

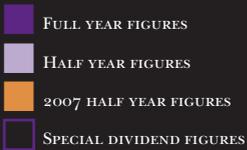


By Appointment to  
Her Majesty The Queen  
Supplier of Aircraft Charter

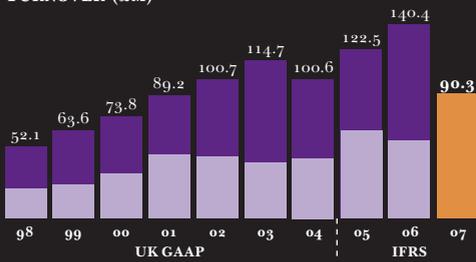
# AIR PARTNER

INTERIMS 2007





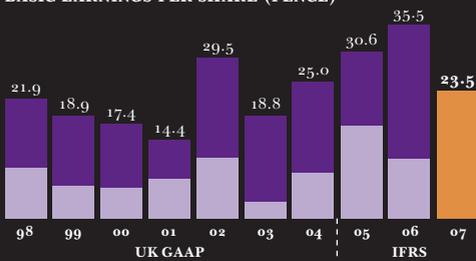
### TURNOVER (£M)



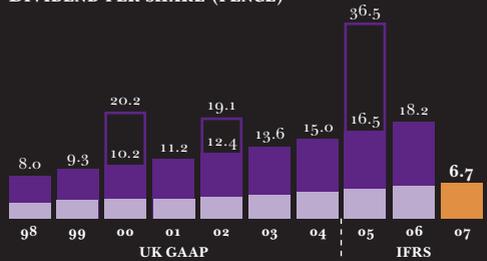
### PROFIT BEFORE TAX (£M)



### BASIC EARNINGS PER SHARE (PENCE)



### DIVIDEND PER SHARE (PENCE)



# HIGHLIGHTS

Sales up 60% to £90.3m (£56.3m)

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Operating profit up 139% to £3.2m (£1.3m)

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Profit before tax up 118% to £3.5m (£1.6m)

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Basic EPS up 114% to 23.5p (11.0p)

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Interim dividend up 10% to 6.7p (6.1p)

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## CORPORATE STATEMENT

26 years ago, Air Partner was a small, successful air taxi operator and aircraft charter broker based at London's second airport, Gatwick. The Company had a sales turnover of £1 million, traded under the name of Air London and was an unlisted player in an unknown market.

In the intervening years the Company, under the Air Partner brand, has transformed itself into the only truly global aircraft charter provider, is listed on the London Stock Exchange, and has many of the biggest institutional shareholders owning the majority of its shares. In that period it has traded over £1 billion of successful contracts.

The Company's professional advice, smart procurement and logistical expertise combine with personal recommendations to provide a unique capability, that is best described as 'the global trading floor for aircraft charter'.

In selling the highest quality of air travel to the most discerning of clients, Air Partner offers value added services that make the difference between an ordinary flight and a highly successful operation delivering tangible results. Air Partner is proud of its stable and growing client base, which is serviced by its 150 highly-professional traders and logistics experts, providing global solutions at best value-for-money rates.

For in today's market, it is not enough to organise a carrier to perform a described mission; traders must be supported by a logistics team that oversees the flight, ensuring thorough preparation with no margin for error. Critical to this is Air Partner's unique 24-hour Operations Centre in the UK, and its global network of offices stretching from Europe, across the Middle East, to Asia, the Far East and across the Pacific to North America. Each office is manned by local teams that have the contact network to mate local knowledge with global expertise and support – in short a bespoke premier charter service.

# CHAIRMAN'S INTERIM STATEMENT

In the six months to 31 January 2007 Air Partner increased its client base by 25% and produced very strong results across all of its business divisions. This performance was assisted by four key drivers: the greater efficiency and scale of Air Partner, further economic and cultural globalisation, the current strength of the global economy and the continuing deterioration of the mass air travel experience. While it is anticipated that most of these drivers will remain in force into at least the medium term, it is important to note that the Group remains exposed to the short lead times associated with private aviation, limiting the Group's ability to predict business cycles.

In the period under review sales grew by 60% against the comparative period to £90.3 million (£56.3 million), operating profit was up 139% to £3.2 million, with profit before tax up 118% at £3.5 million (£1.6 million) and earnings per share rising to 23.5p (11.0p), a 114% increase. Cash rose by 39% to £17.3 million (£12.4 million). Accordingly, the Board of Directors is recommending an interim dividend of 6.7p (6.1p), representing a continuation of the 10% increase in the core dividend that has been sustained since 1995. The dividend will be paid on the 18 May 2007, to shareholders on the register on 20 April 2007. While this has been an exceptionally good performance, it is worth noting that the comparative period last year was quieter than previous first half performances.

Air Partner's international team of 225 aviation experts, based in 21 offices across four continents, has produced sales ahead of expectations, with the UK accounting for 57% of sales, Europe 29%, the US 9% and the rest of the world 5%. In terms of product split, the Commercial Jets business grew 52%, the Private Jets business grew 75% (47% on like-for-like pre-acquisition basis) and other activities grew by 85%. Today, more than ever before, the hub and spoke system employed from the UK head office throughout the Group is helping to drive earnings as synergies and efficiencies are more easily realised. In addition the latest office openings in Palma, Milan and San Francisco are all profitable and the Group continues to seek new office opening opportunities as they arise.

Air Partner has continued to perform well in its traditional government and large corporate sectors, the largest part of its client base. This strong foundation of blue chip work, underpinned by excellent client loyalty, has allowed the Group to move into new and potentially faster growing segments of private aviation. The launch of a new JetCard initiative in July 2006, combined with the acquisition of Gold Air in October 2006 are both prime examples of the Group's ability to seek out new revenues in the emerging jet for leisure market. To date both initiatives are proving to be excellent assets creating a halo effect that is attracting new high net worth individuals to place their aviation business with the Group. The integration of Gold is proceeding according to plan. We have incurred a series of immaterial one-off costs as part of this plan, but these are being offset by the positive effect that Gold has already brought to the whole of our private jet business from new client introductions and from cross selling opportunities.

Mindful of the increasingly fragile nature of the global environment, the Group launched its first carbon neutral scheme for JetCard in December 2006; moreover the Group is pleased to state its intention to be entirely carbon neutral by the end of 2008.

In order to maximise the potential of the Group across its different client segments, Air Partner has re-structured and re-branded its business units into three divisions:

- (1) Air Partner Commercial Jets (for airliner charter)
- (2) Air Partner Private Jets (including the former Gold Air)
- (3) Air Partner Freight

Initial feedback on both the structure and branding has been positive.

## OPERATIONAL REVIEW

### AIR PARTNER COMMERCIAL JETS

THE CHARTERING AND LEASING OF AIRLINERS, BY GOVERNMENTS AND CORPORATIONS

The division, headed by Mark Briffa in London, has performed extremely well with a high level of repeat business from clients and significant new business wins in both the Government and Corporate markets. Sales are up an exceptional 52% with improved margins, but this growth rate is not expected to be sustained going forward to the full year. An analysis of client behaviour suggests there is simply an unusual front-loading of the financial year

and the second half of the financial year will see performance closer to prior years. It should be remembered that the descriptor 'private aviation' extends to airliners, and the exceptional growth is partly due to the team's ability to significantly enhance the appeal of a chartered airline solution, over the normal scheduled airline experience.

#### **AIR PARTNER PRIVATE JETS**

THIS DIVISION DEALS WITH ALL PRIVATE JET USAGE FROM GOVERNMENT AND CORPORATE WORK TO HIGH NET WORTH INDIVIDUALS. The new division, headed by Justin Barber, includes the previous Air Partner private jet business, the new JetCard division ([www.thejetcard.co.uk](http://www.thejetcard.co.uk)) and Gold Air. The effect of the re-structuring, re-branding and new management reporting lines will better position Air Partner to provide governments, corporates and HNWI with a full and seamless range of private jet products from ad hoc charter through to JetCards and private jet sales, management and maintenance.

Despite divisional sales in the period under review growing by 75% to £24 million, there remains much work to be done before the division is fully optimised. Although Gold Air is already bringing tangible benefits to the Group and the initial strategic aims of the acquisition are either complete or in progress, it is anticipated that full integration will not be complete until the end of this calendar year. Additionally, the integration will incur some initial one-off costs, although these are not expected to be material and a fuller report will be made at the year end. Pleasingly, many of Gold Air's anticipated synergies are already proving to be better than expected; most notably in the form of the halo effect this 'new shop window' is having on the Group's core business and I am pleased to announce that a new client-owned Challenger 300 will join the charter fleet under a management contract from January 2008.

JetCard sales are in line with expectations and, with the team now part of the larger Air Partner Private Jets division, we are able to actively promote ownership alongside card membership. A good example of this was the completion of the sale of an \$11 million private jet to a JetCard client, within six months of them joining the JetCard programme.

The private jet phenomenon continues to grow, with jet manufacturer order books full and waiting lists open to 2011 on some models. Globalisation, rapid wealth creation, security fears and airport congestion continue to drive passengers from commercial to private aviation companies.

#### **OTHER DIVISIONS**

The Group now has a range of supplementary businesses with supporting products to the two main divisions. The strong trading experienced in the core business has also been experienced across the remaining 10% of Group activity with Freight, Emergency Planning, and Travel being over 85% up on the comparative period.

#### **CURRENT TRADING AND OUTLOOK**

Over the last five years the Group has continued to diversify revenues by geography, product and client sector, in order to provide greater resilience to economic and industry downturns. However, recent trading conditions have been extremely buoyant across all areas and this combined with an increased focus on efficiencies has produced exceptionally strong results. Our traditional limited visibility of the forward order book shows them to be 29% up on 2006 levels. The performance of the Group, however, is best understood and best judged over the medium term.

I cannot overstate the work levels which have been sustained at peak levels continuously over the last 12 months by the whole global team to deliver such outstanding results, both last year and in this current first half year. My sincere thanks go to this unique and special team.



**TONY MACK**

CHAIRMAN

4 APRIL 2007

# UNAUDITED CONSOLIDATED INCOME STATEMENT

for the six months ended 31 January 2007

	Note	Half year to 31 January 2007 (unaudited) £'000	Half year to 31 January 2006 (unaudited) £'000	Year to 31 July 2006 (audited) £'000
<b>Continuing operations</b>				
<b>Revenue</b>	2	<b>90,308</b>	56,278	140,368
Cost of sales		<b>(76,064)</b>	(50,048)	(124,819)
<b>Gross profit</b>		<b>14,244</b>	6,230	15,549
Administrative expenses		<b>(11,041)</b>	(4,888)	(10,948)
<b>Operating profit</b>		<b>3,203</b>	1,342	4,601
Finance income		<b>261</b>	271	534
Finance costs		<b>—</b>	(6)	(6)
<b>Profit before tax</b>		<b>3,464</b>	1,607	5,129
Taxation	7	<b>(1,093)</b>	(459)	(1,537)
<b>Profit for the period</b>		<b>2,371</b>	1,148	3,592
<b>Attributable to:</b>				
Equity holders of the parent		<b>2,301</b>	1,066	3,429
Minority interests		<b>70</b>	82	163
		<b>2,371</b>	1,148	3,592
<b>Earnings per share:</b>				
Basic	4	<b>23.5p</b>	11.0p	35.5p
Diluted	4	<b>23.0p</b>	10.7p	34.4p

# UNAUDITED CONSOLIDATED STATEMENT OF RECOGNISED INCOME AND EXPENSE

for the six months ended 31 January 2007

	Half year to 31 January 2007 (unaudited) £'000	Half year to 31 January 2006 (unaudited) £'000	Year to 31 July 2006 (audited) £'000
Exchange differences on translation of foreign operations	<b>(123)</b>	(115)	(271)
Net (expense) recognised directly in equity	<b>(123)</b>	(115)	(271)
Profit for the period	<b>2,371</b>	1,148	3,592
<b>Total recognised income and expense for the period</b>	<b>2,248</b>	1,033	3,321
<b>Attributable to:</b>			
Equity holders of the parent	<b>2,178</b>	951	3,158
Minority interests	<b>70</b>	82	163
	<b>2,248</b>	1,033	3,321

# UNAUDITED CONSOLIDATED BALANCE SHEET

as at 31 January 2007

Note	31 January 2007 (unaudited) £'000	31 January 2006 (unaudited) £'000	31 July 2006 (audited) £'000
<b>Assets</b>			
<b>Non-current assets</b>			
	3,877	—	—
Intangible assets			
Property, plant and equipment	1,463	2,238	425
Deferred tax assets	372	340	315
	<b>5,712</b>	<b>2,578</b>	<b>740</b>
<b>Current assets</b>			
Trade and other receivables	15,328	14,309	23,613
Stock	457	—	—
Cash and cash equivalents	17,311	12,426	11,931
	<b>33,096</b>	<b>26,735</b>	<b>35,544</b>
<b>Non-current assets held for sale</b>			
	—	—	1,582
<b>Total assets</b>	<b>38,808</b>	<b>29,313</b>	<b>37,866</b>
<b>Current liabilities</b>			
Trade and other payables	(8,394)	(7,490)	(8,618)
Current tax liabilities	(856)	(491)	(796)
Other creditors	(14,289)	(9,464)	(15,129)
	<b>(23,539)</b>	<b>(17,445)</b>	<b>(24,543)</b>
<b>Net current assets</b>	<b>9,557</b>	<b>9,290</b>	<b>11,001</b>
<b>Non-current liabilities</b>			
Trade and other payables	—	(113)	(110)
Deferred tax liability	(266)	(216)	(76)
	<b>(266)</b>	<b>(329)</b>	<b>(186)</b>
<b>Total liabilities</b>	<b>(23,805)</b>	<b>(17,774)</b>	<b>(24,729)</b>
<b>Net assets</b>	<b>15,003</b>	<b>11,539</b>	<b>13,137</b>
<b>Equity</b>			
Share capital	497	483	483
Share premium account	3,350	2,581	2,581
Hedging reserve	5	4	(28)
Translation reserve	(237)	42	(114)
Share option reserve	396	398	496
Retained earnings	10,746	7,772	9,545
<b>Equity attributable to equity holders of the parent</b>	<b>14,757</b>	<b>11,280</b>	<b>12,963</b>
5			
<b>Minority equity interest</b>	<b>246</b>	<b>259</b>	<b>174</b>
<b>Total equity</b>	<b>15,003</b>	<b>11,539</b>	<b>13,137</b>

# UNAUDITED CONSOLIDATED CASH FLOW STATEMENT

for the six months ended 31 January 2007

	Note	Half year to 31 January 2007 (unaudited) £'000	Half year to 31 January 2006 (unaudited) £'000	Year to 31 July 2006 (audited) £'000
<b>Net cash from operating activities</b>	6	<b>10,036</b>	198	154
<b>Investing activities</b>				
Interest received		261	271	534
Proceeds on disposal of property, plant and equipment		1,611	22	32
Investments		(5,094)	—	—
Purchases of property, plant and equipment		(771)	(94)	(208)
<b>Net cash from investing activities</b>		<b>(3,993)</b>	199	358
<b>Financing activities</b>				
Dividends paid		(1,370)	(3,073)	(3,586)
Decrease in bank loans		—	(343)	(343)
Proceeds on issue of shares		782	—	—
<b>Net cash used in financing activities</b>		<b>(588)</b>	(3,416)	(3,929)
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>5,455</b>	(3,019)	(3,417)
Opening cash and cash equivalents		11,931	15,437	15,437
Effect of foreign exchange rate changes		(75)	8	(89)
<b>Closing cash and cash equivalents</b>		<b>17,311</b>	12,426	11,931

## RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

for the six months ended 31 January 2007

	Note	Half year to 31 January 2007 (unaudited) £'000	Half year to 31 January 2006 (unaudited) £'000	Year to 31 July 2006 (audited) £'000
Increase/(decrease) in cash in the year		5,455	(3,019)	(3,417)
Cash outflow from movement in debt financing		—	343	343
Effect of foreign exchange rate changes		(75)	8	(89)
Movement in net funds during the period		5,380	(2,668)	(3,163)
Opening net funds		11,931	15,094	15,094
<b>Closing net funds</b>	8	<b>17,311</b>	12,426	11,931

# NOTES TO THE INTERIM RESULTS

## 1 INTERIM STATEMENT

### BASIS OF PREPARATION

This interim statement of Air Partner PLC (the 'Company'), which is abridged and unaudited, has been prepared in accordance with International Financial Reporting Standards expected to apply at 31 July 2007 and which were applied at 31 July 2006.

The same accounting policies and methods of computation are followed in the interim financial statements as were followed in the most recent annual financial statements, and as such, these interims are prepared in accordance with International Accounting Standard 34 'Interim Financial Reporting'.

The financial information contained in this document does not constitute statutory accounts as defined in Section 240 of the Companies Act 1985. The auditors have issued an unqualified opinion on the Group's statutory financial statements under International Financial Reporting Standards for the year ended 31 July 2006, which have been filed with the Registrar of Companies.

# NOTES TO THE INTERIM RESULTS CONTINUED

## 2 SEGMENTAL ANALYSIS

	Half year to 31 January 2007 (unaudited) £'000	Half year to 31 January 2006 (unaudited) £'000	Year to 31 July 2006 (audited) £'000
<b>Geographical segment – revenue</b>			
United Kingdom	51,803	27,564	66,427
Europe	26,181	16,031	48,147
United States of America	8,054	9,664	21,734
Rest of the World	4,270	3,019	4,060
	<b>90,308</b>	56,278	140,368
<b>Geographical segment – result</b>			
United Kingdom	1,888	715	2,197
Europe	575	24	608
United States of America	334	442	1,365
Rest of the World	406	161	431
	<b>3,203</b>	1,342	4,601
Finance income	261	271	534
Finance costs	—	(6)	(6)
Profit before tax	3,464	1,607	5,129
Income tax expense	(1,093)	(459)	(1,537)
Profit for the period	<b>2,371</b>	1,148	3,592
<b>Business segment – revenue</b>			
Private jets	23,711	13,507	34,222
Commercial jets	57,253	37,706	93,190
Freight	6,262	3,939	10,752
Other	3,082	1,126	2,204
	<b>90,308</b>	56,278	140,368
<b>Business segment – result</b>			
Private jets	938	624	1,610
Commercial jets	1,941	533	2,641
Freight	59	16	88
Other	265	170	262
	<b>3,203</b>	1,342	4,601
Finance income	261	271	534
Finance costs	—	(6)	(6)
Profit before tax	3,464	1,607	5,129
Income tax expense	(1,093)	(459)	(1,537)
Profit for the period	<b>2,371</b>	1,148	3,592

### 3 DIVIDENDS

	Half year to 31 January 2007 (unaudited) £'000	Half year to 31 January 2006 (unaudited) £'000	Year to 31 July 2006 (audited) £'000
Interim dividend for year ending 31 July 2006 of 6.1p per share	—	—	590
Final dividend for year ending 31 July 2006 of 12.1p (2005: 11p) per share	1,200	1,063	1,063
Special dividend for year ending 31 July 2005 of 20p per share	—	1,933	1,933
	<b>1,200</b>	<b>2,996</b>	<b>3,586</b>

The final and special dividend for the year ended 31 July 2006 was paid on 1 December 2006.

The proposed 2007 interim dividend of 6.7p per share was approved by the Board 27 February 2007 and in accordance with IFRS has not been included as a deduction from equity at 31 January 2007. The dividend will be paid on 18 May 2007 to those shareholders on the register at the close of business on 20 April 2007. The ordinary shares will be marked ex-dividend on 18 April 2007.

### 4 EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share is based on the following data:

	Half year to 31 January 2007 (unaudited) £'000	Half year to 31 January 2006 (unaudited) £'000	Year to 31 July 2006 (audited) £'000
<b>Earnings</b>			
Earnings for the purposes of basic earnings per share being net profit attributable to equity holders of the parent	2,301	1,066	3,429
Earnings for the purposes of diluted earnings per share	2,301	1,066	3,429
<b>Number of shares</b>			
Weighted average number of ordinary shares for the purposes of basic earnings per share	9,800,486	9,665,518	9,665,518
Effect of dilutive potential ordinary shares	198,440	301,428	314,851
Weighted average number of ordinary shares for the purposes of diluted earnings per share	<b>9,998,926</b>	<b>9,966,946</b>	<b>9,980,369</b>

# NOTES TO THE INTERIM RESULTS CONTINUED

## 5 GROUP STATEMENT OF CHANGES IN EQUITY

	Share capital £'000	Share premium account £'000	Share option reserve £'000	Hedging reserve £'000	Translation reserve £'000	Retained earnings £'000	Total equity £'000
<b>Opening equity as at 1 August 2006</b>	<b>483</b>	<b>2,581</b>	<b>496</b>	<b>(28)</b>	<b>(114)</b>	<b>9,545</b>	<b>12,963</b>
Exchange differences on translation of foreign operations	—	—	—	—	(123)	—	(123)
<b>Net expense recognised directly in equity</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>(123)</b>	<b>—</b>	<b>(123)</b>
Profit for the period	—	—	—	—	—	2,301	2,301
Net movement in fair value of derivatives	—	—	—	33	—	—	33
Share option movement for period	—	—	(100)	—	—	100	—
<b>Total recognised income and expense for the period</b>	<b>—</b>	<b>—</b>	<b>(100)</b>	<b>33</b>	<b>—</b>	<b>2,401</b>	<b>2,334</b>
Exercise of share options	14	769	—	—	—	—	783
Dividends	—	—	—	—	—	(1,200)	(1,200)
<b>Closing equity as at 31 January 2007</b>	<b>497</b>	<b>3,350</b>	<b>396</b>	<b>5</b>	<b>(237)</b>	<b>10,746</b>	<b>14,757</b>

## 6 NET CASH FROM OPERATING ACTIVITIES

	Half year to 31 January 2007 (unaudited) £'000	Half year to 31 January 2006 (unaudited) £'000	Year to 31 July 2006 (audited) £'000
<b>Operating profit for the period</b>	<b>3,203</b>	1,342	4,601
Adjustments for:			
Depreciation	181	228	445
(Gain)/loss on disposal of property, plant and equipment	(105)	(4)	5
Hedging losses/(gains) recognised through IAS 39	33	(5)	(38)
Share option cost for period	106	98	196
<b>Operating cash flows before movements in working capital</b>	<b>3,418</b>	1,659	5,209
Decrease/(increase) in stock and receivables	10,817	(2,618)	(11,922)
(Decrease)/increase in payables	(3,046)	1,652	8,279
<b>Cash generated from operations</b>	<b>11,189</b>	693	1,566
Income taxes paid	(1,153)	(489)	(1,406)
Interest paid	—	(6)	(6)
<b>Net cash from operating activities</b>	<b>10,036</b>	198	154

## 7 TAX

	Half year to 31 January 2007 (unaudited) £'000	Half year to 31 January 2006 (unaudited) £'000	Year to 31 July 2006 (audited) £'000
<b>Current tax:</b>			
UK corporation tax	728	180	785
Foreign tax	407	307	897
	<b>1,135</b>	487	1,682
Deferred tax	(42)	(28)	(145)
	<b>1,093</b>	459	1,537

Income tax for the interim period is charged at 31.5% (2006: 28.6%), representing the best estimate of the weighted average income tax expected for the full financial year.

## 8 ANALYSIS OF NET FUNDS

	31 July 2006 £'000	Cash flow £'000	Foreign exchange effect £'000	31 January 2007 £'000
Cash and short-term deposits	11,931	5,455	(75)	<b>17,311</b>
Net cash and cash equivalents	11,931	5,455	(75)	<b>17,311</b>
Total net funds	11,931	5,455	(75)	<b>17,311</b>

# ADVISORS

## SECRETARY AND REGISTERED OFFICE

Stephanie White  
Platinum House  
Gatwick Road  
Crawley  
West Sussex RH10 9RP

## REGISTERED NUMBER

980675

## STOCKBROKERS

### ORIEL SECURITIES LIMITED

125 Wood Street  
London EC2V 7AN

## AUDITOR

### MAZARS

Chartered Accountants and Registered Auditor  
24 Bevis Marks  
London EC3A 7NR

## SOLICITORS

### TRAVERS SMITH

10 Snow Hill  
London EC1A 2AL

## PRINCIPAL BANKERS

### NATWEST BANK PLC

16 The Boulevard  
Crawley  
West Sussex RH10 1XU

## REGISTRARS

### CAPITA IRG PLC

The Registry, 34 Beckenham Road  
Beckenham, Kent BR3 4TU

## FINANCIAL PR ADVISOR

### TEMPLE BAR ADVISORY

60 Cannon Street  
London EC4N 6JP

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[WWW.AIRPARTNER.COM](http://WWW.AIRPARTNER.COM)