

Air New Zealand Limited Fuel Hedge Position as at 14 February 2018

| | | Units | FY18 Q3 | FY18 Q4 | FY19 Q1 | FY19 Q2 | FY18H2 | FY19H1 |
|--------------------------------------|---------------|---------|-------------|-------------|-------------|-------------|----------------|----------------|
| | | | Jan-Mar | Apr-Jun | Jul-Sep | Oct-Dec | Jan - Jun 2018 | Jul - Dec 2018 |
| Brent Collars | Volume | Barrels | 1,360,000 | 1,120,000 | 1,187,500 | 500,000 | 2,480,000 | 1,687,500 |
| | Ceiling Price | USD | 53.20 | 53.29 | 62.81 | 64.93 | 53.24 | 63.43 |
| | Floor Price | USD | 44.65 | 44.07 | 48.88 | 50.00 | 44.39 | 49.21 |
| Brent Call Spreads* | Volume | Barrels | 75,000 | | | | 75,000 | |
| | Bought Call | USD | 53.13 | | | | 53.13 | |
| | Sold Call | USD | 58.00 | | | | 58.00 | |
| Brent Swaps | Volume | Barrels | 262,500 | 375,000 | | | 637,500 | |
| | Price | USD | 49.14 | 49.48 | | | 49.34 | |
| Bought Brent Puts** | Volume | Barrels | 125,000 | | | | 125,000 | |
| | Strike Price | USD | 40.00 | | | | 40.00 | |
| Total hedged volume | | Barrels | 1,622,500 | 1,495,000 | 1,187,500 | 500,000 | 3,117,500 | 1,687,500 |
| Estimated fuel consumption | | Barrels | 2,314,730 | 2,153,461 | 2,400,000 | 2,400,000 | 4,468,191 | 4,800,000 |
| Hedged volume as proportion of total | | | 70% | 69% | 49% | 21% | 70% | 35% |
| Compensation from fuel hedges (1) | | USD | 21,358,548 | 15,397,688 | 3,501,791 | 753,424 | 36,756,236 | 4,255,215 |
| Purchase cost of options | | USD | (3,574,400) | (2,507,800) | (2,931,500) | (1,235,250) | (6,082,200) | (4,166,750) |
| Net compensation from hedges (2) | | USD | 17,784,148 | 12,889,888 | 570,291 | (481,826) | 30,674,036 | 88,465 |

Notes:

Brent spot was US\$63 and 12 month Brent was US\$60. As at 14 February 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.

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.

^{*} Brent Call Spreads lower the ceiling price of existing collar structures.

^{**} Bought Brent Puts allow Air New Zealand to benefit if oil prices fall under the strike price.

⁽¹⁾ Compensation from fuel hedges is the sum of the mark-to-market value of all fuel options and swaps as at 14 February 2018.

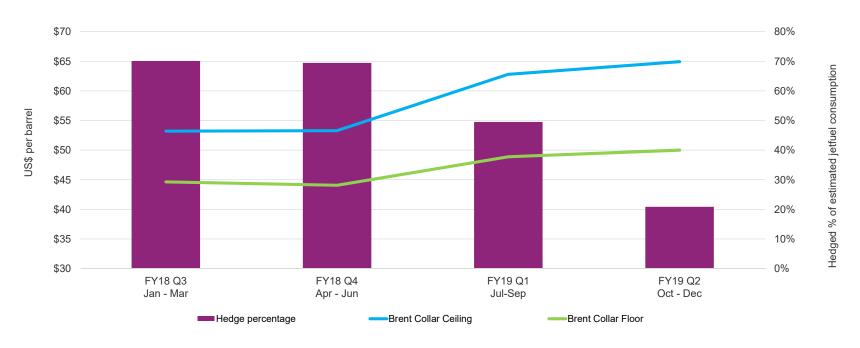
⁽²⁾ Net compensation from fuel hedges represents the unrealised gains and losses on fuel hedges. These gains and losses will be accounted for in line with Air New Zealand Limited's fuel instrument accounting policy:

[·] 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.



Fuel hedge position (as at 14 February 2018)



Page 2 of 2