



**Air New Zealand Limited**  
**Fuel Hedge Position as at 22 May 2012**

		<b>Units</b>	<b>FY12 Q4 Apr-Jun</b>	<b>FY13 Q1 Jul-Sep</b>	<b>FY13 Q2 Oct-Dec</b>	<b>FY13 Q3 Jan-Mar</b>	<b>Total FY12 2nd Half</b>	<b>Total FY13 1st Half</b>
<b>WTI Collars</b>	Volume	Barrels	810,000	170,000	-	-	1,965,000	170,000
	Ceiling Price	USD	107.19	106.40	-	-	105.97	106.40
	Floor Price	USD	81.63	82.26	-	-	87.18	82.26
<b>WTI Bought Put</b>	Volume	Barrels	-	-	-	-	75,000	-
	Strike Price	USD	-	-	-	-	80.00	-
<b>WTI Calls</b>	Volume	Barrels	147,500	740,000	152,500	-	147,500	892,500
	Strike Price	USD	120.54	116.80	113.51	-	120.54	116.24
Total hedged		Barrels	957,500	910,000	152,500	-	2,112,500	1,062,500
Estimated fuel consumption		Barrels	1,683,696	1,882,614	1,864,690	-	3,551,932	3,747,303
Hedge ratio		%	57%	48%	8%	-	59%	28%
Compensation from fuel hedges (1)		USD	264,338	198,000	197,000	-	1,016,686	395,000
Purchase cost of options		USD	(2,545,950)	(2,802,450)	(484,300)	-	(6,059,700)	(3,286,750)
Net compensation from hedges (2)		USD	(2,281,612)	(2,604,450)	(287,300)	-	(5,043,014)	(2,891,750)

**Notes:**

WTI spot was US\$91.00. 12 month WTI was US\$93.00. 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 22 May 2012.

(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).