

## Avolon Announces Closing of US\$768.4 million Fixed Rate Secured Notes by Sapphire Aviation Finance

**Dublin | 23 March, 2018:** Avolon, the international aircraft leasing company, today announces that Sapphire Aviation Finance I Limited and Sapphire Aviation Finance I (US) LLC (collectively the “Issuers” or “SAPA 2018-1”), newly established special purpose companies, closed a total of US\$768.4 million of Fixed Rate Secured Notes (the “Issue”).

The Issue comprised of US\$633 million of 4.250% Series A Fixed Rate Secured Notes (the “Series A Notes”) issued at a 4.30% yield; US\$97 million of 5.926% Series B Fixed Rate Secured Notes (the “Series B Notes”) issued at a 6.00% yield; and US\$38.38 million of 7.385% Series C Fixed Rate Secured Notes (the “Series C Notes”) issued at a 7.50% yield (collectively, the “Notes”). The Notes are rated:

	Fitch	KBRA
<b>Series A</b>	A	A
<b>Series B</b>	BBB	BBB
<b>Series C</b>	BB	BB

The Issuers also offered E Notes and S Certificates (together the “Equity Notes”) representing the equity interest in SAPA 2018-1, a majority of which were purchased by a third party and a minority of which were purchased by Avolon.

The Notes are backed by a portfolio of 41 aircraft (the “Portfolio”), with an appraised value of \$962.4m, which will be acquired by SAPA 2018-1 from Avolon using the proceeds of the issuance. The Portfolio comprises a mix of narrowbody and twin-aisle aircraft leased to 30 lessees based in 19 countries. As at 9 February 2018, the Portfolio had an average weighted age of 12 years. Avolon will act as servicer with respect to the Portfolio and any additional aircraft acquired by the Issuers.

**Dómhnal Slattery, CEO Avolon commented:** *“The disposal of 41 aircraft from the Avolon fleet, facilitated by the launch of the Sapphire vehicle, opens another channel for Avolon to bring third party investment into the mid-life aircraft space whilst increasing our managed fleet, and expanding our footprint as a servicer in the ABS market.”*

Wells Fargo acted as Sole Structuring Agent, Sole E Note Placement Agent and Joint Bookrunner. BNP Paribas and Crédit Agricole also acted as Joint Bookrunners for the transaction. BNP Paribas was the Liquidity Facility provider to the Issuers.

Clifford Chance advised Avolon and the Issuers, and Hughes Hubbard & Reed LLP acted as counsel to the Joint Lead Structuring Agents.

The Notes have not been registered under the United States Securities Act of 1933, as amended (the "Securities Act"), and were offered only to qualified institutional buyers under Rule 144A under the Securities Act and outside the United States to non-U.S. persons in accordance with Regulation S under the Securities Act. The Notes may not be offered or sold in the United States absent registration under the Securities Act except pursuant to an exemption from the Securities Act or in a transaction not subject to the registration requirements of the Securities Act and applicable state securities laws. This press release shall not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Notes in any state in which such offer, solicitation, or sale would be unlawful prior to registration or qualification under the securities laws of any such state.

### **Forward Looking Statements**

Certain items in this press release may constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 including, but not necessarily limited to, statements relating to future operations. Words such as "expect(s)" and similar expressions are intended to identify such forward-looking statements. These statements are based on management's current expectations and beliefs and are subject to a number of factors that could lead to actual results materially different from those described in the forward-looking statements. Avolon can give no assurance that its expectations will be attained. There are important factors that could cause actual results, level of activity, performance or achievements to differ from the results, level of activity, performance or achievements expressed or implied in the forward-looking statements. In light of these risks, uncertainties and assumptions, the future performance or events described in the forward-looking statements in this press release may not occur. Accordingly, you should not rely upon forward-looking statements as a prediction of actual results and we do not assume any responsibility for the accuracy or completeness of any of these forward-looking statements. Such forward-looking statements speak only as of the date of this press release. Avolon expressly disclaims any obligation to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in the Company's expectations with regard thereto or change in events, conditions or circumstances on which any statement is based.

**-END-**

### **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 a owned, managed and committed fleet, as of 31 December, 2017 of 908 aircraft.

Website: [www.avolon.aero](http://www.avolon.aero)

Twitter: [@avolon\\_aero](https://twitter.com/avolon_aero)

#### **Ross O'Connor**

Head of Investor Relations

[roconnor@avolon.aero](mailto:roconnor@avolon.aero)

T: +353 1 231 5818

#### **Sean Pattwell**

Head of Communications

[spattwell@avolon.aero](mailto:spattwell@avolon.aero)

T: +353 1 556 4454

#### **Jonathan Neilan**

FTI Consulting

[avolon@fticonsulting.com](mailto:avolon@fticonsulting.com)

M:+353 86 231 4135