28 September 2012

FastJet Plc

("FastJet" or “the Company”; AIM: FJET)

Interim Results

FastJet Plc announces its unaudited interim results for the six months ended 30 June 2012.

HIGHLIGHTS

- Strategic positioning of FastJet for launch as a low cost carrier for Africa
- Completion of acquisition of Lonrho Plc’s aviation division
- Execution of initial 10-year Brand Licence with Sir Stelios Haji-Ioannou’s easyGroup
- Ed Winter appointed as Director and CEO
- Fund-raising of £5.5 million (US$8.5 million) completed in July 2012
- First Airbus A319 leased for FastJet launch in November 2012
- FastJet to be launched in Tanzania, followed shortly thereafter in Kenya

FastJet’s Executive Chairman, David Lenigas, commented on these results:

“In this six-month period FastJet’s prospects have been transformed through the acquisition of Lonrho’s aviation business. Following significant market due diligence and with the guidance of Sir Stelios’s easyGroup we now have in place the strategy for the creation of an exciting low cost carrier focused on Africa, one of the world’s most rapidly developing markets.

The Company’s first flight under the FastJet brand is planned for November. We have a world class management team with a great depth of aviation experience and all the components are coming together for a successful launch.”

Ed Winter, CEO of FastJet, commented:

“Worldwide experience has demonstrated the economic and social transformation that low cost carriers bring. FastJet will be the first pan-African low cost carrier, and the more we look at the scale of the African opportunity, the more excited we become about the prospects for the Company and for the markets we will serve.”

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CHAIRMAN'S STATEMENT

Review of developments

On 13 June 2012 the Company published an admission document and on 29 June 2012, at a general meeting of the Company's shareholders, resolutions were passed approving the Lonrho Aviation acquisition and the acquisition of a further 49.98% economic interest in Fly540 Kenya (together "the Acquisition"). The Acquisition was completed thereafter.

On 8 May 2012, the Company announced that it had entered into a brand licence with Sir Stelios Haji-Ioannou's easyGroup, under which it had agreed to licence the FastJet brand from easyGroup subject to certain conditions including the completion of the Acquisition (the "Brand Licence"). Under the Brand Licence the Company agreed to issue to easyGroup shares equal to 5% of the Company's diluted share capital and options over a further 10% of the Company's diluted share capital. Sir Stelios and easyGroup also agreed to provide consultancy services to FastJet for the duration of the Brand Licence. easyGroup has the right to appoint two directors to the Board of FastJet whilst the Brand Licence is in force.

Board appointment

Following the general meeting held on 29 June 2012 we were delighted to welcome to the Board Ed Winter who was also appointed Chief Executive Officer of the Company. Ed has vast experience in the low cost aviation business, as a founder of Go and former COO of easyJet, as well as a long history in the broader airline industry as a pilot and senior manager with British Airways. His knowledge and leadership will be a great asset to the Company as we launch and grow FastJet. Ed is one of the two easyGroup nominees to the Board.

Financial review

The Lonrho Aviation transaction has been accounted for as an acquisition by the Company and as such the results for the six months to 30 June 2012 reflect only two days of trading of the acquired business.

On 2 July 2012 the Company announced it would change its accounting reference date from 30 June to 31 December. The current reporting period was therefore extended to cover the 18 months to 31 December 2012, with the results for this period to be published before 30 April 2013.

Given the nature of the acquired businesses it was also decided that the Group would report in US Dollars.

In the six months to 30 June 2012 the Group made a loss from continuing activities after tax of US$2.11 million (0.69c per share). This compares with a loss from continuing activities of US$0.41 million for the six months to 31 December 2011 (0.62c per share), and with a loss of US$0.11 million for the year to 30 June 2011 (0.25c per share).

The Group had only one day of income from continuing activities during the period, and the majority of the losses represent management, consultancy and administrative expenses as well as costs associated with the Acquisition.

The results of Lonrho Aviation (BVI) Limited for the six months ended 30 June 2012 are separately disclosed in note 6 of this interim results statement.

In July and August 2012 Fly540 passenger numbers were well ahead of last year's levels, with 120,346 passengers carried versus 87,943 for the same period last year although profitability has been below management's expectations. The new management team has identified certain potential liabilities which it is taking action to address, however these legacy issues will not impact on the ability of management to implement its strategy, and the launch of FastJet branded services remains fully on track with first flights beginning in November. In addition, whilst its clear focus is on the launch of the FastJet brand, the Board is also taking decisive action to improve operational and financial performance at Fly540 whilst services continue under that brand.

On the 30 June 2012 balance sheet, the fair values of acquired assets, liabilities and goodwill have been determined on a provisional basis pending the finalisation of the valuation of the tangible and intangible assets and the related deferred taxes.

Issue of options to directors

On 31 July 2012 the Company announced that it had granted options to Ed Winter over 40 million ordinary shares. These options have an exercise price of 5p and have various exercise conditions related to performance targets based on passenger numbers, geographic expansion, profitability and share price performance over the next five years.

Outlook

FastJet will launch its new low-cost services in November, with the first aircraft secured to commence operations from Dar es Salaam in Tanzania. As previously announced we plan to build the FastJet fleet to around 15 aircraft during 2013. This should lead to significant growth in the revenue capacity of the business, with each new aircraft capable of carrying approximately 250,000 passengers per year.

In anticipation of launch a substantial amount of preparation work has been completed already in the areas of operations, sales and marketing, recruiting, IT and regulatory matters to ensure the FastJet launch meets its stated commitment to world class standards. The head office team has been strengthened considerably in recent weeks with the hiring of key individuals with strong global airline backgrounds.

The next few months will represent further transformation for the company as we move from planning to implementation and growth of the FastJet business model. The Board is confident that it has in place the right strategy and the right team to build a successful and profitable future for our shareholders.

David Lenigas

Executive Chairman

28 September 2012

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	**6 months to 30 June 2012 US$'000 (Unaudited)**	6 months to 31 December 2011 US$'000 (Unaudited, restated)	Year to 30 June 2011 US$'000 (Audited, restated)
Revenue		**347**	-	-
Operating charges		**(2,430)**	(414)	(108)
Operating loss		**(2,083)**	(414)	(108)
Finance income		**-**	-	-
Finance charges		**(23)**	-	-
Loss from continuing activities before tax		**(2,106)**	(414)	(108)
Tax charge		**-**	-	-
Loss from continuing activities after tax		**(2,106)**	(414)	(108)
(Loss)/profit from discontinued activities		**-**	(46)	40
Loss and total comprehensive income for the period		**(2,106)**	(460)	(68)
Attributable to:				
Shareholders of the parent company		**(2,131)**	(460)	(68)
Non-controlling interests		**25**	-	-
		(2,106)	(460)	(68)
Loss per share (basic and diluted) (US cents)	3			
From continuing activities		**(0.69)**	(0.62)	(0.25)
From discontinued activities		**-**	(0.06)	0.09
Total		**(0.69)**	(0.68)	(0.16)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share Capital US$'000	Share premium US$'000	Share option reserve US$'000	Merger reserve US$'000	Other reserves US$'000	Retained earnings US$'000	Non-controlling Interests US$'000	Total equity US$'000
Balance at 1 July 2011	**700**	**666**	**22**	**955**	**-**	**(2,028)**	**-**	**315**
Shares issued	4,107	10,431	-	-	-	-	-	14,538
Share issue costs	-	(991)	124	-	-	-	-	(867)
Share based payments	-	-	22	-	-	-	-	22
Share options lapsed	-	-	(8)	-	-	8	-	-
Share options adjustment	-	-	10	-	-	(10)	-	-
Other transactions with owners	-	-	-	-	-	(96)	-	(96)
Transactions with owners	4,107	9,440	148	-	-	(98)	-	13,597
Foreign exchange difference	(24)	(23)	-	-	-	50	-	3
Realised on disposal of subsidiary	-	-	-	(955)	-	955	-	-
Comprehensive loss	-	-	-	-	-	(460)	-	(460)
Balance at 31 December 2011	**4,783**	**10,083**	**170**	**-**	**-**	**(1,581)**	**-**	**13,455**
Shares issued	15,795	60,024	-	-	-	-	-	75,819
Shares to be issued	-	-	-	-	12,782	-	-	12,782
Transactions with owners	15,795	60,024	-	-	12,782	-	-	88,601
Recognised on business combination	-	-	-	-	-	-	(11,533)	(11,533)
Foreign exchange difference	50	106	2	-	-	4	-	162
Comprehensive income	-	-	-	-	-	(2,131)	25	(2,106)
Balance at 30 June 2012	**20,628**	**70,213**	**172**	**-**	**12,782**	**(3,708)**	**(11,508)**	**88,579**

CONSOLIDATED BALANCE SHEET	At 30 June 2012 US$'000 (Unaudited)	At 31 December 2011 US$'000 (Unaudited, restated)	At 30 June 2011 US$'000 (Unaudited, restated)
Assets			
Goodwill	**53,799**	-	-
Other intangible assets	**27,005**	-	-
Property, plant and equipment	**42,113**	-	-
	122,917	-	-
Current assets			
Inventories	**3,092**	-	-
Cash and cash equivalents	**16,217**	13,542	5
Trade and other receivables	**18,921**	16	8
	38,230	13,558	13
Assets held for sale	**-**	-	690
Total assets	**161,147**	13,558	703
Equity			
Called up equity share capital	**20,628**	4,783	700
Share premium account	**70,213**	10,083	666
Share option reserve	**172**	170	22
Merger reserve	**-**	-	955
Retained earnings	**(3,708)**	(1,581)	(2,028)
Other reserves	**12,782**	-	-
Equity attributable to shareholders of the parent company	**100,087**	13,455	315
Non-controlling interests	**(11,508)**	-	-
Total equity	**88,579**	13,455	315
Liabilities			
Non-current liabilities			
Loans and borrowings	**1,770**	-	-
Obligations under finance leases	**24,431**	-	-
Trade and other payables	**290**	-	-
Deferred tax	**3,743**	-	-
	30,234	-	-
Current liabilities			
Bank overdrafts	**10,221**	-	-
Loans and borrowings	**3**	-	-
Obligations under finance leases	**5,580**	-	-
Trade and other payables	**23,888**	103	47
Other financial liabilities	**2,642**	-	-
	42,334	103	47
Liabilities associated with assets held for sale	**-**	-	341
Total liabilities	**72,568**	103	388
Total liabilities and equity	**161,147**	13,558	703

CONSOLIDATED STATEMENT OF CASH FLOWS

	6 months to 30 June 2012 US$'000 (Unaudited)	6 months to 31 December 2011 US$'000 (Unaudited, restated)	Year to 30 June 2011 US$'000 (Audited, restated)
Operating activities			
Result for the period	**(2,106)**	(461)	(68)
Loss on disposal of subsidiary	**-**	89	-
Depreciation and amortisation	**28**	-	10
Finance charges	**23**	-	-
(Increase)/decrease in receivables	**(557)**	(8)	169
Increase/(decrease) in trade and other payables	**301**	29	(8)
Share option charges	**-**	22	18
Net cash flow from operating activities	**(2,311)**	(329)	121
Investing activities			
Net overdraft acquired in business combination	**(5,430)**	-	-
Sale of subsidiary net of costs	**-**	166	-
Purchase of property, plant and equipment	**-**	-	(11)
Net cash flow from in investing activities	**(5,430)**	166	(11)
Financing activities			
Proceeds from the issue of shares	**-**	13,673	5
Loan repayments	**-**	-	(97)
Interest paid	**(23)**	-	-
Finance lease payments	**-**	-	(3)
Net cash flow from financing activities	**(23)**	13,673	(95)
Net movement in cash and cash equivalents	**(7,764)**	13,510	15
Foreign currency difference	**218**	5	1
Opening net cash	**13,542**	27	11
Closing net cash	**5,996**	13,542	27
Classified on the balance sheet as:			
Cash and cash equivalents	**16,217**	13,542	5
Bank overdrafts	**(10,221)**	-	-
Assets held for sale	**-**	-	22
Closing net cash	**5,996**	13,542	27

NOTES TO THE INTERIM RESULTS

1. Basis of preparation and accounting policies
The financial information set out in this interim results statement is for the six months to 30 June 2012. This is an additional interim period due to the Company having extended its accounting reference date by six months to 31 December 2012, following its acquisition of Lonrho's Aviation division as outlined in the Chairman's Statement. It has been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting". The interim financial information has not been audited and does not constitute statutory accounts within the meaning of section 434 of the Companies Act 2006.

All figures are stated in US dollars (US$'000) as that is the normal currency for reporting in the aviation sector. Prior year figures have been restated accordingly.

The accounting policies applied are consistent with those of the last annual financial statements for the year ended 30 June 2011 except where new policies have been adopted as required in response to the fundamental change in the Company's activities, again as outlined in the Chairman's Statement. The financial statements for the year ended 30 June 2011 were prepared in accordance with IFRS as adopted for use in the European Union, and the auditor gave an unqualified opinion containing no statement under either Section 498(2) or (3) of the Companies Act 2006 in respect of those financial statements. Those financial statements have been filed with the Registrar of Companies.

Application of the Group's accounting policies in preparing these interim financial statements requires management to make judgements and estimates that affect the reported amount of assets and liabilities, revenues and expenses. Actual results may ultimately differ from these estimates.

FastJet plc is incorporated in England & Wales. The Company's shares are listed on the AIM Market of the London Stock Exchange.

2. Acquisition
On 29 June 2012 the Company acquired Lonrho Aviation for total consideration of US$86.2m taking the form of 1,150,537,455 new shares issued at 4.8p (Sterling) per share A further US$4.7m in cash and shares was paid to the vendors of the 49.98% economic interest in Fly540 Kenya which was acquired at the same time. The reasons for the acquisition are outlined in the Chairman's statement. On completion of the acquisition, the company holds the majority of the shares and voting rights in, and therefore had effective control of, all entities that made up Lonrho Aviation.

The fair values of net assets acquired, intangible assets recognised under IFRS3, and consideration are set out below. All fair values are provisional based on management's best estimate at the date of preparation of the interim results statement. The fair values are provisional due to the proximity of the acquisition to the date of the reporting period.

	Book value US$'000	Fair value adjustments US$'000	Provisional fair value US$'000
Intangible assets			
Brand	-	1,956	1,956
Air operator's certificates	5,461	18,860	24,321
Other intangible assets	141	587	728
Property, plant and equipment			
Aircraft	45,129	(5,766)	39,363
Other property, plant and equipment	2,749	-	2,749
Current assets			
Inventories	4,392	(1,300)	3,092
Cash and cash equivalents	4,792	-	4,792
Trade and other receivables	18,472	-	18,472
Current liabilities	(39,684)	-	(39,684)
Non-current liabilities	(26,637)	146	(26,491)
Deferred tax	(267)	(3,476)	(3,743)
Net assets	14,548	11,007	25,555
Goodwill recognised			53,799
Non-controlling interests recognised			11,533
Consideration			90,887

Goodwill represents the excess of the fair value of the consideration paid compared to the fair value of net assets acquired less the fair value of non-controlling interests, and reflects those assets that do not qualify for separate recognition under IFRS3, for example the acquired workforce and industry knowhow, and the synergistic gains arising from the business combination.

Had the acquisition occurred on 1 January 2012, revenues of the enlarged group would have been US$31,366,000 and the loss before tax would have been US$14,311,000 for the six months ended 30 June 2012.

3. Loss per share
The loss per share is calculated using the loss figures as stated in the statement of comprehensive income divided by the weighted average number of shares in issue. In view of the losses from continuing activities, the share options in issue have no dilutive effect.

4. Share capital
Shares issued during the period were solely as consideration for the acquisition of Lonrho Aviation as mentioned above.

5. Subsequent events
On 24 July 2012 the Company announced it has raised £5.5m ($8.5m) by the placing of 137,500,000 new shares, and at the same time secured an additional £5m ($7.8m) equity financing facility.

On 2 August 2012 the Company announced that it had issued 93,327,995 new shares, and 207,395,455 options to easyGroup Holdings Limited, a company controlled by Sir Stelios Haji-Ioannou, as agreed in the exclusive FastJet brand agreement.

6. Financial statements of Lonrho Aviation (BVI) Limited
In accordance with the AIM Rules for Companies relating to the acquisition by the Company of Lonrho Aviation (BVI) Limited the consolidated statement of comprehensive income, balance sheet and statement of cash flows of Lonrho Aviation (BVI) Limited for the six months to 30 June 2012 are presented below.

Consolidated statement of comprehensive income

	6 months to 30 June 2012 US$m (Unaudited)	15 months to 31 December 2011 US$m (Unaudited)
Revenue	**31.4**	57.3
Operating charges	**(43.9)**	(73.0)
Operating loss	**(12.5)**	(15.7)
Finance income	**-**	0.1
Finance charges	**(2.1)**	(2.8)
Loss from continuing activities before tax	**(14.6)**	(18.4)
Tax credit	**-**	1.3
Loss from continuing activities after tax	**(14.6)**	(17.1)
Loss from discontinued activities	**-**	(1.9)
Loss and total comprehensive income for the period	**(14.6)**	(19.0)
Attributable to:		
Shareholders of the parent company	**(12.3)**	(14.4)
Non-controlling interests	**(2.3)**	(4.6)
	(14.6)	(19.0)

Consolidated balance sheet

	At 30 June 2012 US$m (Unaudited)	At 31 December 2011 US$m (Unaudited)
Assets		
Goodwill	**0.1**	0.1
Other intangible assets	**5.5**	6.2
Property, plant and equipment	**47.9**	52.9
Deferred tax	**-**	1.3
	53.5	60.5
Current assets		
Inventories	**4.4**	4.4
Cash and cash equivalents	**4.8**	3.9
Receivables	**18.3**	14.7
	27.5	23.0
Total assets	**81.0**	83.5
Equity		
Called up equity share capital	**-**	-
Share premium account	**84.5**	39.5
Translation reserve	**(0.8)**	(0.8)
Retained earnings	**(56.9)**	(41.6)
Equity attributable to shareholders of the parent company	**26.8**	(2.9)
Non-controlling interests	**(12.4)**	(9.9)
Total equity	**14.4**	(12.8)
Liabilities		
Non-current liabilities		
Loans and borrowings	**1.8**	1.6
Obligations under finance leases	**24.6**	26.7
Trade and other payables	**0.3**	35.2
Deferred tax	**0.3**	0.3
	26.9	63.8
Current liabilities		
Bank overdrafts	**10.2**	8.2
Loans and borrowings	**-**	-
Obligations under finance leases	**5.6**	5.7
Trade and other payables	**23.9**	18.6
	39.7	32.5
Total liabilities	**66.6**	96.3
Total liabilities and equity	**81.0**	83.5

Consolidated statement of cash flows

	6 months to 30 June 2012 US$m (Unaudited)	15 months to 31 December 2011 US$m (Unaudited)
Operating activities		
Loss for the period	**(14.6)**	(19.0)
Depreciation and amortisation	**2.5**	2.7
Finance charges	**2.1**	2.5
Foreign exchange loss	**-**	0.3
Loss on disposal of fixed assets	**1.7**	-
Increase in inventories	**-**	(2.9)
Increase in receivables	**(3.6)**	(5.7)
Increase in trade and other payables	**12.0**	9.2
Income tax	**1.3**	(1.3)
Cash generated/(absorbed) by operations	**1.4**	(14.2)
Interest paid	**(2.1)**	(2.5)
Net cash from operating activities	**(0.7)**	(16.7)
Investing activities		
Proceeds from the sale of property, plant and equipment	**2.3**	3.2
Purchase of property, plant and equipment	**(0.7)**	(7.4)
Acquisition of intangibles	**-**	(6.8)
Net cash flow from investing activities	**1.6**	(11.0)
Financing activities		
Loan advances	**0.2**	27.7
Finance lease payments	**(2.2)**	(3.3)
Net cash flow from financing activities	**(2.0)**	24.4
Net movement in cash and cash equivalents	**(1.1)**	(3.3)
Foreign currency difference	**-**	(0.1)
Opening net cash	**(4.3)**	(0.9)
Closing net cash	**(5.4)**	(4.3)
Classified on the balance sheet as:		
Cash and cash equivalents	**4.8**	3.9
Bank overdrafts	**(10.2)**	(8.2)
Closing net cash	**(5.4)**	(4.3)

Copies of this interim report will be available shortly on the company's website: www.fastjet.com

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