



NEWS RELEASE

LOONG AIR and CFM sign \$500 million support agreement for Leap-1A & CFM56-5B engines

FARNBOROUGH, England – 17 July 2018 – Zhejiang Loong Airlines today signed a long-term Rate Per Flight Hour agreement with CFM International to support its fleet of LEAP-1A and CFM56-5B engines. The agreement is valued at \$500 million U.S. at list price.

Under the terms of the 12-year agreement, CFM will guarantee the maintenance costs of the airlines leased fleet of 24 LEAP-1A and 11 CFM56-5B engines on a dollar per engine flight hour basis.

"We are very pleased to further expand our relationship with CFM," said Liu Qihong, chairman of Zhejiang Loong Airlines. "As the LEAP-1A launch customer in China, we chose the LEAP engine because of its utilization and fuel efficiency, as well as its environmental technologies. All of which will not only keep our costs in check but also help protect the environment with fewer emissions. We look forward to introducing it into our fleet.

"Our goal is to contribute to the economic and social development of Zhejiang province by providing efficient air transportation. We are learning about the reliability and world-class support CFM provides through our CFM56-5B fleet, and we are looking forward to introducing the LEAP-1A engine in 2018," Liu concluded.

"We are thrilled to continue our association with Loong Air," said Gaël Méheust, president & CEO of CFM International. "We have been impressed with what this airline has accomplished in a very short amount of time and are excited to work with them as they continue to grow. We believe that the LEAP engine will prove to be a great asset to their fleet and this agreement will help ensure the long-term value of that asset."

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