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DEMAND FOR BUSINESS AIRCRAFT FINANCE SET TO INCREASE

October 12, 2017, Boca Raton, FL. Business aviation finance is on the upswing, with new research¹ from Global Jet Capital, a global leader in financial solutions for corporate aircraft, revealing that over 77% of business aviation professionals recently surveyed expect demand for business aviation finance to increase over the next five years, with more than one in six of those expecting the increase to be “dramatic”. Only 6% anticipate a fall in demand between now and 2022.

The main reason identified for the growing demand for finance is that in the current economic climate, there is a growing trend for potential buyers to use less of their own capital, a fact cited by 62% of the professionals interviewed. Two in five (40%) respondents said the overall level of sales of business aircraft will grow and thus result in increased demand for finance.

21% also pointed to the fact that operating leases are currently very attractively priced, and thus are a financing option which more buyers are likely to consider over the coming five-year period.

The research suggests the industry is set to meet this growing demand as 57% of the business aviation professionals questioned think the overall amount of finance made available to this market will increase in the coming year. 25% said this was because more specialist lenders have recently come into the market, while 34% said they expect to see more specialist lenders entering the sector in the future. 33% think traditional lenders will want to increase their exposure to the business aviation market.

Overall, 32% of those interviewed believe that the growing size of the business aviation market over the next twelve months will naturally lead to an increase in the amount of finance available.

In terms of finance rates offered, 51% of the study's respondents think they will increase between now and 2020. Only 21% believe they will stay the same as today, while 18% think they will decrease. With such an overwhelming majority predicting either stable or increasing rates, it indicates that now may be the best time to take out an operating lease and secure guaranteed rates for the longer term.

Shawn Vick, chief executive officer at Global Jet Capital, said: "We are seeing slow but steady improvement in market fundamentals, largely the result of the OEMs making difficult but necessary decisions related to production rates, and emerging strength in the global financial markets. From our perspective, we experienced a solid increase in business over 2016 and see strong demand heading into 2018 for both new and used aircraft financing. Looking forward, we are confident that our wide range of financing solutions and industry experience will position us well to respond to a full industry recovery."

Global Jet Capital is capitalized by three global investment firms – GSO Capital Partners, a Blackstone company in partnership with Franklin Square Capital Partners*; The Carlyle Group; and AE Industrial Partners. In January 2016, Global Jet Capital completed the purchase of GE's corporate aircraft lease and loan book in the Americas.

Global Jet Capital currently has approximately \$2.5 billion in assets under management.

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Notes to editors

1 – Research conducted by Global Jet Capital and Corporate Jet Investor amongst a panel of 144 business aviation professionals between 21st and 26th September 2017.

Global Jet Capital

With approximately \$2.5 billion in assets under management, Global Jet Capital provides financing solutions for the private aircraft market. The company is capitalized by world-class private investors with expertise in the global aviation industry: GSO Capital Partners, a Blackstone company, in partnership with FS Investments, The Carlyle Group and AE Industrial Partners. The Global Jet Capital management team has served the private aircraft industry for a combined 200-plus years and has completed over 3,500 aircraft transactions. The company has the expertise, financial strength, industry relationships and infrastructure necessary to offer a



variety of flexible financing solutions at the speed the market requires.

www.globaljetcapital.com

GSO Capital Partners and FS Investments

GSO Capital Partners, with approximately \$89 billion in assets under management, is the credit platform of The Blackstone Group, a leading global institutional alternative asset manager, with assets under management of over \$360 billion*. FS Investments, formerly Franklin Square Capital Partners, is a leading asset manager that designs alternative investments, including six funds sub-advised by GSO or its affiliates representing over \$18 billion in assets under management as of June 30, 2016. www.blackstone.com/gso

* As of September 30, 2016

The Carlyle Group

The Carlyle Group (NASDAQ: CG) is a global alternative asset manager with \$176 billion of assets under management across 128 funds and 170 fund of funds vehicles as of June 30, 2016. Carlyle's purpose is to invest wisely and create value on behalf of its investors, many of whom are public pensions. Carlyle invests across four segments – Corporate Private Equity, Real Assets, Global Market Strategies and Investment Solutions – in Africa, Asia, Australia, Europe, the Middle East, North America and South America. Carlyle has expertise in various industries, including: aerospace, defense & government services, consumer & retail, energy, financial services, healthcare, industrial, real estate, technology & business services, telecommunications & media and transportation. The Carlyle Group employs more than 1,650 people in 35 offices across six continents.

www.carlyle.com

AE Industrial Partners

AE Industrial Partners is a private equity investment company founded in 1998, by David Rowe and his late father, aviation pioneer Brian Rowe, to make direct investments in aerospace, power generation and specialty industrial companies. Today AE Industrial is led by 11 partners with each having an average of over 30 years of relevant operating and direct investment experience. AE Industrial is focused on investing in precision component manufacturing, distribution, MRO (maintenance, repair and overhaul) and industrial service-based businesses that are strategically important to their market places. AE Industrial has invested in over 30 companies including: Aviall, Dynamic Precision Group, Grand Prairie Accessory Services, Moeller Aerospace, Landmark Aviation, Kellstrom Materials and Belcan Corporation.

www.aeroequity.com