

AVATION PLC
("Avation" or "the Company")

AGM STATEMENT, INTERIM MANAGEMENT STATEMENT AND TRADING UPDATE

Interim Management Statement and Trading Update

Avation PLC (LSE: AVAP), the commercial passenger aircraft leasing company advises that the Annual General Meeting being held today in Singapore includes a Trading Update and Interim Management Statement. Mr Jeff Chatfield, Executive Chairman, is to provide the following commentary:

The purpose of this statement is to provide investors with an update on current operations and concerns the half-year financial period commencing 1 July 2018.

The Company's business continues to perform satisfactorily and Avation is expected to report a record half-year profit for the six months ended 31 December 2018 that significantly exceeds the result for the comparable half-year period ended 31 December 2017. This is attributable to increased lease revenue from our fleet and a trading gain on the sale of a narrow-body aircraft.

Management estimates that lease rental revenues for the half-year ended 31 December 2018 will increase by 39% to approximately US\$57.8 million (31 December 2017: US\$41.7 million).

Operational Update

Since 1 July 2018 Avation has taken delivery of two aircraft taking Avation's current fleet to 40 aircraft. The fleet additions comprise an Airbus A220-300 aircraft on lease to airBaltic and an ATR 72-600 on lease to a new airline customer, Danish Air Transport. Furthermore, Avation expects to take delivery of two additional ATR72-600 aircraft before 31 December 2018. The Company retains 25 options and purchase rights over ATR 72 aircraft for delivery up to December 2023.

Avation also expects to conclude the sale of one of the five Airbus A321 narrow-body aircraft currently on lease to VietJet before 31 December 2018. Investors should be aware that this aircraft represents one of eight Airbus A321 aircraft in the current fleet and that narrow-body aircraft now comprise approximately half of the fleet by value. The sale of this aircraft indicates that, in the current market environment, the realisable value of narrow-body aircraft in the fleet exceeds book value, in this case by more than ten percent.

As at 31 December 2018, it is expected that Avation's fleet will comprise 41 aircraft, with 3 on order. Avation's customers include 14 airlines in 11 countries. The projected average age of the fleet will be 3.6 years and the average remaining lease term will be 7.3 years.

Interim Dividend

The Board has declared an interim dividend of 2.00 US cents per share from current period profits. Details of this interim dividend will be provided in a separate announcement.

Outlook

Avation will continue to focus on growing the fleet and adding new airline customers for the remainder of the current financial year. The Company is currently assessing jet aircraft for

acquisition, in addition to marketing scheduled deliveries of new ATR 72 turboprop aircraft from our order book.

Executive Chairman Jeff Chatfield said: “The Company has continued the organic growth and renewal of its fleet. Current trading is positive with record revenues, materially above that of the comparable period last year. Given trading conditions, Avation is pleased to reward the owners of the company with a second interim dividend for calendar year 2018.”

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Note to Editors:

Avation PLC is a commercial passenger aircraft leasing company, headquartered in Singapore, owning and managing a fleet of jet and turboprop aircraft which it leases to airlines across the world.

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