



Air New Zealand Limited
Fuel Hedge Position as at 19 May 2017

| | | Units | FY17 Q4 | FY18 Q1 | FY18 Q2 | FY18 Q3 | FY18 Q4 | FY17H2 | FY18H1 | FY18H2 |
|--------------------------------------|---------------|---------|-------------|-------------|-------------|-------------|-----------|----------------|----------------|----------------|
| | | | Apr-Jun | Jul-Sept | Oct-Dec | Jan-Mar | Apr-Jun | Jan - Jun 2017 | Jul - Dec 2017 | Jan - Jun 2018 |
| Brent Collars | Volume | Barrels | 1,630,000 | 1,695,000 | 1,662,500 | 1,035,000 | 120,000 | 3,415,000 | 3,357,500 | 1,155,000 |
| | Ceiling Price | USD | 54.24 | 56.22 | 55.41 | 53.75 | 52.44 | 52.50 | 55.82 | 53.62 |
| | Floor Price | USD | 38.58 | 42.76 | 44.75 | 44.86 | 43.75 | 36.62 | 43.75 | 44.74 |
| Brent Call Spreads* | Volume | Barrels | | 312,500 | 62,500 | | | | 375,000 | |
| | Bought Call | USD | | 52.50 | 52.50 | | | | 52.50 | |
| | Sold Call | USD | | 58.00 | 58.00 | | | | 58.00 | |
| Total hedged volume | | Barrels | 1,630,000 | 1,695,000 | 1,662,500 | 1,035,000 | 120,000 | 3,415,000 | 3,357,500 | 1,155,000 |
| Estimated fuel consumption | | Barrels | 1,987,865 | 2,268,475 | 2,228,699 | 2,292,558 | 2,037,080 | 4,243,443 | 4,497,174 | 4,329,638 |
| Hedged volume as proportion of total | | | 82% | 75% | 75% | 45% | 6% | 80% | 75% | 27% |
| Compensation from fuel hedges (1) | | USD | 1,390,372 | 3,488,641 | 4,422,976 | 3,691,687 | 413,938 | 9,483,931 | 7,911,617 | 4,105,625 |
| Purchase cost of options | | USD | (5,008,275) | (5,414,475) | (4,741,800) | (2,805,525) | (367,050) | (10,437,825) | (10,156,275) | (3,172,575) |
| Net compensation from hedges (2) | | USD | (3,617,903) | (1,925,834) | (318,824) | 886,162 | 46,888 | (953,894) | (2,244,658) | 933,050 |

Notes:

Brent spot was US\$54 and 12 month Brent was US\$54. As at 19 May 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 utilised to lower the effective ceiling price of existing collar structures.

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