



Air New Zealand Limited
Fuel Hedge Position as at 21 May 2014

		Units	FY14 Q4 Apr-Jun	FY15 Q1 Jul-Sep	FY15 Q2 Oct-Dec	FY15 Q3 Jan-Mar	FY15 Q4 Apr-Jun	Total FY14 2nd Half	Total FY15 1st Half	Total FY15 2nd Half
Brent Swaps	Volume	Barrels	25,000	150,000	25,000			37,500	175,000	
	Price	USD	105.04	104.51	103.99			105.02	104.44	
WTI Swaps	Volume	Barrels	12,500	112,500				12,500	112,500	
	Price	USD	95.80	95.80				95.80	95.80	
Brent Collars	Volume	Barrels	1,050,000	975,000	812,500	412,500	175,000	2,330,000	1,787,500	587,500
	Ceiling Price	USD	105.10	106.44	105.39	104.44	104.75	104.62	105.96	104.53
	Floor Price	USD	98.17	99.37	98.44	97.71	98.46	96.90	98.95	97.94
WTI Collars	Volume	Barrels	112,500	87,500	187,500	75,000		150,000	275,000	75,000
	Ceiling Price	USD	98.04	96.21	95.67	96.00		98.28	95.84	96.00
	Floor Price	USD	89.38	87.71	85.00	85.00		89.29	85.86	85.00
Singapore Jet Collars	Volume	Barrels	50,000					50,000		
	Ceiling Price	USD	118.52					118.52		
	Floor Price	USD	109.86					109.86		
Singapore Jet Swaps	Volume	Barrels	25,000	75,000				25,000	75,000	
	Price	USD	116.28	116.28				116.28	116.28	
Total hedged		Barrels	1,275,000	1,400,000	1,025,000	487,500	175,000	2,605,000	2,425,000	662,500
Estimated fuel consumption		Barrels	1,737,139	1,859,434	1,860,484	1,994,671	1,840,796	3,631,799	3,719,918	3,835,467
Hedge ratio			73%	75%	55%	24%	10%	72%	65%	17%
Compensation from fuel hedges (1)		USD	4,593,930	6,046,479	4,289,398	1,752,729	429,885	10,044,035	10,335,877	2,182,614
Purchase cost of options		USD	(2,155,500)	(1,984,250)	(1,741,500)	(783,625)	(276,000)	(4,625,150)	(3,725,750)	(1,059,625)
Net compensation from hedges (2)		USD	2,438,430	4,062,229	2,547,898	969,104	153,885	5,418,885	6,610,127	1,122,989

Notes:

Brent spot was US\$111.00 and 12 month Brent was US\$105.00; WTI spot was US\$104.00 and 12 month WTI was US\$94.00; Singapore Jet spot was US\$121 and 12 month Singapore Jet was US\$119. 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 21 May 2014.

(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.