

27 February 2017

Airwork delivers positive first half result

- **NPAT of \$12.7m up 9.5% on prior comparative period**
- **EPS of 25.2 cents per share v 23.1 cents per share in prior comparative period**
- **Recent investment in Fixed Wing business underpins earnings growth**
- **Highlights benefits of diversified businesses and revenue streams**

Growth in its Fixed Wing business has enabled specialist aviation solutions provider Airwork Holdings Limited (Airwork) to deliver a positive interim result for the six months ended 31 December 2016, in line with expectations for the period.

Net Profit After Tax of \$12.7 million (Earnings per Share of 25.2 cents) was 9.5% ahead of the prior comparative period (\$11.6 million). No dividend has been declared at this time in line with the conditions of the partial takeover offer from Zhejiang RIFA Holding Group Co. Limited ("RIFA").

Total revenue increased by 1.3% on the prior comparative period, with EBIT 10.5% ahead due to significant expansion of the Fixed Wing Division including the impact of contracts that commenced in the prior year. The net gain on insurance associated with an Airwork owned aircraft incident in Europe (operated and maintained by a 3rd party, as referred to in prior announcements) has been offset by some non recurring costs associated with the introduction of additional freighters in NZ and Australia.

Fixed Wing growth was partly offset by a reduction in the Helicopter Division due to continued challenging market conditions. The overall helicopter leasing fleet remained unchanged since June 2016 at 41 helicopters. The Helicopter Division's performance is expected to improve in the second half with the commencement of two projects delayed from the first half, and greater helicopter sales and MRO activity.

RIFA transaction

On 8 December 2016, RIFA made a partial takeover offer for 75% of Airwork's ordinary shares at an offer price of \$5.40 per share ("Offer"). The Offer closes at 11:59pm on Sunday, 5 March 2017 and cannot be further extended. Consequently, the latest date under the Takeovers Code on which RIFA can declare the Offer unconditional is 4 April 2017.

The Offer remains conditional upon Chinese regulatory approvals and confirmation that Airwork's operations under its relevant aviation regulatory licenses will be able to continue unaffected by the Offer. The Independent Committee of Airwork's board has no reason to believe that the outstanding conditions will not be fully satisfied or waived within the timeframe required under the Takeovers Code.

RIFA has advised that as at 24 February 2017, acceptances from shareholders totalling 87.258% had been received. Airwork shareholders who have not yet accepted RIFA's Offer are advised to carefully consider the Target Company Statement dated 19 December 2016 and the letter from the Independent Committee of Airwork's board dated 15 February 2017 and, should they wish to accept the Offer, do so taking into account mail delivery timeframes to ensure that the completed Acceptance Form and the Specified Holder Certificate are delivered to RIFA before the closing date of 5 March 2017, noting that the closing date is a Sunday.

The takeover process has been protracted and inevitably this has been a distraction for the management team at times. Notwithstanding, Airwork believes that the involvement of RIFA can open up exciting new opportunities for the Company to leverage its expertise into the Chinese market and the wider Asia region.

Outlook

The Company expects continued earnings growth from its Fixed Wing business due to the full year impact of the aircraft deliveries and new contracts. Headwinds in the helicopter industry continue, in particular in the resources sector. Airwork's Helicopter business will continue to focus on diversifying its customer base and expanding its global footprint.

Based on current and expected trading for the remainder of the year, the Directors forecast a net profit after tax of approximately \$25 million for the 2017 financial year (2016: \$24.6 million).

Ends

Chris Hart, Chief Executive Officer

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