

27 August 2015

Airwork delivers strong Growth

- **Strong performance of the Helicopter Division drives increased earnings in FY15**
- **NPAT of \$15.5m up 58.2 percent on 2014 (increase of 15.5% over FY14 underlying NPAT¹)**
- **EPS of 30.9 cents, up 46.4% on FY14**
- **Full year dividend of 16 cents per share (increase of 1 cent per share from FY14)**
- **Fixed Wing Division set to grow in FY16 and beyond after significant contract wins**
- **Highlights benefits of diversified businesses and revenue streams**

Significant growth in its Helicopter Division has enabled specialist aviation solutions provider Airwork Holdings Limited (Airwork) to deliver a strong result for the year ended 30 June 2015.

Reported Net Profit After Tax of \$15.5 million was 58.2% ahead of prior year (15.5% over prior year underlying NPAT¹ when allowing for significant and unusual items).

Earnings per share rose 46.4% to 30.9 cents on reported NPAT. Airwork will pay a fully imputed final dividend of 8.0 cents per share on 9 October 2015 making the total dividend of 16.0 cents for the year (prior year 15.0 cents per share).

Chairman Mike Daniel said increased revenue from the company's Helicopter Leasing and Engineering operations was largely a function of organic growth, something Airwork was focused on further developing in the year to come.

Mr Daniel said Airwork's Fixed Wing Division was also well positioned for growth. During the past year, the company had signed lease agreements for terms of between 5 and 10 years for eight newly-purchased 737-400 aircraft. The leases will commence as the process of converting the aircraft for cargo use is completed.

"Our first full year as an NZX-listed company has been a very successful one," Mr Daniel said.

"We have exceeded our growth targets and laid the foundations for continued growth in the future."

Operational review

European Aviation Safety Agency (EASA) certification and certification for additional modifications from Transport Canada and the USA's Federal Aviation Authority (FAA) continued to have a positive impact on our helicopter engineering revenue. We expect to add further certifications in the coming year. The Helicopter Leasing operations added a net 6 helicopters to its fleet, with new customers coming from a variety of industries and regions. We continue to see opportunities in developing markets for all aspects of the Helicopter Division's operations.

CEO Chris Hart said: "We have seen some weakness in the helicopter market which affected our helicopter trading results; however, we were able to overcome this in FY15 by providing innovative and cost effective solutions to customers across a broad range of industries and geographies."

The Fixed Wing Division has again delivered customers with a strong on time performance in Australia and in New Zealand. A sharper than expected decline in Australian operations along with

delays in the redeployment of one 737 aircraft led to a drop in financial performance for the Fixed Wing Division in FY15.

However, contracts with new customers and extended contracts with existing customers provide a positive outlook for FY16 and beyond.

"We believe the expansion of our 737 fleet, underpinned by long term contracts, and the rationalisation of our low-yielding operations will allow the Fixed Wing Division to deliver strong growth and a significant improvement in Return on Capital Employed," says Hart.

Barring unforeseen circumstances, the group expects to achieve continued earnings growth in the 2016 financial year.

Ends

Chris Hart,
Chief Executive Officer

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1. Underlying NPAT is a non GAAP measure and is reconciled to the audited results as follows:

| | FY15 | FY14 |
|---|---------------|---------------|
| Net Profit After Tax (Reported NPAT) | 15,549 | 9,828 |
| Add: Aircraft Incident and Insurance Settlement | - | 201 |
| Add: IPO Costs | - | 1,254 |
| Add: Movement in fair value of derivative financial instruments | <u>—</u> | <u>2,175</u> |
| Net Profit After Tax (Underlying NPAT) | <u>15,549</u> | <u>13,458</u> |