



AVOLON ANNOUNCES CLOSING OF US\$620 MILLION FIXED RATE NOTES BY SAPPHIRE 2020-1 PLATFORM

Deal represents lowest debt yield of any aircraft ABS issuance over the last decade

Dublin | 20 February, 2020: Avolon Holdings Limited (“Avolon”), the international aircraft leasing company, announces that Sapphire Aviation Finance II LLC and Sapphire Aviation Finance II Limited (collectively, the “Issuers” or “SAPA 2020-1”), newly established special purpose companies, closed a total of US\$620 million of Fixed Rate Notes (the “Issue”).

The Issue will comprise:

- US\$490 million of 3.228% Series 2020-1 A Fixed Rate Notes due 2040 (the “Series A Notes”) issued at a 3.250% yield;
- US\$86 million of 4.335% Series 2020-1 B Fixed Rate Notes due 2040 (the “Series B Notes”) issued at a 4.375% yield; and,
- US\$44 million of 6.779% Series 2020-1 C Fixed Rate Notes due 2040 (the “Series C Notes”) issued at a 6.875% yield (collectively, the “Notes”).

The notes are rated:

	Fitch	KBRA
Series A	A sf	A (sf)
Series B	BBB sf	BBB (sf)
Series C	BB sf	BB (sf)

Additionally, Sapphire II Limited (the “Certificate Issuer”) offered equity certificates representing the equity interest in SAPA 2020-1 (the “Equity Certificates”), with LibreMax Capital, LLC selected as the anchor investor and Avolon acquiring a minority share.

The Notes are backed by a portfolio of 21 aircraft (the “Portfolio”), with an appraised value of \$746.8 million, which will be acquired by SAPA 2020-1 from Avolon using the proceeds of the issuance. The Portfolio comprises a mix of 21 narrowbody and widebody aircraft that have a weighted average age of 7.5 years and are on lease to 19 lessees/airlines based in 18 countries. Avolon will act as servicer with respect to the Portfolio and any additional aircraft acquired by the Issuers.

Dómhnaí Slattery, CEO Avolon commented: *"This transaction follows the successful launch of our Sapphire vehicle in 2018 and we are particularly pleased with the yield for this issue, which is the lowest debt yield of any aircraft ABS issuance over the last decade. Investor demand for this issue reflects our standing in the capital markets and further builds on Avolon's reputation as a leading ABS servicer."*

The Notes and the Equity Certificates are being offered in the United States to persons reasonably believed to be qualified institutional buyers in an offering exempt from registration pursuant to Rule 144A under the Securities Act of 1933, as amended (the “Securities Act”), and to persons outside of the United States in compliance with Regulation S under the Securities Act. The Notes and the Equity Certificates have not been registered under the Securities Act, or any state securities laws, and unless so registered, may not be offered or sold in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws.



This press release is not an offer to sell or a solicitation of an offer to buy any security and shall not constitute an offer, solicitation or sale in any jurisdiction in which such offering, solicitation or sale would be unlawful.

Mizuho Securities USA LLC and Deutsche Bank Securities Inc. acted as Joint Lead Structuring Agents & Joint Lead Bookrunners. Credit Agricole Securities (USA) Inc. and MUFG Securities Americas Inc. acted as Joint Lead Bookrunners, with BNP Paribas Securities Corp. and Morgan Stanley & Co. LLC also acting as Joint Bookrunners for the transaction. Natixis Securities Americas LLC acted as a Co-Manager

Clifford Chance US LLP advised Avolon, the Issuers and the Certificate Issuer, and Milbank LLP acted as counsel to the initial purchasers.

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 2019 of 925 aircraft.

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Note Regarding Forward-Looking Statements

This document includes forward-looking statements, beliefs or opinions, including statements with respect to Avolon's, the Issuers' and the Certificate Issuer'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. Forward-looking statements may and often do differ materially from actual results. No assurance can be given that such future results will be achieved and represent only our judgment as of the date of this press release. 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.