



Air New Zealand Limited
Fuel Hedge Position as at 22 January 2008

		Units	FY08 Q2 Oct - Dec	FY08 Q3 Jan - Mar	FY08 Q4 Apr - Jun	FY09 Q1 Jul - Sep	FY09 Q2 Oct - Dec	Total FY08 1st Half	Total FY08 2nd Half	Total FY09 1st Half
WTI Collars	Volume	Barrels	1,560,000	1,615,000	1,570,000	965,000	375,000	3,220,000	3,185,000	1,340,000
	Ceiling Price	USD	69.87	75.74	83.14	86.85	91.71	69.33	79.39	88.21
	Floor Price	USD	60.23	63.75	68.54	69.75	73.64	60.55	66.11	70.84
Singapore Jet Collars	Volume	Barrels	275,000	245,000				275,000	245,000	
	Ceiling Price	USD	85.00	93.16				85.00	93.16	
	Floor Price	USD	75.94	82.34				75.94	82.34	
Total hedged		Barrels	1,835,000	1,860,000	1,570,000	965,000	375,000	3,495,000	3,430,000	1,340,000
Estimated Fuel Consumption		Barrels	2,180,147	2,192,604	2,097,468	2,085,093	2,178,239	4,188,654	4,290,073	4,263,332
Hedge Ratio		%	84%	85%	75%	46%	17%	83%	80%	31%
Compensation from fuel hedges (1)		USD	30,932,955	28,875,146	15,186,211	6,985,087	1,355,271	37,726,080	44,061,357	8,340,358
Purchase Cost of Options		USD	(3,701,950)	(3,735,700)	(3,341,300)	(2,486,550)	(1,178,900)	(7,010,200)	(7,077,000)	(3,665,450)
Net Compensation from hedges (2)		USD	27,231,005	25,139,446	11,844,911	4,498,537	176,371	30,715,880	36,984,357	4,674,908

Notes:

- (1) Compensation from fuel hedges is the sum of the mark-to-market value of all fuel swaps and options as at 22 January 2008.
- (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 of fuel derivatives is recognised through the cash flow hedge reserve;
 - Changes in the time value of fuel derivatives are recognised through earnings; and
 - Any accounting ineffectiveness is recognised through earnings.
- (3) Periods relate to the month of uplift.
- (4) Air New Zealand does not use three way call structures or leveraged collar structures.

Key: **Volume:** Fuel volume is reported in barrels (42 US gallons in a barrel)
Price: Price is quoted in USD cost per barrel of Singapore Jet and West Texas Intermediate (WTI)