



**Air New Zealand Limited**  
**Fuel Hedge Position as at 15 August 2014**

		<b>Units</b>	<b>FY15 Q1 Jul-Sep</b>	<b>FY15 Q2 Oct-Dec</b>	<b>FY15 Q3 Jan-Mar</b>	<b>FY15 Q4 Apr-Jun</b>	<b>Total FY15 1st Half</b>	<b>Total FY15 2nd Half</b>
<b>Brent Swaps</b>	Volume	Barrels	150,000	25,000			175,000	
	Price	USD	104.51	103.99			104.44	
<b>WTI Swaps</b>	Volume	Barrels	75,000		25,000	150,000	75,000	175,000
	Price	USD	95.80		94.74	94.74	95.80	94.74
<b>Brent Collars</b>	Volume	Barrels	1,000,000	1,287,500	1,100,000	412,500	2,287,500	1,512,500
	Ceiling Price	USD	106.50	107.24	108.47	106.11	106.91	107.82
	Floor Price	USD	99.38	99.19	99.45	99.20	99.27	99.38
<b>WTI Collars</b>	Volume	Barrels	87,500	187,500	75,000	125,000	275,000	200,000
	Ceiling Price	USD	96.21	95.67	96.00	93.25	95.84	94.28
	Floor Price	USD	87.71	85.00	85.00	86.00	85.86	85.63
<b>Singapore Jet Swaps</b>	Volume	Barrels	112,500				112,500	
	Price	USD	114.89				114.89	
Total hedged		Barrels	1,425,000	1,500,000	1,200,000	687,500	2,925,000	1,887,500
Estimated fuel consumption		Barrels	1,901,107	1,888,957	1,967,202	1,799,811	3,790,064	3,767,013
Hedge ratio			75%	79%	61%	38%	77%	50%
Compensation from fuel hedges (1)		USD	2,634,556	1,370,407	892,231	596,326	4,004,963	1,488,557
Purchase cost of options		USD	(2,039,250)	(2,712,000)	(1,949,500)	(874,125)	(4,751,250)	(2,823,625)
Net compensation from hedges (2)		USD	595,306	(1,341,593)	(1,057,269)	(277,799)	(746,287)	(1,335,068)

**Notes:**

Brent spot was US\$104.00 and 12 month Brent was US\$104.00; WTI spot was US\$97.00 and 12 month WTI was US\$92.00; Singapore Jet spot was US\$117 and 12 month Singapore Jet was US\$117.

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 15 August 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 and time value of fuel derivatives is recognised through Other Comprehensive Income; 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), Brent and Singapore Jet.