fastjet Plc

("fastjet" or the

“Company”) (AIM: FJET)

Interim Results for the six months to 30 June 2017

29 September 2017

fastjet, the low-cost African airline, announces its unaudited Interim Results for the six months to 30 June 2017, together with strategic and operational developments to date in 2017.

The table below shows the financial performance of the fastjet Group for the period to 30 June 2017.

	H1 2017 US$	H1 2016 US$
Revenue	**21.2m**	33.1m
Operating loss from continuing activities	**(13.2)m**	(31.0)m
Loss per share from continuing activities (HEPS)	**(0.046)**	(0.47)

Highlights

- New executive team; Board reconstituted
- Stabilisation Plan substantially completed; fastjet now well-positioned for targeted geographic expansion
- Losses down 57% year on year
- Negative cash flow from operating activities reduced to US$(21.4m) (2016:US$(25.6m))
- On track to achieve target of cash flow break-even by Q4 17
- On 29 June 2017, fastjet purchased its brand from easyGroup Holdings Ltd for $2.5m

Operational headlines

- Fleet adjustments delivering clear benefits
  - Revenue per seat up 30% year on year
  - Load factors up 18% year on year
- Move of fastjet’s headquarters from UK to Africa completed
- Growing passenger flows from the Emirates Interline agreement
- Named Africa’s Leading Low-Cost Airline 2016 at the World Travel Awards and Best LCC in Africa at 2017 Skytrax World Airline Awards

Commenting on the results, fastjet Chief Executive Officer Nico Bezuidenhout, said: “The first six months of 2017 was both a rewarding and challenging period for fastjet.

“I am pleased with the considerable progress made during the period, with significant cost reductions across the business, the successful migration of fastjet’s headquarters from Gatwick to South Africa and a renewed commercial impetus that, as expected, is delivering real benefits. We have focused on successfully implementing the Stabilisation Plan announced a year ago, while simultaneously examining potential commercial opportunities.

“As the Stabilisation Plan was delivered, improvements in distribution, reach and marketing efficiency drove yield and volume, and efficiencies in average fares, distribution channels and currency mix were achieved. This resulted in cost efficiencies and revenue improvement with a 30% increase in revenue per available seat. Average load factors for the period were 65.4%, up from 47.8% in the first half of 2016.

"Our re-fleeting plan is on track and by the end of the year fastjet will have replaced its fleet of A319s with three Embraer E145 and two Embraer E190 aircraft and have launched in at least one new market in the region. fastjet has taken full brand ownership of its trademarks and identity from easyGroup, empowering the business to further mould itself into an Africa-appropriate, relevant and operationally-suited business.

"I am proud of our achievements, which have occurred in a relatively short timeframe. While there remains a lot of work to be done, our initiatives are delivering clear, positive results and we are on track to achieve our target of cash flow break-even by the fourth quarter of this year. Having stabilised the business, we are looking forward with confidence to the next stage of fastjet's development and geographic expansion."

For more information, contact:

fastjet Plc Nico Bezuidenhout, Chief Executive Officer Michael Muller, Chief Financial Officer	Tel: +27 (0) 10 070 5151
UK media - Citigate Dewe Rogerson Angharad Couch Eleni Menikou Toby Moore Nick Hayns	Tel: +44 (0) 20 7638 9571
GM Marketing Communication – Hein Kaiser	Tel: +27 (0) 10 007 5151

For investor enquiries please contact:

Liberum Capital Limited – Nominated Adviser and Broker Clayton Bush Jill Li Neil Elliot	Tel: +44 (0) 20 3100 2222

NOTES TO EDITORS

About fastjet:

fastjet is a multi-award winning (including Skytrax World Airline Awards Best Low-Cost Airline in Africa 2017) low-cost African airline for everyone. It began flight operations in Tanzania in November 2012, flying passengers from Dar es Salaam to just two domestic destinations - Kilimanjaro and Mwanza. Today, fastjet's route network includes Tanzanian domestic routes from its Dar es Salaam base to Kilimanjaro, Mbeya, and Mwanza, and international routes from Tanzania to Lusaka in Zambia and Harare in Zimbabwe. fastjet also began flight operations from its Zimbabwe base in October 2015, and now flies domestically from Harare to Victoria Falls, Harare to Dar es Salaam and internationally from both Harare and Victoria Falls to Johannesburg in South Africa. The airline has flown over 2.5 million passengers with an impressive aggregate 94% on-time performance, establishing itself as a punctual, reliable, and affordable low-cost carrier.

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

fastjet Plc is quoted on the London Stock Exchange's AIM Market.

For more information see www.fastjet.com

Business Review
The first half of 2017 saw fastjet implement the Stabilisation Plan, a five-point plan designed to stabilise the business while simultaneously delivering revenue growth and a significant reduction in the Group's cost base. Under the Plan, the company is targeting a cash flow break-even position by Q4 2017.

During the first six months of 2017, the implementation of the Stabilisation Plan saw fastjet build a stable platform to achieve its strategic objectives. Delivery against the key objectives and metrics of the plan to date has been very encouraging, despite significant challenges.

Rationalisation of Routes

The rationalisation of fastjet's route schedule and network was initiated in order to match capacity with demand. Frequencies on underperforming routes have been reduced, while some direct services have been replaced or incorporated as an extension to other existing services. Plans for further expansion of the network were postponed, pending the satisfactory performance of all existing routes.

Fleet

The Group's fleet was reduced as a result of aircraft being returned as their leases expired, or earlier return where appropriate. The majority of the A319 fleet were returned following lease expiration / early return with a single unit remaining in Tanzania, scheduled for release from service by the middle of Q4 2017.

At the beginning of the Stabilisation Plan implementation process, it was concluded that the capacity requirements of the business required an alternative aircraft type, with materially lower operating costs, which would be more appropriate for fastjet's markets. Accordingly, the Group decided to replace its fleet with mixed capacity and market-relevant aircraft.

The Embraer E145 50 seat and Embraer E190 104 seat aircraft were identified as appropriate aircraft types for fastjet's services. These are expected to yield an approximate 15% cost reduction for fuel, maintenance, handling and navigation charges. The transition from the existing A319 aircraft to the replacement fleet was initially arranged through short term wet leases (aircraft, crew, maintenance and insurance). The first aircraft under a wet lease agreement came into service in Tanzania at the end of September 2016 and in Q1 2017 in Zimbabwe, and fastjet-branded E145 aircraft were successfully deployed in Zimbabwe in Q2 2017. The introduction of Embraer E190 aircraft is scheduled for Q4 2017 in Tanzania.

Organisation

The restructuring and reorganisation of the Group's operating entities started in late 2016 with the first six months of 2017 seeing full implementation against the requirements of the Stabilisation Plan. Unnecessary duplication and excess resources were eliminated and a more streamlined, cost efficient and appropriate organisation structure set in place. Throughout, fastjet has maintained its high standards of quality, safety and regulatory compliance.

The relocation of the Group head office from Gatwick, UK, to Johannesburg, South Africa, has been completed and key staff appointed, including a new Chief Commercial Officer, Chief Financial Officer, and General Managers of Marketing and Communication, Revenue Management and Pricing, Channels and Distribution, and Sales and Finance.

The Board was reconstituted with Rashid Wally, a highly experienced commercial and aviation professional, joining as Chairman. Chief Financial Officer Michael Muller also joined the Board, with Nico Bezuidenhout as Chief Executive Officer. Peter Hyde also joined as an independent non-executive director.

Revenue generating initiatives

fastjet continues to take a flexible approach to the traditional low-cost carrier model that is more appropriate for the business at its current stage of development and the markets in which it operates. As a result, greater flexibility was introduced into fastjet's pricing models.

A more coordinated approach to fastjet's marketing and public relations campaigns, which saw the introduction of new marketing and PR initiatives designed to improve fastjet's market presence and generate additional revenues, delivered solid results. fastjet's established social media presence has proved to be a powerful brand-building mechanism and will continue to form a key part of the Group's improved marketing and communication programme as it offers a cost-effective, promotional channel for generating ticket sales.

For fastjet to improve its direct channels of distribution, the upgrading of its Central Reservations System began at the end of the Q1 2017 with completion scheduled for Q4 2017. It is important that fastjet maintains technology systems that facilitate innovation and responsiveness to the varied needs of its customers in the respective markets it serves.

A key focus of the Stabilisation Plan and future commercial activity is to improve the distribution of fastjet's offering through both trade and direct channels to stimulate revenue growth. Last year, fastjet introduced distribution through Amadeus, one of the leading Global Distribution Systems (GDS), with the foundations of further GDS distribution partnerships with other major market players entering planning and implementation during the second quarter of 2017. Sales through GDS greatly improve fastjet's reach as an estimated 80% of African air travel continues to be sold through travel agents. The Marketing and Sales function also continues to collaborate on various initiatives that further engage and embed fastjet and its offering to the industry.

Milestones

The wide-ranging five pillars of the Stabilisation Plan include key metrics by which the Board continually measures the implementation and impact of initiatives developed by management.

1. Reconstituted management team and organisational structure.

2. Reduce costs through network and fleet adjustments, overhead reduction and supplier management.
   a) Network rationalisation saw fastjet align frequency to demand levels and cull deeply loss-making routes.
   b) Fleet realignment by matching fleet size and aircraft to market characteristics with standardised fleet per base and improved asset utilisation.

3. Improve revenue through distribution reach, brand leverage and service delivery.
   a) Improvement of distribution reach and marketing efficiency to drive yield and volume.
   b) Efficiencies in average fares, distribution channels and currency mix implemented.
   c) Revenue per seat up 30% on last year.
   d) Load factors now at 65.4% (H1 2017) vs 47.8% (H1 2016).

4. Reduce and eliminate cash losses and achieve cashflow break-even by Q4 2017.
   a) Fundamentally restructured overheads and fixed costs along with key supplier agreements.
   b) An estimated US$5.4m reduction in overhead costs.
   c) Cost per passenger kilometre down by over 21% with overall cost reduced by 46% year on year.
   d) Headcount down from 286 full time employees to 216.
   e) Headquarters successfully relocated to South Africa.
   f) Net loss down >50% on last year (to $13.2m).
   g) Cash resources stand at US$4m.

5. Grow from a stable base.

Tanzania

a) Tanzania presently accounts for circa 80% of Group Revenue
b) fastjet is the largest airline in Tanzania and is now profitable pre inter-company cost.
c) The exit of the A319 and entry of two E190s will increase capacity and drive cost efficiency.
d) Full brand ownership, following the purchase rights from easyGroup, will allow turbo-prop aircraft to be deployed, enabling expansion in Tanzania on certain routes.

Zimbabwe

a) Currently circa 20% of Group Revenue.
b) Gauge reduction saw a rapid load factor increase with current market share on Johannesburg-Harare static at 37% following recent capacity increases
c) Monthly cash flow break-even in Zimbabwe has been maintained since August 2017 with measures taken to reduce in-country cash accumulation.

Operational Review

fastjet has continued to maintain its high operational standards in relation to safety, quality, security and reliability. This has resulted in the airline being highly regarded in the marketplace, as evidenced by being named “Africa’s Leading Low-Cost Airline” at the 23rd World Travel Awards in April 2016, followed by Best African Low-Cost Carrier at the 2017 Skytrax World Airline Awards. fastjet has maintained elevated levels of brand awareness and remains the second most followed African airline brand on Facebook. The Group intends to build on these successes to improve sales and customer service using social media channels. The airline also relaunched its in-flight magazine “Smart Travel” and renamed it “Places” under a new publishing, editorial and advertising team.

fastjet’s multi-lingual call centre continues to serve our customers and, with significant cost reductions achieved during the first half of 2017, its operation and service yield has further supported the Stabilisation Plan. The call centre covers the Tanzania, Zambia, Zimbabwe and South African markets and has improved service levels and sales conversions in each.

fastjet Tanzania

fastjet is the leading airline in Tanzania and, as a direct result of the Stabilisation Plan, saw the Revenue per Available Seat Kilometre increase by 26% year on year. fastjet Tanzania carried over 220,000 passengers and grew load factors from an average of 49% in H1 2016 to 67% in H1 2017.

fastjet Tanzania has maintained its ‘On Time Arrival’ performance of 92%, while aircraft utilisation averaged 10.7 block hours per day per aircraft (H1 2016: 11.07).

Route revenue performance increased significantly because of the suspension of certain loss-making routes, reduction in capacity and revenue generation focus from the commercial team.

fastjet Zimbabwe

In the first half of 2017 fastjet Zimbabwe carried over 50,000 passengers, representing an average load factor of 60%, up from a prior year average of 36%. In April 2017, fastjet Zimbabwe returned its A319 aircraft, and began operating with an E145. The introduction of E145 aircraft in Zimbabwe had a material impact on load factors, which rose to 96% in its first month of operations.

Revenue per Available Seat Kilometre improved by almost 90% as a result of reduced capacity and revenue generating initiatives.

In line with the Stabilisation Plan, fastjet suspended flights between Victoria Falls and Johannesburg in February 2017. These flights were reintroduced with a changed aircraft gauge (A319 to E145) at the end of June 2017 with operations commencing in July, enabling a successful commercial realignment, as per the Stabilisation Plan. Peak day frequency additions between Harare and Victoria Falls were also successfully introduced during the period under review.

Punctuality in the first six months of operation has been encouraging, with 91% of flights arriving on time.

fastjet Zimbabwe further developed its distribution channels and significantly grew its travel agent network during the first six months of 2017. The airline now engages electronically with the trade and its customers, along with high engagement campaigns and physical outreach initiatives.

Financial Review

fastjet Group

		H1 2017 US$m	H1 2016 US$m
Revenue:	fastjet Tanzania	16.6	30.5
	fastjet Zimbabwe	4.6	2.6
Total		21.2	33.1
Operating loss:	fastjet Tanzania	(10.1)	(23.9)
	fastjet Zimbabwe	(3.5)	(5.1)
	Central	0.6	(2.0)
Total operating loss from continuing activities		(13.0)	(31.0)
Profit from discontinued activities net of tax		-	16.3
(Loss) for the period after tax		(13.2)	(15.0)

Key performance indicators

The Directors consider the following to be the key performance indicators when measuring underlying operational performance:

Measure	**H1 2017**	H1 2016	Movement
Passenger numbers	270 836	397 258	-32%
Revenue per Passenger (US$)	78,14	82,83	-6%
Seats Flown	414 439	831 793	-50%
Available Seat Kilometres (ASK)	315 907 707	653 054 843	-52%
Load Factor	65%	48%	18%
Revenue per ASK (US cents)	6,70	5,04	33%
Cost per ASK (US cents)	10,87	9,77	-11%
Cost per ASK ex. Fuel (US cents)	9,08	8,07	-13%
Aircraft Utilisation (Hours)	9,7	10,1	-4%
Aircraft Utilisation at June end (Hours)	11,8	10,6	11%
Aircraft Utilisation in Peak Month (Hours)	11,8	10,6	11%

Continuing Activities

The Group recorded a loss after tax for the period of US$13.2m (H1 2016: loss US$31.0m).

Group revenue decreased year on year to US$21.2m (H1 2016: US$33.1m) as a direct result of the effects of the Stabilisation Plan. Whilst overall passenger numbers and capacity decreased year on year, the revenue per available seat kilometer increased by 33%, showing significantly improved revenue management.

Costs for continuing activities in the first six months of 2017 reduced by 46% as a result of the reduction in capacity, and overall cost reduction initiatives. Significant progress was made with the high level of overhead costs which was reduced by 37% year on year. Included in this was the closure of the Gatwick head office and subsequent relocation to Johannesburg, South Africa, which was substantially completed by June 2017.

Discontinued Activities

During 2016, 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 prior year (see note 4).

Cash management

In the last quarter of 2016 the Board initiated a Stabilisation Plan which is ongoing and is now embedded within the business. Careful management of the Company's cash resources paired with a more flexible approach to the traditional low-cost carrier model are already yielding benefits in terms of efficiency and cash conservation. Proceeds from the proposed placing announced today will further strengthen the Company's cash flow position.

Exchange rates

During the first half of 2017, the Tanzanian Shilling exchange rate against the US Dollar has been relatively stable. The company continues to monitor exchange rates.

Post balance sheet event

On 29 September 2017, the Company issued a proposed placing to raise gross proceeds of not less than US$28m with agreements reached to facilitate fastjet's Brand entry into the South African and Mozambique markets; to acquire beneficial use of three aircraft; and to create an employee benefit trust.

Going Concern

There are risks associated with operating in Africa including but not limited to political, judicial, administrative, taxation 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 licenses 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 Stabilisation Plan implemented in 2016 has had the desired effect of reducing capacity and increasing revenue, cutting loss making routes and leading to an overall reduction in overheads. The revenue for H1 2017 is 36% less than the corresponding prior year period, mainly due to reduction in capacity.

Overall losses decreased by 57% year on year, and the Company is on track for a cash-flow break-even in Q4 2017.

As described above and in Note 4, fastjet Aviation Limited and its sub group no longer forms part of the Group's consolidated accounts. The Directors do not believe that there is recourse to fastjet Plc for any of the liabilities of FAL and do not expect the settlement of any intercompany balances as the entities concerned are unlikely to have sufficient funds to settle them. Accordingly, the forecasts do not include any cash outflows in respect of the liabilities of FAL. However, loan notes of cUS$10.3m issued by fastjet Airlines Limited to FAL, which were previously eliminated on consolidation, now form an external liability of fastjet Airlines Limited and accordingly are included in the Group's Balance Sheet as a Non-Current Liability.

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

- Achieving forecast passenger numbers and yield
- Aviation fuel prices, which are currently not hedged
- Adverse currency exchange rate movements

- Achieving successful Brand entry into the South African and Mozambican markets

The Directors believe, based on current financial projections, inclusive of the proposed placing and funds available, that the Group will have sufficient resources to meet its operational needs over the relevant period, being until September 2018. Accordingly, the Directors continue to adopt the going concern basis in preparing these Interim Results.

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.

Current Trading and Outlook

Although the trading environment remains challenging, the benefits of the Stabilisation Plan are now being realized with the initiatives yielding positive results. The proposed placing and measured expansion signal a new phase of the fastjet's development, and the Company is confident about the future.

Nico Bezuidenhout Chief Executive Officer	**Michael Muller** Chief Financial Officer

Condensed consolidated income statement

	Note	6 months ended 30 June 2017 US$'000 (Unaudited)	6 months ended 30 June 2016 US$'000 (Unaudited)	12 months ended 31 December 2016 US$'000 (Audited)
Revenue		**21,162**	**33,072**	**68,538**
Cost of sales		(26,060)	(51,781)	(95,422)
Administrative costs		(8,095)	(12,275)	(37,026)
Group operating loss		**(12,993)**	**(30,984)**	**(63,910)**
Operating loss		**(12,993)**	**(30,984)**	**(63,910)**
Finance Income		22	20	30
Finance charges		(212)	(299)	(1,943)
Loss from continuing activities before tax		**(13,183)**	**(31,263)**	**(65,823)**
Taxation		-	(90)	(175)
Loss from continuing activities after tax		**(13,183)**	**(31,353)**	**(65,998)**
Profit from discontinued activities net of tax	*4*	-	16,339	17,953
(Loss) for the period		**(13,183)**	**(15,014)**	**(48,045)**
Attributable to:				
Shareholders of the parent company		(13,183)	(35,452)	(68,483)
Non-controlling interests		-	20,438	20,438
Total		**(13,183)**	**(15,014)**	**(48,045)**
Earnings/(loss) per share (basic and diluted) (US dollars)	*2*			
From continuing activities		(0.04)	(0.47)	(0.84)
From discontinued activities		-	(0.06)	(0.03)
Total		**(0.04)**	**(0.53)**	(0.87)

Condensed consolidated statement of comprehensive income

	6 months ended 30 June 2017	6 months ended 30 June 2016	12 months ended 31 December 2016
	US$'000	US$'000	US$'000
	(Unaudited)	(Unaudited)	(Audited)
(Loss)/ Profit for the period	**(13,183)**	**(15,014)**	**(48,045)**
Foreign exchange translation differences	(1,900)	435	(194)
Translation reserve taken to income statement on disposal of subsidiary	-	15	15
Total other comprehensive income/(expense) for the period	**(1,900)**	**450**	**(179)**
Total comprehensive expense	**(15,083)**	**(14,564)**	**(48,224)**
Attributable to:			
Shareholders of the parent company	(15,083)	(35,002)	(68,662)
Non-controlling interests	-	20,438	20,438
Total comprehensive expense	**(15,083)**	**(14,564)**	**(48,224)**

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

Condensed consolidated balance sheet

	Note	**30 June 2017 US$'000 (Unaudited)**	30 June 2016 US$'000 (Unaudited)	31 December 2016 US$'000 (Audited)
Non-current assets				
Other intangible assets	*5*	**2,888**	**510**	**312**
Property, plant and equipment		369	12,763	465
Other non-current trade and other receivables		780	2,054	780
		4,037	**15,327**	**1,557**
Current assets				
Cash and cash equivalents		8,107	3,870	3,607
Trade and other receivables		6,664	8,587	10,835
		17,772	**12,457**	**14,442**
Total assets		**18,809**	**27,784**	**15,999**
Equity				
Called up equity share capital	*3*	147,064	144,923	145,324
Share premium account		152,774	108,366	127,185
Reverse acquisition reserve		11,906	11,906	11,906
Retained earnings		(325,759)	(280,191)	(312,956)
Translation reserve		1,743	4,272	3,643
Equity attributable to shareholders of the Parent Company		**(12,272)**	**(10,724)**	**(24,898)**
Non-controlling interests		**-**	**-**	-
Total equity		**(12,272)**	**(10,724)**	**(24,898)**
Liabilities				
Non-current liabilities				
Loans and other borrowings	*4*	7,413	10,631	8,102
Trade and other payables		-	1,764	1,558
		7,413	**12,395**	**9,660**
Current liabilities				
Loans and other borrowings	*4*	2,110	-	1,127
Provisions		5,625	-	3,784
Trade and other payables		15,582	25,719	25,844
Taxation		351	394	482
		23,668	**26,113**	**31,237**
Total liabilities		**31,081**	**38,508**	**40,897**
Total liabilities and equity		**18,809**	**27,784**	**15,999**

Condensed consolidated cash flow statement

	6 months ended 30 June 2017 US$'000 (Unaudited)	6 months ended 30 June 2016 US$'000 (Unaudited)	12 months ended 31 December 2016 US$'000 (Audited)
Operating activities			
Result for the period	(13,183)	(15,014)	(48,045)
Tax charge /(credit)	-	90	175
Profit on disposal of aircraft	-	-	2,913
Loss on disposal of other property, plant and equipment	-	40	37
Profit on disposal of subsidiary	-	(17,148)	(17,953)
Depreciation and amortisation	145	902	1,152
Finance (income)/charges	(126)	804	967
Increase in trade and other receivables	3,929	(2,596)	(1,025)
Increase in trade and other payables	(12,512)	6,956	8,778
Tax paid	-	-	-
Share option charges	380	399	665
Net cash flow from operating activities	**(21,367)**	**(25,567)**	**(52,336)**
Investing activities			
Purchase of intangibles	(130)	(82)	(82)
Disposal of discontinued operation net of cash disposed of	-	921	921
Sale of property, plant and equipment	-	92	7,846
Purchase of property, plant and equipment	-	(119)	(69)
Net cash flow from in investing activities	**(130)**	**812**	**8,616**
Financing activities			
Proceeds from the issue of shares	26,661	-	19,220
Interest paid	(212)	(277)	(755)
Finance lease payments	-	-	-
Net cash flow from financing activities	**26,449**	**(277)**	**18,465**
Net movement in cash and cash equivalents	4,952	(25,032)	25,255
Foreign currency difference	(452)	(13)	(53)
Opening net cash	3,607	28,915	28,915
Closing net cash	**8,107**	**3,870**	**3,607**

Condensed consolidated statement of changes in equity

	Share Capital US$'000	Share Premium US$'000	Reverse Acquisition Reserve US$'000	Translation Reserve US$'000	Retained Earnings US$'000	Non-controlling Interests US$'000	Total Equity US$'000
Balance at 31 December 2015	**144,923**	**108,366**	**11,906**	**3,822**	**(245,138)**	**(20,438)**	**3,441**
Share based payments	-	-	-	-	399	-	399
Transactions with owners	-	-	-	-	399	-	399
Foreign exchange difference	-	-	-	435	-	-	435
Translation reserve taken to income statement on disposal of subsidiary	-	-	-	15	-	-	15
Profit for period	-	-	-	-	(35,452)	20,438	(15,014)
Balance at 30 June 2016	**144,923**	**108,366**	**11,906**	**4,272**	**(280,191)**	**-**	**(10,724)**
Shares issued	401	18,819	-	-	-	-	19,220
Share based payments	-	-	-	-	266	-	266
Transactions with owners	401	18,819	-	-	266	-	19,486
Foreign exchange difference	-	-	-	(629)	-	-	(629)
Translation reserve taken into income statement on disposal of subsidiary	-	-	-	-	-	-	-
Loss for the year	-	-	-	-	(33,031)	-	(33,031)
Balance at 31 December 2016	**145,324**	**127,185**	**11,906**	**3,643**	**(312,956)**	**-**	**(24,898)**
Shares issued	1,740	25,589	-	-	-	-	27,329
Share based payments	-	-	-	-	380	-	380
Transactions with owners	1,740	25,589	-	-	380	-	27,709
Foreign exchange difference	-	-	-	(1,900)	-	-	(1,900)
Translation reserve taken into income statement on disposal of subsidiary	-	-	-	-	-	-	-
Loss for the year	-	-	-	-	(13,183)	-	(13,183)
Balance at 30 June 2017	**147,064**	**152,774**	**11,906**	**1,743**	**(325,759)**	**-**	**(12,272)**

On 6 June 2016 a Liquidator was appointed to fastjet Aviation Limited. Control of fastjet Aviation Limited and its subsidiaries has therefore been transferred to the liquidator so this entity no longer forms part of the Group consolidated accounts with effect from this date.

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 2017. 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. The comparatives for the 12-month period ended 31 December 2016 are not the Group's full financial statements for that period. A copy of the financial statements for that period has been delivered to the Registrar of Companies. The report of the auditor was (i) qualified 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, (ii) included a reference to an emphasis of matter in which the auditor drew attention, without qualifying their report, in respect of Going concern, and (iii) did not contain a statement under section 498 (2) or (3) of the Companies Act 2006.

These financial statements are prepared applying the recognition and measurement requirements of IFRSs as adopted by the EU but not in compliance with IAS34.

The Directors have considered the appropriateness of the going concern basis of preparation in view of their plans for the Group. The conclusion of a successful capital raise is required for the company to continue as a going concern

The Stabilisation Plan implemented in 2016 has had the desired effect of reducing capacity and increasing revenue, cutting loss making routes and leading to an overall reduction in overheads. The revenue for H1 2017 is 36% less than the corresponding prior year period, mainly due to reduction in capacity.

Overall losses decreased by 57% year on year, and the Company is on track for a cash-flow break-even in Q4 2017.

As described above and in Note 4, fastjet Aviation Limited and its sub group no longer forms part of the Group's consolidated accounts. The Directors do not believe that there is recourse to fastjet Plc for any of the liabilities of FAL and do not expect the settlement of any intercompany balances as the entities concerned are unlikely to have sufficient funds to settle them. Accordingly, the forecasts do not include any cash outflows in respect of the liabilities of FAL. However, loan notes of cUS$10.3m issued by fastjet Airlines Limited to FAL, which were previously eliminated on consolidation, now form an external liability of fastjet Airlines Limited and accordingly are included in the Group's Balance Sheet as a Non-Current Liability.

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

- Achieving forecast passenger numbers and yield
- Aviation fuel prices, which are currently not hedged
- Adverse currency exchange rate movements
- Achieving successful Brand entry into the South African and Mozambican markets

The Directors believe, based on current financial projections, inclusive of the proposed placing and funds available, that the Group will have sufficient resources to meet its operational needs over the relevant period, being until September 2018. Accordingly, the Directors continue to adopt the going concern basis in preparing these Interim Results.

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.

2. **Earnings/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. The weighted average number of shares in issue during the six months to 30 June 2017 was 283 726 974 (2016: 66,422,096). In view of the losses from continuing activities, the share options in issue have no dilutive effect.

3. Share capital

On 24 January 2017, 239,082,993 new ordinary shares of 1 pence each were issued at 16.3 pence per share by way of a placing to new and existing institutional shareholders raising gross proceeds of $28.8m ($26.7m after expenses) and consideration shares of $19.2m issued to Solenta.

4. Discontinued activities

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. During 2015 the Group was unsuccessful in disposing of the Fly 540 Angola CGU which was accounted for as an "abandoned activity" within the 2015 full year accounts. Following the appointment of a liquidator to fastjet Aviation Limited, the intermediate parent company of the sub-group which included Fly 540 Angola, the entity no longer forms part of the Group's consolidated accounts. Consequently, the Fly 540 Angola CGU is required to be accounted for as a discontinued business and the comparative results have been restated.

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

	6 months ended 30 June 2017 US$'000	**6 months ended 30 June 2016 US$'000**	**12 months ended 31 December 2016 US$'000**
Fly 540 Ghana CGU	-	-	-
Fastjet Aviation Ltd including Fly 540 Angola CGU	-	16,339	17,953
Profit from discontinued activities net of tax	-	16,339	17,953

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.

There was no profit or loss on the discontinued Fly 540 Ghana CGU for the period under review.

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 further consequence of 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% and the first instalment of the loan note repayment by fastjet Airlines Limited is due on 2 October 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	Aircraft	Other fastjet Aviation Ltd entities	Total
	US$,000	US$,000	US$,000	US$,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)

	6 months ended 30 June 2017 US$'000	6 months ended 30 June 2016 US$'000	12 months ended 31 December 2016 US$'000
Revenue	-	-	-
Operating costs	-	(282)	(282)
Operating loss before exceptional items	-	(282)	(282)
Exceptional items – impairment	-	-	-
Operating loss after exceptional items	-	(282)	(282)
Finance charge	-	(527)	(527)
Loss Before Tax	-	(809)	(809)
Net liabilities no longer consolidated	-	27,794	27,794
Crystallisation of loan notes to fastjet Aviation Limited from fastjet Airlines Limited	-	(10,631)	(9,017)
Transfer from foreign exchange reserve	-	(15)	(15)
Profit/(loss) for the period	-	16,339	17,953

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.

As fastjet Aviation Limited is no longer consolidated within the Group's financial statements loan notes issued by fastjet Airlines Limited (fastjet Tanzania) to fastjet Aviation Limited and the accrued interest, which had previously been eliminated on consolidation, become an external liability for fastjet Tanzania and therefore are classified as a current and non-current liability for fastjet Tanzania. The loan notes terms are for a period of 10 years and accrue interest annually at 4%. The first repayment is due on 2 October 2017.

5. Related Party Transactions

Up to 29 June 2017, the Company licensed the fastjet brand from easyGroup Holdings Limited ("easyGroup") under a 10-year Brand License agreement dated 3 May 2012 (the "Agreement").

The Agreement provides for an annual royalty payment of 0.5% of total revenue, subject to a minimum royalty payment of US$ 500,000 per annum. The royalty payments were indexed annually in accordance with US CPI. The present value of the minimum royalty payments was capitalised as a component of brand license costs.

On 29 June 2017, the Company purchased the fastjet Brand from the easyGroup for $2.5m, which was settled on 25 August 2017.

The Group has related party transactions with subsidiaries which are eliminated on consolidation.

6. Events after the balance sheet date

On 29 September 2017, the company issued a proposed placing to raise gross proceeds of not less than US$28m with agreements reached to facilitate fastjet's Brand entry into the South African and Mozambique markets; to acquire beneficial use of three aircraft; and to create an employee benefit trust.

Copies of these interim financial statements will be available to view and download shortly from the Company's website www.fastjet.com