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Alliance Aviation Services Limited (ASX code: AQZ)

2018 Annual General Meeting

Chief Executive Officer's Address

Good morning all and thank you once again for the opportunity to address you today.

As both Steve and Scott have mentioned Alliance has had a busy year. In fact in 2018 Alliance has flown the most flight hours in the Company's history. 34,612 flight hours were flown and close to 1.5 million passengers carried on Alliance aircraft in the year across both Australia and New Zealand. .

I have mentioned in previous years that Alliance measures its success by judging its performance against three simple key performance indicators. They are

- Safety;
- On time performance; and
- Sustainable profit.

The safe transportation of passengers and providing a safe work environment for our employees and contractors is the number one priority for all the team at Alliance. Over the last twelve months Alliance maintained its excellent safety and compliance record notwithstanding the increased level of activity. Alliance continues to be recognised as an IOSA certified airline (one of only three in Australia), has achieved BARS Gold status and also has Wyvern Wingman certification.

Steve mentioned earlier that our on time performance for the year was 95%. This high standard cannot be achieved without the hard work of so many different parts of our business as well as our valued service providers. I must thank our flight crew, engineers, operations and CAMO teams, together with our caterers, ground handling agents and everyone else involved in ensuring that our aircraft depart on time every time. Industry leading on time performance is important to Alliance as much as it is to our clients.

As with any business that goes through a period of substantial growth, continued focus is required to limit any increase in the operating cost base. Alliance prides itself on being able to deliver our safe and reliable product at the lowest possible cost to our clients. This has been and will remain a key point that also differentiates Alliance from its competitors.

The industrial relations environment is a challenging one and our focus will continue to be on long term sustainable employment for our staff rather than arbitrary increases in wages.

I would like to take this opportunity to thank every team member at Alliance for their contribution in 2018. The 34% uplift in activity during the year, while maintaining the high standards our clients expect, certainly could not have occurred if it was not for the dedication and hard work of the whole team.

To the Management team, thank you for your continued efforts and contribution over the last 12 months. Your contributions are directly reflected in the operational and financial success of Alliance. I am sure you will all agree it has been a big year for Alliance and 2019 will be even bigger.

Outlook

- The Directors are of the opinion that with the diversification of our business into sectors which are profitable and the recovery in the resources sector which is driving growth in our traditional FIFO business, Alliance's outlook is positive.

Lee Schofield**Chief Executive Officer**