



Avolon to acquire aircraft leasing business of CIT Group

Combined fleet of 910 aircraft with value of over US\$43 billion

Dublin & Hong Kong | 6 October, 2016: Avolon Holdings Limited, the international aircraft leasing company, and a wholly owned subsidiary of Bohai Capital Holding Co., Ltd. ("Bohai"), the equipment and transportation lessor listed on the Shenzhen Stock Exchange (SLE: 000415), announces an agreement to acquire the aircraft leasing business of CIT Group Inc. (NYSE: CIT) (the "Transaction"). The Transaction will create a leading aircraft leasing business with an owned, managed and committed fleet of 910 aircraft valued at over US\$43 billion. The Transaction is subject to customary closing conditions and required regulatory approvals and is expected to close in the first quarter of 2017.

Transaction Rationale

- ▶ Transaction will double the scale of the Avolon business and create the world's third largest aircraft leasing platform.
- ▶ Complementary businesses which expand Avolon's existing customer base by 69 airlines in 20 countries to 154 customers in 61 countries - enhancing the global footprint of the business to drive growth and balanced, risk adjusted returns.
- ▶ Combined business will have approximately one third of in-service aircraft leased into each of the Americas, EMEA and Asia-Pacific regions, providing balanced geographic exposure.
- ▶ Attractive pipeline of future deliveries for 282 new technology aircraft which underpins growth objectives.
- ▶ Business is well capitalised to pursue further growth opportunities across multiple acquisition channels; balance sheet is strong with a long-term strategic shareholder committed to the sector.

Transaction Highlights

- ▶ Avolon to acquire the CIT Group aircraft leasing business including 334 owned and managed aircraft; and 133 aircraft on order or committed.
- ▶ Avolon will acquire total assets as of 30 June 2016 of US\$11.1 billion and associated liabilities. Avolon will pay US\$10.0 billion for US\$9.4 billion of net asset value ("NAV") as of 30 Jun 2016, which represents a premium of 6.7%.
- ▶ The combined owned, managed and committed fleet comprises 910 aircraft valued at over US\$43 billion.
- ▶ Combined orders and commitments of 349 aircraft includes 282 new technology aircraft comprising: 195 Airbus aircraft (A320neo family, A330neo and A350); 59 Boeing 737 MAX aircraft; and 28 Boeing 787 aircraft.
- ▶ Pro-forma owned, in-service fleet of 511 aircraft has an average aircraft age of 4.6 years, the youngest owned, in-service fleet among the world's top three aircraft leasing companies, with an average remaining lease term of 6.7 years.
- ▶ The combined business will have a proven, experienced management team with the operating and financial disciplines that have driven Avolon from launch in 2010 to become the world's third largest aircraft leasing business in six years.

Avolon CEO, Dómhnaíl Slattery, said: "From a standing start we will have built Avolon into a leading global player in six years. We are delighted to announce an agreement to acquire the CIT aircraft leasing platform. It is a strong business with an excellent reputation in the market. While this transaction is strategically compelling and will double the scale of Avolon, it is not the summit of our ambition. Avolon has a strong brand, a best-in-class fleet, a proven business model and a long-term strategic shareholder committed to the sector. We look forward to continuing to drive the disciplined growth of the business in the years ahead."

Chris Jin, CEO of Bohai, said: *“Our vision at Bohai is to build each of our transportation finance businesses into global leaders. Our decision to acquire Avolon in 2015 was a key step towards that objective. The Avolon team has already delivered remarkable growth in building a new platform into a leading industry franchise. They are now taking a further exciting step towards our collective goal to become a true global leader in transport finance. We are confident in the prospects for the enlarged business which has a strong, proven team and the operating disciplines to drive sustainable performance.”*

Combined Business | Key Metrics

	Avolon + CIT
Total Fleet (aircraft)	910
Total Fleet (value)	US\$43+ billion
Owned & Managed In-Service Fleet (aircraft)	561
Orders & Commitments (aircraft)	349
Average Fleet Age (years: based on 511 owned, in-service aircraft)	4.6
Average Lease Term Remaining (years)	6.7
Customers	154

Note: Fleet numbers as of 30 June, 2016

Closing Conditions & Regulatory Approvals

The Transaction is subject to customary closing conditions and certain required regulatory approvals. The Transaction is subject to Bohai shareholder approval. HNA Group, Bohai’s largest shareholder, has agreed to vote its shareholding in Bohai in favour of the Transaction. The Transaction is expected to close in the first quarter of 2017.

Transaction Terms & Financing

Avolon will acquire total assets of US\$11.1 billion as of 30 June 2016 and associated liabilities. Avolon will pay US\$10.0 billion, a premium of 6.7% to the 30 June 2016 NAV of US\$9.4 billion. The purchase price is subject to adjustment for changes in NAV between 30 June 2016 and the closing date of the Transaction. The Transaction will be financed by a combination of Avolon’s cash; new equity contributed by Bohai; and acquisition debt financing of US\$8.5 billion that has been committed by Morgan Stanley & Co. LLC and UBS Investment Bank.

Transaction Advisors

Avolon’s financial advisors for the transaction were UBS Investment Bank and Morgan Stanley & Co. LLC. Weil, Gotshal & Manges LLP and Freshfields Bruckhaus Deringer acted as Avolon’s legal advisors. KPMG and E&Y also advised on the transaction.

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.

Website: www.avolon.aero
Twitter: [@avolon_aero](https://twitter.com/avolon_aero)

About Bohai Capital Holding Co., Ltd.

Bohai Capital Holding Co., Ltd. is a Chinese public company listed on the Shenzhen Stock Exchange (SLE: 000415), a CSI 300 index company, and is the only listed leasing company on the Chinese A-Share stock market. Bohai owns a portfolio of world class equipment and transportation asset leasing companies and is a majority controlled subsidiary of the HNA Group. See www.bohaileasing.com/en/

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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.