

MARKET ANNOUNCEMENT

26 May 2022

Air New Zealand issues inaugural A\$550 million medium term notes, completing its NZ\$2.2 billion recapitalisation package

Air New Zealand has successfully completed its inaugural Australian Medium-Term Notes issuance, securing debt funding of A\$550 million or approximately NZ\$600 million (“**AMTN issuance**”). The intention to undertake the AMTN issuance was first announced on 30 March 2022 as part of Air New Zealand’s comprehensive NZ\$2.2 billion recapitalisation package.

The AMTN issuance comprises two tranches; A\$300 million of 4 year fixed rate bonds maturing on 25 May 2026 and A\$250 million of 7 year fixed rate bonds maturing on 25 May 2029.

This was Air New Zealand’s inaugural issue using its Australian debt issuance programme and represents a further diversification of the airline’s funding markets. The transaction was open to institutional investors only and has been rated Baa2 by Moody’s.

Australia and New Zealand Banking Group Limited, Citigroup Global Markets Australia Pty Limited, Commonwealth Bank of Australia and MUFG Securities Asia Limited acted as joint lead managers on the transaction.

Following receipt of approximately NZ\$600 million in proceeds, Air New Zealand has today issued a notice to the New Zealand Government to redeem NZ\$400 million of Redeemable Shares issued to the Crown in April and May 2022. Following completion of this redemption, which is expected occur on 2 June 2022, NZ\$200 million of Redeemable Shares will remain on issue to the Crown and are able to be redeemed at a future date to be determined by the airline subject to a final redemption date of December 2046.

Completion of the AMTN issuance and partial redemption of the Redeemable Shares is in line with the announcement made to the market on 30 March 2022

Air New Zealand Chair Dame Therese Walsh, said “the completion of our inaugural AMTN issuance marks the completion of the airline’s recapitalisation package, and the start of an exciting chapter in our recovery. With both domestic and international bookings currently showing good momentum and our first 7 weeks of international flights already under our belt since borders reopened, we are excited for the future, and more determined than ever to rebuild a fitter, stronger Air New Zealand.”

Ends.

This announcement is authorised for release by:

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