

**Air New Zealand Limited**  
**Fuel Hedge Position as at 15 February 2019**

		Units	FY19 Q3 Jan-Mar	FY19 Q4 Apr-Jun	FY20 Q1 Jul-Sept	FY20 Q2 Oct-Dec	FY20 Q3 Jan-Mar	FY19 H2 Jan-Jun 2019	FY20 H1 Jul-Dec 2019
<b>Brent Collars</b>	Volume	Barrels	1,550,000	1,662,500	1,587,500	887,500	112,500	3,212,500	2,475,000
	Ceiling Price	USD	74.53	76.26	73.15	65.41	63.94	75.43	70.37
	Floor Price	USD	60.07	61.94	60.05	54.49	53.94	61.03	58.06
<b>Brent Swaps</b>	Volume	Barrels	360,000					360,000	
	Price	USD	68.10					68.10	
<b>Singapore Jet Collars</b>	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	1,932,500	1,775,000	1,587,500	887,500	112,500	3,707,500	2,475,000
Estimated fuel consumption		Barrels	2,447,271	2,182,453	2,430,000	2,440,000	2,500,000	4,629,724	4,870,000
Hedged volume as proportion of total			79%	81%	65%	36%	5%	80%	51%
Compensation from fuel hedges (1)		USD	(5,066,791)	(1,743,260)	(83,364)	3,651,469	546,389	(6,810,051)	3,568,105
Purchase cost of options		USD	(6,965,700)	(5,582,500)	(3,807,000)	(1,968,000)	(232,250)	(12,548,200)	(5,775,000)
Net compensation from hedges (2)		USD	(12,032,491)	(7,325,760)	(3,890,364)	1,683,469	314,139	(19,358,251)	(2,206,895)
<b>Brent Call Spreads (3)</b>	Volume	Barrels	930,000	562,500				1,492,500	
	Bought Call	USD	66.49	71.50				68.38	
	Sold Call	USD	72.06	76.50				73.73	
<b>Bought Brent Puts (4)</b>	Volume	Barrels	900,000	112,500				1,012,500	
	Strike Price	USD	52.50	52.50				52.50	
<b>Jet-Brent Crack Spreads (5)</b>	Volume	Barrels	500,000	600,000	850,000	962,500	312,500	1,100,000	1,812,500
	Price	USD	15.61	15.02	16.09	17.28	17.52	15.28	16.73

**Notes:**

Brent spot was US\$66 and 12 month Brent was US\$65. As at 15 February 2019, Air New Zealand had no WTI hedges.

Singapore Jet Spot was US\$80 and 12 month Singapore Jet was US\$82.

(1) Compensation from fuel hedges is the sum of the mark-to-market value of all fuel hedges as at 15 February 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) 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.