

Name of Listed Issuer:

AIR NEW ZEALAND LIMITED

Results for announcement to the market

Reporting Period 12 months to 30 June 2011

Previous Reporting Period 12 months to 30 June 2010

	Amount \$NZ'm	Percentage change
Revenue from ordinary activities (including finance income)	4,377	7%
Profit from ordinary activities after tax attributable to security holders	81	(1%)
Net profit attributable to security holders	81	(1%)

Dividends (NZ cents)	Amount per security	Imputed amount per security
Interim dividend	3.0	1.29
Final dividend*	2.5	-

* Final dividend was declared on 24 August 2011

Details of final dividend	
Record Date for Final Dividend	9-Sep-11
Payment Date for Final Dividend	21-Sep-11

Comments:

Air New Zealand Limited
Preliminary Full Year Results
25 August 2011

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NZX Appendix 1, pursuant to NZX Listing Rule 10.4.2

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 2011 (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 2011 with the comparative period being for the year ended 30 June 2010.

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 24 August 2011, the Board of Directors declared a final dividend for the 2011 financial year of 2.5 cents per Ordinary Share, payable on 21 September 2011 to registered shareholders at 9 September 2011. The total dividend payable will be \$27 million. No imputation credits will be attached. This dividend has not been recognised in the June 2011 financial statements.

An interim dividend of 3.0 cents per Ordinary Share was paid on 22 March 2011. Imputation credits were attached and supplementary dividends paid to non-resident shareholders. Under the dividend reinvestment plan, interim dividends payable of \$3 million were settled by the issue of 2,769,264 Ordinary Shares, at \$1.0913 per Ordinary Share.

A final dividend in respect of the 2010 financial year of 4.0 cents per Ordinary Share was paid on 21 September 2010. 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 4,133,584 Ordinary Shares, at \$1.2597 per Ordinary Share.

	\$NZ'm	NZ cents per share
Distributions recognised		
Final dividend for 2010 financial year on Ordinary Shares	43	4.0
Interim dividend for 2011 financial year on Ordinary Shares	32	3.0
Distributions paid		
Final dividend for 2010 financial year on Ordinary Shares	39	4.0
Interim dividend for 2011 financial year on Ordinary Shares	30	3.0

PRELIMINARY FULL YEAR REPORT ANNOUNCEMENT

AIR NEW ZEALAND LIMITED

Full Year Ended 30 June 2011 (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 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 21 September 2011, 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 9 September 2011.

(f) A 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	133	141

(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 (CEC)*	49%
VCubed Pty Limited	26%

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

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

Associate	Current Year \$NZ'm	Previous Year \$NZ'm
Christchurch Engine Centre	3	6
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

	Measurement	Current Year	Previous Year	% Change
Passengers Carried	000	13,103	12,324	6%
Revenue Passenger Kilometres	m	26,996	25,829	5%
Available Seat Kilometres	m	32,353	31,578	2%
Passenger Load Factor	%	83.4	81.8	1.6% pts

PRELIMINARY FULL YEAR REPORT ANNOUNCEMENT

AIR NEW ZEALAND LIMITED

Full Year Ended 30 June 2011 (referred to in this report as the "current full year")

(k) Commentary on the results

	Measurement	Current Year	Previous Year
(i) Basic and diluted earnings per share	Cents per share	7.5	7.6
(ii) Returns to shareholders (see also section (d) above)			
Final dividend on Ordinary Shares*	\$NZ'm	43	37
Interim dividend on Ordinary Shares	\$NZ'm	32	33

* Reflects the final dividend for the 2010 and 2009 financial years. Details on the final dividend for the 2011 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 an integrated network of scheduled airline services to, from and within New Zealand. Resource allocation decisions across the network are made to optimise the consolidated Group's financial result.

Geographical segment

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

	Current Year \$NZ'm	Previous Year \$NZ'm
Analysis of revenue by geographical region of original sale		
New Zealand	2,496	2,245
Australia and Pacific Islands	611	568
United Kingdom and Europe	374	389
Asia	397	393
North America	463	451
Total operating revenue	4,341	4,046

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.

PRELIMINARY FULL YEAR REPORT ANNOUNCEMENT

AIR NEW ZEALAND LIMITED

Full Year Ended 30 June 2011 (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 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.

3.3 Changes in accounting policies

Subsequent to the interim six month period ended 31 December 2010 and the acquisition of an equity investment in Virgin Blue Holdings Limited, Air New Zealand has early adopted NZ IFRS 9 (2009) - Financial Instruments for the annual financial reporting period ending 30 June 2011. NZ IFRS 9 (2009) simplifies the mixed measurement model and establishes two primary measurement categories for financial assets: amortised cost and fair value, which replace the categories of financial instruments defined by NZ IAS 39, including available for sale financial assets. An irrevocable election was made on early adoption of this standard to recognise changes in the fair value of a specified investment in quoted equity instruments through other comprehensive income.

There have not been any other 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 25 August 2011.

John Palmer
Chairman

Notice of event affecting securities

NZSX Listing Rule 7.12.2. For rights, NZSX Listing Rules 7.10.9 and 7.10.10. For change to allotment, NZSX Listing Rule 7.12.1, a separate advice is required.

Full name of Issuer: **Air New Zealand Limited**

Name of officer authorised to make this notice: **John Blair** Authority for event, e.g. Directors' resolution: **Directors' Resolution**

Contact phone number: **64 9 336 2910** Contact fax number: **64 9 336 2667** Date: **24 / 08 / 2011**

Nature of event
Tick as appropriate

Bonus Issue If ticked, state whether: Taxable / Non Taxable Conversion Interest Rights Issue Renounceable

Rights Issue non-renounceable Capital change Call Dividend If ticked, state whether: Interim Full Year Special DRP Applies

EXISTING securities affected by this *If more than one security is affected by the event, use a separate form.*

Description of the class of securities: **Ordinary Shares** ISIN: **NZAIRE0001S2**
If unknown, contact NZX

Details of securities issued pursuant to this event *If more than one class of security is to be issued, use a separate form for each class.*

Description of the class of securities: ISIN:
If unknown, contact NZX

Number of Securities to be issued following event: Minimum Entitlement: Ratio, e.g. ① for ② for

Conversion, Maturity, Call Payable or Exercise Date: Treatment of Fractions:

Strike price per security for any issue in lieu or date Strike Price available: Tick if pari passu OR provide an explanation of the ranking:

Monies Associated with Event *Dividend payable, Call payable, Exercise price, Conversion price, Redemption price, Application money.*

In dollars and cents

Amount per security (does not include any excluded income): **\$0.025** Source of Payment: **Retained Earnings**

Excluded income per security (only applicable to listed PIEs):

Currency: **NZ Dollars** Supplementary dividend details - NZSX Listing Rule 7.12.7: Amount per security in dollars and cents: **\$0.000000**

Total monies: **\$27 million** Date Payable: **n/a**

Taxation *Amount per Security in Dollars and cents to six decimal places*

In the case of a taxable bonus issue state strike price: **N/A**

Resident Withholding Tax: **\$0.008250** Imputation Credits (Give details): **\$0.000000**

Foreign Withholding Tax: FWP Credits (Give details):

Timing (Refer Appendix 8 in the NZSX Listing Rules)

Record Date 5pm For calculation of entitlements - **9 September 2011**

Application Date Also, Call Payable, Dividend / Interest Payable, Exercise Date, Conversion Date. In the case of applications this must be the last business day of the week. **21 September 2011**

Notice Date Entitlement letters, call notices, conversion notices mailed: **n/a**

Allotment Date For the issue of new securities. Must be within 5 business days of application closing date. **n/a**

OFFICE USE ONLY
Ex Date:
Commence Quoting Rights
Cease Quoting Rights 5pm:
Commence Quoting New Securities
Cease Quoting Old Security 5pm:

Security Code:
Security Code:

