



BREAKING NEWS
06 DE NOVIEMBRE 2019

S&P BAJA CALIFICACIONES DE NOTAS NO GARANTIZADAS DE AVIANCA; ASIGNA CCC- A NUEVAS NOTAS GARANTIZADAS

La firma estadounidense S&P Global Ratings degradó las calificaciones de los bonos senior no garantizados de Avianca hasta 8,375 % con vencimiento en mayo de 2020 a 'CC' desde 'CCC' y retiró la calificación del listado de Revisión Especial (CreditWatch) con implicaciones negativas.

Al mismo tiempo, asignó una calificación de emisión de 'CCC-' a las nuevas notas garantizadas a 8,375 % de Avianca con vencimiento en mayo de 2020.

La calificación de emisión de 'CCC-' que asignó la firma a las nuevas notas senior garantizadas a 8,375 % con vencimiento en mayo refleja la proximidad del vencimiento de la deuda de la compañía.

Bajo condiciones adversas en las que la empresa no logre renegociar obligaciones operativas y de arrendamiento financiero, S&P advierte que la aerolínea podría incumplir con sus obligaciones de deuda para mayo de 2020.

Al mismo tiempo, la baja de la calificación de emisión a 'CC' desde 'CCC' de sus notas senior no garantizadas a 8,375 % con vencimiento en mayo de 2020, refleja nuestro análisis de subordinación, donde aproximadamente 77,4 % de la deuda total de Avianca está garantizada.

Considera la agencia que la deuda garantizada tendrá una prioridad relativamente más alta que la de la deuda no garantizada.

Al primero de noviembre de 2019, Avianca Holdings S.A. (SD/--) llegó a una tasa de aceptación de aproximadamente 88,1 % sobre sus notas senior no garantizadas existentes a 8,375 % con vencimiento en mayo de 2020, para ser ofrecidas en canje de manera válida y no para retiro.

De acuerdo con los términos y condiciones para las nuevas notas senior garantizadas, Avianca ha ofrecido canjear las notas a valor nominal con una mayor tasa de cupón (9 %) con vencimiento en mayo de 2023 tras el cierre de una inversión de hasta US\$250 millones de nuevo capital o deuda convertible de United Airlines Inc (United; BB/Positiva/-) y Kingsland Holdings (no calificada).

Las nuevas notas incluirán colateral que consiste de cierta propiedad intelectual, incluida la marca "Avianca", y acciones que representan el valor residual después de deuda y otros pasivos de la flota de aeronaves de la compañía, estimadas en torno a US\$1.000 millones, lo cual consideramos que podría compensar a los acreedores.

La información contenida en el presente documento, se ofrece únicamente con el propósito de brindar información y no deberá considerarse como una oferta para comprar, vender o suscribir valores u otros instrumentos financieros; ni debe considerarse como asesoría en materia de inversiones, legal, contable o tributaria. La información y opiniones de este documento provienen de fuentes confiables; sin embargo HENCORP, S.A. DE C.V. CASA DE CORREDORES DE BOLSA no se responsabiliza por la precisión o exhaustividad de la información. Asimismo, no asume responsabilidad por pérdidas que surjan del uso del material presentado en este documento. Los valores extranjeros involucrados y sus emisores se encuentran autorizados o registrados en El Salvador, según corresponda.

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| ACCOUNT: 47478 - USER #: P4814015 |
| DACE NOTICES |
| DEFINITIVE INFORMATION |
| EUROCLEAR DATE & TIME: 06/11/19 14:16 |
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----- EVENT NUMBER 6130067 --- CORRECTION -----

EVENT TYPE 220 EXCHANGE OFFER
+ CONSENT + FEE + RESULTS
Complete
MANDATORY/VOLUNTARY INDICATOR: VOLUNTARY

CORRECTION: UPDATE 05/11/2019: FINAL RESULTS

----- BALANCES -----

S/N USP0605NAA92 AVIANCA HOLDINGS REGS 8.375 10/05/20 (STRA/USD)

BALANCES IN USD (DATED 05/11/2019):
SEC.CLEARANCE ACCT: 1,521,000

-----MAIN UNDERLYING SECURITY-----

- SECURITY USP0605NAA92 AVIANCA HOLDINGS REGS 8.375 10/05/20
(STRAIGHT) NOMINAL USD 1,000 MATURITY 10/05/20
QUOTATION PCT 95.000000 ON 05/11/19

-----EVENT GENERAL INFORMATION-----

RESULTS PUBLICATION DATE: 01/11/19

----- OPTION INFORMATION -----

CA OPTION NUMBER: 1
CA OPTION TYPE: Consent and Exchange
DEFAULT OPTION: NO
INSTRUCTION DEADLINE DATE: 31/10/19
INSTRUCTION DEADLINE TIME: 12:00 CET
PERIOD OF ACTION START DATE: 15/08/19
PERIOD OF ACTION END DATE: 31/10/19 TIME: 13:00 CET
PAYMENT DATE : 01/11/19
ACCT SERVICER REVOCABILITY START DATE: 15/08/19 TIME: 00:01 CET
ACCT SERVICER REVOCABILITY END DATE: 27/08/19 TIME: 17:00 CET
MARKET DEADLINE DATE: 01/11/19 TIME: 05:01 CET
REVOCABILITY START DATE: 15/08/19 TIME: 00:01 CET
REVOCABILITY END DATE : 28/08/19 TIME: 05:59 CET
PRORATION IND: N

----- EXERCISE DETAILS -----

- SECURITY USP0605NAA92 AVIANCA HOLDINGS REGS 8.375 10/05/20
(STRAIGHT) NOMINAL USD 1,000 MATURITY 10/05/20
QUOTATION PCT 95.000000 ON 05/11/19

PRODUCT RATIO PER MULTIPLE EXERCISED: 1,000.000000
ROUNDING: ROUND DOWN TO MNV OF PROCEED SECURITY

NON-US: TO EXCHANGE AND CONSENT BEFORE EARLY PART DEADLINE AND
RECEIVE TOTAL EXCHANGE CONSIDERATION (INCL USD 50 EARLY PART PAYM)

- CASH USD

CREDIT RATIO PER MULTIPLE EXERCISED:
GROSS AMOUNT: USD 39.78125000
NET AMOUNT: USD 39.78125000
VALUE DATE: 01/11/19

+ ACCRUED INTEREST
+ CASH FRACTIONS IF ANY

----- OPTION INFORMATION -----

CA OPTION NUMBER: 3
CA OPTION TYPE: Consent and Exchange
DEFAULT OPTION: NO
INSTRUCTION DEADLINE DATE: 28/08/19
INSTRUCTION DEADLINE TIME: 13:00 CET
PERIOD OF ACTION START DATE: 27/08/19
PERIOD OF ACTION END DATE: 28/08/19 TIME: 14:00 CET
PAYMENT DATE: 01/11/19
ACCT SERVICER REVOCABILITY START DATE: 31/12/49
MARKET DEADLINE DATE: 29/08/19 TIME: 05:59 CET
REVOCABILITY START DATE: 31/12/49
PRORATION IND: N

----- EXERCISE DETAILS -----

- SECURITY USP0605NAA92 AVIANCA HOLDINGS REGS 8.375 10/05/20
(STRAIGHT) NOMINAL USD 1,000 MATURITY 10/05/20
QUOTATION PCT 95.000000 ON 05/11/19

MINIMUM FOR EXERCISE: 200,000
MULTIPLE FOR EXERCISE: 1,000
ACCRUED INTEREST: TO BE RECEIVED BY HOLDER

----- PROCEED DETAILS -----

- SECURITY 116981114 TECHNICAL CODE FOR UNKNOWN PROCEED
(STRAIGHT) NOMINAL USD 1 MATURITY 31/12/49

PRODUCT RATIO PER MULTIPLE EXERCISED: 950.000000
ROUNDING: ROUND DOWN TO MNV OF PROCEED SECURITY

QIBS: TO EXCHANGE AND CONSENT AFTER EARLY PART DEADLINE BUT BEFORE
EXPIRATION DEADLINE AND RECEIVE BASE EXCHANGE CONSIDERATION

- CASH USD

INSTRUCTION DEADLINE TIME: 12:00 CET
PERIOD OF ACTION START DATE: 15/08/19
PERIOD OF ACTION END DATE: 31/10/19
PAYMENT DATE : 01/11/19
PRORATION IND: N

----- ACTION TO BE TAKEN -----

INFORMATION ON EXCHANGE OFFER
EXECUTION DEADLINE: 31/10/19
ELECTR.CERTIF:N/ NO CERTIFICATION REQUIRED

TO CLAIM THE DEALER FEE YOU MUST:
- SEND AN INSTRUCTION FOR THE DEALER FEE EVENT
- SEND A SEPARATE INSTRUCTION PER BO FOR THIS CONSENT EVENT

BENEFICIAL OWNERSHIP:

DUE TO THE SPECIFIC MECHANICS OF THIS CORPORATE EVENT YOU HAVE TO
SEND A SEPARATE INSTRUCTION PER BO, ONLY IF YOU WILL CLAIM THE
DEALER FEE

YOU ARE SOLELY RESPONSIBLE TO DETERMINE WHETHER TO SEND ONE
INSTRUCTION PER BO OR NOT. WE CANNOT PROVIDE ANY GUIDANCE ON THIS
REQUIREMENT. WE WILL FORWARD BUT NOT VALIDATE ANY INSTRUCTION
RECEIVED REGARDLESS IF YOU INSTRUCTED AT BENEFICIAL OWNER OR NOT

ELECTRONIC INSTRUCTIONS:

1. FREE FORMAT MT 599/MT 568 USERS: YOUR DEADLINE IS 10:00
(BRUSSELS TIME) ON THE BUSINESS DAY BEFORE THE DEADLINE DATE.
2. EASYWAY USERS:
 - A. QIBS: TO EXCHANGE AND CONSENT BEFORE EARLY PARTICIPATION
DEADLINE AND RECEIVE TOTAL EXCHANGE CONSIDERATION, CHOOSE OPTION
001
 - B. NON-US: TO EXCHANGE AND CONSENT BEFORE EARLY PARTICIPATION
DEADLINE AND RECEIVE TOTAL EXCHANGE CONSIDERATION, CHOOSE OPTION
002
 - C. QIB: TO EXCHANGE AND CONSENT AFTER EARLY PARTICIPATION DEADLINE
BUT BEFORE EXPIRATION DEADLINE AND RECEIVE BASE EXCHANGE
CONSIDERATION, CHOOSE OPTION 003
 - D. NON-US: TO EXCHANGE AND CONSENT AFTER EARLY PARTICIPATION
DEADLINE BUT BEFORE EXPIRATION DEADLINE AND RECEIVE BASE EXCHANGE
CONSIDERATION, CHOOSE OPTION 004

- MENTION IN FIELD 'NARRATIVE TO EUROCLEAR BANK': YOUR CONTACT
NAME AND PHONE NUMBER PRECEDED BY 'INX CONTACT DETAILS'

3. EUCLID USERS:
 - A. QIBS: TO EXCHANGE AND CONSENT BEFORE EARLY PARTICIPATION
DEADLINE AND RECEIVE TOTAL EXCHANGE CONSIDERATION, SEND AN
INSTRUCTION TYPE '54' WITH SUBTYPE 'CEX1'
 - B. NON-US: TO EXCHANGE AND CONSENT BEFORE EARLY PARTICIPATION
DEADLINE AND RECEIVE TOTAL EXCHANGE CONSIDERATION, SEND AN
INSTRUCTION TYPE '54' WITH SUBTYPE 'CEX2'

PLEASE REFER TO THE CORPORATE ACTIONS FAQ SECTION ON
MY.EUROCLEAR.COM FOR MORE INFORMATION WITH REGARDS TO THE
APPLICABLE PROCESS TO CANCEL AND REPLACE YOUR INSTRUCTION

SECURITIES FOR WHICH INSTRUCTIONS ARE RECEIVED WILL BE BLOCKED.
SECURITIES FOR WHICH INSTRUCTIONS ARE RECEIVED WILL BE DELIVERED.
SECURITIES BUYER: I/AVIANCA HOLDINGS S.A.

BY DEFAULT, EOC WILL TAKE NO ACTION

FOR DETAILS, CONTACT CORPORATE ACTIONS - DRIT INFO 4245

----- EVENT DETAILS -----
UPDATE 05/11/2019: FINAL RESULTS

AGGREGATE PRINCIPAL AMOUNT TENDERED: USD 484,419,000

AGGREGATE PRINCIPAL AMOUNT ACCEPTED: USD 484,419,000

PLEASE REFER TO THE DOCUMENTATION FOR MORE DETAILS

END OF UPDATE.

UPDATE 04/11/2019: PAYMENT INFORMATION FOR OPTION 1 AND 2

PAYMENT DATE IS UPDATED

1. DEBIT OF EXERCISED SECURITIES
VALIDLY INSTRUCTED POSITION SHOULD BE DEBITED FROM YOUR ACCOUNT
IN THE TODAY'S REAL-TIME PROCESS

EUCLID USERS: PLEASE REFER TO YOUR R23 REPORT.
SWIFT USERS: PLEASE REFER TO YOUR MT 566.

2. CREDIT OF CASH ENTITLEMENT
CASH ENTITLEMENT SHOULD BE CREDITED IN THE NEXT OVERNIGHT BATCH
PROCESS.

EUCLID USERS: PLEASE REFER TO YOUR R20 REPORT.
SWIFT USERS: PLEASE REFER TO YOUR MT 566.

CASH BREAKDOWN:

- PRORATION FACTOR: NA
- POOL FACTOR: NA
- ACCRUED INTEREST: USD 39.781250 PER MULTIPLE
- INTEREST RATE: 8.375 PERCENT
- NUMBER OF DAYS: 171
- CALCULATION METHOD: 30/360 DAYS

THE PROCEED SECURITIES US05367GAA85 FOR OPTION 1 AND USP06048AA36
FOR OPTION 2 ARE NOT OPENED YET IN EUROCLEAR BANK.

WE WILL SEND AN UPDATE WHEN NEW INFORMATION IS AVAILABLE

END OF UPDATE.

EXISTING NOTES TO MAKE CERTAIN WAIVERS AND AMENDMENTS TO THE EXISTING INDENTURE AND TO ELIMINATE CERTAIN OF THE COVENANTS, RESTRICTIVE PROVISIONS AND EVENTS OF DEFAULT AS FURTHER DESCRIBED IN THE DOCUMENTATION.

REQUISITE CONSENT: AT LEAST 50.1 PER CENT IN AGGREGATE PRINCIPAL AMOUNT OF NOTES OUTSTANDING

PLEASE REFER TO THE DOCUMENTATION FOR MORE DETAILS

1. EXCHANGE AND CONSENT: BY INSTRUCTING TO EXCHANGE, YOU CONSENT TO THE PROPOSED AMENDMENTS. YOU CANNOT CONSENT WITHOUT EXCHANGING YOUR NOTES

2. CONDITIONS AND RESTRICTIONS: CERTAIN RESTRICTIONS APPLY FOR THE EUROPEAN ECONOMIC AREA, THE DUBAI INTERNATIONAL FINANCIAL CENTRE AND THE FOLLOWING COUNTRIES: COLOMBIA, GUATEMALA, THE BAHAMAS, COSTA RICA, PANAMA, EL SALVADOR, PERU, UNITED KINGDOM, FRANCE, ITALY, BELGIUM, SWITZERLAND, HONG KONG, MEXICO, SINGAPORE, JAPAN, BRAZIL, CHILE, GERMANY, THE NETHERLANDS, CANADA, DENMARK, NORWAY AND SPAIN.

THESE RESTRICTIONS APPLY TO BENEFICIAL OWNERS

THE OFFER IS SUBJECT TO, AMONG OTHER THINGS, THE MINIMUM EXCHANGE AMOUNT CONDITION AND THE COLLATERAL CONDITION

REFER TO THE OFFER DOCUMENTATION FOR THE COMPLETE CONDITIONS AND RESTRICTIONS OF THIS OFFER

ELIGIBLE HOLDERS

THE SECURED NOTES ARE BEING OFFERED FOR EXCHANGE ONLY TO:
1) HOLDERS OF EXISTING NOTES THAT ARE REASONABLY BELIEVED TO BE QUALIFIED INSTITUTIONAL BUYERS AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT (QIBS), IN A PRIVATE TRANSACTION IN RELIANCE UPON THE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT PROVIDED BY SECTION 4(A)(2) THEREOF AND
2) OUTSIDE THE UNITED STATES, TO HOLDERS OF EXISTING NOTES WHO ARE NOT U.S. PERSONS AND WHO ARE NOT ACQUIRING SECURED NOTES FOR THE ACCOUNT OR BENEFIT OF A U.S. PERSON, IN OFFSHORE TRANSACTIONS IN COMPLIANCE WITH REGULATION S UNDER THE SECURITIES ACT, AND WHO ARE NON U.S. QUALIFIED OFFEREEES

TIMETABLE

- EXPECTED SETTLEMENT DATE: THIRD BUSINESS DAY AFTER THE EXPIRATION DEADLINE

ENTITLEMENT

1. MINIMUM EXERCISE AMOUNT: PLEASE ENSURE THAT YOUR INSTRUCTED AMOUNT:
- IS AT LEAST THE MINIMUM EXERCISABLE AMOUNT OF THE NOTE
- CORRESPONDS TO THE MULTIPLE EXERCISABLE AMOUNT OF THE NOTE
- WILL YIELD AT LEAST THE MINIMUM AMOUNT OF ENTITLEMENT

CORPORATE EVENT IN YOUR ACCOUNT IN EUROCLEAR BANK, YOU (AND ANY
BENEFICIAL OWNER(S) FOR WHOM YOU ACT) MUST ENSURE TO SEND AN
INSTRUCTION TO ALLOW THE TRANSFER OF THESE PROCEEDS TO AN ACCOUNT
OUTSIDE THE EUROCLEAR SYSTEM

RELATED EVENT(S):
6392446 OTHER OFFER

=====END OF NOTICE=====