



AIRWAYS CORPORATION OF NEW ZEALAND

Annual results announcement: 28 February 2018

<i>All amounts are in NZ\$ millions</i>	6 months ended 31 December 2017	6 months ended 31 December 2016	% change
Revenue from operating activities	111.6	102.1	9%
Profit from operating activities after tax	18.1	13.8	31%
Net Profit	18.1	13.8	31%
Service improvement (Capital) projects	21.5	15.7	37%
Interim dividend (Oct)	3.0	2.0	50%
Forecast interim dividend (Feb)	4.0	2.0	100%
Forecast final dividend (June)	4.0	5.0	(20%)
Total forecast dividend	11.0	9.0	22%
Final dividend payment date	30 June 2018		

COMMENTS

Airways New Zealand maintained excellent safety, operational and financial results for the half-year ending 31 December 2017. Continued growth across the aviation industry, while contributing to a positive financial result, has brought with it challenges, making the strong safety and operational results even more pleasing.

Importantly, the Air Traffic Control operation has delivered a continued, positive safety record, with a stable level of loss of separation events and no near collision incidents. We have maintained the availability of our services at a level of 99.95%, achieved against a backdrop of continued air traffic growth.

Airways' financial performance for the first six months of the year has also been pleasing, with NOPAT of \$18.1 million ahead of both budget and the first half of 2016/17. The continued increase in flight volumes has underpinned the positive result, supported by a gain on the sale of surplus land. The commercial portfolio, as well as benefitting from business growth, is also seeing ongoing cost efficiencies achieved through restructuring in the previous year. These trends are expected to continue, supporting a forecast result for the full year in line with our Statement of Corporate Intent targets.

The capital investment programme for the first half of the year has included significant progress on our new Air Traffic Management (ATM) system, which is due to become operational domestically in 2020 and in oceanic airspace in 2021. In August, the Board approved an increase in the full year capital budget from \$45.5 to \$49.3 million to support the early delivery of other projects enabling the new ATM system. Airways remains on track to deliver to the new target.