



2018 FULL YEAR RESULTS

Record annual profits after tax of US\$717 million

Dublin | 13 February, 2019: Avolon, the international aircraft leasing company, announces results for the 2018 full year.

2018 | FINANCIAL HIGHLIGHTS

US\$ MILLION	FY 2018	FY 2017	CHANGE
Lease Revenue	2,569	2,343	10%
Profit for the year	717	550	30%
Total Available Liquidity	5,654	5,033	12%
Total Assets	27,153	27,109	0%
Secured Debt / Total Assets	42%	48%	600bps
Net Debt to Equity	2.2x	2.2x	

- Lease revenue for the year was US\$2.6 billion; an increase of 10% year on year;
- Generated US\$2.2 billion of net cash from operating activities in 2018;
- Delivered US\$717 million in profit for the year, an increase of 30% year on year;
- Declared and paid shareholder dividend of US\$490 million;
- At year end Avolon had US\$16.6 billion future contracted rental cashflows; and
- Ended 2018 with US\$5.7 billion of available liquidity in unrestricted cash, undrawn revolving credit facilities and undrawn secured and unsecured debt.

2018 | Operating Highlights

- Delivered a total of 33 new aircraft, including the world's first A330neo;
- Executed a total of 153 lease transactions and contracted sale agreements for 130 aircraft;
- Sold 87 aircraft with total proceeds from disposal of property, plant and equipment of US\$2.2 billion in 2018 with a further 58 aircraft held for sale at year end, representing US\$1.2 billion of aircraft related assets;
- Increased asset management activity with 49 managed aircraft at year end;
- Fleet utilization was 99.5% for 2018;
- Continued strong progress on placement of new order pipeline with 100% of committed fleet placed through to the end of 2019 and 80% placed through to the end of 2020;
- Owned, managed and committed fleet increased by 7% year on year to 971 aircraft at the end of 2018; and
- Average owned fleet age of 5.0 years with an average remaining lease term of 6.8 years.



2018 | Strategic Highlights

- Added ORIX Aviation Systems as a new 30% shareholder and incorporated a revised governance structure enhancing protections for debt investors;
- Accelerated momentum on our path to Investment Grade with Fitch placing Avolon on positive outlook and Moody's upgrading Avolon's corporate credit rating to Ba1;
- Consolidated position as the third largest aircraft lessor with an order for 100 Airbus A320neo family aircraft, which positioned Avolon as Airbus' largest aircraft lessor backlog customer;
- Established two asset management platforms in partnership with third-party investors:
 - Jade Aviation in partnership with China Cinda Asset Management, one of the largest asset managers in China. At year-end Jade Aviation had acquired 6 aircraft from the Avolon fleet; and
 - Sapphire Aviation Finance platform, which acquired 41 aircraft from the Avolon fleet with the issuance of US\$768 million of senior secured notes and a majority equity investment from a third-party investor.
- Doubled the scale of Avolon's unsecured revolving credit facility to \$2.2 billion, providing total revolving debt capacity of \$4.2 billion at year end; and
- Reduced secured debt by US\$1.6 billion during the year, increasing our unencumbered assets by US\$2.9 billion to a total of US\$8.7 billion at year end.

Dómhnal Slattery, Avolon CEO, commented: "2018 represents another excellent year for Avolon during which we successfully executed on a number of key strategic objectives – a testament to the hard work, focus and commitment of the Avolon team. It was a record year for the business in which we generated US\$2.2 billion of net cash from operating activities and delivered a 30% increase in profit.

The addition of ORIX as a shareholder, coupled with the increase in our unencumbered assets and reduction in our secured debt, represents significant progress towards securing our Investment Grade rating – a key corporate objective for 2019."

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 Chinese 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 2018, of 971 aircraft.

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