

24 February 2015

Airwork delivers strong first half performance

- **NPAT¹ of \$7.9m up 19% on prior period and 25% ahead of Prospectus Forecast**
- **EBIT² of \$11.8m up 6% on prior period and 21% ahead of Prospectus Forecast**
- **EPS of 15.7 cents, up 48% on prior period**
- **Interim dividend increased to 8 cents per share**

Airwork Holdings Limited (Airwork) made a strong start to the 2015 financial year. Once again the specialist aviation solutions provider exceeded its prospective financial information (PFI) in the prospectus for the IPO and NZX listing in December 2013 – the last period in which it is covered by such forecasts. Full-year NPAT guidance has increased by 5.5% to \$15.3m.

Chairman Mike Daniel said Airwork had made a very good start to the year. “It was a result underpinned by another strong performance from our Helicopter operations, particularly the leasing operations.”

“It has also been very satisfying to have come through our PFI period having exceeded our targets and also to be able to give a reasonably positive outlook in terms of our full-year guidance,” he said.

Underlying NPAT for the half year ending 31 December 2014 of \$7.9m was up 19% on the comparative period and up 25% on PFI. Earnings were achieved from revenue of \$70.3m, which was up 7% on the previous period and up 8% on PFI. Earnings per share (EPS) increased 48% to 15.7 cents on reported NPAT. Airwork will pay a fully imputed interim dividend of 8 cents per share on 10 April 2015, up from 7 cents per share (75% imputed) a year earlier.

Operational Review

Expansion of the helicopter fleet and increased utilisation, combined with continued helicopter engineering growth, were the main drivers of the first half of the 2015 financial year.

Work on the expansion of Airwork’s engineering facility at Ardmore commenced in the period with completion expected for later this year.

The Fixed Wing operations faced a difficult trading environment with reduced flying hours due to lower unscheduled and charter activity in Australia. Airwork operated one less Boeing 737 aircraft than the comparative period, and has repositioned two Boeing 737s from Australia to Europe.

Mr Hart said the achievement of margin improvement driven by dry leasing expansion and efficiency gains was positive. “A key focus has been the strategic expansion of our dry lease fleet and customer base where improved margins are being realised” he said.

Outlook

The Company will continue to focus on organic growth opportunities of the helicopter business. Work is already underway to expand its engineering and maintenance capacity. Additionally Airwork is seeking to extend its aviation certification, continue to partner with equipment manufacturers, and to progressively expand its fleet in NZ and emerging markets. In the Fixed Wing business the focus is on dry lease and customer expansion while continuing to deliver the same world-class on-time customer performance.

Barring unforeseen circumstances Airwork expects its full year NPAT to be in the region of \$15.3m, an increase from previous guidance of \$14.5m, which reflects the full year impact of the revision of Boeing 737 aircraft residual values.

Ends

Chris Hart, Chief Executive Officer

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1. Comparison against underlying NPAT. Underlying NPAT is reconciled to the audited results as follows:

	H1 2015 reported	H1 2015 PFI	H1 2014 reported
Net Profit After Tax (Reported NPAT)	7,885	5,939	4,559
Add: Movement in fair value of derivative financial instruments	-	371	794
Add: IPO Costs	-	-	<u>1,254</u>
Net Profit After Tax (Underlying NPAT)	<u>7,885</u>	<u>6,310</u>	<u>6,607</u>

2. EBIT is a non-GAAP measure which is useful in measuring underlying earnings performance. Comparison against underlying EBIT. Underlying NPAT is reconciled to the audited results as follows:

	H1 2015 reported	H1 2015 PFI	H1 2014 reported
Operating profit after depreciation, amortisation and impairment expenses as per Income Statement (Reported EBIT)	11,832	9,797	9,856
Add: IPO Costs	-	-	<u>1,254</u>
Operating profit after depreciation, amortisation and impairment expenses adjusted for IPO costs (Adjusted EBIT)	<u>11,832</u>	<u>9,797</u>	<u>11,110</u>

About Airwork

Airwork is a specialist provider of services to the aviation industry. Airwork owns, operates, leases, maintains, upgrades and supports helicopters and fixed wing aircraft to provide a complete solution for clients including emergency services, law enforcement agencies, freight operators, the oil and gas industry and tourism in New Zealand, Australia, Asia, Europe, Africa, North America and South America.

Founded in 1936, Airwork is one of the oldest aviation businesses in New Zealand. Since its delisting in the early 1980's, Airwork set out to establish a world class aviation support business and that strategy, albeit on a far larger scale, continues today. The Company underwent an IPO and was listed on the NZX in December 2013. Airwork now has the capability to leverage its world class maintenance, repair and overhaul business and its extensive local and international certification to pursue a range of leasing, charter and engineering opportunities.

Recently the Company gained European Aviation Safety Agency certification (Part 145) which enables Airwork to undertake helicopter maintenance, repairs and overhauls for customers in Europe and many other jurisdictions.