



AerCap Holdings N.V.

Fourth Quarter 2008 Earnings Call

February 25, 2009

• *Pride* • *Dream* • *Passion*

Forward Looking Statements & Safe Harbor

This presentation contains certain statements, estimates and forecasts with respect to future performance and events. These statements, estimates and forecasts are “forward-looking statements”. In some cases, forward-looking statements can be identified by the use of forward-looking terminology such as “may,” “might,” “will,” “should,” “expect,” “plan,” “intend,” “estimate,” “anticipate,” “believe,” “predict,” “potential” or “continue” or the negatives thereof or variations thereon or similar terminology. All statements other than statements of historical fact included in this presentation are forward-looking statements and are based on various underlying assumptions and expectations and are subject to known and unknown risks, uncertainties and assumptions, may include projections of our future financial performance based on our growth strategies and anticipated trends in our business. These statements are only predictions based on our current expectations and projections about future events. There are important factors that could cause our actual results, level of activity performance or achievements to differ materially from the results, level of activity, performance or achievements expressed or implied in the forward-looking statements. As a result, there can be no assurance that the forward-looking statements included in this presentation will prove to be accurate or correct. In light of these risks, uncertainties and assumptions, the future performance or events described in the forward-looking statements in this presentation might not occur. Accordingly, you should not rely upon forward-looking statements as a prediction of actual results and we do not assume any responsibility for the accuracy or completeness of any of these forward-looking statements. We do not undertake any obligation to, and will not, update any forward-looking statements, whether as a result of new information, future events or otherwise.

Fourth Quarter 2008 Highlights

- Net income was \$18.7 million for fourth quarter 2008, exclusive of non-cash charges relating to mark-to-market of interest rate caps and share-based compensation
 - Net income also included \$21.0 million of after-tax charges due to airline defaults (\$13.8m) and inventory impairments (\$7.2m)
- Earnings per share for fourth quarter 2008 was \$0.22, exclusive of non-cash charges relating to mark-to-market of interest rate caps and share-based compensation
- Basic rents in fourth quarter 2008 increased 7% from fourth quarter 2007, while interest expense excluding the mark-to-market of interest rate caps did not change
 - The difference between basic rents and the adjusted interest expense (net spread) was \$87.8 million in fourth quarter 2008, an increase of 11%
- Total assets were \$5.4 billion as of December 31, 2008, up 23% from December 31, 2007

Full Year 2008 Highlights

- Net income was \$197.8 million for full year 2008, exclusive of non-cash charges relating to mark-to-market of interest rate caps and share-based compensation
 - Net income also included \$21.0 million of after-tax charges due to airline defaults (\$13.8m) and inventory impairments (\$7.2m)
- Earnings per share for full year 2008 was \$2.33, exclusive of non-cash charges relating to mark-to-market of interest rate caps and share-based compensation
- Basic rents in full year 2008 increased 5% from full year 2007, while interest expense excluding the mark-to-market of interest rate caps decreased 17% from full year 2007
 - The difference between basic rents and the adjusted interest expense (net spread) was \$359.6 million for full year 2008, an increase of 19%
- Aviation assets purchased and delivered in 2008 were \$1.5 billion

Net Income

(\$ Million)	<u>4Q 2007</u>	<u>4Q 2008</u>	<u>FY 2007</u>	<u>FY 2008</u>
Total Net Income	45.1	(19.0)*	188.5**	151.8*
Mark-to-market on interest rate caps	9.4	35.9	12.6	39.6
Share-based compensation	<u>2.5</u>	<u>1.8</u>	<u>9.5</u>	<u>6.4</u>
Net Income excluding above charges	<u>57.0</u>	<u>18.7*</u>	<u>210.6**</u>	<u>197.8*</u>

* 4Q and full year 2008 included after-tax charges of \$21 million relating to airline defaults and inventory impairments

**Full year 2007 included after-tax charges of \$24 million relating to debt refinancing

Earnings Per Share

	<u>4Q 2007</u>	<u>4Q 2008</u>	<u>FY 2007</u>	<u>FY 2008</u>
Earnings Per Share	\$0.53	\$(0.22)*	\$2.22**	\$1.79*
Adjusted for: mark-to-market on interest rate caps and share based compensation	0.14	0.44	0.26	0.54
Earnings Per Share excluding above charges	\$0.67	\$0.22*	\$2.48**	\$2.33*
Average Shares Outstanding (Million)	85.0	85.0	85.0	85.0

* 4Q and full year 2008 included after-tax charges of \$0.25 relating to airline defaults and inventory impairments

**Full year 2007 included after-tax charges of \$0.28 relating to debt refinancing



Net Spread (Margin)

(\$ Million)	<u>4Q 2007</u>	<u>4Q 2008</u>	<u>% Change</u>
Basic Lease Rents	126	135	7%
Less: Interest Expense*	<u>(47)</u>	<u>(47)</u>	0%
Net Spread (Margin)	79	88**	11%
Average Lease Assets	3,124	3,898	25%
Annual Margin (% Lease Assets)	10.1%	9.0%	

- *Basic lease rents on floating rate leases are reduced as a result of lower interest rates*
- *Interest expense is also reduced by same amount, keeping margins intact*
- *Growth in lease assets plus benefit from caps driving ~11% increase in margins*

* Excludes non-cash charges relating to the mark-to-market of interest rate caps

** 4Q Net Spread down ~\$5 million as a result of airline default



Net Spread Trends

(\$ Millions)	<u>2007 Avg. Quarter</u>	<u>2008 1st Quarter</u>	<u>2008 2nd Quarter</u>	<u>2008 3rd Quarter</u>	<u>2008 4th Quarter</u>
Net Spread (Margin)*	77	86	93	93	88**

***Growth in Net Spread Reflective of Growth in Leasing Income;
2008 Avg. Quarter spread \$90 Million is +17% over 2007***

* Net Spread = Basic rents minus interest expense
(excluding non-cash charges relating to the mark-to-market of interest rate caps and 2007 refinancing charges)

** 4Q Net Spread down ~\$5 million as a result of airline defaults

Total Revenue

(\$ Million)

	<u>4Q 2007</u>	<u>4Q 2008</u>
Basic Lease Rents *	126	135
Maintenance/End-of-Lease Revenue	12	14
Sales Revenue	138	171
Servicing Fees and Interest Income	9	6
Other Revenue	<u>0</u>	<u>0</u>
Total Revenue	<u>285</u>	<u>326</u>

Basic rents
up 7% over
fourth
quarter 2007

*Full year 2008 total revenue up 7% over full year 2007 and
basic lease rents up 5% for same period*

Impact from Defaults & Restructuring

(\$ Millions)

	<u>9 months</u> <u>2008</u>	<u>4Q 2008</u>	<u>2008 Total</u>	<u>Est 1Q 2009</u>
Lost Basic Lease Rents (Net of Security Deposits)	(9)	(5)	(14)	~ (4)
Provision for Doubtful Accounts Receivable	-	(1)	(1)	0
Maintenance Rents	10	2	12	~(2)
Leasing Expenses	<u>(1)</u>	<u>(14)</u>	<u>(15)</u>	<u>~ (7)</u>
Subtotal	-	(18)	(18)	~ (13)

Accounting Specifics

- Security deposits are applied against past-due rents, reducing impact from lost rents
- Maintenance rents held are recorded as revenue upon lease termination
- Costs are expensed as incurred

Sales Revenue

(\$ Million)	<u>4Q 2007</u>	<u>4Q 2008</u>
Aircraft Sales	115	130
Engine Sales	3	14
Part Sales	<u>20</u>	<u>27</u>
Total Sales Revenue	<u>138</u>	<u>171</u>
Total Gain from Sales	<u>34</u>	<u>24</u>

4Q 2008 (2 aircraft)

1 A330-200

1 A320

Leasing Expenses and SG&A

(\$ Million)	<u>4Q 2007</u>	<u>4Q 2008</u>	<u>% Change</u>
Operating lease in costs	4.7	3.3	(30%)
Leasing expenses	4.6	32.4	Unfavorable *
SG&A	<u>34.2</u>	<u>31.6**</u>	(8%)
Total Leasing expenses and SG&A	43.5	67.3	59%

* Increase in Leasing Expenses mainly caused by previously disclosed airline defaults

** Includes \$3 million of non-recurring charges (severance, etc.) offset by \$3 million positive mark-to-market of exchange rate derivative

Tax Rate

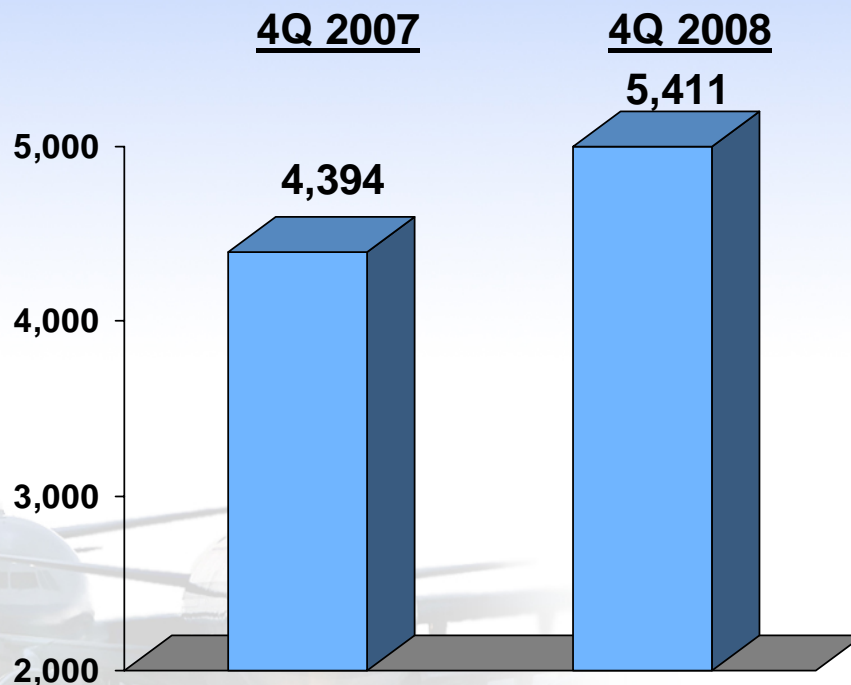
	<u>FY 2007</u>	<u>FY 2008</u>
Tax Rate for Aircraft	9.8%	2.0% Charge
Tax Rate for Engine/Parts	35.4%	(56.8%) Income
Blended Tax Rate	11.8%	(-0.3%) Income

Note: The positive tax rate resulted because the most significant portion of the charges relating to airline defaults and inventory impairments occurred in the higher tax rate jurisdictions, and the most significant portion of pre-tax earnings occurred in the lower tax rate jurisdictions.

Total Assets and Number of Aircraft/Engines

(\$ Million)

Total Assets
Owned and on
Balance Sheet



23% increase over
4Q 2007

Number of Aircraft

Owned, On Order, Managed,
Contracted, on LOI (units)

316

297

Decrease in units largely driven by
sales of older aircraft and a change in
options for 5 forward order aircraft

Number of Engines

Owned, Contracted, on LOI (units)

69

75

Purchases of Aviation Assets

(\$ Million)	<u>Full Year 2008</u>	<u>Committed 2009</u>
Aircraft Related	1,408	1,732
Engines/Airframes	<u>65</u>	<u>25</u>
Total Purchases	1,473	1,757
<hr/>		
Number of Aircraft Purchases (Units)	58	37

Portfolio Management Metrics

<u>Lease Portfolio</u>	<u>FY 2007</u>	<u>FY 2008</u>
Utilization Rate	98.9%	97.7%
Portfolio Yield*	18.1%	16.9%
Average Term (Months)		
– New Leases for New Aircraft	107	124**
– New Leases for Used Aircraft	72	65***

**2009 Aircraft Lease Revenue Contracted
as a % of 2008 Aircraft Lease Revenue: ~119%**

* Lease revenue divided by average book value of flight equipment

** Reflects 45 lease agreements and 17 LOIs for new aircraft leases signed during FY 2008

*** Reflects 46 lease agreements and 19 LOIs for used aircraft leases signed during FY 2008



Debt and Equity

(\$ Million)

	<u>4Q 2007</u>	<u>4Q 2008</u>
Total Debt at Year-End	2,893	3,790
Average Cost of Debt in Fourth Quarter*	6.4%	4.7%
Shareholder Equity at Year-End	950	1,109
Debt / Equity Ratio at Year-End	3.0 to 1	3.4 to 1

* Interest expense divided by average debt balance, excluding mark-to-market on interest rate caps

Funding/Access to Capital

Cash

Unrestricted Cash Balance at 12/31/2008	\$194 Million
Total Cash Balance at 12/31/2008	\$307 Million
Operating Cash Flow for Full Year 2008	\$250 Million

Collateralized Term Debt

Remaining Collateralized Term Debt Requirements ('09-'12)	\$4.2 Billion
Less: Available Lines of Collateralized Term Debt at 12/31/08	(\$3.0)
Less: ECA Collateralized Term Debt in Process	<u>(\$0.8)</u>
Remaining Collateralized Term Debt Needed	\$0.4

2009 Financial Outlook

The financial markets and access to capital remain uncertain and volatile. As a result, AerCap's 2009 financial outlook is less certain than in years past, particularly given the increasing stresses imposed by the global economic climate on the financial conditions of many of our business partners, competitors and contract counterparties. Notwithstanding the foregoing, set forth below are the anticipated drivers for AerCap's 2009 financial performance, which are subject to change, in light of the highly fluid market conditions.

- Purchases of aviation assets in all of 2009 expected to be ~\$1.8 billion
- 2009 basic lease revenue expected to increase 15% or more over 2008
- 2009 gain from aircraft sales expected to be 20% or more lower vs. 2008
- 2009 average cost of debt expected to be ~3.0%
- 2009 tax rate expected to be ~6%
- 2009 ROE expected to be ~15%, due mostly to lower gain from sales and the impact of airline defaults

Appendix

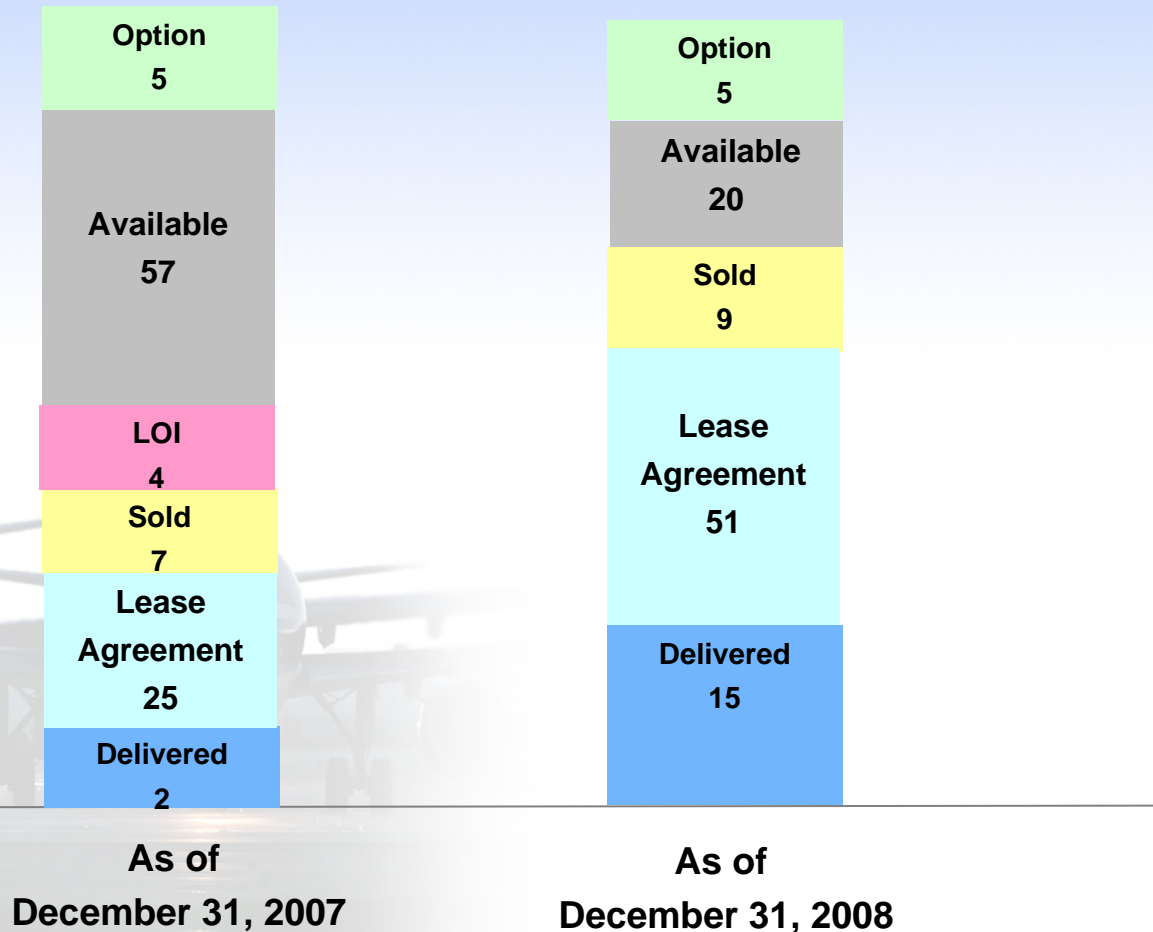


Aircraft and Engine Transactions

- 15 new aircraft lease agreements and letters-of-intent executed during fourth quarter 2008
- 12 aircraft and 9 engines delivered to lessees during fourth quarter 2008
- 11 aircraft purchased during fourth quarter 2008
- 3 aircraft sold during fourth quarter 2008 from our owned portfolio

Forward Order Aircraft

**Total
Number of
Aircraft
100**



High Quality and Well Diversified Portfolio

Aircraft Portfolio as of December 31, 2008

	Owned Portfolio		Managed Portfolio		Number of Aircraft under Purchase Contract and letter of Intent	Total Owned, Managed and Ordered Aircraft
	Number of Aircraft Owned	% Net Book Value at 31 December, 2008	Number of Aircraft	Number of Aircraft on Order		
Airbus A300 Freighter	1	0.8%	-	-	-	1
Airbus A319	16	12.5%	-	8	-	24
Airbus A320	64	39.3%	13	39	-	116
Airbus A321	18	14.0%	1	3	-	22
Airbus A330	5	6.2%	-	28	-	33
Boeing 737 Classic	16	3.6%	30	-	1	47
Boeing 737 NG	18	15.3%	-	-	3	21
Boeing 757	11	3.9%	3	-	-	14
Boeing 767	4	3.1%	2	-	2	8
MD 11 Freighter	1	0.8%	1	-	-	2
MD-82	2	0.1%	2	-	-	4
MD-83	4	0.3%	1	-	-	5
Total	160	100.0%	53	78	6	297

- 89% narrowbody – “Work Horses” of industry
- High share of liquid / remarketable aircraft
- Average age of owned aircraft fleet 6.7 years
- 75 engines in portfolio, as of December 31, 2008, incl. 2 on order and 2 under a letter of intent to purchase
 - CFM56 engines, one of the most widely used engines in the commercial aviation industry, represented 69% of our engine portfolio

