



Operational Performance Review, November 2007 - May 2008

In the first six months of 2008 the aviation sector has been negatively impacted by higher oil prices, slowing consumer demand in the US and Europe, as well as continued stresses on the financial markets.

In the face of the market conditions, AWAS has continued to develop the business with a particular emphasis on protecting value through proactive management of the overall fleet mix and to the focus on more fuel efficient aircraft, alongside protecting income through remarketing and credit management activities.

The AWAS fleet at the end of May comprised over 221 aircraft with an additional 100 aircraft on order.

Frank Pray, President & CEO said “AWAS recognise that there has been a general slowdown in the industry and we are operating in more challenging times. We have a wide and diversified fleet of aircraft ranging across asset types, and therefore we are able to react quickly to changing market conditions and thus provide flexible and competitive solutions to our customers.”

Key Highlights for the 6 months to 31 May 2008:

- In December 2007, AWAS completed an agreement with the Boeing Company to purchase 31 new 737 Next Generation family aircraft with purchase rights for an additional 19 Boeing aircraft, with the delivery of these aircraft phased over the medium term in line with AWAS' expectations regarding the evolution of the aircraft cycle.
- In January, AWAS finalised an agreement with Airbus to purchase 75 new A320-200 family aircraft, with a further 25 purchase options, with similar considerations governing the phasing of these aircraft as described above.
- In February, AWAS purchased six A330-300 new aircraft from Airbus to deliver over the next 24 months with committed lease agreements with Singapore Airlines attached.
- AWAS has also completed a number of acquisitions, disposals and re-leases in the ordinary course of business, with the overall strategy of ensuring the portfolio remains well protected in view of the anticipated market conditions.
- In the first half of the year, AWAS secured circa \$746 million in financings.