



**Air New Zealand Limited
Fuel Hedge Position as at 21 April 2009**

		Units	FY09 Q4 Apr-Jun	FY10 Q1 Jul-Sep	FY10 Q2 Oct-Dec	FY10 Q3 Jan-Mar	Total FY09 1st Half	Total FY09 2nd Half	FY09 Total	Total FY10 1st Half	Total FY10 2nd Half	FY10 Total
WTI Collars	Volume	Barrels	225,000	730,000	650,000	150,000	3,215,000	1,805,000	5,020,000	1,380,000	150,000	1,530,000
	Ceiling Price	USD	97.04	62.92	58.62	61.38	103.91	117.30	108.72	60.89	61.38	60.94
	Floor Price	USD	80.28	40.81	32.92	33.05	86.55	101.58	91.95	37.09	33.05	36.70
WTI bought put spreads (5)	Volume	Barrels	250,000				200,000	1,200,000	1,400,000			
	Ceiling Price	USD	71.00				85.00	77.92	78.93			
	Floor Price	USD	50.00				69.38	58.85	60.35			
Singapore Jet bought puts (5)	Volume	Barrels	450,000					800,000	800,000			
	Strike price	USD	71.45					72.34	72.34			
Singapore Jet Collars	Volume	Barrels	1,205,000	450,000				1,205,000	1,205,000	450,000		450,000
	Ceiling Price	USD	104.97	70.92				104.97	104.97	70.92		70.92
	Floor Price	USD	88.21	48.81				88.21	88.21	48.81		48.81
Total hedged		Barrels	1,430,000	1,180,000	650,000	150,000	3,215,000	3,010,000	6,225,000	1,830,000	150,000	1,980,000
Estimated Fuel Consumption		Barrels	1,807,790	1,792,394	1,841,347	1,975,150	4,220,912	3,850,767	8,071,679	3,633,741	3,816,496	7,450,237
Hedge Ratio			79%	66%	35%	8%	76%	78%	77%	50%	4%	27%
Compensation from fuel hedges (1)		USD	-38,787,486	3,174,847	4,655,185	892,517	24,245,730	-115,233,811	-90,988,081	7,830,032	892,517	8,722,549
Purchase Cost of Options		USD	-10,101,650	-5,997,050	-3,425,300	-827,750	-10,479,200	-21,988,100	-32,467,300	-9,422,350	-827,750	-10,250,100
Net Compensation from hedges (2)		USD	-48,889,136	-2,822,203	1,229,885	64,767	13,766,530	-137,221,911	-123,455,381	-1,592,318	64,767	-1,527,551

Notes:

WTI spot was \$49.40. 12 month WTI was \$59.25. Forward prices were based off Goldman Sachs Daily Fuel Price Forecast released 21 April 2009.

(1) Compensation from fuel hedges is the sum of the mark-to-market value of all fuel swaps and options as at 21 April 2009.

(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.

(5) The bought WTI put spreads and bought Singapore jet puts are designed to allow Air NZ to offset partially the losses generated from long established collar hedges should markets continue to fall. The hedges are cash for differences and do not involve physical purchases.

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) and Singapore Jet.