AIR PARTNER: INTERIM RESULTS FOR THE SIX MONTHS ENDED 31 JULY 2015

News / Finance

Air Partner plc (“Air Partner“ or “Group“), the global aviation services group, today reports results for the six months to **31 July 2015.**

Financial highlights:
· Underlying PBT of £2.2m, a year-on-year increase of 100%
· Underlying EPS of 17.1p, a year-on-year increase of 26%, lower than the increase in underlying PBT due to the non-recurrence of last year’s tax credits
· After £0.3m of other items, statutory PBT rose by 70% to £1.9m
· Total cash balances including JetCard deposits of £15.0m (£18.0m)
· Excluding JetCard deposits, cash balances decreased to £1.4m from £6.1m due to working capital movements associated with some of our largest credit customers and the acquisition of Cabot Aviation Services Limited
· Interim dividend of 7.33p, a year-on-year increase of 10%
· The trading outlook for the full year remains in line with the Board’s expectations

Operating highlights:
· A strong performance in Commercial Jets, particularly in the UK and Europe but the US was impacted by lower activity from a key customer
· Private Jets in the UK performed well, although Europe was sluggish and the US was below expectations
· JetCard utilisation up by 22% with a record number of JetCards in issue

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Strategic highlights:
· Implementation of our Customer First programme has begun
· The successful acquisition and integration of Cabot Aviation Services Limited, a leading Aircraft Remarketing company for a net consideration of up to £1.1m
· Acquisition of Baines Simmons Limited, a world leader in Aviation Safety Consulting, announced on 19 August for a net consideration of up to £6.0m

Mark Briffa, CEO of Air Partner, commented: ‘Our first half performance is a great testament to all of those who work at Air Partner and shows that by putting customers at the heart of our business we can differentiate ourselves from our competition and deliver good trading momentum. The integration of Cabot Aviation has gone well and we are seeing benefits from leveraging our customer and supplier relationships, as well as new remarketing opportunities arising as a result of being part of our Group. The purchase of Baines Simmons in August is an exciting opportunity for Air Partner to extend the Group’s service and product capabilities and should further strengthen our customer proposition. As well as the benefits that the acquisitions should provide for our customers, they are important steps in the Group’s aim to build wider and more stable revenue streams that sit alongside and complement our broking activities.’

CHAIRMAN’S STATEMENT

The Board is pleased to report an encouraging performance for the six months to 31 July 2015. Gross profit rose by 13% to £12.1m while underlying operating profit and underlying profit before tax increased twofold to £2.2m. Reported pre-tax profit rose by 70% to £1.9m after a charge £0.3m relating to acquisitions.

The underlying performance resulted from improved trading in the Commercial Jets division which increased its operating profit by 51% to £1.7m (2014: £1.1m), along with progress in both our Private Jet and Freight divisions, which delivered operating profit of £0.9m and £0.4m respectively. The Group’s underlying basic earnings per share has increased by 26% to 17.1p, lower than the increase in underlying pre-tax profits due to non-recurrence of last year’s tax credits.

Non-JetCard cash has fallen by £4.7m to £1.4m. The two main factors behind this relate to working capital movements as a result of increased charter demand from some of our largest credit customers, as well as acquisition investments and associated costs in the period.

Our strategy is to build a world class aviation services group, delivering tailored and comprehensive aviation solutions to our customers globally. We will enable this through continuous improvement, delivering high levels of service and an enhanced customer experience and through the enhancement of existing services. Where appropriate, this will also be achieved through the acquisition and integration of complementary services that broaden our customer offering and enhance the quality and visibility of our earnings.

Our Customer First programme is a clear commitment to continuous improvement. Customer First unequivocally puts our customers at the heart of every decision that we make and with improved services and efficiencies, it will enable us to differentiate ourselves from the competition and build upon our already strong brand identity. The programme will be rolled out across the whole of the business for the start of the next financial year.

Since the year end we have added new capabilities and services to our customer proposition. In May 2015, Air Partner announced the acquisition of Cabot Aviation, a leading global Aircraft Remarketing broker for a total net consideration of up to £1.1m and, after the period end, we

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announced the acquisition of Baines Simmons Limited, a world leading Aviation Safety consultant for a total net cash consideration of up to £6.0m.

The Board remains confident in the Group's long-term prospects and is pleased to announce an interim dividend of 7.33p (2014: 6.66p), an increase of 10% on last year, which is expected to be paid on 28 October 2015 to those shareholders on the register at 2 October 2015.

Given the first half performance and good current trading, the Board remains confident that its expectations for the remainder of the financial year should be achieved.

Richard Everitt, Chairman

24 SEPTEMBER 2015

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