



Air New Zealand Limited
Fuel Hedge Position as at 16 February 2011

	Units	FY11 Q3 Jan-Mar	FY11 Q4 Apr-Jun	FY12 Q1 Jul-Sep	FY12 Q2 Oct-Dec	FY12 Q3 Jan-Mar	Total FY11 1st Half	Total FY11 2nd Half	Total FY12 1st Half	Total FY12 2nd Half	
WTI collars	Volume	Barrels	895,000	1,200,000	1,120,000	475,000	50,000	1,455,000	2,095,000	1,595,000	50,000
	Ceiling Price	USD	81.93	84.29	89.01	93.41	95.75	81.29	83.28	90.32	95.75
	Floor Price	USD	72.26	75.21	79.23	83.56	83.75	70.88	73.95	80.52	83.75
Singapore Jet collars	Volume	Barrels	910,000	300,000				1,895,000	1,210,000		
	Ceiling Price	USD	94.50	98.37				91.01	95.46		
	Floor Price	USD	84.83	89.29				80.51	85.94		
Total hedged	Barrels	1,805,000	1,500,000	1,120,000	475,000	50,000	3,350,000	3,305,000	1,595,000	50,000	
Estimated fuel consumption	Barrels	1,912,907	1,646,718	1,885,318	1,894,705	1,930,753	3,827,000	3,559,625	3,780,024	3,609,625	
Hedge ratio		94%	91%	59%	25%	3%	88%	93%	42%	1%	
Compensation from fuel hedges (1)	USD	20,547,000	15,659,000	9,562,000	3,138,000	308,000	6,514,000	36,206,000	12,700,000	308,000	
Purchase cost of options	USD	(4,908,750)	(3,948,550)	(3,008,900)	(1,242,250)	(140,000)	(9,160,250)	(8,857,300)	(4,251,150)	(140,000)	
Net compensation from hedges (2)	USD	15,638,250	11,710,450	6,553,100	1,895,750	168,000	(2,646,250)	27,348,700	8,448,850	168,000	

- Notes:**
WTI spot was US\$84.00. 12 month WTI was US\$97.00. Singapore Jet Spot was US\$116.00. 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 16 February 2011.
(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.