



MARTIN JETPACK

INDUSTRY: Aviation

MARTIN AIRCRAFT COMPANY LIMITED

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ASX ANNOUNCEMENT



May 2016 MACL Newsletter

Welcome to our May 2016 newsletter.

This month updates include a review of Martin Aircraft Company's production status, a technical update on testing of our Next Generation Jetpacks and a short report on the progress of the P14 manned vehicle.

Martin Aircraft Company Gears up for Production in Christchurch



It is always an exciting moment for a company when it watches its first products roll off the commercial assembly line, especially when that product has taken more than 30 years to evolve from concept to reality. With just over a month to go before the formal production process of the Martin Jetpack begins at its headquarters in Wigram, Christchurch, the buzz of anticipation is already apparent as the Martin Aircraft Company Production Team skillfully makes ready for this momentous occasion. Although the first aircraft will be the designated P14 aircraft – one before the first commercial model – having all the processes and procedures in place ready to be tested is a major milestone.

Says Peter Coker, CEO and Managing Director of Martin Aircraft Company, "Working with the marketing teams in both China and here in New Zealand, we are planning to have the capacity to assemble up to 33 Jetpacks by the end of the year. It is key that we have the

right equipment, processes and procedures in place to ensure smooth running of the facility and to make certain that we are in the best possible position to overcome any teething issues quickly and efficiently. I am happy to report that our Goods Receiving, Inspection and the Stores Facilities are in place and ready to receive the aircraft parts. Our global supplier base is primed for delivery and we are expecting delivery of the first of the composite parts, our new Rotron engine and the drive train. In addition, detailed Operational Work Instructions are underway to underpin our procedures and processes."

Coker confirms that other parts of the production process are also in place. The AMS production control system has been configured to provide traceability for all aircraft parts and associated documentation and the development of sub assembly cells, which will allow concurrent manufacture of sub systems as parts become available, is in progress. The production facility equipment and tooling are nearing completion and the top level procedures aligned with Part 148 certification requirements, which form the key elements of the Quality Management System, are 75% complete. Overall we anticipate that there will be 10 assembly bays set up within the facility.

As is normal in a growth company, Martin Aircraft Company initially plans to have the capacity to assemble 200-250 Jetpacks next year at its Christchurch facility, which it will increase to having the capability to assemble at least 500 Jetpacks per year over the next few years. However, the New Zealand facility will not have the capacity to cover the expected increase in worldwide demand and it will then look at having parallel facilities in other parts of the world to meet the demands from those areas.

Commenting on likely production sites for the Martin Jetpack, Coker states "It has always been our intention to have a parallel facility in China focused on the Chinese market early on. The KuangChi Martin Jetpack Joint Venture will provide a number of personnel from China to learn our processes and help build some of the Jetpacks this year. This will allow them to be the core team returning to China to set up the China market focused production facility. This China facility is likely to start being built at the beginning of next year. We'll then look at further assembly plants in different parts of the world depending on demand and where the customer base is. However, our Christchurch facility will remain key to our production process and it is expected to take the lead whenever changes are implemented."

Martin Jetpack to Attend Airshow China 2016



Martin Aircraft Company has been invited by New Zealand Trade and Enterprise (NZTE) to showcase its innovative Martin Jetpack as part of the New Zealand pavilion at the China International Aviation & Aerospace Exhibition (Airshow China) from the 1-6 November in Zhuhai, Guangdong, China.

Airshow China, which has been held every two years in Zhuhai since 1996, is the only international aerospace trade show in China that is endorsed by the Chinese central government. It features the display of real-size products, trade talks, technological exchanges and flying displays. It offers exhibitors the opportunity to demonstrate civil aviation, spaceflight, military aviation and defence technology (land, air

and sea), components, equipment, materials, maintenance, repair and technical services (MRO), infrastructure, research and development, authorities, organizations and associations, training, information, and services.

Martin Aircraft Company CEO and Managing Director, Peter Coker, comments, "China is an important market for the company and being part of the New Zealand Trade and Enterprise delegation is a fantastic opportunity for us to further promote the Martin Jetpack in the country. We are working closely with NZTE and our Hong Kong joint venture company, KuangChi Martin Jetpack Ltd, to ensure we take the best possible advantage of this opportunity. Our major shareholder, KuangChi Science, will also be at the event and we look forward to continuing to exchange technology ideas with them."

Over 700 exhibitors, including 180 aircrafts, from 41 countries and regions attended as exhibitors in the 2014 Airshow China and the show welcomed approximately 410,000 visitors.

Unmanned Test Vehicle Proving Robustness of Next Generation Jetpacks



The Martin Aircraft Company has reached a significant milestone on the path to its Next Generation Jetpack with its successful engine start in ground tests carried out in Canterbury, New Zealand, last week using its P13 Unmanned Test Vehicle (UTV).

The P13 UTV provides a platform for testing the new Flight Control System (FCS) planned for inclusion in the Next Generation Jetpacks. The P13 test plan constrains the aircraft in three different configurations using dedicated test rigs:

- Rig 1: Tower – 2-DoF Rig – designed to adjust thrust response for vertical motion and yaw
- Rig 2: Gimbal – 2-DoF Rig – designed to configure rotational motion, pitch and roll
- Rig 3: Crane – 6-DoF Rig – designed for tuning in tethered flight

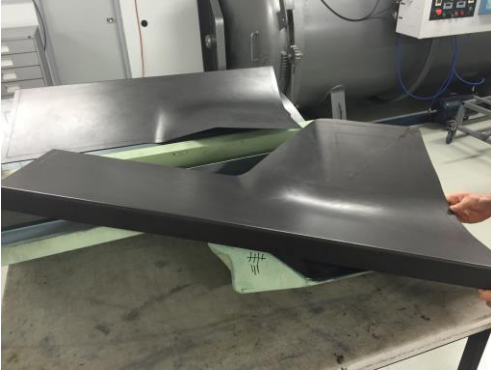
In a joint effort the Flight Ops and Engineering teams initially ran the engine up to 4000RPM and following some fine tuning of the engine and the collection of vibration data the engine was run up to 6000RPM with the new flight control system and new airframe.

Says John Guy, Flight Test Engineer at Martin Aircraft Company, "The whole test team is very excited about how things are looking for this test vehicle. We ran an RPM all the way up to max RPM with excellent results – it looks like we have a good sound vehicle. This means we are ready to move onto the next step of putting the vehicle in our test rigs to tune the flight controls and from there we will go ahead and start doing some free flights of the UTV. This points to us having a really robust vehicle for delivery when we start production in June."

As well as the Next Generation Jetpack, P13 is a stepping-stone towards the first dedicated UAV for Martin Aircraft Company. Much of the design, build and flight characteristics shall feed the final design definition of the P17 UAV variant.

Progress on P14

The Design Team at Martin Aircraft Company has completed the critical design review for our P14 manned vehicles and are now finishing the final drawings, many of which have already been issued to suppliers. The long lead items, and in particular the main structure of the Jetpack, have been in manufacture for some time and at a recent site visit it was exciting to see and feel the pieces being created.



May will be a really interesting month for us with the arrival of P14 parts including the first of the test engines to be fitted to the aircraft following the ongoing test schedule that is being undertaken in the UK. UAV Navigation, the providers of key elements for the computer fly-by-wire system, will be with us later in May to help tune the P13 tethered aircraft.

Finally, we will be working with our parachute suppliers, ParaZero, for integration of the phase 1 manually deployed parachute.

For personal use only

Martin Jetpack Amazes at Top Marques Monaco

TOP MARQUES MONACO SUPER CAR SHOW 2016



MORE THAN
42,000
TOTAL VISITORS



168
EXHIBITORS



SOCIAL MEDIA ENGAGEMENT
21,763
INTERACTIONS



119 VEHICLES

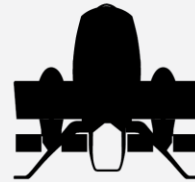


43 LUXURY
ITEMS



5 SUPER BOATS

1 JETPACK



MORE THAN
400
SIMULATOR FLIGHTS

Martin Aircraft Company's attendance at Top Marques Monaco Supercar Show from 14 to 17 April proved beyond doubt that there is a real appetite for innovative, stylish and exciting new means of private transportation.

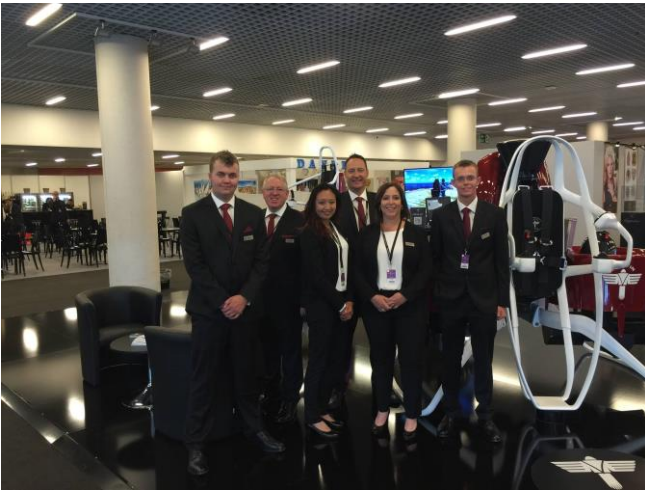
The Martin Jetpack attracted tremendous attention from Heads of State, VIPs and a large number of individuals who could see themselves heading out to the casino or their superyacht using their own Jetpack. For many, once they had experienced soaring over Monaco using our 6 degree-of-freedom simulator and immersive 3D goggles, there was no longer any doubt in their minds as to the advantages and sheer exhilaration of Jetpack ownership.

Says Peter Coker, Martin Aircraft Company CEO and Managing Director, "When we were approached last year to attend the 2016 Top Marques Supercar Show in Monaco to launch our Personal Jetpack in Europe, it was an easy decision to make use of our European-based assets to attend Top Marques and position our Jetpack firmly in the high-end luxury market. We knew we would attract a lot of attention from both the general public and the regional media but we have been amazed by just how much interest we have generated. This has placed the Jetpack firmly amongst the world's greatest supercars and superyachts as a must have."

The Martin Jetpack was also a magnet for journalists, not only from traditional media such as television and high-end magazines, but also from emerging multimedia channels such as Doppio.tv, which is a luxury and lifestyle channel accessible worldwide in several languages,

Mike Tournier, VP Sales & Marketing at Martin Aircraft Company, comments, "Using our distributive marketing approach, we hosted over 20 television companies to our stand and had many in-depth conversations with journalists on the capabilities of our Jetpack and its applications. We also featured in a number of newspapers and the interest we created on social media was unprecedented for us. This interest has not yet abated. We are still being approached by both print and television media and over the next few months we expect the Jetpack to appear in a number of articles and programmes, which will further help with the planned positioning of the Personal Jetpack."

Asked about sales at Monaco, Tournier answers, "The Personal Jetpack will begin shipping from late 2017 so at this stage we are taking deposits so that interested parties can secure a place in the production queue. We also had a number of interested parties approach us to form alliance partnerships or distributorships, and these discussions are ongoing."



ABOUT THE MARTIN AIRCRAFT COMPANY LIMITED

Martin Aircraft Company Limited (Martin Aircraft) is currently developing the Martin Jetpack, the world's first practical jetpack, with potential search and rescue, military, recreational and commercial applications, both manned and unmanned. The Martin Jetpack was initially conceived and developed by Glenn Martin in Dunedin in 1981. This led to the founding of Martin Aircraft Company in 1998 and the development of a Jetpack that, based on current testing, is expected to have over 30 minutes' flight capability at a speed of up to 74 km/h and an altitude up to 1,000 m (3000ft).

The Martin Jetpack is a disruptive technology, much like the helicopter was when first developed, with significant capabilities and is able to be flown either by a pilot or via remote control. The Jetpack can take off and land vertically (VTOL) and because of its small dimensions, it can operate in confined spaces (such as close to or in between buildings), near trees or in confined areas that other VTOL aircraft such as helicopters cannot access.

More detailed information about Martin Aircraft and the Martin Jetpack is available at www.martinjetpack.com
