

Aero Inventory plc

*e-based procurement
& inventory management
solutions for the
aerospace industry*

For Immediate Release

22 September 2008

**AERO INVENTORY PLC
PRELIMINARY RESULTS
FOR THE YEAR ENDED 30 JUNE 2008**

30 Lancaster Road
New Barnet
Hertfordshire EN4 8AP
United Kingdom

tel +44 (0)20 8449 9263
fax +44 (0)20 8449 3555
www.aero-inventory.com



Aero Inventory plc (“Aero Inventory” or the “Group”), the provider of e-based procurement and inventory management solutions to the aerospace industry, today announces its results for the year ended 30 June 2008.

HIGHLIGHTS

- Revenue of \$440.0 million, an increase of 78% over the previous year (2007: \$247.0 million)
- Pre-tax profits of \$73.1 million, an increase of 60% over the previous year (2007: \$45.6 million)
- Basic EPS of 108.7 cents (2007: 65.9 cents), an increase of 65% over the previous year.
- Fully diluted EPS of 102.0 cents (2007: 65.3 cents), an increase of 56% over the previous year
- Proposed final dividend of 12 pence per share (2007: 10.5 pence), to give a total for the year of 18 pence (2007: 15 pence)

A presentation to analysts will be held at 9.30am on Monday 22 September at the offices of Buchanan Communications, 45 Moorfields, London, EC2Y 9AE.

Commenting on the results, Rupert Lewin, Chief Executive of Aero Inventory, said:

“I am delighted to report another set of record results for the year to 30 June 2008. Airlines are now being forced to react to the impact of both increased fuel costs and recessionary pressures and this has resulted in more enquiries for new business than ever before. This places Aero Inventory in an excellent position to win new contracts in addition to working on the successful implementation of our contracts with ACTS and ANA.”

For further information, please contact:

Aero Inventory plc
Rupert Lewin, Chief Executive

+44 (0)20 8688 5812
rupert.lewin@aero-inventory.com

JPMorgan Cazenove
Nicholas Garrett

+44 (0) 20 7588 2828
nick.garrett@jpmorgancazenove.com

Numis Securities Limited
Chris Wilkinson

+44 (0) 20 7260 1000
c.wilkinson@numiscorp.com

Buchanan Communications Limited
Bobby Morse, Partner
Sam Botterill

+44 (0)20 7466 5000
bobbym@buchanan.uk.com
samb@buchanan.uk.com

AERO INVENTORY PLC CHAIRMAN'S STATEMENT YEAR ENDED 30 JUNE 2008

Strong growth

I am pleased to report another year of substantial growth from Aero Inventory, with revenue up 78%, pre-tax profits up 60% and diluted EPS up 56%. We are proposing an increased final dividend of 12 pence per share to give total dividends for the year of 18 pence. Aero Inventory has now reinforced its position as a leading aircraft consumable parts service provider and is better placed than before to continue its expansion.

Asset based borrowing facility

As well as the strong financial results, I would like to highlight the \$500 million asset based long-term financing facility that we put in place during the year. This innovative financing reflects the quality of our stocks and debtors and the quality of the cashflows from our long-term contracts. The interest rate on this facility is US Dollar LIBOR +3%. The facility has been designed to be expandable as Aero Inventory grows.

The future

Aero Inventory's strategy is to grow the business rapidly and profitably by securing further long term sole supplier contracts with airlines or Maintenance, Repair and Overhaul companies (MROs) to supply a wide range of consumable parts used in commercial aircraft maintenance. The market is very large and continues to grow despite the recent pressures on the airline industry and this presents a considerable opportunity for Aero Inventory. During the last year there appears to have been a tipping point in airlines' attitude to the outsourcing of consumable parts. Following many approaches from major airlines, we are currently discussing a number of potential multi-year contracts with an aggregate value of several billion US Dollars. While such a level of new business will involve challenges, we think it is essential that Aero Inventory takes this unique opportunity to secure a dominant position in its market place.

Further rapid expansion of the business should bring considerable benefits to shareholders. This is because new contracts are not expected to involve a proportional increase in operating costs or stocks, meaning that the profitability on incremental business should be high. There are increasing opportunities to reduce the total amount of stocks that need to be held by the business and this provides considerable potential to improve both stock turns and the return on capital employed. The unsolicited approach received by the Group in June 2008 by a potential offeror is, I believe, a reflection of the increasing attractiveness of the business.

Long term incentive plan

The Aero Inventory Long Term Incentive Plan was approved by shareholders and adopted by the Group in December 2007. It provides an important incentive to management to maximise the growth of the business and provides substantial rewards to management if the Group's share price reaches 1500p per share at the end of three years.

Appointment of joint broker

I am pleased to announce that Numis Securities Limited has been appointed as joint broker to the Group. We look forward to working with both our brokers to maximise shareholder value.

Thanks to staff

Our success is driven by our employees. They play the key role in helping us meet client service expectations and in supporting our growth. The board would like to welcome those who have joined the Group during the year and to thank everyone across the Group for all their hard work during the year.

Nigel McCorkell
Chairman
22 September 2008

AERO INVENTORY PLC
CHIEF EXECUTIVE'S STATEMENT
YEAR ENDED 30 JUNE 2008

Introduction

The 2007/08 financial year showed significant and exciting growth for Aero Inventory. Two key new contracts were signed and we continued to make progress in our operational performance to support the service levels to which we have committed. The year has not only benefited from a full year's trading from our contract with Qantas but also includes significant contributions from the new contracts with ACTS and ANA (All Nippon Airways).

Review of results

Revenue for the year ended 30 June 2008 increased by 78% to \$440 million (2007: \$247 million). The largest part of the increase resulted from our new contract with ACTS, which generated higher revenues than originally anticipated, but the figures also benefitted from a full year's revenue contribution from our contract with Qantas. There was some expansion of our business with the HAECO group, particularly in China, as well as some expansion in revenues from SR Technics. The new contract with ANA also contributed to revenues in the latter months of the year.

As a company listed on AIM we are now obliged to present our results under International Financial Reporting Standards (IFRSs). The two principal adjustments made are to show our capitalised IT development costs as an intangible asset rather than a tangible one and to retrospectively change our functional and presentational currency to US Dollars at 1 July 2006, resulting in the value of stocks being stated at the US Dollar values at which they were purchased. All the figures in this statement are shown in US Dollars including comparative figures from last year and almost all our trading and our debt is now denominated in US Dollars. The change in reporting currency is a logical step for a business that trades almost entirely in US Dollars and gives a clearer picture of the underlying financial performance.

Operating profit rose by 76% to \$93.3 million (2007: \$52.9 million) with significant contributions arising from the new contracts (ACTS and ANA) and continuing contributions from Qantas, SR Technics and HAECO. The operating margin remained at 21%.

Net interest payable amounted to \$20.2 million (2007: \$7.3 million) reflecting a higher level of borrowings following the commencement of the contract with ACTS. The pre-tax profit was \$73.1 million (2007: \$45.6 million).

After a tax charge of \$21.5 million (2007: \$14.5 million) - an effective rate of 29.4% (2007: 31.7%) - profit after tax was \$51.6 million (2007: \$31.1 million) and basic earnings per share were 108.7 cents (2007: 65.9 cents). Diluted earnings per share were 102.0 cents, (2007: 65.3 cents).

Net debt at the year end was \$391.0 million compared to \$110.6 million at 30 June 2007. Although we have strong positive operational cash flow from our established customers, we invested heavily in the year to support our contracts with ACTS and Qantas. In particular we acquired \$95 million of stocks and intellectual property from ACTS in November 2007 and then purchased further parts to support the higher than expected levels of trading at ACTS. The intellectual property consisted principally of the database of parts usage in historic maintenance activity which has a considerable value to our business. We will be amortising the cost of the intellectual property purchase over the initial ten year term of the ACTS contract.

Year-end shareholders' funds amounted to \$294.2 million (2007: \$253.8 million). This takes into account the retained profits for the year less dividends paid during the year.

The year-end consolidated balance sheet once again shows significantly increased stocks at \$690.1 million (2007: \$390.9 million). The principal increase in stock levels reflects the inventory purchase connected with our contract with ACTS. In addition to the initial stock purchase referred to above we also made further purchases of stock during the period to enable us to achieve the service levels to which we had contractually committed to particularly for the contracts with ACTS and Qantas. High levels of stock have to date been necessary to provide a high level of performance for our customers and, as our business expands further, we are increasingly well placed to service new customers from our existing stocks. As our contracts mature and as the initial stocking requirements are met there is a significant reduction in monthly stock purchases; in September 2008 stock purchases are expected to be some 40% below the level seen in March 2008.

AERO INVENTORY PLC
CHIEF EXECUTIVE'S STATEMENT (continued)
YEAR ENDED 30 JUNE 2008

Growing stock efficiencies

The commonality of parts between our growing customer base is increasing. On average 73% of our active parts on hand at the year end are used to service two contracts and this presents considerable opportunities to us to improve the utilisation of our stocks. The increasing commonality of our stocks coupled with improved purchasing and secondary market trading is beginning to improve our stock turn. Despite the stock increases required to support our newer contracts, annualising the last quarters revenues, Group revenues are running around 80% of period end stocks, the same level reported at the end of our half year.

Transfers of stock between sites are also increasing as we seek to locate stocks where they are most likely to be consumed by customers. Some \$18 million of stocks were transferred in the second half of our financial year compared to only \$9 million transferred in the first half. We have also increased the amount of stock sold to non-contract customers.

Enlarged bank facilities

In February 2008 we signed a new syndicated asset based lending facility. The new five year syndicated facility was led by Lloyds TSB Commercial Finance and is an asset based lending facility secured on Aero Inventory's stocks and trade debtors in the UK, Switzerland, Ireland, Canada, the United States, Hong Kong, Australia and Japan. As was anticipated the facility was further extended in June 2008 to \$500 million. The asset based lending facility is well suited to the business given its potential for expansion.

The Group's bank facilities have therefore risen from £85 million (equivalent to \$170 million) to \$500 million during the year and this increase has given the business the capability to take on significant amounts of new business, in particular the contracts with ACTS and ANA.

Dividend

Reflecting our confidence in the future, the board is recommending the payment of a final dividend of 12 pence per share (equivalent to 23.7 cents per share at the period end exchange rate). Taken with the interim dividend of 6.0 pence per share (equivalent to 11.3 cents per share) paid in May 2008, the total dividends for the year amount to 18 pence (equivalent to 35.0 cents at the period end exchange rate). The final dividend will be paid on 11 December 2008 to shareholders on the register on 14 November 2008.

Operational review

Aero Inventory's business is essentially a straightforward one and just seeks to ensure that the right parts are available to customers at the right time. However the number of parts required, the number of sites involved and the irregularity of the usage of parts used in maintenance as well as all the challenges of operating a global supply chain provide great complexity. We now hold in stock over 50 million individual parts with over 400,000 part numbers held in over 40 different locations. The number of part picks in a typical month now approaches 200,000.

Given these complexities in our business and our rapid growth we constantly need to continue to develop and improve the operational procedures within the business. We continued to develop our operational structure during the year in order to provide a robust framework to support both current operations and future business and we have expanded our global presence significantly. Strong central direction from the UK head office is underpinned by highly capable regional offices which deal with customers and suppliers around the world in their own regions and time zones. This structure enables customer service and responsiveness to be maximised. It also allows strong relationships to be developed with suppliers in different regions and provides access to all relevant sources of parts while bringing to bear Aero Inventory's position as an increasingly important player in the aircraft parts supply chain. Good progress was made during the year in strengthening our relationships with a number of key suppliers.

It is worth noting that the full operational go-live of the Qantas and ACTS contracts during the course of the year trebled the operational transactions processed by Aero Inventory compared to the previous activity level.

We have continued to develop Aero Inventory's proprietary system, Parts Central, to support the growing business. We also invested in the infrastructure of our IT resource to support the ever more widely spread locations and to provide greater capacity and resilience.

In a year which saw us complete our work to bring the Qantas contract into full operation, we also remained strongly focused on our existing customers and it is very pleasing to report that we achieved high service levels with all our major customers, in all cases achieving better performance levels than were previously achieved by customers' in-house operations.

AERO INVENTORY PLC
CHIEF EXECUTIVE'S STATEMENT (continued)
YEAR ENDED 30 JUNE 2008

In more detail, the key operational developments during the year were as follows:

Canada – Our largest contract, with ACTS (shortly to be renamed Aveos Fleet Performance), was signed in November 2007 and we are well on the way to full contract implementation. We have opened an office in Canada and have recruited a team to support the four ACTS locations across Canada and the ACTS subsidiary, Aeroman, in El Salvador.

Japan – Following the signing of our contract with ANA in March 2008 we have opened an office in Japan and are currently involved in recruitment and detailed contract implementation.

Australia – Our office in Melbourne has some 50 locally recruited staff to support the supply of parts to the four Qantas maintenance and repair locations in Australia. The Australian team also deals with the local Australian supply base. Contract implementation was successfully completed in July 2007. Many of the developments in operational procedures and IT systems developed for Qantas are now being used to improve our service at other sites.

Europe – Our major contracts with SR Technics in Zurich, Stansted and Dublin all performed satisfactorily. This business is operated from our office in New Barnet in the UK, supported by local on-site account support staff.

Hong Kong and China – Business in Hong Kong and China has continued to grow largely driven by increasing business with HAECO's subsidiaries in China, TAECO in Xiamen and STAECO in Jinan. We have enlarged our local support team in Hong Kong and we also have a dedicated warehouse and distribution facility. As well as providing the interface to customers in the region, the Hong Kong team has responsibility for procurement and purchasing from our Asia Pacific based suppliers.

Middle East – We continue to support ADAT in Abu Dhabi and have opened a small facility in Bahrain to support HAECO.

Indonesia – Business in Jakarta continues to be satisfactory with good potential for further expansion.

United States – The team based at our facility in Los Angeles has expanded significantly during the year. The number of buyers there in particular has increased to service the US based supplier base. The facility also acts as a logistics consolidation point for the considerable volumes of material which we source in the US for supply to our customers worldwide. In addition we have positioned some inventories not immediately required for current customer contracts in the facility and we market such materials to customers in the US.

Staff

During the period, Aero Inventory increased headcount significantly from 268 at June 2007 to 371 at June 2008. Over 50% of our staff are now based outside the UK. This is a clear demonstration of the globalisation of Aero Inventory's business.

There has been a major recruitment exercise in Canada to support the new contract with ACTS. An experienced team has been assembled with backgrounds in operational management, procurement, purchasing, inventory and demand planning. There has also been considerable expansion at our Los Angeles facility where we have increased our number of buyers in particular, so that they are based in the same time zone as the suppliers they buy from. More recently we have also been recruiting for our new contract with ANA in Japan. At a global level, we substantially increased our training efforts to ensure that all staff are equipped with the skills to maximise their effectiveness and contribution.

AERO INVENTORY PLC
CHIEF EXECUTIVE'S STATEMENT (continued)
YEAR ENDED 30 JUNE 2008

Current trading and prospects

Aero Inventory has grown its revenues and profits considerably in the last financial year and has strengthened its position within the industry. Aero Inventory is now an established industry player and in an excellent position to win further contracts. The business is also now realising some of the benefits of its increased size and is beginning to use its stock more efficiently which will lead to improving stock turn and cash flow. Although there is much more that needs to be done to achieve optimum stock turn we are now accelerating our plans for improvements in the current year.

Airlines are now being forced to react to the impact of both increased fuel costs and recessionary pressures and this has resulted in more enquiries for new business than ever before. This places Aero Inventory in an excellent position to win new contracts in addition to working on the successful implementation of our contracts with ACTS and ANA.

Rupert Lewin
Chief Executive
22 September 2008

AERO INVENTORY PLC
CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 JUNE 2008

	<i>Notes</i>	<i>2008</i> <i>\$'millions</i>	<i>2007</i> <i>\$'millions</i>
Revenue	2	440.0	247.0
Cost of sales		(278.2)	(164.2)
Net operating expenses		(68.5)	(29.9)
Operating profit		<u>93.3</u>	<u>52.9</u>
Investment revenue		-	0.8
Finance costs		(20.2)	(8.1)
Profit before tax		<u>73.1</u>	<u>45.6</u>
Tax	3	(21.5)	(14.5)
Profit for the year		<u><u>51.6</u></u>	<u><u>31.1</u></u>
Earnings per share (expressed in cents per share)			
Basic	5	108.7c	65.9c
Diluted	5	102.0c	65.3c

All amounts are derived from continuing operations.

AERO INVENTORY PLC
CONSOLIDATED STATEMENT OF RECOGNISED INCOME AND EXPENSE
FOR THE YEAR ENDED 30 JUNE 2008

	<i>Notes</i>	<i>2008</i> <i>\$'millions</i>	<i>2007</i> <i>\$'millions</i>
Taxation on share based payments		1.4	-
<i>Net income recognised directly in equity</i>	8	1.4	-
Profit for the year		51.6	31.1
<i>Total recognised income for the year</i>		53.0	31.1

AERO INVENTORY PLC
CONSOLIDATED BALANCE SHEET
FOR THE YEAR ENDED 30 JUNE 2008

	<i>Notes</i>	<i>2008</i> \$'millions	<i>2007</i> \$'millions
Non-current assets			
Intangible assets		52.8	37.5
Property, plant and equipment		3.9	2.5
		<u>56.7</u>	<u>40.0</u>
Current assets			
Inventories		690.1	390.9
Trade and other receivables		96.8	51.3
Deferred taxation		2.8	0.1
Cash and cash equivalents	6	1.2	0.4
		<u>790.9</u>	<u>442.7</u>
Total assets		<u>847.6</u>	<u>482.7</u>
Current liabilities			
Trade and other payables		141.9	101.0
Corporation tax payable		19.3	16.9
		<u>161.2</u>	<u>117.9</u>
Non – current liabilities			
Borrowings	6	392.2	111.0
Total liabilities		<u>553.4</u>	<u>228.9</u>
Net assets		<u>294.2</u>	<u>253.8</u>
Equity			
Share capital	8	1.0	1.0
Share premium account	8	212.1	210.3
Share based payment reserve	8	3.3	2.0
Retained earnings	8	77.8	40.5
Total equity	8	<u>294.2</u>	<u>253.8</u>

The accounts were approved by the board on 22 September 2008.

AERO INVENTORY PLC
CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2008

	<i>Notes</i>	<i>2008</i> \$'millions	<i>2007</i> \$'millions
Operating activities			
Profit for the year		51.6	31.1
<i>Adjustments to reconcile profit for the period to net cash inflow from operating activities:</i>			
Net finance costs		18.3	7.3
Income tax expense		21.5	14.5
Depreciation of property, plant and equipment		1.9	0.3
Amortisation of intangible assets		10.2	2.5
Cost of share based payments	7	1.3	0.8
Increase in inventories		(300.5)	(216.4)
Increase in trade and other receivables		(45.5)	(4.9)
Increase in trade and other payables		36.5	45.5
Increase in provisions		1.3	1.4
Cash absorbed by operations		(203.4)	(117.9)
Income taxes paid		(20.0)	(3.3)
Net cash out flows from operating activities		(223.4)	(121.2)
Investing activities			
Purchase of property, plant and equipment		(3.3)	(2.1)
Purchase of intangible assets		(25.8)	(38.5)
Net Cash flows used in investing activities		(29.1)	(40.6)
Financing activities			
Net interest paid		(14.0)	(5.7)
Proceeds on issue of ordinary share – net of expenses		1.8	1.0
Dividends paid		(15.7)	(10.2)
Repayment of borrowings	6	(111.0)	-
New bank loans raised	6	410.9	112.2
Loan costs	6	(18.7)	(1.2)
Net cash flows from financing activities		253.3	96.1
Net increase/(decrease) in cash and cash equivalents		0.8	(65.7)
Cash and cash equivalents at beginning of year	6	0.4	66.1
Cash and cash equivalents at end of year	6	1.2	0.4

AERO INVENTORY PLC
NOTES TO THE PRELIMINARY RESULTS
FOR THE YEAR ENDED 30 JUNE 2008

1. BASIS AND PREPARATION

The financial information set out above does not constitute the company's statutory accounts for the years ended 30 June 2008 or 2007, but is derived from those accounts. Statutory accounts for 2007 have been delivered to the Registrar of Companies and those for 2008 will be delivered following the company's annual general meeting. The auditors have reported on those accounts; their reports were unqualified, did not draw attention to any matters by way of an emphasis without qualifying their report and did not contain statements under s237(2) or (3) Companies Act 1985.

These preliminary statements are based on the company's financial statements which are prepared in accordance with International Financial Reporting Standards ("IFRSs") as adopted for use in the EU.

The preliminary announcement has been approved by the board of directors and authorised for issue on 22 September 2008.

2. BUSINESS SEGMENTS

All revenue arose from the activity of procurement and inventory management for the aerospace industry. An analysis of revenue by type of sale is as follows:

	<i>2008</i>	<i>2007</i>
	<i>\$'millions</i>	<i>\$'millions</i>
Sales to contracted customers under long term supply agreements	434.3	241.0
Other sales	5.7	6.0
	440.0	247.0
	440.0	247.0

Geographical analysis is presented below:

	<i>2008</i>	<i>2007</i>
	<i>\$'millions</i>	<i>\$'millions</i>
<i>Revenue</i>		
UK, rest of Europe and Middle East	78.1	73.5
America	143.4	-
Asia Pacific	218.5	173.5
	440.0	247.0
	440.0	247.0

AERO INVENTORY PLC
NOTES TO THE PRELIMINARY RESULTS
FOR THE YEAR ENDED 30 JUNE 2008

2. BUSINESS SEGMENTS (continued)

	<i>2008</i>	<i>2007</i>
	<i>\$'millions</i>	<i>\$'millions</i>
<i>Assets</i>		
UK, rest of Europe and Middle East	258.6	206.7
America	231.4	7.3
Asia Pacific	357.6	268.7
	<u>847.6</u>	<u>482.7</u>
	<u><u>847.6</u></u>	<u><u>482.7</u></u>
	<i>2008</i>	<i>2007</i>
	<i>\$'millions</i>	<i>\$'millions</i>
<i>Liabilities</i>		
UK, rest of Europe and Middle East	480.4	197.0
America	23.2	9.5
Asia Pacific	49.8	22.4
	<u>553.4</u>	<u>228.9</u>
	<u><u>553.4</u></u>	<u><u>228.9</u></u>

AERO INVENTORY PLC
NOTES TO THE PRELIMINARY RESULTS
FOR THE YEAR ENDED 30 JUNE 2008

3. TAXATION

(a) Tax on profit on ordinary activities

	2008	2007
	<i>\$'millions</i>	<i>\$'millions</i>
<i>Current year taxation:</i>		
UK Corporation Tax	22.8	14.2
Adjustment in respect of prior year	(0.2)	0.7
Foreign taxation	0.2	-
	22.8	14.9
	22.8	14.9
<i>Deferred tax:</i>		
Origination and reversal of temporary differences	(1.3)	(0.4)
	(1.3)	(0.4)
Total deferred tax (note 10(c))	(1.3)	(0.4)
	(1.3)	(0.4)
Tax charge in the income statement	21.5	14.5

(b) Reconciliation of the total tax charge

The tax assessed for the year is lower than the standard rate of UK corporation tax of 29.5% (2007: 30%). The differences are explained below:

	2008	2007
	<i>\$'millions</i>	<i>\$'millions</i>
<i>Profit before tax</i>	73.1	45.6
	73.1	45.6
Profit on ordinary items activities multiplied by standard rate of Corporation Tax in the UK of 29.5% (2007: 30%)	21.6	13.7
<i>Tax effects of:</i>		
Expenses not deductible for tax purposes	0.1	0.4
Adjustment in respect of prior years	(0.2)	0.4
	(0.1)	0.8
Total tax expense	21.5	14.5

The UK corporation tax rate decreased from 30% to 28% from 1 April 2008 resulting in an average standard rate of 29.5% for the year ending 30 June 2008.

AERO INVENTORY PLC
NOTES TO THE PRELIMINARY RESULTS
FOR THE YEAR ENDED 30 JUNE 2008

3. TAXATION (continued)

(c) Deferred tax

Deferred tax included in the consolidated balance sheet is as follows:

	Accelerated capital allowances \$' millions	Share based payments \$' millions	Other short-term timing difference \$' millions	Total \$' millions
At 1 July 2006	0.4	(0.2)	(0.5)	(0.3)
(Charge) credit to income statement for the year	1.1	0.3	(1.0)	0.4
(Charge) credit to equity for the year	-	-	-	-
At 1 July 2007	1.5	0.1	(1.5)	0.1
(Charge) credit to income statement for the year	(1.6)	0.4	2.5	1.3
(Charge) credit to equity for the year	-	1.4	-	1.4
At 30 June 2008	(0.1)	1.9	1.0	2.8

Disclosed on the consolidated balance sheet

Deferred tax asset	2.9	1.6
Deferred tax liability	(0.1)	(1.5)
	<u>2.8</u>	<u>0.1</u>

AERO INVENTORY PLC
NOTES TO THE PRELIMINARY RESULTS
FOR THE YEAR ENDED 30 JUNE 2008

4. DIVIDENDS

	2008	2007
	<i>\$'millions</i>	<i>\$'millions</i>
<i>Amounts recognised as distributions to equity holders in the year:</i>		
Final dividend for the year ended 30 June 2008 of 10.5 pence per share, equivalent to 21.42 cents per share (2007: 6.7 pence, equivalent to 13.45 cents per share)	10.0	4.7
Interim dividend for the year ended 30 June 2008 of 6 pence per share, equivalent to 11.27 cents per share (2007: 4.5 pence, equivalent to 8.82 cents per share)	5.7	5.8
	15.7	10.5
	11.3	9.6

The proposed dividend is subject to approval by shareholders at the Annual General Meeting and has not been included as a liability in these financial statements.

AERO INVENTORY PLC
NOTES TO THE PRELIMINARY RESULTS
FOR THE YEAR ENDED 30 JUNE 2008

5. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share is based on the following data:

Earnings

	<i>2008</i>	<i>2007</i>
	<i>\$'millions</i>	<i>\$'millions</i>
Earnings for the purposes of basic and diluted earnings per share	51.6	31.1
	<u> </u>	<u> </u>

Number of shares

	<i>2008</i>	<i>2007</i>
	<i>Number</i>	<i>Number</i>
Weighted average number of ordinary shares for the purposes of basic earnings per share	47,463,677	47,205,097
	<u> </u>	<u> </u>

Effect of dilutive potential ordinary shares:

Share options	3,139,320	417,727
	<u> </u>	<u> </u>

Weighted average number of ordinary shares for the purposes of diluted earnings per share

50,602,997	47,622,824
<u> </u>	<u> </u>

	<i>2008</i>	<i>2007</i>
	<i>Cents</i>	<i>Cents</i>
Basic earnings per share	108.7	65.9
Effect of dilutive potential ordinary shares	(6.7)	(0.6)
	<u> </u>	<u> </u>
Diluted earnings per share	102.0	65.3
	<u> </u>	<u> </u>

AERO INVENTORY PLC
NOTES TO THE PRELIMINARY RESULTS
FOR THE YEAR ENDED 30 JUNE 2008

6. BORROWINGS AND NET DEBT

	2008	2007
	<i>\$'millions</i>	<i>\$'millions</i>
Cash		
Bank	1.2	0.4
	<hr/>	<hr/>
Borrowings		
Bank loans	410.9	112.2
Loan costs	(18.7)	(1.2)
	<hr/>	<hr/>
	392.2	111.0
	<hr/>	<hr/>
Net debt	<u>391.0</u>	<u>110.6</u>

At 30 June 2008, the Group had available \$89.1 million (2007: \$57,000) of undrawn committed borrowing facilities.

The bank loan is secured by a fixed and floating charge which is secured by the trade receivables and inventory of the Group. The book value of financial liabilities approximates their fair value.

In February 2008 a new 5 year syndicated asset based lending facility was signed and increased the size of our available banking facility from \$356m to \$425m. The facility was increased on 23 June 2008 to \$500m.

	2008	2007
	<i>\$'millions</i>	<i>\$'millions</i>
The borrowings are repayable as follows:		
On demand or within one year	-	-
In the second year	-	-
In the third to fifth years inclusive	410.9	112.2
	<hr/>	<hr/>
	410.9	112.2
Less: Amount due for settlement within 12 months (shown under current liabilities)	<hr/> -	<hr/> -
Amounts due for settlement after 12 months.	<u>410.9</u>	<u>112.2</u>

The interest rate charged on the facility is US Libor + 3%. The average interest rate charged in the period was 5.78%

AERO INVENTORY PLC
NOTES TO THE PRELIMINARY RESULTS
FOR THE YEAR ENDED 30 JUNE 2008

7. SHARE-BASED PAYMENT

The Company provides benefits to employees (including Directors) of the Company in the form of share-based payment transactions (share options), whereby employees render services in exchange for rights over shares ('equity-settled transactions'). The fair value of the employee services rendered is determined by reference to the fair value of the options granted.

All share options are valued using an appropriate option-pricing model such as Black Scholes. This fair value is charged to the profit and loss account over the vesting period of the share-based payment scheme, with the corresponding increase in equity. The value of the charge is adjusted in the profit and loss account over the remainder of the vesting period to reflect expected and actual levels of options vesting, with the corresponding adjustment made in equity.

The Group has recognised a total expense of \$1.3 million relating to equity settled share option scheme transactions in the year(2007: \$0.8 million)

8. RESERVES

	<i>Share premium account \$'millions</i>	<i>Share based payment reserve \$'millions</i>	<i>Retained earnings \$'millions</i>	<i>Total \$'millions</i>
At 1 July 2006	209.2	1.1	19.9	230.2
Profit for the financial period	-	-	31.1	31.1
Dividends paid	-	-	(10.5)	(10.5)
Share based payments	-	0.9	-	0.9
Shares issued	1.1	-	-	1.1
	<hr/>	<hr/>	<hr/>	<hr/>
At 30 June 2007 and 1 July 2007	210.3	2.0	40.5	252.8
Profit for the financial period	-	-	51.6	51.6
Dividends paid	-	-	(15.7)	(15.7)
Share based payments	-	1.3	-	1.3
Shares issued	1.8	-	-	1.8
Taxation on share based payments	-	-	1.4	1.4
	<hr/>	<hr/>	<hr/>	<hr/>
At 30 June 2008	212.1	3.3	77.8	293.2
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

9. AVAILABILITY OF INFORMATION

Copies of this announcement are available from the company secretary at 30 Lancaster Road, New Barnet, Hertfordshire, EN4 8AP