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

### **Half Year Results: 31 December 2016**

#### ***Summary***

Alliance Aviation Services Limited (Alliance) today announced a net profit before tax (PBT) of \$8.7 million for the half year ended 31 December 2016. This is an increase from \$4.9 million for the previous year.

Total revenue for the half was \$102.5 which benefited from the developing aviation services business and an increase in the number of wet lease hours.

Alliance has maintained its ongoing strategies to broaden its revenue base, lower capital expenditure and reduce debt. Some key messages from this result are:

- Alliance is a broad based aviation business which has diversified its revenue;
- The PBT of \$8.7 million for the half is an improvement on the previous year and this together with its capital management strategy delivered, an improved operating cash flow;
- The strategy to reduce debt continued with a further reduction of \$3.5 million in the half;
- Capital expenditure was \$10.9 million for the half. This is consistent with last year and demonstrates that the significant reduction in the previous year is sustainable; and
- Alliance maintained industry leading on time performance and customer service. It is these qualities which have resulted in Alliance renewing two material contracts with CITIC Pacific Mining and Newcrest.

Speaking after the release of the results, the Managing Director of Alliance, Scott McMillan said "the current result is pleasing as it demonstrates the positive impact the diversified revenue will have on future shareholder returns"

### ***Outlook***

Alliance maintains the stable outlook which was announced with the 2016 full year results and again at the Annual General Meeting in October 2016.

Less contract flying in the first quarter did impact the current financial result however this returned to meet expectations for the second quarter. The resources sector is demonstrating signs of a recovery which will benefit Alliance.

Wet lease income continues to improve and the aviation service business will develop further during the second half with new opportunities.

Capital expenditure is performing as expected.

Alliance has a large fixed cost base which means that any improved in contract flying would have a significant positive impact on the income of the business.

### ***Dividend***

The Directors have resolved not to pay an interim dividend as the business continues to repay debt and invest in future growth.

The Directors will consider a full year dividend at the end of this financial year.

**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, 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.*

*In November 2015, Alliance entered into a contract with Austrian Airlines AG for the purchase of 21 Fokker aircraft to allow for revenue diversification with aircraft and part sales.*

**For more information contact:**

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