



**Air New Zealand Limited**  
**Fuel Hedge Position as at 23 August 2007**

		Units	FY08 Q1 Jul – Sep	FY08 Q2 Oct - Dec	FY08 Q3 Jan - Mar	FY08 Q4 Apr - Jun	FY09 Q1 Jul - Sep	Total FY08 1st Half	Total FY08 2nd Half
WTI Collars	Volume	Barrels	1,660,000	1,660,000	1,230,000	480,000	50,000	3,320,000	1,710,000
	Ceiling Price	USD	68.83	69.87	72.30	73.87	74.69	69.35	72.74
	Floor Price	USD	60.85	60.23	61.65	62.61	63.55	60.54	61.92
Singapore Jet Collars	Volume	Barrels		100,000				100,000	
	Ceiling Price	USD		83.14				83.14	
	Floor Price	USD		73.50				73.50	
Total hedged		Barrels	1,660,000	1,760,000	1,230,000	480,000	50,000	3,420,000	1,710,000
Estimated Fuel Consumption		Barrels	1,946,702	2,122,150	2,166,423	2,015,331	2,006,714	4,068,852	4,181,754
Hedge Ratio		%	85%	83%	57%	24%	2%	84%	41%
Compensation from fuel hedges (1)		USD	6,447,383	4,584,319	1,438,073	58,023	(28,022)	11,031,702	1,496,096
Purchase Cost of Options		USD	(3,308,250)	(3,566,700)	(2,592,650)	(1,018,000)	(100,250)	(6,874,950)	(3,610,650)
Net Compensation from hedges (2)		USD	3,139,133	1,017,619	(1,154,577)	(959,977)	(128,272)	4,156,752	(2,114,554)

**Notes:**

- (1) Compensation from fuel hedges is the sum of the mark-to-market value of all fuel swaps and options as at 23 August 2007.
- (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 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.
- (3) Periods relate to the month of uplift.
- (4) Air New Zealand does not use three way call structures or leveraged collar structures.

**Key: Volume:** Fuel volume is reported in barrels (42 US gallons in a barrel)

**Price:** Price is quoted in USD cost per barrel of Singapore Jet and West Texas Intermediate (WTI)