

Boeing Forecasts Unprecedented Diversity, Efficiency for 2015 Aircraft Financing

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- Strong air transport industry fundamentals underpinning finance market health
- New participants attracted by decades of predictable, attractive returns
- Export credit usage to continue at historically low levels

CHICAGO, Dec. 9, 2014 /[PRNewswire](#)/ -- Boeing [NYSE: BA] says decades of predictable, attractive returns have led to unprecedented diversity, efficiency and volume of financing for commercial airplanes, with airlines and lessors set to benefit from increased competition among lenders and historically low interest rates in 2015.

The seventh annual Boeing Current Aircraft Finance Market Outlook, released today, forecasts the sources of financing for new commercial airplane deliveries in the coming year and the industry's overall delivery financing requirements for the next five years.

"The strength we're seeing in aircraft finance is largely the result of a healthy and balanced global demand for new aircraft, which is being driven by anticipated growth in passenger traffic, record airline profitability and the continuation of a replacement cycle to improve the fuel and performance efficiency of the global fleet," said Tim Myers, vice president and general manager Aircraft Financial Services for Boeing Capital Corporation.

"The stable performance of aircraft finance and investment over the past few years – particularly through the global financial crisis – is attracting new participants and is driving diversification both geographically and in terms of funding sources. That's good news for airlines and lessors who will continue to have access to highly efficient financing," he added.

Boeing forecasts strong demand for new commercial airplanes in 2015, resulting in about \$124 billion in deliveries across the industry.

"That's doubled since 2010. And while we expect to see the growth moderate over the next few years, we're still expecting annual airplane delivery finance requirements to be around \$156 billion in 2019," Myers said.

Key elements of the 2015 finance market outlook include:

- Lessors should continue to drive innovation in aircraft finance, supporting about 40 percent of all deliveries
- Funding for deliveries is expected to be balanced among cash, commercial bank debt and capital markets
- Capital markets are expected to support nearly one third of new deliveries
- Reflecting the current strength of commercial markets, export credit usage should continue at historically low levels
- Investor demand and lessor portfolio sell-down initiatives should support continued interest and investment in the used aircraft market

In addition to the forecast for the coming year and projections of five-year delivering financing requirements, the 2015 report made adjustments for two notable trends over the past three years: bank debt liquidity was higher than expected, and export credit usage declined faster than was previously forecast.

The 2015 Current Aircraft Finance Market Outlook is available at www.boeingcapital.com/CAFMO

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