ANNOUNCEMENT

FY 16/17 HALF YEAR RESULTS











AGENDA

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- FINANCIAL HIGHLIGHTS
- → KEY PERFORMANCE INDICATORS
- → OPERATIONAL REVIEW
- → OUTLOOK & GUIDANCE









FINANCIAL HIGHLIGHTS

GROUP INCOME STATEMENT REVIEW

	1H FY17 (\$M)	1H FY16 (\$M)		
Passenger Revenue*	127.9	113.2		
Group Total Revenue	144.3	132.6		
Fuel Cost	(16.7)	(17.8)		
Other Costs & Expenses Exclude Fuel	(119.5)	(110.0)		
Finance Costs & Other	0.5	0.1		
Impairments**	-	(18.1)		
Operational Profit After Tax	6.2	3.3		
Statutory Profit Before Tax	8.6	(13.2)		
Statutory Profit After Tax	6.2	(11.4)		

^{*} Includes QLD Government Regulated Route payments

^{**} Includes Goodwill, Asset write downs and fair value accounting









FINANCIAL HIGHLIGHTS

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Improved Financial Performance due to:

- → Slight improvement in traditional network pax numbers and yield
- → Full half year contributions from WA routes
- → Fuel cost reduction of \$2.5M from hedge initiatives
- → Improvement of 4.3% in FX rate

more than compensated for end of Pel-Air defence contract









KEY PERFORMANCE INDICATORS

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	1H FY17	1H FY16
Passengers	612,284	550,323
ASKs (M)	423.0	379.7
Average Fare*(\$)	213.5	205.7
Load Factor*	56.6%	54.8%
Pax Revenue* / ASK (cents)	30.9	30.5
Other Revenue / ASK (cents)	0.5	0.7
Total Cost** / ASK (cents)	29.5	30.1
Fuel % Total Cost	12.3%	13.9%#

^{*} Includes QLD Government Regulated Routes (payments and passengers)









^{**} Includes fair value accounting

^{*} Adjusted to Exclude Impairments

KEY PERFORMANCE INDICATORS

WA NETWORK VERSUS TRADITIONAL NETWORK

	WA Network	Traditional Network	Comparison
Passengers	52,707	542,322	9.7%
ASKs (M)	32.8	368.0	8.9%
Average Fare per Sector Hour (\$)	192.2	233.3	82.4%
Load Factor	75.5%	56.0%	19.5% pts
On-Time Departure	86.3%	86.6%	(0.3%) pts

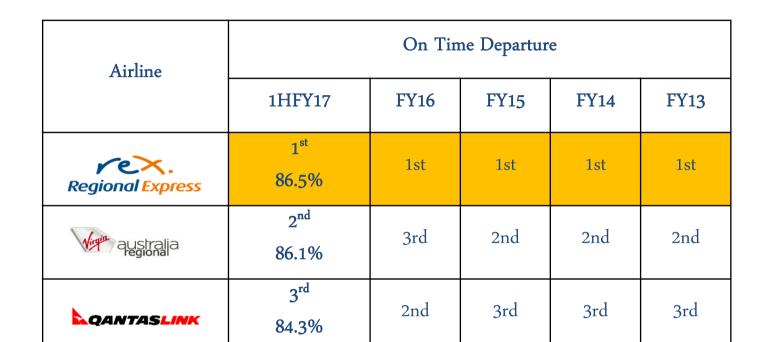








ON TIME PERFORMANCE



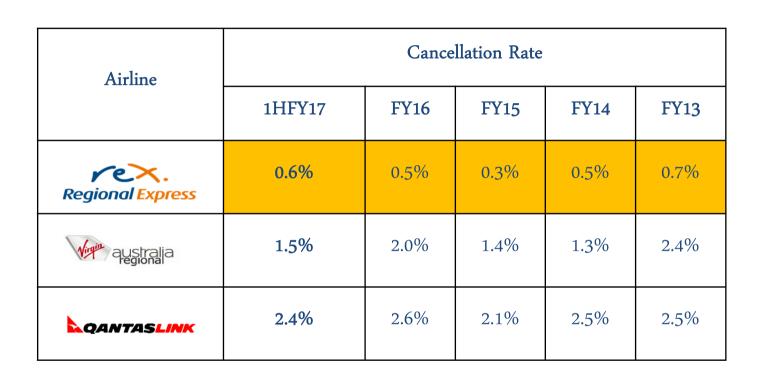








CANCELLATION RATE











OPERATIONAL REVIEW



- → Jul-16 Permanent medivac operations based out of Singapore
- → Aug-16 Pilot EBA ratified
- → Oct-16 Expanded Cairns to Bamaga service
- → Oct-16 Commenced operations in new Sydney warehouse
- → Nov-16 Engineer EBA ratified









SYDNEY WAREHOUSE



SUBSEQUENT EVENTS

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- Sold off all four Learjets
- → Completed the acquisition of an aircraft paint hangar in Wagga Wagga









PROFIT OUTLOOK 2H 17



TAILWINDS:

- →Q3 hedged fuel prices bring \$2.2M savings. Q4 not hedged but expected to bring additional savings
- → 2H FY17 has 2 additional months of WA contributions
- Continued strong international medivac performance
- AAPA will continue to enjoy strong international enrolments

HEADWINDS:

- → FX risk high as USD has strengthening bias
- → Protectionism by USA could slow world economy









PROFIT GUIDANCE



- PBT for the current FY is expected to be an improvement over last FY.
- The Board not confident of providing specific profit guidance for full FY due to global uncertainties and extreme volatility.
- However the Board believes that the full year operational performance will be able to achieve at least the same percentage improvement as was attained for the half year.









DIVIDEND GUIDANCE



The Board recommends the resumption of dividend payout if the full year results indicate that the trend of passenger decline has bottomed out.









END OF PRESENTATION THANK YOU











The Hon Darren Chester MP, Minister for Infrastructure and Transport with Australian and international cadet pilots at the

Australian Airline Pilot Academy

Wagga Wagga NSW, 25 November 2016