

PRELIMINARY HALF YEAR REPORT ANNOUNCEMENT

AIR NEW ZEALAND LIMITED

Half Year Ended 31 December 2007 (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 2007 and should be read in conjunction with the most recent annual financial report. Comparatives are in respect of the half year ended 31 December 2006.

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 28 February 2008, the Board of directors declared an interim dividend of 5.0 cents per Ordinary Share, payable on 28 March 2008 to registered shareholders at 14 March 2008. The total dividend payable will be \$53 million. Imputation credits will be attached and supplementary dividends paid to non-resident shareholders. The dividend has not been recognised in the December 2007 interim financial statements.

A final dividend in respect of the 2007 financial year of 5.0 cents per Ordinary Share was paid on 27 September 2007. Imputation credits were attached and supplementary dividends paid to non-resident shareholders. Under the dividend reinvestment plan, dividends payable of \$5 million were settled by the issue of 2,296,165 Ordinary Shares, at \$2.1529 per Ordinary Share.

	\$NZ'm	NZ cents per share
Distributions recognised		
Final dividend for 2007 financial year on Ordinary Shares	53	5.0
Distributions paid		
Final dividend for 2007 financial year on Ordinary Shares	49	5.0

(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 1.5 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 28 March 2008, 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 March 2008.

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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	143	130

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

Nil

(h) Details of associates:

Parts (i) and (ii)

Name	% owned
Christchurch Engine Centre (CEC) *	49%

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

Part (iii) - Profit by associate

Associate	Current Half Year \$NZ'm	Previous Corresponding Half Year \$NZ'm
Christchurch Engine Centre	(1)	-

3.1 Basis of preparation

This report has been compiled in accordance with New Zealand equivalents to International Financial Reporting Standards ("NZ IFRS"). The Group and Company adopted NZ IFRS on 1 July 2007.

3.2 Accounting policies

Refer to Note 1 of the financial statements.

3.3 Changes in accounting policies

There have not been any accounting policy changes since the date of adoption of New Zealand equivalents to International Financial Reporting Standards ("NZ IFRS").

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 29 February 2008.

Roger France
Deputy Chairman