

Air New Zealand Limited
Preliminary Full Year Results
27 August 2014

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Air New Zealand Limited
ARBN 000 312 685
Preliminary Final Report - 30 June 2014
Full year information given to the ASX under listing rule 4.3A
Appendix 4E

- 1 This report is for the full year ended 30 June 2014 and should be read in conjunction with the annual financial report.**

Comparatives are in respect of the full year ended 30 June 2013.

- 2 Results for announcement to the market:**

	Current Year \$NZ'm	Up/(Down) %	Previous Year \$NZ'm
2.1 Revenue from ordinary activities (including finance income)	4,707	1%	4,652
2.2 Profit from ordinary activities after taxation attributable to members	262	45%	181
2.3 Net profit attributable to members	262	45%	181

2.4 - 2.5 Dividends:

On 26 August 2014, the Board of Directors declared a final dividend for the 2014 financial year of 5.5 cents per Ordinary Share and a special dividend of 10.0 cents per Ordinary Share, payable on 22 September 2014 to registered shareholders at 12 September 2014. The total dividends payable will be \$172 million. Imputation credits will be attached and supplementary dividends paid to non-resident shareholders. These dividends have not been recognised in the June 2014 financial statements.

An interim dividend of 4.5 cents per Ordinary Share was paid on 21 March 2014. Imputation credits were attached and supplementary dividends paid to non-resident shareholders.

A final dividend in respect of the 2013 financial year of 5.0 cents per Ordinary Share was paid on 23 September 2013. Imputation credits were attached and supplementary dividends paid to non-resident shareholders.

- 2.6 Additional explanation of above information:**

Not required.

- 3 Statement of Financial Performance and Statement of Comprehensive Income, 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.

- 6 Statement of Changes in Equity:**

Refer to the Financial Statements.

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7 Dividends:

Details on the final and special dividends for the 2014 financial year are provided in section 2 above.

	\$NZ'm	NZ Cents Per Share
Distributions recognised		
Final dividend for 2013 financial year on Ordinary Shares	55	5.0
Interim dividend for 2014 financial year on Ordinary Shares	50	4.5
Distributions paid		
Final dividend for 2013 financial year on Ordinary Shares	56	5.0
Interim dividend for 2014 financial year on Ordinary Shares	52	4.5

8 Dividend or Distribution reinvestment plans in operation:

The dividend reinvestment plan is currently suspended.

9 Net tangible assets per security:

(NZ Cents Per Share)	Current Year	Previous Year
Ordinary Shares	161	157

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

Nil

11 Details of associates and joint ventures:

11.1 to
11.3

Name	% Held Current Year	% Held Previous Year	Contribution to Net Profit Current Year \$NZ'm	Contribution to Net Profit Previous Year \$NZ'm
Associate				
Christchurch Engine Centre (CEC)*	49%	49%	11	5
Joint Venture				
ANZGT Field Services LLC**	51%	51%	-	-
Pacific Leisure Group Limited	50%	50%	-	-

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

** Upon adoption of NZ IFRS 11 on 1 July 2013, the 51% interest in ANZGT Field Services LLC has been reclassified from a subsidiary to a joint venture.

12 Other significant information needed by an investor:

	Measurement	Current Year	Previous Year	% Change
Passengers Carried	000	13,719	13,411	2.3%
Revenue Passenger Kilometres	m	28,078	27,733	1.2%
Available Seat Kilometres	m	33,396	33,167	0.7%
Passenger Load Factor	%	84.1	83.6	0.5% pts

Air New Zealand Limited
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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.

14 Commentary on the results of the year:

	Measurement	Current Year	Previous Year	
14.1	Basic earnings per share	NZ cents per share	23.8	16.5
	Diluted earnings per share	NZ cents per share	23.6	16.4
14.2	Returns to shareholders (see also sections 2 and 7)			
	Final dividend on Ordinary Shares*	\$NZ'm	55	38
	Interim dividend on Ordinary Shares	\$NZ'm	50	33
	Acquisition of Treasury Stock (share buyback)	\$NZ'm	-	11

* Reflects the final dividend for the 2013 and 2012 financial years. Details on the final and special dividends for the 2014 financial year are provided in the first paragraph of section 2.4 - 2.5 above.

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 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	Previous Year
	\$NZ'm	\$NZ'm
Analysis of revenue by geographical region of original sale		
New Zealand	2,747	2,659
Australia and Pacific Islands	682	711
United Kingdom and Europe	270	306
Asia	326	366
North America	638	573
Total operating revenue	4,663	4,615

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

14.5 Discussion of trends in performance:

Refer to the media release.

Air New Zealand Limited
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Appendix 4E

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.

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 controlled entities as at 30 June 2014, 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 27 August 2014

Tony Carter
Chairman

Directors' Report - 30 June 2014

Review of operations and results:

Refer to the media release.

Directors' details:

The following directors held office during the 12 months to 30 June 2014 and are directors at the date of this report.

Name		Date of Initial Appointment
Tony Carter	Chairman (Non Executive, Independent)	1 December 2010
Jan Dawson	Deputy Chairman (Non Executive, Independent)	1 April 2011
Roger France	(Non Executive, Independent)	1 October 2001
Jim Fox	(Non Executive, Independent)	21 November 2006
Paul Bingham	(Non Executive, Independent)	1 July 2008
Rob Jager	(Non Executive, Independent)	1 April 2013
Jonathan Mason	(Non Executive, Independent)	1 March 2014
Linda Jenkinson	(Non Executive, Independent)	1 June 2014

At the Annual Meeting held on 27 September 2013 the following directors retired by rotation in accordance with the Company's Constitution and were re-elected to the Board:

Tony Carter
Jim Fox

At the Annual Meeting on 27 September 2013, a resolution was passed to elect Rob Jager as an independent director.

Following a resolution of directors, effective from 27 September 2013, Tony Carter replaced John Palmer as Chairman of the Board and Jan Dawson replaced Tony Carter as Deputy Chairman.

John Palmer retired from the Board on 31 March 2014.

Jonathan Mason was appointed as an independent non executive director with effect from 1 March 2014.

Linda Jenkinson was appointed as an independent non executive director with effect from 1 June 2014.

Jim Fox will retire from the Board with effect from 31 August 2014.

Dated 27 August 2014

Tony Carter
Chairman

Name of Listed Issuer:

AIR NEW ZEALAND LIMITED

Results for announcement to the market

Reporting Period 12 months to 30 June 2014
Previous Reporting Period 12 months to 30 June 2013

	Amount \$NZ'm	Percentage change
Revenue from ordinary activities (including finance income)	4,707	1%
Profit from ordinary activities after tax attributable to security holders	262	45%
Net profit attributable to security holders	262	45%

Dividends (NZ cents)	Amount per security	Imputed amount per security
Interim dividend	4.5	1.75
Final dividend*	5.5	2.14
Special dividend*	10.0	3.89

* The final and special dividends were declared on 26 August 2014

Details of final and special dividends	
Record Date for Final and Special Dividends	12-Sep-14
Payment Date for Final and Special Dividends	22-Sep-14

Comments:

PRELIMINARY FULL YEAR REPORT ANNOUNCEMENT
AIR NEW ZEALAND LIMITED
Full Year Ended 30 June 2014 (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 2014 with the comparative period being for the year ended 30 June 2013.

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 2014, the Board of Directors declared a final dividend for the 2014 financial year of 5.5 cents per Ordinary Share and a special dividend of 10.0 cents per Ordinary Share, payable on 22 September 2014 to registered shareholders at 12 September 2014. The total dividends payable will be \$172 million. Imputation credits will be attached and supplementary dividends paid to non-resident shareholders. These dividends have not been recognised in the June 2014 financial statements.

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A final dividend in respect of the 2013 financial year of 5.0 cents per Ordinary Share was paid on 23 September 2013. Imputation credits were attached and supplementary dividends paid to non-resident shareholders.

	\$NZ'm	NZ Cents Per Share
Distributions recognised		
Final dividend for 2013 financial year on Ordinary Shares	55	5.0
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Distributions paid		
Final dividend for 2013 financial year on Ordinary Shares	56	5.0
Interim dividend for 2014 financial year on Ordinary Shares	52	4.5

PRELIMINARY FULL YEAR REPORT ANNOUNCEMENT
AIR NEW ZEALAND LIMITED
Full Year Ended 30 June 2014 (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.

The dividend reinvestment plan is currently suspended.

(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	161	157

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

Parts (i) to (iii)

Nil

(i) Details of associates and joint ventures:

Parts (i) to (iii)

Name	% Held Current Year	% Held Previous Year	Contribution to Net Profit Current Year \$NZ'm	Contribution to Net Profit Previous Year \$NZ'm
Associate				
Christchurch Engine Centre (CEC)*	49%	49%	11	5
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ANZGT Field Services LLC**	51%	51%	-	-
Pacific Leisure Group Limited	50%	50%	-	-

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

** Upon adoption of NZ IFRS 11 on 1 July 2013, the 51% interest in ANZGT Field Services LLC has been reclassified from a subsidiary to a joint venture.

(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	13,719	13,411	2.3%
Revenue Passenger Kilometres	m	28,078	27,733	1.2%
Available Seat Kilometres	m	33,396	33,167	0.7%
Passenger Load Factor	%	84.1	83.6	0.5% pts

PRELIMINARY FULL YEAR REPORT ANNOUNCEMENT

AIR NEW ZEALAND LIMITED

Full Year Ended 30 June 2014 (referred to in this report as the "current full year")

(k) Commentary on the results

	Measurement	Current Year	Previous Year
(i) Basic earnings per share	NZ cents per share	23.8	16.5
Diluted earnings per share	NZ cents per share	23.6	16.4
(ii) Returns to shareholders (see also section (d) above)			
Final dividend on Ordinary Shares*	\$NZ'm	55	38
Interim dividend on Ordinary Shares	\$NZ'm	50	33
Acquisition of Treasury Stock (share buyback)	\$NZ'm	-	11

* Reflects the final dividend for the 2013 and 2012 financial years. Details on the final and special dividends for the 2014 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

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Total operating revenue	4,663	4,615

The principal non-current asset of the Group is the aircraft fleet which is registered in New Zealand and employed across the worldwide network. Accordingly, there is no reasonable basis for allocating the 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 to the back of the financial statements and contains no qualifications.

PRELIMINARY FULL YEAR REPORT ANNOUNCEMENT
AIR NEW ZEALAND LIMITED
Full Year Ended 30 June 2014 (referred to in this report as the "current full year")

(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 and Note 30 in the financial statements.

3.3 Changes in accounting policies

Refer to Note 30 in the financial statements.

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 2014.

Tony Carter
Chairman

Number of pages including this one
(Please provide any other relevant
details on additional pages)

1

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 **26 / 08 / 2014**

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) **\$0.055** Source of Payment

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 **\$0.009706**

Total monies **\$61.2 million** Date Payable **22 September 2014**

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 **\$0.003819** Imputation Credits (Give details) **\$0.021389**

Foreign Withholding Tax **\$** FDP Credits (Give details)

Timing

(Refer Appendix 8 in the NZSX Listing Rules)

Record Date 5pm
For calculation of entitlements - **12 September 2014**

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. **22 September 2014**

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:



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.

Number of pages including this one
(Please provide any other relevant details on additional pages)

1

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: **26 / 08 / 2014**

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): **\$0.100** Source of Payment:

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: **\$0.017647**

Total monies: **\$111.2 million** Date Payable: **22 September 2014**

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: **\$0.006944** Imputation Credits (Give details): **\$0.038889**

Foreign Withholding Tax: **\$** FDP Credits (Give details):

Timing (Refer Appendix 8 in the NZSX Listing Rules)

Record Date 5pm For calculation of entitlements - **12 September 2014**

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. **22 September 2014**

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:

