

Air New Zealand Limited
ARBN 000 312 685
Preliminary Final Report - 30 June 2008
Full year information given to the ASX under listing rule 4.3A
Appendix 4E

- 1 This report is for the full year ending 30 June 2008 and should be read in conjunction with the annual financial report.**

Comparatives are in respect of the full year ending 30 June 2007.

- 2 Results for announcement to the market:**

	Current Year	Up/(Down)	Previous Year
	\$NZ'm	%	\$NZ'm
2.1 Revenue from ordinary activities (including finance income)	4,784	9%	4,371
2.2 Profit from ordinary activities after taxation	218	(1)%	221
2.3 Net profit attributable to members	218	(1)%	221

2.4 - 2.6 Dividends:

On 25 August 2008, the Board of directors declared a final dividend for the 2008 financial year of 3.5 cents per Ordinary Share, payable on 19 September 2008 to registered shareholders at 9 September 2008. 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 2008 financial statements.

An interim dividend of 5.0 cents per Ordinary Share was paid on 28 March 2008. 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 2,759,057 Ordinary Shares, at \$1.3269 per Ordinary Share.

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.

- 3 Statement of Financial Performance, together with notes:**

Refer to the Financial Statements.

- 4 Statement of Financial Position, together with notes:**

Refer to the Financial Statements.

- 5 Statement of Cash flows, together with notes:**

Refer to the Financial Statements.

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6 Dividends:

Details on the final dividend for the 2008 financial year are provided in section 2 above.

	\$NZ'm	NZ Cents Per Share
Distributions recognised		
Interim dividend on Ordinary Shares	53	5.0
Final dividend for 2007 financial year on Ordinary Shares	53	5.0
Distributions paid		
Interim dividend on Ordinary Shares	51	5.0
Final dividend for 2007 financial year on Ordinary Shares	49	5.0

7 Dividend or Distribution reinvestment plans in operation:

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 19 September 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 9 September 2008.

8 Statement of Movements in Retained Earnings:

Refer to the Statement of Movements in Equity contained in the Financial Statements.

9 Net tangible assets per security:

(NZ Cents Per Share)	Current Year	Previous Year
Ordinary Shares	145	128

10 Entities over which control has been gained or lost during the year:

Nil

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11 Details of associates and joint ventures:

11.1 & 11.2	Name	% owned
	Christchurch Engine Centre (CEC)*	49%
	Travel Software Solutions Pty Limited	25%

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

11.3 Profit, by associate

Associate	Current Year \$NZ'm	Previous Year \$NZ'm
Christchurch Engine Centre	1	1
Travel Software Solutions Pty Limited	(1)	-

12 Other significant information needed by an investor:

	Measurement	Current Year	Previous Year	% Change
Passengers Carried	000	13,176	12,480	6%
Revenue Passenger Kilometres	m	29,349	26,874	9%
Available Seat Kilometres	m	36,991	35,113	5%
Passenger Load Factor	%	79.3	76.5	2.8% pts

13 Accounting standards:

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. Air New Zealand adopted NZ IFRS on 1 July 2007.

14 Commentary on the results of the year:

	Measurement	Current Year	Previous Year
14.1 Basic earnings per share	NZ cents per share	20.7	21.6
14.1 Diluted earnings per share	NZ cents per share	20.7	21.1
14.2 Returns to shareholders (see also sections 2 and 6)			
Interim dividend on Ordinary Shares	\$NZ'm	53	32
Special dividend on Ordinary Shares	\$NZ'm	-	105
Final dividend on Ordinary Shares*	\$NZ'm	53	25

* Reflects the final dividend for the 2007 and 2006 financial years. Details on the final dividend for the 2008 financial year are provided in the first paragraph of section 2 above.

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14.3 Significant features of operating performance:

Refer to the media release.

14.4 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.

Geographical segment

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

	Current Year	Previous Year
	\$NZ'm	\$NZ'm
Analysis of revenue by geographical region of original sale		
New Zealand	2,448	2,299
Australia and Pacific Islands	625	550
United Kingdom and Europe	551	458
Asia	480	458
North America	563	514
Total operating revenue	4,667	4,279

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.

14.5 Discussion of trends in performance:

Refer to the media release.

14.6 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.

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15 This report is based on accounts which have been audited.
A copy of the audit report is attached at the back of the financial statements.

16 Audit: likely dispute or qualification:
Nil.

17 Audit: dispute or qualification:
Nil.

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 subsidiaries as at 30 June 2008, as represented by the results of their operations and their cash flows for the year 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 26 August 2008

John Palmer
Chairman

Air New Zealand Limited
ARBN 000 312 685

Directors' Report - 30 June 2008

Review of operations and results:

Refer to the media release.

Directors' details:

The following directors held office during the 12 months to 30 June 2008 and are directors at the date of this report.

Name		Date of Initial Appointment
John Palmer	Chairman (Non Executive, Independent)	29 November 2001
Roger France	Deputy Chairman (Non Executive, Independent)	4 October 2001
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 James Fox	(Non Executive, Independent)	21 November 2006

At the Annual Meeting held on 28 September 2007, the following directors retired by rotation in accordance with the Company's Constitution and were re-elected to the Board:

John McDonald
Jane Freeman
Dr Jim Fox

On 1 July 2008, Paul Bingham was appointed as a non executive independent director.

Dated 26 August 2008

John Palmer
Chairman