

**For immediate release via RNS (AIM CODE: CLA)**

**Capital Lease Aviation PLC  
("CLA" or the "Company")**

**CLA SECURES \$64.8M FINANCE FACILITIES, PURCHASES TWO AIRBUS A321-200 AIRCRAFT**

The Board of CLA announces that it has completed the purchase of two Airbus A321-200 aircraft for US \$70.75m and secured various financing facilities totaling US \$64.8m. The transactions completed on 30 June 2008.

**Aircraft Purchase**

The consideration has been provided by CLA's own funds in the amount of US \$6m together with the debt facilities outlined below. The Company has entered into two sale and purchase agreements with a major listed international aircraft leasing company to acquire the aircraft. The aircraft are subject to lease arrangements with a major European airline until February 2015. Lease incomes from these two aircraft are anticipated to be US \$9m per year. The aircraft were delivered new in 2003.

**Aircraft financing for the transactions**

The Company has procured the following financing package for an aggregate of US \$64.8m to complete the transaction. The costs of finance are denominated in US \$ all at current market fixed interest rates plus typical bankers margins.

Senior debt facilities

\$60,000,000.

DVB Bank AG, a European bank specializing in the transportation sector

Secured against 1 Airbus A320 and 2 Airbus A321-200 aircraft owned by the Company

Amortizing aircraft acquisition facility:

Expires Jan 2013, in respect to one A320, at completion of a lease

Expires March 2015, in respect to two A321-200s, at completion of two leases

Vendor finance facility (unsecured)

\$2,000,000

Vendor syndicate

Expires July 2010

CLA parent, Avation PLC has issued a corporate guarantee for the vendor financing in the amount of \$2,000,000.

Mezzanine finance facilities (unsecured)

\$2,000,000

CaptiveVision Capital Ltd (CVC)

Expires October 2008;

\$800,000

Avation PLC (AVAP.PZ)

Expires October 2008.

**Lease Management**

CLA has contracted DVB Asset Management for the lease administration and remarketing for the two A321-200 aircraft over the term of their respective leases.

**Current Trading and Prospects**

The unaudited consolidated management accounts for the part year period to 31 May 2008 show operating revenues of £1,416,000, a cash balance of £1,318,338 and a depreciated book value of the aircraft owned by CLA and its subsidiaries of £16,446,200. The Company has not yet completed a full year of operation with the same business assets; however, the company is cash flow positive and profitable at this stage with an average weighted cost of funds across the portfolio at 6.7% (unaudited). A full set of results for the year ended 30 June 2008 is expected to be announced on or around 30 September 2008.

Following this acquisition the Company will have a portfolio of 3 F100 aircraft, 1 Airbus A320 and 2 Airbus A321-200's.

### Strategy

These acquisitions are entirely consistent with the Company's strategy, as set out in the admission document dated 12 December 2007 and as set out below:

- *Capitalising on continued growth in the aircraft leasing market by acquiring additional aircraft:* the Company intends to exploit the current growth dynamic in the aircraft leasing market by identifying and acquiring additional aircraft. The Company will adopt a flexible approach to the type of aircraft it purchases and this will depend principally on the requirements of its customers.
- *Leasing aircraft to regional and international airlines:* the Directors expect CLA's customer base to comprise both regional and global airline companies. CLA's customer base will not be restricted to a particular geography or type of customer.
- *Efficiently raising capital to execute its growth strategy:* the Company expects to fund its growth strategy through a mix of retained cashflow, debt and equity financing in order to maintain an efficient capital structure. The Company may utilise a broad range of funding options to support its growth strategy. The Company expects to use appropriate financing and hedging strategies to manage interest and exchange rate volatility.

A copy of the Company admission document and all announcements made by the Company since admission can be found at [www.capitallleaseaviation.com](http://www.capitallleaseaviation.com) under the heading AIM Rule 26

**CLA Chairman, Jeff Chatfield said:** "We believe that in the current aviation industry conditions provide excellent value opportunities to acquire relatively new aircraft leased by major reputable airlines. The purchase of these two aircraft provides further diversification of asset and operator within our aircraft leasing portfolio."

--ENDS--

#### Enquires:

**Capital Lease Aviation Plc**  
**Jeff Chatfield, Executive Chairman**

**07783 942 553**

**Nominated Adviser**  
**James Joyce/David Porter, W H Ireland Limited**

**0207 220 1666**

**Company Stockbroker**  
**W H Ireland Limited**

**0207 220 1690**

**Share Register**  
**Computershare Investor Services Plc**

**0870 702 0003**

**Financial Public Relations**  
**Bishopsgate Communications**  
**Maxine Barnes, Nick Rome**

**0207 562 3350**

**Websites**  
**[www.capitallleaseaviation.com](http://www.capitallleaseaviation.com)**