



Air New Zealand Limited
Fuel Hedge Position as at 18 November 2013

		Units	FY14 Q2 Oct-Dec	FY14 Q3 Jan-Mar	FY14 Q4 Apr-Jun	FY15 Q1 Jul-Sep	FY15 Q2 Oct-Dec	Total FY14 1st Half	Total FY14 2nd Half	Total FY15 1st Half
Brent Swaps	Volume	Barrels	187,500	12,500	25,000	150,000	25,000	607,500	37,500	175,000
	Price	USD	108.98	105.00	105.04	104.51	103.99	108.08	105.02	104.44
WTI Swaps	Volume	Barrels			37,500	187,500			37,500	187,500
	Price	USD			95.80	95.80			95.80	95.80
Brent Collars	Volume	Barrels	1,192,500	1,217,500	725,000	175,000	12,500	2,205,000	1,942,500	187,500
	Ceiling Price	USD	102.90	104.11	104.48	104.89	104.75	104.34	104.25	104.88
	Floor Price	USD	93.37	95.63	97.33	96.96	94.75	95.10	96.27	96.82
WTI Collars	Volume	Barrels		37,500	162,500	50,000			200,000	50,000
	Ceiling Price	USD		99.00	98.04	97.13			98.22	97.13
	Floor Price	USD		89.00	89.38	89.75			89.31	89.75
Total hedged		Barrels	1,380,000	1,267,500	950,000	562,500	37,500	2,812,500	2,217,500	600,000
Estimated fuel consumption		Barrels	1,824,272	1,864,414	1,718,397	1,916,665	1,879,494	3,685,715	3,582,811	3,796,159
Hedge ratio			76%	68%	55%	29%	2%	76%	62%	16%
Compensation from fuel hedges (1)		USD	7,137,560	6,108,959	2,946,680	22,232	51,111	10,988,927	9,055,639	73,343
Purchase cost of options		USD	(2,339,875)	(2,360,400)	(1,590,500)	(395,250)	(22,875)	(3,847,800)	(3,950,900)	(418,125)
Net compensation from hedges (2)		USD	4,797,685	3,748,559	1,356,180	(373,018)	28,236	7,141,127	5,104,739	(344,782)

Notes:

Brent spot was US\$108.00 and 12 month Brent was US\$104.00; WTI spot was US\$93.00 and 12 month WTI was US\$91.00. 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 18 November 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.