



Air New Zealand Limited
Fuel Hedge Position as at 20 August 2012

		Units	FY13 Q1 Jul-Sep	FY13 Q2 Oct-Dec	FY13 Q3 Jan-Mar	FY13 Q4 Apr-Jun	Total FY13 1st Half	Total FY13 2nd Half
Brent Calls	Volume	Barrels	462,500	100,000			562,500	
	Price	USD	113.00	113.00			113.00	
WTI Collars	Volume	Barrels	170,000				170,000	
	Ceiling Price	USD	106.40				106.40	
	Floor Price	USD	82.26				82.26	
WTI Calls	Volume	Barrels	825,000	1,307,500	450,000		2,132,500	450,000
	Ceiling Price	USD	114.52	99.46	98.93		105.28	98.93
WTI Call Spreads (refer to note (1) below)	Volume	Barrels	625,000	87,500			712,500	
	Bought Call	USD	100.00	100.00			100.00	
	Sold Call	USD	115.00	115.00			115.00	
Total hedged		Barrels	1,457,500	1,407,500	450,000		2,865,000	450,000
Estimated fuel consumption		Barrels	1,909,450	1,848,278	1,837,256		3,757,728	3,472,537
Hedge ratio			76%	76%	24%		76%	13%
Compensation from fuel hedges (2)		USD	479,235	6,416,177	2,944,869		6,895,412	2,944,869
Purchase cost of options		USD	(4,808,475)	(4,520,825)	(1,491,400)		(9,329,300)	(1,491,400)
Net compensation from hedges (3)		USD	(4,329,240)	1,895,352	1,453,469		(2,433,888)	1,453,469

Notes:

WTI spot was US\$96.00 and 12 month WTI was US\$97.00; Brent spot was US\$114.00 and 12 month Brent was US\$108.00. Periods relate to the month of uplift.

Air New Zealand does not use three way call structures or leveraged collar structures.

(1) Calls spreads are not a full hedge. They are used to lower the level of the strike price of WTI calls. Call spreads are marked to market and not hedge accounted.

(2) Compensation from fuel hedges is the sum of the mark-to-market value of all fuel swaps and options as at 20 August 2012.

(3) 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.

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.