

SMBC Aviation Capital results for the year ended 31 March 2017

-Another year of strong financial growth

-Driven by robust performance of aircraft trading operations

Dublin, 12 June 2017: SMBC Aviation Capital (or the “Company”), one of the world’s leading aircraft leasing companies, today announces its results^[1] for the financial year ended 31 March 2017.

Key Highlights

- Strong financial performance with continued growth in all key financial measures
- Revenue and other operating income up 11% to \$1,162 million (2016: \$1,046 million), driven by investments in young aircraft combined with strong aircraft trading activity
- Operating profit up 25% to \$661 million (2016: \$530 million) and Profit before Taxation up 48% to \$346 million (2016: \$233 million)
- Aircraft assets increased by 3% to \$10.5 billion^[2]
- 670 owned, managed and committed aircraft at year-end
- 111 transactions completed, including our first deliveries of newer technology Airbus A320neo and Boeing 787 aircraft, with our first A350 delivered since year-end
- 39 aircraft from our portfolio sold to 24 investors, 20 of which are new customers
- Continued portfolio enhancement, with weighted average age of fleet now 4.5 years
- Credit ratings recently upgraded to A- from BBB+ by Fitch Ratings
- \$500m inaugural bond issuance closed in July 2016

Commenting on the company’s performance, Peter Barrett, CEO, SMBC Aviation Capital said:

“This has been another year of strong financial and operational growth, which is testament to the strength of our strategy of continued investment in young aircraft, combined with trading through the cycle.

The delivery of the newest technology aircraft has commenced with the placement on sale and leaseback over the year of four A320neos, seven Boeing 787-8s and our first A350 since year end. We are pleased with the global footprint of our business, particularly with activity in Asia.

We experienced significant investor demand for our portfolio and sold 39 aircraft in total to 24 different investors, 20 of which were new customers. This enabled us to lower the weighted average age of our overall portfolio to 4.5 years. When combined with our order book of 110 Airbus A320neo and 90 Boeing 737 Max aircraft, this supports us in maintaining one of the youngest, most technologically advanced and fuel efficient fleets in the industry.



It is now five years since we were acquired by Sumitomo Mitsui Financial Group and Sumitomo Corporation. The strength of this relationship this year alone, has resulted in a collaboration on more than \$2.2 billion of JOL and JOLCO (Japanese operating leases with call options) for our customers. We also further diversified our funding base during the year raising \$500 million from the launch of our inaugural bond in July 2016.

Our strategy, combined with our leading market position and supportive shareholders ensures that we are well placed for the future.”

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ABOUT SMBC AVIATION CAPITAL:

SMBC Aviation Capital is one of the world’s leading aircraft lessors, with c. 100 airline customers in 41 countries. At 31 March 2017, the company owns, manages and is committed to purchase 670 aircraft. Established in 2001, the company rebranded to SMBC Aviation Capital in 2012 following its acquisition by a consortium comprising two of Japan’s biggest companies SMFG and Sumitomo Corporation. For further information go to <https://www.smbc.aero/>

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^[1] – The financial and non-financial metrics disclosed for the period relate to SMBC Aviation Capital, its subsidiaries and affiliate group companies

^[2] – Owned aircraft assets under operating lease