KKR Commits to Invest $1 Billion with Altavair

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NEW YORK & SEATTLE--(BUSINESS WIRE)-- KKR, a leading global investment firm, and Altavair AirFinance, a leader in commercial aviation finance, announced today that the two firms have entered into an agreement to form a long-term partnership to pursue the creation of a leading, global portfolio of leased commercial aircraft.

This press release features multimedia. View the full release here: https://www.businesswire.com/news/home/20190103005132/en/

KKR will make a $1 billion capital commitment primarily from its credit and infrastructure funds, which may be supplemented with additional commitments over time, to acquire commercial aircraft in partnership with Altavair over the next several years and Altavair will be KKR's partner for aircraft leasing investments going forward. KKR will also acquire a 50% interest in Altavair as part of the long-term partnership.

KKR's initial investment will go towards the acquisition of six cargo aircraft on long-term lease with a diverse group of airline counterparties.

"Since our first investment in aircraft in 2015, we've recognized the increasing demand for both passenger and freighter aircraft," said Dan Pietrzak, Member of KKR. "The decades-long proven track record that Altavair brings to this partnership is impressive and it is exactly the kind of company we were looking for when we sought out continued investment in aviation."

"Commercial aircraft are critical, long-lived assets that we've been interested in pursuing for several years," said Brandon Freiman, Member & Head of North American Infrastructure at KKR. "We are excited to partner with Altavair's world class management team to invest in the global aviation market."

Altavair CEO Steve Rimmer said, "We are extremely happy to have found a partner in KKR that shares our vision for investing in the aircraft leasing and financing sector. The tremendous support and expertise offered by KKR alongside its exceptional global investor base will allow Altavair to fully participate in this growing market and provide a solid foundation for Altavair's future growth and success."

Formed in 2003, Altavair and its management team have successfully executed multiple commercial aviation leasing and finance strategies during all points within the commercial aviation cycle on behalf of a broad range of domestic and international institutional, insurance and private investors.

KKR was advised by Simpson Thacher & Bartlett. Altavair was advised by Milbank.

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 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 $8 billion in commercial aircraft lease transactions with over 40 airline customers in 27 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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