

SMBC Aviation Capital Performance Update
For the year ended 31 March 2015
A year of landmark aircraft orders

Dublin, May 1 2015: SMBC Aviation Capital, one of the world's largest aircraft leasing companies, today issues an update on the company's performance to the year ended 31 March 2015.

Key Highlights

- Revenue of \$964 million (2014: \$853 million), an increase of 13%
- Operating Profit of \$492 million (2014: \$458 million), an increase of 7%
- Aircraft assets in excess of \$10 billion
- Assigned a BBB+ corporate credit rating by Standard & Poor's, and a BBB long-term issuer default rating by Fitch Ratings
- \$11.8 billion order placed with Airbus for 110 x A320neo and 5 x A320ceo aircraft for delivery between 2016 and 2022
- \$8.5 billion order placed with Boeing for 80 x B737 Max 8 aircraft for delivery between 2018 and 2022

Commenting on the company's performance, Peter Barrett, CEO, SMBC Aviation Capital said, *"This has been a landmark year for SMBC Aviation Capital. Our order for 115 Airbus aircraft, announced in July at the Farnborough Air Show, is the largest single-aisle aircraft order ever placed by a lessor and the largest aircraft order of any kind by a Japanese-owned lessor. Similarly, our order for 80 Boeing 737 MAX 8 aircraft, announced in Tokyo in November, is the largest single order of 737 MAXs by a lessor and the largest Boeing order of any kind from a Japanese-owned lessor. These deals should be taken as a clear sign of our ambitious plans to grow this business and, combined with another year of solid underlying trading and the strong ratings that we have been assigned by S&P and Fitch, mean that we look to the future with confidence."*

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SMBC AVIATION CAPITAL LIMITED AND SUBSIDIARIES

*SMBC AC is a combination of 3 main consolidated entities, of which the major entity is Ireland Group, below are the key Financial Statements for each entity

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
for the year ended 31 March 2015**

	Ireland Group	UK	Australia	Total
	\$'000	\$'000	\$'000	\$'000
CONTINUING OPERATIONS				
Income				
Revenue	823,443	74,918	8,758	907,119
Other operating income	56,410		640	57,050
	879,853	74,918	9,398	964,169
Expenses				
Depreciation	(285,801)	(16,774)	(5,548)	(308,123)
Impairment	(52,237)	(4,439)		(56,676)
Operating expenses	(103,653)	(5,840)		(109,493)
Net trading income / (expense)	2,356			2,356
PROFIT FROM OPERATING ACTIVITIES	440,518	47,865	3,850	492,233
Finance costs				
Interest income	56,328	126	56	56,510
Interest expense	(296,487)	(30,934)	(1,364)	(328,785)
Break losses	(6,115)	(341)	(81)	(6,537)
NET FINANCE COSTS	(246,274)	(31,149)	(1,389)	(278,812)
Other expenses			(637)	(637)
PROFIT BEFORE TAXATION	194,244	16,716	1,824	212,784
Tax expense	(29,763)	(2,919)	(1,677)	(34,359)
PROFIT FROM CONTINUING OPERATIONS	164,481	13,797	147	178,425
OTHER COMPREHENSIVE INCOME				
Effective portion of changes in fair value of cash flow hedges	(7,813)	(5,540)		(13,353)
Movement in fair value of available for sale assets	(272)			(272)
Tax on other comprehensive income	1,047	1,108		2,155
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX	(7,038)	(4,432)		(11,470)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	157,443	9,365	147	166,955

SMBC AVIATION CAPITAL LIMITED AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
as at 31 March 2015

	Ireland Group	UK	Australia	Total
	\$'000	\$'000	\$'000	\$'000
NON-CURRENT ASSETS				
Property, plant and equipment	9,232,836	842,343	53,947	10,129,126
Goodwill and intangible assets	24,768			24,768
Loan receivables	78,524			78,524
Derivative financial instruments	2,947	228		3,175
Lease incentive asset	55,802	2,736		58,538
	<u>9,394,877</u>	<u>845,307</u>	<u>53,947</u>	<u>10,294,131</u>
CURRENT ASSETS				
Finance lease receivables				
Loan receivables	1,564			1,564
Trade and other receivables	39,074	1,673	1,119	41,866
Cash and cash equivalents	255,859	69,580	42,814	368,253
Derivative financial instruments	2,199			2,199
Lease incentive asset	20,594	794		21,388
Available for sale assets				
	<u>319,290</u>	<u>72,047</u>	<u>43,933</u>	<u>435,270</u>
TOTAL ASSETS	<u>9,714,167</u>	<u>917,354</u>	<u>97,880</u>	<u>10,729,401</u>
CURRENT LIABILITIES				
Trade and other payables	(307,071)	(16,300)	(3,563)	(326,934)
Obligations under finance leases	(48,389)	(5,281)		(53,670)
Borrowings	(994,529)	(62,725)	(23,936)	(1,081,190)
Derivative financial instruments	(586)			(586)
	<u>(1,350,575)</u>	<u>(84,306)</u>	<u>(27,499)</u>	<u>(1,462,380)</u>
NON-CURRENT LIABILITIES				
Trade and other payables	(515,915)	(53,381)	(3,688)	(572,984)
Obligations under finance leases	(340,999)	(33,916)		(374,915)
Borrowings	(5,930,002)	(648,686)	(20,822)	(6,599,510)
Deferred tax liabilities	(236,997)	(3,199)	(5,719)	(245,915)
Derivative financial instruments	(17,183)			(17,183)
	<u>(7,041,096)</u>	<u>(739,182)</u>	<u>(30,229)</u>	<u>(7,810,507)</u>
TOTAL LIABILITIES	<u>(8,391,671)</u>	<u>(823,488)</u>	<u>(57,728)</u>	<u>(9,272,887)</u>
NET ASSETS	<u>1,322,496</u>	<u>93,866</u>	<u>40,152</u>	<u>1,456,514</u>
EQUITY				
Share capital	187,513	11,748	36,103	235,364
Other components of equity	197,718	10,625	1,712	210,055
Profit and loss account	937,265	71,493	2,337	1,011,095
TOTAL EQUITY	<u>1,322,496</u>	<u>93,866</u>	<u>40,152</u>	<u>1,456,514</u>