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NEW ZEALAND AVIATION SUCCESS TAKES TO THE AIR

Alpha Aviation - New Zealand's newest aircraft manufacturer - has unveiled its first aircraft, fresh off the production line.

The Alpha 160A two-seat aerobatic training aircraft took to the skies above Hamilton was put through its paces by veteran Australian aerobatic and test pilot, Noel Kruse.

With testing and Civil Aviation Authority (CAA) production audits almost complete the issue of a Type certificate for the Alpha 160A is expected very shortly. This will clear the way for Alpha Aviation to commence full-scale production to meet an ever increasing order book.

Alpha Aviation secured the sole world wide rights from French company Apex Industries to manufacture and market the Alpha 2000 series (formerly known as the Robin R2160 and R2120) training aircraft in late 2004. Since then, the company has established an impressive facility at Hamilton Airport, translated all the aircraft plans from the original French, invested considerable funds in development to improve and update the aircraft, and employed a staff of leading New Zealand aircraft engineers and assemblers to get the job done.

The Alpha 2000 series comprised of the basic trainer Alpha 120T, the fuel injected aerobatic trainer and cross country touring Alpha 160Ai, and the FAA certified 160A aerobatic trainer aircraft, is now ready for take off.

To date, Alpha Aviation has received 9 confirmed orders and is in the last stages of negotiating contracts on a further 18 orders for the Alpha aircraft from both New Zealand and international purchasers. With the cost of the aircraft ranging from NZ\$199,000 to NZ\$249,000, and many sectors of the aviation industry in decline, this is no small feat.

Alpha Aviation Managing Director, Richard Sealy said Alpha Aviation's achievements can be attributed to two significant factors: Firstly, the Alpha 2000 series aircraft were specifically designed as trainer aircraft and have been flight-proven over many years. Many other aircraft serving as trainers were originally designed as cross country touring aircraft and don't have the strength and durability of the purpose-built Alpha 2000 series aircraft. The second factor has been the successful identification of a substantial niche market.

"Alpha Aviation was formed with the express purpose of securing the world wide rights to manufacture and market the Alpha 2000 series aircraft. Our due diligence had assured us there was a significant gap in the aviation market for two-seat, all metal training aircraft suitable for aero clubs, flying schools and private owner operators wanting robust, responsive, manoeuvrable and - above all - cost effective aircraft.

"We were convinced that the Alpha 2000 series had all these attributes and more. With a flight proven, fully certified design, the formerly French built Alpha had suffered from inconsistent manufacture and quality, although it had a loyal following in aerobatic circles. We have made a number of design and

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technological improvements, addressed the issues of quality control and given the aircraft the considerable marketing advantage of being 'Kiwi Made'," Mr Sealy said.

Alpha Aviation is not only a New Zealand business success story, but also an international example of best practice. In one of the world's toughest industries - aviation - Alpha Aviation is enjoying spectacular success at a time when airlines and aircraft manufacturers are failing.

"We were careful to identify a specific area where there are very few competitors. The two-seat training aircraft market has been under supplied for more than 20 years. Hefty insurance premiums due to America's strict public liability laws in the 1980s resulted in many of the major manufacturers of these aircraft such as Cessna, Piper and Diamond withdrawing from the market. The result being that internationally there's an ageing two-seat training aircraft fleet requiring replacement and few options available," Mr Sealy said.

At full capacity, the interim Alpha Aviation facility will be capable of producing four aircraft per month. However, demand already looks like exceeding this capability and planning has already commenced for the construction of additional capacity.

"It is already clear that our existing capacity won't be able to fulfil our needs. Whilst we plan to manufacture around 50 aircraft over the next 12 months, our existing and potential orders have been received with very little marketing effort. Once we begin marketing in earnest, we believe we won't be able to meet demand so we are already identifying potential factory expansion opportunities," Mr Sealy said.

The first three Alpha 160A aircraft off the production line are destined to fly locally; the Waikato Aero Club has purchased them. The next two are heading south to Southern Wings in Invercargill.

"We're delighted we have already received so much local interest. However, the real value in this business lies in the export market and we have already taken orders from the United Kingdom, South Africa and Australia. And, we believe that there is massive potential for the Alpha 2000 series in the United States which represents 69 per cent of the aviation market, world wide," Mr Sealy said.

With orders now being accepted for 2007 / 2008 production, the ongoing success of Alpha Aviation is all but assured. And, it is estimated that aside from revenue generated by the sale of the Alpha 2000 series, Alpha Aviation will pump more than NZ\$75 million into the local economy over the next 10 years.

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Attachments

- Background information sheet