

Avolon's strong growth continues in Q2

Avolon to acquire portfolio of 45 aircraft; total fleet reaches 443 aircraft

Dublin | 12 July, 2016: Avolon, the international aircraft leasing company, today issues an update for the second quarter of 2016 ('Q2'). Following another active quarter, Avolon's owned, managed and committed fleet at the end of Q2 was 443 aircraft, including a portfolio of 45 aircraft being acquired from GECAS.

Portfolio Acquisition

Avolon is acquiring a portfolio of 45 aircraft from GECAS. Portfolio acquisitions represent one of Avolon's three growth channels which also include sale-leaseback transactions with airlines and direct orders from manufacturers. Using multiple aircraft procurement channels provides the flexibility to drive growth and balance risk at various points of the investment cycle. This portfolio acquisition demonstrates Avolon's ability to actively participate in each of these three channels and deliver superior growth.

The 45 aircraft, which are scheduled to deliver to Avolon in the second half of 2016, are on lease to 29 airlines in 15 countries. The portfolio is consistent with Avolon's current portfolio of young, modern and fuel-efficient aircraft and includes both current and new technology aircraft. It also brings 15 new customers to Avolon.

2016 Q2 Highlights

Business Activity

- Delivered 11 aircraft to 7 customers in Q2.
- 5 aircraft sold in Q2 with letters of intent in place for 13 further aircraft disposals in 2016.
- Agreed to acquire portfolio of 45 aircraft increasing fleet and extending customer base.
- Completed integration of Hong Kong Aviation Capital fleet, processes and systems into Avolon.
- Increased committed debt facilities by approximately US\$500 million in the period, further strengthening the balance sheet and providing additional liquidity to accelerate growth.
- Avolon announced as industry partner of Europe's only MSc in Aviation Finance at UCD Michael Smurfit Graduate Business School.
- Awarded Finance Dublin's 'Deal of the Year' for Avolon's US\$7.6 billion acquisition by Bohai Capital.

Fleet Metrics

- Delivered (owned and managed) fleet of 227 aircraft increased by 50% on Q2 2015.
- Owned, managed and committed fleet increased by 70% on Q2 2015 to 443 aircraft.
- Owned fleet average age of 3.4 years and an average lease term remaining of 7.4 years at the end of Q2 2016.
- Total customer base has increased to 85 airlines in 41 countries.

	Q2 2015	Q2 2016	Change
Owned, managed & committed fleet (aircraft)	260	443	+70%
Owned & managed fleet (aircraft)	152	227	+50%
Airline Customers	56	85	+52%

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 Leasing, a Chinese public company listed on the Shenzhen Stock Exchange. As of the end of the second quarter of 2016, Avolon's owned, managed and committed fleet, comprised 443 aircraft with an average owned aircraft age of 3.4 years. Together, Avolon, Bohai Leasing and HNA Group is the world's fourth largest aircraft leasing business by asset value. See www.avolon.aero

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