

## KGAL Aviation reaches a record high in 2017

**Grünwald, Germany 15.03.2018 – The KGAL Group’s aviation asset class set a record in the 2017 financial year, achieving a new business volume of c. €1.3 billion. This represents an increase of 30% year on year. KGAL’s aviation team was able to acquire 21 aircraft valued at €740 million for its institutional funds. Furthermore, KGAL successfully won new lessees. Mandates for new transactions in the three-figure million range have already been received for the 2018 financial year.**

2017 was a very successful year for the aviation division. “We succeeded in investing our Aviation Portfolio Funds, with very good transactions, in a relatively short timeframe” explained Jochen Hörger, Managing Director of KGAL Investment Management GmbH & Co. KG, who is responsible for the aviation asset class. The return on investment targets have been met. Institutional investors appreciate the structuring expertise of KGAL and technical expertise of GOAL German Operating Aircraft Leasing. “The very low correlation with traditional investments and the bond-like nature of aviation investments are persuasive arguments for insurers and pension providers who are looking at this type of sustainable income driven infrastructure investment,” explained Douglas Edwards, Member of the Executive Board of KGAL Capital GmbH & Co. KG.

### **Expansion in every direction – aircraft, regions, lessees**

KGAL Investment Management succeeded in expanding its aviation business on a number of levels. In collaboration with its majority owned GOAL subsidiary, the aviation team was able to acquire airlines such as Avianca, Oman Air and VietJet as new lessees in 2017. A total of 22 aircraft (2016: ten aircraft) were purchased, including one own investment of GOAL. These include three wide bodies, eleven narrow bodies and eight regional aircraft. Four aircraft were sold in the same period (2016: three aircraft), including three Embraer EMB 195 and one Airbus A340-300 aircraft. Furthermore Japanese Operating Leases (JOL transactions) were arranged for six Lufthansa aircraft via KGAL’s joint venture with Lufthansa - Lufthansa Leasing GmbH.

### **Expectations met – KGAL Aviation Portfolio Fund (APF) right on track**

KGAL currently offers investments in APF 3, the successor fund of APF 1. APF 1 is already fully placed with an investment volume of €800 million. The first closing of APF 3 took place in the summer of 2017. “Based on the existing seed portfolio and high pace of investment, we expect further equity commitments,” commented Douglas Edwards, KGAL Capital. The final close is planned for 2019.



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Mandates for transactions in the three-figure million range have already been secured for the 2018 financial year. “We will continue to focus on highly-marketable aircraft such as narrow bodies,” added Jochen Hörger, KGAL Investment Management. In addition, the aviation division intends to promote club deals among international investors.

The KGAL Group is a leading, independent investment and asset manager with an investment volume of €22.7 billion. The investments focus on long-term capital investments for institutional investors in the real estate, infrastructure and aircraft asset classes. The Group, founded 50 years ago, operates across Europe and has its registered office in Grünwald near Munich. Around 340 employees help achieve stable yields on a sustainable basis, taking into account aspects of revenue and risk (As at 31/12/2017).



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