

Air New Zealand Limited
Preliminary Full Year Results
26 August 2015

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NZX Appendix 7

Air New Zealand Limited
ARBN 000 312 685
Preliminary Final Report - 30 June 2015
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 2015 and should be read in conjunction with the annual financial report.**

Comparatives are in respect of the full year ended 30 June 2014.

- 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)	4,981	6%	4,696
2.2 Profit from ordinary activities after taxation attributable to members	327	24%	263
2.3 Net profit attributable to members	327	24%	263

2.4 - 2.5 Dividends:

On 25 August 2015, the Board of Directors declared a final dividend for the 2015 financial year of 9.5 cents per Ordinary Share, payable on 21 September 2015 to registered shareholders at 11 September 2015. The total dividends payable will be \$107 million. Imputation credits will be attached and supplementary dividends paid to non-resident shareholders. These dividends have not been recognised in the June 2015 financial statements.

An interim dividend of 6.5 cents per Ordinary Share was paid on 20 March 2015. Imputation credits were attached and supplementary dividends paid to non-resident shareholders.

A final dividend in respect of the 2014 financial year of 5.5 cents per Ordinary Share and a special dividend of 10.0 cents per Ordinary Share was paid on 22 September 2014. 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 dividend for the 2015 financial year are provided in section 2 above.

	\$NZ'm	NZ Cents Per Share
Distributions recognised		
Final dividend for 2014 financial year on Ordinary Shares	61	5.5
Special dividend for 2014 financial year on Ordinary Shares	112	10.0
Interim dividend for 2015 financial year on Ordinary Shares	73	6.5
Distributions paid		
Final dividend for 2014 financial year on Ordinary Shares	64	5.5
Special dividend for 2014 financial year on Ordinary Shares	117	10.0
Interim dividend for 2015 financial year on Ordinary Shares	77	6.5

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	166	160

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

Name	Date of disposal
Altitude Aerospace Interiors Limited	29 September 2014
TAE Pty Ltd*	30 March 2015
Safe Air Limited**	29 June 2015

* TAE Pty Ltd held a 100% shareholding in TAE Aviation Pty Ltd, TAE Gas Turbines Pty Ltd, and Masling Industries Pty Ltd.

** Safe Air Limited held a 100% shareholding in Safe Air (Australia) Pty Limited. On 29 June 2015, the Group had entered into an unconditional agreement to dispose of its interest in Safe Air Limited. The sale was reflected in the financial statements from the date that the agreement became unconditional. Legal completion of the sale occurred on 1 July 2015.

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	Contribution to Net Profit Previous Year
				\$NZ'm	\$NZ'm
Associate					
	Christchurch Engine Centre (CEC)*	49%	49%	7	11
	Virgin Australia Holdings Limited**	25.92%	N/A	(29)	-

* CEC is operated in partnership with Pratt and Whitney.

** On 4 July 2014, the Chief Executive Officer of Air New Zealand was appointed to the Board of Directors of Virgin Australia Holdings Limited which demonstrated, from an accounting perspective, that the Group was able to exercise significant influence going forward. Accordingly, the investment was treated as an associate from this date. In the 2014 financial year Air New Zealand treated the investment as an investment in quoted equity instruments, rather than an equity accounted associate.

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11.1 to 11.3	Name	% Held Current Year	% Held Previous Year
	Joint Venture		
	ANZGT Field Services LLC	51%	51%
	Pacific Leisure Group Limited	50%	50%
	11Ants Analytics Group Limited ***	50%	N/A

*** On 30 March 2015 the Group acquired a 50% interest in 11Ants Analytics Group Limited.

12 Other significant information needed by an investor:

	Measurement	Current Year	Previous Year	% Change
Passengers Carried	000	14,297	13,719	4.2%
Revenue Passenger Kilometres	m	29,934	28,078	6.6%
Available Seat Kilometres	m	35,601	33,396	6.6%
Passenger Load Factor	%	84.1	84.1	0% 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.

14 Commentary on the results of the year:

	Measurement	Current Year	Previous Year
14.1 Basic earnings per share	NZ cents per share	29.2	23.9
Diluted earnings per share	NZ cents per share	29.1	23.6
14.2 Returns to shareholders (see also sections 2 and 7)			
Final dividend on Ordinary Shares*	\$NZ'm	61	55
Special dividend on Ordinary Shares	\$NZ'm	112	-
Interim dividend on Ordinary Shares	\$NZ'm	73	50

* Reflects the final dividend for the 2014 financial year and the final dividend for the 2013 financial year. Details on the final dividend for the 2015 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.

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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	2,917	2,736
Australia and Pacific Islands	639	682
United Kingdom and Europe	286	270
Asia	381	326
America	702	638
Total operating revenue	4,925	4,652

The principal non-current assets of the Group are the aircraft fleet which are 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.

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 2015, 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 2015

Tony Carter
Chairman

Directors' Report - 30 June 2015

Review of operations and results:

Refer to the media release.

Directors' details:

The following directors held office during the 12 months to 30 June 2015 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
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 30 September 2014 the following directors retired by rotation in accordance with the Company's Constitution and were re-elected to the Board:

Jan Dawson

Paul Bingham

At the Annual Meeting on 30 September 2014, a resolution was passed to elect the following directors as independent directors.

Jonathan Mason

Linda Jenkinson

Dated 26 August 2015

Tony Carter
Chairman

Name of Listed Issuer:

AIR NEW ZEALAND LIMITED

Results for announcement to the market

Reporting Period 12 months to 30 June 2015
Previous Reporting Period 12 months to 30 June 2014

	Amount \$NZ'm	Percentage change
Revenue from ordinary activities (including finance income)	4,981	6%
Profit from ordinary activities after tax attributable to security holders	327	24%
Net profit attributable to security holders	327	24%

Dividends (NZ cents)	Amount per security	Imputed amount per security
Interim dividend	6.5	2.53
Final dividend*	9.5	3.69

* The final dividend was declared on 25 August 2015

Details of final dividend	
Record Date for Final Dividend	11-Sep-15
Payment Date for Final Dividend	21-Sep-15

Comments:

PRELIMINARY FULL YEAR REPORT ANNOUNCEMENT
AIR NEW ZEALAND LIMITED
Full Year Ended 30 June 2015 (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 2015 with the comparative period being for the year ended 30 June 2014.

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 25 August 2015, the Board of Directors declared a final dividend for the 2015 financial year of 9.5 cents per Ordinary Share, payable on 21 September 2015 to registered shareholders at 11 September 2015. The total dividends payable will be \$107 million. Imputation credits will be attached and supplementary dividends paid to non-resident shareholders. These dividends have not been recognised in the June 2015 financial statements.

An interim dividend of 6.5 cents per Ordinary Share was paid on 20 March 2015. Imputation credits were attached and supplementary dividends paid to non-resident shareholders.

A final dividend in respect of the 2014 financial year of 5.5 cents per Ordinary Share and a special dividend of 10.0 cents per Ordinary Share was paid on 22 September 2014. Imputation credits were attached and supplementary dividends paid to non-resident shareholders.

	\$NZ'm	NZ Cents Per Share
Distributions recognised		
Final dividend for 2014 financial year on Ordinary Shares	61	5.5
Special dividend for 2014 financial year on Ordinary Shares	112	10.0
Interim dividend for 2015 financial year on Ordinary Shares	73	6.5
Distributions paid		
Final dividend for 2014 financial year on Ordinary Shares	64	5.5
Special dividend for 2014 financial year on Ordinary Shares	117	10.0
Interim dividend for 2015 financial year on Ordinary Shares	77	6.5

(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.

PRELIMINARY FULL YEAR REPORT ANNOUNCEMENT

AIR NEW ZEALAND LIMITED

Full Year Ended 30 June 2015 (referred to in this report as the "current full year")

(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	166	160

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

Parts (i) to (iii)

Name	Date of disposal
Altitude Aerospace Interiors Limited	29 September 2014
TAE Pty Ltd*	30 March 2015
Safe Air Limited**	29 June 2015

* TAE Pty Ltd held a 100% shareholding in TAE Aviation Pty Ltd, TAE Gas Turbines Pty Ltd and Masling Industries Pty Ltd.

** Safe Air Limited held a 100% shareholding in Safe Air (Australia) Pty Limited. On 29 June 2015, the Group had entered into an unconditional agreement to dispose of its interest in Safe Air Limited. The sale was reflected in the financial statements from the date that the agreement became unconditional. Legal completion of the sale occurred on 1 July 2015.

(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%	7	11
Virgin Australia Holdings Limited**	25.92%	N/A	(29)	-

* CEC is operated in partnership with Pratt and Whitney.

** On 4 July 2014, the Chief Executive Officer of Air New Zealand was appointed to the Board of Directors of Virgin Australia Holdings Limited which demonstrated, from an accounting perspective, that the Group was able to exercise significant influence going forward. Accordingly, the investment was treated as an associate from this date. In the 2014 financial year Air New Zealand treated the investment as an investment in quoted equity instruments, rather than an equity accounted associate.

Name	% Held Current Year	% Held Previous Year
Joint Venture		
ANZGT Field Services LLC	51%	51%
Pacific Leisure Group Limited	50%	50%
11Ants Analytics Group Limited ***	50%	N/A

*** On 30 March 2015 the Group acquired a 50% interest in 11Ants Analytics Group Limited.

(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	14,297	13,719	4.2%
Revenue Passenger Kilometres	m	29,934	28,078	6.6%
Available Seat Kilometres	m	35,601	33,396	6.6%
Passenger Load Factor	%	84.1	84.1	0% pts

PRELIMINARY FULL YEAR REPORT ANNOUNCEMENT

AIR NEW ZEALAND LIMITED

Full Year Ended 30 June 2015 (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	29.2	23.9
Diluted earnings per share	NZ cents per share	29.1	23.6
(ii) Returns to shareholders (see also section (d) above)			
Final dividend on Ordinary Shares*	\$NZ'm	61	55
Special dividend on Ordinary Shares	\$NZ'm	112	-
Interim dividend on Ordinary Shares	\$NZ'm	73	50

* Reflects the final dividend for the 2014 financial year and the final dividend for the 2013 financial year. Details on the final dividend for the 2015 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.

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America	702	638
Total operating revenue	4,925	4,652

The principal non-current assets of the Group are the aircraft fleet which are 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.

(m) Major changes in trends in the business subsequent to the end of the financial year

Refer to the media release.

PRELIMINARY FULL YEAR REPORT ANNOUNCEMENT
AIR NEW ZEALAND LIMITED
Full Year Ended 30 June 2015 (referred to in this report as the "current full year")

(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 the Statement of Accounting Policies and Notes in the financial statements.

3.3 Changes in accounting policies

Refer to the Statement of Accounting Policies 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 26 August 2015.

Tony Carter
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.

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 **25 / 08 / 2015**

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) **\$0.095** 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 **\$0.016765**

Total monies **\$106.6 million** Date Payable **21 September 2015**

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 **\$0.006597** Imputation Credits (Give details) **\$0.036944**

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

Timing (Refer Appendix 8 in the NZSX Listing Rules)

Record Date 5pm
For calculation of entitlements - **11 September 2015**

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 2015**

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:

