

Highlights

- Underlying sales up **42.7%** to **\$10.5 million**
- Solid volume growth and new customer contracts (Jetstar)
- Continued strong safety and on time performance



Jetstar Marshalling, Hamilton Island QLD

Operations in Focus



Following the divestment of our international ground handling operations in January 2008, Skystar Airport Services ('Skystar') continued to deliver healthy underlying business growth across 2008/09.

Underlying sales were up 42.7% to \$10.5 million driven by strong volume growth and new customer contracts. Skystar continued its core focus on service delivery excellence to its key customer, the Qantas Group, while extending its customer relationships to other regional Australian carriers.

Key Activities

During the 2008/09 period, Skystar retained all key customer contracts and won a number of new contracts. Following the award of these new contracts, Skystar's footprint expanded to eight locations across Australia and New Zealand.

New contract wins during the year included those with Jetstar for international services at Perth Airport (WA) and domestic services at Christchurch Airport (NZ) and Cobham Aviation Services Australia (formally National Jet) at Kambalda Airport (WA).

In September 2008, Skystar was awarded a significant ground handling contract with Jetstar at Perth Airport. The contract win with Jetstar has allowed Skystar to re-enter the Perth aviation support services market.

Skystar also secured a new ground handling contract with Jetstar at Christchurch Airport in January 2009. This was as a result of Jetstar's recent entry into the New Zealand domestic aviation market.

Each of these wins supports a number of strategic opportunities for Skystar going forward.

Operationally, Skystar continued to achieve strong performance. A key operational indicator, 'on time performance', remained above 99% across our network. Skystar's centralised load planning (CLP) services continued to support our operations, handling over 4,500 flights across 2008/09. Skystar employees handled approximately two million passengers and 36,000 tonnes of baggage for over 9,000 flights.

Safety performance remained strong as total case injury frequency rates (TCIFR) continued to deliver strong improvement.

To put this into context, Skystar's TCIFR has improved 85% over the last three years. These improvements reflect Skystar's unique safety culture that has developed since 2001.

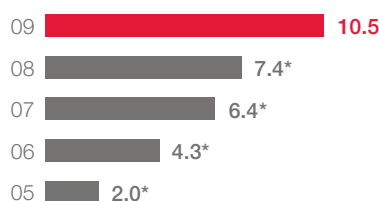
Outlook

Over the past twelve months, we have seen a consolidation of the business and a continuation of the longer term structural shift in customer aviation preferences.

While broader aviation industry conditions remain tight, Skystar remains well positioned through key customer relationships and broader outsourcing trends.

Skystar will continue to vigilantly focus on safety, employee engagement, operational and service excellence in order to continue to support our customers going forward.

Sales Revenue (\$M)



*underlying basis

Sales Contribution (%)

