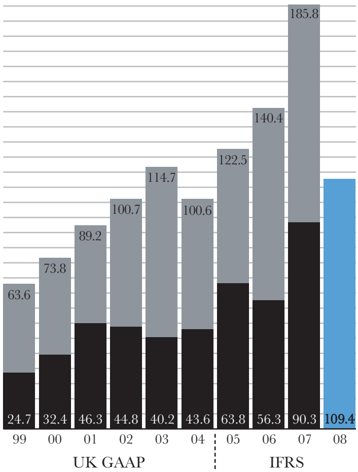
By Appointment to
Her Majesty The Queen
Supplier of Aircraft Charter

AIR PARTNER

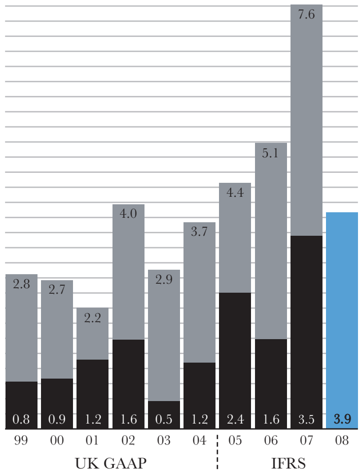
Air Partner plc
Interims 2008

Full Year Figures
Half Year Figures
2008 Half Year Figures
Special Dividend Figures

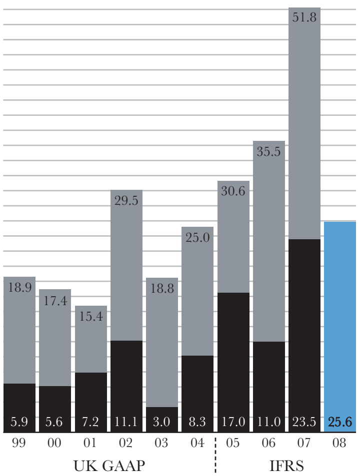
Turnover (£m)



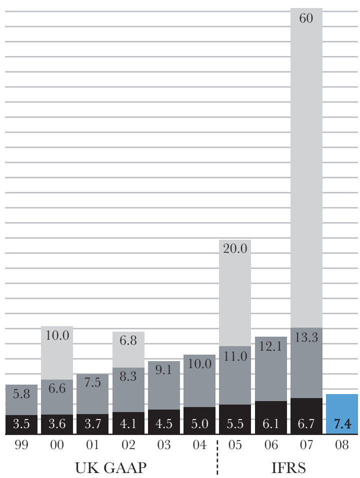
Profit before tax (£m)



Basic earnings per share (pence)



Dividend per share (pence)



Highlights

Sales up 21% to £109.4m (£90.3m)

Operating profit up 9% to £3.5m (£3.2m)

Profit before tax up 12% to £3.9m (£3.5m)

Basic EPS up 9% to 25.6p (23.5p)

Interim dividend up 10% to 7.4p (6.7p)

David Savile, Chief Executive of Air Partner commented:
"I am pleased to report that today Air Partner serves more clients, has greater sales revenue and delivers higher profits than at any time in its 47 year history. Air Partner's team is unique within its peer group; it demonstrates outstanding skills on a daily basis, and it is well placed to respond favourably to today's market conditions."

Corporate statement

In 1980, Air Partner was a small, successful air taxi operator and aircraft charter broker based at London's second airport, Gatwick. The company had a sales turnover of £1 million, traded under the name of Air London and was an unlisted player in an unknown market.

In the intervening years the Company, under the Air Partner brand, has transformed itself into the only truly global aircraft charter provider, is listed on the London Stock Exchange, and has many of the biggest institutional shareholders owning the majority of its shares. In that period it has traded £1.5 billion of successful contracts.

The company's professional advice, smart procurement and logistical expertise combine with personal recommendations to provide a unique capability, that is best described as 'the global trading floor for aircraft charter'.

In selling the highest quality of air travel to the most discerning of clients, Air Partner offers value added services that make the difference between an ordinary flight and a highly successful operation delivering tangible results. Air Partner is proud of its stable and growing client base, which is serviced by its 190 highly professional traders and logistics experts, providing global solutions at best value-for-money rates.

For in today's market, it is not enough to organise a carrier to perform a described mission; traders must be supported by a logistics team that oversees the flight, ensuring thorough preparation with no margin for error. Critical to this is Air Partner's unique 24-hour Operations Centre in the UK, and its global network of offices stretching from Europe across the Middle East, to Asia, the Far East and across the Pacific to North America. Each office is manned by local teams that have the contact network to mate local knowledge with global expertise and support – in short a bespoke premier charter service.

Chairman's interim statement

I am pleased to report that Air Partner has produced excellent half year results, despite a deterioration in the global economic climate. Air Partner is currently trading in line with full year expectations and the Company's forward orders are 40% ahead of this time last year.

In the six months to 31 January 2008, Group sales have increased 21% to £109.4m (H1 2007: £90.3m), with client numbers up 20%, and profit before tax rising 12% to £3.9m (H1 2007: £3.5m). Cash reduced by 17% to £14.3m (H1 2007: £17.3m) on the back of £8.0m paid to shareholders as part of a special dividend in 2007. Underlying cash growth continues unabated, up 27% over the last 12 months. Government business, across all divisions, accounted for 40% of all revenues (H1 2007: 35%) reflecting Air Partner's ability to offer a pre-eminent service to a multitude of departments of state across the globe. The board is proposing an interim dividend of 7.4p (H1 2007: 6.7p), to maintain the Group's longstanding 10% growth policy; this will be paid on 16 May 2008 to those shareholders on the register at the close of business on 18 April 2008.

Trading conditions in the period under review have been good, a slight change after almost two years of near-perfect market conditions. Air Partner has adjusted well and our diversity of product, geography and clients has enabled the Group to maintain its growth in changing economic times. As a result, the Group has experienced a slight shift in the business mix as products and regions alter their contribution to Group sales.

The Group's international office network is a key element in our diversity. As has so often been the case, exceptionally strong performances in some areas, have compensated weaker areas. In this period, the UK, France and Italy have performed strongly, as the USA slightly reduced its contribution. With our network, it should be remembered that the initial investment in each of the Group's 22 overseas offices has never exceeded £0.25m, and with break-even typically coming during year two, the return on investment of some offices can be impressive. The French office, which has produced average annual profits in excess of £0.5m over the last few years, on an initial investment of one tenth of that made ten years ago, is a good example of this.

Commercial Jets (CJ)

The Commercial Jets division has grown sales by 28% and profit by 9%. In all, CJ accounts for 67% (H1 2007: 63%) of Group sales. The key driver behind this is an increase in business from global Governments, which has significantly offset the smaller reduction in the more discretionary corporate sector spend. The division's ability to continue its growth, despite this ebb and flow, is further evidence of our success in executing the diversification strategy - ensuring that revenues are spread across geography, client and product. Divisional margins have slightly reduced against the same period last year due to the traditional margin variances that are inherent across our business, some increased competition in this sector, and a propensity towards longer term contracts, that operate at lower margins. The Group's strong sales growth reflects the inherent weaknesses in the scheduled air products that cannot provide the flexibility we offer to our clients.

Private Jets (PJ)

The Private Jets division spans broking, JetCard, and private jet operations at Biggin Hill airport. Total sales across the three products was up 11%, particularly driven by private client activity, which was 20% stronger than the same period last year, as a growing number of high net worth clients started using our wider product lines.

The broking teams remain the bedrock of our business and corporate clients are the largest users. Activity levels remained high, although there was emerging evidence of corporate belt-tightening as companies reviewed budgets during uncertain times.

JetCard, a jet membership programme targeting individuals, is proving to be another very strong product and sales are up over 50% through the last year, with higher card renewal rates. The card offers individuals guaranteed access to private jets at fixed and competitive rates, and in turn provides the Group with a significant boost to cash levels.

The Biggin Hill operation, which accounts for 6% of Group sales, has made further progress against the Group's strategic aims for the division. Additions to the fleet, cross-selling from our broking business, optimising fleet hours and revenues, and approval for our new private jet enclave are all good achievements. However, there is still work to be done to reach targeted returns, and there remain some legacy contracts that need more time before they are resolved. As a result, divisional winter losses are on a par with last year, but we enter the peak summer season expecting a modest increase in profitability, albeit behind its divisional target. The Biggin facility has proven to be a highly beneficial 'showroom' for the rest of the Group's PJ activity.

Overall, Private Jets profitability is encouragingly up 10% and it now represents 24% (H1 2007: 27%) of Group sales. The slight comparable percentage decrease is due only to Air Partner's ability to grow CJ faster than PJ. I am particularly encouraged by our continuing ability to gain new clients in this division, notably those whose flight activity is unlikely to be affected by economic cycles.

Other activities

The world cargo market is currently growing at 6% per annum and it is pleasing to report that our Freight division, which accounts for 8% of Group sales, exceeded its annual target before the half-year mark. H1 sales were up 39%, reflecting a well managed team, focused on meeting client expectations. Profitability has increased by 74%, as we integrated the global freight broking team under UK management.

The many support divisions, comprising the final 1% of Group activity, are all trading similarly well.

Current trading

The Group is currently well served by good opportunities in every sector. Despite limited forward visibility, as at the end of February, advanced orders are 40% ahead of the comparable period, and cash has risen a further £3.6m. Consequently, the board remains confident that Air Partner is well positioned to grow and enjoy good trading in the second half of the financial year.

As previously announced, after 18 happy and successful years as Group Chairman, this is my last report to shareholders as Chairman. However, as a significant and long term shareholder, I remain on the board as a Non-executive Director. I am delighted that Aubrey Adams will join the board as Non-executive Chairman and I wish him every success in his new role. Today's figures are a terrific result from a very professional and focused team, and my thanks go to all 250 members of the Company and all those who have supported and worked with us throughout my executive tenure.

Tony Mack
Chairman
31st March 2008

Unaudited condensed consolidated income statement

for the six months ended 31 January 2008

Continuing operations	Note	Half year to 31 January 2008 (unaudited) £'000	Half year to 31 January 2007 (unaudited) £'000	Year to 31 July 2007 (audited) £'000
Revenue	2	109,366	90,308	185,780
Cost of sales		(95,923)	(76,064)	(160,600)
Gross profit		13,443	14,244	25,180
Administrative expenses		(9,981)	(11,041)	(18,233)
Operating profit		3,462	3,203	6,947
Finance income		422	261	668
Finance costs		(3)	–	(9)
Profit before tax		3,881	3,464	7,606
Taxation	7	(1,297)	(1,093)	(2,511)
Profit for the period		2,584	2,371	5,095
Attributable to:				
Equity holders of the parent		2,584	2,301	5,089
Minority interests		–	70	6
		2,584	2,371	5,095
Earnings per share:				
Basic	4	25.6p	23.5p	51.8p
Diluted	4	25.1p	23.0p	50.3p

Unaudited condensed consolidated statement of recognised income and expense

for the six months ended 31 January 2008

	Half year to 31 January 2008 (unaudited) £'000	Half year to 31 January 2007 (unaudited) £'000	Year to 31 July 2007 (audited) £'000
Exchange differences on translation of foreign operations	451	(123)	(175)
Net income/(expense) recognised directly in equity	451	(123)	(175)
Profit for the period	2,584	2,371	5,095
Total recognised income and expense for the period	3,035	2,248	4,920
Attributable to:			
Equity holders of the parent	3,035	2,178	4,909
Minority interests	–	70	11
	3,035	2,248	4,920

Unaudited condensed consolidated balance sheet

as at 31 January 2008

	Note	31 January 2008 (unaudited) £'000	31 January 2007 (unaudited) £'000	31 July 2007 (audited) £'000
Assets				
Non-current assets				
Goodwill		4,373	3,877	3,619
Other intangible assets		292	–	379
Property, plant and equipment		1,470	1,463	1,421
Deferred tax assets		171	372	157
		6,306	5,712	5,576
Current assets				
Inventories		371	457	395
Trade and other receivables		26,551	15,328	26,675
Financial assets		216	–	–
Cash and cash equivalents		14,349	17,311	19,479
		41,487	33,096	46,549
Total assets		47,793	38,808	52,125
Current liabilities				
Trade and other payables		(9,601)	(8,394)	(9,763)
Financial liabilities		–	–	(170)
Current tax liabilities		(912)	(856)	(1,164)
Other liabilities		(23,475)	(14,289)	(23,605)
		(33,988)	(23,539)	(34,702)
Net current assets		7,499	9,557	11,847
Non-current liabilities				
Deferred tax liability		(75)	(266)	(76)
		(75)	(266)	(76)
Total liabilities		(34,063)	(23,805)	(34,778)
Net assets		13,730	15,003	17,347
Equity				
Share capital		509	497	499
Share premium account		4,294	3,350	3,475
Hedging reserve		–	5	–
Translation reserve		162	(237)	(289)
Share option reserve		419	396	454
Retained earnings		8,346	10,746	13,023
Equity attributable to equity holders of the parent	5	13,730	14,757	17,162
Minority equity interest		–	246	185
Total equity		13,730	15,003	17,347

Unaudited condensed consolidated cash flow statement

for the six months ended 31 January 2008

	Note	Half year to 31 January 2008 (unaudited) £'000	Half year to 31 January 2007 (unaudited) £'000	Year to 31 July 2007 (audited) £'000
Net cash from operating activities	6	2,176	10,036	12,097
Investing activities				
Interest received		422	261	668
Proceeds on disposal of property, plant and equipment		–	1,611	1,638
Acquisition of subsidiaries (net of cash acquired)		(957)	(5,094)	(2,104)
Purchases of property, plant and equipment		(181)	(771)	(968)
Net cash (used in)/generated by investing activities		(716)	(3,993)	(766)
Financing activities				
Dividends paid		(7,468)	(1,370)	(2,030)
Decrease in bank loans		–	–	(2,533)
Proceeds on issue of shares		829	782	910
Net cash used in financing activities		(6,639)	(588)	(3,653)
Net (decrease)/increase in cash and cash equivalents		(5,179)	5,455	7,678
Opening cash and cash equivalents		19,479	11,931	11,931
Effect of foreign exchange rate changes		49	(75)	(130)
Closing cash and cash equivalents		14,349	17,311	19,479

Reconciliation of net cash flow to movement net funds

for the six months ended 31 January 2008

	Half year to 31 January 2008 (unaudited) £'000	Half year to 31 January 2007 (unaudited) £'000	Year to 31 July 2007 (audited) £'000
(Decrease)/increase in cash in the year	(5,179)	5,455	7,678
Effect of foreign exchange rate changes	49	(75)	(130)
Movement in net funds during the period	(5,130)	5,380	7,548
Opening net funds	19,479	11,931	11,931
Closing net funds	14,349	17,311	19,479

Selected notes to the condensed consolidated interim financial information

1 Interim statement

Basis of preparation

This unaudited condensed interim financial information for the half year ended 31 January 2008 has been prepared in accordance with IAS 34, 'Interim financial reporting'. The interim condensed financial report should be read in conjunction with the annual financial statements for the year ended 31 July 2007.

The accounting policies adopted are consistent with those of the annual financial statements for the year ended 31 July 2007, as described in the annual financial statements for the year ended 31 July 2007.

The financial information contained in this document does not constitute statutory accounts as defined in Section 240 of the Companies Act 1985. The auditors have issued an unqualified opinion on the Group's statutory financial statements under International Financial Reporting Standards for the year ended 31 July 2007, which have been filed with the Registrar of Companies.

Selected notes to the condensed consolidated interim financial information continued

2 Segmental analysis

	Half year to 31 January 2008 (unaudited) £'000	Half year to 31 January 2007 (unaudited) £'000	Year to 31 July 2007 (audited) £'000
Geographical segment – revenue			
United Kingdom	65,152	51,803	107,935
Europe	33,827	26,181	57,970
United States of America	8,374	8,054	16,041
Rest of the World	2,013	4,270	3,834
	109,366	90,308	185,780
Geographical segment – result			
United Kingdom	2,496	1,888	4,324
Europe	598	575	1,313
United States of America	299	334	856
Rest of the World	69	406	454
	3,462	3,203	6,947
Finance income	422	261	668
Finance costs	(3)	–	(9)
Profit before tax	3,881	3,464	7,606
Income tax expense	(1,297)	(1,093)	(2,511)
Profit for the period	2,584	2,371	5,095
Business segment – revenue			
Private Jets	26,405	23,711	55,282
Commercial Jets	73,290	57,253	117,525
Freight	8,697	6,262	10,527
Other	974	3,082	2,446
	109,366	90,308	185,780
Business segment – result			
Private Jets	1,027	938	2,783
Commercial Jets	2,106	1,941	3,717
Freight	280	59	120
Other	49	265	327
	3,462	3,203	6,947
Finance income	422	261	668
Finance costs	(3)	–	(9)
Profit before tax	3,881	3,464	7,606
Income tax expense	(1,297)	(1,093)	(2,511)
Profit for the period	2,584	2,371	5,095

3 Dividends

	Half year to 31 January 2008 (unaudited) £'000	Half year to 31 January 2007 (unaudited) £'000	Year to 31 July 2007 (audited) £'000
Interim dividend for year ending 31 July 2007 of 6.7p per share	–	–	666
Final dividend for year ending 31 July 2007 of 13.3p (2006: 12.1p) per share	1,355	1,200	1,200
Special dividend for year ending 31 July 2007 of 60p per share	6,113	–	–
	7,468	1,200	1,866

The final and special dividend for the year ended 31 July 2007 was paid on 5 December 2007.

The proposed 2008 interim dividend of 7.4p per share was approved by the Board on 5 March 2008 and in accordance with IFRS has not been included as a deduction from equity at 31 January 2008. The dividend will be paid on 16 May 2008 to those shareholders on the register at the close of business on 18 April 2008. The ordinary shares will be marked ex-dividend on 16 April 2008.

4 Earnings per share

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

	Half year to 31 January 2008 (unaudited) £'000	Half year to 31 January 2007 (unaudited) £'000	Year to 31 July 2007 (audited) £'000
Earnings			
Earnings for the purposes of basic earnings per share being net profit attributable to equity holders of the parent	2,584	2,301	5,089
Earnings for the purposes of diluted earnings per share	2,584	2,301	5,089
Number of shares			
Weighted average number of ordinary shares for the purposes of basic earnings per share	10,087,454	9,800,486	9,818,736
Effect of dilutive potential ordinary shares	213,296	198,440	296,161
Weighted average number of ordinary shares for the purposes of diluted earnings per share	10,300,750	9,998,926	10,114,897

Selected notes to the condensed consolidated interim financial information continued

5 Group statement of changes in equity

	Share capital £'000	Share premium account £'000	Share option reserve £'000	Translation reserve £'000	Retained earnings £'000	Minority interest £'000	Total equity £'000
Opening equity as at 1 August 2007	499	3,475	454	(289)	13,023	185	17,347
Exchange differences on translation of foreign operations	–	–	–	451	–	–	451
Net income recognised directly in equity	–	–	–	451	–	–	451
Profit for the period	–	–	–	–	2,584	–	2,584
Share option movement for period	–	–	172	–	–	–	172
Total recognised income and expense for the period	–	–	172	–	2,584	–	2,756
Issue of shares under share option scheme	10	819	(207)	–	207	–	829
Purchase of minority interest	–	–	–	–	–	(185)	(185)
Dividends	–	–	–	–	(7,468)	–	(7,468)
Closing equity as 31 January 2008	509	4,294	419	162	8,346	–	13,730

During October 2007 212,900 new shares were issued following exercise of staff options under the Air Partner plc Company Share Option Plan 2003.

6 Net cash from operating activities

	Half year to 31 January 2008 (unaudited) £'000	Half year to 31 January 2007 (unaudited) £'000	Year to 31 July 2007 (audited) £'000
Operating profit for the period	3,462	3,203	6,947
Adjustments for:			
Depreciation and amortisation	225	181	458
(Profit) on disposal of property, plant and equipment	–	(105)	(78)
Movement on financial (asset)/liability	(386)	33	198
Share option cost for period	172	106	213
Operating cash flows before movements in working capital	3,473	3,418	7,738
Decrease/(increase) in receivables	124	10,817	(522)
Decrease in inventories	24	–	54
Increase/(decrease) in payables	96	(3,046)	6,979
Cash generated from operations	3,717	11,189	14,249
Income taxes paid	(1,538)	(1,153)	(2,143)
Interest paid	(3)	–	(9)
Net cash from operating activities	2,176	10,036	12,097

7 Tax

	Half year to 31 January 2008 (unaudited) £'000	Half year to 31 January 2007 (unaudited) £'000	Year to 31 July 2007 (audited) £'000
Current tax:			
UK corporation tax	850	728	1,636
Foreign tax	443	407	969
	1,293	1,135	2,605
Deferred tax	4	(42)	(94)
	1,297	1,093	2,511

Income tax for the interim period is charged at 33.4% (2007: 31.5%), representing the best estimate of the weighted average income tax expected for the full financial year.

8 Acquisitions and disposals

On 4 September 2007 the Group purchased the 45% minority interest in Air Partner International SAS for a consideration of €1.38m (£931,000) and as a result there is no longer any minority owned investments within the Group. The assessment of the fair value of assets acquired is still in progress and therefore goodwill recognised in the period on the acquisition represents the difference between consideration paid and the book value of assets acquired.

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