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Alliance Aviation Services (ASX code: AQZ)

## **Alliance ceases heavy maintenance at Adelaide**

- **Cost benefits driven by outsourcing aircraft heavy maintenance to Europe**
- **Anticipated to result in minimum cash savings of \$1.7 million a year**

Alliance Aviation Services Limited ('Alliance' or 'the Company') will cease heavy maintenance of aircraft at Adelaide airport this week.

Austrian Technik Bratislava (ATB), a Lufthansa group company specialising in servicing Fokker aircraft, has been contracted to undertake in Europe the heavy maintenance that Alliance would have done in Adelaide.

The cessation of heavy maintenance will impact 22 staff positions within the Alliance operation in Adelaide along with up to 10 contractor positions. The Company will be able to offer some of the staff alternative employment within Alliance, and will support those who are being made redundant to transition to other employment. Redundancy costs that will be incurred are in the range of \$400,000 to \$800,000.

The measure is anticipated to result in minimum cash savings of \$1.7 million a year for Alliance. Alliance will continue to undertake heavy maintenance in Brisbane and line maintenance at Brisbane, Perth, Adelaide, Cairns, Townsville, Melbourne and Auckland.

The Managing Director of Alliance, Scott McMillan, commented:

- "The closure is part of structural and operating changes to improve the Company's long term profitability that were outlined in the half yearly results presentation.
- We have already foreshadowed a reduction in the Company's fleet and the consequent improvement in productivity through increasing aircraft utilisation.
- Through these and other measures we will maintain our position as the leading provider of contracted aviation services in Australia.
- The change at Adelaide will have no effect on our services to the resources sector, or our diversification into tourism-related and other sectors across Australasia."

[ Ends ]

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## About Alliance Aviation

*Alliance Aviation is Australia's leading provider of fly-in, fly-out ("FIFO") transportation.*

*The Company provides an essential service to the mining and energy industry – the safe and efficient air transportation of their employees and contractors to and from remote locations.*

*The company recently retained its Flight Safety Foundation "BARS Gold" status, the first such carrier in Australia to be so recognised.*

*The Company will now operate a fleet of 17 Fokker 100, 8 Fokker 70LR jet aircraft and 5 Fokker 50 turboprops at industry leading on time performance.*

*Alliance flies workers to and from some of the largest mining operations in Australia for a predominantly "blue chip" mining and energy customer base, and also provides ad-hoc charter, aircraft wet lease and aviation engineering services to a range of corporate and government customers throughout Australasia.*

*The Company has a national footprint with operations now based in Brisbane, Townsville, Cairns, Melbourne, Adelaide, Perth and Auckland.*