**AVATION PLC**

(“Avation” or “the Company”)

PRELIMINARY UNAUDITED FINANCIAL RESULTS FOR THE YEAR ENDED 30 JUNE 2017
AND INTERIM MANAGEMENT STATEMENT

Avation PLC (LSE: AVAP), the commercial passenger aircraft leasing company, announces preliminary unaudited financial results for the year ending 30 June 2017.

Overview

- Lease revenue increased by 32% to $94.2 million;
- Earnings before interest and tax (“EBIT” or “Operating Profit”) grew 32% to $60.2 million;
- Profit before taxation increased by 18% to $21.4 million;
- Total profit after tax increased 16% to $21.3 million;
- Operating cash flows increased 20% to $63.0 million;
- Dividend per share increased by 85% to 6.00 US cents; and
- Earnings per share (“EPS”) increased by 6% to 36.3 US cents.

Executive Chairman, Jeff Chatfield, said:

“Avation is pleased to report record revenue, profit and operating cashflow in the year to 30 June 2017. Avation continues to diversify its aircraft fleet while adding balance sheet scale. Fleet metrics have improved with lease yield rising to 12.8% (2016: 12.3%) while the average age of the fleet has reduced and the average remaining lease term for the aircraft portfolio has increased.

The Company has ended the year with a substantial cash balance, lower leverage and has an improved credit rating, which are features that support the funding of further fleet expansion. Avation aims to grow the aircraft portfolio materially during the coming financial year and is currently assessing a number of aircraft for acquisition.”

Aircraft Fleet

<table>
<thead>
<tr>
<th>Aircraft Type</th>
<th>30 June 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>ATR 72-600</td>
<td>13</td>
</tr>
<tr>
<td>ATR 72-500</td>
<td>6</td>
</tr>
<tr>
<td>Airbus A321-200</td>
<td>8</td>
</tr>
<tr>
<td>Airbus A320-200</td>
<td>3</td>
</tr>
<tr>
<td>Fokker 100</td>
<td>5</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>35</strong></td>
</tr>
</tbody>
</table>

As at 30 June 2017 Avation’s fleet comprised 35 aircraft, including seven aircraft on finance leases. Fleet metrics have continued to improve, the weighted average age of the operating fleet (excluding finance leases) is 3.3 years (2016: 4.2 years) and the weighted average remaining lease term is 7.5 years (2016: 6.8 years). Avation has signed a letter of intent to lease three ATR 72 turboprop aircraft for delivery to Mandarin Airlines, one of which is included in the above fleet numbers with two additional aircraft on order for delivery in the latter part of 2017.
Financial Highlights

<table>
<thead>
<tr>
<th></th>
<th>30 June 2017 US$ 000's</th>
<th>30 June 2016 US$ 000's</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lease revenue</td>
<td>94,173</td>
<td>71,190</td>
<td>32%</td>
</tr>
<tr>
<td>Lease yield</td>
<td>12.8%</td>
<td>12.3%</td>
<td>0.5%</td>
</tr>
<tr>
<td>Operating profit (EBIT)</td>
<td>60,199</td>
<td>45,573</td>
<td>32%</td>
</tr>
<tr>
<td>Operating profit margin</td>
<td>63.9%</td>
<td>64.0%</td>
<td>(0.1)%</td>
</tr>
<tr>
<td>Administrative expense</td>
<td>8,046</td>
<td>7,550</td>
<td>7%</td>
</tr>
<tr>
<td>Administrative expense/lease revenue</td>
<td>8.5%</td>
<td>10.6%</td>
<td>(2.1%)</td>
</tr>
<tr>
<td>Pre tax profit</td>
<td>21,363</td>
<td>18,069</td>
<td>18%</td>
</tr>
<tr>
<td>Total profit after tax</td>
<td>21,257</td>
<td>18,280</td>
<td>16%</td>
</tr>
<tr>
<td>EPS</td>
<td>36.3 cents</td>
<td>34.4 cents</td>
<td>6%</td>
</tr>
<tr>
<td>Dividend</td>
<td>6.00 cents</td>
<td>3.25 cents</td>
<td>85%</td>
</tr>
<tr>
<td>Operating cash flows</td>
<td>63,020</td>
<td>52,547</td>
<td>20%</td>
</tr>
<tr>
<td>Fleet assets</td>
<td>744,731</td>
<td>724,982</td>
<td>3%</td>
</tr>
<tr>
<td>Total assets</td>
<td>901,135</td>
<td>831,785</td>
<td>8%</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>87,692</td>
<td>48,267</td>
<td>82%</td>
</tr>
<tr>
<td>Book value per share US$</td>
<td>$3.21</td>
<td>$3.11</td>
<td>3%</td>
</tr>
</tbody>
</table>

Fleet Summary

Aircraft assets increased 3% to $744.7 million (2016: $725.0 million) during the period. Fleet changes included the addition of four Airbus A321 jets on lease to VietJet. Two midlife Airbus A321 jets, one VietJet Airbus A321 and six ATR 72 turboprops were sold during the period.

By value, over 89% of Avation's fleet is represented by Airbus A321 jet and ATR 72 turboprop aircraft. Sales of these asset types during the period provides support for the valuation of the fleet and demonstrates the liquidity of these assets.

In addition to aircraft on operating leases, Finance lease receivables totalled $45.4 million (2016: $36.7 million).

Avation has one Airbus A320 aircraft on lease to Air Berlin, which announced insolvency on 15 August 2017 and therefore subsequently defaulted under its lease. Avation holds security deposits and substantial maintenance reserves as security for Air Berlin's lease obligations. Avation is liaising with Air Berlin and various third parties that have expressed interest in acquiring parts of the Air Berlin business and/or leasing this aircraft. The Airbus A320 aircraft is one of the most popular commercial aircraft and Avation expects the prompt transition of this aircraft to another airline.

Debt summary

<table>
<thead>
<tr>
<th></th>
<th>30 June 2017 US$000's</th>
<th>30 June 2016 US$000's</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loans and borrowings</td>
<td>648,813</td>
<td>615,724</td>
</tr>
<tr>
<td>Cash &amp; cash equivalents</td>
<td>87,692</td>
<td>48,267</td>
</tr>
<tr>
<td>Net indebtedness</td>
<td>561,121</td>
<td>567,457</td>
</tr>
<tr>
<td>Total loan to value ratio (LTV)</td>
<td>72.0%</td>
<td>74.0%</td>
</tr>
<tr>
<td>Weighted average cost of secured debt</td>
<td>4.5%</td>
<td>4.3%</td>
</tr>
</tbody>
</table>
The weighted average cost of secured debt facilities increased to 4.5% as at 30 June 2017 (2016: 4.3%) principally due to junior secured debt issued to fund the acquisition of aircraft leased to VietJet.

At the end of the financial period, Avation’s overall loan to value ratio was 72.0% (2016: 74.0%) and 95.1% of total debt was at fixed or hedged interest rates (2016: 91.6%). At the end of the financial period, there was no related party debt other than pursuant to participation in senior unsecured notes issued under the Company’s Global Medium Term Note Programme.

Upgrade to Credit Rating

In December 2016, Standard & Poor’s Global Ratings advised that Avation’s corporate credit rating has been upgraded to ‘B+’, Outlook Stable from ‘B’; the Senior Unsecured Notes rating was raised to ‘B’ from ‘B-’.

Fitch Ratings corporate credit rating for Avation is ’B+’, Outlook Stable; the Senior Unsecured Notes rating is ’B+’.


Dividend Payment


Shareholders should note that dividends are paid by default in US Dollars. Shareholders who prefer to receive dividends in British Pounds (GBP) can elect to receive GBP by completing and returning a form to the Company’s share registrar. Further details and a download of the form can be found at www.avation.net/dividends.html

Appointment to Board of Directors

Avation announced the appointment of Mr. Derek Sharples as independent non-executive Director to the Board in November 2016. Mr. Sharples has recently retired from the position of Chief Executive Officer of Airbus Helicopters Southeast Asia and was formerly Corporate Secretary and Head of the Legal Services at Airbus in Toulouse. Mr. Sharples is a resident of Singapore.

Market Positioning and Risk

Avation focuses on commercial passenger aircraft on long term leases. Avation’s strategy focuses on new and relatively new aircraft. The Company’s business model has a history of delivering consistent profitability while seeking to mitigate some of the risks associated with the aircraft leasing sector.

Avation aims to operate a fleet of aircraft with a low average age and long average remaining lease term to a diversified group of airlines. Avation will typically sell mid-life and older aircraft to redeploy capital to newer assets. This approach is intended to mitigate technology change risk, operational and financial risk, support sustained growth and deliver long term shareholder value.

The Company believes that it can attract airline customers, acquire leased aircraft and obtain the required funding for growth. Funding is traditionally sourced from capital markets, asset backed bank lending, the proceeds from disposal of aircraft and operating cashflow. As with all capital-intensive businesses access to acceptably priced funding is a risk. The aircraft leasing industry is subject to specific risks which include, but are not limited to, the creditworthiness of client airlines, over-production of new aircraft and market saturation, technology change in
Outlook and Interim Management Statement

Avation continues to grow its fleet and lease revenue year on year. Avation has demonstrated the liquidity of key aircraft types at a premium to book value and reduced the concentration of assets with individual airlines. New aircraft have been acquired since the commencement of the 2017 financial year while older aircraft have been sold or converted to finance leases. This has resulted in improved fleet age and average remaining lease term metrics.

Avation is an active trader of aircraft and from time to time will also consider the sale of individual or smaller portfolios of aircraft based on prevailing market opportunities and considerations of risk and airline concentrations.

Avation’s strategy continues to target growth and diversification of aircraft assets, maintenance of strong average lease age and term metrics and adding new airline customers. Avation will consider acquiring twin aisle aircraft, in addition to single aisle jets and turboprops as part of a strategy to build a diversified portfolio of aircraft. This expanded portfolio allows for the potential to accelerate fleet growth in the future. Twin aisle aircraft may have a risk profile which is more exposed to technology change factors. The Company will seek to mitigate this risk.

Following the completion of the sale of six ATR 72 aircraft during the financial period, Avation has cash reserves and improved leverage to support the acquisition of additional aircraft, including the three ATR 72 aircraft to be delivered to Mandarin Airlines in the latter part of 2017.

Avation’s Board of Directors is pleased to deliver another record set of financial results from its aircraft leasing business while executing its strategy of fleet growth and risk mitigation. Avation is in a strong position to deliver diversification during the current financial year and to rebuild its fleet after the disposal of six ATR 72 aircraft.

Results Conference Call

Avation’s senior management team will host a conference call on 7 September 2017, at 1pm BST (UK) / 8am EST (US) / 8pm SGT (Singapore), to discuss the Company’s financial results. Participants should dial: United Kingdom 020 3059 8125; United States +1 724 928 9460; Singapore 800 101 2697; other locations +44 20 3059 8125 and quote ‘Avation’ when prompted. The conference call will also be webcast live through the following link:

http://avation.emincote.com/results/2017finalresults

To view the webcast investors will be invited to register their name and email address, participants can do this in advance or on the day.

Annual General Meeting

The Annual General Meeting of the Company is expected to be held at the Company’s headquarters in Singapore on 13 November 2017 at 10am GMT (UK) / 6pm SGT (Singapore). Notice of the Annual General Meeting will be issued in due course.

Forward Looking Statements

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.

**Accounting policies**

Financial information contained in this preliminary unaudited results announcement has been prepared using accounting policies that are consistent with the Company’s Annual Report for the year ended 30 June 2016.

-ENDS-

More information on Avation PLC can be found at: [www.ovation.net](http://www.ovation.net)

Enquiries:

Avation PLC
Jeff Chatfield, Executive Chairman

T: +65 6252 2077
### AVATION PLC

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017**

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Continuing operations</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenue</td>
<td>94,173</td>
<td>71,190</td>
</tr>
<tr>
<td>Other income</td>
<td>1,086</td>
<td>3,045</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>95,259</td>
<td>74,235</td>
</tr>
<tr>
<td><strong>Depreciation</strong></td>
<td>(32,300)</td>
<td>(23,201)</td>
</tr>
<tr>
<td>Gain on disposal of aircraft</td>
<td>5,357</td>
<td>3,660</td>
</tr>
<tr>
<td>Impairment loss on aircraft</td>
<td>-</td>
<td>(902)</td>
</tr>
<tr>
<td>Administrative expenses</td>
<td>(8,046)</td>
<td>(7,550)</td>
</tr>
<tr>
<td>Other expenses</td>
<td>(71)</td>
<td>(669)</td>
</tr>
<tr>
<td><strong>Operating profit</strong></td>
<td>60,199</td>
<td>45,573</td>
</tr>
<tr>
<td>Finance income</td>
<td>1,790</td>
<td>1,202</td>
</tr>
<tr>
<td>Finance expenses</td>
<td>(40,626)</td>
<td>(28,706)</td>
</tr>
<tr>
<td><strong>Profit before taxation</strong></td>
<td>21,363</td>
<td>18,069</td>
</tr>
<tr>
<td>Taxation</td>
<td>(106)</td>
<td>202</td>
</tr>
<tr>
<td><strong>Profit from continuing operations</strong></td>
<td>21,257</td>
<td>18,271</td>
</tr>
<tr>
<td><strong>Discontinued operations</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Profit from discontinued operations</td>
<td>-</td>
<td>9</td>
</tr>
<tr>
<td><strong>Total profit</strong></td>
<td>21,257</td>
<td>18,280</td>
</tr>
</tbody>
</table>

**Other comprehensive income:**

- **Items that may be reclassified subsequently to profit or loss:**
  - Currency translation differences arising on consolidation: (6)
  - Fair value gain/(loss) on derivative financial instruments: (2,158)
    - Total: (2,164)

- **Items that may not be reclassified subsequently to profit or loss:**
  - Revaluation (loss)/gain on property, plant and equipment, net of tax: (30,987)
  - Other comprehensive income, net of tax: (28,823)

**Total comprehensive income for the year:**

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Profit</strong></td>
<td>18,493</td>
<td>47,103</td>
</tr>
</tbody>
</table>

**Profit attributable to:**

- Equity holders of the Company: 21,262
- Non-controlling interests: (5)

**Total comprehensive income attributable to:**

- Equity holders of the Company: 18,509
- Non-controlling interests: (16)

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total comprehensive income</strong></td>
<td>18,493</td>
<td>47,103</td>
</tr>
</tbody>
</table>
Earnings per share for profit from continuing and discontinued operations attributable to equity holders of the Company

**Basic earnings per share:**
- From continuing operations: 36.27 cents, 34.33 cents
- From total operations: 36.27 cents, 34.35 cents

**Diluted earnings per share:**
- From continuing operations: 35.68 cents, 34.13 cents
- From total operations: 35.68 cents, 34.15 cents
AVATION PLC
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>US$'000s</td>
<td>US$'000s</td>
</tr>
<tr>
<td><strong>ASSETS:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Current assets:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>87,692</td>
<td>48,267</td>
</tr>
<tr>
<td>Trade and other receivables</td>
<td>6,109</td>
<td>5,631</td>
</tr>
<tr>
<td>Finance lease receivables</td>
<td>36,641</td>
<td>3,032</td>
</tr>
<tr>
<td>Options held for trading</td>
<td>3,640</td>
<td>3,040</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td>134,082</td>
<td>59,970</td>
</tr>
<tr>
<td><strong>Non-current assets:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade and other receivables</td>
<td>9,320</td>
<td>11,304</td>
</tr>
<tr>
<td>Finance lease receivables</td>
<td>8,728</td>
<td>33,627</td>
</tr>
<tr>
<td>Property, plant and equipment</td>
<td>744,731</td>
<td>724,982</td>
</tr>
<tr>
<td>Goodwill</td>
<td>1,902</td>
<td>1,902</td>
</tr>
<tr>
<td>Derivative financial instruments</td>
<td>2,372</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total non-current assets</strong></td>
<td>767,053</td>
<td>771,815</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>901,135</td>
<td>831,785</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>LIABILITIES AND EQUITY:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Current liabilities:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade and other payables</td>
<td>14,920</td>
<td>10,065</td>
</tr>
<tr>
<td>Provision for taxation</td>
<td>3,515</td>
<td>1,029</td>
</tr>
<tr>
<td>Loans and borrowings</td>
<td>94,122</td>
<td>72,423</td>
</tr>
<tr>
<td>Maintenance reserves</td>
<td>451</td>
<td>7,440</td>
</tr>
<tr>
<td><strong>Total current liabilities</strong></td>
<td>113,008</td>
<td>90,957</td>
</tr>
<tr>
<td><strong>Non-current liabilities:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade and other payables</td>
<td>11,480</td>
<td>13,471</td>
</tr>
<tr>
<td>Loans and borrowings</td>
<td>554,691</td>
<td>543,301</td>
</tr>
<tr>
<td>Derivative financial instruments</td>
<td>1,901</td>
<td>2,387</td>
</tr>
<tr>
<td>Deferred tax liabilities</td>
<td>3,318</td>
<td>4,738</td>
</tr>
<tr>
<td>Maintenance reserves</td>
<td>20,813</td>
<td>3,323</td>
</tr>
<tr>
<td><strong>Total non-current liabilities</strong></td>
<td>592,203</td>
<td>567,220</td>
</tr>
<tr>
<td><strong>Equity attributable to shareholders:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Share capital</td>
<td>1,058</td>
<td>993</td>
</tr>
<tr>
<td>Treasury shares</td>
<td>-</td>
<td>(1)</td>
</tr>
<tr>
<td>Share premium</td>
<td>48,365</td>
<td>38,925</td>
</tr>
<tr>
<td>Merger reserve</td>
<td>6,715</td>
<td>6,715</td>
</tr>
<tr>
<td>Asset revaluation reserve</td>
<td>24,492</td>
<td>41,142</td>
</tr>
<tr>
<td>Capital reserve</td>
<td>8,876</td>
<td>8,876</td>
</tr>
<tr>
<td>Other reserves</td>
<td>801</td>
<td>(1,814)</td>
</tr>
<tr>
<td>Retained earnings</td>
<td>105,556</td>
<td>78,679</td>
</tr>
<tr>
<td><strong>Total equity</strong></td>
<td>195,863</td>
<td>173,515</td>
</tr>
<tr>
<td>Non-controlling interest</td>
<td>61</td>
<td>93</td>
</tr>
<tr>
<td><strong>Total liabilities and equity</strong></td>
<td>901,135</td>
<td>831,785</td>
</tr>
</tbody>
</table>
AVATION PLC

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017

<table>
<thead>
<tr>
<th>Attributable to shareholders of the parent</th>
<th>Share capital</th>
<th>Treasury shares</th>
<th>Share premium</th>
<th>Merger reserve</th>
<th>Asset revaluation reserve</th>
<th>Capital reserve</th>
<th>Other reserves</th>
<th>Retained earnings</th>
<th>Total</th>
<th>Non-controlling interest</th>
<th>Total equity</th>
</tr>
</thead>
<tbody>
<tr>
<td>US$'000s</td>
<td>US$'000s</td>
<td>US$'000s</td>
<td>US$'000s</td>
<td>US$'000s</td>
<td>US$'000s</td>
<td>US$'000s</td>
<td>US$'000s</td>
<td>US$'000s</td>
<td>US$'000s</td>
<td>US$'000s</td>
<td>US$'000s</td>
</tr>
<tr>
<td>Balance at 1 July 2016</td>
<td>993</td>
<td>(1)</td>
<td>38,925</td>
<td>6,715</td>
<td>41,142</td>
<td>8,876</td>
<td>(1,814)</td>
<td>78,679</td>
<td>173,515</td>
<td>93</td>
<td>173,608</td>
</tr>
<tr>
<td>Profit for the year</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>21,262</td>
<td>21,262</td>
<td>(5)</td>
<td>21,257</td>
</tr>
<tr>
<td>Other comprehensive income</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(5,557)</td>
<td>-</td>
<td>2,804</td>
<td>-</td>
<td>(2,753)</td>
<td>(11)</td>
<td>(2,764)</td>
</tr>
<tr>
<td>Total comprehensive income</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(5,557)</td>
<td>-</td>
<td>2,804</td>
<td>-</td>
<td>21,262</td>
<td>18,509</td>
<td>(16)</td>
</tr>
<tr>
<td>Dividend paid during the year</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(1,820)</td>
<td>(1,820)</td>
<td>-</td>
<td>(1,820)</td>
</tr>
<tr>
<td>Dividend payable</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(3,664)</td>
<td>(3,664)</td>
<td>-</td>
<td>(3,664)</td>
</tr>
<tr>
<td>Re-issue of treasury shares</td>
<td>-</td>
<td>1</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1</td>
<td>-</td>
<td>1</td>
</tr>
<tr>
<td>Issue of new shares</td>
<td>65</td>
<td>-</td>
<td>9,725</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(403)</td>
<td>-</td>
<td>9,387</td>
<td>-</td>
<td>9,387</td>
</tr>
<tr>
<td>Share issue expenses</td>
<td>-</td>
<td>-</td>
<td>(285)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(285)</td>
<td>-</td>
<td>(285)</td>
<td>-</td>
</tr>
<tr>
<td>Transfer of asset revaluation surplus upon sale of aircraft</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(11,093)</td>
<td>-</td>
<td>-</td>
<td>11,093</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Dividend paid to non-controlling interest of a subsidiary</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(16)</td>
<td>(16)</td>
</tr>
<tr>
<td>Warrant expired</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(6)</td>
<td>6</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Warrants expense</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>220</td>
<td>-</td>
<td>220</td>
<td>-</td>
<td>220</td>
</tr>
<tr>
<td>Total transactions with owners recognised directly in equity</td>
<td>65</td>
<td>1</td>
<td>9,440</td>
<td>-</td>
<td>(11,093)</td>
<td>-</td>
<td>(189)</td>
<td>5,615</td>
<td>3,839</td>
<td>(16)</td>
<td>3,823</td>
</tr>
<tr>
<td>Balance at 30 June 2017</td>
<td>1,058</td>
<td>-</td>
<td>48,365</td>
<td>6,715</td>
<td>24,492</td>
<td>8,876</td>
<td>801</td>
<td>105,556</td>
<td>195,863</td>
<td>61</td>
<td>195,924</td>
</tr>
</tbody>
</table>
AVATION PLC

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

<table>
<thead>
<tr>
<th>Attributable to shareholders of the parent</th>
<th>Share capital</th>
<th>Treasury shares</th>
<th>Share premium</th>
<th>Merger reserve</th>
<th>Asset revaluation reserve</th>
<th>Capital reserve</th>
<th>Other reserves</th>
<th>Retained earnings</th>
<th>Total</th>
<th>Non-controlling interest</th>
<th>Total equity</th>
</tr>
</thead>
<tbody>
<tr>
<td>US$'000s</td>
<td>US$'000s</td>
<td>US$'000s</td>
<td>US$'000s</td>
<td>US$'000s</td>
<td>US$'000s</td>
<td>US$'000s</td>
<td>US$'000s</td>
<td>US$'000s</td>
<td>US$'000s</td>
<td>US$'000s</td>
<td>US$'000s</td>
</tr>
<tr>
<td>-------------------------------------------------------------</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance at 1 July 2015</td>
<td>991</td>
<td>(682)</td>
<td>38,692</td>
<td>6,715</td>
<td>10,159</td>
<td>8,459</td>
<td>50</td>
<td>62,363</td>
<td>126,747</td>
<td>1,457</td>
<td>128,204</td>
</tr>
<tr>
<td>Profit for the year</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>18,279</td>
<td>1</td>
<td>18,280</td>
</tr>
<tr>
<td>Other comprehensive income</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>30,983</td>
<td>-</td>
<td>(2,164)</td>
<td>-</td>
<td>18,279</td>
<td>-</td>
<td>28,819</td>
</tr>
<tr>
<td>Total comprehensive income</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>30,983</td>
<td>-</td>
<td>(2,164)</td>
<td>18,279</td>
<td>47,098</td>
<td>5</td>
<td>47,103</td>
</tr>
<tr>
<td>Dividend paid</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(1,656)</td>
<td>-</td>
<td>(1,656)</td>
<td>-</td>
</tr>
<tr>
<td>Purchase of treasury shares</td>
<td>-</td>
<td>(7,936)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(7,936)</td>
<td>-</td>
<td>(7,936)</td>
<td>-</td>
</tr>
<tr>
<td>Re-issue of treasury shares</td>
<td>-</td>
<td>8,617</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(307)</td>
<td>8,310</td>
<td>-</td>
<td>8,310</td>
</tr>
<tr>
<td>Treasury shares of a subsidiary</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>882</td>
<td>-</td>
<td>-</td>
<td>882</td>
<td>2</td>
<td>884</td>
<td></td>
</tr>
<tr>
<td>Issue of new shares</td>
<td>2</td>
<td>-</td>
<td>233</td>
<td>-</td>
<td>-</td>
<td>(39)</td>
<td>-</td>
<td>-</td>
<td>196</td>
<td>-</td>
<td>196</td>
</tr>
<tr>
<td>Warrants expense</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>339</td>
<td>-</td>
<td>-</td>
<td>339</td>
<td>-</td>
<td>339</td>
<td></td>
</tr>
<tr>
<td>Change in ownership interest in a subsidiary</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(465)</td>
<td>-</td>
<td>-</td>
<td>(465)</td>
<td>(1,371)</td>
<td>(1,836)</td>
<td></td>
</tr>
<tr>
<td>Total transactions with owners recognised directly in equity</td>
<td>2</td>
<td>681</td>
<td>233</td>
<td>-</td>
<td>417</td>
<td>300</td>
<td>(1,963)</td>
<td>(330)</td>
<td>(1,369)</td>
<td>(1,699)</td>
<td></td>
</tr>
<tr>
<td>Balance at 30 June 2016</td>
<td>993</td>
<td>(1)</td>
<td>38,925</td>
<td>6,715</td>
<td>41,142</td>
<td>8,876</td>
<td>(1,814)</td>
<td>78,679</td>
<td>173,515</td>
<td>93</td>
<td>173,608</td>
</tr>
</tbody>
</table>
AVATION PLC

CONSOLIDATED STATEMENT OF CASHFLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017

<table>
<thead>
<tr>
<th></th>
<th>2017 US$'000s</th>
<th>2016 US$'000s</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash flows from operating activities:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Profit before taxation from continuing operations</td>
<td>21,363</td>
<td>18,069</td>
</tr>
<tr>
<td>Profit before taxation from discontinued operations</td>
<td>-</td>
<td>9</td>
</tr>
<tr>
<td>Profit before income tax</td>
<td>21,363</td>
<td>18,078</td>
</tr>
<tr>
<td>Adjustments for:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation expense</td>
<td>32,300</td>
<td>23,201</td>
</tr>
<tr>
<td>Warrants expense</td>
<td>220</td>
<td>339</td>
</tr>
<tr>
<td>Impairment loss on aircraft</td>
<td>-</td>
<td>902</td>
</tr>
<tr>
<td>Impairment loss on trade receivables</td>
<td>41</td>
<td>7</td>
</tr>
<tr>
<td>Impairment loss on goodwill</td>
<td>-</td>
<td>482</td>
</tr>
<tr>
<td>Amortisation of loan insurance premium</td>
<td>1,078</td>
<td>1,078</td>
</tr>
<tr>
<td>Amortisation of interest expense on non-current deposits</td>
<td>924</td>
<td>376</td>
</tr>
<tr>
<td>Non-trade receivables written off</td>
<td>30</td>
<td>-</td>
</tr>
<tr>
<td>Gain on disposal of aircraft</td>
<td>(5,357)</td>
<td>(3,660)</td>
</tr>
<tr>
<td>Gain on disposal of assets held for sale</td>
<td>-</td>
<td>(25)</td>
</tr>
<tr>
<td>Fair value gain on options held for trading</td>
<td>(600)</td>
<td>(2,940)</td>
</tr>
<tr>
<td>Fair value gain on derivatives</td>
<td>(54)</td>
<td>-</td>
</tr>
<tr>
<td>Finance income from discounting non-current deposits to fair value</td>
<td>(929)</td>
<td>(393)</td>
</tr>
<tr>
<td>Interest income</td>
<td>(861)</td>
<td>(809)</td>
</tr>
<tr>
<td>Interest expense</td>
<td>37,396</td>
<td>26,811</td>
</tr>
<tr>
<td>Operating cash flows before working capital changes</td>
<td>85,551</td>
<td>63,447</td>
</tr>
<tr>
<td>Movement in working capital:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade and other receivables and finance lease receivables</td>
<td>5,034</td>
<td>3,798</td>
</tr>
<tr>
<td>Trade and other payables</td>
<td>(1,269)</td>
<td>1,226</td>
</tr>
<tr>
<td>Maintenance reserves</td>
<td>10,501</td>
<td>9,938</td>
</tr>
<tr>
<td>Cash from operations</td>
<td>99,817</td>
<td>78,409</td>
</tr>
<tr>
<td>Interest received</td>
<td>846</td>
<td>809</td>
</tr>
<tr>
<td>Interest paid</td>
<td>(36,922)</td>
<td>(26,034)</td>
</tr>
<tr>
<td>Income tax paid</td>
<td>(721)</td>
<td>(637)</td>
</tr>
<tr>
<td><strong>Net cash from operating activities</strong></td>
<td>63,020</td>
<td>52,547</td>
</tr>
<tr>
<td><strong>Cash flows from investing activities:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Purchase of property, plant and equipment</td>
<td>(275,665)</td>
<td>(323,222)</td>
</tr>
<tr>
<td>Purchase of options held for trading</td>
<td>-</td>
<td>(100)</td>
</tr>
<tr>
<td>Proceeds from disposal of aircraft</td>
<td>211,714</td>
<td>24,755</td>
</tr>
<tr>
<td>Proceeds from disposal of assets held for sale</td>
<td>-</td>
<td>55</td>
</tr>
<tr>
<td>Purchase of additional shares in a subsidiary from non-controlling interest</td>
<td>-</td>
<td>(22)</td>
</tr>
<tr>
<td>Repurchase of a subsidiary’s treasury shares</td>
<td>-</td>
<td>(884)</td>
</tr>
<tr>
<td><strong>Net cash used in investing activities</strong></td>
<td>(63,951)</td>
<td>(299,418)</td>
</tr>
<tr>
<td><strong>Cash flows from financing activities:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net proceeds from issuance of ordinary shares</td>
<td>9,102</td>
<td>196</td>
</tr>
<tr>
<td>Dividends paid to shareholders</td>
<td>(1,820)</td>
<td>(1,656)</td>
</tr>
<tr>
<td>Repurchase of treasury shares</td>
<td>-</td>
<td>(7,936)</td>
</tr>
<tr>
<td>Proceeds from sale of treasury shares</td>
<td>1</td>
<td>8,310</td>
</tr>
<tr>
<td>Dividend paid to non-controlling interest of a subsidiary</td>
<td>(16)</td>
<td>(46)</td>
</tr>
<tr>
<td>Proceeds from loans and borrowings, net of transactions costs</td>
<td>236,243</td>
<td>233,869</td>
</tr>
<tr>
<td>Repayment of loans and borrowings</td>
<td>(203,154)</td>
<td>(46,240)</td>
</tr>
<tr>
<td><strong>Net cash from financing activities</strong></td>
<td>40,356</td>
<td>186,497</td>
</tr>
<tr>
<td>Effects of exchange rates on cash and cash equivalents</td>
<td>-</td>
<td>(6)</td>
</tr>
<tr>
<td><strong>Net increase/(decrease) in cash and cash equivalents</strong></td>
<td>39,425</td>
<td>(60,380)</td>
</tr>
<tr>
<td>Cash and cash equivalents at beginning of financial year</td>
<td>48,267</td>
<td>108,647</td>
</tr>
<tr>
<td><strong>Cash and cash equivalents at end of financial year</strong></td>
<td>87,692</td>
<td>48,267</td>
</tr>
</tbody>
</table>