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Altavair AirFinance and KKR Announce $1 Billion Aircraft Transaction with Etihad Airways

February 3, 2020

NEW YORK & SEATTLE & ABU DHABI, United Arab Emirates--(BUSINESS WIRE)-- KKR, a leading global investment firm, and Altavair AirFinance (“Altavair”), a leader in commercial aviation finance, announced today the signing of a definitive agreement to acquire a portfolio of commercial aircraft from Etihad Airways (“Etihad”), the national airline of the United Arab Emirates. The acquisition will be made through aircraft leasing investment platform Altitude Aircraft Leasing, which was established by KKR’s credit and infrastructure funds in 2018 to acquire aircraft serviced by Altavair.

The aircraft portfolio being acquired includes Etihad Airways’ owned fleet of Boeing 777-300ERs and Trent powered Airbus A330-300s and A330-200s. The transaction provides for the Boeing 777-300ERs to be leased back to Etihad upon purchase in early 2020, while the Airbus A330s will be delivered over the next 22 months and placed on lease with other international operators for either passenger operations or as converted freighters.

“Investments like this one are exactly what we hoped to embark on when we first established our partnership with Altavair, whose experience and expertise in the global aviation market has been invaluable. Together, we’re thrilled to be working with Etihad Airways, a leading airline not only in Abu Dhabi, but across the globe,” said Dan Pietrzak and Brandon Freiman, Partners at KKR.

Altavair CEO Steve Rimmer said, “We are delighted to extend our partnership with Etihad and play a major role in the repositioning of their fleet. Altavair’s extensive wide body experience and expertise combined with KKR’s capital, relationships and capabilities made this transaction possible. We appreciate the trust that Etihad has placed in us and look forward to a long and mutually beneficial relationship.”

Tony Douglas, Group Chief Executive Officer, Etihad Aviation Group, said, “We’ve made great strides in optimising our fleet structure over the past year, and this investment from KKR and Altavair AirFinance will allow us to take another step forward in this area. This deal will ensure we stand by our strategic and financial sustainability targets by replacing aircraft with the most technologically-advanced and fuel-efficient fleet types. The structure of this transaction also provides us with significant flexibility, meaning we are well placed to respond to future growth requirements.”

About Etihad

Etihad Aviation Group, a diversified global aviation and travel company, is considered to be one of the world’s most acclaimed aviation brands. Etihad Airways, the national airline of the UAE and a division of the group, was formed in 2003 and quickly went on to become one of the world’s leading airlines. Etihad Airways flies to over 84 destinations with a fleet of 100 Airbus and Boeing aircraft, serving 17.8 million passengers and carrying 682,100 tonnes of cargo in 2018. In recent years, the organisation has received numerous awards for its superior service and products, cargo offering, loyalty programme, aviation training and Maintenance, Repair and Overhaul (MRO) service.

About KKR

KKR is a leading global investment firm that manages multiple alternative asset classes, including private equity, energy, infrastructure, real estate and credit, with strategic partners that manage hedge funds. KKR aims to generate attractive investment returns for its fund investors by following a patient and disciplined investment approach, employing world-class people, and driving growth and value creation with KKR portfolio companies. KKR invests its own capital alongside the capital it manages for fund investors and provides financing solutions and investment opportunities through its capital markets business. References to KKR's investments may include the activities of its sponsored funds. For additional information about KKR & Co. Inc. (NYSE: KKR), please visit KKR's website at www.kkr.com and on Twitter @KKR_Co.

About Altavair L.P.

Altavair L.P. is an asset manager and solutions provider focusing on the acquisition of new and used commercial aircraft for leasing to domestic and international passenger airlines and cargo operators. Since its inception in 2003, Altavair has completed over $9 billion in commercial aircraft lease transactions with over 60 airline customers in 28 countries representing over 200 individual Boeing and Airbus aircraft. Altavair maintains offices in Seattle, London, and Singapore. For more information, please visit www.altavair.com.

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Source: KKR & Co. Inc.