



Air New Zealand Limited
Fuel Hedge Position as at 24 November 2015

		Units	FY16 Q1	FY16 Q2	FY16 Q3	FY16 Q4	Total FY16	Total FY16
			Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun	1st Half	2nd Half
WTI Swaps	Volume	Barrels	25,000				25,000	
	Price	USD	94.74				94.74	
Brent Collars	Volume	Barrels	787,500	1,275,000	1,162,500	462,500	2,062,500	1,625,000
	Ceiling Price	USD	70.68	65.14	59.08	54.76	67.26	57.85
	Floor Price	USD	58.62	51.07	45.14	40.81	53.95	43.91
WTI Collars	Volume	Barrels	412,500	100,000			512,500	
	Ceiling Price	USD	83.98	76.50			82.52	
	Floor Price	USD	76.67	69.25			75.22	
Total hedged		Barrels	1,225,000	1,375,000	1,162,500	462,500	2,600,000	1,625,000
Estimated fuel consumption		Barrels	2,047,141	2,038,401	2,162,747	1,922,564	4,085,542	4,085,311
Hedge ratio			60%	67%	54%	24%	64%	40%
Compensation from fuel hedges (1)		USD	(18,887,282)	(7,599,345)	(2,452,190)	656,612	(26,486,627)	(1,795,578)
Purchase cost of options		USD	(2,921,125)	(3,904,250)	(3,077,250)	(1,183,000)	(6,825,375)	(4,260,250)
Net compensation from hedges (2)		USD	(21,808,407)	(11,503,595)	(5,529,440)	(526,388)	(33,312,002)	(6,055,828)

Notes:

Brent spot was US\$46 and 12 month Brent was US\$53; WTI spot was US\$43 and 12 month WTI was US\$50; Singapore Jet spot was US\$56 and 12 month Singapore Jet was US\$63. 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 24 November 2015.

(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.