



**Air New Zealand Limited**  
**Fuel Hedge Position as at 20 October 2014**

		Units	FY15 Q2 Oct-Dec	FY15 Q3 Jan-Mar	FY15 Q4 Apr-Jun	FY16 Q1 Jul-Sep	Total FY15 1st Half	Total FY15 2nd Half	Total FY16 1st Half
<b>Brent Swaps</b>	Volume	Barrels	25,000				175,000		
	Price	USD	103.99				104.44		
<b>WTI Swaps</b>	Volume	Barrels		25,000	150,000	25,000	75,000	175,000	25,000
	Price	USD		94.74	94.74	94.74	95.80	94.74	94.74
<b>Brent Collars</b>	Volume	Barrels	1,287,500	1,100,000	450,000	137,500	2,287,500	1,550,000	137,500
	Ceiling Price	USD	107.24	108.47	106.03	105.57	106.91	107.76	105.57
	Floor Price	USD	99.19	99.45	99.20	99.39	99.27	99.38	99.39
<b>WTI Collars</b>	Volume	Barrels	187,500	200,000	212,500	187,500	275,000	412,500	187,500
	Ceiling Price	USD	95.67	92.88	91.44	92.23	95.84	92.14	92.23
	Floor Price	USD	85.00	83.75	83.88	85.07	85.86	83.82	85.07
<b>Singapore Jet Swaps</b>	Volume	Barrels					112,500		
	Price	USD					114.89		
<b>Bought Brent Puts</b>	Volume	Barrels	337,500	537,500	75,000		337,500	612,500	
	Price	USD	88.33	89.26	89.50		88.33	89.29	
<b>Total hedged</b>		Barrels	1,500,000	1,325,000	812,500	350,000	2,925,000	2,137,500	350,000
Estimated fuel consumption		Barrels	1,875,711	1,967,103	1,851,176	1,952,577	3,771,417	3,818,279	3,884,560
Hedge ratio			80%	67%	44%	18%	78%	56%	9%
Compensation from fuel hedges (1)		USD	(12,816,595)	(13,016,732)	(8,564,171)	(3,396,671)	(10,468,332)	(21,580,903)	(3,396,671)
Purchase cost of options		USD	(3,515,625)	(3,518,125)	(1,290,000)	(511,375)	(5,554,875)	(4,808,125)	(511,375)
Net compensation from hedges (2)		USD	(16,332,220)	(16,534,857)	(9,854,171)	(3,908,046)	(16,023,207)	(26,389,028)	(3,908,046)

**Notes:**

Brent spot was US\$85.00 and 12 month Brent was US\$89.00; WTI spot was US\$83.00 and 12 month WTI was US\$79.00; Singapore Jet spot was US\$100 and 12 month Singapore Jet was US\$104.

Periods relate to the month of uplift. Air New Zealand does not use three way call structures or leveraged collar structures.

Bought Brent Puts allow Air New Zealand to benefit from a continued fall in oil prices

(1) Compensation from fuel hedges is the sum of the mark-to-market value of all fuel swaps and options as at 20 October 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.