

Air New Zealand Limited
Fuel Hedge Position as at 13 August 2019

		Units	FY20 Q1	FY20 Q2	FY20 Q3	FY20 Q4	FY20 H1	FY20 H2
			Jul-Sept	Oct-Dec	Jan-Mar	Apr-Jun	Jul-Dec 2019	Jan-Jun 2020
Brent Collars	Volume	Barrels	1,962,500	2,025,000	1,487,500	687,500	3,987,500	2,175,000
	Ceiling Price	USD	72.32	66.36	67.19	64.75	69.29	66.42
	Floor Price	USD	59.71	55.98	56.81	55.52	57.81	56.40
Total hedged volume		Barrels	1,962,500	2,025,000	1,487,500	687,500	3,987,500	2,175,000
Estimated fuel consumption		Barrels	2,382,539	2,412,485	2,562,934	2,227,125	4,795,024	4,790,059
Hedged volume as proportion of total			82%	84%	58%	31%	83%	45%
Compensation from fuel hedges (1)		USD	(2,881,463)	(2,190,119)	(3,722,853)	(741,989)	(5,071,582)	(4,464,842)
Purchase cost of options		USD	(5,269,500)	(4,143,750)	(2,710,625)	(1,130,125)	(9,413,250)	(3,840,750)
Net compensation from hedges (2)		USD	(8,150,963)	(6,333,869)	(6,433,478)	(1,872,114)	(14,484,832)	(8,305,592)
Brent Call Spreads (3)	Volume	Barrels	800,000	262,500			1,062,500	
	Bought Call	USD	64.27	62.00			63.71	
	Sold Call	USD	68.99	67.36			68.59	
Jet-Brent Crack Spreads (4)	Volume	Barrels	850,000	962,500	787,500	625,000	1,812,500	1,412,500
	Price	USD	16.09	17.28	17.17	15.77	16.73	16.55

Notes:

Brent spot was US\$61 and 12 month Brent was US\$59. As at 13 August 2019, Air New Zealand had no WTI hedges.

Singapore Jet Spot was US\$76 and 12 month Singapore Jet was US\$74.

(1) Compensation from fuel hedges is the sum of the mark-to-market value of all fuel hedges as at 13 August 2019.

(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. Any accounting ineffectiveness is recognised through earnings.

(3) Brent Call Spreads lower the ceiling price of existing collar structures.

(4) Jet-Brent Crack Spreads lock in the margin between the Singapore Jet and Brent Crude prices; Air New Zealand has entered into Jet-Brent Crack Spreads to actively manage the volatility of the spread between Singapore Jet and Brent Crude prices.

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 Singapore Jet.