

Name of Listed Issuer:

AIR NEW ZEALAND LIMITED

**Results for announcement to the market**

Reporting Period 12 months to 30 June 2009  
Previous Reporting Period 12 months to 30 June 2008

|  | Amount \$NZ'm | Percentage change |
|--|---------------|-------------------|
| Revenue from ordinary activities   | 4,707         | (2)%              |
| Profit from ordinary activities after tax attributable to security holders | 21            | (90)%             |
| Net profit attributable to security holders                                | 21            | (90)%             |

| Dividends<br>(NZ cents) | Amount per<br>security | Imputed amount<br>per security |
|-------------------------|------------------------|--------------------------------|
| Interim dividend        | 3.00                   | 1.29                           |
| Final dividend*         | [3.50]                 | [1.65]                         |

\* Final dividend was declared on [26] August 2009

| Details of final dividend       |              |
|---------------------------------|--------------|
| Record Date for Final Dividend  | [11/09/2009] |
| Payment Date for Final Dividend | [18/09/2009] |

Comments:

## PRELIMINARY FULL YEAR REPORT ANNOUNCEMENT

### AIR NEW ZEALAND LIMITED

Full Year Ended 30 June 2009 (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 2009 with the comparative period being for the year ended 30 June 2008.

#### 1.2 Information prescribed by NZX

Refer to Results for announcement to the market

**1.3 The following information, which may be presented in whatever way the Issuer 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 [26] August 2009, the Board of directors declared a final dividend for the 2009 financial year of [3.5] cents per Ordinary Share, payable on [18] September 2009 to registered shareholders at [11] September 2009. The total dividend payable will be \$[37] million. Imputation credits will be attached and supplementary dividends paid to non-resident shareholders. This dividend has not been recognised in the June 2009 financial statements.

An interim dividend of 3.0 cents per Ordinary Share was paid on 27 March 2009. Imputation credits were attached and supplementary dividends paid to non-resident shareholders. Under the dividend reinvestment plan, interim dividends payable of \$4 million were settled by the issue of 4,120,448 Ordinary Shares, at \$0.8761 per Ordinary Share.

A final dividend in respect of the 2008 financial year of 3.5 cents per Ordinary Share was paid on 19 September 2008. Imputation credits were attached and supplementary dividends paid to non-resident shareholders. Under the dividend reinvestment plan, dividends payable of \$4 million were settled by the issue of 3,520,740 Ordinary Shares, at \$1.0669 per Ordinary Share.

|   | \$NZ'm | NZ cents per share |
|---|--------|--------------------|
| <b>Distributions recognised</b>                             |        |                    |
| Final dividend for 2008 financial year on Ordinary Shares   | 37     | 3.5                |
| Interim dividend for 2009 financial year on Ordinary Shares | 32     | 3.0                |
| <b>Distributions paid</b>                                   |        |                    |
| Final dividend for 2008 financial year on Ordinary Shares   | 34     | 3.5                |
| Interim dividend for 2009 financial year on Ordinary Shares | 29     | 3.0                |

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### AIR NEW ZEALAND LIMITED

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#### (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 Final dividend which is proposed to be paid on [18] September 2009, a properly completed participation form must already be held, or will need to be received, by Link Market Services Limited (the Company's share registrar) prior to 5.00 pm (NZ time) on [11] September 2009.

#### (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

| (NZ Cents Per Share) | Current Year | Previous Year |
|----------------------|--------------|---------------|
| Ordinary Shares      | 147          | 145           |

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

##### Entities over which control has been gained

| Name                           | Date of control | Contribution to entities profit from ordinary activities \$NZ'm |
|--------------------------------|-----------------|---|
| TXNZ Limited                   | 31 July 2008    | (1)   |
| Masling Industries Pty Limited | 3 November 2008 | -   |
| TAE Aviation Pty Limited*      | 9 December 2008 | -   |

\*Formerly named Tenix Aviation Pty Limited

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

##### Parts (i) and (ii)

| Name                                  | % owned |
|---------------------------------------|---------|
| Christchurch Engine Centre (CEC)*     | 49%     |
| Travel Software Solutions Pty Limited | 25%     |
| VCubed Pty Limited**                  | 26%     |

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

\*\* Shares in VCubed Pty Limited were acquired on 8 August 2008.

**PRELIMINARY FULL YEAR REPORT ANNOUNCEMENT****AIR NEW ZEALAND LIMITED**

Full Year Ended 30 June 2009 (referred to in this report as the "current full year")

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

| <b>Associate</b>                      | <b>Current Year<br/>\$NZ'm</b> | <b>Previous Year<br/>\$NZ'm</b> |
|---------------------------------------|--------------------------------|---------------------------------|
| Christchurch Engine Centre            | 3                              | 1                               |
| Travel Software Solutions Pty Limited | -                              | (1)                             |
| VCubed Pty Limited                    | (1)                            | -                               |

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

|                              | <b>Measurement</b> | <b>Current Year</b> | <b>Previous Year</b> | <b>% Change</b> |
|------------------------------|--------------------|---------------------|----------------------|-----------------|
| Passengers Carried           | 000                | 12,368              | 13,176               | -6%             |
| Revenue Passenger Kilometres | m                  | 27,112              | 29,349               | -8%             |
| Available Seat Kilometres    | m                  | 34,316              | 36,991               | -7%             |
| Passenger Load Factor        | %                  | 79.0                | 79.3                 | -0.3% pts       |

**(k) Commentary on the results**

|  | <b>Measurement</b> | <b>Current Year</b> | <b>Previous Year</b> |
|--|--------------------|---------------------|----------------------|
| <b>(i)</b> Basic and diluted earnings per share                  | Cents per share    | 2.0                 | 20.7                 |
| <b>(ii)</b> Returns to shareholders (see also section (d) above) |                    |                     |                      |
| Final dividend on Ordinary Shares*                               | \$NZ'm             | 37                  | 53                   |
| Interim dividend on Ordinary Shares                              | \$NZ'm             | 32                  | 53                   |

\* Reflects the final dividend for the 2008 and 2007 financial years. Details on the final dividend for the 2009 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 segment, its primary business being the transportation of passengers and cargo on scheduled airline services to, from and within New Zealand.

## PRELIMINARY FULL YEAR REPORT ANNOUNCEMENT

### AIR NEW ZEALAND LIMITED

Full Year Ended 30 June 2009 (referred to in this report as the "current full year")

#### Geographical segment

An analysis of operating revenue by geographic region of original sale is provided below.

|  | Current Year<br>\$NZ'm | Previous Year<br>\$NZ'm |
|--|------------------------|-------------------------|
| <b>Analysis of revenue by geographical region of original sale</b> |                        |                         |
| New Zealand  | 2,373                  | 2,448                   |
| Australia and Pacific Islands                                      | 647                    | 625                     |
| United Kingdom and Europe  | 533                    | 551                     |
| Asia   | 498                    | 480                     |
| North America  | 558                    | 563                     |
| <b>Total operating revenue</b>                                     | <b>4,609</b>           | <b>4,667</b>            |

The principal non-current assets of the Group are the aircraft fleet which is registered in New Zealand and employed across the worldwide network. Accordingly, there is no reasonable basis for allocating these assets to geographical segments.

**(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.

**(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 is compiled in accordance with New Zealand Generally Accepted Accounting Practice ("NZ GAAP"). NZ GAAP consists of New Zealand equivalents to International Financial Reporting Standards ("NZ IFRS") and other applicable financial reporting standards as appropriate to profit-oriented entities.

### 3.2 Accounting policies

Refer to Statement of Accounting Policies in the financial statements.

## **PRELIMINARY FULL YEAR REPORT ANNOUNCEMENT**

### **AIR NEW ZEALAND LIMITED**

**Full Year Ended 30 June 2009 (referred to in this report as the "current full year")**

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

There have not been any accounting policy changes during the year.

#### **3.4 Audit Report**

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

#### **3.5 Additional information**

Not applicable.

This full year report was approved by the Board of Directors on 27 August 2009.

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**John Palmer**  
**Chairman**