



Air New Zealand Limited
Fuel Hedge Position as at 21 August 2009

		Units	FY10 Q1 Jul-Sep	FY10 Q2 Oct-Dec	FY10 Q3 Jan-Mar	FY10 Q4 Apr-Jun	Total FY10 1st Half	Total FY10 2nd Half	FY10 Total
WTI Collars	Volume	Barrels		375,000	1,225,000	530,000	375,000	1,755,000	2,130,000
	Ceiling Price	USD		64.25	71.68	76.06	64.25	73.00	71.46
	Floor Price	USD		40.31	51.34	60.89	40.31	54.23	51.78
WTI bought puts (1)	Volume	Barrels	240,000	120,000			360,000		360,000
	Ceiling Price	USD	38.44	38.44			38.44		38.44
WTI bought calls	Volume	Barrels		80,000	110,000	40,000	80,000	150,000	230,000
	Ceiling Price	USD		68.97	74.70	75.90	68.97	75.02	72.92
Singapore Jet bought puts (1)	Volume	Barrels	175,000				175,000		175,000
	Strike price	USD	59.79				59.79		59.79
Singapore Jet Collars	Volume	Barrels	1,385,000	1,000,000			2,385,000		2,385,000
	Ceiling Price	USD	69.49	72.50			70.75		70.75
	Floor Price	USD	47.67	48.57			48.04		48.04
Singapore Jet bought calls	Volume	Barrels	25,000				25,000		25,000
	Ceiling Price	USD	73.40				73.40		73.40
Total hedged		Barrels	1,410,000	1,455,000	1,335,000	570,000	2,865,000	1,905,000	4,770,000
Estimated Fuel Consumption		Barrels	1,786,636	1,797,799	1,800,700	1,700,999	3,584,435	3,501,699	7,086,134
Hedge Ratio			79%	81%	74%	34%	80%	54%	67%
Compensation from fuel hedges (2)		USD	5,797,650	18,330,768	13,719,607	4,791,870	24,128,418	18,511,477	42,639,895
Purchase Cost of Options		USD	-7,281,550	-6,747,650	-5,620,100	-2,045,900	-14,029,200	-7,666,000	-21,695,200
Net Compensation from hedges (3)		USD	-1,483,900	11,583,118	8,099,507	2,745,970	10,099,218	10,845,477	20,944,695

Notes:

WTI spot was \$73.90. 12 month WTI was \$79.00. Periods relate to the month of uplift.

Air New Zealand does not use three way call structures or leveraged collar structures.

(1) The bought WTI puts and bought Singapore jet puts are designed to allow Air NZ to offset partially the losses generated from established collar hedges. The hedges are cash for differences and do not involve physical purchases.

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

(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.

Key: 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) and Singapore Jet.