

## **SALE OF ALLCO AVIATION BUSINESS COMPLETE**

7 January 2010

Ferrier Hodgson partner and Receiver of the Allco Group, Mr Peter Gothard, announced this morning that the sale of the Allco aviation business to the HNA Group was completed yesterday (6 January 2010).

Contracts for the sale of the business were signed back in May 2009. Since that time the Receivers, the purchaser and the Allco aviation staff have been working to satisfy the myriad of conditions required for completion, including obtaining the consent of the 28 financiers to the aviation leasing transaction.

“We are very pleased to see the sale completed and control of the business in the hands of the purchaser,” said Mr Gothard. “It is a good result for all parties involved – not only for the banking syndicate, but also for the employees and the non-recourse lenders.”

Mr Gothard said the key factor in preserving value in the assets was to keep the business intact and trading as a going concern. This was only possible with the support and patience of the non-recourse lenders and the commitment of the management team during the sale process.

“The completion of the sale of the aviation business represents a significant step towards the completion of the Allco receivership,” Mr Gothard said. “We are now focusing on realisation of the remaining assets.”

Mr Bharat Bhise, CEO of Bravia Capital – the adviser to the HNA Group in this deal – was delighted to finally be in control of the business. “This has been an extremely difficult transaction,” he said. “Closing the deal under these circumstances is a significant achievement and we are looking forward to getting on with the development of HNA’s global aviation leasing business.”

“Allco’s existing portfolio and the expertise of the management team, together with the financial resources of the HNA Group, provide us with an excellent platform upon which to grow and develop the business into a major international aviation leasing business,” Mr Bhise said.

Ferrier Hodgson partners Peter Gothard and Steve Sherman were appointed Receivers and Managers of the Allco Finance Group on 4 November 2008 by the syndicate of 12 secured lenders to the Allco Group. The sale of the Group’s aviation assets was launched in December 2008.

**ENDS**

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**HNA Group** is a diversified transportation, logistics and hospitality group, which includes Hainan Airlines, the largest private airline in China.

**Bravia Capital** is an international structured finance, private equity, investment and management company specialising in transportation, infrastructure, and logistics.

**FOR FURTHER INFORMATION (media only)**

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