



**Air New Zealand Limited**  
**Fuel Hedge Position as at 19 August 2013**

		<b>Units</b>	<b>FY14 Q1 Jul-Sep</b>	<b>FY14 Q2 Oct-Dec</b>	<b>FY14 Q3 Jan-Mar</b>	<b>FY14 Q4 Apr-Jun</b>	<b>Total FY14 1st Half</b>	<b>Total FY14 2nd Half</b>
<b>Brent Swaps</b>	Volume	Barrels	420,000	187,500	12,500		607,500	12,500
	Price	USD	107.68	108.98	105.00		108.08	105.00
<b>Brent Collars</b>	Volume	Barrels	1,012,500	1,142,500	755,000	175,000	2,155,000	930,000
	Ceiling Price	USD	106.04	102.77	103.13	102.46	104.30	103.00
	Floor Price	USD	97.13	93.14	93.71	92.50	95.02	93.48
<b>WTI Collars</b>	Volume	Barrels			37,500	162,500	0	200,000
	Ceiling Price	USD			99.00	98.04	0.00	98.22
	Floor Price	USD			89.00	89.38	0.00	89.31
Total hedged		Barrels	1,432,500	1,330,000	805,000	337,500	2,762,500	1,142,500
Estimated fuel consumption		Barrels	1,854,428	1,792,279	1,844,512	1,681,629	3,646,707	3,526,141
Hedge ratio			77%	74%	44%	20%	76%	32%
Compensation from fuel hedges (1)		USD	3,032,886	8,102,438	4,658,184	1,475,087	11,135,324	6,133,271
Purchase cost of options		USD	(1,507,925)	(2,247,875)	(1,522,775)	(604,250)	(3,755,800)	(2,127,025)
Net compensation from hedges (2)		USD	1,524,961	5,854,563	3,135,409	870,837	7,379,524	4,006,246

**Notes:**

Brent spot was US\$110.00 and 12 month Brent was US\$103.00; WTI spot was US\$107.00 and 12 month WTI was US\$96.00. 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 August 2013.

(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.

**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.