



## AVOLON ANNOUNCES ACCEPTED AMOUNTS OF OLD NOTES AND PRICING TERMS OF NEW NOTES IN CONNECTION WITH ITS PRIVATE EXCHANGE OFFERS FOR 8 SERIES OF DEBT

**Dublin | August 16, 2021:** Avolon Holdings Funding Limited (“AHFL” or the “Issuer”), a Cayman Islands exempted company and a direct wholly-owned subsidiary of Avolon Holdings Limited, the international aircraft leasing company (“Avolon” or the “Company” and, together with its consolidated subsidiaries, “we,” “our” or “us”) today announced the accepted amounts and pricing terms of its previously announced offers to exchange the outstanding series of debt securities listed in the table below (the “Old Notes”) for newly issued debt securities of AHFL (the “New Notes”) (the “Exchange Offers”), in each case on the terms and subject to the conditions set forth in the Offering Memorandum dated August 2, 2021, such terms and conditions as amended by this press release and AHFL’s press release dated August 16, 2021 related to the Exchange Offers (the “Offering Memorandum” and, together with the eligibility letter, the “Exchange Offer Documents”).

The Early Participation Date was, and the withdrawal rights for each Exchange Offer expired at, 5:00 p.m. (Eastern time) on August 13, 2021. The Exchange Offers will expire at 11:59 p.m. (Eastern time) on August 27, 2021, unless extended or earlier terminated by AHFL.

All conditions applicable to the Exchange Offers as of the Early Participation Date have been deemed satisfied or waived by AHFL, including the Minimum Issue Requirement (as defined in AHFL’s press release announcing the Exchange Offers, dated August 2, 2021 (the “Launch Press Release”)).

AHFL expects to settle all Old Notes validly tendered at or prior to the Early Participation Date and accepted for exchange on August 18, 2021 (the “Early Settlement Date”), subject to the ongoing satisfaction or waiver of conditions. Because the aggregate principal amount of New Notes to be issued in exchange for Old Notes validly tendered at or prior to the Early Participation Date and accepted for exchange will equal the New Notes Cap, there will be no Final Settlement Date (as defined in the Launch Press Release) with respect to the Exchange Offers, and no additional tenders of Old Notes will be accepted for purchase by AHFL in the Exchange Offers after the Early Participation Date.

The table below indicates, among other things, the aggregate principal amount of Old Notes accepted in each Exchange Offer, the proration factor for the Old Notes with respect to each Exchange Offer, the Exchange Offer Yield (as defined below) for each series of Old Notes and the Total Exchange Price (as defined below) for each series of Old Notes, as calculated at 10:00 a.m. (Eastern time) today, August 16, 2021 (the “Price Determination Date”) in accordance with the terms of the Offering Memorandum.

Acceptance Priority Level	Issuer	CUSIP Numbers 144A/Reg S	Title of Security	Principal Amount Outstanding	Proration Factor(1)	Principal Amount Accepted in Exchange Offers	Reference U.S. Treasury Security	Yield of Reference U.S. Treasury Security	Fixed Spread (basis points)	Exchange Offer Yield(2)	Total Exchange Price(3)	New Notes Amount(4)	Cash Amount(5)
1	Park*	70014LAA8 G6935LAA1	5.250% notes due 08/15/22	\$1,234,023,000	100%	\$744,387,000	1.75% due July 15, 2022	0.080%	+50	0.580%	\$1,042.25	\$862.25	\$180
2	AHFL*	05401AAA9 0686BAA7	5.500% notes due 01/15/23	\$414,580,000	100%	\$310,595,000	0.125% due July 31, 2023	0.197%	+59	0.787%	\$1,062.00	\$942.00	\$120
3	AHFL*	05401AAB G0686BAB5	5.125% notes due 10/01/23	\$993,675,000	100%	\$554,956,000	0.125% due July 31, 2023	0.197%	+74	0.937%	\$1,084.27	\$1,084.27	N/A
4	Park	70014LAB6 G6935LAB9	5.500% notes due 02/15/24	\$1,192,644,000	72.05%	\$419,727,000	0.375% due July 15, 2024	0.386%	+75	1.136%	\$1,106.91	\$1,106.91	N/A
5	Park*	70014LAC4 G6935LAC7	4.500% notes due 03/15/23	\$879,963,000	N/A	N/A	0.125% due July 31, 2023	0.197%	+66	0.857%	\$1,053.88	\$1,053.88	N/A
6	AHFL*	05401AAD3 G0686BAC3	5.250% notes due 05/15/24	\$740,072,000	N/A	N/A	0.375% due July 15, 2024	0.386%	+80	1.186%	\$1,106.03	\$1,106.03	N/A
7	AHFL*	05401AAF8 G0686BAE9	3.950% notes due 07/01/24	\$977,179,000	N/A	N/A	0.375% due July 15, 2024	0.386%	+80	1.186%	\$1,075.53	\$1,075.53	N/A
8	AHFL*	05401AAK7 G0686BAJ8	5.500% notes due 01/15/26	\$650,000,000	N/A	N/A	0.625% due July 31, 2026	0.728%	+120	1.928%	\$1,147.54	\$1,147.54	N/A

- (1) Rounded to the nearest hundredth.
  - (2) The “Exchange Offer Yield” for each series of Old Notes is equal to the sum of (a) the applicable yield of the specified Reference U.S. Treasury Security, which is based on the bid-side price of the applicable Reference U.S. Treasury Security specified in the table above for such series of Old Notes on the Price Determination Date appearing on the Bloomberg Reference Page “FIT1” or, in the case of Acceptance Priority 1, “FIT3”, plus (ii) the applicable Fixed Spread specified in the table above (the “Fixed Spread”) for such series of Old Notes.
  - (3) The “Total Exchange Price” for each series of Old Notes is payable in principal amount of New Notes and, as applicable, the Cash Amount per each \$1,000 principal amount of such series of Old Notes validly tendered for exchange, based on the Fixed Spread for such series of Old Notes, plus the yield of the specified Reference U.S. Treasury Security for that series as of 10:00 a.m. (Eastern time) on the Price Determination Date, as specified in the table above. The Total Exchange Price does not include the applicable Accrued Coupon Payment, which will be payable in cash in addition to the applicable Total Exchange Price.
  - (4) “New Notes Amount” is the amount shown in this column representing the portion of the Total Exchange Price payable in New Notes per each \$1,000 principal amount of such series of Old Notes validly tendered at or prior to the applicable Early Participation Date and accepted for exchange.
  - (5) With respect to the 5.250% notes due 08/15/22 in Acceptance Priority 1 and 5.500% notes due 01/15/23 in Acceptance Priority 2 only, in lieu of paying the Total Exchange Price only in principal amount of New Notes, AHFL will pay in cash the Cash Amount. The “Cash Amount” is the amount shown in this column representing the portion of the Total Exchange Price payable in cash per each \$1,000 principal amount of such series of Old Notes validly tendered at or prior to the applicable Early Participation Date and accepted for exchange. The balance of the Total Exchange Price or Exchange Price, as applicable, will be the New Notes Amount payable in principal amount of New Notes.
- \* Denotes a series of Old Notes for which the calculation of the applicable Total Exchange Price was performed using the present value of such Old Notes as determined at the Price Determination Date as if the principal amount of such Old Notes had been due on the applicable par call date for such series of Old Notes.

The following table sets forth the terms of the New Notes:

<u>Issuer</u>	<u>Title of Security</u>	<u>Maturity Date</u>	<u>UST Reference Yield (1)</u>	<u>+180 basis points</u>	<u>New Notes Coupon</u>	<u>Principal Amount Expected to be Issued on the Early Settlement Date</u>
AHFL	Senior Notes due 2027	11/18/2027	0.728%	+1.80%	2.528%	\$2,000,000,000

(1) Yield of the 0.625% U.S. Treasury Security due July 31, 2026, as calculated on the Price Determination Date.

The applicable Total Exchange Price that will be paid on the Early Settlement Date for each series of Old Notes accepted for exchange does not include the applicable Accrued Coupon Payment (as defined in the Launch Press Release), which will be paid, in cash, in addition to the applicable Total Exchange Price.

The New Notes will not be registered under the Securities Act of 1933, as amended (the "Securities Act"), or any state securities laws. Therefore, the New Notes may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements of the Securities Act and any applicable state securities laws.

Only holders who duly complete and return an eligibility letter certifying that they are either (1) "qualified institutional buyers" as defined in Rule 144A under the Securities Act or (2) non-"U.S. persons" (as defined in Rule 902 under the Securities Act) located outside of the United States and who are not acting for the account or benefit of a U.S. Person and are "Non-U.S. qualified offerees" (as defined in the eligibility letter) are authorized to receive the Offering Memorandum and to participate in the Exchange Offers.

Global Bondholder Services Corporation will act as the Information Agent and the Exchange Agent for the Exchange Offers. Questions or requests for assistance related to the Exchange Offers, including for assistance in completing an eligibility letter, or for additional copies of the Exchange Offer Documents may be directed to Global Bondholder Services Corporation at (866) 470-3800 (toll free) or (212) 430-3774 (collect). The eligibility letter can be accessed at the following link <https://gbsc-usa.com/eligibility/avolon>.

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If AHFL terminates any Exchange Offer with respect to one or more series of Old Notes, it will give prompt notice to the Exchange Agent and all Old Notes tendered pursuant to such terminated Exchange Offer will be returned promptly to the tendering holders thereof. With effect from such termination, any Old Notes blocked in DTC will be released.

This announcement is for informational purposes only. This announcement is not an offer to purchase or a solicitation of an offer to purchase any Old Notes. The Exchange Offers are being made solely pursuant to the Offering Memorandum and related documents. The Exchange Offers are not being made to holders of Old Notes in any jurisdiction in which the making or acceptance thereof would not be in compliance with the securities, blue sky or other laws of such jurisdiction. In any jurisdiction in which the securities laws or blue sky laws require the Exchange Offers to be made by a licensed broker or dealer, the Exchange Offers will be deemed to be made on behalf of AHFL by the dealer managers or one or more registered brokers or dealers that are licensed under the laws of such jurisdiction.

*This communication has not been approved by an authorized person for the purposes of Section 21 of the Financial Services and Markets Act 2000, as amended (the "FSMA"). Accordingly, this*

*communication is not being directed at persons within the United Kingdom save in circumstances where section 21(1) of the FSMA does not apply.*

*In particular, this communication is only addressed to and directed at: (A) in any Member State of the European Economic Area and the United Kingdom, qualified investors within the meaning of the Prospectus Regulation and (B) (i) persons that are outside the United Kingdom or (ii) persons in the United Kingdom falling within the definition of investment professionals (as defined in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "Financial Promotion Order")) or within Article 43 of the Financial Promotion Order, or to high net worth companies, and other persons to whom financial promotions may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Financial Promotion Order (such persons together being "relevant persons"). The New Notes are only available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such New Notes will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on either the Offering Memorandums or any of its contents. For purposes of the foregoing, the "Prospectus Regulation" means Regulation (EU) 2017/1129, as amended.*

**THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION FOR THE PURPOSES OF ARTICLE 7 OF THE MARKET ABUSE REGULATION (EU) 596/2014**

*This announcement is released by AHFL and may contain inside information for the purposes of Article 7 of the Market Abuse Regulation (EU) 596/2014 ("MAR"), encompassing information relating to the Notes (as defined below). For the purposes of MAR and Article 2 of Commission Implementing Regulation (EU) 2016/155, this announcement is made by the directors of AHFL.*

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### **Cautionary Statement Regarding Forward-Looking Statements**

This document includes forward-looking statements, beliefs or opinions, including statements with respect to Avolon's business, financial condition, results of operations and plans. These forward-looking statements involve known and unknown risks and uncertainties, many of which are beyond our control and all of which are based on our management's current beliefs and expectations about future events. Forward-looking statements are sometimes identified by the use of forward-looking terminology such as "believe," "expects," "may," "will," "could," "should," "shall," "risk," "intends," "estimates," "aims," "plans," "predicts," "continues," "assumes," "positioned" or "anticipates" or the negative thereof, other variations thereon or comparable terminology or by discussions of strategy, plans, objectives, goals, future events or intentions. These forward-looking statements include all matters that are not historical facts, including the exchange offers and any consummation thereof. Forward-looking statements may and often do differ materially from actual results. No assurance can be given that such future results will be achieved, that any private placement of new senior notes will occur or that the exchange offers will be consummated. Avolon does not intend, and undertakes no duty, to update any information contained herein to reflect future events or circumstances, except as required by applicable law.

**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 30 June 2021 of 837 aircraft.

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