

Airways Corporation of New Zealand Limited

Annual results announcement – 28 August 2015

	12 months ended 30 June 2015	12 months ended 30 June 2014	% change
Revenue from operating activities	\$NZ 186.3m	\$NZ 181.3m	2.8%
Profit from operating activities after tax	\$NZ 15.1m	\$NZ 11.8m	28.0%
Net Profit	\$NZ 15.1m	\$NZ 11.8m	28.0%
Service improvement (Capital) projects	\$NZ 32.1m	\$NZ 33.8m	(5.0%)
Interim dividend (Oct)	\$NZ 1.0m	\$NZ 1.0m	
Interim dividend (Feb)	\$NZ 1.0m	\$NZ 1.0m	
Final dividend (June)	\$NZ 2.0m	\$NZ 1.0m	
Total dividend	\$NZ 4.0m	\$NZ 3.0m	
Final dividend payment date	25 June 2015		

Comments:

Safety is Airways' top priority. In the last financial year the Company has maintained a zero high-severity safety incidents record and its position as a leading air navigation service provider (ANSP). Airways also retained its international Civil Air Navigation Services Organisation (CANSO) top decile safety performance rating.

Airways achieved a Group Net Operating Profit after Tax (NOPAT) of \$15.1 million, in line with the original budget and 28% ahead of last year's result.

Airways' financial result was underpinned by an ongoing focus on rigorous cost control and a 2% year on year growth in flight volumes for the core business. This focus on cost control has allowed Airways to achieve budget, while managing unplanned asbestos removal costs during the year and delays in early stage growth of revenue streams from new international partnerships.

On 23 June 2015 a network interruption of two and a half minutes caused a service outage. Airways took the prudent approach of curtailing operations for one and a half hours before resuming full service to enable the safety and integrity of systems to be fully tested. While the delay was a consequence of prioritising airborne aircraft, Airways nonetheless apologised to airline customers, airport customers and the travelling public for the disruption.

Airways continued to enhance network optimisation during the year, through a further \$32.1m investment in New Zealand aviation infrastructure. One of the key benefits delivered by Airways' ongoing investment programme is measured by airline efficiency. 2014-15 saw a further 22% reduction in delays compared to the previous year. This improvement highlights the benefits of Airways' Continuous Flow Management system, the introduction of SMART approaches and procedural enhancements during the year, and the new sequencing tools for inbound flights to Auckland Airport. These enhancements have also contributed to savings of over 37,000 tonnes of CO₂ for airline customers during the current year.