Disclaimer

This presentation contains forward looking statements which reflect Management’s current views and estimates. The forward looking statements involve certain risks and uncertainties that could cause actual results to differ materially from those contained in the forward looking statements. Potential risks and uncertainties include such factors as general economic conditions, foreign exchange fluctuations, competitive product and pricing pressures and regulatory developments.
Financial Highlights

- Sales of £56.3m
  (`05: £63.8m  `04: £43.6m)
- Operating profit of £1.34m
  (`05: £2.26m  `04: £1.10m)
- Pre-tax profit of £1.61m
  (`05 £2.44m  `04: £1.19m)
- Diluted EPS of 10.7p
  (`05 16.7p  `04: 8.3p)
- Interim dividend to 6.1p
  (`05 5.5p  `04: 5.0p)
- Cash at £12.4m
  (`05 £12.5m  `04: £8.9m)
Operational Highlights

- Strong core territories: UK & USA
- France back ‘on song’
- Business remains good even without exceptionals
- Govt & Corporate sectors remain strong and our USP’s working well
- New opportunities from our proven JMP product
- Winning of medium term contracts
- Creation of a new business service: Flight Operations
- Continued investment in key individuals
Sales Growth

£ millions (all through organic growth)
Profit Trend
£ millions

Building for the 4th ellipse
Stephanie White
Finance Director
IFRS

- Under the regulations of the IFRS standard, all 2006 figures comply with the standard, and the 2005 historics have been adjusted to conform to the new standard, to assist with comparability.

- Where 2004 figures are shown, they remain as announced and do not conform with IFRS
## Profit and Loss

<table>
<thead>
<tr>
<th></th>
<th>H1: 06</th>
<th>H1: 05</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>£ 000</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Turnover</strong></td>
<td>56,278</td>
<td>63,820</td>
</tr>
<tr>
<td><strong>Profit for the period</strong></td>
<td>1,148</td>
<td>1,619</td>
</tr>
<tr>
<td><strong>Minority equity interest</strong></td>
<td>(82)</td>
<td>(21)</td>
</tr>
<tr>
<td><strong>Profit attributable to the members of the parent company</strong></td>
<td>1,066</td>
<td>1,598</td>
</tr>
<tr>
<td><strong>Earnings per share</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>– basic</td>
<td>11.0p</td>
<td>17.0p</td>
</tr>
<tr>
<td>– diluted</td>
<td>10.7p</td>
<td>16.7p</td>
</tr>
<tr>
<td></td>
<td>H1: 06</td>
<td>H1: 05</td>
</tr>
<tr>
<td>--------------------------</td>
<td>---------</td>
<td>---------</td>
</tr>
<tr>
<td></td>
<td>£,000</td>
<td>£,000</td>
</tr>
<tr>
<td><strong>Non-current assets</strong></td>
<td>2,578</td>
<td>2,681</td>
</tr>
<tr>
<td><strong>Current assets</strong></td>
<td>26,735</td>
<td>24,715</td>
</tr>
<tr>
<td><strong>Current liabilities</strong></td>
<td>(17,445)</td>
<td>(15,561)</td>
</tr>
<tr>
<td><strong>Non-current liabilities</strong></td>
<td>(329)</td>
<td>(467)</td>
</tr>
<tr>
<td><strong>Net assets</strong></td>
<td>11,539</td>
<td>11,368</td>
</tr>
<tr>
<td><strong>Minority equity interest</strong></td>
<td>(259)</td>
<td>(195)</td>
</tr>
</tbody>
</table>
## Group Cash Flow

<table>
<thead>
<tr>
<th>Activity</th>
<th>H1: 06</th>
<th>H1: 05</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net cash from operating activities</td>
<td>198</td>
<td>3,368</td>
</tr>
<tr>
<td>Net cash from investing activities</td>
<td>199</td>
<td>26</td>
</tr>
<tr>
<td>Net cash used in financing activities</td>
<td>(3,416)</td>
<td>(803)</td>
</tr>
<tr>
<td>(Decrease)/increase in cash in period</td>
<td>(3,019)</td>
<td>2,591</td>
</tr>
</tbody>
</table>
Strong Dividend Record

242% of flotation price (1989) returned to shareholders
Operational Review
Geographic Review

- UK  the mother ship
- USA  another great year
- France  fully recovered from big dip in ‘05
- UAE  continues to benefit from the Iraq factor
- Ger/Switz.  corrective steps taken to return to profitability
Commercial Aircraft Division

- This division had much of H1 05 one-offs
- Underlying business is ahead
- Continued global hotspots means strong business from Govt sector
  - Major G8 supplier
  - Promising new contract wins in Japan & Australia
- Rising sectors: Product launches, Cruise business, Sport
- Conference & Incentive market down due to LCC’s
Executive Aircraft Division

- H1 06 ahead of H1 05
- Buoyant IPO / M&A market assists
- Film sector good
- Divided into Corporate & jet-for-leisure users (retail)
- Emerging leisure use
Freight Division

- Freight is a great opportunistic market for Group
- But this year affected by 2005 exceptionals
- Continued progress on creating stable client base
New Service: ‘Flight Operations’

- Flight planning service: routes, clearances, slots, ground support
- Broader product offering: consistent with core product & skills
- Clients: in-house, aircraft owners, some Group suppliers
- Budgeted for profitability in 2007
Strategic Review

- Continuous improvement of service & execution, through efficiencies, training, creativity & innovation
Strategic Review

- Continuous improvement of service & execution, through efficiencies, training, creativity & innovation
- Geographical expansion
Geographic Expansion

» Backbone built
  » Working now on the in-fills where business hubs provide new opportunities

» 3 new offices opened in ‘05: all currently on budget
  » Venice, Italy
  » Palma, Spain
  » San Francisco, CA
  » All at investment stage, and all in line to make positive contribution in 2007
Innovation

- 2004 launch of Jet Membership Programme to capture emerging jet-for-leisure users
  - Now proven concept
  - Profitable and cash generating
- 2005 alliance created with Sentient Jet
  - Gives better volume from international cardholders
Leisure User Growth

- Further growth in private jet use
- AP traditionally strong in corporate sector
- JMP / Sentient serves the individuals (retail sector)
  - Proven profitable
- Further investment for greater market share
Current Trading

- H2 forwards are 14% ahead of H2 05
- Benefiting from some longer term contracts
- Contract sizes are normal
- Opportunities continue to be good
Conclusion

- Underlying business ahead
- Developmental offices offer further opportunities
- Remaining strong in Govt & Corporate sectors
- Pursuing new opportunities in leisure sector

Questions
For the benefit of investors who are new to our business, we attach some previously used slides that provide a background briefing on Air Partner. Please contact us if you would like further amplification.
Contents

- A straightforward Business Model
- An uncomplicated Financial Model
- The Business by Activity
- The Business by Division
- Driving the Business
  - The PLC Board
  - Senior Management
  - Future Management
A Straightforward Business Model

- Putting together the buyer who wants to charter an aircraft but doesn’t know how to do it, with the seller who has spare aircraft capacity but cannot successfully market himself.
- Compares with a stock broker: even if the buyer finds the seller direct, is today’s price the right price to pay?
- Aiming for the ideal scenario where the client is happy that he has a quality aircraft at a price he could not achieve on his own; the supplier with quality business he could not have secured on his own; and Air Partner earning the right margin and building long term client loyalty and respect.
An Uncomplicated Financial Model

Transactional explanation:
incoming client funds

- Corporate clients:
  90% of sales is payment prior, then we pay supplier prior
  10% of sales is payment after, then we pay after, so it is a mirrored transaction

- Govt clients:
  90% of sales: Major western Govts demand 30-45 days credit but we pay
  suppliers at time of flight, a key reason for why the Group requires significant
  cash resources
  10% of sales: we do not extend credit to minor Govts

Margin explanation:

- Client funds (100%) come in (as turnover)
- ~90% go out to external supplier airline (as COGS)
- Leaving ~10% (our gross profit) as fee income, from which we run our
  business

Working capital:

- We use ~£5-6m to fund our Govt flying, as a USP not available to our rivals
The Business by Activity

- Business Flights
- Heads of State
- Conference/Incentives
- Product Launches
- IPO Road-shows
- Cruise Connections
- Vital Freight
- Country Evacuations
- Air Ambulances
- Relief Aid
- Trade Delegations
- Immediate Flights
- Government Flights
- Urgent Media
- Peace-keeping
- Point-to-Point
The Business by Division

✈ **Commercial Aircraft Division**
   ✈ Airliners chartered for product launches, conferences, incentives
   ✈ Lead-in: 2 weeks to 6 months, shortening
   ✈ 60-65% of Group Sales

✈ **Executive Aircraft Division**
   ✈ Business jets for corporations, ambulance, VIP flights
   ✈ Lead-in: from “go now”, up to 2 weeks
   ✈ 15-25% of Group Sales

✈ **Freight Division**
   ✈ When it simply has to go; (not general freight forwarding)
   ✈ Lead-in: from “go now”, up to 1 week
   ✈ 10-20% of Group Sales
Secondary Divisions

⇒ Emergency Planning Division
  ⇒ Subscription air evacuation programme; provides visibility of earnings
  ⇒ Client pays annually and then pays as required
  ⇒ Plan devised and lodged for activation at any time; no risk service.
  ⇒ Subscription income alone covers fixed overheads

⇒ Australian Leasing Operation
  ⇒ We act as the lessor of 4 commuter aircraft to an “essential air service” airline in the Australian outback
  ⇒ We have no operational or management input
  ⇒ The lease continues to be profitable, and running as expected

⇒ (new) Flight Operations
  ⇒ Flight Planning
    ⇒ Overflights, clearances, slots, permissions, weather briefing, ground support
  ⇒ Service to aircraft owners, as well as to some Group suppliers
  ⇒ In-house benefits
Typical Divisional Split of Sales (2005)

- Commercial Aircraft: 21%
- Executive Aircraft: 2%
- Freight Aircraft: 12%
- Other: 65%
3 Dimensional Diversification

**Industry & Commerce**
- Automotive
- Pharmaceutical
- Banking / Insurance
- Conference / Incentive
- Medical
- Sports
- Music/Film/Media

**Government**
- VIP / Royalty
- Military trooping
- Military freight
- Press entourage
- Humanitarian relief
- Deportee
- Security services

**Geographic diversification**
- UK
- Europe
- North America
- Middle East
- Asia / Far East

**Product diversification**
- Commercial Airliners
- Executive Jets
- Freight Aircraft
- Air Ambulance
- Emergency Planning
- Jet Membership
- Australian lease
Growth Drivers

- Continued acceptance of flying as a necessary cost
- Globalisation driven by global corporates, off-shoring, internet etc., even relaxation of borders
- Intolerance of acceptable time delays, irrespective of distance
- Increased premium paid for time
  - Step change in people’s attitude to acceptable costs
- Deterioration of airline cabin/service quality
- Decline of airline logistical capability
  - Where airlines are stripping it out, we put the value back in
The Size of the Charter Market

- Global market is in excess of £20 billion pa.
  - Air Partner sales represents < 0.5%
  - Total broker sales approx 2%
  - Direct sell: corporate to carrier accounts for the remaining 97%
  - Being a credible global player we can invade the direct sell market
  - As complexity increases, role of broker because more valuable
# Our Position in the Charter Market

<table>
<thead>
<tr>
<th>Players</th>
<th>Exec Jet Charter</th>
<th>Airliner Charter</th>
<th>Freight Charter</th>
<th>Jet Card Program</th>
<th>Emerg. Evac</th>
<th>USA</th>
<th>Europe</th>
<th>Middle East</th>
<th>Asia</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Air Partner</strong></td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td><strong>Major Airlines</strong></td>
<td></td>
<td></td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Executive Jet Operators</strong></td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Fractionals</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Card Programme Operators</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Hunt &amp; Palmer</strong></td>
<td>✓</td>
<td>✓</td>
<td></td>
<td></td>
<td>✓</td>
<td></td>
<td>✓</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(PTP vs. AP = 4%)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Air Charter Service</strong></td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td></td>
<td>✓</td>
<td></td>
<td>✓</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(PTP vs. AP = 18%)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Chapman Freeborn</strong></td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td></td>
<td>✓</td>
<td></td>
<td>✓</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(PTP vs. AP = 20%)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Driving the Business….

The PLC Board

A strong, long-term, consistent, & safe team:

- Tony Mack, Chairman 36 years (with the Group)
- David Savile, Chief Executive 23 years
- Stephanie White, Finance Director 22 years
- Mark Briffa, Chief Operating Officer 17 years
- Sri Srikanthan, Non-executive 5 years
- Richard Everitt, Non-executive 2 years
## Strong Senior Management

**Country & Divisional Managers:**

A committed heavy-weight team, incentivised on 5 year LTIPS and options.

<table>
<thead>
<tr>
<th>Manager</th>
<th>Position</th>
<th>Avtn Experience</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mark Briffa</td>
<td>Managing Director UK</td>
<td>17 years</td>
</tr>
<tr>
<td>David Macdonald</td>
<td>Director, UK</td>
<td>22 years</td>
</tr>
<tr>
<td>Justin Barber</td>
<td>Director, UK</td>
<td>20 years</td>
</tr>
<tr>
<td>Birte Kipke</td>
<td>Germany/Austria</td>
<td>16 years</td>
</tr>
<tr>
<td>Gilles Meynard</td>
<td>France</td>
<td>22 years</td>
</tr>
<tr>
<td>Brigitte Schuepbach</td>
<td>Switzerland</td>
<td>15 years</td>
</tr>
<tr>
<td>Phil Mathews</td>
<td>USA</td>
<td>19 years</td>
</tr>
<tr>
<td>Diane Tysenn</td>
<td>Florida</td>
<td>17 years</td>
</tr>
<tr>
<td>Sue Hazard</td>
<td>Washington</td>
<td>Govt exp.</td>
</tr>
<tr>
<td>Roula Rabbat</td>
<td>Middle East</td>
<td>10 years</td>
</tr>
<tr>
<td>Peter Saxton</td>
<td>Emergency Planning</td>
<td>25 years</td>
</tr>
</tbody>
</table>
Future Management

Management Trainee Scheme

- Identifying tomorrow’s managers today
- Immersing them in an intensive training programme
- Aiming to have fresh creative minds well versed in Group’s operations to provide the additional horsepower for continuous growth

- Proven in-house scheme
- First 2 candidates will graduate in May this year (06)
➤ Corporate website:
  www.airpartner.com

➤ Email:
  invest@airpartner.com

➤ Telephone:
  +44 1293 844805