

## AVOLON Q3 UPDATE

**Dublin | 4 October 2018:** Avolon, the international aircraft leasing company, issues an update for the third quarter of 2018 ('Q3').

### AVOLON FLEET METRICS | END Q3 2018

	Q3 2017	Q3 2018	CHANGE
Owned, managed and committed fleet (aircraft)	915	890	(3%)
Owned and managed fleet (aircraft)	567	571	1%
Airline Customers	151	156	3%

### Q3 FLEET METRICS & BUSINESS HIGHLIGHTS

- Owned and managed fleet of 571 aircraft at end Q3, with total orders and commitments for 319 new technology aircraft;
- Executed a total of 39 lease transactions, comprising new aircraft leases, second leases and lease extensions;
- Delivered a total of 14 aircraft to 8 customers, including 2 transitions;
- Sold 16 aircraft, including the sale of 4 aircraft to Jade Aviation, Avolon's joint venture with Cinda;
- Fleet utilization for the quarter was 100%;
- Average owned fleet age of 5.1 years with average lease term remaining of 6.8 years at end of Q3; and
- Total customer base of 156 airlines in 64 countries at the end of the quarter.

### Q3 STRATEGIC & FINANCIAL HIGHLIGHTS

- ORIX Corporation ("ORIX"), through its wholly owned subsidiary ORIX Aviation Systems ("ORIX Aviation"), entered into an agreement to acquire a 30% stake in Avolon from Bohai Capital for US\$2.2 billion, based on 31 March 2018 NAV, implying an Avolon enterprise value of US\$23.7 billion. This acquisition, scheduled to complete in Q4 2018, will:
  - Diversify and strengthen the financial profile of Avolon's shareholder base;
  - Accelerate Avolon's path to Investment Grade, with Fitch and Moody's having placed Avolon on positive outlook and under review for upgrade respectively; and
  - Implement a governance structure with enhanced protections for the minority shareholder and indirectly for debt investors.

- Paid a previously announced dividend of US\$240 million in Q3 2018, to facilitate the repayment of all outstanding intercompany loans between Avolon and its parent Bohai, as part of the pre-closing sequence for ORIX's acquisition of a 30% minority interest in Avolon;
- Raised incremental new debt capital of US\$2.1 billion during the quarter, including:
  - The upsizing of Avolon's unsecured revolving credit facility by US\$350 million to US\$1.8 billion; and
  - The successful closing of a private offering of US\$1 billion senior unsecured notes, which was upsized from US\$750 million due to significant investor demand.
- Repaid US\$365 million TLB-1, which had a maturity of April 2020, as part of a publicly stated objective to increase the level of unencumbered assets within the Avolon portfolio.

## 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 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 September, 2018 of 890 aircraft.

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### Note Regarding Forward-Looking Statements

This document includes forward-looking statements, beliefs or opinions, including statements with respect to Avolon's business, financial condition, results of operations and plans. These forward-looking statements involve known and unknown risks and uncertainties, many of which are beyond our control and all of which are based on our management's current beliefs and expectations about future events. Forward-looking statements are sometimes identified by the use of forward-looking terminology such as "believe," "expects," "may," "will," "could," "should," "shall," "risk," "intends," "estimates," "aims," "plans," "predicts," "continues," "assumes," "positioned" or "anticipates" or the negative thereof, other variations thereon or comparable terminology or by discussions of strategy, plans, objectives, goals, future events or intentions. These forward-looking statements include all matters that are not historical facts. Forward-looking statements may and often do differ materially from actual results. No assurance can be given that such future results will be achieved.