

PRELIMINARY HALF YEAR REPORT ANNOUNCEMENT

AIR NEW ZEALAND LIMITED

Half Year Ended 31 December 2006 (referred to in this report as the "current half year")

2.1 Details of the reporting period and the previous corresponding period

This report is for the half year ended 31 December 2006 and should be read in conjunction with the most recent annual financial report. Comparatives are in respect of the half year ended 31 December 2005.

2.2 Information prescribed by NZX

Refer to Results for announcement to the market

2.3 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 and 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 27 February 2007, the Board of directors declared an interim dividend of 3.0 cents per Ordinary Share and a special dividend of 10 cents per Ordinary Share, payable on 26 March 2007 to registered shareholders at 13 March 2007. The total dividends payable will be \$136 million. Imputation credits will be attached and supplementary dividends paid to non-resident shareholders. These dividends have not been recognised in the December 2006 interim financial statements.

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. Supplementary dividends were also paid to non resident shareholders. The total dividend paid was \$25 million. 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 the Convertible Notes and has been recognised as a component of interest expense.

	\$NZ'm	NZ cents per share
Distributions recognised		
Final dividend for 2006 financial year on Ordinary Shares	25	2.5
Distributions paid		
Final dividend for 2006 financial year on Ordinary Shares	22	2.5

(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 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 interim dividend which is proposed to be paid on 26 March 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 13 March 2007. The dividend reinvestment plan will not apply to the special dividend declared.

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

(NZ Cents Per Share)	Current Half Year	Previous Corresponding Half Year
Ordinary Shares	163	156

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

Nil

(h) Details of associates and joint ventures:

Parts (i) and (ii)

Name	% owned
Christchurch Engine Centre (CEC) *	49%
Travel Software Solutions Pty Limited **	50%

* The CEC is operated in partnership with Pratt and Whitney.

** The Group's 50 percent ownership of Travel Software Solutions Pty Limited represents 25 percent held directly by the Company and 25 percent held by Ansett. Following Ansett being placed into voluntary administration on 12 September 2001, only the 25 percent interest held directly by the Company has been equity accounted into the Group result.

Part (iii) - Profit by associate

Associate	Current Half Year \$NZ'm	Previous Corresponding Half Year \$NZ'm
Christchurch Engine Centre	-	2
Travel Software Solutions Pty Limited	-	-
Total	-	2

3.1 Basis of preparation

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

3.2 Accounting policies

Refer to Note 1 of the financial statements and the previous annual report.

3.3 Changes in accounting policies

There have not been any accounting policy changes since the last annual or interim report.

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3.4 Audit Review Report

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

3.5 Additional information

Not applicable.

This half year report was approved by the Board of Directors on 27 February 2007.

John Palmer

Chairman