



**Air New Zealand Limited**  
**Fuel Hedge Position as at 21 July 2008**

	Units	FY09 Q1 Jul - Sep	FY09 Q2 Oct – Dec	FY09 Q3 Jan – Mar	FY09 Q4 Apr - Jun	Total FY09 1st Half	Total FY09 2nd Half	
WTI Collars	Volume	Barrels	1,600,000	1,545,000	705,000	175,000	3,145,000	880,000
	Ceiling Price	USD	96.17	111.14	123.86	144.44	103.52	127.95
	Floor Price	USD	78.33	94.22	107.83	134.87	86.14	113.21
Total hedged		Barrels	1,600,000	1,545,000	705,000	175,000	3,145,000	880,000
Estimated Fuel Consumption (1)		Barrels	2,105,415	2,175,729	2,156,220	2,062,856	4,281,144	4,219,076
Hedge Ratio		%	76%	71%	33%	8%	73%	21%
Compensation from fuel hedges (2)		USD	56,927,705	33,934,849	8,375,172	(1,161,415)	90,862,554	7,213,757
Purchase Cost of Options		USD	(4,531,850)	(4,837,050)	(2,300,250)	(510,500)	(9,368,900)	(2,810,750)
Net Compensation from hedges (3)		USD	52,395,855	29,097,799	6,074,922	(1,671,915)	81,493,654	4,403,007

**Notes:**

- (1) The estimated fuel consumption excludes the round the world freighter.
- (2) Compensation from fuel hedges is the sum of the mark-to-market value of all fuel swaps and options as at 21 July 2008.
- (3) 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.
- (4) Periods relate to the month of uplift.
- (5) 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 West Texas Intermediate (WTI)