



Air New Zealand Limited
Fuel Hedge Position as at 19 November 2010

		Units	FY11 Q2 Oct-Dec	FY11 Q3 Jan-Mar	FY11 Q4 Apr-Jun	FY12 Q1 Jul-Sep	FY12 Q2 Oct-Dec	Total FY11 1st Half	Total FY11 2nd Half	FY11 Total	Total FY12 1st Half
WTI collars	Volume	Barrels	830,000	1,115,000	1,010,000	500,000	50,000	1,455,000	2,125,000	3,580,000	550,000
	Ceiling Price	USD	81.48	81.59	81.84	85.14	86.75	81.29	81.71	81.54	85.28
	Floor Price	USD	71.46	71.82	72.33	74.19	74.75	70.88	72.07	71.59	74.24
Singapore Jet collars	Volume	Barrels	875,000	590,000				1,895,000	590,000	2,485,000	
	Ceiling Price	USD	92.15	93.29				91.01	93.29	91.55	
	Floor Price	USD	82.13	83.52				80.51	83.52	81.22	
Total hedged		Barrels	1,705,000	1,705,000	1,010,000	500,000	50,000	3,350,000	2,715,000	6,065,000	550,000
Estimated fuel consumption		Barrels	1,880,954	1,905,505	1,696,592	1,911,315	1,880,954	3,782,334	3,602,098	7,384,432	3,792,268
Hedge ratio			91%	89%	60%	26%	3%	89%	75%	82%	15%
Compensation from fuel hedges (1)		USD	4,810,000	7,967,000	5,441,000	2,066,000	184,000	6,412,000	13,408,000	19,820,000	2,250,000
Purchase cost of options		USD	(4,606,000)	(4,691,250)	(2,820,250)	(1,503,250)	(174,000)	(9,160,250)	(7,511,500)	(16,671,750)	(1,677,250)
Net compensation from hedges (2)		USD	204,000	3,275,750	2,620,750	562,750	10,000	(2,748,250)	5,896,500	3,148,250	572,750

Notes:

WTI spot was US\$81.50. 12 month WTI was US\$85.00. 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 19 November 2010.

(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.

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.