

# Boullioun and Sale closes \$160m Air Berlin sale/leaseback deal

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US-based Boullioun and its sister leasing arm, Singapore Aircraft Leasing Enterprise (Sale), closed a joint sale/leaseback transaction with Air Berlin in November – a sign that the aircraft leasing market is slowly returning to business-as-usual.

Both lessors acquired two 737-800s from Air Berlin, which had been delivered three years ago, and then resold them in a plain-vanilla sale/leaseback. The transaction is valued at about \$160 million, with all financing conducted inhouse by WestLB, the German landesbank which recently purchased the lessor.

According to John Willingham, chief operations officer of Boullioun, the lessor is optimistic about the future of the aircraft leasing market and is looking for more sale/leaseback opportunities for attractive assets.

Willingham says: “In terms of the sale/leaseback market generally, with banks having tightened up on availability of funds for the aviation industry, it is a much more difficult market for airlines to tap into since September 11.”

He adds: “The sale/leaseback market is becoming a more attractive option for raising liquidity and generating profits at a time when both are in very short supply.”

Bankers say the pricing on the deal was fair considering market conditions and the fact that Air Berlin has been a valuable customer of Boullioun’s leasing services.

Willingham says the deal provides tangible evidence of the lessor’s intent to continue its expansion plans despite the current slowdown. “We are bullish about the long-term prospects for aircraft leasing,” he adds.

Boullioun is also looking at two more sale/leaseback transactions from “high-quality” airlines, and has also recently placed two 737-800s with Virgin Blue in Australia. The aircraft were picked up from the recently bankrupt City Bird, and the turnaround time was considered to be quick.

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