

# Air New Zealand Limited

ARBN 000 312 685

31 December 2006

Half year information given to the ASX under listing rule 4.2A

## Appendix 4D

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

2 Results for announcement to the market:

	Current Half Year	Up/(Down)	Previous Corresponding Half Year
	\$NZ'm	%	\$NZ'm
2.1 Revenue from ordinary activities (includes interest revenue)	2,177	13%	1,934
2.2 Surplus from ordinary activities after taxation	74	61%	46
2.3 Net surplus attributable to members	74	61%	46

2.4 & 2.5 Dividends:

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.

3 Net tangible assets per security:

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

4 Entities over which control has been gained or lost during the period: Nil

5 Dividends:

Details for the interim and special dividends for 2007, and the final dividend for 2006 are provided in section 2.4 and 2.5 above.

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

6 Dividend or Distribution reinvestment plans in operation:

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 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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### 7 Details of associates and joint ventures:

Associate	% Held Current Half Year	% Held Previous Corresponding Half Year	Current Half Year Profit/(Loss) \$NZ'm	Previous Corresponding Half Year Profit/(Loss) \$NZ'm
Christchurch Engine Centre (CEC) *	49%	49%	-	2
Travel Software Solutions Pty Limited **	50%	50%	-	-
Total			-	2

\* 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.

### 8 Accounting Standards:

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

### 9 This report is based on accounts which have been subject to audit review.

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

## Directors' Declaration

By resolution of the board, the directors declare that:

- the financial statements together with the notes to the financial statements comply with New Zealand generally accepted accounting practice;
- the financial statements together with the notes to the financial statements give a true and fair view of the financial position and performance of Air New Zealand Limited and its controlled entities as at 31 December 2006, as represented by the results of their operations and their cash flows for the six months ended on that date.

In the directors' opinion, at the date of this declaration there are reasonable grounds to believe that Air New Zealand Limited will be able to pay its debts as and when they become due and payable.

Dated 27 February 2007

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**John Palmer**  
Chairman

**Air New Zealand Limited**

**ARBN 000 312 685**

**31 December 2006**

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**Directors' Report made in accordance with a resolution of the directors**

**Review of operations and results:**

Refer to media release attached.

**Directors' details:**

The following directors held office during the six months to 31 December 2006 and are directors at the date of this report.

<b>Name</b>		<b>Date of Initial Appointment</b>
John Palmer	<b>Chairman</b> (Non Executive, Independent)	29 November 2001
Roger France	<b>Deputy Chairman</b> (Non Executive, Independent)	04 October 2001
Sir Ron Carter	(Non Executive, Independent)	23 July 1998
Warren Larsen	(Non Executive, Independent)	27 February 2002
John McDonald	(Non Executive, Independent)	27 February 2002
Jane Freeman	(Non Executive, Independent)	27 February 2002
Ken Douglas	(Non Executive, Independent)	27 February 2002
Dr Jim Fox	(Non Executive, Independent)	21 November 2006

At the Annual Meeting held on 25 October 2006, the following directors retired by rotation in accordance with the Company's Constitution and were re-elected to the Board:

Sir Ron Carter  
Warren Larsen

Dated 27 February 2007

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**John Palmer**  
**Chairman**