

EXCEPTIONAL CAPITAL STRENGTH POSITIONS AVOLON FOR 2021

- Total available liquidity in excess of US\$6.5 billion at year end
- Investment Grade ratings affirmed by Fitch, KBRA, Moody's and S&P Global
- Delivered and sold a total of 83 aircraft; executed 141 lease transactions during 2020
- Entered into sale and leaseback commitments for 44 aircraft, for a total of US\$2.3 billion
- Ended the year with an owned, managed and committed fleet of 842 aircraft
- Raised US\$4.4 billion of debt during 2020 at an average cost of 3.7%
- Since the start of the year, reduced capital and debt principal commitments in the 2020 to 2024 timeframe by over US\$9.5 billion

Dublin | 11 January 2021: Avolon, the international aircraft leasing company, issues an update for the fourth quarter ('Q4') and 2020 full year ('FY').

Q4 FLEET METRICS & BUSINESS HIGHLIGHTS

- Closed a private offering of US\$1bn of senior unsecured notes maturing in 2026 and successfully tendered for US\$723m of notes maturing in 2022 and 2023;
- Raised US\$675m of new secured term loan debt maturing in 2027, the proceeds of which were used to repay existing revolving secured debt;
- Executed a total of 31 lease transactions in the quarter comprising of new aircraft leases, follow-on leases and lease extensions; and
- Delivered a total of 21 new aircraft in the quarter to 7 customers and transitioned 3 aircraft to follow-on lessees.

2020 FULL YEAR HIGHLIGHTS

FLEET HIGHLIGHTS

- Owned and managed fleet of 572 aircraft at year end, with total orders and commitments for 270 fuel-efficient, new technology aircraft;
- Total of 142 airline customers operating in 61 countries;
- Delivered a total of 57 new aircraft and transitioned 10 aircraft to a total of 26 customers;
- Further reduced our aircraft purchase commitments in the 2020-2023 timeframe by a net 100 aircraft through a combination of cancellations and deferrals;

- Entered into sale and leaseback commitments for 44 aircraft;
- Sold 29 aircraft in 2020, 3 of which were managed; and
- Executed 28 sale agreements; and a total of 141 lease transactions comprising new aircraft leases, follow-on leases, and lease extensions.

FINANCIAL HIGHLIGHTS

- Investment Grade credit rating affirmed by Fitch, KBRA, Moody's and S&P Global;
- Successfully raised \$4.4 billion of debt, including US\$3.4 billion of senior unsecured notes, and US\$675 million of secured term loan debt;
- Reduced near-term debt maturities by US\$1.4 billion through a tender offer for US\$723m of notes maturing in 2022 and 2023, as well as the execution of the opportunistic buyback of US\$651 million of Avolon senior unsecured notes maturing between 2021-2026, at a discount to par;
- Ended 2020 with US\$4.7 billion of revolving debt capacity, with maturities from 2024 onwards and an undrawn balance of US\$4.2 billion;
- Closed the sale of 19 aircraft to the Sapphire 2020-1 vehicle, which were acquired from the Avolon fleet following the issuance of US\$620m of senior secured notes and a majority equity investment from a third-party investor; and
- Declared dividend to shareholders in Q1 2020 of US\$193 million, US\$65 million of which was withheld due to the holdback provisions in Avolon's Shareholder Agreement, bringing the total withheld amount to US\$167 million.

Dómhnaíl Slattery, CEO Avolon, commented: *"2020 was the most challenging year the commercial aviation industry has ever faced. The level of airline distress truly tested the resilience of the leasing sector business model. Through Avolon's decisive actions to reduce our capital commitments, strengthen our liquidity and reduce our future obligations, the business is now well positioned to benefit from the recovery. We steadfastly supported our airline partners through temporary deferrals during the year and have seen cash flows improve in the second half of the year from a low in the second quarter.*

It will take time for the aviation industry to recover. The pace and scale of recovery will not just be determined by the roll-out of vaccines, but also by rapid testing programmes and the depth of co-ordination between Governments. Air travel will drive economic recovery. It is clear there is a strong desire to travel and latent demand in markets across the world. It is incumbent on Governments to provide appropriate policies to facilitate that demand and drive recovery.

We are well positioned and looking forward to building on continued positive momentum as the recovery takes hold through 2021."

ENDS

About Avolon

Headquartered in Ireland, with offices in the United States, Dubai, Singapore, Hong Kong and Shanghai, Avolon provides aircraft leasing and lease management services. Avolon is 70% owned by an indirect subsidiary of Bohai Leasing Co., Ltd., a public company listed on the Shenzhen Stock Exchange (SLE: 000415) and 30% owned by ORIX Aviation Systems, a subsidiary of ORIX Corporation which is listed on the Tokyo and New York Stock Exchanges (TSE: 8591; NYSE: IX). Avolon is the world's third largest aircraft leasing business with an owned, managed and committed fleet, as of 31 December 2020 of 842 aircraft.

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Note Regarding Forward-Looking Statements

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