

Capital Lease Aviation Plc

(“CLA” or “the Company”)

Final Results for the Year Ended 30 June 2008

The Board of CLA, the AIM quoted aircraft leasing company, is pleased to announce its final audited results for the year ended 30 June 2008.

Highlights:

- Revenues from aircraft rental activity £1,751,816 achieved mainly in Q4. The annualised base rental revenues for the aircraft on hand as at 30 June 2008 increased to £7.45m.
- Group net post tax profits of £814,439
- Total assets of £56,501,961
- Acquisition of six aircraft valued at £55.9m since commencing an acquisition process in September 2007
- EPS (fully diluted) 0.81 pence
- Shares admitted to trading on AIM
- The results were achieved in a difficult period of the aviation industry cycle and economic climate, particularly with the tightening of credit.

Commenting on this set of results, Jeff Chatfield, CLA Chairman, said:

“I am pleased to report the year ending 30 June 2008. The performance of the period was satisfactory with the group increasing its asset base to £56.5m and generating net profits after tax of £814,439 on revenues of £1,751,816. Our first year results indicate that the Company has commenced profitable operations. Profit levels are as expected given our limited history, especially as they were achieved with only a limited number of aircraft in the portfolio with the bulk of the revenues generated during the last quarter. The Company is well placed to continue to grow and acquire aircraft.”

--ENDS--

Enquiries:

Capital Lease Aviation Plc 07783 942 553
Jeff Chatfield, Executive Chairman

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 Farmer**

0207 562 3350

**Websites
www.capitalseaviation.com**

PLEASE SEE BELOW FOR CHAIRMAN'S STATEMENT

Dear Shareholder,

I am pleased to report the year ending 30 June 2008. CLA's performance over the year was entirely satisfactory with the group increasing its asset base to £56.5m and generating net profits after tax of £814,439 on revenues of £1,751,816.

Our first year's results indicate that the Company has commenced profitable operations. Profit levels are entirely satisfactory given our limited history, especially as they were achieved with only a limited number of aircraft in the portfolio with the bulk of the revenues generated during the last quarter. The Company is well placed to continue to grow and acquire aircraft. The annualised base rental revenues for the aircraft on hand as at 30 June 2008 increased to £7.45m.

The fleet currently comprises three F100s, two A321-200s and one A320. CLA is looking to acquire additional aircraft and the current turmoil in the aviation industry may provide it with the opportunity to acquire aircraft at attractive valuations relative to previous periods. The Board believes that aircraft at reduced prices could be available as some over-leveraged leasing companies and / or airlines seek to dispose of aircraft or require last minute financing. The Company is therefore preparing to expand and build on what we believe is an impressive start.

The Company will focus on acquiring the latest generation narrow body aircraft such as the A320 series and B737 family of aircraft. This focus is one of the key performance indicators for the group, in this respect the recent acquisition of 3 Airbus A320 series aircraft is satisfactory. A second key performance indicator is geographic diversification of the overall fleet, the geographic diversification of the fleet is that one aircraft is in the United States, two are deployed in Europe and three are in Australia.

The Company strives to debt fund the aircraft at fixed interest rates for periods of time that match the lease term of the aircraft – a key differential from several lessors.

The Company has had the support of two European banks, which have provided debt funding for its fleet of aircraft on an ad-hoc basis as and when acquisition candidates have been identified. The Company may seek to lock in additional funding, including equity funding, in advance of identifying target aircraft. The Company has secured the bulk of its debt funding at a cost of around 6% over fixed terms which approach the terms of lease of its aircraft. While the Company believes that it can obtain access to further funding for the purchase of aircraft, access to capital nevertheless remains a risk. Other risks include the costs of capital, industry specific risks associated with the aviation industry and the credit worthiness of client airlines. CLA seeks to manage these risks by diversifying its client base.

In due course an annual report and notice of meeting for the Annual General Meeting will be sent out to shareholders and will be available on the company website at www.capitalleaseaviation.com.

Jeff Chatfield
Perth Australia September 29, 2008

Financial Statements

Audited Consolidated Group Income Statement

	<u>Year ended</u> <u>30 June 2008</u>	<u>Month ended</u> <u>30 June 2007</u>
<i>In Great Britain Pounds</i>		
<u>Continuing operations and acquisitions</u>		
Revenue	1,751,816	-
Cost of sales	-	-
Gross profit	1,751,816	-
Other operating income	407,093	-
Administrative expenses	(526,747)	(12)
Other operating expenses	(389,958)	-
Finance expense	(130,847)	-
Profit/(loss) before taxation	1,111,357	(12)
Taxation	(296,918)	-
Profit/(loss) after tax for continuing operations	814,439	(12)
Profit/(loss) for the period from continuing operations	<u>814,439</u>	<u>(12)</u>
Attributable to the shareholders	<u>814,439</u>	<u>(12)</u>
Earnings per share		
-Basic	<u>0.84 pence</u>	<u>(0.02) pence</u>
-Diluted	<u>0.81 pence</u>	<u>(0.02) pence</u>

Audited Consolidated Group Balance Sheet

	<u>As at June</u> <u>2008</u>	<u>As at June</u> <u>2007</u>
<i>In Great Britain Pounds</i>		
ASSETS		
Current assets:		
Cash and cash equivalents	554,457	50,088
Trade and other receivables	76,460	-
Total current assets	<u>630,917</u>	<u>50,088</u>
Non-current assets :		
Property, plant and equipment	55,871,044	-
Total assets	<u>56,501,961</u>	<u>50,088</u>
LIABILITIES AND EQUITY		
Current liabilities:		
Trade and other payables	2,173,993	-
Provision for income tax	108,899	-
Loan and borrowings	4,931,395	-
Short term provisions	110,308	-
Deferred income	131,167	-
Total current liabilities	<u>7,455,762</u>	-
Non-current liabilities:		
Loan and borrowings	31,952,517	-
Deferred tax liabilities	875,641	-
Total non-current liabilities	<u>32,828,158</u>	-
Capital and reserves:		
Share capital	97,808	50,100
Share premium	10,743,621	-
Assets revaluation reserve	4,536,088	-
Share option reserve	24,968	-
Foreign currency translation reserve	1,129	-
Retained earnings	814,427	(12)
Net equity	<u>16,218,041</u>	<u>50,088</u>
Total liabilities and equity	<u>56,501,961</u>	<u>50,088</u>

Audited Consolidated Group Cash Flow Statements

	Year ended 30 June 2008	Year ended 30 June 2007
<i>In Great Britain Pounds</i>		
Cash flows from operating activities:		
Total profit (loss)	814,439	(12)
Adjustment for:		
Income tax	296,918	-
Share option expense	24,968	-
Depreciation expense	389,958	-
Interest expense	130,847	-
Interest income	(311,349)	-
Operating profit before working capital changes	1,345,781	(12)
Trade and other receivables	(76,460)	
Trade and other payables	2,173,993	
Short term provisions	110,308	
Deferred income	131,167	
Cash from operations	3,684,789	(12)
Interest paid	(130,847)	-
Interest received	311,349	-
Corporation tax paid	-	-
Net cash from operating activities	3,865,291	(12)
Cash flows from investing activities		
Purchase of property, plant and equipment	(50,973,873)	-
Net cash used in investing activities	(50,973,873)	-
Cash flows from financing activities		
Net proceeds from issuance of ordinary shares	10,791,329	50,100
Proceeds from borrowings	37,490,014	-
Repayment of borrowings	(606,102)	-
Net cash from financing activities	47,675,241	50,100
Net effect of exchange rate changes in consolidating subsidiaries	(62,290)	-
Net increase in cash	504,369	50,088
Cash and cash equivalent at beginning of financial year	50,088	-
Cash and cash equivalent at end of financial year	554,457	50,088

Notes:

1. The results for the period are derived from continuing activities.
2. The audited results have been prepared on a going concern basis and on the basis of the accounting policies adopted in the audited accounts for the year ended 30 June 2008