

3 March 2010

**Capital Lease Aviation PLC  
("CLA")**

**HALF YEAR RESULTS – 31 DECEMBER 2009**

The Board of CLA is pleased to announce the unaudited consolidated interim results for the period from 1 July 2009 to 31 December 2009.

**HIGHLIGHTS:**

- **Net Assets :** **US \$37.56m;**
- **Revenue for the period:** **US \$7.84m;**
- **Profit after tax:** **US \$1.82m;**
- **Earnings per share (after tax):** **1.86 US cents**

Jeff Chatfield, Executive Chairman said: 'Results for the first half of the year are entirely satisfactory given the economic circumstances and current state of the airline industry. The result is in line with the Board's expectations given the present operating environment. The aircraft that the Company owns and leases have all performed well and the lessees are all performing well. We anticipate that further growth will be available as aircraft valuations may become more attractive to operating lessors such as ourselves, as competitors such as financial institutions and banks leave the sector and release their aircraft into the market. The Board of the CLA group continues to plan to build on the portfolio of aircraft already established.

The Board's strategic plan involves the acquisition of 737 series and Airbus A320 series new generation planes, we will ensure that these aircraft are leased to reliable operators.'

*The directors take responsibility for the contents of this announcement.*

**---ENDS---**

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## **Directors' Review of Operations and Strategy**

The Group results were in line with expectations given the difficulties facing the industry during the period. Despite this, the business remained profitable and cash flow positive.

We now report in United States Dollars to reduce the effect of exchange related gains or losses in the income statement and align the reporting currency with our functional currency. Most group transactions are denominated in US Dollars.

Revenues were lower by 5% compared to the comparative period due to lower maintenance rent revenues, mainly a result of reduced aircraft usage. After-Tax Profits were down 18% due mainly to foreign exchange losses in the Australian subsidiary whilst the comparative period included foreign exchange gains. Maintenance Claim expenses were also higher.

The Group repaid \$4.82m of debt during the period and the Financial Position has been strengthened with Net Assets at \$37.56m, up by \$2.98m compared to the comparative period.

Our fleet currently comprises three Fokker F100 jets, two Airbus A321-200's and one Airbus A320. All are currently leased to quality airlines with lease expiries ranging from September 2012 to March 2015. The company's preferred asset targets are the Airbus A320 series and Boeing 737 family of new generation aircraft as we believe these pose the lowest risk given their liquidity, appeal to operators, and ability to remarket.

Given recent signs of recovery in the global economy, particularly in the Asia Pacific region, we remain ready to take advantage of opportunities that may be available when demand in the aviation sector rebounds.

The risks to the business include typical aviation related risks, including but not limited to, any downturn in the global aviation industry, fuel costs, finance costs, war and terrorism and the like which may affect our airline customers' ability to fulfil their lease obligations.

The business also relies on its ability to source finance on favourable terms. Should this supply of finance contract, it will limit our fleet expansion and therefore growth.

**Richard Sinclair**  
**Chief Executive Officer**  
**On behalf of the Board of Directors of Capital Lease Aviation PLC**  
**2 March 2010**

CAPITAL LEASE AVIATION PLC  
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE PERIOD 1 JULY 2009 TO 31 DECEMBER 2009

	December <u>2009</u> US\$	December <u>2008</u> US\$
<b><u>From Continuing operations</u></b>		
Revenue	7,843,164	8,227,517
Cost of sales	-	-
Gross profit	<u>7,843,164</u>	<u>8,227,517</u>
Other operating income	40	301,654
Administrative expenses	(483,654)	(529,527)
Other operating expenses	(3,137,658)	(2,850,651)
Finance expense	<u>(2,196,325)</u>	<u>(2,608,937)</u>
Profit before tax	2,025,567	2,540,056
Income tax expense	<u>(208,725)</u>	<u>(334,386)</u>
Profit for the period	1,816,842	2,205,670
Other comprehensive income		
Revaluation of property plant and equipment	-	(3,864)
Other comprehensive income for the period	<u>-</u>	<u>(3,864)</u>
Total comprehensive income for the period	<u><u>1,816,842</u></u>	<u><u>2,201,806</u></u>
Profit attributable to:		
Ordinary equity shareholders of the parent	1,816,842	2,205,670
Total comprehensive income attributable to :		
Ordinary equity shareholders of the parent	<u><u>1,816,842</u></u>	<u><u>2,201,806</u></u>
<i>Earnings per share</i>		
	US Cents	US Cents
Basic	<u>1.86</u>	<u>2.26</u>
Diluted	<u>1.86</u>	<u>2.14</u>

**Reclassification of Comparative figures**

Certain reclassifications have been made to the prior period financial statements to enhance comparability with the current period financial statements.

	Adjustment Dr / (Cr) US\$
Other operating expenses (Maintenance claim expenses)	271,972
Finance expense (Loan fees)	197,758
Administrative expense	<u>(469,730)</u>

CAPITAL LEASE AVIATION PLC  
CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2009

	December <u>2009</u> US\$	December <u>2008</u> US\$
<b><u>ASSETS</u></b>		
<b>Current assets:</b>		
Cash and cash equivalents	1,723,472	1,883,906
Trade and other receivables	155,198	780,944
Total current assets	<u>1,878,670</u>	<u>2,664,850</u>
<b>Non-current assets:</b>		
Plant and equipment	<u>103,792,792</u>	<u>108,904,401</u>
Total non-current assets	<u>103,792,792</u>	<u>108,904,401</u>
Total assets	<u><u>105,671,462</u></u>	<u><u>111,569,251</u></u>
<b><u>LIABILITIES AND EQUITY</u></b>		
<b>Current liabilities :</b>		
Trade and other payables	4,734,102	4,864,970
Loans and borrowings	9,228,531	9,540,591
Short term provisions	910,626	491,972
Provision for income tax	413,981	489,904
Total current liabilities	<u>15,287,240</u>	<u>15,387,437</u>
<b>Non-current liabilities:</b>		
Loan and borrowings	50,861,341	59,983,359
Deferred tax liabilities	<u>1,965,035</u>	<u>1,619,367</u>
Total non-current liabilities	<u>52,826,376</u>	<u>61,602,726</u>
<b>Capital and reserves:</b>		
Share capital	196,394	196,243
Share premium	21,696,406	21,660,294
Reserves	9,080,831	9,080,831
Retained earnings	<u>6,584,215</u>	<u>3,641,720</u>
Total equity	<u>37,557,846</u>	<u>34,579,088</u>
Total liabilities and equity	<u><u>105,671,462</u></u>	<u><u>111,569,251</u></u>

***Reclassification of Comparative figures***

Certain reclassifications have been made to the prior period financial statements to enhance comparability with the current period financial statements.

	Adjustment Dr / (Cr) <u>US\$</u>
Loans and borrowings - current	(1,083,827)
Loans and borrowings - non current	<u>1,083,827</u>

CAPITAL LEASE AVIATION PLC  
CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE PERIOD 1 JULY 2009 TO 31 DECEMBER 2009

	December <u>2009</u> US\$	December <u>2008</u> US\$
<b>Cash flow from operating activities:</b>		
Profit before tax	2,025,567	2,540,056
Adjustments for :		
Depreciation	2,537,242	2,578,679
Claims on maintenance reserves	445,164	271,972
Interest expense	2,018,356	2,411,179
Interest income	(40)	(9,890)
Operating profit before working capital changes	<u>7,026,289</u>	<u>7,791,996</u>
Trade and other receivables	896,901	(628,501)
Trade and other payables	24,224	264,564
Short term provisions	(785,399)	-
Cash from operations	<u>7,162,015</u>	<u>7,428,059</u>
Interest paid	(2,018,356)	(2,411,179)
Income tax paid	(56,612)	(188,699)
<b>Net cash flows from operating activities</b>	<u>5,087,047</u>	<u>4,828,181</u>
<b>Cash flows from investing activities:</b>		
Interest received	40	9,890
Purchase of plant and equipment	0	(22,086)
<b>Net cash from (used in) investing activities</b>	<u>40</u>	<u>(12,196)</u>
<b>Cash flows from financing activities:</b>		
Proceeds from issuing of new shares, net of expenses	36,263	-
Repayment of borrowings	(4,821,110)	(4,037,902)
<b>Net cash used in financing activities</b>	<u>(4,784,847)</u>	<u>(4,037,902)</u>
Net increase in cash flow	302,240	778,083
Cash and cash equivalent at beginning of period	<u>1,421,232</u>	<u>1,105,823</u>
Cash and cash equivalent at end of period	<u>1,723,472</u>	<u>1,883,906</u>

Approved by the board of Capital Lease Aviation PLC on the 2nd of March 2010.

The above financial information has been extracted from the management accounts and has not been audited.

These interim statements have been prepared on a basis consistent with International Financial Reporting Standards (IFRS) except that IAS34 "Interim Financial Reporting", which is not mandatory for AIM companies, has not been adopted in the preparation of this statement.