

Air New Zealand Limited
Fuel Hedge Position as at 13 August 2018

	Units	FY19 Q1 Jul-Sept	FY19 Q2 Oct-Dec	FY19 Q3 Jan-Mar	FY19 Q4 Apr-Jun	FY19H1 Jul-Dec 2018	FY19H2 Jan-Jun 2019
Brent Collars							
Volume	Barrels	1,797,500	1,882,500	1,710,000	800,000	3,680,000	2,510,000
Ceiling Price	USD	66.10	70.93	75.39	75.72	68.57	75.50
Floor Price	USD	51.34	55.48	60.12	60.91	53.46	60.37
Total hedged volume	Barrels	1,797,500	1,882,500	1,710,000	800,000	3,680,000	2,510,000
Estimated fuel consumption	Barrels	2,368,608	2,351,248	2,481,623	2,230,504	4,719,856	4,712,127
Hedged volume as proportion of total		76%	80%	69%	36%	78%	53%
Compensation from fuel hedges (1)	USD	15,589,824	9,504,546	5,071,635	2,020,807	25,094,370	7,092,442
Purchase cost of options	USD	(4,514,325)	(4,802,050)	(4,427,325)	(2,059,875)	(9,316,375)	(6,487,200)
Net compensation from hedges (2)	USD	11,075,499	4,702,496	644,310	(39,068)	15,777,995	605,242

Notes:

Brent spot was US\$73 and 12 month Brent was US\$72. As at 13 August 2018, 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.

(1) Compensation from fuel hedges is the sum of the mark-to-market value of all fuel options as at 13 August 2018.

(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.

Fuel hedge position

(as at 13 August 2018)

