

12 May 2011

## AVATION PLC

### Interim Management Statement

Avation Plc, the commercial aircraft leasing company, is pleased to report an Interim Management Statement for the 18 weeks to 6<sup>th</sup> May 2011.

In general, the current Group trading is substantially in line with expectations and is consistent with the financial performance of the Company in the first half-year period ended 31<sup>st</sup> December 2010, which was reported on 3<sup>rd</sup> February 2011. However, the asset base, financial position and outlook for the Company has materially improved, since the Company successfully raised GBP10m, pursuant to a Placing that was announced on 9<sup>th</sup> March 2011. This significantly strengthens the Company's balance sheet.

#### **VIRGIN AUSTRALIA**

The Company previously announced that it had entered into various arrangements to procure between eight and eighteen ATR-72 aircraft for use in a new regional Virgin Australia airline network. It is expected that the first Virgin Australia aircraft will be delivered new from the factory on 30<sup>th</sup> June 2011. The Company anticipates that the operating income from the lease of these operations should therefore commence on 30<sup>th</sup> June 2011.

#### **AIRBUS A320**

Avation Plc has entered into a Letter of Intent to acquire an Airbus A320-231, which is the "sister ship" of its existing A320-231 that is currently operated by Skywest Airlines in Australia. In turn, the Company has granted a lease option to Skywest Airlines wherein the proposed new operating lease would be for four years on substantially the same terms as the existing A320. If Skywest Airlines exercises the option, the aircraft would be available to enter service in Australia around August 2011.

#### **CORPORATE TAXATION DOMICILE**

Avation Plc is proceeding to match the domicile of its taxable base with its operations in the Singapore jurisdiction. The current headline taxation rate for corporations resident in Singapore is 17%.

The Directors take responsibility for the contents of this announcement.

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