

Terra Firma and CPPIB reach agreement to sell AWAS to Dubai Aerospace Enterprise

London, UK (April 24, 2017) – Terra Firma, alongside co-investors and Canada Pension Plan Investment Board (CPPIB), have today announced an agreement to sell AWAS, a Dublin-based aircraft lessor, to Dubai Aerospace Enterprise.

AWAS is one of the world's leading aircraft leasing companies with 87 airline customers in more than 45 countries and with owned aircraft assets of c. US\$7.5bn as at November 2016. The company holds a diversified portfolio of 214 owned aircraft comprised of the most attractive and liquid aircraft types in their respective market segments and with an average age of only 5.8 years. The company also has a pipeline of 23 new aircraft on order.

Terra Firma and CPPIB have been long-term investors in AWAS, first investing in 2006. In March 2015 the company undertook the successful portfolio sale of 84 aircraft to Macquarie Group Limited. Since then, AWAS has continued to optimize the business and its portfolio culminating in this final, successful sale of the group.

Guy Hands, Chairman and Chief Investment Officer of Terra Firma, said:

"I'm delighted with today's announcement and believe this is the right time for Terra Firma to realize maximum value for our investors. Under our ownership, we have transformed the company to better reflect the fast-changing market that it serves. This has been achieved through an active aircraft acquisition and disposal strategy to optimize the business's portfolio and align with its diverse customer base.

"In 2015 we began a two-part disposal process to position the business for exit. The asset-backed sale of 30 aircraft was an innovative approach to the disposal of older aircraft, while our decision to sell a large portfolio of 84 aircraft to Macquarie Group Limited helped us to optimize the business's portfolio size ahead of the final exit.

"Today, AWAS operates as a full-service operational platform with a risk-managed customer base that spans 87 airlines in over 45 countries. It is recognized globally for delivering industry leading service and solutions, based on a sound technical and financial expertise. We are proud to have built a better business which can go on to further success under new ownership, having created value for our investors."

Ryan Selwood, Managing Director, Head of Direct Private Equity, CPPIB, said:

"We are pleased with the outcome of this transaction. We continue to believe that the aircraft leasing industry is a highly attractive market for CPPIB over the long term and look forward to exploring future opportunities to invest in the sector at scale, subject to market conditions."

AWAS was formed through a combination of the original AWAS acquisition in 2006 and the follow-on acquisition of Pegasus in 2007. At acquisition in 2006, AWAS owned 154 Airbus and Boeing aircraft, with attractive long-term leases and many providing strong rental yields. Terra Firma identified the aviation transportation sector as an essential part of economic development, with the world fleet expected to double by 2034 and demand for leased assets anticipated to increase as airlines shift from owning to leasing.

Goldman Sachs is acting as financial advisor and Milbank as legal advisor to the seller.



The deal is subject to regulatory approval and is expected to close in Q3 2017.

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About Terra Firma

Founded by Guy Hands in 1994, Terra Firma is one of Europe's leading private equity firms. Terra Firma specializes in the acquisition and fundamental transformation of asset-backed businesses, focusing on investments in transformational private equity, operational real estate and infrastructure. Since 1994, Terra Firma has invested over €16 billion of equity and completed transactions with an aggregate enterprise value of €48 billion.

About Canada Pension Plan Investment Board

Canada Pension Plan Investment Board (CPPIB) is a professional investment management organization that invests the funds not needed by the Canada Pension Plan (CPP) to pay current benefits on behalf of 20 million contributors and beneficiaries. In order to build a diversified portfolio of CPP assets, CPPIB invests in public equities, private equities, real estate, infrastructure and fixed income instruments. Headquartered in Toronto, with offices in Hong Kong, London, Luxembourg, Mumbai, New York City, São Paulo and Sydney, CPPIB is governed and managed independently of the Canada Pension Plan and at arm's length from governments. At December 31, 2016, the CPP Fund totalled C\$298.1 billion. For more information about CPPIB, please visit www.cppib.com or follow us on [LinkedIn](#) or [Twitter](#).

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