

13 June 2016

## Airwork Trading Update

**FY16 NPAT now expected to exceed \$22m, an increase of \$6.5m / 41% on FY15, and \$1m ahead of February's guidance.**

**Boeing 737 Fleet Expansion Program will be completed in H1 2017 with new customers signed and redeployments confirmed since Airwork's last announcement in February.**

**Under the 737 Fleet Expansion Program Airwork's fleet will have grown from 9 Boeing 737s in 2014 to 19 Boeing 737s when this program is completed.**

In 2014 Airwork announced the fixed wing fleet expansion program with an initial purchase and freighter conversion of six Boeing 737-400 aircraft. Since then the program has been expanded to accommodate further aircraft and redeployments. Two of the Company's 737-300F aircraft have been replaced in NZ and Australia by 737-400F aircraft as a result of the program and have now been redeployed on new contracts with new customers. The last two 737-400F deliveries for wet lease customers in NZ and Australia will commence operations in Q1 FY17. An additional 737 400F acquisition has been contracted recently which, when delivered, will bring the total Boeing fleet to 19.

The expansion of the Company's helicopter engineering MRO (Maintenance Repair and Overhaul) facility at Ardmore has been completed and is now operational. Engineering certification expansion includes United States FAA Part 145 approval of the helicopter MRO facility obtained during the current period.

Airwork now expects NPAT to exceed \$22m for FY16 (FY15: \$15.5m, an increase of 41%), following a review of the in excess of \$21m guidance provided in February. This does not include recognition of the High Court judgment in favour of the group in the court case against The Helicopter Line (approximately \$2m before tax), the accounting treatment of which is still under consideration.

Further information about Airwork is available at <http://www.airworkgroup.com/content/investors/>

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