

## Avolon fleet reaches 971 aircraft following very active 2018

- **Delivered and transitioned 61 aircraft to 30 customers, including the world's first A330neo, and sold 87 aircraft**
- **Ordered 100 Airbus A320neo family aircraft, increasing owned, managed and committed fleet to 971 aircraft**
- **30% shareholding acquired by ORIX, accelerating Avolon's path to Investment Grade**
- **Increased revolving debt facilities by US\$1.3 billion to US\$4.2 billion**
- **Launched Sapphire Aviation and Jade Aviation asset management vehicles**

**Dublin | 9 January 2019:** Avolon, the international aircraft leasing company, issues an update for 2018 fourth quarter ("Q4") and full year ("FY").

### AVOLON FLEET METRICS | END Q4 2018

	Q4 2017	Q4 2018	CHANGE
Owned, managed and committed fleet (aircraft)	908	971	7%
Owned and managed fleet (aircraft)	569	561	(1%)
Airline Customers	153	150	(2%)

### Q4 FLEET METRICS & BUSINESS HIGHLIGHTS

- **Delivered a total of 10 new aircraft to 7 customers, and sold 25 aircraft, including the sale of 6 aircraft to Jade Aviation, Avolon's joint venture ('JV') with China Cinda;**
- **Transitioned 5 aircraft to new lessees;**
- **Executed a total of 46 lease transactions, comprising new aircraft leases, second leases and lease extensions;**
- **Total customer base of 150 airlines in 61 countries at the end of the quarter; and**
- **Delivered the world's first Airbus A330neo to TAP Airlines.**

## Q4 STRATEGIC & FINANCIAL HIGHLIGHTS

- Ordered 100 Airbus A320neo family aircraft valued at US\$11.5 billion at list prices, adding to Avolon's exclusively new technology orderbook;
- ORIX Corporation, through its wholly owned subsidiary ORIX Aviation Systems, acquired a 30% stake in Avolon for US\$2.2 billion;
- Moody's upgrade of Avolon's corporate credit rating to Ba1;
- Increased unsecured revolving credit facility by US\$400 million to US\$2.2 billion;
- Repaid US\$772 million of public secured debt, including US\$407 million of Asset Backed Notes associated with Emerald Aviation Finance Limited and US\$365 million of Avolon's secured TLB-3, in line with Avolon's corporate objective to increase the level of unencumbered assets in its portfolio; and
- Contracted the sale of a portfolio of 49 regional jet aircraft to Falko.

## 2018 FULL YEAR HIGHLIGHTS

- Added ORIX Aviation Systems as a new 30% shareholder and incorporated an associated governance structure which enhances protections for debt investors. Specifically, the transaction:
  - Diversified and strengthened the financial profile of Avolon's shareholder base; and
  - Increased momentum on Avolon's path to Investment Grade with Fitch placing Avolon on positive outlook and Moody's upgrading Avolon's corporate credit rating to Ba1.
- Consolidated position as the third largest aircraft lessor with an order for 100 Airbus A320neo family aircraft and positioned Avolon as Airbus' largest aircraft lessor backlog customer;
- Delivered a total of 61 aircraft including 28 transitions to 30 customers. This included the world's first Airbus A330neo to TAP Airlines;
- Sold 87 aircraft in 2018, including 47 aircraft to Avolon's Sapphire and Jade Aviation joint ventures;
- Executed a total of 153 lease transactions, comprising new aircraft leases, second leases and lease extensions and 130 sale agreements;
- Established two asset management platforms in partnership with third-party investors.
  - Jade Aviation in partnership with China Cinda Asset Management, one of the largest asset managers in China. At year end Jade Aviation had acquired 6 aircraft from the Avolon fleet; and

- Sapphire Aviation Finance platform, which acquired 41 aircraft from the Avolon fleet with the issuance of US\$768 million of senior secured notes and a majority equity investment from a third-party investor.
- Successfully raised a total of US\$4.2 billion of debt (excluding Sapphire) including US\$1.5 billion of senior unsecured notes and US\$1.3 billion of warehouse and other revolving credit capacity; and
- Total revolving debt facilities of US\$4.2 billion at 31 December 2018.

**Dómhnaíl Slattery, CEO Avolon, commented:** *“Avolon enters 2019 following another strong quarter and full year. We now have a portfolio-offering that is focused exclusively on young, modern, new technology and fuel efficient single and twin aisle aircraft types. Our record-setting full year was underpinned by our robust lease and trading activity, where we delivered and transitioned 61 aircraft and sold 87 aircraft. Additionally, our recently announced Airbus order provides us with locked-in growth for the medium-term, helping us support the fleet requirements of our airline customers around the world.”*

*Our business continues to deliver strong results and our financial strength, coupled with our increasingly unencumbered asset base and diversified shareholder base, positions us well to achieve an investment grade rating. We remain excited about the prospects for the business and have confidence that we will continue to deliver value for our shareholders into the future.”*

## 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 Chinese 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 2018 of 971 aircraft.

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