

## Avolon Q2 2017 Business Update

### Avolon ends second quarter with US\$4.1 billion of available liquidity

### Second quarter headlined by the completion of CIT transaction and signing of an MOU for 75 Boeing 737 MAX 8 aircraft

**Dublin & Hong Kong | 31 July, 2017:** Avolon, the international aircraft leasing company, issues an update for the second quarter of 2017 ('Q2'). Following another active quarter, Avolon's owned, managed and committed fleet at the end of Q2 was 921 aircraft.

### Q2 Strategic & Financial Highlights

- Completion of acquisition of the aircraft leasing business of CIT for US\$10.4 billion, doubling the scale of the Avolon business;
- Signed memorandum of understanding ("MOU") for 75 Boeing 737 MAX 8 aircraft valued at US\$8.4 billion at current list prices with an option for a further 50 Boeing 737 MAX 8 aircraft;
- Additional US\$0.9 billion equity received in Q2, bringing the total equity infusion by Avolon's shareholder in 2017 to US\$2.4 billion. Avolon ended the quarter with US\$4.1 billion of cash and available undrawn debt facilities;
- Delivered the world's first Boeing 737 MAX 8 aircraft to Malindo Air;
- Increased debt facilities by c. US\$810 million during the quarter providing additional financial flexibility;
- Published second 'White Paper' in *The Land of Silk and Money* series, forecasting that Chinese airlines will need an additional 3,200 aircraft over the next 10 years; and,
- Awarded Air Finance Journal 'Overall Deal of the Year' Award 2016 and Ishka 'European Deal of the Year' Award 2016 for the acquisition by Bohai Capital.

### Q2 Business Highlights & Fleet Metrics

- Delivered a total of 23 aircraft, including 6 redeliveries, and sold 8 aircraft;
- Completed a total of 21 lease transactions in the quarter comprising new aircraft leases, secondary leases and lease extensions;
- Owned & managed fleet of 574 aircraft at end of Q2;
- Owned, managed & committed fleet of 921 aircraft at end of Q2;
- Total orders & commitments, including the MOU with Boeing for 75 MAX 8 aircraft, are for 347 new technology aircraft;
- Average owned fleet age of 4.9 years with average remaining lease term of 6.8 years at end of Q2; and,
- Total customer base of 151 airlines in 64 countries at end of Q2.

## Post Quarter End

- Following the US\$0.9 billion equity infusion in Q2, Avolon made intercompany loans of US\$365 million to a subsidiary of Bohai Capital which are scheduled to be repaid by 30 September 2017; and
- On 26 July Avolon amended, repriced and refinanced an existing US\$725 million warehouse facility, extending the availability period for new drawings to 2020.

## Avolon Business Metrics | Q2 2017

	Q2 2016	Q2 2017*	Change
Owned, managed & committed fleet (aircraft)	443	921	108%
Owned & managed fleet (aircraft)	227	574	153%
Airline Customers	85	151	78%

\*Including MOU with Boeing for 75 aircraft announced at 2017 Paris Air Show.

### 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 a pro-forma owned, managed and committed fleet, as of 30 June, 2017 of 921 aircraft valued at c. US\$50 billion.

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