



Avolon announces second capital raising of US\$650 million

Over US\$2 billion of capital raised in 2010 including US\$1 billion of equity

Sale and leaseback deals with four airlines covering 11 new aircraft

Dublin, New York, Hong Kong & Shanghai | 18 January, 2011: Avolon, the aircraft leasing group, today announces a second capital raising of US\$650m comprising US\$250 million of equity and US\$400 million of debt finance. Avolon also announces that it has agreed terms to acquire 11 new aircraft, under sale and leaseback structures, from four airlines.

Highlights

- US\$650 million of capital raised in second round of funding including US\$250 million equity investment from funds managed by existing and new investors
- US\$400 million debt provided by three leading European aviation finance banks
- Avolon to acquire 11 new aircraft from four airlines in Europe, Asia and Australia
- Avolon's committed fleet is over 60 aircraft valued at in excess of US\$2.8billion
- Proceeds of capital raising to support continued growth of Avolon fleet

Second Capital Raising

The US\$250 million of additional equity has been raised from Avolon's existing investors: Cinven, CVC Capital Partners and Oak Hill Capital Partners. A number of other investors have also participated in the equity raising including Oak Hill Advisors. The US\$400 million of debt finance was provided by three European institutions - DVB, Nord LB and KfW IPEX-Bank - in separate bilateral transactions.

This additional capital raising brings the total capital raised by Avolon, since launch in May 2010, to in excess of US\$2 billion comprising US\$1 billion of equity and US\$1 billion of debt finance.

Aircraft Acquisition

Avolon is acquiring 11 new aircraft, under sale and leaseback structures, from four airlines based in Europe, Asia and Australia. Two of the aircraft were delivered new in 2010 and the remainder will deliver in the next twelve months. The 11 aircraft comprise five Airbus A320s and six Boeing 737-800s and include:

- Two A320s leased to *Philippine Airlines* - The Philippines
- Three A320s to be leased to *Indigo Airlines* - India
- Three Boeing 737-800s to be leased to *Air Berlin* - Germany
- Three 737-800s to be leased to *Virgin Blue* – Australia

Mr Denis Nayden, Avolon Chairman, commented:

“We are pleased to announce our second capital raising of US\$650 million which brings our total capital raising, for 2010, to over US\$2 billion. The additional equity investment reflects the rapid development of Avolon since launch and the confidence the shareholders have in Avolon’s strategy, management team and business model.”

Mr Dómhnaíl Slattery, Avolon CEO, added:

“Since the business was launched in May, 2010, Avolon has delivered on each of its business objectives. These include initial orders for new aircraft with both Boeing and Airbus together with the completion of sale and leaseback and portfolio transactions totalling over 40 aircraft on lease to a globally diverse pool of airlines. We have built a strong team to sustain our growth and deliver on our objectives for 2011 and beyond as we continue to create value for our shareholders.”

2010 Milestones

- Total capital of US\$2.05 billion raised in 2010 comprising US\$1 billion of equity and US\$1.05 billion of debt
- Equity raising of US\$1 billion - investors include three of the world’s leading private equity firms: Cinven, CVC Capital Partners and Oak Hill Capital Partners
- Debt finance of US\$1.05 billion from a range of leading aviation finance banks which include DVB, Nord LB, KfW IPEX-Bank, UBS, Deutsche Bank, BNP Paribas and Credit Agricole CIB
- US\$400 million warehouse facility closed in May 2010 which was the first facility of this type to be successfully executed in three years
- Appointment of over 20 professionals in offices in Dublin New York, Hong Kong & Shanghai
- Completion of an initial order for 12 737-800 NG aircraft from Boeing
- Completion of an initial order for 8 A320 aircraft from Airbus
- Completion of sale and leaseback and portfolio transactions on over 40 aircraft
- Avolon’s existing customers include 18 airlines across five continents

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About Avolon

Headquartered in Ireland, with offices in New York, Hong Kong and Shanghai, Avolon provides aircraft leasing and lease management services. Avolon's investors include three of the world's leading private equity firms Cinven, CVC Capital Partners and Oak Hill Capital Partners.

Avolon is rapidly establishing itself as one of the leading global players in the aircraft leasing sector, leveraging off the strong financial backing of its owners and the extensive trading history and senior industry relationships of its management team. The primary asset focus of the business is on young fuel-efficient narrow-body (single-aisle) aircraft such as the Airbus A320 family and Boeings 737NG family. In addition, Avolon also invests in best-in-class wide-body (twin-aisle) aircraft such as the Airbus A330 family and Boeing 777 family.

Avolon has a team of over 20 experienced professionals across its offices in Dublin, New York, Hong Kong and Shanghai. Since launch Avolon has executed contracts and letters of intent for the purchase of over 60 aircraft comprising Airbus A320s, Boeing 737NGs and Airbus A330s. See www.avolon.aero

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