AVOLON Q3 2015 TRADING UPDATE - $350 MILLION OF NEW AIRCRAFT DELIVERED IN Q3

News / Finance

Avolon , the international aircraft leasing company, today issues an update for the third quarter of **2015** ('Q3'). Avolon delivered eight aircraft in **Q3** valued at $346 million and sold seven aircraft during Q3. Avolon's total owned, managed and committed fleet at September 30, 2015 was 258 aircraft, an increase of 14% year-on-year.

2015 Q3 Highlights

Business Activity

Ø Avolon committed to lease five Boeing 787-9 aircraft to Hainan Airlines in a transaction valued at $1.3 billion at current list prices delivering in 2016 and 2017, subject to completion of the merger agreement with Bohai Leasing Co., Ltd. ('Bohai').

Ø Replaced three existing $125 million unsecured debt facilities at a margin of 200bps with an availability period until 2017 with a single $525 million unsecured debt facility at a margin of 175bps with an availability period until 2019.

Ø Avolon's total fleet commitments for delivery in 2016 now stand at 29 aircraft.

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Ø Avolon Capital Partners acquired one aircraft on lease to Vueling Airlines during Q3.

Ø Continued momentum in aircraft sales; seven aircraft sold in Q3, with close to $180 million of aircraft under letters of intent ('LOI') for disposal in Q4 2015. In addition, Avolon has already signed LOIs to sell approximately $800 million of aircraft in 2016.

Bohai Transaction

Ø Avolon entered into a definitive merger agreement to be acquired by Bohai at a price of US$31 cash per common share giving Avolon a total enterprise value of approximately US$7.6 billion.

Ø US$31 per share represents a 55% premium to Avolon's initial public offering at US$20 per share in December 2014.

Fleet Metrics

Ø Delivered (owned and managed) fleet of 154 aircraft at the end of Q3 increased by 20 aircraft or 15% on Q3 2014.

Ø Owned, managed and committed fleet increased by 31 aircraft to 258 aircraft at the end of Q3, up 14% year-on-year.

Ø Owned fleet average age of 2.7 years and an average lease term remaining of 7 years at the end of Q3.

Investor Relations

Ø Q3 results will be announced at 6.00am ET (11.00am GMT) on November 11, 2015 with a conference call at 8.30am ET (1.30pm GMT) on that date.

Ø Avolon will participate in the Goldman Sachs Aircraft Leasing Conference on December 3, 2015.

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