

**AVATION PLC**  
(“Avation” or “the Company”)

**INTERIM DIVIDEND AND MANAGEMENT STATEMENT**

**Trading Update**

Avation PLC (LSE: AVAP), the commercial passenger aircraft leasing company provides the following update in respect of trading performance for the current period.

The Company’s leasing business is operating in line with expectations. For the year ended 30 June 2017 management estimates revenues will be US\$94 million (unaudited) with a margin for error of 0.5%. Management estimates that leasing revenue has increased year on year by approximately 32%.

**Operational Update**

The Company has signed a letter of intent to lease a mid-life Airbus A321 narrowbody jet currently in the fleet to a new customer upon conclusion of the existing lease in April 2018. After transitioning the aircraft to the new customer the new lease is proposed to have a duration of 6 years, thereby extending the contracted revenue stream attached to this aircraft.

The Company advises that it is scheduled to take delivery of a new ATR 72-600 aircraft from the factory in Toulouse, France on 30 June 2017. The aircraft is the 29th ATR 72 that Avation has purchased.

Avation has a proposed delivery stream of ATR 72-600 aircraft extending to 2019 and on an ongoing basis is assessing other jet aircraft for purchase with a view to growing its fleet and adding new airlines to diversify the Company’s customer base. Avation will seek to acquire aircraft that meet its investment and risk management criteria.

**Finance Update**

The Company recently completed the issue of a US\$20 million ‘tap’ under the previously announced US\$500 million Global Medium Term Note (GMTN) programme. The tap involved the issue of US\$20 million notes on the same terms as the issue of its 7.5% senior notes due 2020, originally issued in May 2015. The tap was priced at a premium of 101.25.

The GMTN programme has enabled Avation to create a more efficient and flexible capital structure. Further aircraft purchases may be financed through a combination of senior secured financing together with funds provided by the GMTN tap and equity released from the sale of older aircraft.

**Credit Rating**

Avation confirms that in March 2017 it was issued a Foreign Currency Long-term Issuer Rating assignment by Japan Credit Rating Agency, Ltd. (JCR) of BB; Outlook: Stable.

Following the US\$20 million ‘tap’ under the GMTN programme, Standard & Poor’s Global Ratings affirmed Avation’s corporate credit rating at 'B+', Outlook Stable; with the Senior Unsecured Notes rating affirmed at 'B'.

## **Interim Dividend**

The Company confirms its aim to follow a progressive dividend policy and announces an increase in dividends.

In order to recognise shareholder ownership as it continues the development of the business, the Board has approved an interim dividend of 6.00 US cents per share in respect of the financial year ended 30 June 2017 (2016: 3.25 US cents), which represents an increase of 85%. The record date and timetable for this interim dividend are as follows:

**Ex-Dividend Date:** 20 July 2017  
**Record Date:** 21 July 2017  
**Payment Date:** 10 August 2017  
**Payment Amount:** US 6.00 cents

Shareholders should note that dividend payments are made by default in US Dollars (USD). 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 by 24 July 2017. Further details and a download of the form can be found at [www.avation.net/dividends.html](http://www.avation.net/dividends.html)

## **Results Timetable**

Avation intends to release results for the financial year ending 30 June 2017 at 7:00am (BST) on 7 September 2017. A conference call for shareholders and bondholders will be held at 1:00pm (BST) on 7 September 2017. Dial in details for the conference call will be published in due course.

The Company's Executive Chairman, Jeff Chatfield, said: "The Company has grown revenues by approximately 32% in the year ending 30 June 2017. The Board is pleased to be able to provide dividend guidance and schedule. Avation has recently sold aircraft in order to provide for fleet diversification. Avation is both diversifying its aircraft fleet and also pursuing growth and is currently assessing additional aircraft acquisitions."

*-ENDS-*

## **Enquiries:**

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## **Note to Editors:**

Avation PLC is a passenger aircraft leasing company, owning a fleet commercial aircraft which it leases to airlines across the world. The Company's customers include Air France, Air Berlin, Air India, Condor, Flybe, Fiji Airways, Thomas Cook, Virgin Australia, UNI Air and Vietjet Air.

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