

20th November 2013

Airwork IPO seeks \$40 m

Specialist aviation solutions provider Airwork Holdings Limited (Airwork) has registered a prospectus to raise up to \$40 million and to seek a listing on the NZX Main Board.

The Offer will comprise a maximum 15,384,616 new shares at \$2.60 per share to New Zealand resident clients of brokers and to Institutional Investors. There will be no public pool.

Proceeds of the offer will provide funding for Airwork's world class maintenance, repair and overhaul business with its extensive local and international certifications, to pursue a range of contracted leasing, charter and recurring engineering opportunities over time. In addition, part of the proceeds will be used to pay down debt and purchase at the offer price up to \$20 million of shares from Airwork's major shareholder and Non-executive Director, Hugh Jones. All shares purchased from Mr Jones will be cancelled. Mr Jones does not guarantee the shares offered.

Airwork Chairman Mike Daniel says the IPO will create a capital base structured to drive the business into its next growth phase.

"Airwork is a global niche provider of aviation services with a contracted customer base diversified across industries and geographies. It is ably led by Chief Executive Officer Chris Hart with an experienced and highly skilled management team with a proven track record of competing on the global stage."

CEO Chris Hart says the Company operates a fleet of 29 helicopters and 20 fixed wing aircraft, including nine Boeing 737s.

"Long term contracts and the extensive certification required to operate in the aviation industry, along with infrastructure limitations and the need for a highly skilled workforce, provide significant barriers to entry. All these factors serve to strengthen Airwork's ability to provide complete solutions for customers."

The offer documents outline prospective financial information for the 12 months to 30 June 2014, with revenues of \$125 million, yielding earnings before interest tax depreciation and amortisation of \$39 million and net profit after tax of \$8.5 million.

The Directors have adopted a dividend policy to pay a cash dividend of 14 cents a share for the 2014 financial year, subject to market conditions, Airwork's financial performance and future capital requirements, comprising a 7 cent a share interim dividend payable in April 2014 and a final dividend of 7 cents payable in October 2014. The dividend policy represents at 5.4% cash yield at the offer price.

"This is an investment proposition with growth prospects and a sound dividend yield," Mr Daniel says.

The Offer will open on 27 November 2013 and close at 5pm on 13 December 2013. Airwork shares are expected to begin trading on the NZX on Thursday 19 December with the ticker code 'AWK'.

The Offer is conditional on subscriptions being received for a minimum of \$30 million.

On completion of the IPO, Mr Jones and associated interests will retain at least a 51 per cent holding in the Company.

First New Zealand Capital Securities Limited has been appointed Lead Manager and Organising Participant and Deutsche Craigs Limited as Co-Lead Manager.

About Airwork

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, Europe, Africa, Asia and Australia.

The business, founded in 1936 is one of the oldest general aviation businesses in New Zealand. It was acquired by Mr Jones and an investor in 1984 has grown strongly since and 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 most other jurisdictions.

Ends

Application has been made to NZX for permission to list Airwork Holdings Limited and to quote its shares on the NZX Main Board under the stock code "AWK" and all the requirements of NZX relating to the application that can be complied with on or before the date of this announcement have been duly complied with. However, NZX accepts no responsibility for any statement made in this announcement. The NZX Main Board is a registered market operated by NZX, a registered exchange under the Securities Markets Act 1988.

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