

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

Press
Release

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



10 February 2009

Aero Inventory plc
("Aero Inventory" or the "Company")

Significant Stock Sale and Share Placing

STOCK SALE

In order to position itself to take on further new business Aero Inventory has completed the sale of a significant quantity of consumable aircraft parts to Air Canada. The consideration received by Aero Inventory for this material is in the form of Bills of Exchange with a face value of approximately US\$100 million, maturing in just less than one year. Aero Inventory intends to discount the Bills for cash to provide additional liquidity to facilitate new business. The sale also represents a significant step towards achieving the Company's twin objectives of improving stock turn and releasing cash from inventory.

SHARE PLACING

Aero Inventory has also considered it appropriate in the current business climate to supplement the cash to be generated by the sale to Air Canada with a placing of new ordinary shares. Aero Inventory has today raised approximately £11.9 million, before expenses, through a placing with certain existing shareholders of 4,762,680 new shares at a price of 250p per share (the 'Placing'). The shares placed represent approximately 10 per cent. of the Company's existing issued share capital and approximately 9.1 per cent. of the Company's issued share capital following the Placing.

The Placing is conditional on the Admission of the new shares to trading on the Alternative Investment Market of the London Stock Exchange ('AIM'). Application has been made for the new shares to be admitted to trading on AIM and dealings are expected to commence on 13 February 2009. Following the Placing, Aero Inventory has 52,389,678 Ordinary Shares of 1.25p in issue.

Lansdowne Partners, one of Aero Inventory's largest shareholders, is considered a related party under the AIM Rules. It is participating in the Placing and as a consequence the Placing is classified as a related party transaction. However, the directors of Aero Inventory, having consulted with the Company's nominated adviser, JPMorgan Cazenove, consider that the terms of the placing to Lansdowne Partners are fair and reasonable insofar as its shareholders are concerned.

CURRENT TRADING

Demand from existing contracts continues to be resilient although it would be unrealistic to expect it to remain entirely unaffected by the global economic slowdown. Current trading is in line with management expectations and Aero Inventory is seeing unprecedented new business opportunities with progress being made in a number of new contract negotiations, in particular with one major airline.



Commenting on the transactions, Rupert Lewin, the Chief Executive of Aero Inventory, said: 'I am pleased to announce two transactions which will help to ensure that we have the financial resources to enable Aero Inventory to continue to win substantial new business despite the challenging economic climate.'

For further information, please contact:

Aero Inventory plc	+44 (0)20 8688 5812
Rupert Lewin, Chief Executive	rupert.lewin@aero-inventory.com

JPMorgan Cazenove	+44 (0)20 7588 2828
Nick Garrett	

Numis Securities	+44 (0)20 7260 1000
Chris Wilkinson	

Buchanan Communications Limited	+44 (0)20 7466 5000
Bobby Morse	+44 (0)7802 875227
Ben Willey	+44 (0)7718 771513
Christian Goodbody	



TERMS AND CONDITIONS

This Announcement does not constitute an offer to sell or issue or the solicitation of an offer to buy or acquire shares in the United States, Canada, Australia or Japan or any jurisdiction in which such an offer or solicitation is unlawful. The shares in the Company referred to in this Announcement (the 'Placing Shares') have not been and will not be registered under the US Securities Act of 1933, as amended ('Securities Act') and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state laws. No public offering of shares in the Company will be made in the United States or any other jurisdiction.

This Announcement has been issued by and is the sole responsibility of the Company. No representation or warranty express or implied, is or will be made as to, or in relation to, and no responsibility or liability is or will be accepted by JPMorgan Cazenove Limited or by any of its affiliates or agents as to or in relation to, the accuracy or completeness of this Announcement or any other written or oral information made available to or publicly available to any interested party or its advisers, and any liability therefore is expressly disclaimed. Any indication in this Announcement of the price at which ordinary shares have been bought or sold in the past cannot be relied upon as a guide to future performance.

JPMorgan Cazenove Limited ('JPMC'), which is authorised and regulated by the Financial Services Authority, is acting for the Company in connection with the Placing and no-one else and JPMC will not be responsible to anyone other than the Company for providing the protections afforded to clients of JPMC nor for providing advice in relation to the Placing.

IMPORTANT INFORMATION FOR INVITED PLACEEES ONLY.

MEMBERS OF THE PUBLIC ARE NOT ELIGIBLE TO TAKE PART IN THE PLACING. THIS ANNOUNCEMENT IS DIRECTED ONLY AT: (A) PERSONS IN MEMBER STATES OF THE EUROPEAN ECONOMIC AREA WHO ARE QUALIFIED INVESTORS; (B) IN THE UNITED KINGDOM, QUALIFIED INVESTORS WHO ARE PERSONS WHO (I) HAVE PROFESSIONAL EXPERIENCE IN MATTERS RELATING TO INVESTMENTS FALLING WITHIN ARTICLE 19(1) OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (FINANCIAL PROMOTION) ORDER 2005 (THE 'ORDER'); (II) ARE PERSONS FALLING WITHIN ARTICLE 49(2)(A) TO (D) ('HIGH NET WORTH COMPANIES, UNINCORPORATED ASSOCIATIONS, ETC') OF THE ORDER; OR (III) ARE PERSONS TO WHOM IT MAY OTHERWISE BE LAWFULLY COMMUNICATED (ALL SUCH PERSONS TOGETHER BEING REFERRED TO AS 'RELEVANT PERSONS'). THIS ANNOUNCEMENT MUST NOT BE ACTED ON OR RELIED ON BY PERSONS WHO ARE NOT RELEVANT PERSONS. ANY INVESTMENT OR INVESTMENT ACTIVITY TO WHICH THIS ANNOUNCEMENT RELATES IS AVAILABLE ONLY TO RELEVANT PERSONS AND WILL BE ENGAGED IN ONLY WITH RELEVANT PERSONS. THIS ANNOUNCEMENT DOES NOT ITSELF CONSTITUTE AN OFFER FOR SALE OR SUBSCRIPTION OF ANY SECURITIES IN THE COMPANY.

Persons who are invited to and who choose to participate in the Placing, by making an oral or written offer to subscribe for Placing Shares (the 'Placees'), will be deemed to have read and understood this Announcement in its entirety and to be making such offer on the terms and conditions, and to be providing the representations, warranties, acknowledgements, and undertakings contained in this Announcement. Persons (including, without limitation, nominees and trustees) who have a contractual or other legal obligation to forward a copy of this Announcement should seek appropriate advice before taking any action. In this Announcement, unless the context otherwise requires, Placee means a relevant person (including individuals, funds or others) on whose behalf a commitment to subscribe for Placing Shares has been given. A bid for Placing Shares will be made on the terms and subject to the conditions in this Announcement and will be legally binding on the Placee on behalf of which it is made and except with JPMC's consent (on behalf of the Company) will not be capable of variation or revocation after the time at which it is submitted. Each Placee will also have an immediate, separate, irrevocable and binding obligation, owed to the Company, to pay it (or as it may direct) in cleared funds an amount equal to the product of the Placing Price and the number of Placing Shares such Placee has agreed to acquire. Each Placee's obligations under this paragraph will be owed to the Company and may be enforced by the Company or JPMC as its agent.



All obligations under the Placing will be subject to Admission occurring. By participating, each Placee will agree that its rights and obligations in respect of the Placing will not be capable of rescission or termination by the Placee.

JPMC, its affiliates and their respective officers and employees may hold positions in, and deal in, the securities of the Company and financial instruments related thereto, including the Company's existing ordinary shares and the Placing Shares.

No Prospectus

The Placing Shares are being offered to a limited number of specifically invited persons only and will not be offered in such a way as to require a prospectus in the United Kingdom or in any other jurisdiction. No offering document or prospectus has been or will be submitted to be approved by the FSA in relation to the Placing and Placees' commitments will be made solely on the basis of the information contained in this Announcement. The Company's ordinary shares are admitted to trading on AIM, and the Company is therefore required to publish certain business and financial information in accordance with the AIM Rules (collectively, the 'Exchange Information'), which includes a description of the nature of the Company's business and the Company's most recent AIM admission document and financial statements, and similar statements for preceding financial years. Each Placee, by accepting a participation in the Placing, agrees that the content of this Announcement is exclusively the responsibility of the Company and confirms that it has neither received nor relied on any information, representation, warranty, or statement made by or on behalf of the Company or JPMC or any other person (other than on this Announcement and the Exchange Information) and neither JPMC nor the Company nor any other person will be liable for any Placee's decision to participate in the Placing based on any other information, representation, warranty or statement which the Placees may have obtained or received. Each Placee acknowledges and agrees that it has relied on its own investigation of the business, financial or other position of the Company in accepting a participation in the Placing, that it is able to obtain or access the Exchange Information without undue difficulty and that it is able to bear the financial risk of investing in the Placing Shares. Nothing in this paragraph shall exclude the liability of any person for fraudulent misrepresentation.

Settlement

Settlement of transactions in the Placing Shares following Admission will take place within the CREST system, subject to certain exceptions. It is expected that settlement will be on the date of admission of the Placing Shares to trading on AIM in accordance with the instructions set out in the trade confirmation. The obligation to deliver the Placing Shares is an obligation of the Company and not of its agent JPMC. All times and dates in this Announcement may be subject to amendment.

Each Placee is deemed to agree that, if it does not comply with these obligations, JPMC may sell any or all of the Placing Shares allocated to that Placee on such Placee's behalf and retain from the proceeds, for the Company's account and benefit, an amount equal to the aggregate amount owed by the Placee plus any interest due. The relevant Placee will, however, remain liable to the Company for any shortfall below the aggregate amount owed by it and may be required to bear any stamp duty or stamp duty reserve tax (together with any interest or penalties) which may arise upon the sale of such Placing Shares on such Placee's behalf.

Insofar as Placing Shares are registered in a Placee's name or that of its nominee or in the name of any person for whom a Placee is contracting as agent or that of a nominee for such person, such Placing Shares should, subject as provided below, be so registered free from any liability to UK stamp duty or stamp duty reserve tax.

Representations and Warranties

By participating in the Placing each Placee (and any person acting on such Placee's behalf):



1. undertakes that it is outside the United States and Canada and is subscribing for the Placing Shares in an “offshore transaction” (within the meaning of Regulation S under the Securities Act) and acknowledges that the Placing Shares have not been and will not be registered under the securities legislation of the United States, Canada or any other jurisdiction and, subject to certain exceptions, may not be offered, sold, taken up, renounced or delivered or transferred, directly or indirectly, within those jurisdictions;
2. represents and warrants that the issue to it, or the person specified by it for registration as holder, of Placing Shares will not give rise to a liability under any of sections 67, 70, 93 or 96 of the Finance Act 1986 (depository receipts and clearance services) and that the Placing Shares are not being acquired in connection with arrangements to issue depository receipts or to transfer Placing Shares into a clearance system;
3. if a financial intermediary, as that term is used in Article 3(2) of the EU Prospectus Directive (which means Directive 2003/71/EC and includes any relevant implementing measure in any member state) (the 'Prospectus Directive'), represents and warrants that the Placing Shares purchased by it in the Placing will not be acquired on a non-discretionary basis on behalf of, nor will they be acquired with a view to their offer or resale to, persons in a Member State of the European Economic Area which has implemented the Prospectus Directive other than qualified investors, or in circumstances in which the prior consent of JPMC has been given to the offer or resale;
4. represents and warrants that it has not offered or sold and will not offer or sell any Placing Shares to persons in the European Economic Area except to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their business or otherwise in circumstances which have not resulted in and which will not result in an offer to the public in any member state of the European Economic Area within the meaning of the Prospectus Directive, and that it has complied and will comply with all applicable provisions of the Financial Services and Markets Act 2000 with respect to anything done by it in relation to the Placing Shares in, from or otherwise involving, the United Kingdom;
5. represents and warrants that it and any person acting on its behalf is entitled to acquire the Placing Shares under the laws of all relevant jurisdictions and that it has all necessary capacity and has obtained all necessary consents and authorities to enable it to commit to this participation in the Placing and to perform its obligations in relation thereto (including, without limitation, in the case of any person on whose behalf it is acting, all necessary consents and authorities to agree to the terms set out or referred to in this Announcement) and will honour such obligations;
6. where it is acquiring Placing Shares for one or more managed accounts, represents and warrants that it is authorised in writing by each managed account both to acquire the Placing Shares for each managed account and to make on its behalf the representations, warranties and agreements in this Announcement;
7. undertakes that it (and any person acting on its behalf) will make payment for the Placing Shares allocated to it in accordance with this Announcement on the due time and date set out herein, failing which the relevant Placing Shares may be placed with other placees or sold as the Company or JPMC may determine and without liability to such Placee, and acknowledges that time shall be of the essence as regards obligations pursuant to this Announcement;
8. undertakes that the person whom it specifies for registration as holder of the Placing Shares will be (i) itself or (ii) its nominee, as the case may be. Neither JPMC nor the Company will be responsible for any liability to stamp duty or stamp duty reserve tax resulting from a failure to observe this requirement. Each Placee and any person acting on behalf of such Placee agrees to participate in the Placing and it agrees to indemnify the Company and JPMC in respect of the same on the basis that the Placing Shares will be allotted to the CREST stock account of JPMC, who will hold them as nominee on behalf of such Placee until settlement in accordance with its standing settlement instructions;



9. acknowledges that any agreements entered into by it pursuant to these terms and conditions shall be governed by and construed in accordance with the laws of England and Wales and it submits (on behalf of itself and on behalf of any person on whose behalf it is acting) to the exclusive jurisdiction of the English courts as regards any claim, dispute or matter arising out of any such contract, except that enforcement proceedings in respect of the obligation to make payment for the Placing Shares (together with any interest chargeable thereon) may be taken by the Company or JPMC in any jurisdiction in which the relevant Placee is incorporated or in which any of its securities have a quotation on a recognised stock exchange;
10. agrees that the Company and JPMC and their respective affiliates and others will rely upon the truth and accuracy of the foregoing representations, warranties, acknowledgements and undertakings which are irrevocable;
11. agrees to indemnify and hold the Company and JPMC and their respective affiliates harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of the representations, warranties, acknowledgements, agreements and undertakings in this Announcement, which shall survive after completion of the Placing.

The agreement to settle a Placee's acquisition (and/or the acquisition of a person for whom such Placee is contracting as agent) free of stamp duty and stamp duty reserve tax depends on the settlement relating only to an acquisition by it and/or such person direct from the Company for the Placing Shares in question. Such agreement assumes that the Placing Shares are not being acquired in connection with arrangements to issue depositary receipts or to transfer the Placing Shares into a clearance service. If there are any such arrangements, or the settlement related to any other dealing in the Placing Shares, stamp duty or stamp duty reserve tax may be payable, for which neither the Company nor JPMC will be responsible. If this is the case, each Placee should seek its own advice and notify JPMC accordingly. In addition, Placees should note that they will be liable for any stamp duty and all other stamp, issue, securities, transfer, registration, documentary or other duties or taxes (including any interest, fines or penalties relating thereto) payable outside the UK by them or any other person on the subscription by them of any Placing Shares or the agreement by them to acquire any Placing Shares.