

Air New Zealand unveils huge loss, warns worse to come

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Air New Zealand posted a record interim loss Thursday and warned the airline is set to plunge further into the red as it faces the most difficult year in its history.

The flag carrier, which is majority owned by the New Zealand [government](#), said half-year losses blew out almost four-fold to NZ\$272 million (\$185 million), from NZ\$72 million a year earlier.

It said the airline was on track for a full-year loss exceeding NZ\$800 million amid rising [fuel prices](#) and ongoing Covid restrictions at the New Zealand border.

Chairwoman Therese Walsh said the 2022 financial year, which runs to June 30, would be "the most difficult one yet for the airline" as the pandemic only affected the last quarter of financial 2020 and government subsidies softened the blow in 2021.

"The 2022 financial year has and will continue to be much more heavily impacted, both by continued suppressed demand and rising costs," she said.

The airline said it planned to tap the market for a capital raising around the end of March and the government had agreed to participate.

Air New Zealand has not specified how much equity it is seeking under the plan, which was postponed twice in 2021 due to adverse market

conditions.

Chief executive Greg Foran said Air New Zealand's international passenger network—which normally provides about two-thirds of total revenue—was effectively grounded during the June-December 2021 reporting period.

Foran said lockdowns, particularly in the country's largest city Auckland, also affected domestic passenger numbers.

He was encouraged by New Zealand's plan to slowly reopen the border over the next eight months, beginning on Monday when Kiwis arriving from Australia can self-isolate instead of going into hotel quarantine.

"We have the right strategy, the right people and we are ready to fly," he said.

"We're excited about welcoming Kiwis home in the coming days and months and international travellers back to Aotearoa (New Zealand) later in the year."

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