



CIAF Holding and Aviation Capital Group form Joint Venture Aircraft Leasing Company

Paris Air Show, June 16, 2009: Civil Aviation Finance Holding Co. (CIAF Holding), an Egyptian corporation, and US lessor Aviation Capital Group (ACG) today announced the formation of a joint venture aircraft leasing company to serve Egypt, the Middle East and Northern Africa.

The company is named Civil Aviation Finance and Operating Leases Co., or CIAF-Leasing. Executives of Egypt CIAF Holding and ACG signed the final documentation at the Paris Air Show during a press conference. Operations are expected to begin in the fourth quarter this year.

The shareholders are CIAF, ACG, an aircraft leasing company rated among one of the top five companies in the industry, and the Civil Aviation Support and Development Fund, an Egyptian entity founded to support and develop civil aviation activities. Capitalization is undisclosed but is substantial. The Egyptian entities own 90% of the joint venture and ACG has a 10% shareholding. The initial investment profile of CIAF Holding will concentrate primarily on new and younger narrow-body aircraft.

Prof. Medhat Hassanein is chairman and CEO of CIAF Holding. He is the former Egyptian Minister of Finance (1999-2004). He is a Board member of the Egyptian Holding Company for Airports and Air Navigation, a member of the UN High Level Commission on the Legal Empowerment of the Poor and a Board member of HSBC in Cairo. Prof. Hassanein signed the final JV agreement on behalf of the CIAF Holding and the Fund.

ACG will serve as manager under a five year agreement with renewal options. The management service activities will include the general management and control of the day-to-day business operations and affairs of CIAF-Leasing subject to the directions of the Board of Directors of the Company.

Group Managing Director and CEO R. Stephen Hannahs signed the JV agreement for ACG.

Donald Bunker, a renowned aviation attorney based in Dubai, advised CIAF Holding on the creation of the joint venture. His firm, Donald H. Bunker and Associates in Dubai, caters to carriers and corporate operators worldwide.

"Relationships are extremely important and ACG's 20-year history of building relationships with its customers worldwide made ACG the best and easiest choice for this JV," Bunker said. "This is going to be a very interesting and fruitful enterprise. With the contacts the Egyptians have and the capabilities ACG has, this is a very good marriage."

Prof. Hassanein said Egypt is well positioned to become the center of commercial aviation in the Middle East and Northern Africa, or MENA (pronounced mee-nuh). Cairo is already well-established as an aviation center for airline, airport, maintenance and related operations. Aircraft leasing is the next step in this progression. Prof. Hassanein envisions long-term expansion beyond the MENA. The MENA represents growth opportunities in global aviation for Egypt and for ACG. The MENA currently represents about 4% of ACG's portfolio.

"At ACG, deals begin as a business transaction and they become relationships," said Hannahs. "Partnering with Egyptian private and public entities broadens our presence in the region, but most importantly it creates a relationship that we will value for years and years to come."

Hannahs expressed appreciation at ACG's selection by the Egyptian partners to launch this joint venture. "This new partnership is a compliment and endorsement on a global scale of ACG's business model. The joint venture is a source of stability in an unstable market where airlines and lessors have challenges finding financing and where lessors are facing unusual challenges of their own.

"We look forward to our partnership with ACG," said Prof. Hassanein. "ACG's emphasis on relationships, its position in the global leasing community and its sound financial footing makes the company a perfect fit for our new joint venture."

Web Downloads: Press releases, logos, personnel photos and biographies, and airplane photos may be downloaded at www.aviationcapital.com under "Newsroom."

About CIAF-Leasing

CIAF-Leasing is a joint-venture company between the Civil Aviation Finance Holding Co. (CIAF Holding), an Egyptian corporation founded under the Capital Market Law in November 2008 to serve as the financial arm of the Civil Aviation Sector in Egypt; Aviation Capital Group, an aircraft leasing enterprise rated among one of the top five companies worldwide in the industry; and the Civil Aviation Support and Development Fund, an Egyptian entity founded to support and develop Egyptian Civil Aviation activities. The initial investment profile of the Company will concentrate primarily on new and younger narrow-body aircraft to be operated in Egypt, the Middle East and North Africa region.

About ACG

ACG is a "Tier 1" customer of the airframe and engine manufacturers, with a backlog of nearly 150 single-aisle and twin-aisle mainline jets. It is a wholly-owned subsidiary of Pacific LifeCorp, the parent company of one of the largest and oldest insurance companies in the U.S. ACG has its own stand-alone investment grade credit rating and recently received an Ex-IM Bank commitment to finance 22 aircraft through the issuance of securities. When completed, this financing should offer an alternative to previously issued Ex-Im Bank-backed loans and potentially could alter the ways aircraft are financed in the future.

Aviation Capital Group is the owner/lessor and portfolio manager of a diversified fleet of commercial jet aircraft leased to the world's leading airlines. Its portfolio includes more than 230 jets leased to more than 90 airlines in 42 countries. ACG's Capital Markets Group provides asset management and remarketing services to aircraft investors and institutional clients. ACG was founded in 1989 and is a wholly-owned subsidiary of Pacific LifeCorp, the parent company of Pacific Life Insurance Company. www.aviationcapital.com.

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