



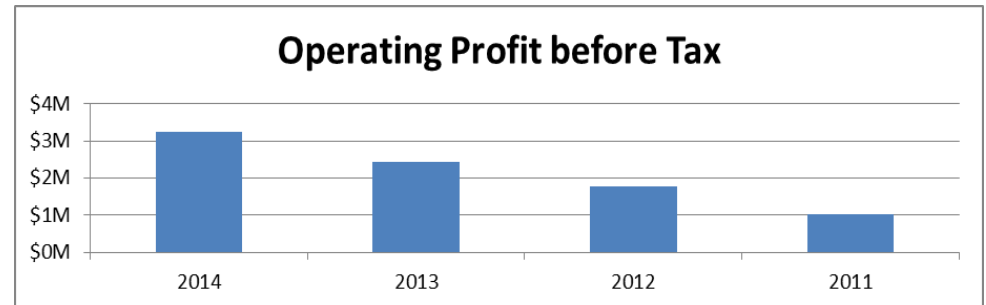
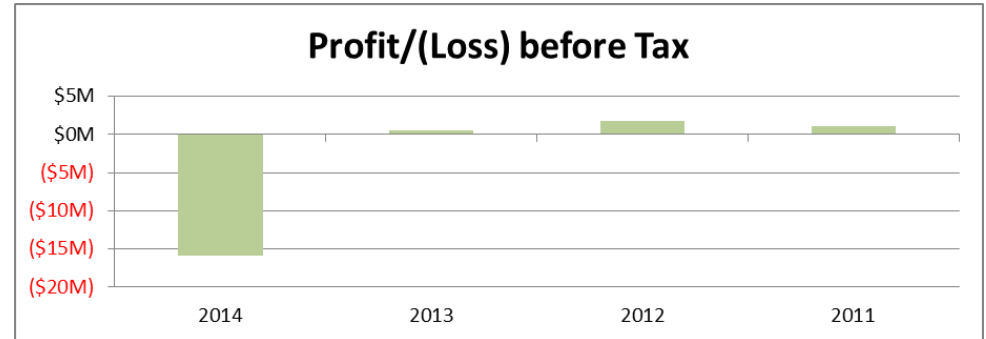
PTB GROUP LIMITED

Annual General Meeting

27 October 2014

2013-14 Overview

- ❖ Poor accounting result
- ❖ Good operating result
- Write-down of assets in IAP and Emerald aimed at rationalisation of assets and reduction in ongoing costs
- Improving core businesses and generating consistent ongoing returns
- Further increases in contract based revenue streams
- Focus on growth opportunities



	2014	2013	2012	2011
Operating Profit before Tax	\$3.3M	\$2.4M	\$1.8M	\$1.0M
Non-cash write-downs	(\$19.2M)	(\$1.9M)	-	-
Profit/(Loss) before Tax	(\$15.9M)	\$0.6M	\$1.8M	\$1.0M



Write-downs

Driven by:

- Decision to simplify and rationalise the business with the allocation of resources to activities that provide the best ongoing returns
- Desire to extract value from idle aircraft and engine assets in the short-term rather than trying to extract greater returns over the longer-term
- Rolls Royce announcing that it would no longer support the Dart engine after December 2013

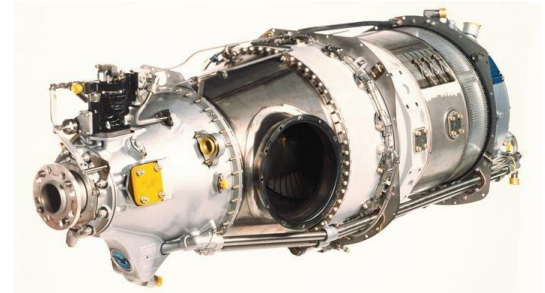
Related outcomes since the write-downs:

- Sale of 1 ATP to the current lessee
- Delivery of 1 ATP on long term lease
- Part out of 1 idle ATP to support leased aircraft
- Sale of 4 idle HS748 aircraft
- Sale of 8 Dart engines
- Reduction of over \$0.2m in annual maintenance and support costs for idle aircraft



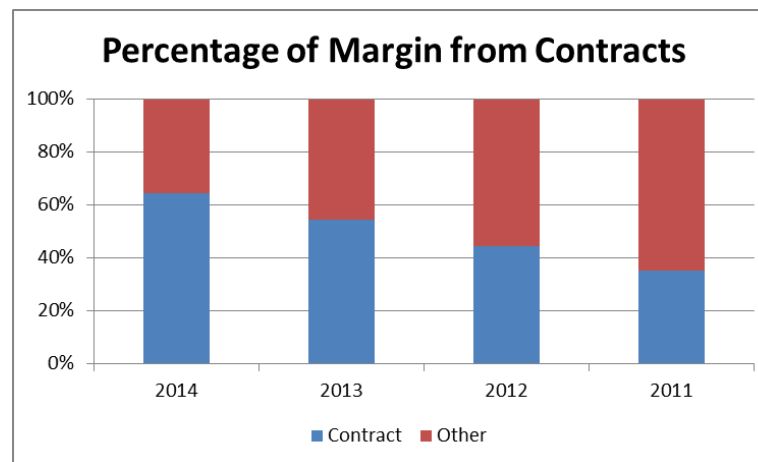
Operating Results – PTB Business

- \$3.3 million operating profit for 2013-14
- Continued growth in contract based returns rather than competitive tendering
- Increases in Workshop capacity and efficiency
- Development and marketing of PTB-EMProgram
- Ongoing process reviews and simplification



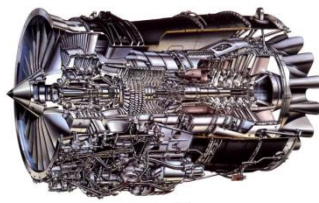
New contract customers

- Aviair
- The Lifelight Trust
- Hawker Pacific



Operating Results – IAP Business

- \$0.6 million operating profit for 2013-14
- Good results from the Engines business in 2013-14
- Parts business providing good support to Emerald Assets aircraft but the return on assets deployed was inadequate
- Leasing significantly impacted by return of aircraft due to bankruptcy of Brindabella Airlines



Rolls-Royce Tay-650



Operating Results – Emerald Assets

- \$0.5 million operating profit for 2013-14
- Results for 2013-14 boosted by the sale of aircraft
- Reduced ongoing costs due to reduction in idle aircraft
- One idle ATP aircraft remaining in England - to be torn down for parts this year
- Emerald is now well set up for the future with long term contracts in place
- Focus on paying down debt (US\$0.9m principal payments per year)
- Break-even profit forecast for 2014-15, increasing in future years



Growth Strategies

Purchase Engine Business in North America



- Aim is to replicate the PTB business model in USA/North America
- PTB is also looking at partnering opportunities that will enable the business to market and sell PTB-EMProgram into North America and the rest of the world
- Cost savings and efficiencies for PTB business
 - Current spend with other US shops redirected to new business
 - Removes the need for a PT6 test cell in Australia
 - Use North American business as a freight hub, significantly reducing costs
- Provides FAA and EASA certification within the Group
- Significant investment required but should provide excellent outcomes
- This is the primary future strategy of the Group



Growth Strategies

Aircraft Leasing



8

- Group remains committed to identifying leasing opportunities that provide both financing returns and PTB-EMProgram opportunities
- Focussed on newer aircraft that use the engines that we maintain
- Aim to sign up customers to lease and lock in their engines
- Emerald fleet to be expanded on a case by case basis

Engine Leasing

- PTB currently has a number of engines on long term leases
- The business will continue to investigate opportunities to place more engines

An engine business in North America would expand these opportunities



2014-15 Results and Forecast

	Results	2014-15 Sept Qtr Operating Profit	2014-15 Sept Qtr Budget	2013-14 Sept Qtr Operating Profit	Outlook
PTB	Steady	\$0.8m	\$1.0m	\$0.7m	Steadily increasing profits
Emerald	Good	\$0.0m	\$0.0m	(\$0.2m)	Break even or better results
IAP	Poor	(\$0.3m)	\$0.2m	\$0.3m	Variable/uncertain
Group O/H	Good	(\$0.2m)	(\$0.2m)	(\$0.3m)	Remain in line with budget
Group	Fair	\$0.3m	\$1.0m	\$0.6m	Expected improvement

Bank covenants have been met for the first quarter

Full year operating profit before tax, excluding foreign exchange, estimated to be between \$3m and \$3.4m



Dividends

- PTB Group remains committed to paying both cash and DRP dividends
- The Group holds \$11m of franking credits and we are committed to passing them on to shareholders
- Bank will not allow any cash dividends in 2014-15 due to the write-downs
- Given this restriction, the Group is investigating an underwritten DRP dividend for the current financial year. Given the high level of take up of the previous DRP in June 2013, it is not expected that the underwritten component will be significant.
- The group is planning to return to paying cash and DRP dividends in 2015-16, subject to satisfactory operating results and bank approvals



PTB Group Limited

Board of Directors

Harvey Parker Dip P.A, B.A, MBA

Non Executive Chairman

Craig Baker BCA, CA

Managing Director and
Chief Executive Officer

Steve Ferris B.Sc

Executive Director

Andrew Kemp B Com, CA

Non Executive Director

