



Air New Zealand Limited
Fuel Hedge Position as at 8 May 2013

		Units	FY13 Q4 Apr-Jun	FY14 Q1 Jul-Sep	FY14 Q2 Oct-Dec	FY14 Q3 Jan-Mar	FY14 Q4 Apr-Jun	Total FY13 2nd Half	Total FY14 1st Half	Total FY14 2nd Half
Brent Swaps	Volume	Barrels	717,500	420,000	187,500	12,500		840,000	607,500	12,500
	Price	USD	107.76	107.68	108.98	105.00		108.00	108.08	105.00
Brent Collars	Volume	Barrels	385,000	762,500	650,000	162,500		385,000	1,412,500	162,500
	Ceiling Price	USD	109.99	107.48	103.53	102.31		109.99	105.66	102.31
	Floor Price	USD	104.58	98.71	93.32	92.62		104.58	96.23	92.62
WTI Collars	Volume	Barrels	92,500					555,000		
	Ceiling Price	USD	96.73					96.73		
	Floor Price	USD	78.65					78.65		
WTI Calls	Volume	Barrels	90,000					807,500		
	Ceiling Price	USD	111.11					104.58		
Total hedged		Barrels	1,285,000	1,182,500	837,500	175,000	0	2,587,500	2,020,000	175,000
Estimated fuel consumption		Barrels	1,654,938	1,896,349	1,842,211	1,845,327	1,663,250	3,497,703	3,738,560	3,508,577
Hedge ratio			78%	62%	45%	9%	0%	74%	54%	5%
Compensation from fuel hedges (1)		USD	(982,174)	(1,700,126)	4,271,036	3,515,743	0	(982,180)	2,570,910	3,515,743
Purchase cost of options		USD	(726,750)	(1,060,675)	(1,303,500)	(329,000)	0	(4,385,825)	(2,364,175)	(329,000)
Net compensation from hedges (2)		USD	(1,708,924)	(2,760,801)	2,967,536	3,186,743	0	(5,368,005)	206,735	3,186,743

Notes:

Brent spot was US\$104.00 and 12 month Brent was US\$101.00. 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 8 May 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 Brent and West Texas Intermediate (WTI).