

Kia ora,

The first quarter of the year has passed. What was already a complex year from an infrastructure perspective has become far more complex.

Fuel cost, supply and the spectre of rationing are top of mind for all. We have secure fuel supplies currently, and are monitoring the situation closely, focusing on what we control including aiming to retain monthly FAF to provide certainty for your businesses through the billing cycle. We also have capacity and are already working with many of you to understand how rail can assist to optimise your freight flows / improve your overall cost position. We have included information about capacity in this newsletter and if you have questions about whether rail could assist your business - please get in touch.

Core reliability also remains top of mind for us this quarter. There have been material gains in performance on an annual basis. Interislander reliability is at 98.8% for the year (adjusted for weather) but the recent week-long Kaiārahi outage highlighted vulnerability in a two-ship model. We acknowledge the disruption to all of your businesses and thank you for working with us to accelerate recovery.

We remain confident in our maintenance programme but are realistic that in old assets, one-offs are going to occur. We've increased the space we're reserving for freight disruption recovery for the upcoming financial year. Thanks to everyone for the cooperation as we prepare for the upcoming dry-dock maintenance and a reminder about NZ Connect – get in touch if you have any questions about whether this coastal product could be right for you.

Our domestic rail DIFOT target for the year was 90%. We proved we could achieve this standard in the first half, and some results exceeded this target. However, in IMEX and domestic, we fell back during peak and haven't yet recovered on a consistent basis. Weather adjusted results are stuck in the mid-high 80's but with some very inconsistent results across key nodes. We're frustrated, know you need us to do better, faster and we appreciate the partnership and flexibility many of you have shown as we work to diagnose root cause accurately and lift the performance. We remain firmly committed to achieving a



consistent 95% standard as a minimum and to be able to back that with a contracted service level on priority services. We'll update our re-phased targets and work programme shortly.

On the positive side, we're making good progress on many of the foundations needed to provide a safer, more responsive, rail service including improved visibility of your freight, clearer, more transparent products and pricing and more flexible capacity. Our move to our modernised contact centre platform is complete and we hope you are experiencing improved continuity of service when issues arise.

We're on track for the launch of our new freight website and product suite later this year. We've welcomed a number of new team members into our Sales team including Craig Sain, our new National Manager Intermodal. Formerly General Manager Commercial at Port of Auckland and known to many in the industry, we're humbled that Craig has chosen to join us and look forward to the change that he'll continue to drive with the team. Our focus on efficiency and productivity remains at the core of our programme. As detailed in the half-year result, progress has been made on cost - with a lot more work still to do.

Soon, you'll have an opportunity to let us know where and how we need to improve through our annual Customer Survey. Your feedback is used to set out priorities for FY27. The more detailed your feedback the more targeted we can be with our work, and we thank you in advance for taking the time to help us with this. Thanks also to everyone that has taken the time to give us feedback directly - and indirectly - throughout the year - we appreciate all of your help.

Thanks for reading - wishing everyone a safe quarter as we all navigate this latest transport system challenge.

Ngā mihi,

Adele.

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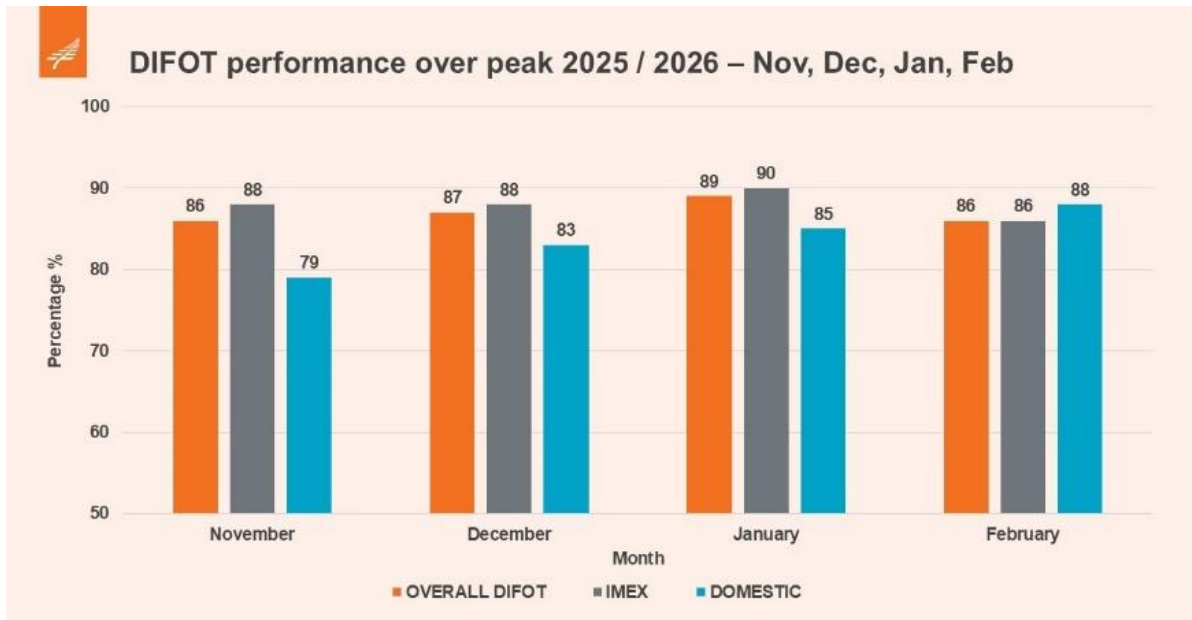


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Service Reliability & Continuity

DIFOT Update



**DIFOT Methodology - Delivery In Full, On Time (DIFOT) shows how reliably freight is delivered as planned. For CT Sites, DIFOT is measured when freight is ready for pickup, and for Sidings, when freight is placed into the destination siding. Delivery times are compared with the planned delivery schedule set when we take responsibility of the freight.*

November 2025 - February 2026 was challenging across the network, and our on-time performance did not consistently meet expectations. The on-going impact of speed restrictions in November as a result of the October weather disruption, network constraints, and port-related-issues all affected reliability, particularly across some freight corridors and IMEX services. Despite this, there were areas of improvement and resilience:

- Overall DIFOT stabilised at around 90% by the end of Domestic peak.
- Domestic Premier Service 217 (Auckland–Christchurch) continued to perform strongly at 97% DIFOT (excluding weather events).
- February saw a month-on-month lift in Domestic DIFOT, supported by increased rail units and stronger execution at key customer sites.

Our services on the North Island Main Trunk from Auckland to Palmerston North and Wellington remain our key focus. We are resetting our DIFOT programme to address root causes including asset availability, locomotive reliability, and network constraints, with a clear focus on delivering the consistent predictable service you need to operate your supply chains efficiently.



Cook Strait Freight Update

With Kaiārahi in wet dock from 22 June to 13 July and Kaitaki in dry dock from 18 July to 26 September, we're working closely with our domestic and commercial vehicle customers to manage freight demand and maintain movement across Cook Strait. Capacity during this period will be allocated based on existing demand, with priority given to contracted and time-sensitive freight.

We acknowledge the recent Interislander Kaiārahi disruption. Interislander reliability is at 98.8% for the year and we remain confident in our maintenance programme under which we have:

- Increased planned maintenance time
- Reduced sailings when required to complete essential work
- Engaged independent experts to review key ship systems and risk management
- Strengthened how we identify critical equipment and monitor performance, enabling earlier intervention when risks emerge.

Nevertheless, we're realistic about old assets and the fact that one-offs will occur. As is our practice, we've reviewed learnings from this incident and have increased the lane metres we'll reserve for freight recovery during peak in the next financial year. We continue to strengthen BCP planning and are maintaining an active register of available vessels to ensure we can move quickly should we need to bring down additional capacity in the event that we have an extended outage with one ship in service.

NZ Connect Service

To help domestic freight customers keep freight moving during Interislander wet and dry docks, we're offering NZ Connect, a managed coastal shipping service for selected freight types.

NZ Connect provides a simple, end-to-end alternative for moving freight between Auckland and Christchurch including container receipt at Southdown in Auckland, cross-town rail transfer to port, coastal shipping, and delivery through to Middleton Yard in Christchurch.

The service also offers preferential rail rates and access for Interislander customers, weekly scheduled sailings and a single point of coordination, booking, and billing through KiwiRail. Contact your Key Account Executive to discuss whether NZ Connect is right for you.



Capacity Improvements

Rail Capacity Update

As fuel markets continue to experience volatility, we're seeing growing interest from customers looking to expand the role of rail within their supply chains. If you're considering moving more volume to rail, we have:

- 200 x 25' curtain-side (GXT/GSH) containers available to be used nationwide. GXT/GSHs have 47.5m³ of capacity, deck space for 14 pallets, and max payloads between 20 – 28T.
- A limited number of 25' hard side (GSM) containers between Auckland and Christchurch.

This capacity is being taken up quickly, so if you're considering moving additional freight by rail or would like a conversation about near-term capacity, or service options, please contact your Key Account Executive as soon as possible.



More Capacity For MetroPort and A New Product On The Way

We've increased capacity between Auckland, Tauranga, and MetroPort by 25%, with 78 MetroPort train services now operating each week. This additional capacity means transit times into Auckland are faster and more predictable and demand between Auckland and Tauranga is better supported.



To further support container flow, we're also preparing to launch MetroPort LINK, a new service designed for shipping line customers. MetroPort LINK will provide a simple, low-cost, short-term storage option at our Southdown Container Terminal, allowing you to:

- Bypass depot fees
- Hold empty containers without inspections
- Decide next moves with greater flexibility.

Together, increased rail capacity and MetroPort LINK, will support faster container turnaround, reduce congestion, and smooth supply chains.

MetroPort LINK is expected to go live in the coming months, and we'll share more details as we get closer to launch.

Customer Focus



On Time and Under Budget

Our infrastructure projects have been a source of abundant feedback. You've told us, sidings have taken longer than expected, cost more than planned, and you've found it difficult to engage with us effectively. This is something we're actively working on to change by improving how we deliver siding infrastructure - including clearer project accountability, tighter cost control, and better integration into customers' live operations.

A recent example of this improved approach is the major siding extension project for CocaCola Europacific Partners New Zealand (CCEP NZ) at their Mt Wellington Distribution Centre, delivered on time and under budget. This has enabled CCEP NZ to:



- Extend the siding from four to seven wagons
- Increase capacity and unlock future volume increases in line with demand
- Significantly lift annual rail volumes by double digits as a percentage.

To deliver these outcomes, the project included the renewal of 550 metres of track, 30 metres of new track, a 36 metre platform extension, civil and drainage works, and the construction of a new canopy.

KiwiRail's Infrastructure Delivery team worked closely with CCEP NZ to integrate the design into live operations without disrupting daily volumes, managing the full project lifecycle from early feasibility and business case development through to construction and delivery.

We look forward to continuing to showcase the work of our in-house infrastructure team as well as our network of infrastructure delivery partners in this newsletter.



(Left to Right: Dean Eggers, Managing Director Symons Group, Brock Sibbick, Group Sales Manager Symons Group, Kevin Babbington, National Manager Domestic and Commercial Vehicle Freight KiwiRail and Siaosi Tauvae Key Account Executive KiwiRail)

Taranaki Connect: A New Rail Option for Taranaki Freight

Symons Group has partnered with KiwiRail Freight to launch Taranaki Connect, a new regional freight hub designed to reduce costs and improve the efficiency of moving freight in and out of Taranaki by rail.

The new service tackles a long-standing inefficiency where containers often arrive full but leave the region empty, adding unnecessary cost for local businesses. Taranaki Connect introduces:

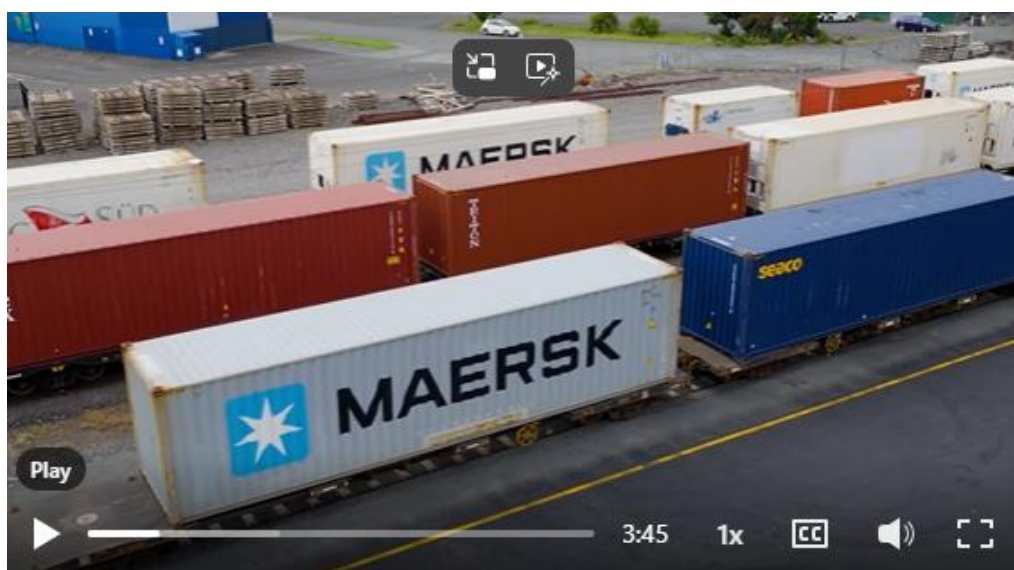
- A local container exchange model that better matches import and export flows, keeping equipment working within the region.
- Regular weekday rail services between New Plymouth, Auckland, Tauranga, Wellington and Christchurch with both full container load (FCL) and less than container load (LCL) options.



KiwiRail will operate the rail services from our container terminal in New Plymouth, with Symons Group providing the road transport connections, delivering a more reliable, flexible, and cost-effective option for Taranaki freight customers. For more information on Taranaki Connect contact:

brock.sibbick@symonsgroup.co.nz

Working In Partnership



Teamwork Keeps Freight Moving

We wanted to acknowledge an important milestone with the end of the Auckland Rail Network Upgrade Programme - a key part of the preparation for the new City Rail Link service in Auckland. Thanks go to all of our valued freight Customers for working through this period with us and to our road bridging partner Team Global Express, who went the extra mile time and time again to help us keep freight moving while the Auckland rail network was closed for critical upgrades. Check out the video to see how this was done.

A lot of great work has already been completed. However, further infrastructure upgrades are required. We're planning how best to execute this work and will be in touch with the 2027 block of line schedule shortly.



Your Feedback In Action

Very soon, we'll be inviting you to take part in our annual customer survey. Your feedback matters. It helps us understand what's working well for you and where we need to improve. We look forward to receiving your feedback and insights when the survey opens.



Funding - Rail Network Investment Plan Three (RNIP3 2027–30) Update

KiwiRail is developing the first draft of the workplan that will underpin the application for funding for the period July 2027 – July 2030 - RNIP3 2027-30. Our focus is on strengthening the reliability and resilience of our network so your freight can move more predictably. We would like your feedback and will be consulting on the proposed work plan in August.

Keep Updated With KiwiRail

To launch our new freight customer newsletter, we've selected the name Alongside – i tō taha. This name represents how we want to work with you going forward. We're here to support your business, every day, shoulder-to-shoulder, committed and accountable - doing what it takes to deliver in full and on time. Know someone who needs to receive our new newsletter or have feedback on what you'd like us to feature? Help them sign-up by forwarding this link [Communications Form](#).

Ngā mihi nui,

The team at KiwiRail.

