



Air New Zealand Limited
Fuel Hedge Position as at 19 May 2011

		Units	FY11 Q4	FY12 Q1	FY12 Q2	FY12 Q3	Total FY11	Total FY12	Total FY12
			Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	2nd Half	1st Half	2nd Half
WTI collars	Volume	Barrels	1,280,000	1,605,000	1,087,500	385,000	2,175,000	2,692,500	385,000
	Ceiling Price	USD	87.42	98.60	104.09	107.02	85.16	100.82	107.02
	Floor Price	USD	77.19	84.68	91.36	95.37	75.16	87.38	95.37
Singapore Jet collars	Volume	Barrels	300,000				1,210,000		
	Ceiling Price	USD	98.37				95.46		
	Floor Price	USD	89.29				85.94		
Total hedged		Barrels	1,580,000	1,605,000	1,087,500	385,000	3,385,000	2,692,500	385,000
Estimated fuel consumption		Barrels	1,662,444	1,877,521	1,980,590	1,940,595	3,575,351	3,858,111	3,717,539
Hedge ratio			95%	85%	55%	20%	95%	70%	10%
Compensation from fuel hedges (1)		USD	31,035,000	9,384,000	1,872,000	(480,000)	60,032,000	11,256,000	(480,000)
Purchase cost of options		USD	(4,238,759)	(4,472,125)	(2,969,950)	(1,021,150)	(9,147,509)	(7,442,075)	(1,021,150)
Net compensation from hedges (2)		USD	26,796,241	4,911,875	(1,097,950)	(1,501,150)	50,884,491	3,813,925	(1,501,150)

Notes:

WTI spot was US\$97.00. 12 month WTI was US\$100.00. 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 May 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.