AIR PARTNER

By Appointment to
Her Majesty The Queen
Supplier of Aircraft Charter

Half Year to 31 January 2011

Presented by
Mark Briffa, CEO
Gavin Charles, CFO

Trading overview

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- Trading environment remains competitive with continuing pricing pressure
- Consequent impact on margins
- H1 has delivered strong performance
  – boosted by some unique opportunities
  – evacuation work will flow into H2
- Tentative recovery continues

Financial highlights

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- Focus on core broking is producing results

• Turnover	↑	36% to £130.9m
• Profit Before Tax	↑	184% to £2.9m
• Profit for the Period	↑	268% to £2.0m
• Diluted EPS (pence)	↑	66% to 19.4p
• Dividend		5.5p

(compared against first half of 2010)

Operational highlights

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- Strategic review completed
- H1 performance led by Commercial Jets
- Continued focus on developing international offices' profitability
- Renewal of Royal Warrant in December 2010
- Four year DFID contract won in October 2010
- Post 31 January: high volume, low margin evacuations successfully undertaken

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Financial review

Income statement

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£m	2011 H1	2010 H1	Change
Turnover	130.9	95.9	36%
Cost of Sales	(118.9)	(86.7)	37%
Gross profit	**12.0**	**9.3**	30%
Profit before tax	**2.9**	**1.0**	184%
Taxation	**(0.9)**	**0.2**	(536%)
Profit for the period	**2.0**	**1.2**	67%

Balance sheet

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£m	2011 H1	2010 FY
Non current assets	3.1	3.2
Debtors	39.5	41.8
Cash	11.4	11.7
Other current assets	0.2	0.1
Total assets	54.1	56.8
Current liabilities	(42.0)	(45.1)
Non current liabilities	-	(0.0)
Total liabilities	(42.0)	(45.2)
Net assets	12.1	11.6

Group cash flow

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£m	2011 H1	2010 H1
Operating profit	2.8	0.9
Depreciation and amortisation	0.2	0.2
Decrease in receivables	2.3	0.3
(Decrease) / increase in payables	(3.1)	0.1
Tax, interest and other	(0.3)	0.5
Discontinued operations	(0.6)	(1.3)
Net cash flow from operating activities	1.3	0.7
Net cash from investing activities	(0.1)	0.0
Net cash used in financing activities	(1.5)	(2.3)
Foreign exchange rate changes	(0.1)	0.0
Net decrease in cash	(0.3)	(1.5)

H1 Sales (£m)

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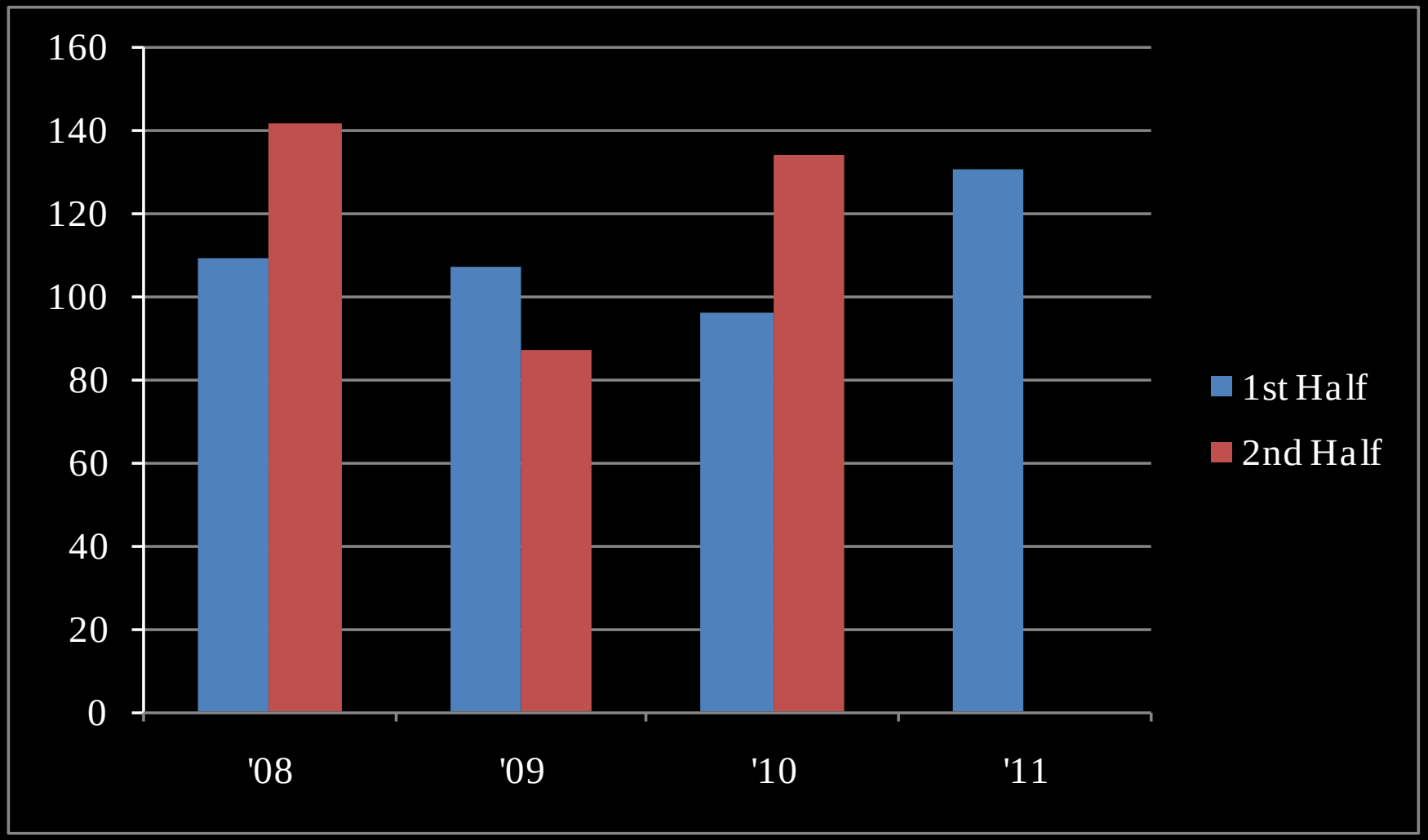

H1 Sales by client sector (£m)

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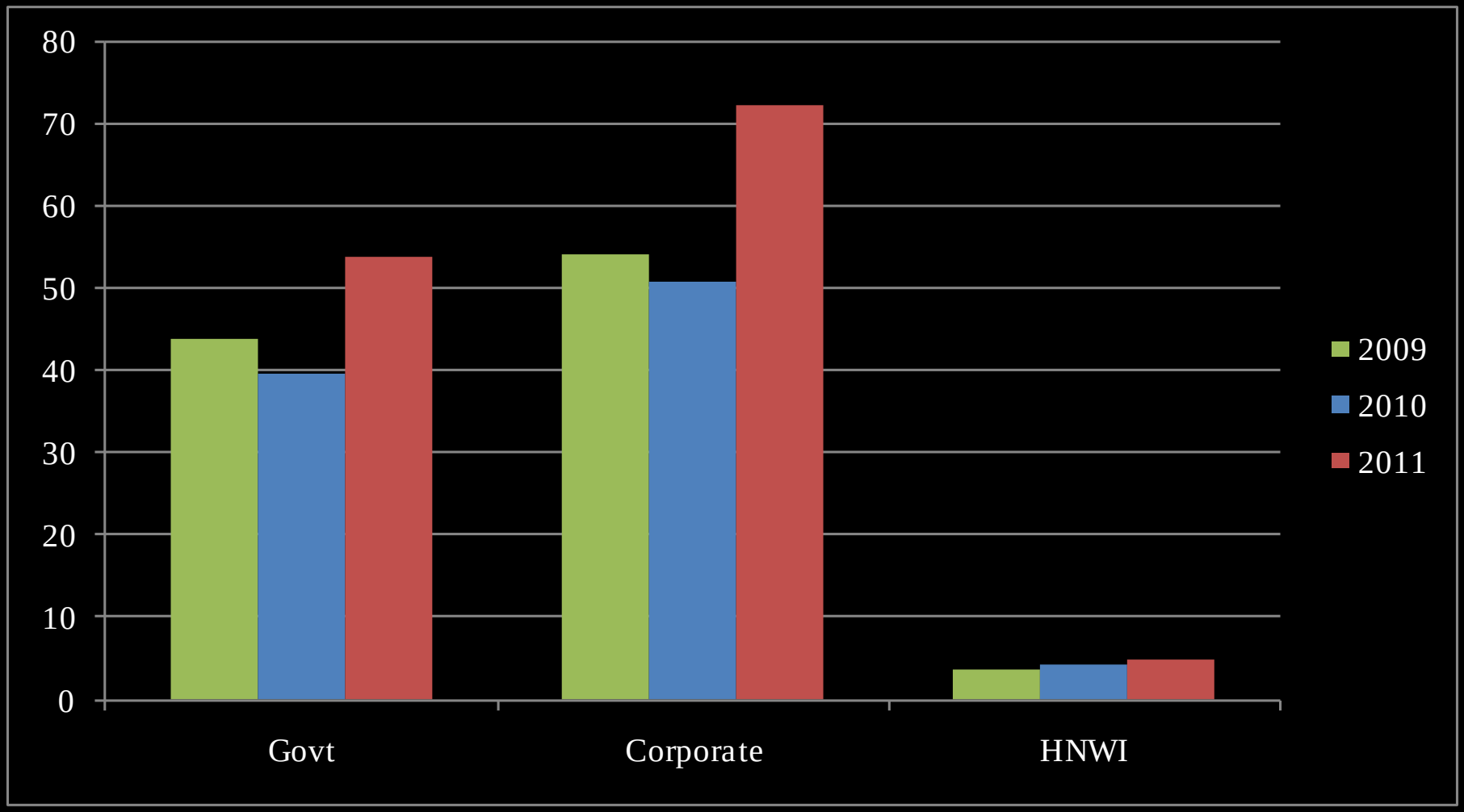

H1 Divisional split of sales

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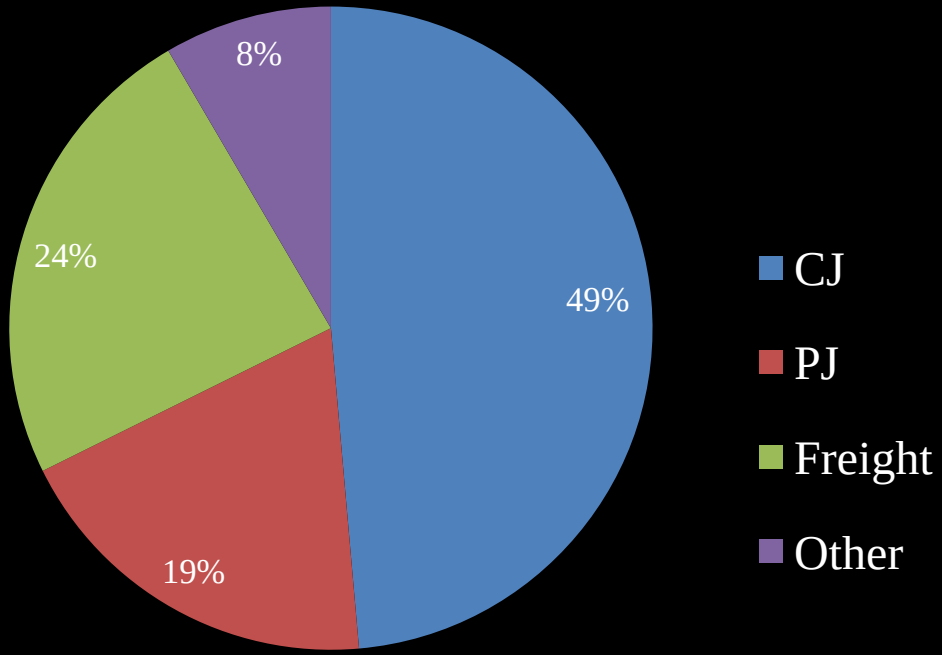
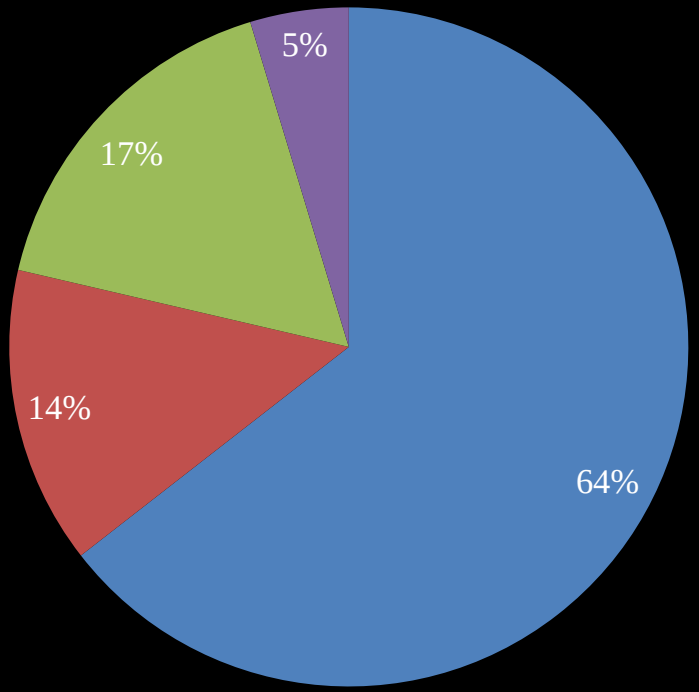
Sales 2010 (£96m)



CJ
PJ
Freight
Other

Sales 2011 (£131m)



H1 Sales by territory (% of Total Sales)

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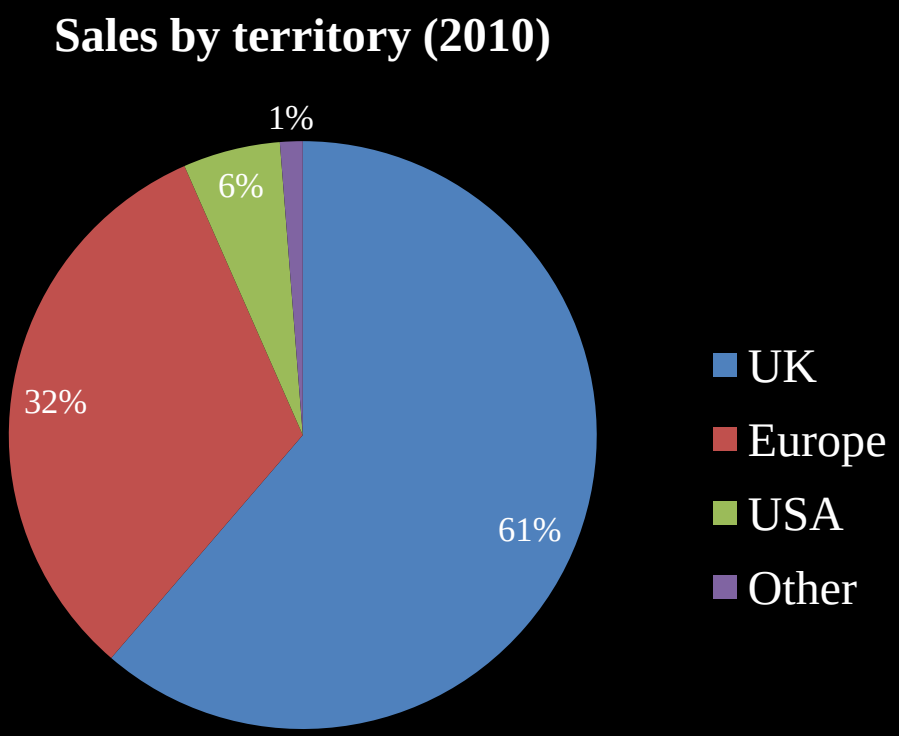

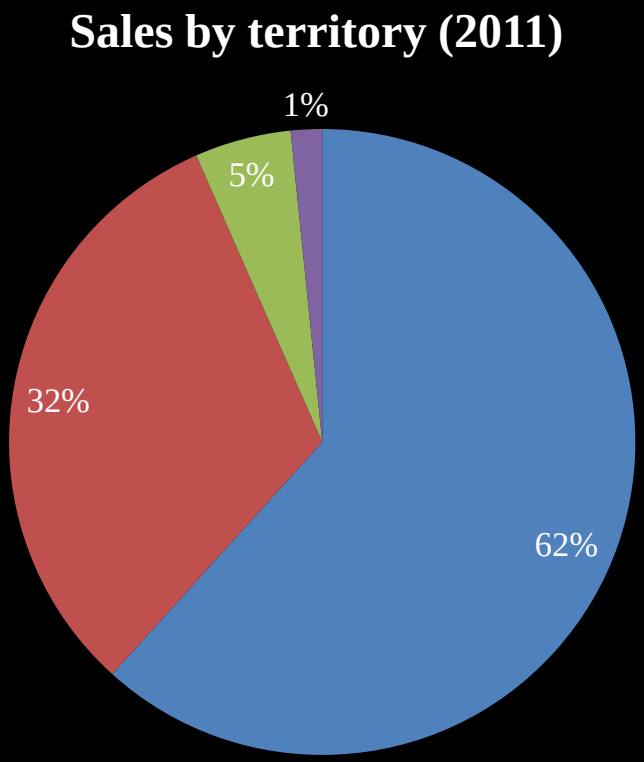

Dividend

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- 5.5 pence dividend declared for the half year

- Dividend will be paid on 28 April 2011 to shareholders on the register on 1 April 2011

Divisional review

Commercial Jet broking

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- Sales of £84.4m (up 81%)
- PBT of £2.1m (up 394%)
- Strong performance in tough market conditions
- One off, non-repeating contracts bolstered performance
- Wide bodied capacity reduction opportunities seized
- Good progress in niche tour operator relationships
- Some automotive work emerging
- C & I remains slow

Private Jet broking

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- Sales of £18.6m (up 1%)
- PBT of £0.5m (up 18%)
- Margins still under pressure from market overcapacity
- Film & Government sectors performing well
- HNWI continue to fly
- JetCard remains profitable:
  - JetCard holders can also use adhoc charter
  - Middle East JetCard initial response favourable
- Corporate finance sector shows some signs of recovery

Freight broking

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- Sales of £21.8m (down 5%)
- PBT of £0.2m (up 173%)
- Government business slower
- Industrial & Commercial business significantly increased
- Early signs of successful Far East partnership
- US & Middle East Freight added to global network

Other divisions

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- Air Partner Fuel
  - Important contract won with World Food Programme
- In House Travel Agency
  - Remains profitable and complements existing suite of products
- Emergency Planning Division
  - In demand
  - Stable and profitable
  - Successful performance in recent evacuations

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Strategy update

Air Partner's strategic vision

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- Be the best truly global air charter provider
- Offer a total solution to clients
- Drive profitable growth for all shareholders & employees

5 point strategic focus

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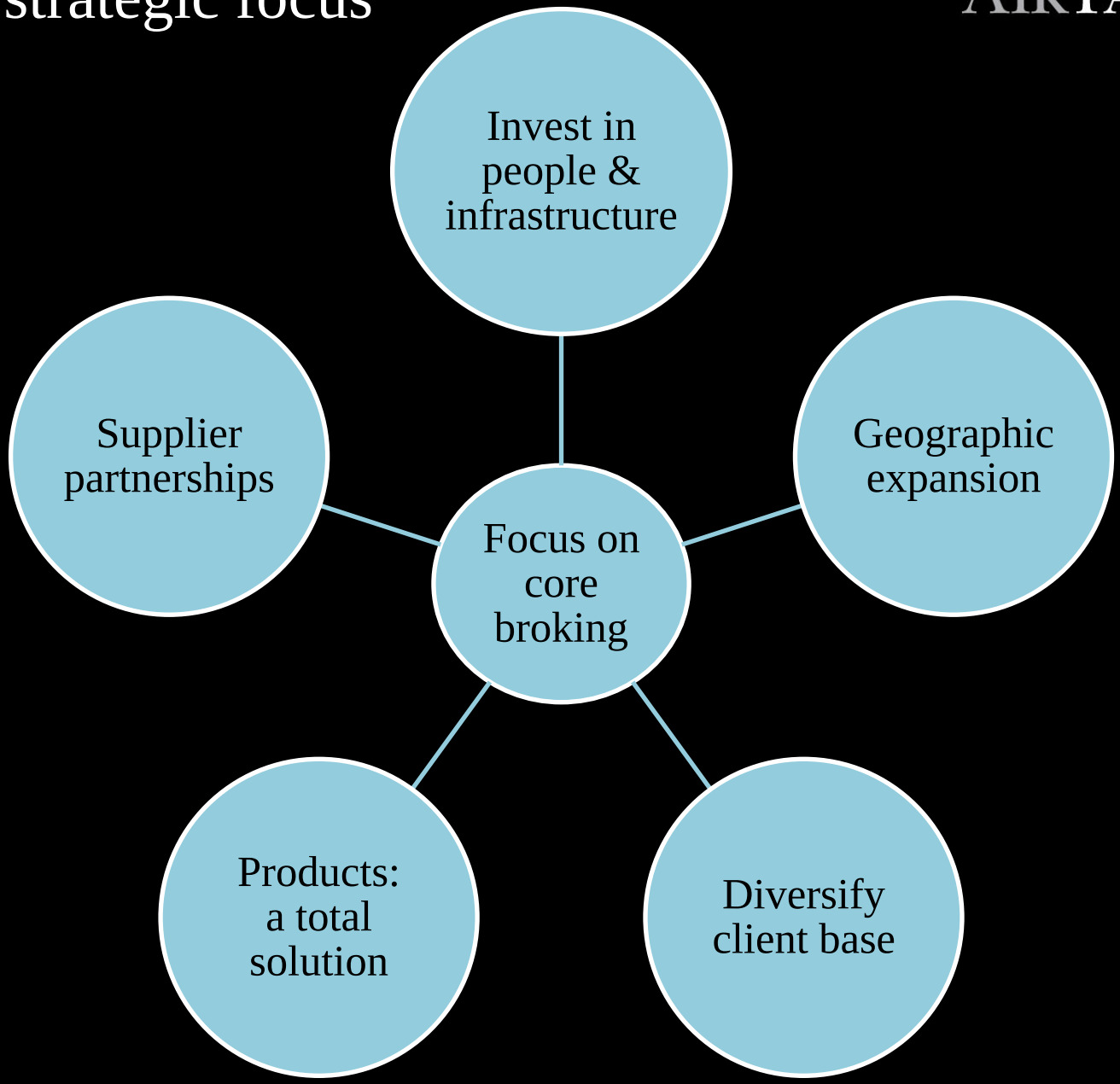

Driving growth

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5 point strategy	Key focus	Timing
Invest in: people & infrastructure	• 10 year lease signed on new office • Develop talent management process • Further investment in L&D department	Completed Initiated-ongoing Initiated-ongoing
Geographic expansion	• Develop non-UK revenue at faster rate than UK revenue • 3 year business plans developed for each office • Identify areas for further investment eg BRIC countries	Initiated-2014 Completed Ongoing / 2014
Products: offer a total solution	• Rationalise and enhance existing products • Offer existing products across all offices	Initiated-2012 Initiated-ongoing
Supplier relationships/ partnerships	• Develop strategic PJ relationships eg Citation Air, MENA • Develop strategic CJ relationships • Indentify cross selling opportunities in fuel and ops	Ongoing Ongoing 2012
Diversify client base	• Invest in skills • Differentiate via client service • Implementation of client care programme	YE 2011 Initiated Current year

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Outlook

Outlook & current trading

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Strong H1 performance has been boosted by some non-repeating contracts

- Current trading is good
  - continuing to benefit from event-driven demand
  - full impact of evacuation work not yet clear
- Tentative recovery continues
  - competitive environment unlikely to change
  - visibility remains poor
- Year ending 31 July 2012 to be viewed with caution
  - no guarantees of future performance
  - further work needed on processes and systems
- Investment is a priority for long term growth

To be the best.....

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- Our aim is to be the best truly global provider of air charter solutions
- Investment is key to providing a total solution for our clients' transport needs
- Our biggest asset is our people

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Questions