

AerLift – Sale of Waha’s Equity Stake

May 2014



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Transaction Summary

- On 6 April 2014, Waha announced the sale of its **60.7% shareholding in AerLift Leasing** to a US-based aircraft leasing investor. AerCap Holdings maintains its 39.3% ownership in AerLift
- Established in 2010 as a joint venture between AerCap and Waha, AerLift Leasing is a **portfolio of 11 commercial aircraft**, operated by a number of international airlines
- Waha's initial investment in AerLift was part of a broader transaction which also resulted in Waha acquiring a 20%⁽¹⁾ interest in AerCap
- Waha realized gross proceeds from the sale of AED 307 million, with a **gain on disposal of AED 20 million** recognized in Q1 2014
- While AerLift Leasing generated positive returns and cash dividends throughout the holding period, it is a mature asset which Waha had designated as non-core in the context of future growth
- The sale helped Waha deliver on several key strategic goals:
 - (1) **Diversified portfolio** and reduced exposure to aircraft leasing sector
 - (2) **Released capital** for further deployment into growth segments
 - (3) **Enhanced shareholder value** by exiting at opportune time and realizing a profit

(1) Stake was increased to 26.2% due to Waha's non-participation in a series of share buy-backs, and has now been reduced to 14.1% as a result of the recent ILFC transaction

Transaction Highlights

The success of the transaction was a result of a thorough assessment of potential exit routes, correct timing of the market, and strong execution

1 Exhaustive assessment of exit options

- Strategic decision made to sell AerLift Leasing
- Explored all exit options:
 - Individual asset sales
 - Direct discussions with strategic & financial 3rd parties
 - **Competitive auction process**

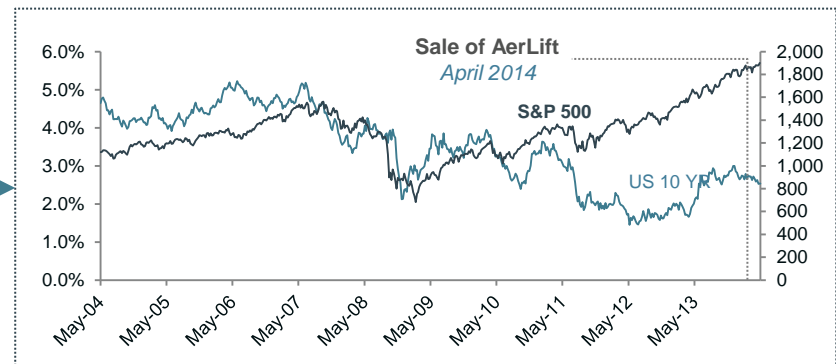
2 Optimal market timing

- Approached the market during a period of low interest rates and high asset valuations
- Strong interest in the sector with several transactions generating increasing demand for aircraft-backed yield assets
- Desire by investors to invest alongside AerCap on the back of the company's strong performance and the ILFC transaction

3 Implementation of best execution

- Mandated an investment bank to manage the sale process
- Reached out to a broad list of international investors
- Pursued a direct equity sale to yield investors
- Enforced efficient transaction timeline

Low interest rate, high asset valuation, environment



Investors have exhibited strong interest in the sector



AerCap's sale of ALS

November 2012



ILFC Transaction Announcement

December 2013



Sale of Genesis Funding Limited

April 2014

Benefits to Waha

- Improved portfolio diversification due to reduction of exposure to the aircraft leasing sector
 - Waha remains exposed to the sector through its 14.1% stake in AerCap (valued at \$1.4 billion⁽¹⁾)
- Delivered shareholder value by executing the transaction at a premium to Waha's carrying value and realizing a profit of AED 20 million
- Freed up significant amount of capital to reinvest in other high growth sectors
- Culminates Waha's transformation from an aircraft leasing operating company to a diversified investment company

Waha has successfully reduced its exposure to aircraft leasing by selling its 60.7% stake in AerLift and delivered value to shareholders by executing the transaction at a premium to carrying value

(1) Based on closing share price of \$46.83 on 23 May 2014