

Avolon Q1 2018 Business Update

Dublin | 9 April, 2018: Avolon, the international aircraft leasing company, issues an update for the first quarter of 2018 ('Q1').

Avolon Fleet Metrics | Q1 2018

	Q1 2017	Q1 2018	Change
Owned, managed & committed fleet (aircraft)	850	903	+6%
Owned & managed fleet (aircraft)	565	570	+1%
Airline Customers	150	156	+4%

Q1 Fleet Metrics & Business Highlights

- Owned and managed fleet of 570 aircraft at end Q1, with total orders and commitments for 333 new technology aircraft;
- Delivered a total of 6 new aircraft, transitioned 13 aircraft to secondary leases and sold 5 aircraft during the quarter;
- Completed a total of 21 lease transactions in the quarter comprising new aircraft leases, second leases and lease extensions;
- Average owned fleet age of 5.3 years with an average remaining lease term of 6.6 years at end of Q1 (not including the impact of 41 mid-life aircraft contracted to be sold to Sapphire Aviation Finance);
- Total customer base of 156 airlines in 64 countries;
- All 9 aircraft repossessed from Air Berlin successfully redeployed and revenue generating; and
- Continued strong progress on placement of new order pipeline; 82% placed through to the end of 2019.

Q1 Strategic & Financial Highlights

- Launched the Sapphire Aviation Finance platform with the issuance of US\$768 million of senior secured notes and a majority equity investment from a third party investor;
- Contracted to sell 41 mid-life aircraft to Sapphire Aviation Finance including 6 B737-700, 14 B737-800, 4 A319-100, 8 A320-200, 1 A321-100, 5 A330-200, 1 A330-300, and 2 B767-300;
- Enhanced noteholder protections for all existing senior unsecured note issuances through the following amendments to existing indentures:
 - Addition of incremental guarantees from Avolon Aerospace Leasing Limited and Hong Kong Aviation Capital; and,
 - Implementation of a mandatory redemption covenant relating to Shareholder Payments and Affiliate Investments.
- Successfully closed a private offering of US\$500 million senior unsecured notes;
- Corporate credit ratings affirmed from four rating agencies which, at 31 March 2018, were Fitch Ratings (BB), KBRA (BBB+), Moody's Investor Service (Ba2) and S&P Global Ratings (BB+), all with stable outlook;

- Raised incremental new debt of US\$640 million, including a US\$150m upsize of Avolon's revolving Warehouse Facility; and,
- Declared and paid a dividend of US\$250 million in Q1 2018 as previously disclosed in our 2017 Full Year results.

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 a wholly-owned, indirect subsidiary of Bohai Capital Holding Co., Ltd., a Chinese public company listed on the Shenzhen Stock Exchange (SLE: 000415). Avolon is the world's third largest aircraft leasing business with an owned, managed and committed fleet, as of 31 March, 2018 of 903 aircraft.

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