2009

INTERIM FINANCIAL RESULTS

AIR NEW ZEALAND

AIR NEW ZEALAND GROUP
SHAREHOLDER ENQUIRIES

SHAREHOLDER COMMUNICATION

Air New Zealand's investor website **www.airnzinvestor.com** provides shareholders with information on monthly operating statistics, financial results, stock exchange releases, corporate governance, annual meetings, investor presentations, important dates and contact details. Shareholders can also view webcasts of key events from this site.

Shareholders who would like to receive electronic news updates can register online at www.airnzinvestor.com or email Investor Relations directly on **investor@airnz.co.nz**.

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AIR NEW ZEALAND GROUP
CONDENSED STATEMENT OF FINANCIAL PERFORMANCE (UNAUDITED)
FOR THE SIX MONTHS TO 31 DECEMBER 2008

	NOTES	6 MONTHS TO 31 DEC 2008 $M	6 MONTHS TO 31 DEC 2007 $M	12 MONTHS TO 30 JUN 2008 $M
Operating Revenue				
Passenger revenue		1,948	1,900	3,808
Cargo		232	213	416
Contract services		150	142	287
Other revenue		89	77	156
	3	2,419	2,332	4,667
Operating Expenditure				
Labour		(508)	(480)	(966)
Fuel	5	(948)	(560)	(1,122)
Maintenance		(176)	(121)	(247)
Aircraft operations		(217)	(205)	(412)
Passenger services		(141)	(124)	(254)
Sales and marketing		(162)	(163)	(330)
Foreign exchange gains/(losses)	2,5	214	(69)	(128)
Other expenses	2,4	(125)	(127)	(261)
		(2,063)	(1,849)	(3,720)
Earnings Before Finance Costs, Depreciation, Amortisation, Rental Expenses and Taxation		356	483	947
Depreciation and amortisation		(138)	(166)	(318)
Rental and lease expenses		(157)	(137)	(270)
Earnings Before Finance Costs and Taxation		61	180	359
Finance income		58	56	117
Finance costs	5	(105)	(64)	(172)
Profit Before Taxation		14	172	304
Taxation credit/(expense)		10	(57)	(86)
Net Profit Attributable to Shareholders of Parent Company		24	115	218
Per Share Information:				
Basic and diluted earnings per share (cents)		2.3	10.9	20.7
Interim and final dividend declared per share (cents)		3.0	5.0	8.5
Net tangible assets per share (cents)		154	139	145
Supplementary Information				
Earnings before Taxation (per NZ IFRS above)		14	172	304
Reverse net (gains)/losses on derivatives that hedge exposures in other financial periods:				
Fuel derivatives		101	(14)	(129)
Foreign exchange derivatives		(88)	(2)	20
Interest rate derivatives		(1)	3	2
Normalised Earnings before Taxation		26	159	197
Per Share Information:				
Basic normalised earnings per share (cents)		3.1	10.1	13.9

Normalised Earnings represents Earnings stated in compliance with NZ IFRS after excluding net gains and losses on derivatives that hedge exposures in other financial periods.

These financial statements have not been audited. They have been the subject of review by the auditors pursuant to the Institute of Chartered Accountants of New Zealand Review Engagement Standards RS-1. The accompanying notes form part of these financial statements.

AIR NEW ZEALAND GROUP
CONDENSED STATEMENT OF MOVEMENTS IN EQUITY (UNAUDITED)
FOR THE SIX MONTHS TO 31 DECEMBER 2008

	6 MONTHS TO 31 DEC 2008 $M	6 MONTHS TO 31 DEC 2007 $M	12 MONTHS TO 30 JUN 2008 $M
Changes in fair value of cash flow hedges	272	44	68
Transfers to net profit from cash flow hedge reserve	(121)	25	22
Transfers to asset carrying value from cash flow hedge reserve	(1)	4	5
Net gain on hedge of net investment in foreign operation	-	-	2
Taxation on above reserve movements	(41)	(24)	(32)
Income and Expense Recognised Directly in Equity	109	49	65
Net profit for the period	24	115	218
Total Recognised Income and Expenses for the Period	133	164	283
Shares issued	4	6	10
Share-based payments	1	1	2
Dividend on Ordinary Shares	(37)	(53)	(106)
Movement in Equity for the Period	101	118	189
Equity at the Beginning of the Period	1,577	1,388	1,388
Equity at the End of the Period	1,678	1,506	1,577

These financial statements have not been audited. They have been the subject of review by the auditors pursuant to the Institute of Chartered Accountants of New Zealand Review Engagement Standards RS-1. The accompanying notes form part of these financial statements.

AIR NEW ZEALAND GROUP
CONDENSED STATEMENT OF FINANCIAL POSITION (UNAUDITED)
AS AT 31 DECEMBER 2008

	NOTES	31 DEC 2008 $M	31 DEC 2007 $M	30 JUN 2008 $M
Current Assets				
Bank and short term deposits		1,417	1,223	1,289
Trade and other receivables	2	536	461	462
Inventories		145	119	123
Derivative financial assets	5	676	101	208
Income taxation		-	29	7
Assets held for resale	2	25	1	-
Other assets		96	38	38
Total Current Assets		2,895	1,972	2,127
Non-Current Assets				
Trade and other receivables		14	14	13
Property, plant and equipment	2	2,355	2,584	2,534
Intangible assets		41	43	40
Investments	4	65	46	49
Derivative financial assets	5	49	2	6
Other assets		241	222	254
Total Non-Current Assets		2,765	2,911	2,896
Total Assets		5,660	4,883	5,023
Current Liabilities				
Bank overdraft and short term borrowings		-	1	-
Trade and other payables		478	451	480
Revenue in advance		789	763	822
Interest-bearing liabilities		299	118	158
Derivative financial liabilities	5	380	85	84
Provisions		37	42	27
Income taxation		58	-	-
Other liabilities		142	123	136
Total Current Liabilities		2,183	1,583	1,707
Non-Current Liabilities				
Revenue in advance		111	123	109
Interest-bearing liabilities		1,229	1,238	1,167
Derivative financial liabilities	5	2	12	3
Provisions		186	96	116
Other liabilities		41	48	45
Deferred taxation		230	277	299
Total Non-Current Liabilities		1,799	1,794	1,739
Total Liabilities		3,982	3,377	3,446
Net Assets		1,678	1,506	1,577
Equity				
Issued capital		2,232	2,222	2,227
Cash flow hedge reserve		89	(30)	(16)
Other reserves		(643)	(686)	(634)
Total Equity		1,678	1,506	1,577

John Palmer, CHAIRMAN

Roger France, DIRECTOR

For and on behalf of the Board, 26 February 2009

These financial statements have not been audited. They have been the subject of review by the auditors pursuant to the Institute of Chartered Accountants of New Zealand Review Engagement Standards RS-1. The accompanying notes form part of these financial statements.

AIR NEW ZEALAND GROUP
CONDENSED STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE SIX MONTHS TO 31 DECEMBER 2008

	NOTES	6 MONTHS TO 31 DEC 2008 $M	6 MONTHS TO 31 DEC 2007 $M	12 MONTHS TO 30 JUN 2008 $M
Cash Flows from Operating Activities				
Receipts from customers		2,388	2,359	4,735
Interest received		63	46	86
Payments to suppliers and employees		(2,238)	(2,062)	(4,093)
Income tax (paid)/refunded		(33)	23	33
Interest paid		(67)	(46)	(99)
		113	320	662
Rollover of foreign exchange contracts*		38	67	81
Net Cash Flow from Operating Activities		151	387	743
Cash Flows from Investing Activities				
Disposal of property, plant and equipment and intangibles		100	8	11
Acquisition of property, plant and equipment and intangibles		(143)	(141)	(274)
Rollover of foreign exchange contracts*		(3)	(2)	(17)
Other interest-bearing assets		(60)	(5)	(10)
Acquisition of subsidiaries and associates	4	(21)	-	-
Net Cash Flow from Investing Activities		(127)	(140)	(290)
Cash Flows from Financing Activities				
Shares issued		-	1	1
Interest-bearing liabilities drawdowns		-	28	42
Interest-bearing liabilities payments		(63)	(58)	(116)
Rollover of foreign exchange contracts*		201	(4)	(48)
Dividend on Ordinary Shares	9	(34)	(49)	(100)
Net Cash Flow from Financing Activities		104	(82)	(221)
Increase in Cash and Cash Equivalents		128	165	232
Cash and cash equivalents at beginning of period		1,289	1,057	1,057
Cash and Cash Equivalents at End of Period		1,417	1,222	1,289
Reconciliation of Net Profit Attributable to Shareholders to Operating Cash Flows:				
Net profit attributable to shareholders		24	115	218
Plus/(less) non-cash items:				
Depreciation and amortisation		138	166	318
Loss/(gain) on disposal of property, plant and equipment and intangibles		7	(1)	4
Impairment of property, plan and equipment	2	81	-	-
Share of loss of associates		-	2	-
Unrealised losses/(gains) on fuel derivatives	5	101	(14)	(129)
Foreign exchange (gains)/losses	5	(42)	(2)	16
Other non-cash items		(4)	6	21
		305	272	448
Net working capital movements:				
Assets		(65)	(21)	(25)
Revenue in advance		(31)	36	81
Deferred foreign exchange losses		38	67	81
Liabilities		(96)	33	158
		(154)	115	295
Net Cash Flow from Operating Activities		151	387	743

* Relates to gains/losses on rollover of foreign exchange contracts that hedge exposures in other financial periods.

These financial statements have not been audited. They have been the subject of review by the auditors pursuant to the Institute of Chartered Accountants of New Zealand Review Engagement Standards RS-1. The accompanying notes form part of these financial statements.

1. FINANCIAL STATEMENTS

The interim financial statements should be read in conjunction with the annual report for the year ended 30 June 2008.

The accounting policies used in the preparation of the interim financial statements are consistent with those used as at 30 June 2008 and 31 December 2007.

These interim financial statements have not been audited. The interim financial statements have been prepared in accordance with NZ IAS 34: Interim Financial Reporting and IAS 34: Interim Financial Reporting and have been the subject of review by the auditors, pursuant to the Institute of Chartered Accountants of New Zealand Review Engagement Standards RS-1.

Where necessary, comparative information has been reclassified to achieve consistency in disclosure with the current period.

2. GENERAL DISCLOSURES

Total operating revenue (including finance income) is $2,477 million (31 December 2007: $2,388 million; 30 June 2008: $4,784 million).

Foreign currency transactions are converted into New Zealand dollars using exchange rates approximating those at transaction date. "Foreign exchange gains/(losses)" as disclosed separately in the Statement of Financial Performance comprise realised gains/(losses) from operating hedge derivatives, the translation of monetary assets and liabilities denominated in foreign currencies and ineffective and non-hedge accounted foreign currency derivatives.

The Group holds a 49% interest in Christchurch Engine Centre (CEC) whose principal activity is engineering services. CEC is incorporated in New Zealand.

Impairment losses on property, plant and equipment of $81 million were recognised during the six months ended 31 December 2008. The impairments relate to an Airbus A320 which was lost in the Mediterranean sea, and one Boeing 747-400 aircraft. The A320 aircraft was being leased to and operated by XL Airways Germany GmbH, and was insured by the lessor. Insurance proceeds of $76 million were receivable by the Group and have been recognised within "Other expenses". The insurance proceeds were received subsequent to balance date. Impairment of the Boeing 747-400 arose upon transfer of the aircraft to a held for sale category and reflects indicative market valuations.

3. SEGMENTAL INFORMATION

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

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

	6 MONTHS TO 31 DEC 2008 $M	6 MONTHS TO 31 DEC 2007 $M	12 MONTHS TO 30 JUN 2008 $M
Analysis of revenue by geographical region of original sale			
New Zealand	1,279	1,270	2,448
Australia and Pacific Islands	343	315	625
United Kingdom and Europe	264	258	551
Asia	264	234	480
North America	269	255	563
Total Operating Revenue	2,419	2,332	4,667

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.

4. INVESTMENTS

The following entities were acquired or incorporated during the period:

NAME OF ENTITY	PRINCIPAL ACTIVITY	ACQUISITION DATE	% OF VOTING RIGHTS	RELATIONSHIP
Masling Industries Pty Limited	Engine maintenance and repair	3 November 2008	100	Subsidiary
Tenix Aviation Pty Limited	Engine maintenance and repair	9 December 2008	100	Subsidiary
TXNZ Limited	Online Booking Exchange	31 July 2008	74	Subsidiary
VCubed Pty Limited	Online Booking Exchange	8 August 2008	26	Associate

Tenix Aviation Pty Limited was renamed TAE Aviation Pty Limited following the acquisition.

The Group acquired a shareholding in VCubed Pty Limited and established TXNZ Limited as part of the airline's strategy to further diversify into the wider tourism sector. The investment in Masling Industries Pty Limited and Tenix Aviation Pty Limited complements the existing Tasman Aviation Enterprises Group business which specialises in Australian aviation engineering services.

4. INVESTMENTS (CONTINUED)

The acquisition had the following impact on the Group's assets and liabilities at the date of purchase:

	RECOGNISED VALUE ON ACQUISITION $M
Bank and short term deposits	1
Trade receivables	3
Inventories	15
Investments	4
Other assets	4
Property, plant and equipment	14
Deferred taxation	2
Trade and other payables	(3)
Other liabilities	(2)
Net assets and liabilities acquired	38
Discount on acquisition recognised in "Other Expenses" within the Statement of Financial Performance	16
Cash consideration paid	22
Cash and cash equivalents acquired	1
Net cash outflow	21

The discount on acquisition results from the market value of the assets acquired being greater than the purchase price.

Trade receivables have been recognised at fair value which reflects the amount expected to be collected in cash. The gross contractual amount receivable as at the date of acquisition was $3 million.

The value of the minority interest in TXNZ Limited as at establishment date was nil.

Operating revenue (including finance income) and net profit after tax recognised in respect of these entities in the Statement of Financial Performance subsequent to acquisition was $3 million and nil respectively. If the acquisitions had been effected at the start of the financial year (1 July 2008) total operating revenue (including finance income) for the Group would have been $2,493 million and net profit after tax $24 million.

5. DERIVATIVE FINANCIAL INSTRUMENTS

Air New Zealand is subject to credit, foreign currency, interest rate and fuel price risks. These risks are managed using various financial instruments, based on policies approved regularly by the Board of directors. Group policy is not to enter, issue or hold derivative financial instruments for speculative trading purposes.

Derivatives are required to be recognised in the Statement of Financial Position at their fair market value, with subsequent changes in fair value being recognised through earnings. Changes in the fair value of those derivatives which have been successfully designated as part of a cash flow hedge relationship are recognised through the cash flow hedge reserve within equity, to the extent that they are effective. Any accounting ineffectiveness is recognised through earnings.

NZ IAS 39: Financial Instruments: Recognition and Measurement requires hedge effectiveness to be determined for accounting purposes within strict parameters. Each derivative transaction used to hedge identified risks must be documented and proven to be effective in offsetting changes in the value of the underlying risk within a range of 80% - 125%. This measure of effectiveness may result in economically appropriate hedging transactions being deemed ineffective for accounting purposes. In particular, the use of crude oil derivatives as a proxy for jet fuel, and the high volatility of fuel markets may cause cash flow hedges in respect of fuel derivatives to fail the hedge effectiveness test.

Risk management practices are determined on an economic basis, rather than being designed to achieve a particular accounting outcome. Consequently, it is expected that this will result in some transactions failing the accounting hedge effectiveness criteria from time to time and ineffectiveness being recorded through earnings in periods other than when the hedged item occurs, causing some volatility through earnings. Normalised earnings, disclosed as supplementary information at the foot of the Statement of Financial Performance, shows earnings before taxation after excluding movements on derivatives that hedge exposures in other financial periods. Such movements include amounts required to be recognised as ineffective for accounting purposes.

Where changes in the fair value of a derivative provide a natural offset to the underlying hedged item as it impacts earnings, hedge accounting is not applied. Both the changes in value of the hedged item and the hedging instrument are recognised through the same line within the Statement of Financial Performance. Furthermore, some components of hedge accounted derivatives are excluded from the designated risk. Cash flow hedges in respect of fuel derivatives only include the intrinsic value of the fuel options with all other components of the option value (mainly time value) being marked to market through earnings. Similarly, forward points (the differential in interest rates between currencies) are excluded from the hedge designation in respect of foreign currency derivatives which hedge account forecast foreign currency operating revenue and expenditure transactions. These components are not hedge accounted and, accordingly, marked to market through earnings.

5. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

FOREIGN CURRENCY DERIVATIVES

Non-hedge accounted derivatives

Foreign currency translation gains or losses on lease return provisions and United States Dollar denominated interest-bearing liabilities are recognised in the Statement of Financial Performance within "Foreign exchange gains/(losses)". Marked to market gains or losses on non-hedge accounted foreign currency derivatives provide a natural offset to these foreign exchange movements, and are also recognised within "Foreign exchange gains/(losses)".

During the period to 31 December 2008, a gain of $268 million was recognised in respect of the above non-hedge accounted foreign currency derivatives (31 December 2007: $4 million loss; 30 June 2008: $12 million gain), which was offset by exchange movements on the underlying exposures. Forward point costs of $21 million in respect of these derivatives were marked to market through "Finance costs" in the period to 31 December 2008 (31 December 2007: $6 million of costs; 30 June 2008: $43 million of costs).

Hedge accounted derivatives

Air New Zealand hedge accounts the foreign currency risk arising on forecast foreign currency operating revenue, operating expense and capital expenditure transactions.

Forward points are excluded from the hedge designation in respect of operating revenue and expenditure transactions and are marked to market through earnings. Forward point costs of $41 million in respect of these derivatives were marked to market through "Finance costs" in the period to 31 December 2008 (31 December 2007: $5 million of costs; 30 June 2008: $33 million of costs).

Accounting ineffectiveness arising in the period to 31 December 2008 on these cash flow hedges was a gain of $1 million on operating transactions and a loss of $1 million on capital transactions (31 December 2007: $1 million loss on operating transactions; $9 million loss on capital transactions; 30 June 2008: $1 million loss on operating transactions; $25 million loss on capital transactions).

The significant decrease in fuel prices over the period to 31 December 2008 has led to a revision of forecast fuel costs. This, together with a shift in forecast foreign currency revenues, has required the de-designation of certain hedge relationships where the forecast transaction is no longer expected to occur. This includes items which whilst no longer meeting the hedge accounting requirements of NZ IFRS continue to provide economic hedge relationships (and are therefore excluded from Normalised Earnings). NZ IFRS requires that the cumulative gains or losses on these hedging instruments that have been recognised in the cash flow hedge reserve over the period in which the hedges were effective, be transferred to earnings. In the period to 31 December 2008 gains of $152 million were transferred from the cash flow hedge reserve to "Foreign exchange gains/(losses)" within the Statement of Financial Performance (31 December 2007: Nil; 30 June 2008: Nil).

FUEL DERIVATIVES

Air New Zealand uses crude oil collar options to hedge price risk in jet fuel. The intrinsic value component of these derivatives is designated as a cash flow hedge. All other components are marked to market through earnings, as are any short-dated outright derivatives. In the period to 31 December 2008, gains of $61 million relating to non-hedge accounted derivatives were recognised within "Fuel" (31 December 2007: $15 million gain; 30 June 2008: $9 million gain).

Accounting ineffectiveness arising in the period to 31 December 2008 of $54 million loss was recognised within "Fuel" (31 December 2007: $15 million gain; 30 June 2008: $171 million gain).

INTEREST RATE DERIVATIVES

Interest rate derivatives are not hedge accounted. Changes in the fair value of these derivatives are recognised each period within "Finance costs". In the period to 31 December 2008 a gain of $1 million was recognised (31 December 2007: $3 million loss; 30 June 2008: $2 million loss) in respect of non-hedge accounted interest rate derivatives.

6. OPERATING LEASE COMMITMENTS

	31 DEC 2008 $M	31 DEC 2007 $M	30 JUN 2008 $M
Aircraft Leases Payable			
Not later than 1 year	302	233	227
Later than 1 year and not later than 5 years	443	448	349
Later than 5 years	10	21	14
	755	702	590
Property Leases Payable			
Not later than 1 year	26	25	26
Later than 1 year and not later than 5 years	77	74	75
Later than 5 years	82	90	94
	185	189	195

7. CAPITAL COMMITMENTS

	31 DEC 2008 $M	31 DEC 2007 $M	30 JUN 2008 $M
Aircraft	3,438	2,288	2,289
Non-aircraft	11	25	51
	3,449	2,313	2,340

Commitments shown are for those asset purchases committed and contracted for and are converted at the period end exchange rate.

On 25 February 2009, Air New Zealand entered into an agreement to purchase an additional Boeing 777-300ER aircraft, by converting an existing purchase right into a firm order, bringing the total on order to five aircraft. The Group also agreed during the period to purchase two spare engines to support the Boeing 777-300ER fleet. The aircraft will be delivered in December 2011 and the spare engines in November 2010 and November 2011. These commitments are included within the above table.

On 22 September 2008, the Group entered into an agreement to purchase seven ATR 72-500 aircraft currently on operating lease to the Group. The aircraft will be acquired between October 2009 and February 2010.

The Group has entered into firm commitments to purchase eight Boeing 787-9 (B787-9) aircraft and associated engines and spares. The B787-9 aircraft that are subject to firm commitments were originally scheduled for delivery between the period December 2010 to September 2013. On 25 February 2009, Air New Zealand agreed to revised terms and delivery dates of between February 2013 to September 2016. The commitments included in the above table reflect these revisions.

As at the date of publishing these financial statements the Group also has the right (but no obligation) to purchase twelve Q400 aircraft.

8. CONTINGENT LIABILITIES

All significant legal disputes involving probable loss that can be reliably estimated have been provided for in the financial statements. There are no contingent liabilities for which it is practicable to estimate the financial effect.

Air New Zealand has been named in four class actions. One, in Australia, claims travel agents commission on fuel surcharges and two (one in Australia and the other in the United States) make allegations against more than 30 airlines, of anti competitive conduct in relation to pricing in the air cargo business. The fourth class action alleges (in the United States) that Air New Zealand together with 11 other airlines conspired in respect of fares and surcharges on trans-Pacific routes. All class actions are being defended.

The allegations made in relation to the air cargo business are also the subject of investigations by regulators in a number of jurisdictions including New Zealand, the United States and the European Union. A formal Statement of Objections was issued by the European Commission in 2007 to 25 airlines including Air New Zealand. Air New Zealand has responded to this Statement of Objections. On 15 December 2008 the New Zealand Commerce Commission filed proceedings against 13 airlines including Air New Zealand alleging breaches of the Commerce Act. Air New Zealand is defending these proceedings. In the event that a court determined, or it was agreed with a regulator, that Air New Zealand had breached relevant laws, the Company would have potential liability for pecuniary penalties and to third party damages under the laws of the relevant jurisdictions.

No other significant contingent liability claims are outstanding at balance date.

Outstanding letters of credit and performance bonds total $26 million (31 December 2007: $19 million; 30 June 2008: $21 million).

The Group has a partnership agreement with Pratt and Whitney in which it holds a 49 percent interest in the Christchurch Engine Centre (CEC). By the nature of the agreement, joint and several liability exists between the two parties. Total liabilities of the CEC are $50 million (31 December 2007: $38 million; 30 June 2008: $39 million).

9. DIVIDENDS

On 25 February 2009, the Board of directors declared an interim dividend of 3.0 cents per Ordinary Share, payable on 27 March 2009 to registered shareholders at 13 March 2009. The total dividend payable will be $32 million. Imputation credits will be attached and supplementary dividends paid to non-resident shareholders. The dividend has not been recognised in the December 2008 interim financial statements.

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.

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 27 March 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 13 March 2009.

REVIEW REPORT OF THE AUDITOR-GENERAL

Deloitte.

TO THE READERS OF THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS OF AIR NEW ZEALAND LIMITED GROUP

We have reviewed the condensed consolidated interim financial statements on pages 1 to 8. The condensed consolidated interim financial statements provide information about the past financial performance of Air New Zealand Limited and its subsidiaries ("the Group") and its financial position as at 31 December 2008. This information is stated in accordance with the accounting policies set out in the Group annual financial statements as at 30 June 2008.

Board of Directors' Responsibilities

The Board of Directors is responsible for the preparation, in accordance with New Zealand law and generally accepted accounting practice, of the condensed consolidated interim financial statements which present fairly the financial position of the Group as at 31 December 2008 and the results of operations and cash flows for the six months ended on that date.

Independent Accountant's Responsibilities

The Auditor-General is the auditor of the Group pursuant to section 5(1)(f) of the Public Audit Act 2001. Pursuant to section 32 of the Public Audit Act 2001, the Auditor-General has appointed Andrew Burgess of Deloitte to carry out the annual audit of the Group.

We are responsible for reviewing the condensed consolidated interim financial statements presented by the Board of Directors in order to report to you whether, in our opinion and on the basis of the procedures performed by us, anything has come to our attention that would indicate that the condensed consolidated interim financial statements do not present fairly the matters to which they relate.

Basis of Opinion

A review is limited primarily to enquiries of company personnel and analytical review procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

We have reviewed the condensed consolidated interim financial statements of the Group for the six months ended 31 December 2008 in accordance with the Review Engagement Standards issued by the New Zealand Institute of Chartered Accountants.

We have performed other engagements in the areas of taxation, audit and other assurance services. None of these engagements impact, in any way, on our independence. In addition to these engagements, principals and employees of our firm deal with the Group on arm's length terms within the ordinary course of trading activities of the Group. Other than these engagements and arm's length transactions, and in our capacity as auditor acting on behalf of the Auditor-General, we have no relationship with or interests in the Group.

Conclusion

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the condensed consolidated interim financial statements on pages 1 to 8 do not present fairly the financial position of the Group as at 31 December 2008 and the results of its operations and cash flows for the six months ended on that date in accordance with NZ IAS 34: Interim Financial Reporting and IAS 34: Interim Financial Reporting.

Our review was completed on 26 February 2009 and our review opinion is expressed as at that date.

A.G. Burgess

A Burgess
Deloitte
On behalf of the Auditor-General
Auckland, New Zealand