



UNIT OF CHINA'S HNA TO BUY AVOLON HOLDINGS FOR \$2.5 BILLION

News / Finance



Irish aircraft leasing firm Avolon Holdings Ltd ([AVOL.N](#)) said it agreed to be acquired for about \$2.5 billion by Bohai Leasing Co Ltd ([000415.SZ](#)), a unit of Chinese aviation and shipping conglomerate HNA Group.

Avolon shareholders will receive \$31 per share in cash, which is lower than the \$32 per share the companies were discussing in exclusive talks in August. Avolon said the lower price was a result of "significant volatility across global equity markets."

The deal, which including the assumption of debt has a total enterprise value of about \$7.6 billion, is expected to close by first quarter of 2016.

Chinese lessors, mostly backed by state-owned banks, have been expanding in recent years as large carriers such as Hainan Airlines Co Ltd ([600221.SS](#)), Air China Ltd ([0753.HK](#)), China Eastern Airlines Corp Ltd ([0670.HK](#)) and China Southern Airlines Co Ltd ([1055.HK](#)) open more routes at home and overseas.

Bohai Leasing initially offered to buy 20 percent of Avolon for \$26 per share in July, but later decided to purchase the entire company after learning of a rival bid for Avolon.

Bohai Leasing entered into exclusive talks with Avolon in August after raising its offer to \$32 per share.

Avolon, founded by leasing entrepreneurs Domhnal Slattery and John Higgins in 2010, went public last December.

The company owned or managed 152 aircraft at the end of June and had over 100 more on order.

Avolon shares were trading at \$29 after the bell.

Up to Thursday's close, the stock had risen about 21 percent since July 13, when Bohai Leasing first offered to buy a stake in Avolon.

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SOURCE: REUTERS

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