

Name of Listed Issuer:

AIR NEW ZEALAND LIMITED

### Results for announcement to the market

Reporting Period 12 months to 30 June 2007  
Previous Reporting Period 12 months to 30 June 2006

	Amount \$NZ'm	Percentage change
Revenue from ordinary activities (including interest)	4,381	13%
Profit from ordinary activities after tax attributable to security holder	214	123%
Net profit attributable to security holders	214	123%

Dividends (NZ cents)	Amount per security	Imputed amount per security
Interim dividend	3.00	1.48
Special dividend	10.00	4.93
Final dividend*	5.00	2.46

\* Final dividend was declared on 28 August 2007

Details of final dividend	
Record Date for Final Dividend	14-Sep-07
Payment Date for Final Dividend	27-Sep-07

Comments:

Net profit includes \$24 million (before tax) of unusual items relating to business reorganisation costs (30 June 2006: ANZES reorganisation programme costs of \$30 million, and business reorganisation costs of \$14 million).

**Air New Zealand Limited**  
**Preliminary Full Year Results**  
**28 August 2007**

**CONTENTS**

NZX Appendix 1, pursuant to NZX Listing Rule 10.4.2

Fuel hedge position

ASX Full Year Results - Results for announcement to the market (Appendix 4E), pursuant to ASX Listing Rule 4.3A

Directors' Declaration (ASX)

Directors' Report

NZX Appendix 7

## PRELIMINARY FULL YEAR REPORT ANNOUNCEMENT

### AIR NEW ZEALAND LIMITED

#### Full Year Ended 30 June 2007 (referred to in this report as the "current full year")

##### 1.1 Details of the reporting period and the previous reporting period

The reporting period is for the year ended 30 June 2007 with the comparative period being for the year ended 30 June 2006.

##### 1.2 Information prescribed by NZX

Refer to Results for announcement to the market

**1.3 The following information, which must be presented in whatever way the Issuers considers is the most clear and helpful to users e.g. combined with notes to the financial statements or set out separately.**

##### (a) A Statement of Financial Performance

Refer to the Financial Statements.

##### (b) A Statement of Financial Position

Refer to the Financial Statements.

##### (c) A Statement of Cash Flows

Refer to the Financial Statements.

**(d) Details of individual or total dividends or distributions and dividend or distribution payments. The details must include the date on which each dividend or distribution is payable and (if known) the amount per security of foreign sourced dividends or distributions.**

On 28 August 2007, the Board of directors declared a final dividend for the 2007 financial year of 5.0 cents per Ordinary Share, payable on 27 September 2007 to registered shareholders at 14 September 2007. The total dividend payable will be \$53 million. Imputation credits will be attached and supplementary dividends paid to non-resident shareholders. This dividend has not been recognised in the June 2007 financial statements.

An interim dividend of 3.0 cents per Ordinary Share and a special dividend of 10.0 cents per Ordinary Share were paid on 26 March 2007. Imputation credits were attached and supplementary dividends paid to non-resident shareholders. Under the dividend reinvestment plan, interim dividends payable of \$2 million were settled by the issue of 1,010,622 Ordinary Shares, at \$1.9916 per Ordinary Share. The dividend reinvestment plan did not apply to the special dividend declared.

A final dividend for the 2006 financial year of 2.5 cents per Ordinary Share was paid on 21 September 2006. Imputation credits were attached and supplementary dividends paid to non-resident shareholders. Under the dividend reinvestment plan, dividends payable of \$3 million were settled by the issue of 2,634,365 Ordinary Shares, at \$1.1201 per Ordinary Share. A coupon of \$1 million, equivalent to the dividend declared, was also paid on Convertible Notes and has been recognised as a component of interest expense.

	\$NZ'm	NZ cents per share
<b>Distributions recognised</b>		
Interim dividend on Ordinary Shares	32	3.0
Special dividend on Ordinary Shares	105	10.0
Final dividend for 2006 financial year on Ordinary Shares	25	2.5
<b>Distributions paid</b>		
Interim dividend on Ordinary Shares	31	3.0
Special dividend on Ordinary Shares	107	10.0
Final dividend for 2006 financial year on Ordinary Shares	22	2.5

## PRELIMINARY FULL YEAR REPORT ANNOUNCEMENT

### AIR NEW ZEALAND LIMITED

Full Year Ended 30 June 2007 (referred to in this report as the "current full year")

**(e) Details of any dividend or distribution reinvestment plans in operation and the last date for the receipt of an election notice for participation in any dividend or distribution reinvestment plan.**

A dividend reinvestment plan (the Plan) has been established which offers eligible shareholders the opportunity to increase their investment in the Company by applying dividends received on some or all of their existing Ordinary Shares to the acquisition of additional Ordinary Shares. All shareholders with registered addresses in New Zealand and Australia are entitled to participate in the Plan. The subscription price of Ordinary Shares issued under the Plan will be at a discount of 2.5 percent of the volume weighted average sale price of the Ordinary Shares on the NZSX and ASX over the first five trading days on which the Shares trade ex-entitlement on the NZSX. For participation in the Plan to be effective in relation to the final dividend which is proposed to be paid on 27 September 2007, a properly completed participation form must already be held, or will need to be received, by Computershare prior to 5.00 pm (NZ time) on 14 September 2007.

**(f) Statement of Movements in Equity**

Refer to the Financial Statements.

**(g) Net tangible assets per security with the comparative figure for the previous corresponding period**

	Current Year NZ Cents Per Share	Previous Year NZ Cents Per Share
Ordinary Shares	166	159

**(h) Details of entities over which control has been gained or lost during the period**

Nil

**(i) Details of associates and joint ventures:**

**Parts (i) and (ii)**

Name	% owned
Christchurch Engine Centre	49%
Travel Software Solutions Pty Limited	50%

**Part (iii) - Profit by associate**

Associate	Current Year \$NZ'm	Previous Year \$NZ'm
Christchurch Engine Centre	1	1
Travel Software Solutions Pty Limited	-	-
Total	1	1

**(j) Any other significant information needed by an investor to make an informed assessment of the entity's financial performance and financial position**

	Measurement	Current Year	Previous Year	% Change
Passengers Carried	000	12,480	11,892	5%
Revenue Passenger Kilometres	m	26,874	25,551	5%
Available Seat Kilometres	m	35,113	34,055	3%
Passenger Load Factor	%	76.5	75.0	1.5 % pts

## PRELIMINARY FULL YEAR REPORT ANNOUNCEMENT

### AIR NEW ZEALAND LIMITED

Full Year Ended 30 June 2007 (referred to in this report as the "current full year")

#### (k) Commentary on the results

	Measurement	Current Year	Previous Year
(i) Basic earnings per share	Cents per share	20.9	9.6
(i) Diluted earnings per share	Cents per share	20.5	9.4
(ii) Returns to shareholders (see also section (d) above)			
Interim dividend on Ordinary Shares	\$NZ'm	32	25
Special dividend on Ordinary Shares	\$NZ'm	105	-
Final dividend on Ordinary Shares*	\$NZ'm	25	25

\* Reflects the final dividend for the 2006 and 2005 financial years. Details on the final dividend for the 2007 financial year are provided in the first paragraph of section (d) above.

#### (iii) Significant features of operating performance:

Refer to the media release.

#### (iv) Segmental results:

##### Industry segment

Air New Zealand operates predominantly in one industry segment, its primary business being the transportation of passengers and cargo on scheduled airline services.

##### Geographical segment

The Group's airline operations are scheduled services within, to or from New Zealand. An analysis of flight revenue by route area is provided below. The principal assets of the Group are located in New Zealand.

	Current Year \$NZ'm	Previous Year \$NZ'm
<b>Analysis of revenue by route area</b>		
New Zealand	1,117	975
Australia and Pacific Islands	1,015	932
Asia and Europe	655	491
North America and Europe	1,106	1,049
<b>Total flight revenue</b>	<b>3,893</b>	<b>3,447</b>
Contract services and other revenue	404	358
<b>Total operating revenue</b>	<b>4,297</b>	<b>3,805</b>

#### (v) Discussion of trends in performance:

Refer to the media release.

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

Refer to the media release.

## **PRELIMINARY FULL YEAR REPORT ANNOUNCEMENT**

### **AIR NEW ZEALAND LIMITED**

#### **Full Year Ended 30 June 2007 (referred to in this report as the "current full year")**

##### **(l) Audit of financial statements**

This report is based on accounts which have been audited. The audit opinion has been attached which contains no qualifications.

##### **(m) Major changes in trends in the business subsequent to the end of the financial year**

Refer to the media release.

##### **(n) Unrealised gains resulting from the revaluation of assets of the parent, any subsidiaries or any associated company**

Nil

#### **3.1 Basis of preparation**

This report has been compiled in accordance with New Zealand Financial Reporting Standards.

#### **3.2 Accounting policies**

Refer to Statement of Accounting Policies in the financial statements.

#### **3.3 Changes in accounting policies**

There have been no changes to accounting policies during the year.

#### **3.4 Audit Report**

A copy of the audit report is attached at the back of the financial statements.

This full year report was approved by the Board of Directors on 28 August 2007.

---

**John Palmer**

**Chairman**