



**Air New Zealand Limited**  
**Fuel Hedge Position as at 16 February 2016**

	<b>Units</b>	<b>FY16 Q3 Jan-Mar</b>	<b>FY16 Q4 Apr-Jun</b>	<b>FY17 Q1 Jul-Sept</b>	<b>FY17 Q2 Oct-Dec</b>	<b>FY17 Q3 Jan-Mar</b>	<b>Total FY16 2nd Half</b>	<b>Total FY17 1st Half</b>	<b>Total FY17 2nd Half</b>
<b>Brent Collars</b>									
Volume	Barrels	1,375,000	1,542,500	1,625,000	912,500	200,000	2,917,500	2,537,500	200,000
Ceiling Price	USD	55.99	45.94	40.94	41.31	42.13	50.68	41.07	42.13
Floor Price	USD	42.19	31.35	25.91	26.31	27.13	36.46	26.05	27.13
Total hedged	Barrels	1,375,000	1,542,500	1,625,000	912,500	200,000	2,917,500	2,537,500	200,000
Total uplift	Barrels	2,151,593	1,976,938	2,318,825	2,172,493	2,188,315	4,128,531	4,491,318	4,137,255
Hedge as proportion of uplift		64%	78%	70%	42%	9%	71%	56%	5%
Compensation from fuel hedges (1)	USD	(13,459,559)	(3,918,364)	3,189,941	2,690,346	677,136	(17,377,923)	5,880,287	677,136
Purchase cost of options	USD	(3,456,875)	(3,544,800)	(3,874,125)	(2,361,125)	(553,000)	(7,001,675)	(6,235,250)	(553,000)
Net compensation from hedges (2)	USD	(16,916,434)	(7,463,164)	(684,184)	329,221	124,136	(24,379,598)	(354,963)	124,136

**Notes:**

Brent spot was US\$32 and 12 month Brent was US\$39. As at 16 February 2016, Air New Zealand had no WTI or Singapore jet hedges.

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 options as at 16 February 2016.

(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 Brent.