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## **Alliance Aviation Services Limited (ASX code: AQZ)**

### **Full Year Results: 30 June 2017**

#### **Key Points**

- Profit Before Tax - \$19.6 million, up 45%;
- Improved cash flow from operations;
- Total Revenue Flying Hours – 2,215 hours, up 11%;
- Total Revenue - \$203 million, up 11%;
- Total Debt – down \$5.0 million;
- Sustaining capital expenditure, \$23.6 million, as forecast;
- Fokker Fleet Project fully funded; and
- Dividend, 3.0 cents, fully franked, 50% up on previous year.

#### **Summary**

Alliance Aviation Services Limited (Alliance) today announced a substantial increase in profit before tax (PBT) to \$19.6 million for the year ended 30 June 2017. This is an increase from \$13.5 million for the previous year.

Total revenue for the year was \$203 million, up from \$182 million in the previous year.

During the year Alliance continued its focus on revenue diversification and leveraging value from the Fokker Fleet project. Total Flying hours increased from expanded wet lease flying and an improvement in contract flying in the second half.

Speaking after the release of the results, the Managing Director of Alliance, Scott McMillan said “the current result is pleasing and positions the business well for the future.”

Capital expenditure on sustaining activities was \$23.6 million which was as forecast. Alliance continued to acquire the aircraft from the Fokker fleet project and the remaining five to be delivered have been funded from operating cashflow.

The Chief Executive Officer of Alliance, Mr Lee Schofield commented “the profitability of the business has provided good cash flow from operations. These funds have been used to continue to invest in the expansion of the business. During this time the Company has also continued with the debt reduction strategy.”

Total debt reduced to \$75 million from \$80 million in the previous year.

## **Outlook**

Alliance maintains a positive outlook for the 2018 financial year.

The resources sector continues to demonstrate signs of recovery and the Alliance strategic partnerships will provide opportunities during the next year.

Wet lease flying is forecast to continue to grow compared with the 2017 financial year and the recent introduction of regular public transport (RPT) services in regional Queensland and New South Wales will provide new opportunities.

Opportunities for the further sale of aircraft and parts from inventory have been identified.

Capital expenditure is performing as expected and the outlook for the 2018 financial year is for capital expenditure on sustaining activities to be similar to 2017.

Three further aircraft will also be introduced into service in the first half of the year to position Alliance for further growth and fleet opportunities.

## **Dividend**

The Directors have resolved to pay a full year dividend of 3.0 cents per share (a 50% increase), fully franked. The Record Date is 19 September 2017 and shareholders will be able to utilise the dividend re-investment plan, which will include a 2% discount to the five day volume weighted average price of shares sold on the Australian Stock Exchange.

This dividend has been declared at a time that the business is investing in the future and continuing to repay debt.

## **About Alliance**

*Alliance is a broad based aviation business. It is also the leading air charter operator in Australia and provides an essential service to a number of sectors including tourism, resources, education, government, corporate, sporting and entertainment.*

*Alliance holds IATA's IOSA certification and Flight Safety Foundation "BARS Gold" status, the first such carrier in Australia to be so recognised.*

*The Australian business currently operates a fleet of 16 Fokker F100, 8 Fokker 70LR jet aircraft and 5 Fokker 50 turboprops at world leading on time performance and despatch reliability.*

*Alliance has an international footprint with operations and aircraft based in Brisbane, Townsville, Cairns, Adelaide, Melbourne, Perth, Darwin, Auckland and Bratislava.*

## **For more information contact:**

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