



Air New Zealand Limited
Fuel Hedge Position as at 13 February 2015

		Units	FY15 Q3	FY15 Q4	FY16 Q1	FY16 Q2	Total FY15	Total FY16
			Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	2nd Half	1st Half
WTI Swaps	Volume	Barrels	25,000	150,000	25,000		175,000	25,000
	Price	USD	94.74	94.74	94.74		94.74	94.74
Brent Collars	Volume	Barrels	1,100,000	575,000	162,500		1,675,000	162,500
	Ceiling Price	USD	108.47	101.35	102.33		106.02	102.33
	Floor Price	USD	99.45	94.05	95.71		97.60	95.71
WTI Collars	Volume	Barrels	200,000	337,500	412,500	100,000	537,500	512,500
	Ceiling Price	USD	92.88	85.72	83.98	76.50	88.38	82.52
	Floor Price	USD	83.75	78.74	76.67	69.25	80.60	75.22
Bought Brent Puts	Volume	Barrels	537,500	75,000			612,500	
	Stike Price	USD	89.26	89.50			89.29	
Total hedged		Barrels	1,325,000	1,062,500	600,000	100,000	2,387,500	700,000
Estimated fuel consumption		Barrels	1,974,586	1,878,442	1,994,784	1,971,347	3,853,028	3,966,131
Hedge ratio			67%	57%	30%	5%	62%	18%
Compensation from fuel hedges (1)		USD	(35,499,948)	(29,360,691)	(13,532,946)	(1,025,649)	(64,860,639)	(14,558,595)
Purchase cost of options		USD	(3,518,125)	(1,755,625)	(939,500)	(172,000)	(5,273,750)	(1,111,500)
Net compensation from hedges (2)		USD	(39,018,073)	(31,116,316)	(14,472,446)	(1,197,649)	(70,134,389)	(15,670,095)

Notes:

Brent spot was US\$61.00 and 12 month Brent was US\$68.00; WTI spot was US\$53.00 and 12 month WTI was US\$62.00; Singapore Jet spot was US\$76 and 12 month Singapore Jet was US\$80.

Periods relate to the month of uplift. Air New Zealand does not use three way call structures or leveraged collar structures.

(1) Compensation from fuel hedges is the sum of the mark-to-market value of all fuel swaps and options as at 13 February 2015.

(2) Net compensation from fuel hedges represents the unrealised gains and losses on fuel hedges. These gains and losses will be accounted for in line with Air New Zealand Limited's fuel instrument accounting policy:

- The effective portion of changes in the intrinsic value and time value of fuel derivatives is recognised through Other Comprehensive Income; and
- Any accounting ineffectiveness is recognised through earnings.

Volume: Fuel volume is reported in barrels for passenger aircraft (42 US gallons in a barrel).

Price: Price is quoted in USD cost per barrel of West Texas Intermediate (WTI), Brent and Singapore Jet.