

**Air New Zealand Limited**  
**Fuel Hedge Position as at 15 November 2017**

		<b>Units</b>	<b>FY18 Q2</b>	<b>FY18 Q3</b>	<b>FY18 Q4</b>	<b>FY19 Q1</b>	<b>FY18H1</b>	<b>FY18H2</b>
			<b>Oct-Dec</b>	<b>Jan-Mar</b>	<b>Apr-Jun</b>	<b>Jul-Sept</b>	<b>Jul - Dec 2017</b>	<b>Jan - Jun 2018</b>
<b>Brent Collars</b>	Volume	Barrels	1,700,000	1,360,000	945,000	575,000	3,395,000	2,305,000
	Ceiling Price	USD	55.34	53.20	51.51	60.76	55.78	52.51
	Floor Price	USD	44.76	44.65	42.98	47.70	43.76	43.96
<b>Brent Call Spreads*</b>	Volume	Barrels	897,500	75,000			2,260,000	75,000
	Bought Call	USD	51.73	53.13			49.16	53.13
	Sold Call	USD	57.44	58.00			56.67	58.00
<b>Brent Swaps</b>	Volume	Barrels	37,500	262,500	375,000		37,500	637,500
	Price	USD	49.00	49.14	49.48		49.00	49.34
<b>Bought Brent Puts**</b>	Volume	Barrels	600,000	125,000			925,000	125,000
	Strike Price	USD	40.63	40.00			40.49	40.00
Total hedged volume		Barrels	1,737,500	1,622,500	1,320,000	575,000	3,432,500	2,942,500
Estimated fuel consumption		Barrels	2,222,441	2,307,202	2,125,429	2,400,000	4,517,794	4,432,631
Hedged volume as proportion of total			78%	70%	62%	24%	76%	66%
Compensation from fuel hedges (1)		USD	12,850,030	15,405,552	14,154,732	3,126,009	18,416,413	29,560,284
Purchase cost of options		USD	(5,962,150)	(3,574,400)	(2,062,050)	(1,387,625)	(13,189,000)	(5,636,450)
Net compensation from hedges (2)		USD	6,887,880	11,831,152	12,092,682	1,738,384	5,227,413	23,923,834

**Notes:**

Brent spot was US\$62 and 12 month Brent was US\$60. As at 15 November 2017, Air New Zealand had no WTI or Singapore jet hedges.

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

\* Brent Call Spreads lower the ceiling price of existing collar structures.

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

(1) Compensation from fuel hedges is the sum of the mark-to-market value of all fuel options and swaps as at 15 November 2017.

(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 Brent.

### Fuel hedge position

(as at 15 November 2017)

