



LEASE CORPORATION INTERNATIONAL

**KKR**

KKR Financial Holdings LLC

## **LEASE CORPORATION INTERNATIONAL AND KKR FINANCIAL HOLDINGS LLC ANNOUNCE STRATEGIC INVESTMENT IN LCI'S HELICOPTER LEASING BUSINESS**

**New York – January 16, 2014:** Lease Corporation International (“LCI”), a Libra Group company, and KKR Financial Holdings LLC (NYSE: KFN) (“KFN”), a specialty finance company managed by a subsidiary of KKR & Co. L.P. (NYSE: KKR), today announced that they have entered into a definitive agreement under which KFN has agreed to invest in excess of \$100 million in LCI Helicopters Ltd (“LCIH”), the helicopter leasing subsidiary of LCI, in exchange for a minority stake in LCIH’s common equity. The strategic investment will allow LCIH to grow its fleet significantly and advance its leadership position in the rapidly expanding helicopter leasing business.

“This transaction deepens our already significant commitment to the rotary wing sector of the aviation market,” said LCI CEO Michael Platt. “Our partnership with KKR Financial will provide us with future growth opportunities and further strengthen our position in the marketplace.”

A highly experienced aerospace leasing corporation founded in 2004, LCI entered the helicopter leasing business in February 2012 through LCIH and has since been very active, with a \$400 million order for a fleet of modern, versatile AgustaWestland AW139, AW169 and AW189 helicopters. The helicopters are being delivered to LCIH over a five-year period and will be deployed to a range of offshore, search and rescue and other applications. The company intends to expand its fleet significantly with orders from other leading helicopter manufacturers.

To date, LCIH has supplied helicopters to several global operators, including Avincis Group, the world’s leading provider of mission critical services, Weststar Aviation Services, one of the largest providers of offshore helicopter transportation to oil and gas companies in the Southeast Asia region, and Thailand-based SFS Aviation. The Company’s aircraft are engaged in diverse applications, from oil exploration in the Gulf of Thailand to offshore services off the coast of Africa to crew transportation in the North Sea. LCIH has a robust pipeline both of lessees and additional helicopter orders that will be announced in 2014.

“We are pleased to be partnering with LCIH to help grow its helicopter leasing business,” said Craig J. Farr, CEO of KFN. “As a result of related experience through other KKR investments—both in the helicopter space and in the end-markets LCIH serves, such as offshore energy production—we believe the nascent helicopter leasing industry will offer attractive risk-adjusted returns to early entrants like LCIH in the years to come.”

Farr added, “With banks more focused on lending against short-lived liquid assets, we continue to see opportunities to put KFN’s long-term capital to work alongside proven specialty finance teams like LCIH management.”

Teneo Capital and Morgan Stanley & Co. LLC acted as financial advisors to LCI.

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## Notes to Editors

### About LCI

Lease Corporation International ([www.lciaviation.com](http://www.lciaviation.com)) is a commercial aircraft and helicopter leasing company with offices in Dublin, London and Singapore. Since its inception in 2004, the company has acquired fixed and rotary wing aircraft with a value approaching US\$5 billion. The company's helicopter leasing division was established in 2012 with a \$400m order with AgustaWestland. LCI is owned by the Libra Group ([www.libra.com](http://www.libra.com)), an international business group comprising 30 subsidiaries operating across five continents and primarily focused on aviation, shipping, hospitality, energy and real estate.

### About KKR Financial Holdings LLC

KKR Financial Holdings LLC is a specialty finance company with expertise in a range of asset classes. KFN's core business strategy is to leverage the proprietary resources of its manager with the objective of generating both current income and capital appreciation. KFN executes its core business strategy through its majority-owned subsidiaries. KFN is externally managed by KKR Financial Advisors LLC, a wholly-owned subsidiary of KKR Asset Management LLC, which is a wholly-owned subsidiary of Kohlberg Kravis Roberts & Co. L.P. Additional information regarding KFN is available at <http://www.kkr.com>.

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