework.

2H26 Outlook

While capacity is expected to increase modestly in the second half, as aircraft return to service and new aircraft enter the fleet, the airline cautions that improvements in aircraft availability are unlikely to translate immediately into earnings uplift. This is because widebody capacity cannot be

operationalised into the schedule and sold at short notice. The primary constraint is uncertainty in the timing of aircraft and engine returns, which limits the ability to plan and sell additional flying with confidence. Disruption-related costs and inefficiencies also take time to unwind, including the return of leased aircraft and engines.

Aviation system and supply chain cost pressures are expected to continue, reinforcing the importance of fit-for-purpose aviation sector settings that support sustainable connectivity and affordability for customers over time.

Guidance

Based on current trading conditions and assuming an average jet fuel price of US\$85 per barrel for the second half, Air New Zealand expects second-half earnings to be broadly in line with, or modestly below, the first half. The outlook remains subject to material uncertainty, including engine return schedules, the timing and quantum of compensation, and continued volatility across key input costs and demand conditions.

Compensation arrangements in respect of certain engines are yet to be agreed for the second half. Air New Zealand is in active negotiations with the relevant manufacturers. While the airline is working hard towards a fair outcome, the timing and quantum of further compensation remains uncertain, and this could materially impact full-year earnings.

Ends

This announcement has been authorised for release by Jennifer Page, General Counsel & Company Secretary (jennifer.page@airnz.co.nz).

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Investor presentation
26 February 2026

NZX: AIR / ASX: AIZ / US OTC: ANZLY

STAR ALLIANCE 

2026 | **Interim
Results**

AIR NEW ZEALAND 



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Non-GAAP financial information

The following non-GAAP measures are not audited: Adjusted CASK, Net Debt and EBITDA. Amounts used within the calculations are derived from the interim financial statements where possible. The interim financial statements are subject to review by the Group's external auditors. The non-GAAP measures are used by management and the Board of Directors to assess the underlying financial performance of the Group in order to make decisions around the allocation of resources.

Refer to slide 37 for a glossary of the key terms used in this presentation.



Agenda

1H 2026 Business Update

1H 2026 Financial Performance

Outlook

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Nikhil Ravishankar – Chief Executive Officer

Business Update

Building on a strong foundation – of New Zealand, for New Zealand



People and safety first



Diverse network



**Engaged and loyal
customers**



Modern fleet



Innovative culture



Strong balance sheet

1H result reflects fleet constraints, high aviation system inflation and slower domestic recovery

PASSENGERS FLOWN

8.1m

Slightly up on 1H 2025

LOSS BEFORE TAXATION¹

(\$59m)

Includes \$11m unused travel credit breakage

ADVERSE IMPACT TO 1H 2026²

~\$90m

Due to engine issues, net of compensation of \$55m

ASKs (CAPACITY)

+0.3%

~90% of pre-Covid capacity, growth planned for 2H 2026

ON-TIME PERFORMANCE

77.5%

Ranked 2nd in APAC in the 2025 Cirium On-Time Performance Review

FY26 YTD CUSTOMER SATISFACTION (CSAT)

84

With notable increases in domestic and regional routes

RETROFITTED BOEING 787 AIRCRAFT BACK IN SERVICE

7 of 14

With remaining aircraft returning across the remainder of the calendar year

LOYALTY PROGRAMME REFRESH

Koru Black

New tier introduced, with elevated recognition, rewards and benefits

¹ Compared to guidance provided to the market in October 2025 of a loss of \$30 million to \$55 million.

² This estimate was calculated based on internal modelling using operational assumptions, including capacity, passenger demand, revenue yield, disruption costs and historical performance across affected routes.



1H revenue growth driven by international inbound bookings, domestic bookings soft

ASIA & JAPAN

- Robust outbound demand from NZ
- Premium cabin mix change driving elevated RASK led by strong demand from Asia outbound
- Freighter competition impacting cargo yields

ASKs	(4.6%)
Load factor change	+2.5 pt
RASK ex FX and breakage	+10.2%

NORTH AMERICA

- Inbound demand strength amid constrained capacity
- Solid NZ outbound demand to Canada, weaker demand for USA
- Cargo exposed to overall market volatility

ASKs	(2.6%)
Load factor change	(1.3) pt
RASK ex FX and breakage	+0.6%

PACIFIC ISLANDS

- Growth delivered through two new A321neo leased aircraft
- Solid demand for NZ outbound leisure travel

ASKs	+6.9%
Load factor change	(1.3) pt
RASK ex FX and breakage	(0.5%)

PRODUCT MIX

Premium cabin revenue growth	+10%
Economy cabin revenue growth	+2%
Ancillary revenue	+10%

TASMAN

- Inbound/outbound demand remains strong
- Growth delivered through delivery of two new A321neo leased aircraft
- Christchurch-Adelaide new route launched Oct 2025

ASKs	+9.0%
Load factor change	+0.1 pt
RASK ex FX and breakage	+1.3%

NEW ZEALAND

- Passenger volumes stable on prior period, sequential improvement vs prior six months
- Signs of improvement in business-purpose demand later in the 1H period and continuing into 2H

ASKs	Flat
Load factor change	+0.1 pt
RASK ex FX and breakage	Flat

Note: figures represent the year on year change in each metric from 1H 2025 to 1H 2026.

2026 network remains sub-scale; carrying costs from engine issues continue to drag on near-term earnings

Aircraft availability assumptions are fluid but currently expect slight 2H improvement vs 1H

up to 3

A321neos expected to be grounded in 2H 2026

Positive signs of improved maintenance capacity and throughput however still carrying significantly more spare engines than normally required

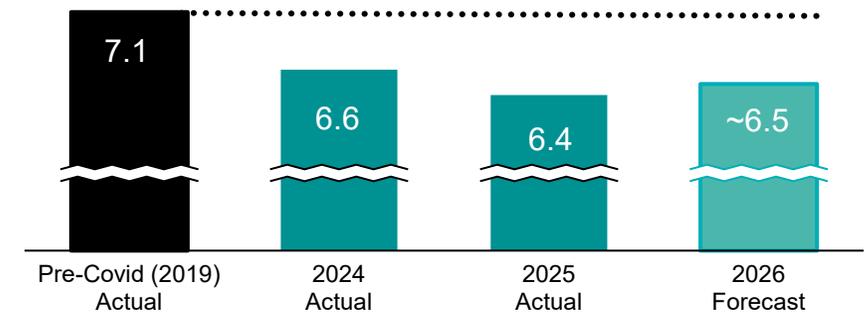
up to 4

787 Dreamliners expected to be grounded in 2H 2026

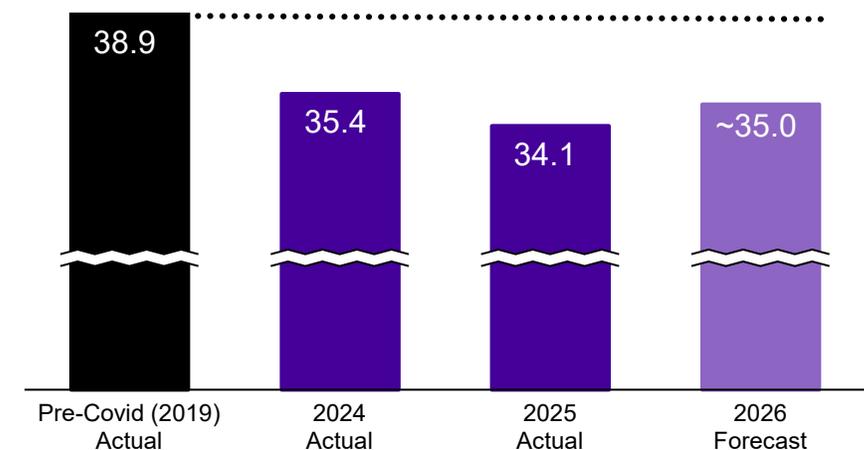
New certification of fan blade, extending engine time on wing, improving confidence in the engine return profile

Domestic capacity expected to be ~8% below pre-Covid levels by end of FY26

Domestic network size (Billion ASKs)



International¹ network size (Billion ASKs)



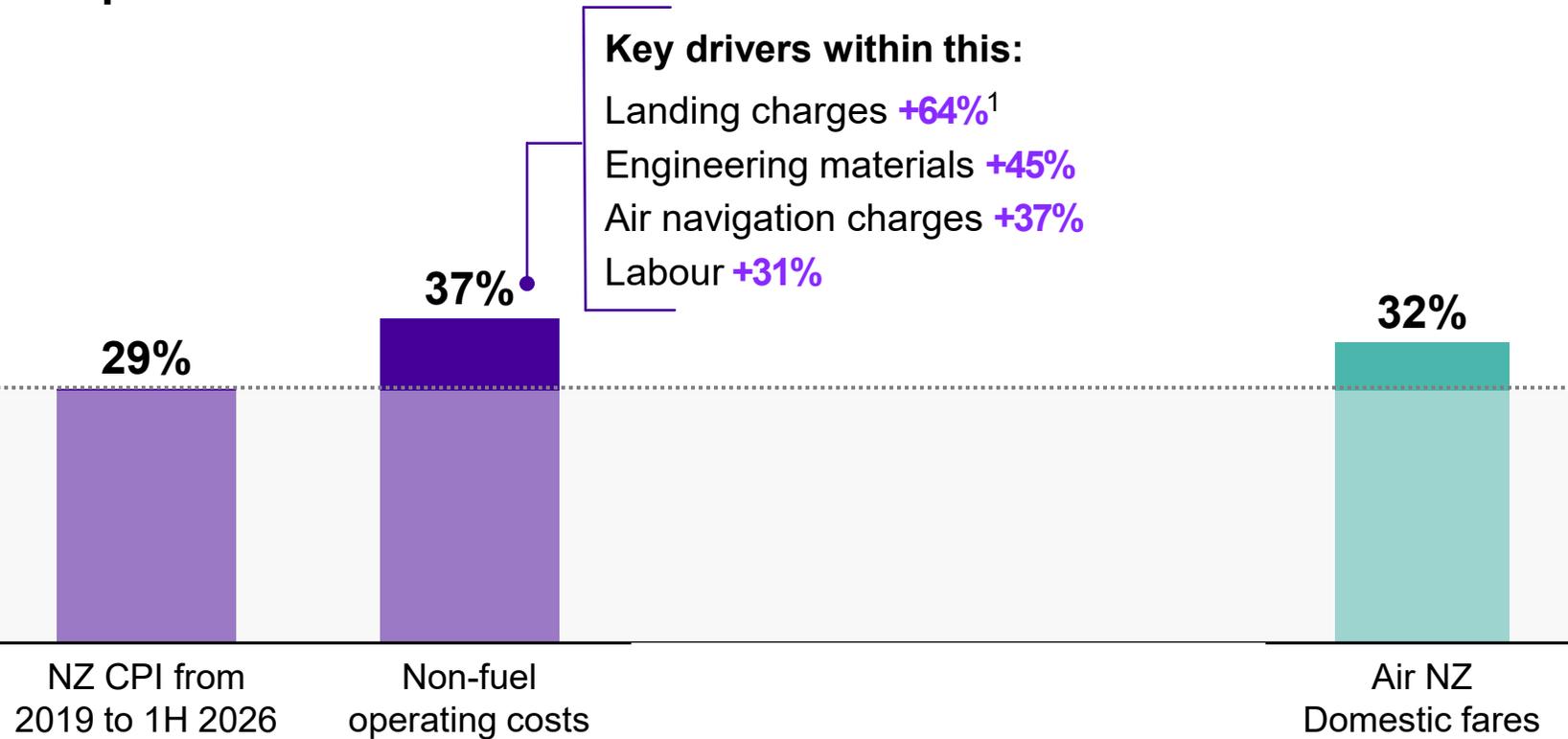
International capacity expected to be ~10% below pre-Covid levels by end of FY26

¹ International capacity includes long-haul and international short-haul (Tasman and Pacific Islands) networks.

Cost inflation is outpacing NZ CPI driven by structurally higher domestic aviation system costs

Cumulative inflation ex-fuel is above NZ CPI for the same period

Air New Zealand domestic fares have also risen, but not to the same extent



¹Offshore landing charges have remained relatively flat in the period 2019-1H 2026. Domestic landing charges have increased approximately 85%

Meaningful progress has been delivered in the face of these challenges

Operational

- ✓ Regional OTP¹ improved to 83.9% from 73.3% following a comprehensive schedule review and reset
- ✓ Ranked 2nd in APAC 2025 Cirium OTP Review
- ✓ Automated disrupt capability: 83% of cancelled domestic flights auto-rebooked; 71% resolved with no human intervention

Customer

- ✓ Major refresh of loyalty programme, including launch of new tier, Koru Black
- ✓ Over 5.2 million Airpoints™ members, 8% growth
- ✓ Seven retrofitted Boeing 787 aircraft back in service
- ✓ CSAT levels remain high

Financial

- ✓ Incremental ~\$45 million in transformation benefits for 1H 2026, with ~\$145 million cumulative benefits since 2025
- ✓ Issued A\$300 million medium-term notes

¹ Refers to on-time performance, which is a measure of arrivals within 15 minutes of scheduled arrival time.



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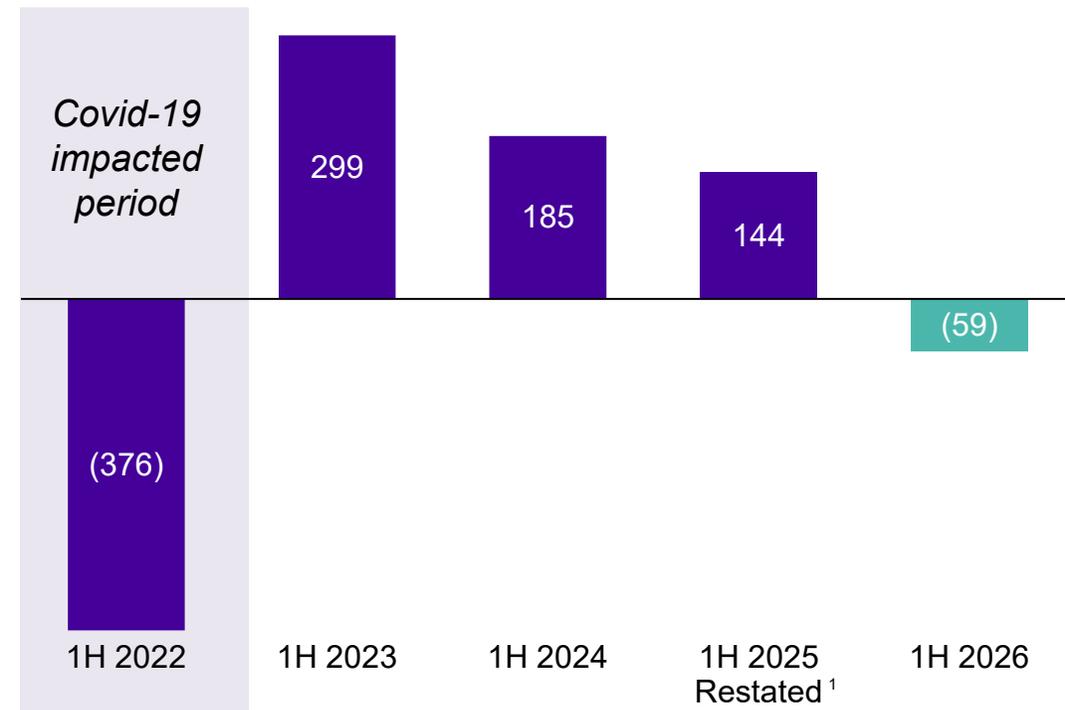
Richard Thomson – Chief Financial Officer

Financial Update

1H 2026 overview

- Operating revenue of **\$3.4 billion, up 1.2%**
- Passenger revenue of **\$3.0 billion, up 3.6%**
- Loss before taxation of **\$59 million**
- Net loss after taxation of **\$40 million**
- Liquidity of **\$1.3 billion²**
- Net debt to EBITDA of **2.6x**
- No interim dividend³, in line with Capital Management Framework settings

(Loss)/Earnings before taxation
(\$ millions)



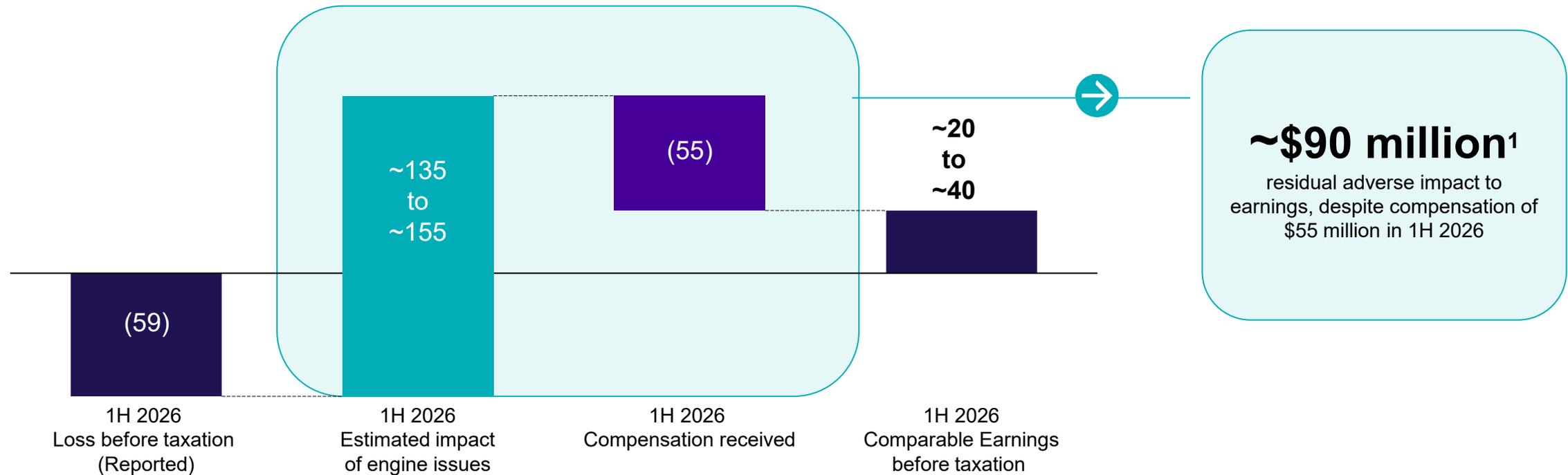
¹ 1H 2025 results restated for an omission in the end of lease provision. Refer to Note 1 of the Interim Financial Statements for further detail.

² As at 31 December 2025, includes \$1.09 billion cash and \$250 million in undrawn funds under the syndicated bank revolving credit facility.

³ The airline's policy is to pay ordinary dividends equal to between 40% to 70% of underlying net profit after tax (underlying NPAT), subject to the Board's discretion. The payout ratio for each of the interim and final dividends is calculated based on the rolling 12-month NPAT, which is divided by two, to reflect the six-monthly period.

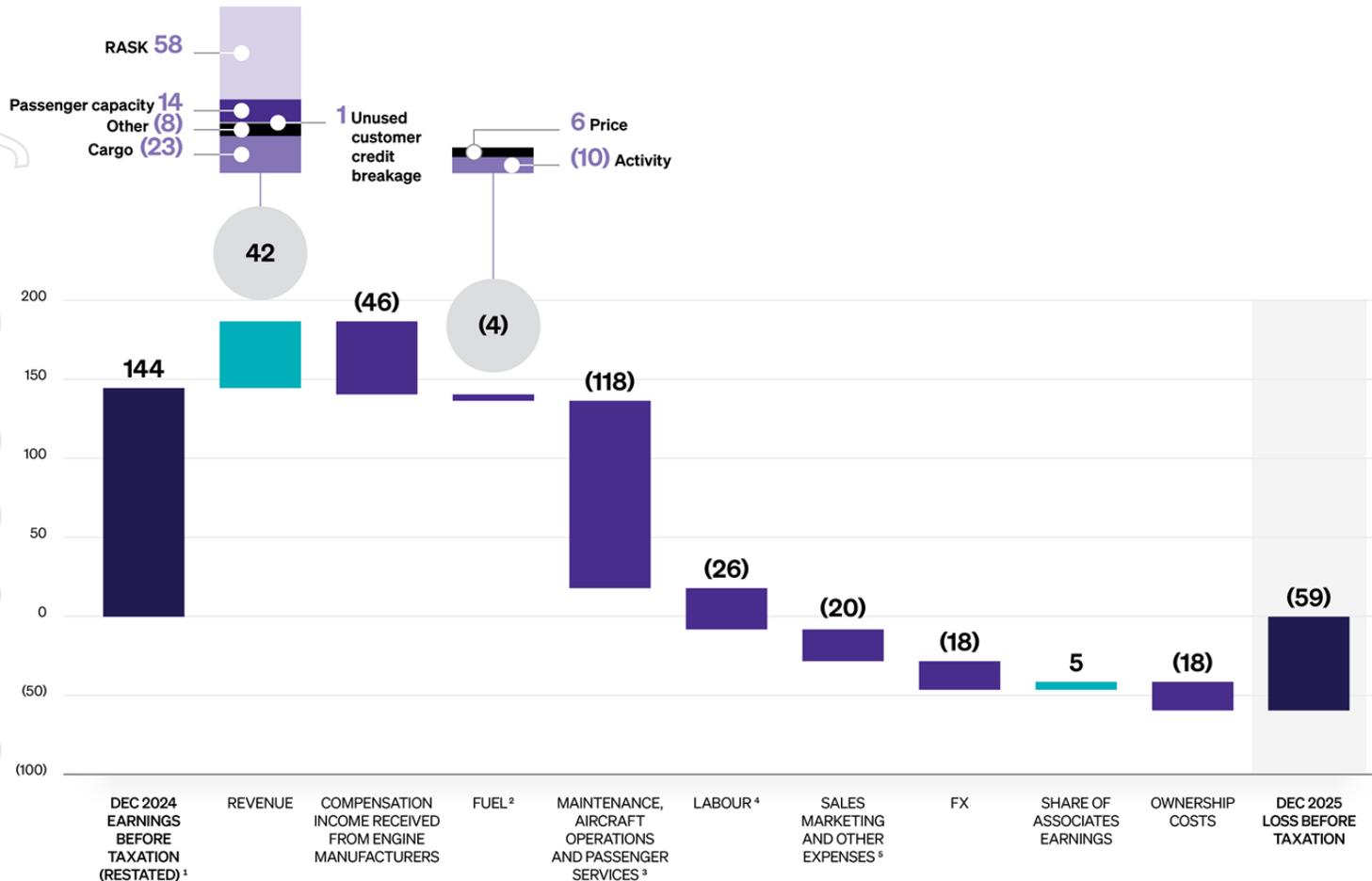
Impact of engine delays on financial performance has been significant, despite compensation

(Loss)/Earnings before taxation adjusted for estimated impact of engine issues
(\$ millions)



¹This estimate was calculated based on internal modelling using operational assumptions, including capacity, passenger demand, revenue yield, disruption costs and historical performance across affected routes.

Profitability waterfall



Additional commentary

- Price inflation across the non-fuel cost base, a headwind of around \$75 million vs 1H 2025
- Waterfall chart includes ~\$45 million benefit of transformation initiatives, cumulative benefits of ~\$145 million since 2025
- Landing charges, labour, engineering materials and air navigation driving inflationary uplift of 3.4% for 1H 2026
- Rate only impact on key P&L lines as follows:

	1H 2026 price change vs 1H 2025
Maintenance	5%
Aircraft operations	5%
Passenger services	12%

¹ 1H 2025 results restated for an omission in the end of lease provision. Refer to Note 1 of the Interim Financial Statements for further detail.

² For further details on fuel cost movement, refer to slide 34.

³ Total movement represented by: Maintenance (+\$69 million) driven by aircraft lifecycle and engine maintenance costs, as well as price inflation; Aircraft Operations (+\$18 million) driven by price inflation on landing and air navigation charges; and Passenger Services (+\$31 million) driven by mandated passenger levies and cost inflation.

⁴ Full-time equivalent staff levels increased 1.1% to ~11,720.

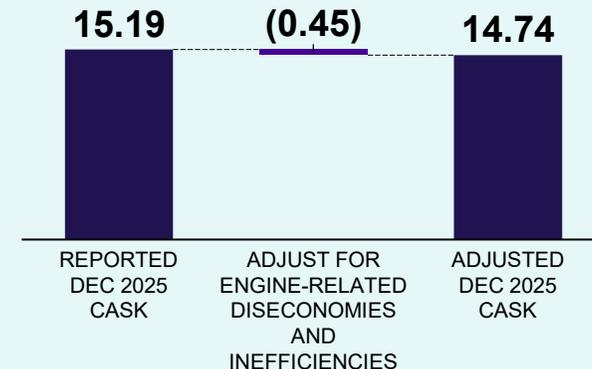
⁵ Movement primarily driven by Other Expenses reflecting temporary Wamos wet lease costs of \$15 million.

Fleet constraints continue to adversely impact CASK performance

- **Reported CASK increased 7.7%** due to significant increases in supplier costs and inefficiencies associated with ongoing engine constraints, and unfavourable foreign exchange
- Excluding the impact of fuel and foreign exchange **underlying CASK increased 5.7%** due to:
 - Non-fuel operating cost inflation of ~3% across the cost base, including increases of 145% in Civil Aviation Authority charges, 66% in Aviation security charges and 7% in landing charges this year alone
 - Inefficiencies and wet lease costs resulting from significant levels of grounded aircraft
 - Increased life cycle and other maintenance costs



1H 2026 CASK adjusted for estimated impact of engine maintenance delays



¹ Restated for an omission in the end of lease provision. Refer to Note 1 of the Interim Financial Statements for further detail.

Fuel hedging and FX update

Fuel hedging

- Elevated crack spread levels observed in Q2 2026
- Majority of hedges in Brent Crude with some opportunistic Singapore Jet swaps done in 2H
- Hedge portfolio structured to protect against upside movements and allow participation to downward price movements through exposure hedged in collars

Fuel hedge position (as at 6 Feb 2026)		
Period	Hedged volume (in barrels)	% hedged
2H 2026	3,450,000	83%
1H 2027	1,900,000	46%

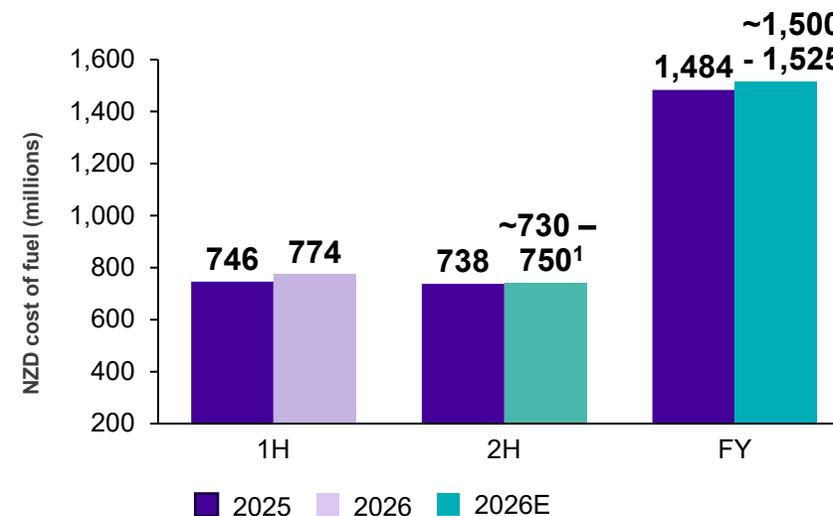
Foreign exchange hedging

- US dollar is ~77% hedged for 2H 2026 at NZD/USD ~0.59
- Australian dollar is ~88% hedged at NZD/AUD ~0.89

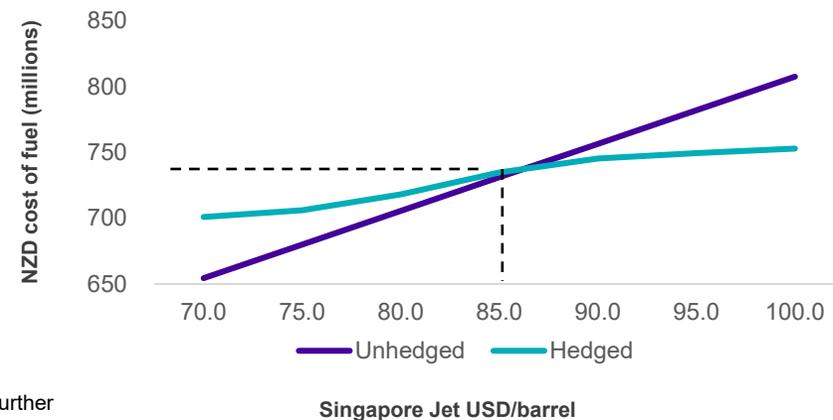
¹ Assumes an average jet fuel price of USD85 per barrel for 2026.

² Assumes an average jet fuel price of USD85 per barrel for 2H 2026 and a NZD/USD rate of 0.6000. Forecast valuation date of 6 February 2026. Further information on fuel movements can be found in the fuel waterfall on slide 34.

2026 Fuel cost outlook

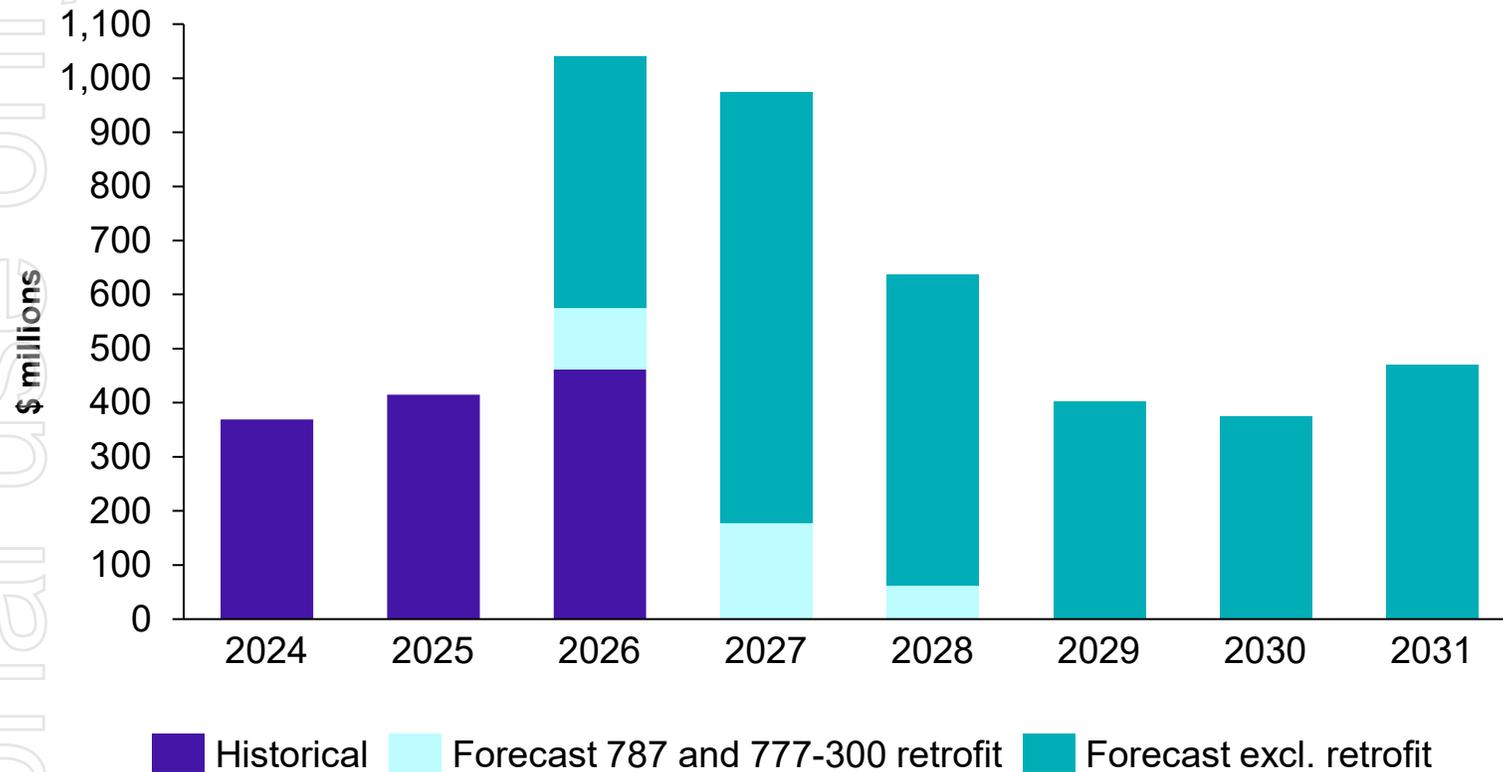


2H 2026 Fuel cost² sensitivity (inclusive of hedging)



Fleet investment update

Actual and forecast aircraft capital expenditure¹



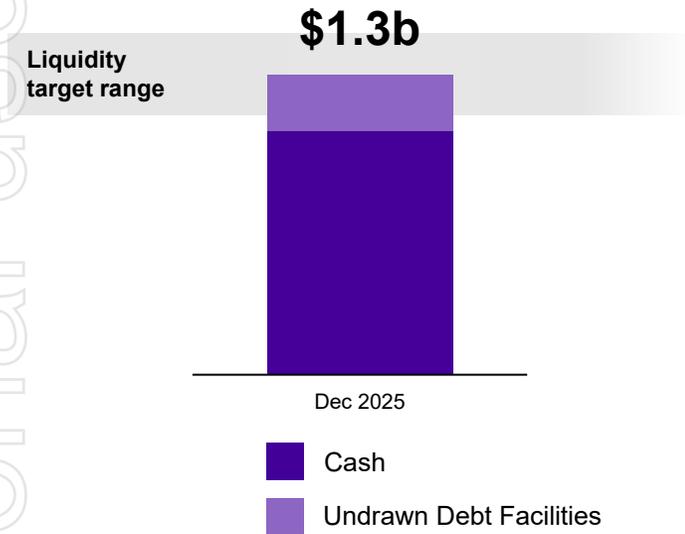
- Forecast investment of **~\$3.4 billion** in aircraft and associated assets from 2H 2026 to 2031²
- Chart includes the cost of interior retrofit of 14 existing 787 aircraft and a refresh of seven 777-300ER aircraft
 - **Forecast total cost of ~\$450 million** for both programmes, over 2H 2026 to 2028
 - 787 retrofit currently expected to be **completed by end of calendar year 2026**
 - First 777-300ER refresh expected to start by **early calendar year 2027**

¹ Includes progress payments on aircraft and aircraft improvements (e.g. refurbishment); excludes engine maintenance. Please refer to slide 36 for fleet delivery table.

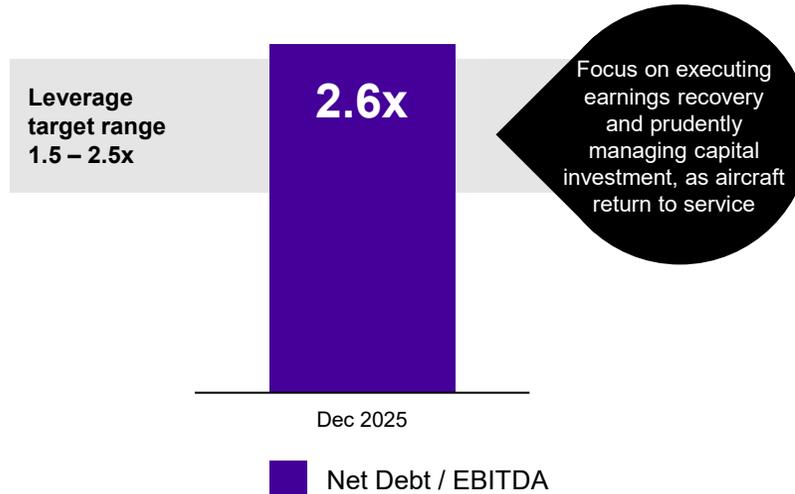
² Based on expected delivery dates, not contractual delivery dates.

Robust liquidity and prudent Capital Management Framework provide resiliency

Liquidity has been actively managed to within the \$1.2 billion to \$1.5 billion target range



Leverage is marginally above the target range due to reduced EBITDA at a time of greater investment spend



Continued growth in unencumbered fleet¹ to ~\$2.3 billion, a strong source of contingent liquidity



¹ Unencumbered fleet excludes spare engines. Aircraft valuations based on Aircraft Value Analysis Company Limited (AVAC) as at 30 June 2025. USD values are converted to NZD at 31 December 2025 balance sheet rate of 0.5830. Aircraft valuations are subject to market conditions, aircraft condition, FX rates, technology advancement and other factors.



Order a coffee

Start a new order

1 minute wait time

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Nikhil Ravishankar – Chief Executive Officer

Outlook



2H 2026 capacity reflects expected return of some grounded aircraft

Sector	2025 ASKs (millions)	1H 2026 Actuals (vs 1H 2025)	2H 2026 Estimate (vs 2H 2025)	2026 Estimated Capacity (vs 2025)	Commentary
Domestic	6,409	Flat	2% to 4%	1% to 2%	<ul style="list-style-type: none"> Assumes one A321neo returns to service with procurement of additional leased engines
Tasman and Pacific Islands	11,562	8.4%	10% to 11%	9% to 10%	<ul style="list-style-type: none"> Strong growth supported by widebody flying and additional A321neo leased aircraft delivered in calendar year 2025
International long-haul	22,530	(3.6%)	0% to 1%	(2%) to (1%)	<ul style="list-style-type: none"> Enabled by six month wet lease aircraft in NW25 season, with up to two 787s returning to service following engine maintenance
Group	40,501	Flat	3% to 4%	1% to 2%	

Estimated capacity for 2026 expected to be ~10% below pre-Covid



2026 financial considerations

Assumptions

• Revenue

- 2H capacity increase of 3% to 4%, subject to improvement in engine reliability on NEO and 787 fleet and delivery of GE-powered 787 in April 2026
- Domestic trading conditions have seen very early improvement in recent weeks
- Long-haul performance expected to come under pressure into New Zealand winter as inbound visitor mix slows and outbound demand to certain markets remains soft due to weaker New Zealand dollar
- Other Revenue and Income includes majority of compensation from OEMs which remain under negotiation for a portion of the 2H 2026 period

• Non-fuel operating costs

- Inflation expected to increase full year non-fuel operating costs by ~\$150 million to \$175 million. Notable increases in Maintenance (due to supply chain constraints), Passenger Services (due to mandated domestic passenger levies) and Aircraft Operations (due to landing charges)
- Life cycle maintenance expense primarily on 787 and A320 fleets expected to drive ~\$80 million to \$100 million headwind for the full year

• Other

- Transformation benefits of \$100 million to \$120 million expected for full year with ~\$45 million incremental benefits in 1H
- Incremental depreciation of \$40 million to \$60 million for full year, driven largely by 787 retrofit and two leased A321neos



2026 Outlook

- Based on current trading conditions and assuming an average jet fuel price of US\$85 per barrel for the second half, Air New Zealand expects earnings for the second half to be broadly in line with, or modestly below, the first half.
- The outlook remains subject to material uncertainty, including engine return schedules, the timing and quantum of compensation, and continued volatility across key input costs and demand conditions.
- Compensation arrangements in respect of certain engines are yet to be agreed for the second half. Air New Zealand is in active negotiations with the relevant manufacturers. While the airline is working hard towards a fair outcome, the timing and quantum of further compensation remains uncertain, and this could materially impact 2026 full year earnings.

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AIR NEW ZEALAND 

Thank you

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Supplementary information



Key capital management metrics

	31 Dec 2025	30 June 2025	Capital management targets
Gross debt ¹	(3,267)	(2,838)	
Cash, restricted deposits and net open derivatives ¹	1,312	1,758	
Net debt ¹	(1,955)	(1,080)	
Gross debt/EBITDA*	4.3x	3.0x	
Net debt/EBITDA*	2.6x	1.2x	Net Debt to EBITDA ratio of 1.5x to 2.5x
Return on invested capital (ROIC) ^{2, *}	Not reported	7.3%	Target ROIC above pre-tax WACC
Total liquidity ¹	1,344	1,686	Target liquidity range of \$1.2 billion to \$1.5 billion
Moody's rating	Baa1 stable (investment grade)	Baa1 stable (investment grade)	Investment grade
Shareholder distributions declared	No interim dividend declared	1.25 cps interim and 1.25 cps final unimputed ordinary dividends	Ordinary dividend payout ratio of 40% to 70% of underlying net profit after taxation (NPAT) ³

¹ In \$ millions.

² Return on invested capital not calculated at the interim results.

³ NPAT is calculated on a rolling twelve-month basis as further explained on slide 12.

* 30 June 2025 restated for an omission in the end of lease provision. Refer to Note 1 of the Interim Financial Statements for further detail.



Financial overview

	Dec 2025 \$M	Dec 2024 \$M	Movement \$M	Movement %
Operating revenue	3,444	3,403	41	1%
(Loss) / earnings before taxation ¹	(59)	144	(203)	(141%)
Net (loss) / profit after taxation ^{1,2}	(40)	98	(138)	(141%)
Operating cash flow	213	424	(211)	(50%)
Cash position ³	1,094	1,436	(342)	(24%)
Ordinary dividends declared	- cps	1.25 cps	(1.25) cps	(100%)

¹ Restated Dec 2024 for an omission in the end of lease provision. Refer to Note 1 of the Interim Financial Statements for further detail.

² Equates to an effective tax rate of 32%. The effective tax rate has been impacted by the statutory time bar applying to a tax dispute in Brazil, leading to the release of a provision.

³ Comparison at 30 June rather than 31 December.



Group performance metrics

	Dec 2025 \$M	Dec 2024 \$M	Movement ¹ %
Passengers carried ('000s)	8,120	8,086	0.4%
Available seat kilometres (ASKs, millions)	20,524	20,453	0.3%
Revenue passenger kilometres (RPKs, millions)	17,163	17,032	0.8%
Load factor	83.6%	83.3%	0.3 pts
Passenger revenue per ASKs as reported (RASK, cents)	14.7	14.2	3%
Passenger revenue per ASKs, excluding FX (RASK, cents)	14.5	14.2	2%
Passenger revenue per ASKs excluding FX and unused credit breakage (RASK, cents) ²	14.5	14.2	2%

¹ Calculation based on numbers before rounding.

² This is RASK excluding \$11 million in unused customer credit breakage (Dec 2024: \$10 million) which has been recognised within passenger revenue.



Domestic

	Dec 2025 \$M	Dec 2024 \$M	Movement ¹ %
Passengers carried ('000s)	5,093	5,174	(2%)
Available seat kilometres (ASKs, millions)	3,225	3,235	(0.3%)
Revenue passenger kilometres (RPKs, millions)	2,689	2,695	(0.2%)
Load factor	83.4%	83.3%	0.1 pts
Passenger revenue per ASKs as reported (RASK, cents)	29.9	29.9	0.1%
Passenger revenue per ASKs, excluding FX (RASK, cents)	29.8	29.9	(0.3%)
Passenger revenue per ASKs excluding FX and unused credit breakage (RASK, cents) ²	29.7	29.8	(0.3%)

¹ Calculation based on numbers before rounding.

² This is RASK excluding \$3 million in unused customer credit breakage (Dec 2024: \$3 million) which has been recognised within passenger revenue.



Tasman & Pacific Islands

	Dec 2025 \$M	Dec 2024 \$M	Movement ¹ %
Passengers carried ('000s)	2,080	1,941	7%
Available seat kilometres (ASKs, millions)	6,355	5,864	8%
Revenue passenger kilometres (RPKs, millions)	5,479	5,070	8%
Load factor	86.2%	86.5%	(0.3) pts
Passenger revenue per ASKs as reported (RASK, cents)	13.4	13.2	1%
Passenger revenue per ASKs, excluding FX (RASK, cents)	13.3	13.2	1%
Passenger revenue per ASKs excluding FX and unused credit breakage (RASK, cents) ²	13.3	13.2	1%

¹ Calculation based on numbers before rounding.

² This is RASK excluding \$4 million in unused customer credit breakage (Dec 2024: \$3 million) which has been recognised within passenger revenue.



International long-haul

	Dec 2025 \$M	Dec 2024 \$M	Movement ¹ %
Passengers carried ('000s)	947	971	(3%)
Available seat kilometres (ASKs, millions)	10,944	11,354	(4%)
Revenue passenger kilometres (RPKs, millions)	8,995	9,267	(3%)
Load factor	82.2%	81.6%	0.6 pts
Passenger revenue per ASKs as reported (RASK, cents)	10.9	10.2	7%
Passenger revenue per ASKs, excluding FX (RASK, cents)	10.7	10.2	4%
Passenger revenue per ASKs excluding FX and unused credit breakage (RASK, cents) ²	10.7	10.2	4%

¹ Calculation based on numbers before rounding.

² This is RASK excluding \$4 million in unused customer credit breakage (Dec 2024: \$4 million) which has been recognised within passenger revenue.



Compensation summary

	Dec 2025 \$M	Dec 2024 \$M ¹	Movement \$M	Movement %
Other revenue and income	37	83	(46)	(55%)
Fuel	-	2	(2)	(100%)
Maintenance	1	1	-	-
Other expenses	4	-	4	NA
Depreciation and amortisation	12	8	4	50%
Finance costs	1	-	1	NA
Total compensation received from manufacturers	55	94	(39)	(41%)

¹ \$30 million of the \$94 million prior period compensation amount relates to other periods.

Cargo performance

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- Cargo revenue of **\$239 million, down 7%** on prior year. Key drivers include:
 - Lower volumes driven by reduced load factors on the Tasman, alongside weaker northbound volumes to North America
 - Lower yields due to heightened international competition and an adverse mix shift toward lower-yield trans-shipment and interline
- Digital transformation benefits are starting to deliver improved customer experience and greater revenue management capability



Capital management progress

Maintain financial resilience and flexibility

- Target liquidity range of \$1.2 billion to \$1.5 billion
- Net Debt to EBITDA ratio of 1.5x to 2.5x

Underpinned by our commitment to maintain investment grade credit rating metrics

Invest in core operations

- Fleet and infrastructure investments above WACC through the cycle
- Investment to support the airline’s decarbonisation ambitions

Distributions

- Ordinary dividend pay-out ratio of 40% to 70% of underlying net profit after tax (NPAT)¹
- Return excess capital via special dividends or share buybacks

Growth capex

- Disciplined investment in value accretive capex
- Target ROIC above pre-tax WACC

PROGRESS MADE IN 1H 2026

- ~\$270 million debt and leases paid down
- Issued AUD\$300m 7 year AMTN
- Five further aircraft included in unencumbered pool
- Received remaining \$125 million of cash collateral, following transition to new global payments provider

- ~\$100 million of engine maintenance overhauls
- Seven retrofitted 787-9 back in service
- Completed Hangar 4 at Auckland jet base

- Completed share buyback (\$43 million in 1H 2026, \$81 million in total for the programme)
- ~\$250 million of pre-delivery payments made in respect of upcoming aircraft and engine deliveries
- Took delivery of second of two new leased A321neo aircraft for the short-haul network

¹ The payout ratio for each of the interim and final dividends is calculated based on the rolling 12-month NPAT, which is divided by two, to reflect the six-monthly period.

Debt structure and maturity profile

57 unencumbered aircraft at 31 Dec 2025

777-300ER		5x
787-9		2x
A320/321neo		7x
A320ceo		9x
ATR72-600		11x
Q300		23x

- In addition, equity of ~\$1.7 billion¹ in existing aircraft within debt facilities

Debt maturity profile at 31 Dec 2025² (\$ millions)



¹ Aircraft only. Aircraft valuations based on Aircraft Value Analysis Company Limited (AVAC) as at 30 June 2025. USD values are converted to NZD at 31 December 2025 balance sheet rate of 0.5830. Foreign currency denominated debt outstanding as at 31 December 2025 also converted to NZD at balance sheet rates (JPY: 91.10, EUR: 0.4950). Aircraft valuations are subject to market conditions, aircraft condition, FX rates, technology advancement and other factors.

² Excludes operating leases (leases without purchase options). Finance leases are leases with purchase options.



Fleet profile

	Aircraft	Engines	Number in Fleet	Average Age ¹ (Years)	Expected Delivery Dates						
					2H 2026	2027	2028	2029	2030	2031	
International	777-300ER		GE90	Core fleet: 7 Short term leased: 3	13.7						
	787-9 ³		Trent 1000 (GE engines for 2H 2026 deliveries onward)	14	9.3	2	2	2	1	1	2
	A321neo (short haul)		PW1100	9	5.4			2			
	A320neo (short haul)		PW1100	6	5.8						
Domestic	A321neo (domestic)		PW1100	5	2.6		2				
	A320ceo (domestic)		V2500	17	11.9						
	ATR72-600		PW127	31	8.3						
	Q300		PW123	23	18.9						
TOTAL				112²	9.8²						

¹ Total fleet average age is seat weighted for operating aircraft. This includes aircraft currently grounded due to maintenance delays.

² This excludes short-term leased aircraft.

³ New 787 deliveries expected from 2026 to 2031 will be a mix of 787-9 and 787-10 aircraft. Contractual options were exercised for two 787-10s post 30 June, with expected delivery in 2028.



Glossary of key terms

Available Seat Kilometres (ASKs)	Number of seats operated multiplied by the distance flown (capacity)
Cost/ASK (CASK)	Operating expenses divided by the total ASK for the period
Earnings before interest, tax, depreciation and amortisation (EBITDA)	Operating earnings before depreciation and amortisation, net finance costs and taxation
Gross Debt	Interest-bearing liabilities and lease liabilities
Net Debt	Interest-bearing liabilities and lease liabilities less bank and short-term deposits, net open derivatives held in relation to interest-bearing liabilities and lease liabilities, and interest-bearing assets
Cash, restricted deposits and net open derivatives	Bank and short-term deposits, interest-bearing assets and net open derivatives held in relation to interest-bearing liabilities and lease liabilities
Liquidity	Cash and cash equivalents (which excludes restricted deposits) plus the outstanding amount of any revolving credit facility available to be drawn
Passenger Load Factor	RPKs as a percentage of ASKs
Passenger Revenue/ASK (RASK)	Passenger revenue for the period divided by the total ASKs on passenger flights for the period
Revenue Passenger Kilometres (RPKs)	Number of revenue passengers carried multiplied by the distance flown (demand)

The following non-GAAP measures are not audited: Adjusted CASK, Net Debt and EBITDA. Amounts used within the calculations are derived from the condensed Group interim financial statements where possible. The interim financial statements are subject to review by the Group's external auditors. The non-GAAP measures are used by management and the Board of Directors to assess the underlying financial performance of the Group in order to make decisions around the allocation of resources.

Find information on Air New Zealand



Resources

Investor website: www.airnewzealand.co.nz/investor-centre

Monthly traffic updates: www.airnewzealand.co.nz/monthly-investor-updates

Corporate governance: www.airnewzealand.co.nz/corporate-governance

Sustainability: <https://www.airnewzealand.co.nz/sustainability>

Contact information

Email: investor@airnz.co.nz

Share registrar: enquiries.nz@cm.mpms.mufg.com

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AIR NEW ZEALAND 

A STAR ALLIANCE MEMBER 



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2026 | Interim
Financial
Report

STAR ALLIANCE 

AIR NEW ZEALAND 



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Network **Where we fly**

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--- Route is temporarily suspended.

Letter from the Chair

Welcome **Kia ora koutou**

Dame Therese Walsh
Chair



Pierre & Brooke
Customer Service Agents



Lani
Flight Attendant

Air New Zealand is proud to be New Zealand's national airline, and keeping our country and communities connected is a responsibility we take seriously.

The operating environment across the half remained demanding and disruption placed real pressure on teams right across the airline. I know how much has been asked of our people. To Air New Zealanders across the network, thank you for how you've responded – with professionalism, resilience and a strong focus on keeping things moving.

For the first half of the 2026 financial year, Air New Zealand recorded a loss before taxation of \$59 million and a net loss after taxation of \$40 million. This result reflects the combined impact of ongoing fleet

constraints, a slower-than-expected recovery in domestic demand, and rising costs, including persistently high aviation system inflation. Cost pressures have been further exacerbated by a weaker New Zealand dollar. While some of these pressures are cyclical, others are more enduring and they are directly impacting both the cost of flying and affordability for customers.

Late last year, the Board and I asked Nikhil to undertake a company-wide strategy review. The environment we are operating in has changed, and as New Zealand's national airline we play an important role in supporting New

Zealand, particularly as it relates to export and tourism. The strategy reset will allow us to be firmly focused on strengthening and growing our airline to deliver long-term growth and prosperity for New Zealand.

Fleet availability remained one of our most significant headwinds across the first half, both operationally and financially, with up to eight aircraft grounded at times due to global engine maintenance delays. This has been frustrating for customers and our teams alike and has had a material financial impact. The airline received \$55 million of compensation from engine manufacturers

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Letter from the Chair (continued)

during the period, however it estimates an additional \$90 million¹ of earnings could have been included within the result had the fleet operated as intended. We continue to work closely with manufacturers to improve certainty around engine return schedules and appropriate compensation.

While there are some early signs of improvement in the outlook for engine returns in the second half, the financial benefit will take longer to flow through. That is because widebody capacity cannot be reintroduced into the schedule and sold at short notice. The primary constraint is uncertainty in the timing of aircraft and engine returns, which limits our ability to plan and sell additional flying with confidence. Disruption-related costs and inefficiencies also take time to unwind.

Financial result

Passenger revenue increased four percent to \$3.0 billion, supported by additional capacity across Tasman and Pacific Islands routes and a higher mix of premium seating on international services. Domestic performance was below expectations reflecting a slower recovery in domestic demand, in particular business purpose travel, alongside continued cost pressures. Passenger revenue also includes \$11 million of unused travel credit breakage, reflecting the conclusion of the Covid-era travel credit programme. This follows a multi-year extended redemption period to support customers to use their credits.

Operating costs including fuel were up eight percent, with the benefits of lower fuel prices offset by higher input costs across the business and a weaker New Zealand dollar.

Fuel costs increased, with the benefit of lower jet fuel prices more than offset by a weaker New Zealand dollar, higher cost of carbon and the operation of less fuel-efficient aircraft due to engine constraints.

Non-fuel operating cost inflation of approximately \$75 million was driven primarily by mandated passenger levies, engineering and maintenance costs, and airport landing charges. As we have noted previously, domestic aviation system charges have risen materially ahead of New Zealand CPI and are expected to continue on this trajectory. That puts sustained upward pressure on the cost of flying, for both Air New Zealand, and ultimately for customers. This reinforces why getting the settings right across the aviation system is so important. The airline's concern is not only about the current level of these costs, but the future trajectory and potential for further increases over time, which would place additional pressure on the business, and the sustainability of regional connectivity.

1. This estimate was calculated based on internal modelling using operational assumptions including capacity, passenger demand, revenue yield, disruption costs and historical performance across affected routes.



Georgia
Flight Attendant



Air New Zealand's new uniform

Against this backdrop, the airline continued to progress its Kia Mau transformation programme and delivered around \$45 million in incremental benefits in the half, with around \$145 million in cumulative benefits since the programme started. These benefits are meaningful and reflect the realisation and ramp up of initiatives outlined at the 2025 annual results, alongside operational improvements. However, the pace and scale of external cost inflation have meant these gains have not been sufficient on their own to offset inflation in the underlying cost base. This will be addressed as part of the ongoing strategic review.

Capital management and dividend

Based on the result announced today the Board has not declared an interim dividend, consistent with the airline's Capital Management Framework. In the current environment, we are taking a prudent approach to distributions, prioritising balance sheet resilience and maintaining financial flexibility while operating conditions remain challenging and uncertainty persists across fleet availability, compensation and key cost inputs.

We remain committed to disciplined capital management and to returning capital when conditions support it.

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Letter from the Chair (continued)

Guidance

Based on current trading conditions and assuming an average jet fuel price of US\$85 per barrel for the second half, Air New Zealand expects earnings for the second-half to be broadly in line with, or modestly below, the first half. The outlook remains subject to material uncertainty, including engine return schedules, the timing and quantum of compensation, and continued volatility across key input costs and demand conditions.

Compensation arrangements in respect of certain engines are yet to be agreed for the second half. Air New Zealand is in active negotiations with the relevant manufacturers. While the airline is working hard towards a fair outcome, the timing and quantum of further compensation remains uncertain, and this could materially impact 2026 full year earnings.

Looking ahead

Air New Zealand has strong foundations in our people, our brand, and the capability we are building across the business. The operating environment remains challenging, but our role and our focus is clear: serving New Zealand well, today and for the long term.

To our customers, shareholders, partners, and the wider Air New Zealand whānau, thank you for your support.

Ngā mihi nui,



Dame Therese Walsh
Chair

I want to take this opportunity to welcome Nikhil Ravishankar, our new Chief Executive Officer.

Nikhil brings deep knowledge of Air New Zealand and the sector, and a clear focus on what matters most: connecting New Zealanders to each other and the world, delivering value for customers, and running an airline Kiwis can be proud of. His leadership is already sharpening our priorities, including lifting operational performance, improving productivity, and ensuring the airline is positioned to succeed. The Board and I are excited about the next chapter for Air New Zealand under Nikhil's leadership.



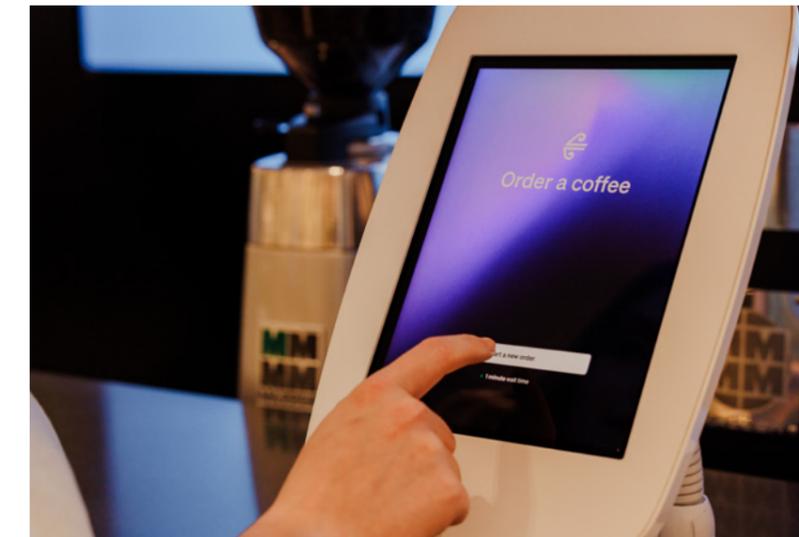
Letter from the Chief Executive Officer

Nikhil Ravishankar
Chief Executive Officer



Kia ora.

This is my first set of results as Chief Executive, and I have been reflecting on what it means to lead our national airline.



First of all, I want to say thank you to Air New Zealanders across the airline, for the professionalism and care you show our customers and each other, every day. I see it, I hear it from customers, and I am incredibly grateful for it. I also know that when we don't deliver the experience people expect from us, it can create real stress and disruption and that weighs heavily on all of us.

Air New Zealand has always been more than an airline. We connect families and friends, ideas and opportunities. We carry the trade, talent and ambition that keeps Aotearoa New Zealand moving and growing. For visitors, we are often their first experience of New Zealand. For Kiwis overseas, we are the welcome home. That role is a privilege, and it is also why we have to run a strong, resilient business that can deliver over the long-term.

Eunice, Connor & Don
Aircraft Engineers



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Letter from the Chief Executive Officer (continued)

As I have stepped into this role, I have spent a lot of time listening – on the ramp, in cabins, at airports, with engineers and planners, and with former CEOs of the airline. Two things have really stood out for me in those conversations – the strength of the foundations we have, and the standard this airline has set over decades.

We have an incredible legacy to build on. At the same time, we are operating in a challenging environment. Capacity constraints, cost escalation and a slower than expected recovery in domestic demand have created real pressure on financial performance.

Our response cannot be to wait and hope that conditions improve. We have to act, decisively and with discipline, on the things within our control.

My first 100 days were spent focusing on five clear priorities. They span safe, punctual and world-class service for our customers; driving profit improvement while reviewing our cost base and reducing non-essential spend; working with our engine manufacturers to get grounded aircraft back faster; strengthening our advocacy for a fair, affordable aviation system for New Zealand; and finally, undertaking a full review of our strategy and operating model.

And you can already see progress in some of the things that matter most to customers, namely punctuality and reliability, driven by a redesigned schedule and sharper operational execution. We will keep building on that.

At the same time, the cost environment we are operating in is fundamentally different. Continued cost escalation across the aviation system and global supply chain is putting pressure on affordability and the sustainability of regional connectivity. That is why, when I took up the role in October, the Board asked me to undertake a company-wide strategy review to reset the business.

With the Board's direction, we are reviewing all aspects of the airline with a clear objective: returning Air New Zealand to sustained profitability through stronger operational performance, growth and further cost transformation initiatives.

While this work is underway, we are not standing still. Performance and product improvements are already being delivered, including improvements in domestic punctuality and reliability, and a decision to upgrade the interiors of our existing Boeing 777-300ER fleet so our widebody product is consistent, modern and mission-ready.

We are also positioning the airline for growth as fleet constraints ease. Later this financial year we will take delivery of the first two of ten new GE-powered Boeing 787 aircraft. These deliveries support widebody capacity growth of around 20 percent to 25 percent over the next two years.

As the strategy review progresses, we will share more about what it means for our airline. For now, my message is simple: we will focus on what matters most, make smart long-term choices, and keep building a stronger Air New Zealand – because a strong Air New Zealand is good for New Zealand.

We are of New Zealand, for New Zealand – this is our commitment. A commitment to deliver for our people, our customers, our shareholders, and the communities across Aotearoa New Zealand we have the privilege to serve.

Ngā mihi nui,



Nikhil Ravishankar
Chief Executive Officer
Air New Zealand



Changes to our Executive Team

We were pleased to welcome Kate Boyer, Jeremy O'Brien and Scott Wilkinson into the leadership team in recent months.

Kate Boyer has been appointed Chief Operations Officer, Ground and Inflight, and brings deep operational experience and a strong track record of lifting performance across our airport network.

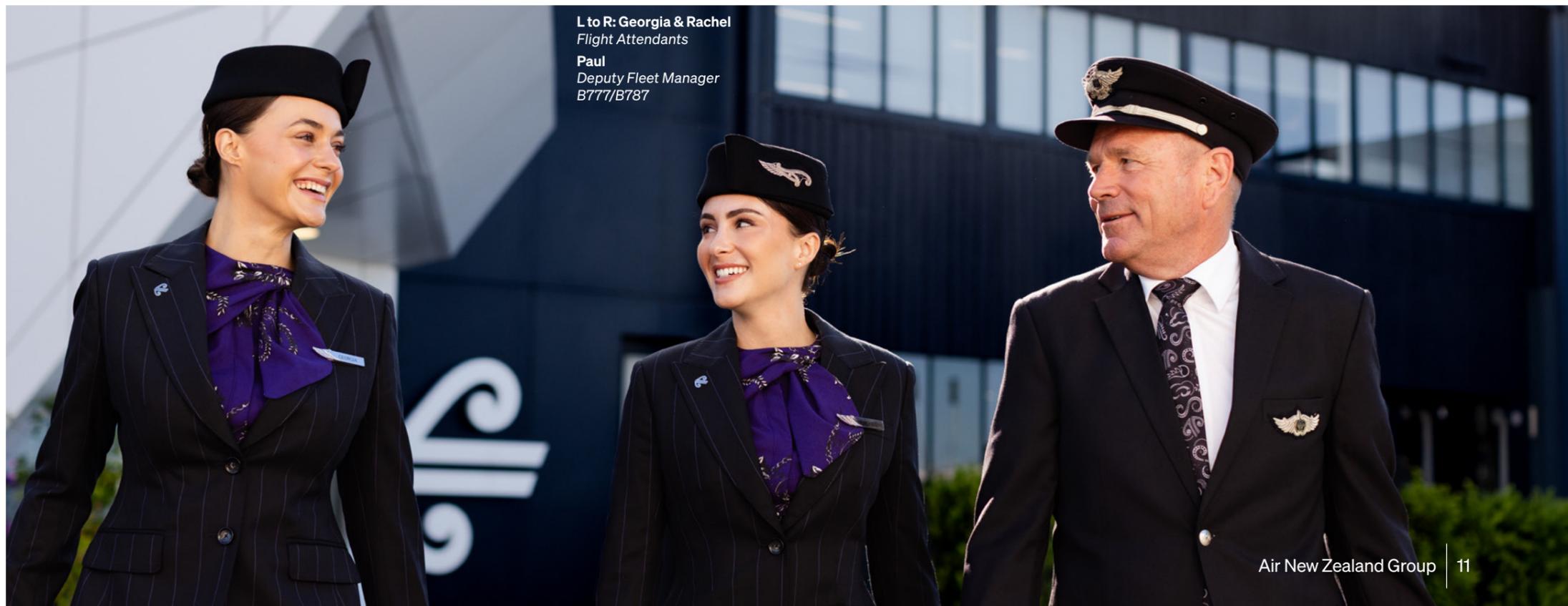
Jeremy O'Brien has stepped into the newly created Chief Customer and Digital Officer role, drawing on extensive experience in commercial strategy, sales and marketing, and Air New Zealand leadership across customer, loyalty, marketing and brand.

Scott Wilkinson commenced as Chief Commercial Officer in October, bringing strong capability across airline commercial strategy, customer experience and digital distribution. As part of his role, Scott also looks after our Loyalty business.

At the same time, we will farewell Alex Marren, who retires from the Chief Operating Officer role at the end of March. Since joining Air New Zealand in 2022, Alex has brought calm, clarity and deep operational expertise helping rebuild performance post-Covid, strengthening frontline tools and processes, and leading through major disruption and ongoing fleet constraints. We thank Alex for the critical role she has played for the airline.



Rachel
Flight Attendant



L to R: Georgia & Rachel
Flight Attendants
Paul
Deputy Fleet Manager
B777/B787

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Financial Commentary

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Air New Zealand has reported a loss before taxation of \$59 million for the first six months of the 2026 financial year, compared to earnings before taxation of \$144 million for the equivalent period last year. Net loss after taxation was \$40 million.

This result reflects the combined impact of flat overall capacity due to ongoing fleet constraints associated with the global engine issues affecting the airline's Boeing 787 Dreamliner and Airbus neo fleets, persistently high aviation system inflation, a slower than expected recovery in domestic demand, and a weaker New Zealand dollar.

Revenue

Operating revenue for the period was \$3.4 billion, an increase of \$41 million or 1.2 percent from the comparative period. Excluding the impact of foreign exchange, operating revenue was flat.

Passenger revenue increased 3.6 percent to \$3.0 billion, largely due to increased capacity on the Tasman and Pacific Islands network following the arrival of two new A321neo aircraft. An increased mix of premium cabins on long-haul aircraft also contributed to increased revenue. Excluding the impact of foreign exchange and travel credit breakage, passenger revenue increased 2.5 percent.

However, total capacity (Available Seat Kilometers, ASK) was largely flat, reflecting fleet constraints from the global accelerated engine maintenance requirements, which impacted both the international long-haul and domestic networks. Demand (Revenue Passenger Kilometers, RPK) increased more than capacity, resulting in a load factor of 83.6 percent, an increase of 0.3 percentage points on the prior period.

At a Group level, Revenue per Available Seat Kilometre (RASK) increased 3.3 percent. Excluding foreign exchange and travel credit breakage, RASK increased 2.1 percent.

Capacity across the international long-haul network decreased by 3.6 percent, mainly due to aircraft availability issues, which was only partly offset by the deployment of three leased widebody aircraft and a short-term wet-lease aircraft. Load factors on international long-haul increased by 0.6 percentage points to 82.2 percent and international long-haul RASK increased by 4.4 percent excluding the impact of foreign exchange. International long-haul RASK excluding foreign exchange and travel credit breakage increased 4.3 percent, driven by strong demand for premium products.

International short-haul capacity increased by 8.4 percent relative to the prior period due to two new A321neo aircraft entering the fleet, as well as the deployment of a short-term widebody aircraft on certain routes. Demand was largely in line with capacity growth, resulting in a decrease in load factors of 0.3 percentage points to 86.2 percent. International short-haul RASK increased 1.3 percent or 0.8 percent excluding the impact of foreign exchange. RASK excluding foreign exchange and travel credit breakage increased 0.8 percent.

Domestic capacity was largely flat relative to the prior period, with up to five narrowbody aircraft remaining grounded at times due to engine maintenance requirements. Demand was in line with capacity, resulting in relatively unchanged load factors of 83.4 percent. Domestic RASK was also flat. Domestic RASK excluding foreign exchange and travel credit breakage decreased nominally by 0.3 percent.

Cargo revenue was \$239 million, a decrease of \$18 million or 7.0 percent, including foreign exchange. Excluding foreign exchange the decrease was \$23 million. This was largely driven by a combination of lower load factors on certain routes and reduced flying on the international long-haul network due to aircraft constraints. Yield declines also contributed to the reduction, as increased competition in Asia and a shift towards connecting cargo trans-shipments relative to point-to-point services put pressure on pricing.

Contract services and other revenue and income was \$195 million, a decrease of 19 percent primarily due to a reduction in compensation received from engine manufacturers in the current period.

Expenses

Operating expenditure was \$3.1 billion, an increase of 8.0 percent on the prior period, reflecting ongoing cost inflation and fleet inefficiencies resulting from engine maintenance constraints.

Reported costs per ASK (CASK) deteriorated 7.7 percent, driven by increased inflationary pressure across the cost base, fleet inefficiencies and unfavourable foreign exchange movements. This increase was only partly offset by lower average fuel prices. For the six months to 31 December 2025, inflation led to an increase of approximately \$75 million in non-fuel operating costs compared to the prior period. Underlying CASK, which excludes the impact of fuel price and foreign exchange, deteriorated by 5.7 percent.

Labour costs were \$850 million, an increase of 3.2 percent compared to the same period last year. Full-Time Equivalent labour (FTE) increased 1.1 percent to approximately 11,720.



Financial Commentary (continued)

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Fuel costs were \$774 million, an increase of 3.8 percent on the prior period. The increase was largely due to a weaker New Zealand dollar, higher flying activity with less efficient widebody aircraft and an increase in the cost of the airline's CORSIA* obligations. This increase was only partially offset by a 4 percent decrease in the underlying jet fuel price from an average of USD 91 per barrel to USD 88 per barrel, as well as favourable hedging movements.

Aircraft operations, passenger services and maintenance costs were \$1.1 billion, an increase of 14 percent on the prior period. This was driven primarily by increased aircraft lifecycle and engine maintenance costs and price inflation, significantly higher mandated passenger levies and increased charges at domestic airports.

Sales, marketing and other expenses were \$399 million, an increase of 7.5 percent, driven largely by higher commissions and sales activity from international markets. It also includes costs of \$15 million associated with our wet-lease arrangement with Wamos Air.

Ownership costs were \$406 million, an increase of \$18 million from the prior period. Average cash holdings declined as the airline transitioned to targeted liquidity levels (in line with the Capital Management Framework), resulting in lower investment income. Net interest costs increased as a result. Depreciation increased due to additional deliveries and investment in engine maintenance.

There was an unfavourable movement in foreign exchange hedging resulting in a net \$19 million negative impact on the Group result for the period.

Share of Earnings of Associates

Share of earnings of associates was \$20 million, an increase of \$5 million on the comparative period due to supply chain improvements at the Christchurch Engine Centre.

Cash and Financial Position

Cash on hand at 31 December 2025 was \$1.1 billion, a decrease of \$342 million compared to 30 June 2025. The movement reflects capital expenditure in the period including pre-delivery payments on the upcoming Boeing 787 aircraft, debt and lease payments, payment of the 2025 final dividend and the share buyback, which was partially offset by operating cash inflows, the issuance of AUD300 million Australian medium-term notes and the return of a restricted cash deposit. Liquidity ended the period within the liquidity target range.

Cashflow and Debt

Operating cash flow was \$213 million, a decrease of \$211 million on the prior period due to lower EBITDA and an unfavourable net movement in working capital, driven by higher receivables partially offset by higher provisions. Net debt to EBITDA increased to 2.6x times, slightly above the airline's target range of 1.5x to 2.5x, reflecting a decrease in EBITDA, increased gross debt, and capital expenditure during the period. Management and the Board continue to closely monitor Net debt to EBITDA but expect it to remain elevated in the short term until earnings increase, and as investment in aircraft, interiors and systems continues.

Share buyback

In the period, the airline completed the share buyback programme previously announced in February 2025. A total of \$43 million worth of shares were repurchased in the period to 31 December 2025, bringing the total number of shares repurchased under the programme to \$81 million.

Change in Earnings

The key changes in earnings, after isolating the impact of foreign exchange movements, are set out in the table below*:

December 2024 earnings before taxation	\$144m	
Passenger capacity	\$14m	<ul style="list-style-type: none"> - Capacity increased by 0.3 percent due to aircraft availability issues affecting the Airbus A321/A320neo and Boeing 787 fleets. - Domestic capacity decreased 0.3 percent due to engine maintenance requirement constraints on the Airbus neo fleet. - International short-haul capacity increased 8 percent due to increased narrowbody flying following delivery of two new leased aircraft and deployment of a wet lease aircraft. - International long-haul capacity decreased 4 percent due to a reduction in aircraft availability as a result of Trent 1000 engine issues.
Passenger RASK	\$58m	<ul style="list-style-type: none"> - Overall Group Revenue per Available Seat Kilometre (RASK) excluding FX and travel credit breakage increased by 2.1 percent. Loads increased by 0.3 percentage points to 83.6 percent. - Domestic RASK excluding FX and travel credit breakage decreased by 0.3 percent with load factor increasing 0.1 percentage points to 83.4 percent. - International short-haul RASK increased by 0.8 percent excluding FX and travel credit breakage with load factor decreasing 0.3 percentage points to 86.2 percent. - International long-haul RASK increased by 4.3 percent excluding FX and travel credit breakage with load factors increasing 0.6 percentage points to 82.2 percent. The current period was impacted by Boeing 787 availability issues with passenger demand reducing at a lesser rate than the reduction in aircraft capacity and strong demand for premium product offerings.
Unused Travel Credits	\$1m	<ul style="list-style-type: none"> - An increase in breakage allowance recognised for passenger unused travel credits for which it was considered the likelihood of those credits being utilised was remote (\$11 million recognised in the current period compared to \$10 million in the comparative period).
Cargo revenue	(\$23m)	<ul style="list-style-type: none"> - Load factor reductions, capacity constraints and lower yields due to an increase in market capacity.
Compensation income	(\$46m)	<ul style="list-style-type: none"> - Lower compensation income received from manufacturers relating to the impact of engine shortages on the business.
Contract services and other revenue	(\$8m)	<ul style="list-style-type: none"> - Lower customer heavy maintenance activity offset by higher ancillary income.
Labour	(\$26m)	<ul style="list-style-type: none"> - Higher labour costs due to wage inflation and operating activity increases partially offset by productivity initiatives and lower incentive payments.
Fuel	(\$4m)	<ul style="list-style-type: none"> - Consumption increased by 1 percent (\$10 million) compared to an increase in capacity of 0.3 percent. The average fuel price, net of hedging and carbon costs, decreased 1 percent compared to the prior period resulting in a decrease in costs of \$6 million. Average jet fuel price decreased by 4 percent.
Aircraft operations, passenger services and maintenance	(\$118m)	<ul style="list-style-type: none"> - Higher costs related to aircraft lifecycle and engine maintenance, mandated passenger levies and domestic landing price increases.
Sales and marketing and other expenses	(\$20m)	<ul style="list-style-type: none"> - Short-term aircraft wet lease costs and higher commissions and sales costs.
Ownership costs	(\$18m)	<ul style="list-style-type: none"> - Lower investment income driven by lower average cash balances (as the airline transitions to targeted liquidity levels under the Capital Management Framework) as well as higher depreciation due to new aircraft deliveries including additional leased aircraft to cover engine availability issues, and capitalised engine maintenance.
Net impact of foreign exchange movements	(\$18m)	<ul style="list-style-type: none"> - Hedging losses due to market movements partially offset by favourable movements on operating revenue and costs.
Share of earnings of associates	\$5m	<ul style="list-style-type: none"> - Increase in share of earnings from the Christchurch Engine Centre due to improvement in supply chain.
December 2025 loss before taxation	(\$59m)	

*The numbers referred to in the Financial Commentary on the previous page have not isolated the impact of foreign exchange.



Consolidated Statement of Financial Performance

For the six months ended 31 December

	NOTES	2025 UNAUDITED \$M	2024 UNAUDITED RESTATED* \$M
Operating revenue			
Passenger revenue		3,010	2,905
Cargo		239	257
Contract services		31	33
Other revenue and income	2.7	164	208
	3	3,444	3,403
Operating expenditure			
Labour		(850)	(824)
Fuel	2.7	(774)	(746)
Maintenance	2.7	(359)	(285)
Aircraft operations		(467)	(446)
Passenger services		(249)	(214)
Sales and marketing		(168)	(157)
Foreign exchange (losses)/gains		(19)	-
Other expenses	2.6, 2.7	(231)	(214)
		(3,117)	(2,886)
Operating earnings (excluding items below)		327	517
Depreciation and amortisation	2.7	(373)	(364)
(Loss)/Earnings before net finance costs, associates and taxation		(46)	153
Finance income		37	57
Finance costs	2.7	(70)	(81)
Share of earnings of associates (net of taxation)	2.1	20	15
(Loss)/Earnings before taxation		(59)	144
Taxation credit/(expense)		19	(46)
Net (loss)/profit attributable to shareholders of parent company		(40)	98
Per share information:			
Basic and diluted (loss)/earnings per share (cents)		(1.2)	2.9
Interim dividend declared per share (cents)		-	1.25

Consolidated Statement of Comprehensive Income

For the six months ended 31 December

	NOTES	2025 UNAUDITED \$M	2024 UNAUDITED RESTATED* \$M
Net (loss)/profit for the period		(40)	98
Other comprehensive income/(loss):			
Items that will not be reclassified to profit or loss:			
Actuarial (losses)/gains on defined benefit plans		(1)	-
Total items that will not be reclassified to profit or loss		(1)	-
Items that may be reclassified subsequently to profit or loss:			
Changes in fair value of cash flow hedges		58	14
Transfers to net (loss)/profit from cash flow hedge reserve		(31)	(29)
Transfers to asset carrying value from cash flow hedge reserve		(2)	-
Net translation gain on investment in foreign operations		2	3
Changes in costs of hedging reserve		(2)	(17)
Taxation on above reserve movements		(4)	13
Total items that may be reclassified subsequently to profit or loss		21	(16)
Total other comprehensive income/(loss) for the period, net of taxation		20	(16)
Total comprehensive (loss)/income for the period, attributable to shareholders of the parent company		(20)	82

* December 2024 results have been restated (refer to Note 1 for further details).
The accompanying accounting policies and notes form part of these condensed consolidated interim financial statements.

* December 2024 results have been restated (refer to Note 1 for further details).
The accompanying accounting policies and notes form part of these condensed consolidated interim financial statements.



Consolidated Statement of Changes in Equity

For the six months ended 31 December

UNAUDITED	NOTES	SHARE CAPITAL \$M	HEDGE RESERVES \$M	FOREIGN CURRENCY TRANSLATION RESERVE \$M	GENERAL RESERVES \$M	TOTAL EQUITY \$M
Balance as at 1 July 2025		3,346	(68)	(9)	(1,323)	1,946
Prior period restatement*		-	-	-	(18)	(18)
Restated balance at 1 July 2025		3,346	(68)	(9)	(1,341)	1,928
Net loss for the period		-	-	-	(40)	(40)
Other comprehensive income for the period		-	17	4	(1)	20
Total comprehensive loss for the period		-	17	4	(41)	(20)
Transactions with owners:						
Equity-settled share-based payments (net of taxation)		3	-	-	-	3
Equity settlements of staff share award obligations	2.4	(2)	-	-	-	(2)
Acquisition of own shares	2.4	(43)	-	-	-	(43)
Dividends on Ordinary Shares	6	-	-	-	(41)	(41)
Total transactions with owners		(42)	-	-	(41)	(83)
Balance as at 31 December 2025	2.5	3,304	(51)	(5)	(1,423)	1,825

UNAUDITED	NOTES	SHARE CAPITAL \$M	HEDGE RESERVES \$M	FOREIGN CURRENCY TRANSLATION RESERVE \$M	GENERAL RESERVES \$M	TOTAL EQUITY \$M
Balance as at 1 July 2024		3,379	(5)	(9)	(1,355)	2,010
Net profit for the period*		-	-	-	98	98
Other comprehensive loss for the period		-	(23)	7	-	(16)
Total comprehensive income for the period*		-	(23)	7	98	82
Transactions with owners:						
Equity-settled share-based payments (net of taxation)		3	-	-	-	3
Equity settlements of staff share award obligations	2.4	(2)	-	-	-	(2)
Dividends on Ordinary Shares	6	-	-	-	(51)	(51)
Total transactions with owners		1	-	-	(51)	(50)
Balance as at 31 December 2024*		3,380	(28)	(2)	(1,308)	2,042

* Balances have been restated (refer to Note 1 for further details).
The accompanying accounting policies and notes form part of these condensed consolidated interim financial statements.

Consolidated Statement of Financial Position

As at 31 December 2025

	NOTES	31 DEC 2025 UNAUDITED \$M	30 JUN 2025 AUDITED RESTATED* \$M
Current assets			
Bank and short-term deposits		1,094	1,436
Trade and other receivables		561	441
Inventories		169	165
Derivative financial assets		73	55
Intangible assets		36	35
Income taxation		28	28
Interest-bearing assets	2.2	30	155
Other assets		17	15
Total current assets		2,008	2,330
Non-current assets			
Trade and other receivables		49	45
Property, plant and equipment		4,770	4,225
Right-of-use assets		1,501	1,467
Intangible assets		199	178
Investments in other entities	2.1	268	240
Derivative financial assets		144	60
Interest-bearing assets	2.2	191	180
Other assets		5	6
Total non-current assets		7,127	6,401
Total assets		9,135	8,731
Current liabilities			
Trade and other payables		1,019	1,002
Revenue in advance		1,795	1,805
Interest-bearing liabilities	2.3	515	512
Lease liabilities		363	287
Derivative financial liabilities		78	109
Provisions		104	44
Income taxation		1	6
Other liabilities		273	314
Total current liabilities		4,148	4,079
Non-current liabilities			
Trade and other payables		23	10
Revenue in advance		220	222
Interest-bearing liabilities	2.3	1,029	765
Lease liabilities		1,360	1,274
Derivative financial liabilities		145	61
Provisions		248	243
Deferred taxation		100	112
Other liabilities		37	37
Total non-current liabilities		3,162	2,724
Total liabilities		7,310	6,803
Net assets		1,825	1,928
Equity			
Share capital	2.4	3,304	3,346
Reserves	2.5	(1,479)	(1,418)
Total equity		1,825	1,928

Dame Therese Walsh
Chair

Alison Gerry
Director

For and on behalf of the Board, 26 February 2026

* Balances have been restated (refer to Note 1 for further details).
The accompanying accounting policies and notes form part of these condensed consolidated interim financial statements.



Consolidated Statement of Cash Flows

For the six months ended 31 December

	NOTES	2025 UNAUDITED \$M	2024 UNAUDITED \$M
Cash flows from operating activities			
Receipts from customers		3,325	3,248
Receipts from suppliers		-	39
Payments to suppliers and employees		(3,081)	(2,844)
Income tax paid		-	(1)
Interest paid		(66)	(80)
Interest received		35	62
Net cash flow from operating activities		213	424
Cash flows (used in)/from investing activities			
Disposal of property, plant and equipment, intangibles and assets held for sale	2.6	-	193
Acquisition of property, plant and equipment, right of use assets and intangibles		(693)	(297)
Interest-bearing assets		125	293
Net cash flow (used in)/from investing activities		(568)	189
Cash flows from/(used in) financing activities			
Cash paid on acquisition of own shares	2.4	(43)	-
Interest-bearing liabilities drawdowns	2.3	338	-
Rollover of foreign exchange contracts*		29	(14)
Equity settlements of staff share award obligations	2.4	(2)	(2)
Interest-bearing liabilities payments		(99)	(76)
Lease liabilities payments		(169)	(207)
Dividends on Ordinary Shares	6	(41)	(51)
Net cash flow from/(used in) financing activities		13	(350)
(Decrease)/increase in cash and cash equivalents		(342)	263
Cash and cash equivalents at the beginning of the period		1,436	1,279
Cash and cash equivalents at the end of the period		1,094	1,542
			RESTATED**
Reconciliation of net (loss)/profit attributable to shareholders to net cash flows from operating activities:			
Net (loss)/profit attributable to shareholders		(40)	98
Plus/(less) non-cash items:			
Depreciation and amortisation		373	364
Net loss on disposal of property, plant and equipment, intangibles and assets held for sale		4	1
Share of earnings of associates	2.1	(20)	(15)
Movements on fuel derivatives		1	(3)
Foreign exchange losses/(gains)		28	(7)
Other non-cash items		4	4
		350	442
Net working capital movements:			
Assets		(119)	(35)
Revenue in advance		(12)	(96)
Liabilities		(6)	113
		(137)	(18)
Net cash flow from operating activities		213	424

* Relates to gains/losses on rollover of foreign exchange contracts that hedge exposures in other financial periods.

** December 2024 results have been restated (refer to Note 1 for further details).

The accompanying accounting policies and notes form part of these condensed consolidated interim financial statements.

Notes to the Interim Financial Statements

For the six months ended 31 December 2025

1. Corporate information

Reporting entity

The condensed consolidated interim financial statements ('interim financial statements') presented are for the parent company Air New Zealand Limited ('the Company') and its subsidiaries (together referred to as 'the Group' or 'Air New Zealand'), and the Group's interests in associates.

Air New Zealand is a profit-oriented entity that is domiciled in New Zealand. The Company is registered under the Companies Act 1993 and listed on the New Zealand Stock Exchange (NZX) and Australian Securities Exchange (ASX) and has bonds listed on the NZX debt market. The Company is an FMC Reporting Entity under the Financial Markets Conduct Act 2013.

Air New Zealand's primary business is the transportation of passengers and cargo on scheduled airline services.

Basis of preparation

The interim financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice ('NZ GAAP') as it applies to the interim period. They comply with NZ IAS 34: *Interim Financial Reporting* and IAS 34: *Interim Financial Reporting*, as appropriate for profit-oriented entities. Where necessary, certain comparative information has been updated to conform with the current year's presentation.

The interim financial statements are presented in New Zealand Dollars (\$ or NZD), which is Air New Zealand's functional currency, and rounded to the nearest million, except where otherwise stated.

Interim financial statements do not include all of the information and disclosures required in annual financial statements and should be read in conjunction with the annual financial statements of the Group for the year ended 30 June 2025.

The interim financial statements have not been audited. They have been subject to review by the auditor pursuant to NZ SRE 2410 (Revised) *Review of Financial Statements Performed by the Independent Auditor of the Entity*, issued by the External Reporting Board.

These interim financial statements were approved by the Board of Directors on 26 February 2026.

Restatement of comparative balances

Air New Zealand identified certain accounting adjustments required in the Group's historical consolidated financial statements for the six-month period ended 31 December 2024 and the year ended 30 June 2025. The adjustments originated from an omission in the maintenance provisioning process relating to leased aircraft assets that resulted in the related provisions and corresponding maintenance costs not being reflected in the relevant accounting periods. The adjustments had no cash impact in the respective periods.

The following tables summarise the impacts on the comparative balances in these interim financial statements:

a) Statement of Financial Position

AS AT 30 JUNE 2025	AS REPORTED \$M	ADJUSTMENT \$M	AS RESTATED \$M
Non-current liabilities			
Provisions	218	25	243
Deferred taxation	119	(7)	112
Total non-current liabilities	2,706	18	2,724
Total liabilities	6,785	18	6,803
Total net assets	1,946	(18)	1,928
Reserves	(1,400)	(18)	(1,418)
Total equity	1,946	(18)	1,928



Notes to the Interim Financial Statements (continued)

For the six months ended 31 December 2025

1. Corporate information (continued)

b) Statement of Financial Performance

FOR THE SIX MONTHS ENDED 31 DECEMBER 2024	AS REPORTED \$M	ADJUSTMENT \$M	AS RESTATED \$M
Operating expenditure			
Maintenance	(274)	(11)	(285)
	(2,875)	(11)	(2,886)
Operating earnings (excluding items below)	528	(11)	517
Earnings before finance costs, associates and taxation	164	(11)	153
Earnings before taxation	155	(11)	144
Taxation expense	(49)	3	(46)
Net profit attributable to shareholders of parent company	106	(8)	98
Per share information			
Basic and diluted earnings per share (cents)	3.1	(0.2)	2.9

c) Statement of Comprehensive Income

FOR THE SIX MONTHS ENDED 31 DECEMBER 2024	AS REPORTED \$M	ADJUSTMENT \$M	AS RESTATED \$M
Net profit for the period	106	(8)	98
Total comprehensive income for the period, attributable to shareholders of the parent company	90	(8)	82

d) Statement of Changes in Equity

FOR THE SIX MONTHS ENDED 31 DECEMBER 2024	AS REPORTED \$M	ADJUSTMENT \$M	AS RESTATED \$M
General reserves:			
Net profit for the period	106	(8)	98
Total comprehensive income for the period	106	(8)	98
Balance as at 31 December 2024	(1,300)	(8)	(1,308)
Balance as at 1 July 2025	(1,323)	(18)	(1,341)
Total Equity:			
Net profit for the period	106	(8)	98
Total comprehensive income for the period	90	(8)	82
Balance as at 31 December 2024	2,050	(8)	2,042
Balance as at 1 July 2025	1,946	(18)	1,928

There was no impact on the consolidated Statement of Cash Flows resulting from the restatement.

Critical accounting judgements and key sources of estimation uncertainty

The estimates and assumptions applied in these interim financial statements are consistent with those applied in the annual financial statements for the year ended 30 June 2025.

Material accounting policy information

The accounting policies and computation methods used in the preparation of the interim financial statements are consistent with those used in the annual financial statements for the year ended 30 June 2025.

New accounting standards, amendments and interpretations adopted during the period

There were no new accounting standards, interpretations or amendments that had a material impact on these interim financial statements.

New and revised NZ IFRSs, narrow scope amendments to NZ IFRSs and IFRS Interpretations not yet effective

Certain pronouncements have been issued by the IASB that are mandatory for accounting periods beginning on or after 1 January 2026. Management is still evaluating and does not expect any such pronouncements to have a significant impact upon adoption, other than on the presentation of the financial statements.

2. General disclosures

2.1. Interest in other entities

The Group has a 49% interest in the Christchurch Engine Centre ('CEC') and a 21% interest in Drylandcarbon One Partnership LLC, which are recognised as investments in associates. The Group's share of equity accounted earnings from the CEC for the six months to 31 December 2025 was \$20 million (six months to 31 December 2024: \$15 million).

2.2. Interest-bearing assets

Interest-bearing assets are measured at amortised cost, using the effective interest method, less any impairment. The fair value of interest-bearing assets as at 31 December 2025 was \$224 million (30 June 2025: \$341 million). Interest-bearing assets are subject to fixed and floating interest rates. Fixed interest rates in the six months to 31 December 2025 ranged from 2.4% per annum to 4.6% per annum (six months to 31 December 2024: 3.1% per annum to 6.5% per annum).

2.3. Interest-bearing liabilities

AS AT	31 DEC 2025 UNAUDITED \$M	30 JUN 2025 AUDITED \$M
Current		
Secured borrowings		
Secured borrowings*	171	189
Medium-term notes		
AUD notes issued 25 May 2022		
Tranche 1: 5.7% 4-year fixed-rate notes due 25 May 2026 (AUD300 million)	344	323
	515	512
Non-current		
Secured borrowings		
Secured borrowings*	316	390
Medium-term notes		
AUD notes issued 25 May 2022		
Tranche 2: 6.5% 7-year fixed-rate notes due 25 May 2029 (AUD250 million)	264	270
AUD notes issued 30 September 2025		
5.179% 7-year fixed-rate notes due 30 September 2032 (AUD300 million)**	344	-
Unsecured bonds		
NZD100 million bonds issued 27 October 2022		
6.61% 5.5-year unsecured, unsubordinated fixed-rate bonds due 27 April 2028	105	105
	1,029	765
At carrying amount	1,544	1,277
At fair value	1,575	1,305

* Secured borrowings relate to specific financing of aircraft and engines and are secured over aircraft assets and subject to both fixed and floating interest rates. Fixed interest rates on secured borrowings were 1.0% per annum in the six months to 31 December 2025 (six months to 31 December 2024: 1.0% per annum).

** On 30 September 2025, Air New Zealand completed an AUD300 million senior unsecured notes issuance.

2.4. Share capital

On 20 February 2025 the Board of Directors approved a 12-month share buyback programme of up to \$100 million, which commenced in March 2025. The buyback programme included both on-market and off-market components. The on-market buyback component was acquired on the New Zealand Stock Exchange (NZX) and Australian Securities Exchange (ASX) and an off-market buyback component was undertaken following any on-market acquisition, whereby Air New Zealand acquired a corresponding number of shares held by the Crown in order to maintain the Crown's shareholding. As at 31 December 2025, 134,902,189 shares (\$81 million) had been acquired under the programme, with 73,431,317 shares (\$43 million) acquired in the six months to 31 December 2025. Upon purchase the shares were cancelled.

During the six months ended 31 December 2025 the Group funded the on-market purchase of 3,571,250 shares for \$2 million (six months ended 31 December 2024: 4,558,097 shares for \$2 million). The shares were used to settle obligations under staff share awards and long-term incentive schemes. The total cost of the purchase including transaction costs has been deducted from 'Share capital'.

2.5. Hedge reserves

As at 31 December 2025, \$29 million of losses (30 June 2025: \$47 million of losses) were held in the cash flow hedge reserve and \$22 million of losses (30 June 2025: \$21 million of losses) in the costs of hedging reserve. These reserves are combined within the Statement of Changes in Equity as 'Hedge reserves'.



Notes to the Interim Financial Statements (continued)

For the six months ended 31 December 2025

2. General disclosures (continued)

2.6. Sale and leaseback transactions

During the six months ended 31 December 2024 four Airbus A320 aircraft were sold and leased back, with a gain on sale of \$3 million being recognised in the Statement of Financial Performance. Lease terms under the arrangement are six years with rights to extend at fair market rentals. Air New Zealand recognised investing cash inflows of \$193 million from the transaction.

2.7. Compensation received from manufacturers

Air New Zealand has entered into confidential agreements with several manufacturers to compensate for the impact of engine shortages on the business. Compensation related to the agreements has been recognised in the Statement of Financial Performance within the below lines:

FOR THE SIX MONTHS ENDED 31 DECEMBER	2025 UNAUDITED \$M	2024 UNAUDITED \$M
Other revenue and income	37	83
Fuel	-	2
Maintenance	1	1
Other expenses	4	-
Depreciation and amortisation	12	8
Finance costs	1	-
Total compensation received from manufacturers	55	94

3. Segmental information

Air New Zealand operates predominantly 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. Resource allocation decisions across the network are made to optimise the consolidated Group's financial result.

FOR THE SIX MONTHS ENDED 31 DECEMBER	2025 UNAUDITED \$M	2024 UNAUDITED \$M
Analysis of revenue by geographical region of original sale		
New Zealand	2,123	2,153
Australia and Pacific Islands	446	413
Asia, United Kingdom and Europe	462	449
Americas	413	388
Total operating revenue	3,444	3,403

The principal non-current assets of the Group are the aircraft fleet which is registered in New Zealand and employed across the worldwide network. Accordingly, there is no reasonable basis for allocating the assets to geographical segments.

4. Commitments

Capital commitments

	31 DEC 2025 UNAUDITED \$M	30 JUN 2025 AUDITED \$M
Aircraft and engines	2,884	3,140
Other property, plant and equipment and intangible assets	19	45
	2,903	3,185

Capital commitments include ten Boeing 787 aircraft (contractual delivery from the second half of the 2026 financial year through to the 2029 financial year) and two Airbus A321neo aircraft (delivery in the 2027 financial year).

4. Commitments (continued)

Lease commitments

	31 DEC 2025 UNAUDITED \$M	30 JUN 2025 AUDITED \$M
Aircraft	185	314
	185	314

Lease commitments at 31 December 2025 include two Airbus A321neo aircraft (delivery in the 2028 financial year).

5. Contingent liabilities

All significant legal disputes involving probable loss that can be reliably estimated have been provided for in the interim financial statements.

No other significant contingent liability claims are outstanding at balance sheet date.

Outstanding letters of credit and financial guarantees at 31 December 2025 totalled \$73 million (30 June 2025: \$65 million).

The Group has entered into a partnership agreement with Pratt & Whitney in relation to the Christchurch Engine Centre ('CEC'), in which the Group holds a 49% interest. By the nature of the agreement, joint and several liability exists between the two parties. Total liabilities of the CEC as at 31 December 2025 were \$320 million (30 June 2025: \$212 million).

6. Dividends

No interim dividend was declared in respect of the 2026 financial year.

A final dividend in respect of the 2025 financial year of 1.25 cents per ordinary share was paid on 25 September 2025. No imputation credits were attached and no supplementary dividends paid to non-resident shareholders.

An interim dividend in respect of the 2025 financial year of 1.25 cents per ordinary share was paid on 19 March 2025. No imputation credits were attached and no supplementary dividends were paid to non-resident shareholders.

A final dividend in respect of the 2024 financial year of 1.5 cents per ordinary share was paid on 26 September 2024. No imputation credits were attached and no supplementary dividends paid to non-resident shareholders.

The dividend reinvestment plan is currently suspended.



Independent Auditor's Review Report to the Shareholders of Air New Zealand Limited

For the six months ended 31 December 2025

The Auditor-General is the auditor of Air New Zealand Limited ('the Company') and its subsidiaries ('the Group'). The Auditor-General has appointed me, Jason Stachurski, using the staff and resources of Deloitte Limited, to carry out the review of the condensed consolidated interim financial statements ('interim financial statements') of the Group on his behalf.

CONCLUSION

We have reviewed the interim financial statements of the Group on pages 16 to 25, which comprise the Consolidated Statement of Financial Position as at 31 December 2025, and the Consolidated Statement of Financial Performance, Consolidated Statement of Comprehensive Income, Consolidated Statement of Changes in Equity and Consolidated Statement of Cash Flows for the six months ended on that date, and condensed notes to the interim financial statements, including material accounting policy information.

Based on our review, nothing has come to our attention that causes us to believe that the interim financial statements of the Group do not present fairly, in all material respects, the financial position of the Group as at 31 December 2025, and its financial performance and cash flows for the six months ended on that date, in accordance with NZ IAS 34 *Interim Financial Reporting* and IAS 34 *Interim Financial Reporting*.

BASIS FOR CONCLUSION

We conducted our review in accordance with NZ SRE 2410 (Revised) *Review of Financial Statements Performed by the Independent Auditor of the Entity* ('NZ SRE 2410 (Revised)'). Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Interim Financial Statements section of our report.

We are independent of the Group in accordance with the independence requirements of the Auditor-General's Auditing Standards as applicable to the audits and reviews of public interest entities, which incorporate the independence requirements of Professional and Ethical Standard 1 International Code of Ethics for Assurance Practitioners issued by the New Zealand Auditing and Assurance Standards Board.

In addition to this review and the audit of the Group's annual financial statements, we have carried out assurance services relating to passenger facility charges, and greenhouse gas emissions reported in the greenhouse gas emissions inventory report and in the Climate Statement, and compliance with student fee protection rules. We also provide services to the Corporate Taxpayers Group for which Air New Zealand is a member, along with a number of other organisations. In addition to these engagements, principals and employees of our firm deal with the Group on normal terms within the ordinary course of trading activities of the Group. These engagements and trading activities have not impaired our independence as auditor of the Group.

Other than the audit and these engagements and trading activities, we have no relationship with, or interests in, the Group.

DIRECTORS' RESPONSIBILITIES FOR THE INTERIM FINANCIAL STATEMENTS

The directors are responsible, on behalf of the Group, for the preparation and fair presentation of these interim financial statements in accordance with NZ IAS 34 *Interim Financial Reporting* and IAS 34 *Interim Financial Reporting* and for such internal control as the Board of Directors determine is necessary to enable the preparation and fair presentation of the interim financial statements that are free from material misstatement, whether due to fraud or error.

The directors are also responsible for the publication of the interim financial statements, whether in printed or electronic form.

AUDITOR'S RESPONSIBILITIES FOR THE REVIEW OF THE INTERIM FINANCIAL STATEMENTS

Our responsibility is to express a conclusion on the interim financial statements based on our review. NZ SRE 2410 (Revised) requires us to conclude whether anything has come to our attention that causes us to believe that the interim financial statements, taken as a whole, are not prepared, in all material respects, in accordance with NZ IAS 34 *Interim Financial Reporting* and IAS 34 *Interim Financial Reporting*.

A review of the interim financial statements in accordance with NZ SRE 2410 (Revised) is a limited assurance engagement. We perform procedures, primarily consisting of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing (New Zealand) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on these interim financial statements.

Jason Stachurski
Partner

for Deloitte Limited
On behalf of the Auditor-General

26 February 2026
Auckland, New Zealand

Shareholder Enquiries

Shareholder Communication

Air New Zealand's investor website airnzinvestor.co.nz provides shareholders with information on monthly operating statistics, financial results, stock exchange releases, corporate governance, annual meetings, investor presentations, important dates and contact details. Shareholders can also view webcasts of key events from this site. Shareholders who would like to receive electronic news updates can register online at: airnzinvestor.co.nz or email Investor Relations directly on: investor@airnz.co.nz

Share Registrar

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NEW ZEALAND'S EXCHANGE
TE PAEHOKO O AOTEAROA

Results announcement

(for Equity Security issuer/Equity and Debt Security issuer)

Results for announcement to the market		
Name of issuer	Air New Zealand Limited	
Reporting Period	6 months to 31 December 2025	
Previous Reporting Period	6 months to 31 December 2024	
Currency	New Zealand dollars	
	Amount (000s)	Percentage change
Revenue from continuing operations	\$3,444,000	1.2%
Total Revenue	\$3,444,000	1.2%
Net loss from continuing operations	\$(40,000)	(140.8)%
Total net loss	\$(40,000)	(140.8)%
Interim Dividend (NZ\$)		
Amount per Quoted Equity Security	The Board has resolved not to declare a 2026 interim dividend	
Imputed amount per Quoted Equity Security	Not applicable	
Record Date	Not applicable	
Dividend Payment Date	Not applicable	
	Current Period	Prior comparable period
Net tangible assets per Quoted Equity Security	\$0.52	\$0.57
A brief explanation of any of the figures above necessary to enable the figures to be understood	Refer to media release, Interim Report, Interim Financial Statements and Results Presentation.	
Authority for this announcement		
Name of person authorised to make this announcement	Jennifer Page, General Counsel and Company Secretary	
Contact person for this announcement	Jennifer Page, General Counsel and Company Secretary	
Contact phone number	+64 27 909 0691	
Contact email address	Jennifer.Page@airnz.co.nz	
Date of release through MAP	26 February 2026	

Unaudited interim financial statements accompany this announcement.

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PRELIMINARY HALF YEAR REPORT ANNOUNCEMENT

AIR NEW ZEALAND LIMITED

Half Year Ended 31 December 2025 (referred to in this report as the “current half year”)

1 Information prescribed by NZX

Refer to Results for announcement to the market

2 The following information, which may be presented in whatever way the Issuer considers is the most clear and helpful to users, e.g., combined with the body of the announcement, combined with notes to the financial statements, or set out separately.

(a) A Statement of Financial Performance

Refer to the interim financial statements

(b) A Statement of Financial Position

Refer to the interim financial statements

(c) A Statement of Cash Flows

Refer to the interim financial statements

(d) Details of individual and total dividends or distributions and dividend or distribution payments, which:

- i. have been declared, and
- ii. relate to the period (in the case of ordinary dividends or ordinary dividends and special dividends declared at the same time) or were declared within the period (in the case of special dividends).

No interim dividend was declared in respect of the 2026 financial year.

An interim dividend in respect of the 2025 financial year of 1.25 cents per Ordinary Share was paid on 19 March 2025. No imputation credits were attached and supplementary dividends were not paid to non-resident shareholders.

A final dividend in respect of the 2025 financial year of 1.25 cents per Ordinary Share was paid on 25 September 2025. No imputation credits were attached and supplementary dividends were not paid to non-resident shareholders.

	NZ Cents per Share	\$NZm*
Distributions recognised		
Final dividend for 2025 financial year on Ordinary Shares	1.25	41
Distributions paid		
Final dividend for 2025 financial year on Ordinary Shares	1.25	41

(e) A Statement of Movements in Equity

Refer to the interim financial statements

(f) Net tangible assets per Quoted Equity Security with the comparative figure for the previous corresponding half year period

(NZ Cents per Share)	Current period	Comparative period
Ordinary Shares	52	57

(g) Commentary on the results

(i) (ii)

	Measurement	Current period	Comparative period
Basic and diluted earnings per share	NZ cents per share	(1.2)	2.9
Returns to shareholders (also see section (d) above)			
Final dividend on Ordinary Shares	\$NZ'm	41	51

(iii) Significant features of operating performance:

Refer to the media release

(iv) Discussion of trends in performance:

Refer to the media release

(v) The Issuer's dividend policy

Refer to Air New Zealand website - <https://www.airnewzealand.co.nz/dividend-history>

(vi) Any other factors that have or are likely to affect the results, including those where the effect could not be quantified:

Refer to the media release

(h) Audit of financial statements

The announcement is based on unaudited interim financial statements. The interim financial statements have been the subject of review by the external auditor, pursuant to NZ SRE 2410 (Revised) Review of Financial Statements Performed by the Independent Auditor of the Entity, issued by the External Reporting Board.

Basis of preparation

The Group prepares financial statements in accordance with New Zealand Generally Accepted Accounting Practice ('NZ GAAP') which consists of New Zealand equivalents to International Financial Reporting Standards ('NZ IFRS') and other applicable financial reporting standards as appropriate for profit-oriented entities. The interim financial statements comply with NZ IAS 34: Interim Financial Reporting and IAS 34: Interim Financial Reporting.

Accounting policies

Refer to Note 1 of the interim financial statements

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Changes in accounting policies

Refer to Note 1 of the interim financial statements

Audit Review Report

A copy of the review report is included at the end of the interim financial statements

Additional information

Not applicable

This half year report was approved by the Board of Directors on 26 February 2026.



Dame Therese Walsh
Chair

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