



**Air New Zealand Limited**  
**Fuel Hedge Position as at 18 February 2014**

		<b>Units</b>	<b>FY14 Q3 Jan-Mar</b>	<b>FY14 Q4 Apr-Jun</b>	<b>FY15 Q1 Jul-Sep</b>	<b>FY15 Q2 Oct-Dec</b>	<b>Total FY14 2nd Half</b>	<b>Total FY15 1st Half</b>
<b>Brent Swaps</b>	Volume	Barrels	12,500	25,000	150,000	25,000	37,500	175,000
	Price	USD	105.00	105.04	104.51	103.99	105.02	104.44
<b>WTI Swaps</b>	Volume	Barrels		37,500	187,500		37,500	187,500
	Price	USD		95.80	95.80		95.80	95.80
<b>Brent Collars</b>	Volume	Barrels	1,280,000	1,037,500	500,000	225,000	2,317,500	725,000
	Ceiling Price	USD	104.22	105.07	106.55	106.96	104.60	106.68
	Floor Price	USD	95.85	98.15	98.91	99.38	96.88	99.06
<b>WTI Collars</b>	Volume	Barrels	37,500	162,500	87,500	62,500	200,000	150,000
	Ceiling Price	USD	99.00	98.04	96.21	95.00	98.22	95.71
	Floor Price	USD	89.00	89.38	87.71	85.00	89.31	86.58
Total hedged		Barrels	1,330,000	1,262,500	925,000	312,500	2,592,500	1,237,500
Estimated fuel consumption		Barrels	1,875,405	1,713,565	1,863,124	1,846,968	3,588,970	3,710,092
Hedge ratio			71%	74%	50%	17%	72%	33%
Compensation from fuel hedges (1)		USD	5,643,267	5,358,330	2,367,317	648,245	11,001,597	3,015,562
Purchase cost of options		USD	(2,469,650)	(2,132,500)	(1,090,875)	(519,375)	(4,602,150)	(1,610,250)
Net compensation from hedges (2)		USD	3,173,617	3,225,830	1,276,442	128,870	6,399,447	1,405,312

**Notes:**

Brent spot was US\$109.00 and 12 month Brent was US\$104.00; WTI spot was US\$100.00 and 12 month WTI was US\$92.00. 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 18 February 2014.

(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

- The effective portion of changes in the intrinsic value of fuel derivatives is recognised through the cash flow hedge reserve;
- Changes in the time value of fuel derivatives are recognised through earnings; 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) and Brent.