fastjet Plc

("fastjet" or the "Company")

(AIM: FJET)

Final results for the year to 31 December 2016

30 May 2017

fastjet, the low-cost African airline, announces its audited final results for the year ended 31 December 2016.

The table below shows the financial performance of the fastjet Group's continuing activities.

	2016 US$	2015 US$
Revenue	**68.5m**	65.1m
Group Operating loss	**(63.9)m**	(37.9)m
Loss from continuing activities before tax	**(65.8)m**	(35.9)m
Loss from continuing activities after tax	**(66.0)m**	(36.2)m
Profit/(loss) from discontinued activities after tax	**18.0m**	14.3m
Loss for the year after tax	**(48.0)m**	(21.9)m
Loss per share from continuing activities	**(0.84)**	(0.71)
Cash balance at year end	**3.6m**	28.9m

Strategic highlights

- Nico Bezuidenhout appointed CEO on 1 August 2016.
- Stabilisation Plan initiated comprising:
  - Major cost reductions
  - Fleet transition to smaller aircraft
  - Head office relocation to Johannesburg
  - Revenue initiatives including route rationalisation
- Successful capital fundraising of approximately US$20.0m before expenses in August 2016
- Strategic and operational partnership with Solenta Aviation Holdings concluded in January 2017 providing 3 E145 aircraft at reduced lease rates and Solenta acquiring a 28% shareholding in fastjet.
- Additional capital raise of approximately US$28.8m before expenses in January 2017, reflecting optimism in the strategic outlook for fastjet

Operational highlights

- Named Africa's Leading Low-Cost Airline 2016 at the World Travel Awards
- Revenues increased by 5% to US$68.5m (2015: US$65.1m), despite route rationalisation
- Passenger numbers up marginally at 783,317 (2015: 781,238)
- Aircraft utilisation constant year on year at 11.2 hours during peak months
- Costs increased by 29% caused by increased capacity and start-up losses on new routes in 2016
- Negative cash flow from operations of US$(52.3m) (2015: US$(36.9m)), primarily impacted by high costs mentioned above

Nico Bezuidenhout, fastjet Chief Executive Officer, commented:

"2016 was a challenging year and these financial results reflect not only a difficult market place but also the overly optimistic expansion plan adopted in early 2015.

Since I became CEO on 1 August 2016 we have successfully initiated a Stabilisation Plan to address the immediate challenges. However, although good progress has been made many of the Plan's benefits to reduce our cost base, and match capacity with demand, have naturally taken time to feed through and as such will only be materially realised in 2017. Nevertheless, the effects of the Stabilisation Plan in the second half of 2016 saw fastjet withdraw from a number of loss-making routes and remove surplus capacity such that while between July and December, capacity was reduced by 25%, passenger numbers were only down by 3% and revenues rose by 5%.

The final stages of the Stabilisation Plan are now implemented and the strong progress we have made means that fastjet's cost base will be significantly reduced by the third quarter of 2017 and that we are well on the way to fulfilling our baseline aim of achieving a cash flow break even position by the fourth quarter of 2017.

Since the year-end, fastjet has completed a US$28.8m fundraising, entered into a strategic and operational partnership with Solenta, and significantly strengthened our Board. With these initiatives building on the benefits of the Stabilisation Plan, and although a number of challenges remain, fastjet is now close to being sufficiently stable and well positioned to be able to consider disciplined growth opportunities in our target African markets."

fastjet's report and accounts for the year ended 31 December 2016 ("2016 Report and Accounts"), notice of the Annual General Meeting ("AGM") and the form of proxy, are expected to be posted to shareholders shortly.

A copy of the 2016 Report and Accounts will be available to view and download shortly from the Company's website: www.fastjet.com

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NOTES TO EDITORS

About fastjet Plc
fastjet Plc is the holding company of the low-cost airline fastjet which commenced flights under the fastjet brand in Tanzania in November 2012. By adhering to international standards of safety, quality, security and reliability; fastjet has brought a new flying experience to the African market at unprecedented low prices. Utilising a fleet of modern jet aircraft, fastjet has a long-term strategy to implement the low-cost carrier model across Africa to become the continent's first low-cost, pan-Africa airline.

The results of the second quarter 2016 customer satisfaction surveys showed that an average of 73% of customers were likely to recommend fastjet to a friend. In developing its strong brand and identity, fastjet has won and been nominated for a number of awards, including Africa's Leading Low-Cost Airline 2016 at the 23rd World Travel Awards, winning three Transform awards for the rebrand and launch of fastjet, the award for "Brand Strategy of the Year" at 2014's Drum Marketing Awards in London, and the Transport Innovator Award at the 8th Transport Africa Awards 2015 in Johannesburg.

This announcement contains inside information for the purposes of the Market Abuse Regulation.

fastjet Plc is quoted on the London Stock Exchange's Alternative Investment Market ("AIM").

For more information see www.fastjet.com.

Preliminary Statement

2016 was a year of both challenge and transformation for fastjet. During the year fastjet continued to face weak economic conditions and increased competition in its key markets - Tanzania and Zimbabwe - and these combined challenges had an adverse effect on the Company's full year results.

In the first half of the year, fastjet's ability to effectively meet these challenges was significantly impeded by a number of structural and operational vulnerabilities within the Company. With the appointment of Nico Bezuidenhout as Chief Executive Officer on 1 August 2016 these issues were immediately addressed through the adoption of a comprehensive Stabilisation Plan designed to positively transform the Company, while staying true to the low-cost model and fastjet's vision to be a pan-African airline. While we are pleased with the progress we have made in implementing this Plan, many of the benefits from these key interventions, such as a reduced cost base, will only be fully realised during, and increasingly through, the new financial year.

During the second half of the year, fastjet withdrew from a number of loss-making routes, and eliminated surplus capacity by reducing the number of scheduled flights and commencing a re-fleeting to smaller aircraft. From July to December 2016 while capacity was reduced by 25% passenger numbers were down by only 3% and revenues were improved by 5%.

The head office relocation from London to Johannesburg, initiated as part of the Stabilisation Plan, is nearing completion and we are already beginning to realise the cost benefits of this move. In addition to saving costs, we are also focused on improving the overall efficiency of our operations, including the interaction between the Commercial, Operations and Finance functions of the business, and the relocation of our head office will aid this process.

Today fastjet has three aircraft - two Airbus A319s (one currently out of service and in the process of being returned to the lessor) in Tanzania and one Solenta Embraer E145 in Zimbabwe. This will change to two E190 aircraft in Tanzania by October 2017 and a second Solenta E145 to be deployed to Zimbabwe. We hold two Air Operator Certificates (AOCs) - in Tanzania and Zimbabwe - and operate six routes.

Fund Raising and Strategic Partnership

In August 2016, the Company raised US$20.0m before expenses to fund working capital and the implementation of the Stabilisation Plan.

Since the year end, in January 2017 the Company raised a further US$28.8m before expenses. At the same time the Company also entered a strategic partnership with Solenta Aviation Holdings Limited ("Solenta"), a South African-based operator of one of the largest African aircraft fleets. Under this agreement, Solenta will, in exchange for a shareholding of approximately 28% in the Company, provide and operate aircraft on a reduced cost "wet-lease" basis for fastjet and supply other aviation services over the next five years. This is an exciting and positive strategic partnership as it will allow the Company to leverage Solenta's existing African business and provide the platform to grow and scale fastjet flexibly and cost effectively.

The Board should like to thank all shareholders who participated in these fund-raising exercises for their continued support.

Financial performance

The Group has reported a loss after tax for the year of US$48.0m (2015: loss after tax US$21.9m) on revenues up 5% at US$68.5m (2015: US$65.1m). The results for the year in large part reflect decisions in early 2015 to introduce too many new routes, expand the fleet and deploy capacity beyond market demand. The Stabilisation Plan is addressing these issues and although benefits are already being realised, primarily in cost reduction, the full benefit will only be seen as we progress through the new financial year.

The Group's operating loss for the year was US$63.9m (2015: US$37.9m) and fastjet's continued reliance on domestic and international routes, within and from Tanzania, meant that increased competition and on-going

macroeconomic pressures in the country in 2016 had an adverse effect on revenues. Although the economy officially grew by 6.9% in 2016, this did not translate into travel spend across our target market due to increased competition and the concentration of wealth. Strict capacity discipline and a highly effective and coordinated commercial effort will be exercised to meet these challenges and achieve our financial objectives in 2017.

As a result of the operating loss for the year the Group incurred a significant operating cash outflow which resulted in a cash balance at the year-end of US$3.6m (2015: US$28.9m). At 30 April 2017, the Group's cash balance was US$12.9m reflecting further operating cash outflows and creditor reduction, offset by the January fundraise of US$28.8m (gross). As the benefits of the Stabilisation Plan are further realised during the new financial year, the operating cash outflows are forecast to continue to improve and the Group is expected to achieve cash flow breakeven in Q4 2017.

Despite the progress made in implementing the Stabilisation Plan, the Directors believe that the current economic and trading outlook in fastjet's key markets of Tanzania and Zimbabwe remains challenging. The Group will continue to experience significant challenges in achieving the required increase in sales revenue and growth to achieve a cash flow break-even position by Q4 2017. Notwithstanding this, the Directors have adopted the Going Concern basis in preparing these Financial Statements. Further details are set out in the Going Concern statement below and in Note 1 of the Financial Statements.

Strategic Developments

Stabilisation Plan

The Stabilisation Plan is designed to strengthen the commercial and financial aspects of the business. We are pleased with progress to date, specifically regarding the Balance Sheet and cost reduction, and initiatives are in place to deliver revenue growth during 2017 with a target of achieving a cash flow break-even position by Q4 2017. The Stabilisation Plan has several key elements:

Rationalisation of routes

The rationalisation of fastjet's route schedule and network, which commenced in August 2016 after Nico Bezuidenhout joined, is already complete. The objective has been to more closely match capacity with demand. Frequencies on underperforming routes have been reduced, and some direct services have been incorporated into other existing services as an extension, rather than as stand-alone routes. Withdrawal from some routes was required owing to insufficient demand generating inadequate revenues which failed to even cover direct operating costs. Plans for further expansion of the network and projects to obtain licenses in additional African countries have been postponed, until our current routes are performing satisfactorily.

Fleet

The number, size and type of aircraft operated by fastjet has been fundamentally reviewed. During the year, the Group's fleet was reduced in size with aircraft being returned at the end of their leases and with the sale of the Group's one owned aircraft during October. In addition, the aircraft capacity requirements of the airline were reassessed in Q3 2016 and it was concluded that an alternative and smaller aircraft type, with materially lower operating costs, was more appropriate for the current and medium term demand characteristics of the markets in which fastjet operates. The Embraer and Bombardier 80-120 seat jet aircraft were considered and the Embraer E190/E195 was identified as the most appropriate for fastjet's requirements. Compared with the Airbus A319 type aircraft that fastjet has been operating, the Embraer is expected to yield a cost reduction of approximately 15% with lower fuel, maintenance, handling and navigation costs and charges.

The transition from the existing Airbus A319 aircraft to the replacement fleet of Embraer aircraft commenced in October 2016 with the first aircraft introduced into service, through a short-term "wet-lease" (on an "ACMI basis" where aircraft, crew, maintenance and insurance are supplied and priced into the lease payment). One of the Group's two remaining Airbus A319 aircraft is in the process of being returned to the lessor while the second A319 will continue to be operated in Tanzania until the end of September 2017 when it is expected to be returned to its lessor. In April, fastjet replaced the short-term wet leased A319 with the first Embraer under the Solenta partnership, with a further Solenta wet-leased E145 expected to enter service this August. Two more Embraer's are expected to enter service in October 2017, at which point fastjet's fleet will comprise only Embraer aircraft.

Cost Reduction

Having reviewed all overhead costs, a restructuring and reorganisation of the Group's operating entities was

implemented during 2016. Unnecessary duplication and excess resource was eliminated, resulting in a more streamlined, cost efficient and appropriate organisational structure. Supplier agreements have also been reviewed and renegotiated. The Group's high standards of safety, quality and compliance with regulatory requirements will not be compromised as a result of these initiatives.

The Group has substantially completed its head office re-location from Gatwick to Johannesburg, South Africa. The Commercial function has already completed its transition and the Finance function was fully transferred to Johannesburg by 30 April 2017. The new head office location has brought fastjet's management and support functions closer to the airline's operations and markets.

With the combination of head office relocation, transition to smaller gauge aircraft and renegotiation of supplier agreements, the cost base of the Group will be significantly reduced by Q3 2017.

Revenue initiatives
The Stabilisation Plan has accelerated and enhanced a wide range of commercial initiatives including:

- Improved distribution via travel agents, a new mobile phone gateway and a new Contact Centre;
- The first revenue was generated from the interline agreement with Emirates;
- Improved revenue management focus, adjusting to smaller gauge Embraer E190 aircraft and better capacity discipline; and
- Accelerated plans for a new Central Reservations System.

The Board of Directors

During 2016 there were a number of changes to the fastjet board including the appointment of Nico Bezuidenhout as Chief Executive Officer in August 2016.

In April 2017 Rashid Wally was appointed Non-Executive Chairman and Peter Hyde joined the board as a Non-Executive Director and Chairman of the Audit Committee. With effect from 15 May 2017 Michael Muller was appointed as an Executive Director and Chief Financial Officer.

Solenta is, under the terms of the strategic partnership agreement, entitled to appoint two Non-Executive Directors.

Outlook for 2017

The Board is pleased that the initial benefits of the Stabilisation Plan are already being realised and remains confident that we have the necessary industry and market-specific skills and platform to achieve our vision of being a successful pan-African airline, based on the Low-Cost Carrier (LCC) model. While the airline is relatively small we are taking the time to build capability, efficiency and strengthen governance so that when we begin to grow and enter new markets we will do this with a clear business case to deliver shareholder value and a return on capital.

Challenging trading conditions, increased competition and regulatory challenges on new market entry will be met with a renewed energy from our African operational base and we are well on the way to fulfilling our baseline objective of achieving a cash flow break-even position by Q4 2017. fastjet is stabilising and is being positioned for disciplined and measured growth, taking advantage of new strategic and commercially viable growth opportunities in Africa.

For and on behalf of the Board

Nico Bezuidenhout
Chief Executive Officer

30 May 2017

Principal risks and uncertainties

The Group is subject to various risks, including those that derive from the nature of the aviation industry and from operating in Africa. Risk assessment and evaluation is an essential part of the Group's planning and an important aspect of the Group's internal control system.

As more fully described in the Going Concern statement in the Financial Review below, there are a number of material uncertainties that may cast significant doubt upon the Group's and the parent Company's ability to continue as a going concern.

The risk management and internal control systems encompass the Company's policies, culture, organisational behaviour, processes and systems. The Group has a risk management framework and process that identifies and monitors its principal risks regularly identifying and associating mitigating actions to those risks. Given that many commercial and financial risks were realised during the period, in January 2017 the Company commenced a complete review of its risk management approach and expects to have a fully functional ISO31000 compliant risk management framework in place by the end of June 2017.

The following list sets out the Group's principal risks and uncertainties, many of which are inherent in the operation of an airline in any jurisdiction, and also provides details as to how these are managed. This list is not intended to be exhaustive:

- Safety: A major safety incident could adversely affect fastjet's operational and financial performance and reputation. fastjet's quality and safety management systems provide the key risk mitigation together with additional assurance from the license post-holders in Tanzania and Zimbabwe and oversight from the Plc Board's Safety Committee;
- Strategic: The continued operation of existing routes, the commencement of operations in new markets and the selection of fleet type can have a material impact on the Company's current financial performance and future prospects. The new management team, through the Stabilisation Plan, has fundamentally reassessed the Company's services and fleet and introduced more rigorous criteria against which new services will be considered;
- Commercial: Network and fleet planning and the need for effective competitor and market analysis are important to ensure effective on-going revenue growth. The Group now has in place an experienced management team using in-house marketing tools and external market analysis where appropriate;
- Operational: Maintenance of a safe, reliable and low cost airline is essential. The Company has in place the necessary systems and internal controls to ensure sufficient crew levels to operate the schedule and effective contract management around key supplier relationships, such as aircraft lessors, maintenance providers and ground handlers;
- Finance: Ensuring the Group has the financial resources to continue operations and deliver its strategic objectives is essential. The Group seeks to ensure it has appropriate and effective budgeting, reporting, forecasting and cash management systems in place underpinned by a strong internal control environment;
- Regulatory: The retention of regulatory approvals and licences is essential for services and operations to continue uninterrupted. The Company has the management and systems in place to ensure compliance with aviation regulations in the licensed markets -Tanzania and Zimbabwe – in which we are based and markets we operate to, such as South Africa and Zambia; and
- Litigation: During 2016 fastjet was notified that fastjet Aviation Limited had been served with an order for a creditor instructed liquidator to be appointed over fastjet Aviation Limited. To date, no indication has been made by the liquidator of any proposed action seeking to set aside the Loan notes as a preference or undervalue. Legal advice obtained by the company suggests that there is no recourse to fastjet PLC, that any claim is unlikely and, even if there was a claim, that it is unlikely to succeed.

One of the key benefits of relocating the head office from Gatwick to Africa is that it will position the senior management team much closer to our operations, our customers and our regulators. This will help ensure that, in addition to providing more efficient management, risks will be able to be monitored and controlled more effectively.

The Board will ensure there is a robust assessment of the risks in relation to the approved business model and strategy and the ability to continue to meet this strategy in light of the risks and associated mitigating actions.

Financial Review

fastjet Group

The Company recorded a loss for the 2016 year of US$48.0m (2015: US$21.9m). The profit from discontinued activities of US$18.0m (2015 restated: US$14.3m) relates to the disposal of the legacy fastjet Aviation Limited (BVI) ("FAL"). The profit on discontinued activities in 2016 reflects the removal of the net liabilities of the Fly 540 cash generating unit ("CGU") from the fastjet Group as it is no longer consolidated. (see note 3)

Group revenue increased by 5% to US$68.5m (2015: US$65.1m) reflecting a 6% increase in revenue per passenger (US$87.50) (2015: US$82.74). Passenger numbers remained relatively stable as did the US dollar to the Tanzanian Shilling. A full year of revenues for the Zimbabwe operation contributed to the year on year increase.

Year on year costs from continuing activities increased by 29% to US$132.4m (2015: US$103.0m). The increase in costs largely represents the increase in fleet and capacity in early 2016. Costs of wet leasing one Embraer E190 in Tanzania and one Airbus A319 in Zimbabwe as part of the Stabilisation Plan also contributed to the increase while additional costs were incurred to comply with contractual obligations in respect of the return conditions on leased aircraft. Fuel accounted for 15% of total costs, while maintenance, reserves and engineering of the aircraft accounted for 24% of costs. An onerous contract provision of US$3.8m has been recognised relating to the A319 maintenance contract. This maintenance contract is for four A319's whereas only one aircraft remains in operation. This provision is expected to be fully utilised during the 2017 and 2018 financial years.

The loss after tax for the year for the continuing businesses, increased to US$66.0m loss (2015: US$36.2m loss).

Non-trading financial performance

Discontinued operations

During the year, the Company was notified that the subsidiary and legacy entity, fastjet Aviation Limited (formerly Lonrho Aviation (BVI) Limited) had been served with an order for a creditor instructed liquidator to be appointed over fastjet Aviation Limited in accordance with the Insolvency Act 2003 (BVI). fastjet Aviation Limited is the intermediate parent company of the sub-group which included Fly 540 Angola and, formerly Fly 540 Ghana. The deemed disposal of fastjet Aviation Limited has resulted in a profit from discontinued operations of US$18.0m for the year (see note 3).

Post balance sheet event

On 5 January 2017 the Company announced that it had entered into an agreement with Solenta Aviation Holdings Limited ('Solenta'), a specialist African aviation aircraft operator and aircraft services group, based in Johannesburg, South Africa, for the provision and operation of three wet-leased aircraft and supply of other services over the next five years. Under the terms of the Solenta agreement, Solenta agreed to recognise US$19.2m of the aggregate total expected cost of the three, five year wet-leases as being satisfied immediately upon completion through the issue of 95,633,199 Consideration shares. On admission of these Consideration shares to AIM Solenta became a 28% shareholder in the Company.

On 5 January 2017 the Company also announced that it had conditionally raised US$28.8m (before expenses) by way of a placing with institutional and other shareholders of 143,449,794 Placing shares at 16.3 pence per Placing Share.

On 23 January 2017 the Company announced that at the general meeting of the Company held to approve, *inter alia*, certain matters necessary to implement the Placing, all resolutions put to shareholders were duly passed.

Fuel cost

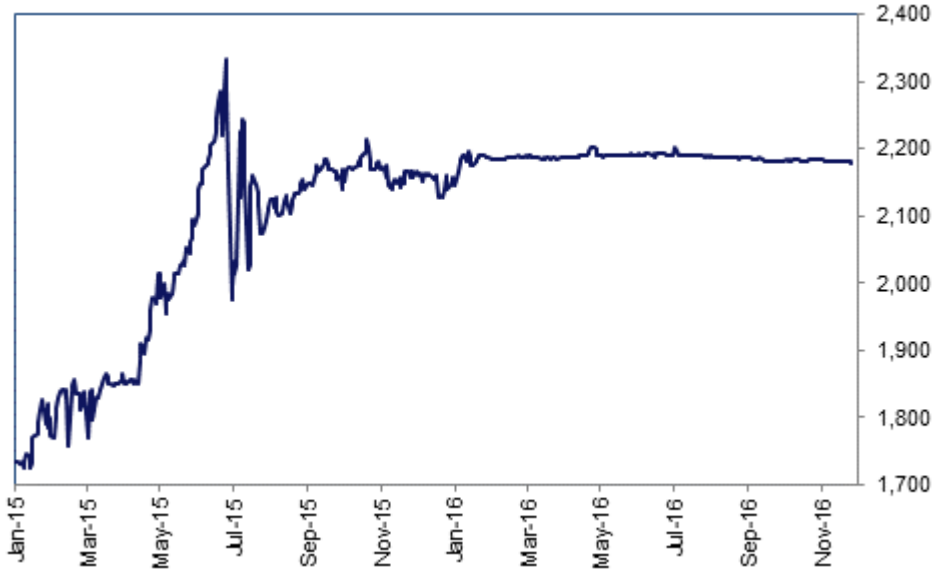
Since March 2016 fastjet has purchased its fuel at prevailing market prices. The Board will keep its fuel price hedging strategy under review.

fastjet Tanzania

fastjet Tanzania's revenues decreased by 7% to US$60.0m (2015: US$64.6m) driven by a 13 percentage point decrease in load factors. This decrease in load factor was due to some overcapacity in the market but also the increase in fleet size in 2016 compared with the prior year. Aircraft utilisation improved to an average of 10.8 block hours per day (2015: 9.9 block hours per day). The business reported an operating loss of US$44.9m for the year (2015: US$24.2m loss) largely due to increased costs arising from the additional capacity and the return conditions for three aircraft which left the Tanzanian fleet during the last quarter of the year and an onerous contract provision for maintenance services of US$1.9m.

Exchange rate changes in 2016

Tanzania - Exchange Rate, TZS/USD



Source: Bloomberg

The shilling depreciated by only one per cent in 2016 compared with a 25 per cent depreciation experienced in 2015.

fastjet Zimbabwe

fastjet Zimbabwe commenced services in October 2015 and had its first full year results for 2016. It reported revenues of US$9.0m (2015: US$ US$0.3m) and an operating loss before exceptional items of US$14.5m for the year (2015: US$4.0m). The losses stemmed mainly from over capacity on the markets entered, which has been reduced as part of the Stabilisation Plan, together with the type of aircraft. An onerous contract provision for maintenance services of US$1.9m has also been recognised. Return conditions for the A319 currently undergoing return, have also been provided for in the 2016 results. Aircraft utilisation was an average of 6.5 block hours per day for 2016.

Key performance indicators

The Directors consider the following to be the key performance indicators (KPI's) when measuring underlying operational performance. The KPI's reflect standard airline industry metrics which provide measures of efficiency and business performance. They provide a mechanism for the company to track performance at both

a company level and industry level. They are indicative of how the business is achieving its strategy and objectives from an operational, cost and revenue perspective. These measures relate to the operating performance of fastjet Tanzania and Zimbabwe only.

Measure	2016	2015	Movement
Passenger numbers	783,317	781,238	+0%
Revenue per Passenger (US$)	87.50	82.74	+6%
Seats Flown	1,459,202	1,171,818	+25%
Available Seat Kilometres (ASK)	1,155,844,321	957,871,744	+21%
Load Factor	53.7%	66.7%	-13%
Revenue per ASK (US cents)	5.93	6.75	-12%
Cost per ASK (US cents)	11.15	9.28	+20%
Cost per ASK ex. Fuel (US cents)	9.41	7.09	+33%
Aircraft Utilisation (Hours)	9.8	9.9	-1%
Aircraft Utilisation at Year End (Hours)	8.6	9.6	-11%
Aircraft Utilisation in Peak Month (Hours)	11.2	11.2	0%

Funding

A placing and open offer on 8 August 2016 successfully raised £15.2m (US$20.0m) before expenses from institutional and other investors. The proceeds of the placing have been utilised in providing working capital to existing operations in Tanzania and Zimbabwe.

On 5 January 2017 the Company also announced a further placing of 143,449,794 shares at 16.3 pence or £23.4m (US$28.8m) before expenses from institutional investors and other shareholders. These proceeds will be used for implementation of the Stabilisation Plan specifically the change to the aircraft fleet and completion of the relocation of the head office.

Going Concern

The Group's cash balance at 30 April 2017 was US$12.9m reflecting the benefit of the January 2017 equity placing of US$28.8m before expenses offset by high operating costs and creditor reductions. This cash balance included US$2.0m which is only available for use within Zimbabwe. The Group does not have any debt facilities other than a US$10.3m loan note in respect of fastjet Aviation Limited (see note 3).

There are risks associated with operating in Africa including but not limited to political, judicial, administrative, fiscal or other regulatory matters. Many countries in Africa, including those in which the Group currently operates may in the future experience severe socio-economic hardship and political instability, including political unrest and government change.

The commitment of local business people, government officials and agencies and the judicial system to abide by legal requirements and negotiated agreements may be more uncertain, creating particular concerns with respect to licences and agreements for business which may be susceptible to delay, revision or cancellation, as a result of which legal redress may be uncertain or delayed.

The Company is implementing a Stabilisation Plan. This process commenced in September 2016 and involves the following key aspects:

1. Relocation of the Gatwick office to Johannesburg

Various functions have been relocated to Johannesburg, namely Finance, Commercial and Marketing. The Group Operations and Engineering functions are currently being operated from Gatwick. The Gatwick office lease will not be renewed and expires in August 2017.

2. Route optimisation
   The rationalisation of the route network focussing on more profitable routes continued, with a number of loss making routes suspended during the year.

3. Re-fleeting to smaller aircraft (Embraer E145s/E190s)
   The process to remove the A319 aircraft from the fleet is well advanced. The estimated costs of early return for the two remaining aircraft and re-fleeting to a smaller capacity aircraft are circa US$4.0m. At the end of 2016 the Company operated two A319s, both on long term leases, and is currently negotiating an early release of these two aircraft. One A319 has already been taken out of service and there are plans for the second A319 to be removed by the end of September 2017. The current fleet plan utilises a combination of both wet leases and dry leases throughout 2017.

The Directors have prepared detailed forecasts through to June 2018, based on the Stabilisation Plan. The key assumptions which form the basis of the forecast are:

Revenue

- Load factors reach 87% by end of Q2 2017, mainly driven by smaller aircraft capacity;
- Year on year passenger decrease of 14% for continued routes due to reduced capacity; and
- Average fare for continued routes slight decrease year on year.

Expenditure

- Gatwick office relocated to Johannesburg by August 2017. Salary savings associated with this move will be approximately 22%;
- Progressive replacement of the A319s by Embraer E190s/E145s. Fastjet currently only operates one A319 and has already begun to operate one of the E145 aircraft under the Solenta operational agreement. By October 2017 fastjet expects to operate two E190 dry leases in Tanzania and two E145 Solenta wet leases in Zimbabwe by August 2017.
- Costs relating to ground handling reduce by 15% due to smaller aircraft and renegotiation of agreements;
- Fuel cost assumed to reduce by 35% due to smaller aircraft and reduced routes operated. The oil price for 2017 will remain static;
- Flight crew costs reduced by 75% as a consequence of ceasing to employ expatriate pilots and the changes in routes and size of fleet operated;
- Removal of remaining two A319's by September 2017;
- Availability to use up to three wet-leased aircraft at a reduced ACMI rate as a result of the transaction entered into with Solenta. The ACMI cash element rate, as compared to current rates being charged, will be reduced by 33% due to an element of the lease being consideration for the shares issued to Solenta. One E145 is already in operation under this agreement, with an additional E145 expected to be utilised in Zimbabwe later this summer: and
- Repayment of Loan Notes to fastjet Aviation Limited to commence in July 2017. Repayment is due over 10 years in quarterly instalments at 4% per annum.

Other

- Exchange rates. Fastjet's cashflows are most exposed to movements in the Tanzanian shilling and the US dollar. In its forecasting Fastjet has assumed that the key exchange rates remain as at current levels.
- fastjet Aviation Limited (formerly Lonrho Aviation (BVI) Limited) has been issued with an order for a creditor appointed liquidator to be appointed under the Insolvency Act 2003 (British Virgin Islands). The Directors do not believe that there is recourse to fastjet Plc for any of the liabilities of fastjet Aviation Limited.

The Directors have also considered a number of risks in achieving these forecasts including *inter alia*:

- Not achieving forecast passenger numbers and load factors;

- Aviation fuel prices, which are currently not hedged, increase;
- Adverse currency exchange rate movements;
- Not achieving the cost reductions required to reach breakeven by Q4;
- Availability of aircraft with only three aircraft in the fleet; and
- Not achieving additional funding if required.

The Directors believe, on the basis of current financial projections and funds available, that the Group has sufficient resources to meet its operational needs until at least June 2018. It should be noted, however, that the headroom over available cash resources is minimal with forecasts showing headroom at its lowest in October 2017. The Directors have also prepared sensitised cash flow forecasts which indicate that the Group will need to raise additional funding if any of the following variances in assumptions arise. Specifically:

- Load factors not met by 5%; or
- Fare prices decrease by 2% year on year; or
- Fuel prices increase by 15% with no recovery in ticket prices, or
- Foreign exchange rate depreciation of Tanzanian shilling by 13% against the US dollar.

Should additional funds be required the Directors believe it will be necessary to request additional equity from existing and possibly new shareholders. As at the date of approval of these Financial Statements, no commitment has been made or received for any future financing and there can be no certainty that additional funding if required will ultimately be available.

In preparing these financial statements, the Directors continue to adopt the going concern basis, notwithstanding the possibility that further funding may be required and about which there is no certainty at the date of approval of these financial statements.

However, given the minimal headroom in the forecast, the matters described above represent material uncertainties that may cast significant doubt upon the Group's and the parent Company's ability to continue as a going concern and, therefore, to continue realising its assets and discharging its liabilities in the normal course of business. The financial statements do not include any adjustments that would result if the basis of preparation proved inappropriate.

Michael Muller
Chief Financial Officer

30 May 2016

Consolidated income statement

	Note	2016 fastjet US$'000	2015 (restated) fastjet US$'000
Revenue		**68,538**	65,055
Cost of Sales		**(95,422)**	(77,963)
Gross Loss		**(26,884)**	(12,908)
Administrative costs		**(37,026)**	(25,018)
Group operating loss		**(63,910)**	(37,926)
Finance income		**30**	2,330
Finance charges		**(1,943)**	(273)
Loss from continuing activities before tax		**(65,823)**	(35,869)
Taxation	4	**(175)**	(353)
Loss from continuing activities after tax		**(65,998)**	(36,222)
Profit from discontinued activities net of tax	3	**17,953**	14,281
Loss for the year		**(48,045)**	(21,941)
Attributable to:			
Shareholders of the parent company		**(68,483)**	(21,941)
Non-controlling interests		**20,438**	-
		(48,045)	(21,941)
Loss per share (basic and diluted) (US$)	5		
From continuing activities		**(0.84)**	(0.71)
From discontinued activities		**(0.03)**	0.28
Total		**(0.87)**	(0.43)

The comparable results for 2015 have been restated to include the Angola CGU as a discontinued activity (see note 3)

Consolidated statement of comprehensive income

	Note	2016 US$'000	2015 US$'000
Loss for the year		**(48,045)**	(21,941)
Foreign exchange translation differences		**(194)**	3,226
Translation reserve taken to the income statement on disposal of subsidiary		**15**	(10,937)
Total other comprehensive expense for the year		**(179)**	(7,711)
Total comprehensive expense		**(48,224)**	(29,652)

Attributable to:		
Shareholders of the parent company	**(68,662)**	(29,652)
Non-controlling interests	**20,438**	-
Total comprehensive expense	**(48,224)**	(29,652)

All items in other comprehensive income will be re-classified to the Income Statement.

Non- controlling interests for 2015 are US$ Nil as there was no profit or loss within the Fly 540 Angola legal entity for the period.

Consolidated balance sheet

	Note	**2016 US$'000**	2015 US$'000
Non-current assets			
Intangible assets		**312**	487
Property, plant and equipment		**465**	18,338
Trade and other receivables		**780**	2,054
		1,557	20,879
Current assets			
Cash and cash equivalents		**3,607**	29,890
Trade and other receivables		**10,835**	9,087
		14,442	38,977
Total assets		**15,999**	59,856
Equity			
Called up equity share capital		**145,324**	144,923
Share premium account		**127,185**	108,366
Reverse acquisition reserve		**11,906**	11,906
Retained earnings	1	**(312,956)**	(245,138)
Translation reserve		**3,643**	3,822
Equity attributable to shareholders of the Parent Company		**(24,898)**	23,879
Non-controlling interests		**-**	(20,438)
Total equity		**(24,898)**	3,441
Liabilities			
Non-current liabilities			
Loans and other borrowings		**8,102**	-
Trade and other payables		**1,558**	1,786
		9,660	1,786
Current liabilities			
Bank overdrafts		**-**	975
Loans and other borrowings		**1,127**	-
Provisions		**3,784**	-
Obligations under finance leases		**-**	14,406
Trade and other payables		**25,844**	38,940
Taxation		**482**	308
		31,237	54,629
Total liabilities		**40,897**	56,415
Total liabilities and equity		**15,999**	59,856

These financial statements were approved and authorised for issue by the Directors on 30 May 2017 and are signed on their behalf by:

Nico Bezuidenhout
Chief Executive Officer

Consolidated cash flow statement

	2016	2015(restated)
	US$'000	US$'000
Operating activities		
Result for the year	**(48,045)**	(21,941)
Tax charge	**175**	353
Loss/(Profit) on disposal of aircraft	**2,913**	-
Loss on disposal of other property, plant and equipment	**37**	-
Profit from discontinued operations	**(17,953)**	(14,281)
Impairment of aircraft	**-**	-
Depreciation and amortisation	**1,152**	292
Finance income	**(30)**	(2,592)
Finance charges	**997**	353
Tax paid	**-**	(159)
(Increase)/Decrease in receivables	**(1,025)**	(3,285)
Increase in trade and other payables	**8,778**	3,583
Share option charges	**665**	778
Net cash flow from operating activities	**(52,336)**	(36,899)
Investing activities		
Disposal of discontinued operation net of cash disposed of	**921**	4,356
Sale of aircraft	**7,840**	11,000
Sale of other plant, property and equipment	**6**	-
Purchase of intangibles	**(82)**	(226)
Purchase of property, plant and equipment	**(69)**	(13,304)
Net cash flow from investing activities	**8,616**	1,826
Financing activities		
Proceeds from the issue of shares (net of expenses)	**19,220**	71,918
Interest paid	**(755)**	(192)
Finance lease payments on held for sale aircraft	**-**	(11,319)
Net cash flow from financing activities	**18,465**	60,407
Net movement in cash and cash equivalents	**(25,255)**	25,334
Foreign currency difference	**(53)**	2,204
Opening net cash	**28,915**	1,377
Closing net cash	**3,607**	28,915

Cash balances at 31 December 2016 include US$ Nil (2015: US$54,000) of cash not available for use by the Group, being US$ nil (2015: US$54,000) held in Angola where the government restricts movement of currency. Cash balances at 31 December 2016 include US$ 1,331,000 (2015: US$ 30,000) of cash that is held in Zimbabwe and can only be used within that territory.

Consolidated statement of changes in equity

	Share Capital	Share Premium	Reverse Acquisition Reserve	Translation Reserve	Retained Earnings	Non-controlling Interests	Total Equity
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Balance at 31 December 2014	**69,850**	**108,366**	**11,906**	**11,533**	**(218,227)**	**(23,031)**	**(39,603)**
Shares issued	75,073	-	-	-	(3,155)	-	71,918
Share based payments	-	-	-	-	778	-	778
Change in non-controlling interests	-	-	-	-	(2,593)	2,593	-
Transactions with owners	75,073	-	-	-	(4,970)	2,593	72,696
Translation reserve taken into income statement on disposal of subsidiary	-	-	-	(10,937)	-	-	(10,937)
Foreign exchange difference	-	-	-	3,226	-	-	3,226
Loss for the year	-	-	-	-	(21,941)	-	(21,941)
Balance at 31 December 2015	**144,923**	**108,366**	**11,906**	**3,822**	**(245,138)**	**(20,438)**	**3,441**
Shares issued	401	18,819	-	-	-	-	19,220
Share based payments	-	-	-	-	665	-	665
Transactions with owners	401	18,819	-	-	665	-	19,885
Foreign exchange difference	-	-	-	(194)	-	-	(194)
Translation reserve taken into income statement on disposal of subsidiary	-	-	-	15	-	-	15
Loss for the year	-	-	-	-	(68,483)	20,438	(48,045)
Balance at 31 December 2016	**145,324**	**127,185**	**11,906**	**3,643**	**(312,956)**	**-**	**(24,898)**

Notes to the Group financial statements

1. Significant accounting policies

fastjet Plc is the Group's ultimate parent company. It is incorporated in England and Wales. The Company's shares are quoted on the AIM market of the London Stock Exchange.

Basis of preparation

The preliminary results announcement for the year ended 31 December 2015 has been prepared by the Directors based upon the results and position which are reflected in the statutory accounts. The statutory accounts are prepared in accordance with International Financial Reporting Standards as adopted by the European Union (Adopted IFRS).

The financial information set out above does not constitute the company's statutory accounts for the years ended 31 December 2016 or 2015 but is derived from those accounts. Statutory accounts for 2015 have been delivered to the registrar of companies, and those for 2016 will be delivered in due course. The auditor has reported on those accounts; their reports were (i) qualified in 2015 in respect of the appropriateness of evidence to support the carrying value of assets of US$1.4m and liabilities of US$18.1m relating to Fly 540 Angola. In addition, the report was qualified in 2016 and 2015 in respect of the profit from discontinued operations of US$17.9m (2015: US$14.3m) (ii) 2016 and 2015 included a reference to an emphasis of matter in which the auditor drew attention, without qualifying their report, to the material uncertainties in respect of the Company and Group being a Going concern, and (iii) did not contain a statement under section 498 (2) or (3) of the Companies Act 2006.

Going concern

The Group's cash balance at 30 April 2017 was US$12.9m reflecting the benefit of the January 2017 equity placing of US$28.8m before expenses offset by high operating costs and creditor reductions. This cash balance included US$2.0m which is only available for use within Zimbabwe. The Group does not have any debt facilities other than a US$10.3m loan note in respect of fastjet Aviation Limited (see note 3).

There are risks associated with operating in Africa including but not limited to political, judicial, administrative, fiscal or other regulatory matters. Many countries in Africa, including those in which the Group currently operates may in the future experience severe socio-economic hardship and political instability, including political unrest and government change.

The commitment of local business people, government officials and agencies and the judicial system to abide by legal requirements and negotiated agreements may be more uncertain, creating particular concerns with respect to licences and agreements for business which may be susceptible to delay, revision or cancellation, as a result of which legal redress may be uncertain or delayed.

The Company is implementing a Stabilisation Plan. This process commenced in September 2016 and involves the following key aspects:

1. Relocation of the Gatwick office to Johannesburg
   Various functions have been relocated to Johannesburg, namely Finance, Commercial and Marketing. The Group Operations and Engineering functions are currently being operated from Gatwick. The Gatwick office lease will not be renewed and expires in August 2017.

2. Route optimisation
   The rationalisation of the route network focussing on more profitable routes continued, with a number of loss making routes suspended during the year.

3. Re-fleeting to smaller aircraft (Embraer E145s/E190s)
   The process to remove the A319 aircraft from the fleet is well advanced. The estimated costs of early return for the two remaining aircraft and re-fleeting to a smaller capacity aircraft are circa US$4.0m. At

the end of 2016 the Company operated two A319s, both on long term leases, and is currently negotiating an early release of these two aircraft. One A319 has already been taken out of service and there are plans for the second A319 to be removed by the end of September 2017. The current fleet plan utilises a combination of both wet leases and dry leases throughout 2017.

The Directors have prepared detailed forecasts through to June 2018, based on the Stabilisation Plan. The key assumptions which form the basis of the forecast are:

Revenue

- Load factors reach 87% by end of Q2 2017, mainly driven by smaller aircraft capacity;
- Year on year passenger decrease of 14% for continued routes due to reduced capacity; and
- Average fare for continued routes slight decrease year on year.

Expenditure

- Gatwick office relocated to Johannesburg by August 2017. Salary savings associated with this move will be approximately 22%;
- Progressive replacement of the A319s by Embraer E190s/E145s. Fastjet currently only operates one A319 and has already begun to operate one of the E145 aircraft under the Solenta operational agreement. By October 2017 fastjet expects to operate two E190 dry leases in Tanzania and two E145 Solenta wet leases in Zimbabwe by August 2017.
- Costs relating to ground handling reduce by 15% due to smaller aircraft and renegotiation of agreements;
- Fuel cost assumed to reduce by 35% due to smaller aircraft and reduced routes operated. The oil price for 2017 will remain static;
- Flight crew costs reduced by 75% as a consequence of ceasing to employ expatriate pilots and the changes in routes and size of fleet operated;
- Removal of remaining two A319's by September 2017;
- Availability to use up to three wet-leased aircraft at a reduced ACMI rate as a result of the transaction entered into with Solenta. The ACMI cash element rate, as compared to current rates being charged, will be reduced by 33% due to an element of the lease being consideration for the shares issued to Solenta. One E145 is already in operation under this agreement, with an additional E145 expected to be utilised in Zimbabwe later this summer: and
- Repayment of Loan Notes to fastjet Aviation Limited to commence in July 2017. Repayment is due over 10 years.

Other

- Exchange rates. Fastjet's cashflows are most exposed to movements in the Tanzanian shilling and the US dollar. In its forecasting Fastjet has assumed that the key exchange rates remain as at current levels.
- fastjet Aviation Limited (formerly Lonrho Aviation (BVI) Limited) has been issued with an order for a creditor appointed liquidator to be appointed under the Insolvency Act 2003 (British Virgin Islands). The Directors do not believe that there is recourse to fastjet Plc for any of the liabilities of fastjet Aviation Limited.

The Directors have also considered a number of risks in achieving these forecasts including *inter alia*:

- Not achieving forecast passenger numbers and load factors;
- Aviation fuel prices, which are currently not hedged, increase;
- Adverse currency exchange rate movements;
- Not achieving the cost reductions required to reach breakeven by Q4;
- Availability of aircraft with only three aircraft in the fleet; and
- Not achieving additional funding if required.

The Directors believe, on the basis of current financial projections and funds available, that the Group has sufficient resources to meet its operational needs until at least June 2018. It should be noted, however, that the headroom over available cash resources is minimal with forecasts showing headroom at its lowest in October 2017. The Directors have also prepared sensitised cash flow forecasts which indicate that the Group will need to raise additional funding if any of the following variances in assumptions arise. Specifically:

- Load factors not met by 5%; or
- Fare prices decrease by 2% year on year; or
- Fuel prices increase by 15% with no recovery in ticket prices, or
- Foreign exchange rate depreciation of Tanzanian shilling by 13% against the US dollar.

Should additional funds be required the Directors believe it will be necessary to request additional equity from existing and possibly new shareholders. As at the date of approval of these Financial Statements, no commitment has been made or received for any future financing and there can be no certainty that additional funding if required will ultimately be available.

In preparing these financial statements, the Directors continue to adopt the going concern basis, notwithstanding the possibility that further funding may be required and about which there is no certainty at the date of approval of these financial statements.

However, given the minimal headroom in the forecast, the matters described above represent material uncertainties that may cast significant doubt upon the Group's and the parent Company's ability to continue as a going concern and, therefore, to continue realising its assets and discharging its liabilities in the normal course of business. The financial statements do not include any adjustments that would result if the basis of preparation proved inappropriate.

Restatement of prior year

The Angola CGU has now left the Group following the appointment of the Liquidator to fastjet Aviation Limited ("FAL"). The 2015 comparatives have therefore been restated to report the Angola CGU as a discontinued operation with other FAL companies (see Note 3).

2. Segmental reporting

The Group's continuing business comprises that of airline services. That business operates across a number of different geographical territories, all within Africa. Accordingly, these geographical territories are the basis for the Company's segmental reporting disclosure.

The results of fastjet Plc head office and the Group's several holding companies are disclosed under the heading 'Central'.

Year ended 31 December 2016	Tanzania US$'000	Zimbabwe US$'000	Central US$'000	Eliminate Inter-segment US$'000	Total US$'000

External	59,169	9,369	-	-	68,538
Inter-segment	508	-	34,017	(34,525)	-
Total revenue	59,677	9,369	34,017	(34,525)	68,538
Operating loss excluding interest, tax, depreciation and amortisation	(43,094)	(14,454)	(5,210)	-	(62,758)
Finance income	-	-	30	-	30
Finance Charges	(1,670)	2	(680)	405	(1,943)
Depreciation and amortisation	(93)	(49)	(869)	-	(1,011)
Impairments	-	-	(141)	-	(141)
Tax	(175)	-	-	-	(175)
Net loss	(45,032)	(14,501)	(6,870)	405	(65,998)
Non-current assets	233	181	1,143	-	1,557

Year ended 31 December 2015	Tanzania US$'000	Zimbabwe US$'000	Central US$'000	Eliminate Inter-segment US$'000	Total US$'000
External	64,637	310	108	-	65,055
Inter-segment	-	-	22,374	(22,374)	-
Total revenue	64,637	310	22,482	(22,374)	65,055
Operating loss excluding interest, tax, depreciation and amortisation	(24,075)	(3,974)	(9,389)	-	(37,438)
Finance income	-	-	2,330	-	2,330
Finance charges	(78)	-	(195)	-	(273)
Depreciation and amortisation	(113)	(15)	(360)	-	(488)
Impairments	-	-	-	-	-
Tax	(194)	-	(159)		(353)
Net loss	(24,460)	(3,989)	(7,773)	-	(36,222)
Non-current assets	436	202	15,241	-	15,879

The Board monitors the performance of the business units and the overall group. It monitors loss after tax and its individual components and therefore these are disclosed above. Assets and liabilities are not reported by business unit. Central also includes start-up costs for fastjet Zambia for obtaining an AOC. This has subsequently been deferred as announced on 14 April 2016.

3. Discontinued operation and changes of control

In recent periods the Group has been exiting its legacy Fly 540 businesses. In H1 2015, the Fly 540 Ghana CGU was disposed of and has been accounted for within Discontinued Activities in 2015. On 6 June 2016 a court appointed liquidator was appointed over fastjet Aviation Limited (FAL) in accordance with the Insolvency Act 2003 (British Virgin Islands). On appointment of the liquidator, control over fastjet Aviation Limited passed to the liquidator. FAL is the intermediate parent company of the sub-group which included Fly 540 Angola. Consequently, FAL and subsidiaries including Fly 540 Angola CGU have been deconsolidated and disclosed as a discontinued business with the comparative results restated.

The profit from discontinued activities net of tax in the consolidated income statement comprises:

	12 months ended 31 December 2016 US$'000	12 months ended 31 December 2015 US$'000

Fly 540 Ghana CGU	-	19,371
Fastjet Aviation Ltd including Fly 540 Angola CGU	17,953	(5,090)
Profit from discontinued activities net of tax	17,953	14,281

The profit from discontinued activities arises on the removal of the net liabilities of the CGU from the Group.

Fly 540 Ghana
In June 2015, fastjet disposed of its interest in Fly 540 Ghana following which, its financial results; assets and liabilities are no longer consolidated into the fastjet Group's financial statements. The Fly 540 Ghana CGU is included within discontinued activities.

The profit and loss on the discontinued Fly 540 Ghana CGU on the Consolidated Income Statement can be analysed as follows:

	12 months ended 31 December 2016 US$'000	12 months ended 31 December 2015 US$'000
Revenue	-	-
Operating costs	-	-
Operating loss before exceptional items	-	-
Exceptional items – profit on disposal of aircraft	-	2,250
Exceptional items – impairment	-	(460)
Operating loss after exceptional items	-	1,790
Finance charge	-	(113)
Loss before tax	-	1,677
Profit on sale of Ghana operation	-	6,757
Transfer from Translation reserve	-	10,937
Profit for the period	-	19,371

Net cash flows attributable to investing activities	-	(4,356)

Fly 540 Angola
On 6 June 2016 a liquidator was appointed to Fastjet Aviation Limited, the intermediate parent company of the sub-group which included the Fly 540 Angola CGU. Upon this appointment, control has now been transferred to the liquidator so the entity no longer forms part of the Group consolidated accounts with effect from this date. The Fly 540 Angola CGU now meets the definition of a discontinued business and the comparative results have been restated.

A consequence of the FAL sub-group no longer being consolidated is recognition of intercompany loans and balances. This includes US$10.3m unsecured loan notes issued by fastjet Airlines Limited (fastjet Tanzania) to FAL, together with accrued interest, which are shown within "non-current & current liabilities" on the Group Balance Sheet as at 31 December 2016. Interest on these unsecured loan notes is accrued at 4%. The loan notes are repayable in quarterly instalments with the first instalment by fastjet Airlines Limited due on 1 July 2017.

The effect of the disposal of individual assets and liabilities of fastjet Aviation Limited entity which includes the Fly 540 Angola CGU is as follows:

	Angola Operations US$,000	**Aircraft US$,000**	**Other fastjet Aviation Ltd entities US$,000**	**Total US$,000**

Property, plant and equipment	-	4,719	-	4,719
Trade and other Receivables	1,364	-	940	2,304
Cash and cash equivalents	54	-	-	54
Bank overdrafts	(975)	-	-	(975)
Obligations under finance leases	-	(14,933)	-	(14,933)
Trade and other payables	(17,139)	-	(1,824)	(18,963)
Total	(16,696)	(10,214)	(884)	(27,794)

The profit and loss arising on the deemed disposal of the fastjet Aviation Limited entity which includes the Fly 540 Angola CGU can be analysed as follows:

	12 months ended 31 December 2016 US$'000	12 months ended 31 December 2015 US$'000
Revenue	-	-
Operating costs	(282)	(845)
Operating loss before exceptional items	(282)	(845)
Exceptional items – impairment	-	(3,560)
Operating loss after exceptional items	(282)	(4,405)
Finance charge	(527)	(685)
Loss Before Tax	(809)	(5,090)
Net liabilities no longer consolidated	27,794	-
Crystallisation of loan notes to fastjet Aviation Limited from fastjet Airlines Limited (see note 15)	(9,017)	-
Transfer from foreign exchange reserve	(15)	-
Profit/(loss) for the year	17,953	(5,090)
Net cash flows attributable to operations	-	-
Net cash flows attributable to investing	921	-
Net cash flows attributable to financing	-	-

fastjet Aviation Limited had provided legacy guarantees in respect of certain liabilities of Fly 540 Ghana and Fly 540 Angola that had not been discharged at 31 December 2016. However, the Directors do not believe that there is any recourse to fastjet Plc in respect of the original liabilities or by fastjet Aviation Limited in respect of its guarantee of them.

4. Tax

	Year ended 31 December 2016 US$'000	Year ended 31 December 2015 US$'000
Current tax expense:		
Current tax for the year	**175**	353
Adjustment to current tax in respect of previous years	**-**	-

	175	353
Deferred tax (credit) / expense:		
Origination and reversal of temporary differences	**-**	-
Reduction in tax rate	**-**	-
	-	-
Tax expense in income statement (excluding discontinued operations)	**175**	353
Tax from discontinued operations	-	-
Total tax expense	**175**	353

A reconciliation of the tax expense to the reported losses is given below:

	Year ended 31 December 2016 US$'000	Year ended 31 December 2015 US$'000
Loss from continuing operations before tax	**(65,823)**	(35,869)
Profit/(loss) from discontinued operations before tax	**17,953**	14,281
Loss before tax	**(47,870)**	(21,588)
Loss before tax multiplied by the standard rate of corporation tax in the UK of 20 % (2015: 20.25%)	**(9,574)**	(4,371)
Current year losses for which no deferred tax has been recognised	**16,605**	10,268
Tax losses not available for carry forward	**-**	1,069
Liquidation of fastjet Aviation BVI group	**(3,756)**	-
Profit on sale of Fly 540 Ghana	**-**	(3,885)
Foreign exchange not allowed	**37**	
Income not chargeable to tax	**(88)**	-
Expenses not deductible for tax purposes	**1,997**	141
Utilisation of previously unrecognised losses	**(89)**	-
Overseas tax rates	**(5,132)**	(3,222)
Overseas turnover tax	**175**	194
Overseas capital gains tax	**-**	159
Total current tax charge (including tax on discontinued operations)	**175**	353

Expenses not deductible for tax purposes includes specific and general provisions disallowed for tax purposes until such time as the expenditure is incurred. Examples are fundraising costs and legal costs.

At 31 December 2016 the Group had accumulated tax losses of approximately US$169m (2015: US$117m) available for offset against future taxable trading profits. The ability to utilise these tax losses is uncertain in some jurisdictions and therefore the Directors consider it inappropriate to recognise this potential deferred tax asset until such time as the Group begins to generate taxable profits against which the losses will be utilised.

5. Loss per share

Loss per share is calculated by dividing the loss for the period attributable to equity shareholders in the Parent Company (as stated in the income statement) by the weighted average number of shares in issue during the period.

On 21 April 2015 the Company issued 1 new ordinary share of £1 for each 100 existing ordinary share held at that date following a share consolidation.

On 8 August 2016 the company issued 1 new ordinary share of 1p and 11 deferred shares of 9p for each existing

ordinary share of £1 held on that date following a share reorganisation.

The weighted average number of shares in issue during the period, adjusted for the share reorganisation, was 78,338,107 (2015: 51,286,617). The loss for the purposes of basic earnings per share being the net loss attributable to the equity holders of the parent was US$65,998,000 for the continuing operations and a loss of USD$2,485,000 for discontinued operations (2015 restated: US$36,222,000 loss continuing, US$14,281,000 profit discontinued).

The following table reconciles the allocation of the discontinued operations: -

	2016		
	Total	**Equity holders**	**NCI**
	US$'000	**US$'000**	**US$'000**
Profit from discontinued operations including Fly 540 Angola	17,953	11,633	6,320
Reallocation to clear NCI to US$ Nil on deconsolidation of Fly 540 Angola	-	(14,118)	14,118
Profit/(Loss) on discontinued operations attributable	17,953	(2,485)	20,438

The non-controlling interest (NCI) at Fly 540 Angola is 40%.

The options and warrants in issue have no dilutive effect in either period because the Group incurred a loss on continuing and discontinued activities in both years.

6. Events after the balance sheet date

On 5 January 2017 the Company announced that it had entered into an agreement with Solenta Aviation Holdings Limited ('Solenta'), a specialist African aviation aircraft operator and aircraft services group, based in Johannesburg, South Africa, for the provision and operation of three wet-leased aircraft and supply of other services over the next five years. In conjunction with this the company also announced that it had conditionally raised US$28.8m (before expenses) by way of a placing with institutional and other shareholders of 143,449,794 Placing shares at 16.3 pence per Placing Share.