

AVATION PLC
(the 'Company')

NEW CLIENT FOR FOUR NEW AIRCRAFT

Avation PLC, (LSE: AVAP) the commercial passenger aircraft leasing company, has entered into lease agreements for four new aircraft to be operated by UK commercial airline Flybe.

The four new ATR72-600 aircraft will be progressively delivered new to Flybe during the course of 2015 and early 2016. The lease rate revenues are consistent with operating leases of this type and term. The initial duration of the leases is six years with the client having further optional six year extension provisions.

The Company owns a significant number of option delivery positions on new ATR72-600 aircraft. The above aircraft represent three of the 2015 option delivery positions and one 2016 delivery position.

To provide a platform for further medium term growth the Company has firmed up its options with the manufacturer ATR for the delivery of five additional new ATR72-600 aircraft in 2016.

Jeff Chatfield, Executive Chairman of Avation PLC, said: "It is pleasing to continue to diversify the airline operator base of aircraft owned by the Company with the addition of Flybe. It is understood that the aircraft will remain on the UK register however they will be operated by Flybe in Scandinavia on behalf of Scandinavian Airlines System. Our strategy is to diversify our risk by geographic dispersion of our aircraft fleet and entering into these operating leases are consistent with that objective. The Company has a large proportion of its aircraft in Asia – Pacific and will continue to seek clients in this region, however, the Company views leasing aircraft to Northern Europe provides appropriate diversification."

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About Flybe

Flybe, Europe's largest regional airline - 192 routes serving 12 countries from 82 departure points, 37 UK/45 European airports* (all routes on sale Feb '15 - Oct '15); operates more UK domestic flights than any other airline (UK CAA Jan '14 - Dec'14); named top UK airline for punctuality in report issued by UK consumer watchdog Which? (Dec 2014); is the largest scheduled airline by air traffic movements at Belfast City, Birmingham, East Midlands, Exeter, Inverness, Isle of Man, Jersey, Leeds Bradford, Manchester, Newquay and Southampton airports (UK CAA Dec '14); operates fleet of 60 aircraft - 45 Bombardier Q400, 4 Embraer 195 & 11 E175; codeshares with BA, Air France, Etihad, KLM, Finnair, Aer Lingus and Cathay Pacific; has two franchise partners, Loganair and Stobart Air and was Amsterdam Schiphol's Airline of the Year 2012 Europe.

* Flown under the Flybe brand (27 routes/11 airports exclusively served by Flybe's franchise partner, Loganair: and four routes and three airports exclusively operated by franchise partner, Stobart Air)

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

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