

Airways Corporation of New Zealand Limited

Annual results announcement – 31 August 2012

Reporting Period	12 months ended 30 June 2012
Previous Reporting Period	12 months ended 30 June 2011

<i>Amount (000's)</i>	12 months ended 30 June 2012	12 months ended 30 June 2011	% change
Revenue from ordinary activities	\$NZ 164,255	\$NZ 152,624	7.6%
Profit (Loss) from ordinary activities after tax	\$NZ 9,307	\$NZ 4,707	97.7%
Net Profit (Loss)	\$NZ 9,307	\$NZ 4,707	97.7%

Interim Dividend	\$NZ 4,000	\$NZ 4,000	
Final Dividend	\$NZ 1,000	\$NZ 2,000	
Total Dividend	\$NZ 5,000	\$NZ 6,000	(16.7%)
Final Dividend Payment Date	29 June 2012		

Comments:	<p>Airways achieved a solid operating profit of \$9.3 million in the 2011-12 year, a year characterised by recovery from natural disasters and primarily driven by growth in its international business.</p> <p>The increase from last year's net operating profit after taxation (NOPAT) of \$4.7 million came from productivity gains in Airways core air traffic control business, in its training division and by new business developments in markets like the Middle East, Asia and South Africa.</p> <p>Airways chief executive Ed Sims cited the success in contracting air traffic controller training from Saudi Arabia and incremental business from the new office in Beijing as drivers behind the 98% NOPAT improvement.</p>
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“While our core domestic air traffic control role and safety will always be of prime importance, we know that to achieve growth in the future we will need to look at developing products and services for international markets,” says Ed Sims.

“Our core air navigation service (ANS) revenue grew by stimulating a more cost effective operating environment for our airline customers. With fuel at a new norm above \$100 per barrel, optimised flight planning, which reduces fuel burn and has saved our airline customers millions of dollars, has become more critical than ever.

“With international airline capacity reduction, new fuel price increases and continued financial uncertainty, the year ahead is already looking to be challenging,” said Sims.

Airways controlled 1.1 million air traffic movements across 30 million kilometres of airspace during the 2011-12 year. The company continued to stay at the forefront of technological improvements in aviation while achieving a total system reliability of 99.94%.

Airways chair Susan Paterson said that the \$9.3 million NOPAT was achieved at a difficult time for Airways staff and for the aviation sector. “The majority of Airways staff are based in Christchurch so they’ve had another tough year. I would like to credit management and all our staff, for their commitment to providing air traffic control services to such high levels of reliability and safety”.