

**Air New Zealand Limited**  
**Fuel Hedge Position as at 14 February 2018**

		<b>Units</b>	<b>FY18 Q3</b>	<b>FY18 Q4</b>	<b>FY19 Q1</b>	<b>FY19 Q2</b>	<b>FY18H2</b>	<b>FY19H1</b>
			<b>Jan-Mar</b>	<b>Apr-Jun</b>	<b>Jul-Sep</b>	<b>Oct-Dec</b>	<b>Jan - Jun 2018</b>	<b>Jul - Dec 2018</b>
<b>Brent Collars</b>	Volume	Barrels	1,360,000	1,120,000	1,187,500	500,000	2,480,000	1,687,500
	Ceiling Price	USD	53.20	53.29	62.81	64.93	53.24	63.43
	Floor Price	USD	44.65	44.07	48.88	50.00	44.39	49.21
<b>Brent Call Spreads*</b>	Volume	Barrels	75,000				75,000	
	Bought Call	USD	53.13				53.13	
	Sold Call	USD	58.00				58.00	
<b>Brent Swaps</b>	Volume	Barrels	262,500	375,000			637,500	
	Price	USD	49.14	49.48			49.34	
<b>Bought Brent Puts**</b>	Volume	Barrels	125,000				125,000	
	Strike Price	USD	40.00				40.00	
Total hedged volume		Barrels	1,622,500	1,495,000	1,187,500	500,000	3,117,500	1,687,500
Estimated fuel consumption		Barrels	2,314,730	2,153,461	2,400,000	2,400,000	4,468,191	4,800,000
Hedged volume as proportion of total			70%	69%	49%	21%	70%	35%
Compensation from fuel hedges (1)		USD	21,358,548	15,397,688	3,501,791	753,424	36,756,236	4,255,215
Purchase cost of options		USD	(3,574,400)	(2,507,800)	(2,931,500)	(1,235,250)	(6,082,200)	(4,166,750)
Net compensation from hedges (2)		USD	17,784,148	12,889,888	570,291	(481,826)	30,674,036	88,465

**Notes:**

Brent spot was US\$63 and 12 month Brent was US\$60. As at 14 February 2018, 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 14 February 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; 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 14 February 2018)

