

AVATION PLC
(the 'Company')

Lowers cost on US\$33 million senior debt

Avation PLC (LSE: AVAP), the commercial passenger aircraft leasing company, announces that it has been successful in refinancing US\$33 million of two ATR 72 aircraft in the existing fleet, at an improved cost of senior debt.

Highlights of the transaction include:

- The facility approximately halves the cost of funds on these aircraft;
- The transaction is immediately Profit & Loss accretive, significantly lowering the cost of debt related to the aircraft;
- The transaction represents 14.2 per cent of the overall debt of the Company;
- Introduction of two new banks to the Company;
- The facility provides for amortization of the debt over the remaining 8 year lease term attached to the aircraft.

The transaction represents a refinance of 14.2 per cent of the overall debt of the Company as at 31 January 2014.

The lenders have provided senior and junior debt respectively. The senior lender is a major European bank whilst the junior lender is a major Japanese based bank. The transaction represents the first funding to the Company from a Japanese bank.

Jeff Chatfield, Executive Chairman, said: "The refinance of the two ATR 72 aircraft further affirms the bankability of the core aircraft of the Avation fleet and, in addition, will have an immediate positive impact on Profit & Loss.

"In the past month, the Company has completed two re-finance transactions of amounts in excess of US\$42.5 million. Furthermore in addition the Company has recently secured a standby US\$20 million warehouse facility for the acquisition of leased aircraft.

"These transactions provide a platform to support a growth programme that includes delivery of eight ATR 72 aircraft and enables additional growth through the acquisition of lease attached aircraft."

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More information on Avation PLC can be seen at: www.avation.net

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