

WATSON FARLEY
&
WILLIAMS

AVIATION
RESTRUCTURING & INSOLVENCY



“A STRONG ASSET FINANCE PRACTICE THAT IS GOING FROM STRENGTH TO STRENGTH IN THE AVIATION SECTOR. SEEING A GROWING NUMBER OF MANDATES FROM LEADING BANKS FOR WHICH IT HANDLES WORK ACROSS THE REGION.”

Chambers Asia Pacific 2014

RESTRUCTURING & INSOLVENCY

With over a generation of experience in the aviation market, Watson Farley & Williams delivers a powerful combination of technical excellence and industry expertise.



As the aviation industry continues to evolve with the addition of new entrants, increased competition and the pressures of the global economy and financial markets, we draw on our experience to deliver successful results for our clients.

“MAINTAINS A LONG-STANDING REPUTATION FOR ASSET FINANCE, AND IS NOTED FOR ITS WIDE-RANGING KNOWLEDGE OF THE AVIATION SECTOR. FREQUENTLY UNDERTAKES MATTERS ON BEHALF OF ECAS, BANKS AND AIRLINES.”

CHAMBERS ASIA PACIFIC 2015

Restructuring and insolvency

Our lawyers are experienced in dealing with all types of distressed assets across the aviation industry. We have advised across the full range of restructuring, insolvency and repossession situations and our priority, at the outset, is preparation and strategy in order to be able to facilitate a viable commercial solution (if possible).

Our team has been involved in a number of the major restructurings and insolvencies in the aviation industry, some involving large fleets with complex and varied financing structures. We combine our market-leading aviation finance practice with our industry expertise to manage the different components of these sensitive situations and the competing demands of the parties.

Enforcement and repossession

Through our global coverage and the volume of cross-border transactions which we undertake, we offer insight across all aspects of distressed situations, adding particular value in formulating strategies which take account of the possibility of a situation becoming contentious or where aircraft recovery or repossession is necessary. This can make the difference between a successful and unsuccessful outcome.

We work through a range of options to avoid aircraft enforcement/repossession, recognising this is a lender's last resort; whilst retaining a credible reason to do so.

“AN ESTABLISHED NAME IN THE ASSET FINANCE MARKET, WITH A PROVEN TRACK RECORD IN ADVISING LENDERS AND MAJOR FINANCIAL INSTITUTIONS.”

CHAMBERS GLOBAL 2014



SELECTED EXPERIENCE RESTRUCTURING

CRÉDIT AGRICOLE CIB

Advising Crédit Agricole CIB on the internal restructuring of Czech Airways proposed by the Czech government in connection with a USD28 million financing of one new Airbus A319 aircraft on a finance lease basis.



HSH NORDBANK AG

Advising HSH Nordbank AG with respect to the restructuring of limited recourse financing of two Boeing B747F aircraft and two Airbus A320 aircraft for operating lessors following default by the airline and/or "technical" default by the relevant operating lessor.

MALAYSIAN AIRLINES BERHAD

Advising Malaysian Airlines Berhad with respect to the transfer and restructuring of certain of its purchase contracts from Malaysian Airlines Systems Berhad (in administration).

AWAS

Advising AWAS on the restructuring of a number of operating leases with certain carriers in India, Russia and China.

RBS PLC

Advising RBS Plc on the restructuring of a number of aircraft facilities to a UAE-based corporate over a period of three years.

SCANDINAVIAN AIRLINE

Advising a leading Scandinavian airline on the restructuring of services with two major European airlines between Thailand and Scandinavia and their operations in Thailand, including the changes resulting from the replacement of scheduled seasonal services.

LITHUANIAN AIRLINE

Advising a Lithuanian airline on restructuring certain existing and proposed shareholder and financial relationships and assisting to set up their operations in Thailand as a Thai airline operator.

CIT AEROSPACE INTERNATIONAL

Advising CIT Aerospace International on the restructuring of operating leases with airlines in Indonesia, Saudi Arabia, United Kingdom, India and Russia.

EXPORT CREDIT AGENCIES

Advising the Export Credit Agencies and a syndicate of about 40 banks on the restructuring of a USD1.5 billion export credit supported financing of forty plus aircraft (including restructuring of DUs, JOLCOs, INTOLs, USLLs, GLLs and US-Canadian tax leases).

THAI OPERATIONS

Advising a prominent Middle Eastern Airline on the reorganisation of their Asia-Pacific financial operations and its impact on their Thai operations, including staff relocation and redundancies and re-assignment of key personnel.

PORTIGON AG

Advising Portigon AG with respect to the restructuring of the financing of seven CRJs for a Spanish carrier.

HSH NORDBANK AG AND LBBW

Advising HSH Nordbank AG and LBBW with respect to the restructuring of the financing of two CRJs for a Spanish carrier.



BAHRAIN AIRLINE

Advising a leading airline in Bahrain on restructuring their Thai operations, including the closure of their office, staff redundancies, property lease issues and contract issues involving the appointment of a new General Sales Agent (GSA) and the outsourcing of their Thai operations.

SELECTED EXPERIENCE INSOLVENCY

HSH NORDBANK AND KfW

Advising HSH Nordbank AG and KfW regarding various defaults, the consensual repossession of three Boeing B747 freighter aircraft from a Chinese airline and the claim in the insolvency of the airline. Also advised the banks on the sale of one aircraft and on the lease and refinancing of two aircraft to foreign operators.



HSH NORDBANK AG

Advising HSH Nordbank AG in the insolvency of Air Cargo Germany (Lessee) and in relation to structuring the repayment of a loan (granted to the Lessor) and the release of two aircraft mortgages on two Boeing B747 aircraft.

ATR AIRCRAFT

Advising a lessor on the insolvency of a Spanish airline and the related repossession of two ATR aircraft and related spare parts.

REPOSSESSION AND INSOLVENCY

Advising manufacturers and operating lessors on numerous repossessions and airline insolvency proceedings in jurisdictions including Australia (Ansett), Belgium (Sabena and Sobelair), France (Euralair/Air Horizons), Greece (Axon Airlines and Electra Airlines), Italy (Volare and Alitalia), Morocco (Mondair), Russia (KrasAir), Switzerland (Swiss), Thailand (Thai Jet) and UK (Silverjet (acting for the administrator)).

CIT AEROSPACE INTERNATIONAL

Advising CIT Aerospace International with the recovery of an Embraer E190 aircraft leased to Flynonstop AS following insolvency of the airline and in relation to a claim against the airline's insolvent estate. Also, assisting with the recovery of five aircraft following the administration of XL Airways and Flyglobespan.



COFACE AND ECGD

Advising COFACE and ECGD on the (re)leasing and sale/total loss of five Airbus A320 aircraft repossessed from an insolvent airline.

MACQUARIE

Advising Macquarie on a number of aircraft repossessions in Greece, Sweden, France, Italy, Belgium, Turkey and Thailand.

"I ENJOY THEIR VERY
PROACTIVE APPROACH; I
SEE A CERTAIN
COMMERCIAL
UNDERSTANDING FROM
THEM."

CHAMBERS ASIA PACIFIC 2014

"...RECEIVES WIDESPREAD PRAISE FOR
EXCELLENT AVIATION FINANCE
PRACTICE."

CHAMBERS UK 2014



TEAM PROFILE



REX ROSALES
Partner
London

+44 20 7863 8975
rrosales@wfw.com

Rex is Global Head of the firm's Transport Sector Group. He has been involved in many high profile aviation finance transactions in the past 25 years and was involved in the structuring of the first ever EETC transaction completed outside the US, namely the Iberbond 1999 transaction.

Rex leads the firm's Export Credit Agency ("ECA") practice for aviation transactions and has advised Coface and UK Export Finance on recent ECA-supported financings for Korean Air Lines, Tunisair and China Aircraft Leasing Company.

More recently, he has gained experience of regulatory issues affecting European Aviation, in particular issues related to the EU Slot Regulation and the EU Airline Licencing Regulation.

He advised Macquarie Bank Limited, as arranger, on the issuance by Virgin Atlantic Airways of bonds secured by airport slots at London Heathrow Airport. This is the first such financing in Europe.



JAHNAVI RAMACHANDRAN
Partner
London

+44 20 7863 8976
jramachandran@wfw.com

Jahnavi is a key member of the firm's leading global aviation practice. She specialises in advising clients on the acquisition, financing and leasing of assets including commercial aircraft, helicopters and business jets. She is instructed by banks, lessors, owners and operators, including the European ECAs (for work on Airbus aircraft), CIT Aerospace, Erste Group Bank and Crédit Agricole Corporate and Investment Bank.

Jahnavi's expertise is held in high regard throughout the industry, and she has previously spoken at high profile industry events and authored the chapter on "Conflicts of Law" in Aircraft Finance: Registration, Security and Enforcement.

Earlier in her career, she was twice seconded to RBS Aviation Capital (now SMBC Aviation Capital), gaining valuable experience working on the 'client side' of aircraft financing and leasing. On one of her secondments she was specifically recruited to work on RBS's asset-back securitisation "Airspeed".



SIVA SUBRAMANIAM
Partner
Singapore

+65 6551 9123
ssubramaniam@wfw.com

Siva has a wide range of financing, operating leasing, tax leasing and structured finance expertise with respect to a number of categories of large ticket assets including aircraft (both corporate and commercial), rolling stock, film, infrastructure, ground-handling and defence related assets. His clients include export credit agencies, financial institutions, operating lessors and airlines.

Siva played a key role in establishing the Singapore office's aviation credentials, and is praised for his "hands-on" approach and is very proactive with a good understanding of commercial and legal issues according to Chambers 2013.

He is praised for his ability to "drive and manage a deal and get it over the line" and "he is analytical and pragmatic in coming up with solutions": Chambers, Asia-Pacific 2015.

TEAM PROFILE



MEHRAAB NAZIR
Partner
Singapore

+65 6551 9130
mnazir@wfw.com

Mehraab specialises in Asset and Project finance with a particular focus on the Transportation sector.

He has advised financiers, lessors and manufacturers in respect of numerous aircraft enforcements and airline restructurings and insolvencies.

Mehraab is recognised in numerous independent legal directories, including in Chambers Global 2015 for being “capable of handling complex and novel issues” and “able to navigate the needs of stakeholders while protecting his client’s interests”. While Chambers Asia Pacific 2014 states “clients appreciate his ‘in-depth understanding at the corporate level and at the coal face’.” Legal 500 Asia Pacific 2014 also notes Mehraab’s “strong experience” and “pragmatism in dealing with tricky issues”.



ALAN POLIVNICK
Partner
Bangkok

+66 2665 7805
apolivnick@wfw.com

Alan focuses on cross-border arbitration and dispute resolution, particularly in the aviation, shipping and insurance and reinsurance sectors. Alan regularly advises MNCs, international airlines, insurers and reinsurers and international organisations on their operations in Thailand including contract negotiations, commercial and coverage disputes, employment law and regulatory issues.

Alan has advised a number of airlines on the restructuring of their operations to and in Thailand, covering a broad range of issues from employment law, redeployment of aircraft, commercial contracts, code share and interline agreements and competition and regulatory aspects.

The Lawyer Monthly Magazine and the Who’s Who Legal 2011 rate Alan as a leading aviation, shipping and maritime lawyer. He is qualified to practise in England and Wales and Australia.



CHARLES VIGGERS
Partner
Paris

+33 1 56 88 44 40
cviggers@wfw.com

Charles is active in the Transport sector, his practice is particularly focused on aviation finance and leasing. Charles and the team work on high profile cross-border mandates from banks, export credit agencies, lessors, arrangers and core manufacturers.

WFW’s “truly top notch” and “remarkably efficient” aviation finance practice in Paris is ranked Tier 1 in Legal 500, with clients saying that Charles is “outstanding”.

Clients have separately told Chambers that Charles’ strength lies in his ability to “listen, understand and be flexible and honest” saying that “he never walks away, always protecting the interests of his clients.”

TEAM PROFILE



ALEXIA RUSSELL
Partner
Paris

+33 1 56 88 44 38
arussell@wfw.com

Alexia specialises in asset finance, leasing and project finance and acts mainly for banks and financial institutions, equity investors, export credit agencies, other lenders and lessors.

Her asset finance and leasing practice focuses on transactions in the aviation, shipping and rail sectors while with regard to project finance, she has developed a strong expertise in the energy sector, in particular, in renewable energy.

She has experience in structuring, documenting and negotiating acquisitions, financing and leasing transactions and has been involved in numerous complex restructurings in the last few years.



ALFREDO CABELLOS
Partner
Madrid

+34 91 515 63 40
acabellos@wfw.com

Alfredo specialises in aviation and ship finance, as also evidenced in International Lawyers Directories.

He has experience in aircraft repossession in Spain from insolvent or pre-insolvent Spanish lessees, including negotiations with the companies' representatives and dealing with the aircraft registry in such situations. Alfredo has also extensively advised foreign operators in insolvency situations of Spanish yards.

He has a renowned expertise in the registration of aircraft and vessels in many jurisdictions.



STEPHEN MILLMAN
Partner
New York

+1 212 922 2205
smillman@wfw.com

Stephen has over 30 years' experience in aviation, leveraged leasing, aircraft finance, taxation of partnerships and private equity vehicles and taxation of real estate.

He has particular expertise in advising clients on aviation, tax and finance matters.

Stephen has been cited as a leading US tax lawyer in the Guide to the Leading US Tax Lawyers (published by Euromoney Publications LLC).

TEAM PROFILE



DR. KLAUS SCHMID-BURGK
Senior Consultant
Hamburg

+49 40 800 084 497
kschmid-burgk@wfw.com

Klaus' work encompasses all types of financing, with a specific focus on ship and aviation finance as well as leasing and insolvency law. He specialises in banking pools and restructuring cases and has great experience in creditors' committees. Additionally, he is the author of several aircraft financing and insolvency law publications.

Before joining Watson Farley & Williams, he was head of credit law at the HSH Nordbank.



ANDREW HUTCHEON
Partner
London

+44 20 7814 8049
ahutcheon@wfw.com

Andrew specialises in commercial and financial litigation and international arbitration in the offshore oil & gas, energy, natural resources, shipping and aviation sectors.

Andrew has represented major corporations such as JP Morgan, Teekay, Vivendi and Norsk Hydro in international arbitrations and London High Court proceedings.

In the area of insolvency litigation Andrew has represented clients bringing claims against, and defending actions brought, by companies in administration. He has also recently been involved in litigation against the former administrators of a company for misfeasance.



NATALIE YAP
Senior Associate
Singapore

+65 6551 9180
nyap@wfw.com

Natalie specialises in international commercial and financial dispute resolution. She has particular experience in the shipping, offshore oil & gas, aviation and commodities sectors.

Her expertise involves reviewing and advising on suites of contracts with a view to preventing or mitigating claims and her clients include airline companies and financiers. She has represented groups of creditors claiming debts in liquidation proceedings and directors defending actions brought by liquidators. She is presently acting for the administrators and trustees of a group of companies undergoing corporate reorganisation in Japan.

In 2015, Natalie won the award for "Rising Star in Litigation" at the Euromoney Asia Women in Business Law Awards.

OUR OFFICES

Athens

6th Floor, Building B
348 Syngrou Avenue
Kallithea 176-74, Athens

T: +30 210 455 7300

Bangkok

Unit 902, 9th Floor
GPF Witthayu Tower B
93/1 Wireless Road
Patumwan, Bangkok 10330

T: +66 2665 7800

Dubai

Office 1503, Level 15, Tower 2
Al Fattan Currency House
PO Box 506896 Dubai

T: +971 4 278 2300

Frankfurt

Ulmenstraße 37-39
60325 Frankfurt am Main

T: +49 69 297 291 0

Hamburg

Jungfernstieg 51
20354 Hamburg

T: +49 40 800 084 0

Hong Kong

Units 1703-1707, One Pacific
Place
88 Queensway, Hong Kong

T: +852 2168 6700

London

15 Appold Street
London EC2A 2HB

T: +44 20 7814 8000

Madrid

C/ María de Molina, 4
28006 Madrid

T: +34 91 515 6300

Milan

Piazza del Carmine 4
20121 Milan

T: +39 02 721 7071

Munich

Gewürzmühlstraße 11
–Courtyard
80538 Munich

T: +49 89 237 086 0

New York

250 West 55th Street
New York, New York 10019

T: +1 212 922 2200

Paris

26 avenue des Champs-Élysées
75008 Paris

T: +33 1 56 88 21 21

Rome

Piazza Navona 49
00186 Rome

T: +39 06 684 0581

Singapore

6 Battery Road #28-00
Singapore 049909

T: +65 6532 5335

ATHENS BANGKOK DUBAI FRANKFURT HAMBURG HONG KONG LONDON
MADRID MILAN MUNICH NEW YORK PARIS ROME SINGAPORE

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