

Air New Zealand Limited
Fuel Hedge Position as at 20 November 2018

	Units	FY19 Q2 Oct-Dec	FY19 Q3 Jan-Mar	FY19 Q4 Apr-Jun	FY20 Q1 Jul-Sept	FY20 Q2 Oct-Dec	FY19 H1 Jul-Dec 2018	FY19 H2 Jan-Jun 2019	FY20 H1 Jul-Dec 2019	
Brent Collars	Volume	Barrels	1,747,500	1,487,500	1,462,500	1,050,000	175,000	3,545,000	2,950,000	1,225,000
	Ceiling Price	USD	70.30	74.88	77.66	77.78	76.39	68.17	76.26	77.58
	Floor Price	USD	55.03	60.24	62.74	63.10	61.75	53.16	61.48	62.91
Brent Swaps	Volume	Barrels	135,000	360,000				135,000	360,000	
	Price	USD	68.10	68.10				68.10	68.10	
Singapore Jet Collars	Volume	Barrels		22,500	112,500				135,000	
	Ceiling Price	USD		99.00	99.00				99.00	
	Floor Price	USD		82.00	82.00				82.00	
Total hedged volume	Barrels	1,882,500	1,870,000	1,575,000	1,050,000	175,000	3,680,000	3,445,000	1,225,000	
Estimated fuel consumption	Barrels	2,368,603	2,454,928	2,199,225	2,430,000	2,440,000	4,728,460	4,654,153	4,870,000	
Hedged volume as proportion of total		79%	76%	72%	43%	7%	78%	74%	25%	
Compensation from fuel hedges (1)	USD	9,528,928	(3,906,523)	(5,599,791)	(5,078,830)	(942,229)	26,901,928	(9,506,314)	(6,021,059)	
Purchase cost of options	USD	(5,150,350)	(5,981,625)	(5,189,625)	(2,772,625)	(447,250)	(9,692,800)	(11,171,250)	(3,219,875)	
Net compensation from hedges (2)	USD	4,378,578	(9,888,148)	(10,789,416)	(7,851,455)	(1,389,479)	17,209,128	(20,677,564)	(9,240,934)	
Brent Call Spreads (3)	Volume	Barrels		337,500	562,500				900,000	
	Bought Call	USD		71.50	71.50				71.50	
	Sold Call	USD		76.50	76.50				76.50	
Bought Brent Puts (4)	Volume	Barrels	1,050,000	900,000	112,500			1,162,500	1,012,500	
	Strike Price	USD	52.50	52.50	52.50			52.50	52.50	
Jet-Brent Crack Spreads (5)	Volume	Barrels		500,000	412,500	312,500	612,500		912,500	925,000
	Price	USD		15.61	15.36	16.62	18.00		15.49	17.53

Notes:

Brent spot was US\$63 and 12 month Brent was US\$63. As at 20 November 2018, Air New Zealand had no WTI hedges.

Singapore Jet Spot was US\$79 and 12 month Singapore Jet was US\$81.

(1) Compensation from fuel hedges is the sum of the mark-to-market value of all fuel hedges as at 20 November 2018.

(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) Bought Brent Puts allow Air New Zealand to benefit if oil prices fall under the strike price.

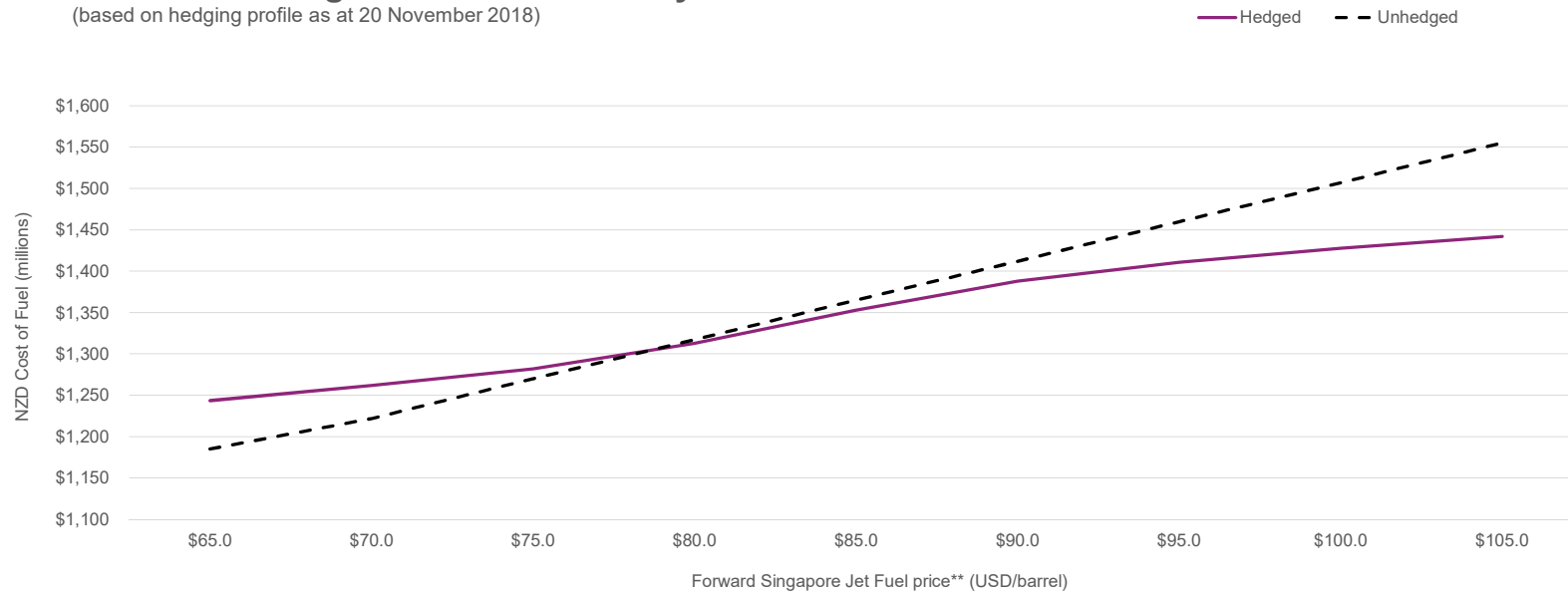
(5) Jet-Brent Crack Spreads lock in the margin between the Singapore Jet and Brent Crude prices; Air New Zealand has entered into Jet-Brent Crack Spreads to actively manage the volatility of the spread between Singapore Jet and Brent Crude prices.

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.

Forward looking fuel cost* sensitivity

(based on hedging profile as at 20 November 2018)



* Assumes NZD/USD rate of 0.66 on a forward looking basis.

** Fuel cost assuming an average Singapore Jet Fuel price for the remainder of the 2019 financial year.