



Air New Zealand Limited
Fuel Hedge Position as at 19 May 2015

		Units	FY15 Q4	FY16 Q1	FY16 Q2	FY16 Q3	Total FY15	Total FY16	Total FY16
			Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	2nd Half	1st Half	2nd Half
WTI Swaps	Volume	Barrels	150,000	25,000			175,000	25,000	
	Price	USD	94.74	94.74			94.74	94.74	
Brent Collars	Volume	Barrels	600,000	650,000	625,000	87,500	1,700,000	1,275,000	87,500
	Ceiling Price	USD	99.51	72.85	66.24	71.43	105.30	69.61	71.43
	Floor Price	USD	92.01	61.13	52.47	57.57	96.82	56.88	57.57
WTI Collars	Volume	Barrels	337,500	412,500	100,000		537,500	512,500	
	Ceiling Price	USD	85.72	83.98	76.50		88.38	82.52	
	Floor Price	USD	78.74	76.67	69.25		80.60	75.22	
Bought Brent Puts	Volume	Barrels	75,000				612,500		
	Stike Price	USD	89.50				89.29		
Total hedged		Barrels	1,087,500	1,087,500	725,000	87,500	2,412,500	1,812,500	87,500
Estimated fuel consumption		Barrels	1,910,200	2,066,203	2,044,723	2,139,582	3,917,095	4,110,926	4,067,617
Hedge ratio			57%	53%	35%	4%	62%	44%	2%
Compensation from fuel hedges (1)		USD	(29,328,022)	(11,032,334)	1,495,441	125,983	(67,651,510)	(9,536,893)	125,983
Purchase cost of options		USD	(1,849,375)	(2,584,250)	(2,165,125)	(288,125)	(5,367,500)	(4,749,375)	(288,125)
Net compensation from hedges (2)		USD	(31,177,397)	(13,616,584)	(669,684)	(162,142)	(73,019,010)	(14,286,268)	(162,142)

Notes:

Brent spot was US\$64.00 and 12 month Brent was US\$68.00; WTI spot was US\$57.00 and 12 month WTI was US\$61.00; Singapore Jet spot was US\$77 and 12 month Singapore Jet was US\$81.

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

(1) Compensation from fuel hedges is the sum of the mark-to-market value of all fuel swaps and options as at 19 May 2015.

(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 West Texas Intermediate (WTI), Brent and Singapore Jet.