

PRESS RELEASE

14 March 2018

BOC AVIATION REPORTS RECORD PROFITS AND 64% INCREASE IN DIVIDENDS

BOC Aviation Limited (“BOC Aviation” or the “Company”) is pleased to announce its audited financial results for the full year ended 31 December 2017.

Robert Martin, Managing Director and Chief Executive Officer, said: “We are delighted to report net profit after tax of US\$587 million, which translates to a return on equity of 16.3%, as we grew the business in 2017. The Board has recommended a final dividend of US\$0.192 per share representing a total dividend of US\$0.2958 per share for 2017, a 64% increase on the total dividend for 2016. After a record 74 deliveries in 2017, BOC Aviation started its 25th year in its best condition ever, with liquidity, balance sheet and earnings outlook deliberately structured for expansion.”

Financial Highlights

Our financial highlights for the year ended 31 December 2017 are:

- Total revenues and other income rose 17% year-on-year, to US\$1,401 million
- Net profit after tax was US\$587 million, an increase of 40% over 2016
- Earnings per share of US\$0.85, based on Shares outstanding¹ at 31 December 2017
- Total assets increased 19% year-on-year, to US\$16 billion at 31 December 2017
- Raised US\$2.9 billion in total debt, including a first ever US\$1 billion dual-tranche bond offering
- Maintained strong liquidity with US\$305 million in total cash and fixed deposits and US\$3.7 billion in undrawn committed credit facilities at 31 December 2017
- Portfolio utilisation of 99.8% and cash collection from airline customers of 99.9%
- Board recommended a final dividend for 2017 of US\$0.192 per Share, pending approval at the AGM to be held on 30 May 2018. The final dividend will be payable to Shareholders registered at the close of business on the record date, being Thursday, 7 June 2018, bringing the total dividend for 2017 to US\$0.2958² per Share

¹ Number of shares outstanding at 31 December 2017 and 31 December 2016 was 694,010,334.

² Includes interim dividend of US\$0.1038 per Share paid to Shareholders registered at the close of business on 25 September 2017.

Portfolio and Operational Highlights

As at 31 December 2017, BOC Aviation:

- Had a portfolio comprising 318 owned and managed aircraft³, with an average aircraft age of 3.0 years and an average remaining lease term of 8.2 years for the owned aircraft fleet, weighted by net book value
- Leased aircraft to 80 airlines in 33 countries and regions
- Took delivery of 74 aircraft, including three acquired by airline customers on delivery, in 2017 with 28 aircraft delivered in 4Q 2017 alone
- Signed 103 leases in 2017
- Sold 30 owned and two managed aircraft in 2017
- Had an orderbook of 173 aircraft⁴
- Had committed for lease 50 of the 53 new aircraft scheduled for delivery in 2018⁵
- Had committed future revenues of US\$15.3 billion from owned and scheduled deliveries of aircraft
- Recorded aircraft utilization of 99.8% for the fourth quarter and year ended 31 December 2017 and ended the year with all owned aircraft on lease

³ Includes one aircraft subject to finance lease.

⁴ Includes all commitments to purchase aircraft including those where an airline customer has the right to acquire the relevant aircraft on delivery.

⁵ After 31 December 2017, the three remaining aircraft were committed for lease.

Key Financial Data

	Year ended 31 December		
	2017	2016	Change ⁶
	US\$'m	US\$'m	%
Statement of Profit or Loss			
Revenues and other income	1,401	1,193	17.4
Costs and expenses	(850)	(719)	18.1
Profit before income tax	551	474	16.3
Net profit after income tax	587	418	40.3
	As at	As at	
	31 Dec 2017	31 Dec 2016	Change⁶
	US\$'m	US\$'m	%
Statement of Financial Position			
Cash and fixed deposits	305	558	(45.3)
Total current assets	572	820	(30.2)
Total non-current assets	15,468	12,625	22.5
Total assets	16,040	13,445	19.3
Total current liabilities	1,724	1,190	44.9
Total non-current liabilities	10,497	8,873	18.3
Total liabilities	12,221	10,063	21.5
Net Assets	3,819	3,382	12.9
Financial ratios			
Net assets per share (US\$) ⁷	5.50	4.87	
Gearing (times) ⁸	2.9	2.6	

⁶ Percentage change is calculated based on numbers in US\$ thousands as shown in the financial statements.

⁷ Net assets per share is calculated by dividing net assets by total number of shares outstanding at 31 December 2017, and 31 December 2016, in the respective columns. Number of shares outstanding at 31 December 2017 and 31 December 2016 was 694,010,334.

⁸ Gearing is calculated by dividing gross debt by total equity at 31 December 2017, and 31 December 2016, in the respective columns.

Aircraft Portfolio including Order Book (at 31 December 2017, by number of aircraft)

Aircraft Type	Owned Aircraft³	Managed Aircraft	Aircraft on Order⁹	Total
Airbus A320CEO family	135	11	3	149
Airbus A320NEO family	5	0	61	66
Airbus A330CEO family	12	7	0	19
Airbus A330NEO family	0	0	2	2
Airbus A350 family	2	0	4	6
Boeing 737NG family	99	9	15	123
Boeing 737 MAX family	0	0	84	84
Boeing 777-300ER	23	1	0	24
Boeing 777-300	0	1	0	1
Boeing 787 family	1	0	4	5
Embraer E190 family	5	0	0	5
Freighters	5	2	0	7
Total	287	31	173	491

⁹ Includes all commitments to purchase aircraft including those where an airline customer has the right to acquire the relevant aircraft on delivery.

The full year 2017 financial results presentation slides and consolidated financial statements are available on the Company website at <https://www.bocaviation.com/en/Investors/Financial-Results>, along with a recording of the earnings conference call that will be made available on 15 March 2018.

About BOC Aviation

BOC Aviation is a leading global aircraft operating leasing company with a fleet of 491 aircraft owned, managed or on order. Its owned and managed fleet was leased to 80 airlines worldwide in 33 countries and regions as at 31 December 2017. BOC Aviation is listed on the Hong Kong Stock Exchange (HKEx code: 2588) and has its headquarters in Singapore with offices in Dublin, London, New York and Tianjin. For more information, visit www.bocaviation.com.

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