



**Air New Zealand Limited**  
**Fuel Hedge Position as at 20 November 2012**

		<b>Units</b>	<b>FY13 Q2 Oct-Dec</b>	<b>FY13 Q3 Jan-Mar</b>	<b>FY13 Q4 Apr-Jun</b>	<b>FY14 Q1 Jul-Sep</b>	<b>Total FY13 1st Half</b>	<b>Total FY13 2nd Half</b>	<b>Total FY14 1st Half</b>
<b>Brent Calls</b>	Volume	Barrels	100,000				562,500		
	Price	USD	113.00				113.00		
<b>WTI Collars</b>	Volume	Barrels		462,500	92,500		170,000	555,000	
	Ceiling Price	USD		96.73	96.73		106.40	96.73	
	Floor Price	USD		78.65	78.65		82.26	78.65	
<b>WTI Calls</b>	Volume	Barrels	1,325,000	717,500	90,000		2,150,000	807,500	
	Ceiling Price	USD	99.60	103.76	111.11		105.32	104.58	
<b>Brent Swaps</b>	Volume	Barrels		122,500	517,500	55,000		640,000	55,000
	Price	USD		109.42	107.85	104.02		108.15	104.02
<b>WTI Call Spreads</b> (refer to note (1) below)	Volume	Barrels	87,500				712,500		
	Bought Call	USD	100.00				100.00		
	Sold Call	USD	115.00				115.00		
Total hedged		Barrels	1,425,000	1,302,500	700,000	55,000	2,882,500	2,002,500	55,000
Estimated fuel consumption		Barrels	1,895,436	1,878,370	1,644,172	1,838,500	3,790,796	3,522,543	3,677,070
Hedge ratio			75%	69%	43%	3%	76%	57%	1%
Compensation from fuel hedges (2)		USD	167,347	188,773	(271,187)	111,474	215,392	(82,414)	111,474
Purchase cost of options		USD	(4,581,375)	(3,659,075)	(560,025)	0	(9,389,850)	(4,219,100)	0
Net compensation from hedges (3)		USD	(4,414,028)	(3,470,302)	(831,212)	111,474	(9,174,458)	(4,301,514)	111,474

**Notes:**

WTI spot was US\$87.00 and 12 month WTI was US\$90.00; Brent spot was US\$110.00 and 12 month Brent was US\$104.00. Periods relate to the month of uplift.

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

(1) Calls spreads are not a full hedge. They are used to lower the level of the strike price of WTI calls. Call spreads are marked to market and not hedge accounted.

(2) Compensation from fuel hedges is the sum of the mark-to-market value of all fuel swaps and options as at 20 November 2012.

(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.

**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 Brent.