

Avolon Q2 2018 Business Update

Dublin | 09 July, 2018: Avolon, the international aircraft leasing company, issues an update for the second quarter of 2018 ('Q2').

Avolon Fleet Metrics | Q2 2018

	Q2 2017	Q2 2018	Change
Owned, managed & committed fleet (aircraft)	921	890	(3%)
Owned & managed fleet (aircraft)	574	562	(2%)
Airline Customers	151	156	3%

Q2 Fleet Metrics & Business Highlights

- Owned and managed fleet of 562 aircraft at end Q2, with total orders and commitments for 328 new technology aircraft;
- Delivered a total of 13 aircraft, including 8 transitions;
- Sold 41 aircraft during the quarter;
 - 28 of these aircraft were sold to the Sapphire Aviation Finance securitization vehicle
 - Average age of aircraft sold in Q2 was 13.2 years with average lease term remaining of 4.0 years
- Executed a total of 50 lease transactions, comprising new aircraft leases, second leases and lease extensions;
- Fleet utilization for the quarter was 99.7%;
- Average owned fleet age of 5.2 years with average lease term remaining of 6.6 years at end of Q2; and,
- Total customer base of 156 airlines in 64 countries.

Q2 Strategic & Financial Highlights

- Extended, repriced and partially repaid US\$5.0 billion TLB-2. This facility was extended from an original maturity of April 2022 to January 2025 and was repriced at LIBOR plus 2.00% with a LIBOR floor of 0.75%;
- Upsized unsecured revolving credit facility by 37% to \$1.44 billion and extended maturity to July 2022, with the addition of one new lender, bringing total revolving debt facilities, at 30 June 2018, to US\$3.4 billion with availability periods out to a minimum of 2021;
- Established an asset management platform, ("Jade Aviation"), with China Cinda Asset Management ("Cinda"), one of the largest asset managers in China with approximately US\$205 billion (RMB 1.3 trillion) assets under management.

- Cinda is an 'A' rated asset manager, as rated by Fitch, Moody's and S&P Global Ratings and is listed on the Hong Kong Stock Exchange (HKG: 1359);
- Cinda, through its subsidiary Cinda Leasing (HK) Co., Ltd. is the majority shareholder in the new platform with an 80% share, and Avolon holding the remaining 20%;
- Avolon, as asset manager, will be the exclusive provider of aircraft to Jade Aviation and Cinda will provide the debt financing for the vehicle, thereby combining Avolon's lease management service expertise with Cinda's access to deep pools of capital within Asia; and,
- Jade Aviation has contracted to acquire a seed portfolio of 7 aircraft, sourced from Avolon's delivered portfolio.

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 30 June, 2018 of 890 aircraft.

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Note Regarding Forward-Looking Statements

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