

Avantair, Inc. Reports Fiscal First Quarter 2009 Revenues Up 27 percent

Company Achieves Positive EBITDA in September; Sales Momentum Continued in October

CLEARWATER, Fla. – November 12, 2008 – Avantair, Inc. (OTCBB:AAIR) (OTCBB:AAIRU) (OTCBB:AAIRW) (“the Company”), the only publicly traded stand-alone fractional operator and the sole North American provider of fractional shares in the Piaggio Avanti P.180 aircraft, today reported financial and operational results for the first quarter ended September 30, 2008.

First Quarter Fiscal 2009 Business Highlights

- Strong sales growth resulted in a 27.4% year-over-year increase in total revenues, to \$32.7 million, due to the success of recent marketing initiatives and despite ongoing challenging macro-economic conditions
- Revenues from maintenance and management fees were \$17.1 million, an increase of 31.6% versus the same year-ago period
- Charter card and demonstration revenues increased 12.5% over the prior year’s levels
- Loss from operations decreased 57.7% year-over-year, to \$1.9 million
- EBITDA loss for the quarter declined to \$819,980 from \$1.3 million for the fourth quarter of fiscal year 2008
- Avantair was EBITDA positive for the month of September

"Our strong performance this quarter demonstrates continued penetration of the market for private jet travel and an ongoing focus on operational execution that culminated in the achievement of EBITDA profitability for September,” stated Mr. Steven Santo, CEO of Avantair. “Recent marketing and advertising campaigns, coupled with a weakening economy, are highlighting Avantair’s position as the lowest-cost and most fuel-efficient provider. This in turn generated significant interest, in the form of leads generated and fractional share sales, from customers of competing fractional share programs. Coupled with recent utilization improvements and lower fuel costs starting in September, Avantair is well positioned to further benefit from these trends.”

First Quarter 2009 Financial Results

Total revenues for the first quarter ended September 30, 2008 were \$32.7 million compared to \$25.7 million for same period last year, an increase of 27.4%.

Revenues from fractional aircraft shares sold were \$12.5 million for the first quarter of fiscal 2009, an increase of \$2.7 million or 27.4% compared with \$9.8 million for the first quarter of fiscal 2008. This was primarily due to a 23% increase in the number of fractional shares sold to 678.5 through September 30, 2008, from 552 fractional shares sold through September 30, 2007. According to accounting principles generally accepted in the United States (“GAAP”), fractional Avantair, Inc. aircraft sales revenues and the associated costs of fractional aircraft sales are amortized over 60 months.

Revenues from maintenance and management fees were \$17.1 million, an increase of 31.6% from \$13.0 million in the year-ago period. This reflects a 23% increase in the number of fractional aircraft shares sold and the increase in monthly management fees for new and renewing fractional shareowners to \$9,650 during the first quarter of fiscal 2009, from \$9,400 in the prior year quarter.

Charter card and demonstration revenue for the three months ended September 30, 2008 was \$2.4 million, up 12.5% from \$2.1 million for the three months ended September 30, 2007. This reflects an increase in hours flown by customers using the Company’s card program, as a result of increased marketing of charter cards. Charter card revenue is recognized when the cardholder uses the hours, not when the card hours are purchased.

As a result of increased fleet size and a 23% year-over-year increase in the number of fractional shares sold, the expected increase in cost of flight operations, including the cost of fuel, was limited to 3.4% this quarter. The total cost of flight operations was \$16.3 million for the first quarter ended September 30, 2008, compared to \$15.8 million in the same year-ago period, which clearly demonstrates the leveragability of our business model. This was further highlighted by a significant decrease in charter expenses, due to use of the Company’s core aircraft to alleviate scheduling conflicts, enhanced flight software and flight scheduling staff training.

SG&A expenses for the first quarter of fiscal 2009 were \$6.6 million, or 20.1% of revenue, compared to \$5.6 million, or 21.7% of revenue, in the fourth quarter of fiscal 2008. We were encouraged by the decline in these expenses as a percent of revenue, as this clearly reflects the leverage in our model as we increase our fleet.

Loss from operations for the first quarter of fiscal 2009 was \$1.9 million versus \$4.5 million in the same year-ago period.

Net loss for the first quarter of fiscal 2009 decreased by 30.4% to \$3.3 million from \$4.8 million during the same period

last year.

Subsequent Development

For the month of October, Avantair announced record sales in what is seasonally a soft month. This performance highlights growing consumer demand for the Piaggio Avanti P. 180 and success of the Company's recent marketing and advertising campaigns aimed at increasing leads generated from owners of competing fractional share programs.

Mr. Santo concluded, "We expect demand for our fractional program to remain robust given its advantageous economics relative to competing programs and an expanding sales pipeline. Business momentum continued into October as sales reached a monthly record. As such, we anticipate strong year-over-year revenue growth for the second fiscal quarter."

Conference Call

Avantair will host a conference call to discuss financial results for its first quarter of fiscal 2009 and provide an update on business developments at 5:00 p.m. Eastern Time today. Investors may participate in the conference call by dialing 800-218-0713 (303-262-2161 for international callers). When prompted, ask for the "Avantair Inc. Fiscal First Quarter 2009 Earnings Conference Call." A telephonic replay of the conference call may be accessed approximately two hours after the call through November 19, 2008, by dialing 800-405-2236 (303-590-3000 for international callers). The replay access code is 11122339#. The conference call will be webcast simultaneously on the Avantair Inc. website at www.avantair.com under Investors. The webcast replay will be archived for 12 months.

About Avantair

Avantair, the only publicly traded stand-alone fractional operator and the sole North American provider of fractional shares in the Piaggio Avanti P.180 aircraft, is headquartered in Clearwater, FL with approximately 400 employees. The Company offers private travel solutions for individuals and businesses traveling within its service area, which includes the continental United States, Canada, the Caribbean and Mexico, at a fraction of the cost of whole aircraft ownership. The Company currently manages a fleet of 50 aircraft, with another 59 Piaggio Avanti IIs on order through 2013. For more information about Avantair, please visit: <http://www.avantair.com>.

Forward Looking Statements

This press release may contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act, with respect to Avantair's future financial or business performance, strategies and expectations. Forward-looking statements are typically identified by words or phrases such as "trend," "potential," "opportunity," "pipeline," "believe," "comfortable," "expect," "anticipate," "current," "intention," "estimate," "position," "assume," "outlook," "continue," "remain," "maintain," "sustain," "seek," "achieve," and similar expressions, or future or conditional verbs such as "will," "would," "should," "could," "may" and similar expressions. Avantair cautions that forward-looking statements are subject to numerous assumptions, risks and uncertainties, which change over time. Forward-looking statements speak only as of the date they are made, and Avantair assumes no duty to and does not undertake to update forward-looking statements. Actual results could differ materially from those anticipated in forward-looking statements and future results could differ materially from historical performance.

In addition to factors previously disclosed in Avantair's filings with the Securities and Exchange Commission (SEC) and those as may be identified elsewhere in this press release, the following factors, among others, could cause actual results to differ materially from forward-looking statements or historical performance: general economic and business conditions in the U.S. and abroad, changing interpretations of generally accepted accounting principles, changes in market acceptance of the company's products, inquiries and investigations and related litigation, fluctuations in customer demand, management of rapid growth, intensity of competition. The information set forth herein should be read in light of such risks. Avantair does not assume any obligation to update the information contained in this press release.

Avantair's filings with the SEC, accessible on the SEC's website at <http://www.sec.gov>, discuss these factors in more detail and identify additional factors that can affect forward-looking statements.

Complete release with financial tables available here