



Financial Year 2016 - Investor Update

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Forward Looking Statements **av**ation

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This release contains certain “forward looking statements”. Forward looking statements may be identified by words such as “expects,” “intends,” “anticipates,” “plans,” “believes,” “seeks,” “estimates,” “will,” or words of similar meaning and include, but are not limited to, statements regarding the outlook for Avation’s future business and financial performance. Forward looking statements are based on management’s current expectations and assumptions, which are subject to inherent uncertainties, risks and changes in circumstances that are difficult to predict. Actual outcomes and results may differ materially due to global political, economic, business, competitive, market, regulatory and other factors and risks. Further information on the factors and risks that may affect Avation’s business is included in Avation’s regulatory announcements from time to time, including its Annual Report, Full Year Financial Results and Half Year Results announcements. Avation expressly disclaims any obligation to update or revise any of these forward looking statements, whether because of future events, new information, a change in its views or expectations, or otherwise.

FY 2016 Overview



US\$71.2 million

Lease Revenue

+25.0% YoY

US\$45.6 million

Operating Profit (EBIT)

+35.6% YoY

US\$18.3 million

Total Profit after Tax

+37.6% YoY

US\$725.0 million

Fleet Assets

+67.0% YoY

US 34.2 cents

Earnings per Share

+42.5% YoY

US 3.25 cents

Dividend per share

+8.3% YoY

2016 Operational Highlights *ava*tion

Growth & Diversification

- Net 9 aircraft added to the fleet
- First sale & leaseback aircraft delivered to Thomas Cook
- VietJet sale & leaseback contract, now for 6 Airbus A321 jet aircraft
- Added 4 new airline customers

Fleet metrics

- Weighted average fleet age decreased to 4.2 years
- Weighted Average lease term increased to 6.8 years
- Fleet utilization at 100%

Funding

- GMTN unsecured debt provided capital for fleet growth
- Operating cashflow increased 20.9% to \$52.5 million

Operating Profit Margin

64.0%

2015: 59.0%

Administrative Expense

\$7.5 million

Growth 4.9%

Average Cost of Debt*

4.8%

2015: 5.1%

Total Profit after Tax Margin

25.7%

2015: 23.3%

Administrative Expense/ Lease Revenue

10.6%

2015: 12.6%

Average Cost of Secured Debt*

4.3%

2015: 4.4%

* Weighted average as at 30 June 2016

Aircraft Leasing Industry

- Trend towards 1 in 2 aircraft being owned by lessors
- Lessors are a key source of aircraft finance
- Over 39,000 new aircraft projected to be delivered by 2035¹

Global Passenger Traffic

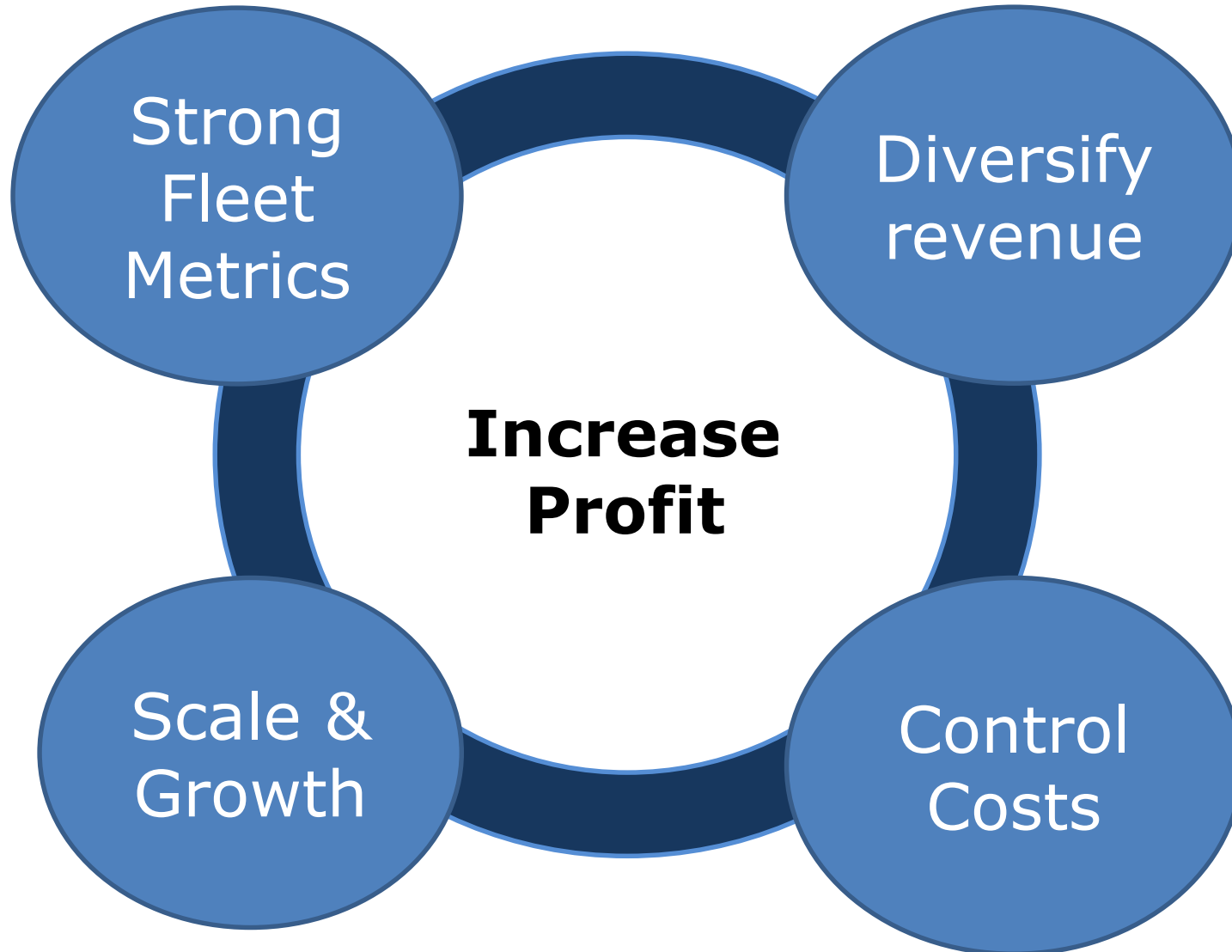
- IATA passenger growth forecast of 6.2% in 2016²
- Airline average load factors of over 80%

Airline Profitability²

- IATA forecasts record industry profit for 2016
- Forecast record net profit margin for 2016

1. Source: Boeing 2016 Market Update

2. Source: IATA 2016 Mid Year Report



Market Positioning

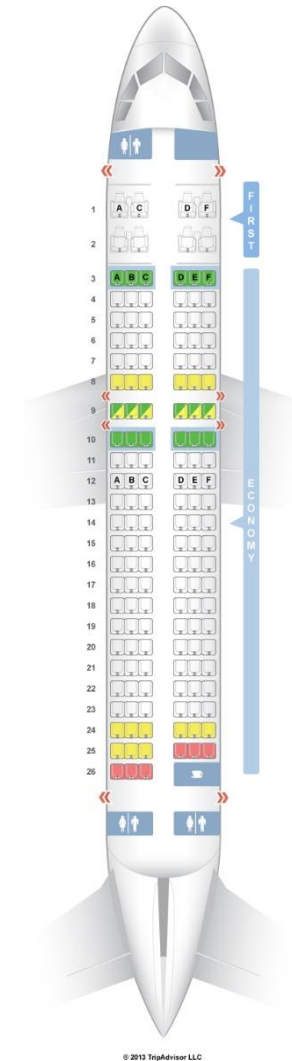
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Avation is:

- Narrowbody commercial aircraft lessor
- Asia-Pacific and Europe focus
- World's second largest lessor of ATR aircraft by number ordered
- US\$ revenue, assets and dividend

Avation is not:

- Exposed to widebody aircraft
- Exposed to Latin America, Africa or Russia
- Overly exposed to a speculative order book

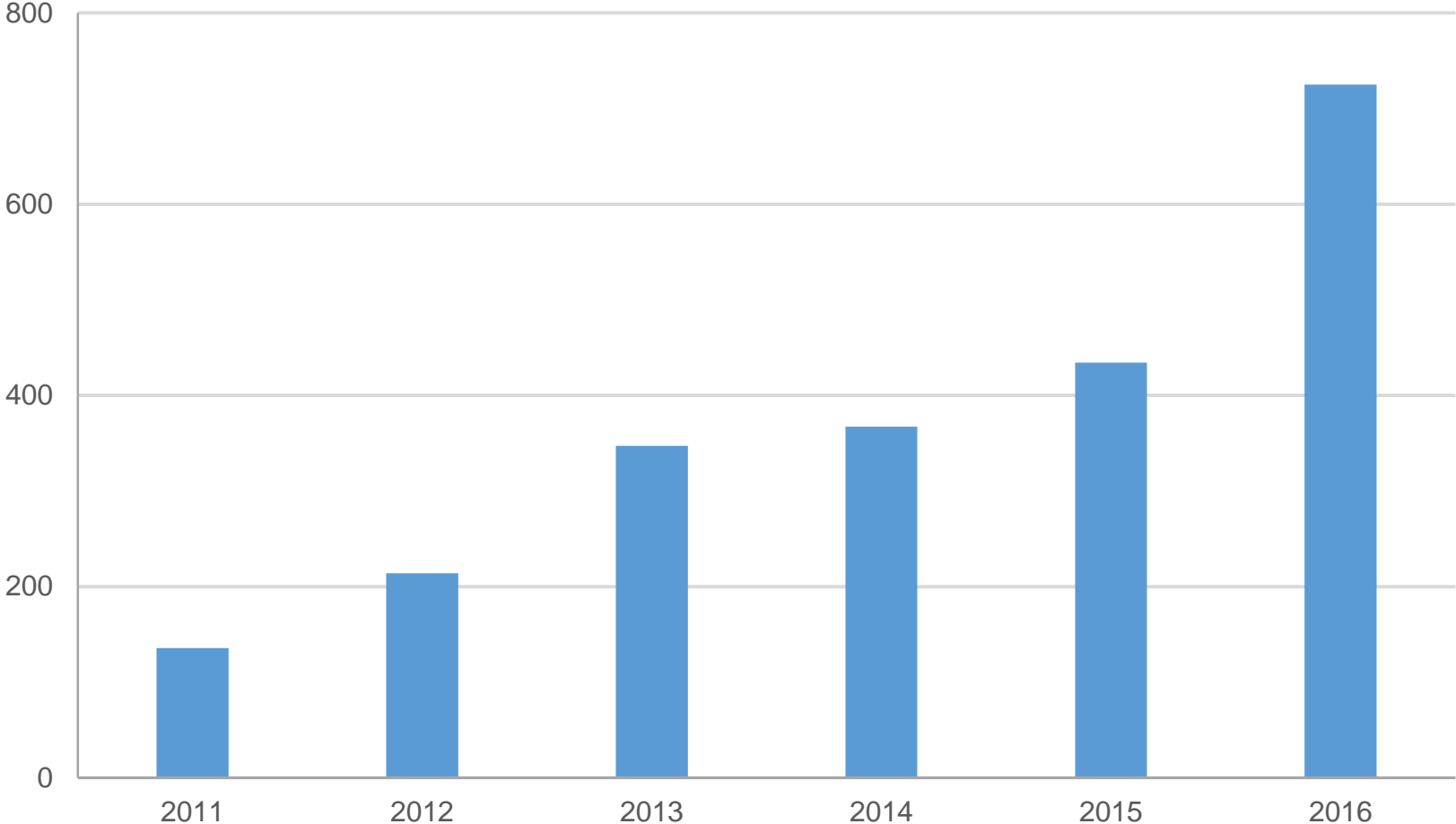


Fleet Overview (at 7 September 2016) *av*ation

Aircraft Type	Fleet	Orders	Options
ATR 72-600 	18	9	27
ATR 72-500 	6	-	-
A321-200 	7	3	-
A320-200 	3	-	-
Fokker 100 	5	-	-
Total	39	12	27

100% utilisation as at 30 June 2016

Fleet assets (US\$m)

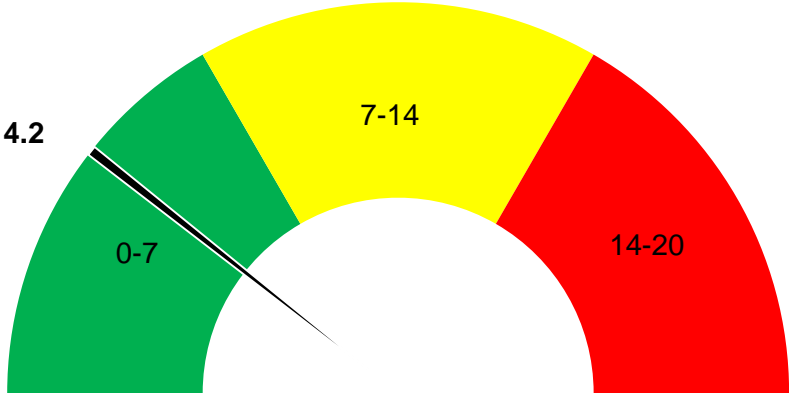


Fleet Metrics

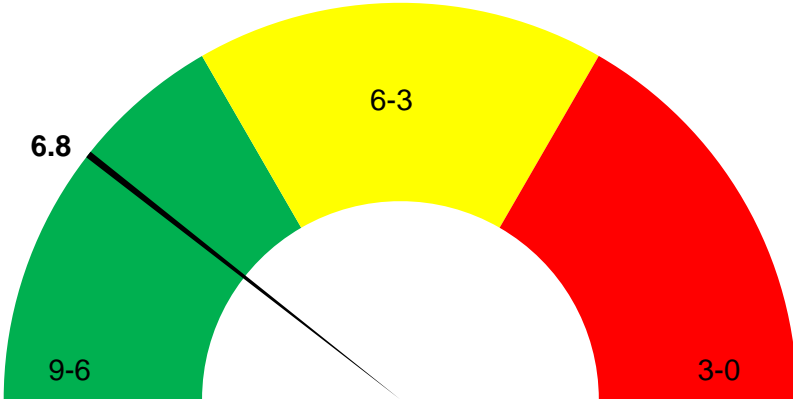


Period	FY 2013	FY 2014	FY 2015	FY 2016
Fleet (at end of financial year)	23	25	29	38
Fleet additions (net)	8	2	4	9
Weighted average fleet age	6.0 yrs	6.1 yrs	5.3 yrs	4.2 yrs
Weighted average lease term	6.6 yrs	7.1 yrs	6.5 yrs	6.8 yrs

Weighted Average Age of Fleet (years)



Weighted Average Remaining Lease Term (years)



Financial Overview

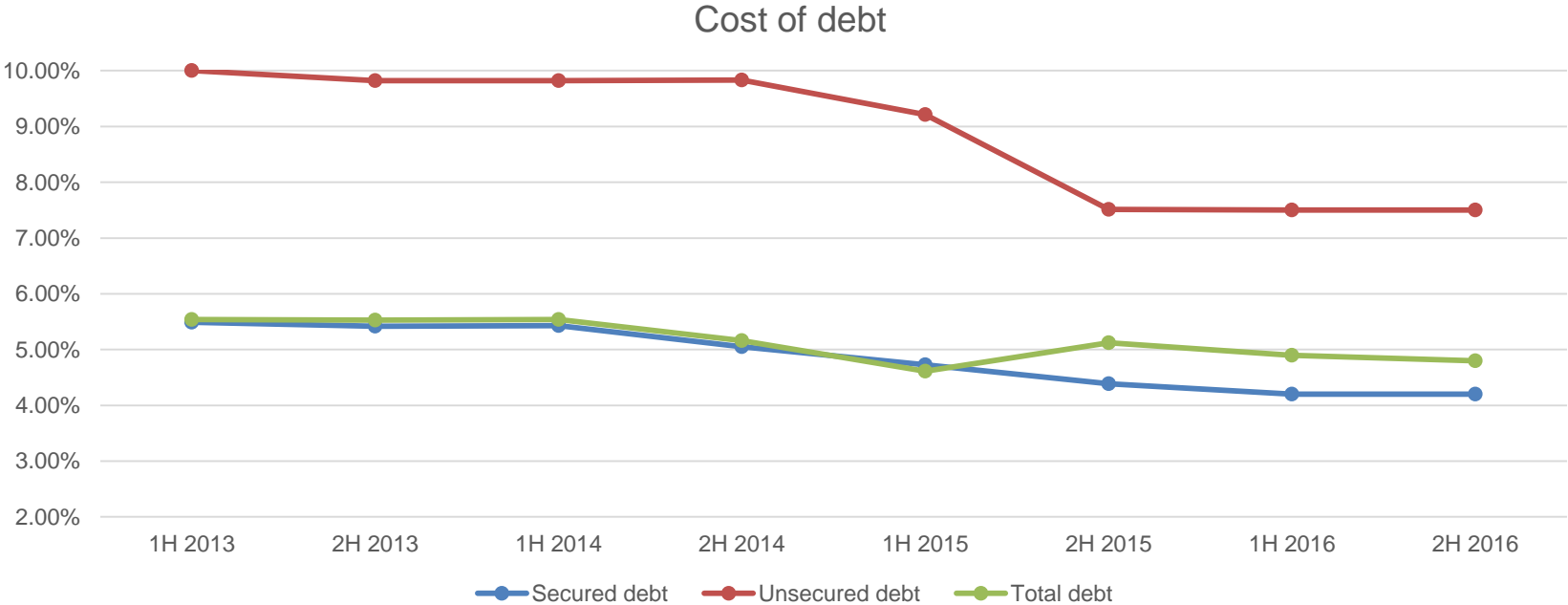


Profit & Loss Summary (US\$ million)	FY2016	FY2015	Growth
Lease Revenue and Other Income	74.2	60.1	23.5%
Depreciation expense	(23.2)	(17.8)	30.5%
Gains on sale (net of impairment)	2.8	(0.7)	
Administration expense	(7.5)	(7.2)	4.9%
Other expenses	(0.7)	(0.8)	
Operating Profit/EBIT	45.6	33.6	35.6%
Finance expenses (ex GMTN expense)	(20.4)	(18.1)	12.7%
GMTN Expense	(8.3)	(0.8)	
Finance income	1.2	0.8	
Tax	0.2	(1.0)	
Loss from discontinued operations	-	(1.2)	
Total profit after tax	18.3	13.3	37.6%

Debt Analysis



	FY2016	FY2015
Net Indebtedness (US\$ million)	567.5	319.4
Weighted Average Cost of Debt	4.8%	5.1%
Weighted Average Cost of Secured Debt	4.3%	4.4%
Proportion of Fixed Interest Rate Debt	91.6%	92.0%



Key Ratios



Comparative Ratios	FY2016	FY2015
Return on Equity (A)	12.9%	13.0%
Cash Administrative Expense/ Lease Revenue (B)	10.1%	12.1%
Credit Ratios		
Debt/Total Assets	74%	73%
Average Net Leverage (C)	2.9	2.5
Debt/EBITDA (D)	8.8	8.2
EBITDA/Interest Expense	2.6	3.0

A. $ROE = (\text{Lease Revenue} + \text{Other Income} + \text{Net gains on Sale} - \text{Deprn} - \text{Interest} - \text{Admin} - \text{Discontinued Ops}) / \text{Average Equity}$

B. Calculated ex Warrant Expense

C. $\text{Average Net Leverage} = \text{Average Net debt} / \text{Average Equity}$

D. $EBITDA = \text{Profit before tax} + \text{Finance Expense} + \text{Depreciation Expense}$

Summary

Record Revenue & Profit

Industry Leading Growth

Strong Fleet Metrics

Cost Control & Improved Margins

Experienced Management

Improved Risk Profile

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