

**AVATION PLC (the “Company”)**  
**FINANCIAL RESULTS**  
**FOR THE SIX MONTHS ENDED 31 DECEMBER 2012**  
**and Interim Management Report**

**“Profit, Revenues and Earnings Per Share Move Significantly Ahead”**

Avation PLC (LSE: AVAP) the commercial passenger aircraft leasing company is pleased to announce unaudited financial statements for the Company and its subsidiaries for the six-month period ended 31<sup>st</sup> December 2012.

The financial highlights are:

- Consolidated net profit after tax attributable to shareholders of Avation PLC increased by 38.7% to £2,853,844;
- Revenues increased by 26.4% to £12,713,862;
- Earnings per share of 6.44 pence were recorded representing an increase of 21.7%;
- Increased number of aircraft in the fleet from 15 to 19 with a value of £174 Million;
- Fulfilled the delivery of the initial ten ATR72 aircraft into the Australian Regional Airline Network Alliance (“ARAN”);
- Placed a firm order for seven additional ATR72 for delivery in 2014;
- Secured commercial funding for the five ATR72 aircraft scheduled for delivery in 2013;

**Commenting today, Avation PLC Chairman, Jeff Chatfield said:**

“The Board of Directors are pleased with the development of the Avation business, in particular the core aircraft delivery program of 22 ATR72 aircraft for firm delivery in 2013 and 2014, and remains committed to the build-out of the ARAN Alliance and other identified fleet opportunities in the Australian and Asian regions.

The business continues to perform strongly, providing consistent and defined IRR’s, cash yields and predictable capital returns from aircraft investments. Looking forward, we are confident that our business provides for continued and sustainable growth in 2013 and beyond.”

Further information on Avation PLC can be seen at: [www.avation.net](http://www.avation.net). Avation PLC is registered in England and Wales with its Operational Headquarters in Singapore.

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## **Statement by the Chairman, Jeff Chatfield:**

Dear Fellow Shareholder,

### **Introduction**

Your Board is pleased to report that during the six month period ended 31<sup>st</sup> December 2012 the consolidated net profit after tax moved ahead to £2,853,844 on increased revenues of £12,713,862 with earnings per share rising to 6.44 pence. Returns principally comprise cash yield (income) from aircraft lease payments after repayment of associated debt obligations.

The ARAN Alliance continues to provide a solid operating platform for the continued asset and earnings growth of the Avation business.

The revenue growth increase to £12,713,862 is consistent with the expectations of 30<sup>th</sup> June 2012 and a result of the build-out and significant investment in the ATR72 fleet. With the recent announcement of further additions to this fleet, lease revenues are expected to grow by an additional £2.3 million in the six months to 30<sup>th</sup> June 2013.

As at 31<sup>st</sup> December 2012, total assets increased by £46,646,007 to £204,777,910. Corresponding liabilities increased by £43,173,407 to £148,784,254 resulting in a net asset increase of 6.6% to £55,993,656.

The Company has at this time secured committed funding of some US\$82 million covering senior debt requirements for the five ATR72 deliveries for 2013.

### **Fleet Development**

The Company's aircraft fleet currently comprises nineteen aircraft which are 100% utilised and generate a rental yield of 14.6% from a current customer base of airlines in Australia, Europe and North America (based on the last full year).

The fleet is comprised of a diverse range of commercial passenger aircraft, with new ATR72 aircraft, Airbus A320s, Airbus A321s and Fokker 100s. In addition to leasing these aircraft, Avation provides active fleet and financial management to ensure the retention of asset values and the maximisation of earnings.

The ATR72 fleet related to the ARAN Alliance now stands at ten delivered, with five additional aircraft scheduled for delivery in 2013 and a further four aircraft scheduled for 2014. The Company has secured a potential pipeline of a total of 30 additional aircraft, meaning it is well placed to maintain a high level of growth in the future.

### **Funding**

As stated above, the Company has at this time secured committed debt funding for the ATR72 deliveries for 2013 and it is well positioned to obtain access to the necessary debt for the purchase of further aircraft for 2014 and beyond. Access to funding nevertheless remains a risk, which is common to all businesses that are capital intensive. Specific aviation based industry risks are also present and include the creditworthiness of client airlines.

### **Dividend**

As announced at the Annual General Meeting held on 4 December 2012 the company will pay a final dividend of 1.05 pence per share on 22<sup>nd</sup> February 2013.

### **Outlook**

The Board of Directors is strongly committed to developing the Avation business further and confident that it can achieve continued and sustainable growth in 2013 and beyond. Looking forward, the Directors anticipate further increases in lease revenues if, as and when additional aircraft are delivered.

Jeff Chatfield,  
Chairman  
Singapore,  
11<sup>th</sup> February 2013