



# **AerCap Holdings N.V.**

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**Fourth Quarter and Full Year 2006  
Earnings Call**

**February 28, 2007**

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*• Pride • Dream • Passion*

# Forward Looking Statements & Safe Harbor

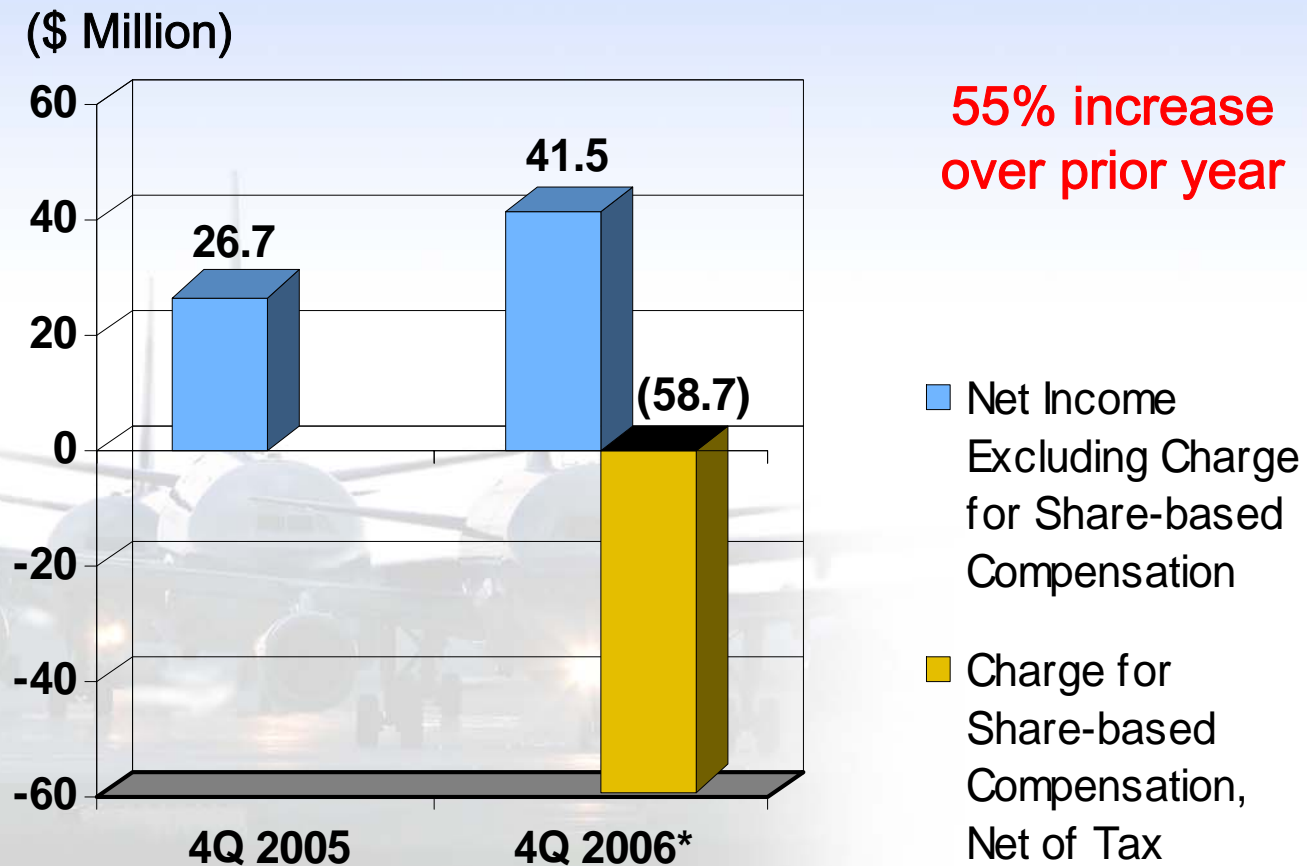
*This presentation contains certain statements, estimates and forecasts with respect to future performance and events. These statements, estimates and forecasts are “forward-looking statements”. In some cases, forward-looking statements can be identified by the use of forward-looking terminology such 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.*



# 2006 Highlights

- Q4 net income was \$41.5 million (excluding charge for share based compensation)
- FY net income \$156.3 million (excluding charge for share based compensation)
- FY revenue was \$814.4 million (up 65%)
- Flight equipment held for lease was \$3.0 billion as of December 31, 2006 (up 36%)
- Purchases of aviation assets of nearly \$1 billion for FY 2006
- IPO completed, proceeds of \$156.4 million retained by the Company, and used primarily to pay down indebtedness
- Firm order with Airbus of 20 new A330-200 aircraft
- Launch of Chinese aircraft leasing joint venture

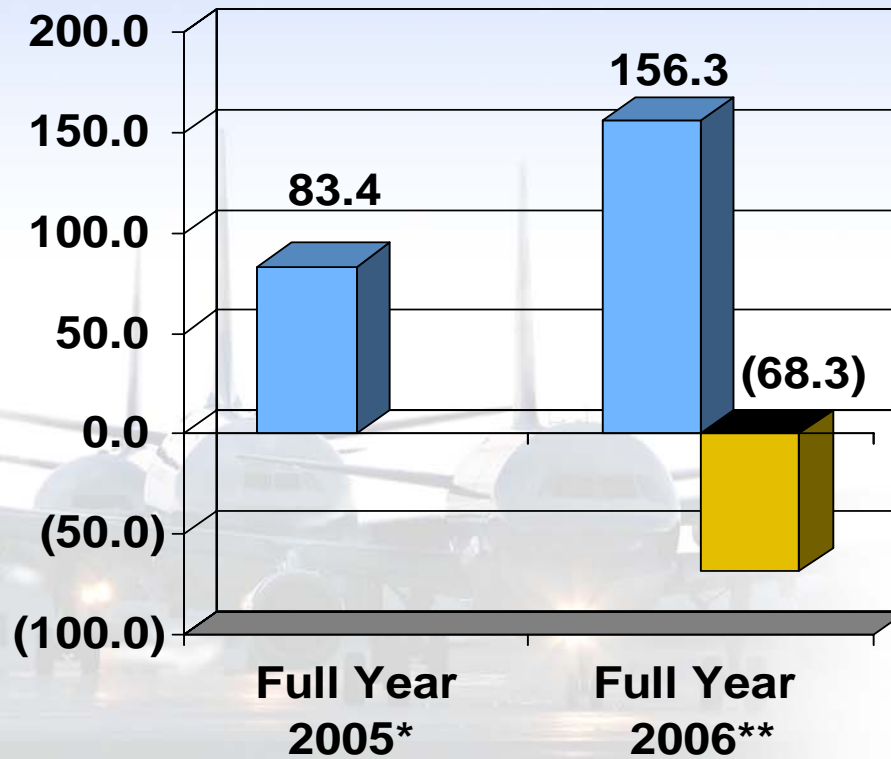
# Fourth Quarter Net Income



\* 4Q 2006 results include AeroTurbine

# Full Year Net Income

(\$ Million)



**88% increase  
over prior year**

- Net Income Excluding Charge for Share-based Compensation
- Charge for Share-based Compensation, Net of Tax

• 2005 results are 6 months ended June 30, 2005 for AerCap B.V. (predecessor company) plus 6 months ended December 31, 2005 for AerCap N.V. (successor company)

\*\* 2006 results include AeroTurbine from April 26 through December 31, 2006



# Earnings Per Share

	2005*		2006**	
	<u>4Q</u>	<u>Full Year*</u>	<u>4Q</u>	<u>Full Year</u>
<b>EPS Excluding Charge for Share-based Compensation</b>	\$0.34	\$1.07	\$0.51	\$1.98
<b>Total EPS</b>	\$0.34	\$1.07	(\$0.21)	\$1.11
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<b>Average Shares Outstanding (Million)</b>	78.237	78.237	81.259	78.993

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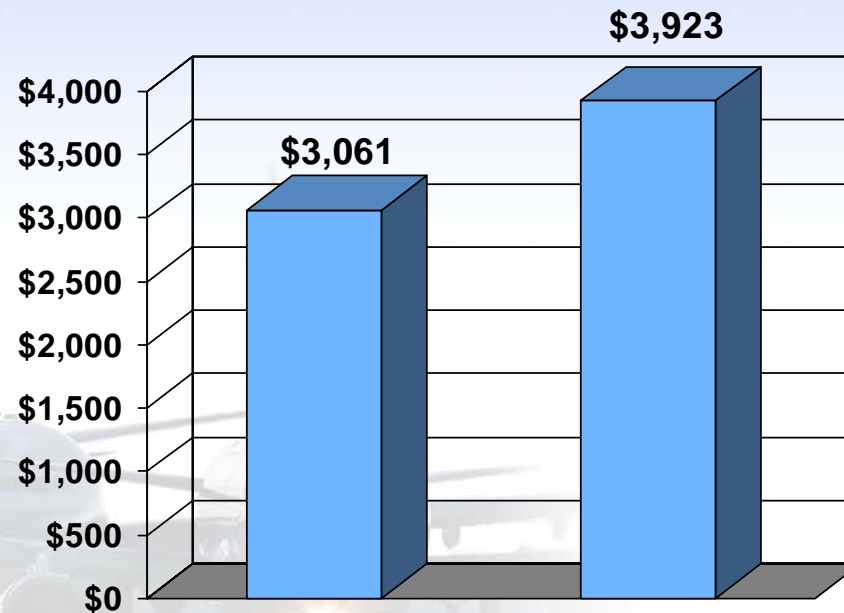
# Total Assets and Number of Aircraft/Engines

(\$ Million)

12/31/05

12/31/06

**Total Assets**  
Owned and on  
Balance Sheet



28% increase  
over prior year

Number of Aircraft

- Owned	105	131
- On Order	15	99
- Under Contract/LOI	-	11
- Managed	121	103
<u>Total Aircraft</u>	<u>241</u>	<u>344</u>
<u>Number of Engines (Owned or on LOI)</u>	4	57

# Purchases of Aviation Assets

(\$ Million)	<u>4Q 2006</u>	<u>Full Year 2006</u>
<b>Aircraft Related</b>	\$483.6	\$884.1
<b>Engines/Airframes</b>	<u>39.2</u>	<u>89.1</u>
<b>Total</b>	<b>\$522.8</b>	<b>\$973.2</b>
<b># of Aircraft Purchased</b>	<b>28</b>	<b>41</b>





# Portfolio Management Metrics

<u>Aircraft Lease Portfolio</u>	<u>2005*</u>	<u>2006</u>
Utilization Rate	99%	99%
Portfolio Yield**	~15%	~17%
Average Term (Months)		
– New Leases	69	103
– Lease Renewals	51	59
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2007 Lease Revenue Already Contracted		
– as a % to 2006 Actual Lease Revenue		~117%

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\*\* 2006 lease revenue (excluding maintenance) divided by average book value of flight equipment



# Revenue Breakdown

(\$ Million)

	<u>4Q 2006</u>	<u>Full Year 2006</u>
Lease Revenue	\$132.8	\$443.9
Sales Revenue	64.7	301.4
Management Fees, Interest Income and Other Revenue	<u>14.1</u>	<u>69.1</u>
Total Revenue*	<u>\$211.6</u>	<u>\$814.4</u>
<b>% Increase over 2005**</b>	<b>78%</b>	<b>65%</b>

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plus 6 months ended December 31, 2006 for AerCap N.V. (successor company)



# Sales Revenue

Sales Optimizing Portfolio and Improving Mix, Quality and Diversification

	<u>4Q</u> <u>2006</u>	<u>Full Year</u> <u>2006</u>
<b>Aircraft Sales</b>	\$34.8	\$232.3
<b>Engine Sales</b>	14.5	31.4
<b>Part-Out Sales</b>	<u>15.4</u>	<u>37.7</u>
<b>Total</b>	\$64.7	\$301.4

**4Q (4 aircraft)**

2 Fokker 100s  
2 B757s

**Full Year (19 aircraft)**

13 Fokker 100s  
4 A320s  
2 B757s

# Cash / Access to Capital

(\$ Million)

<b>Cash Balance at 12/31/06</b>	<b>\$243</b>
<b>Operating Cash Flow in 2006</b>	<b>\$348</b>
<b>Available Lines of Credit at 12/31/06</b>	<b>\$1,268</b>

# Debt/Financings

(\$ Million)

<b>Total Debt at 12/31/06</b>	<b>\$2,555</b>
<b>Average Cost of Debt in 2006*</b>	<b>6.8%</b>
<b>Debt/Equity Ratio at 12/31/06</b>	<b>3.5 to 1</b>

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## Financings in 4Q 2006 (Total Amount of Facility)

<b>- AeroTurbine Revolving Facility (Amended)</b>	<b>\$220</b>
<b>- Commercial Debt for Aircraft Purchases from GATX</b>	<b>\$248</b>
<b>- AerVenture PDP Facility</b>	<b>\$119</b>

\* Interest expense divided by average debt balance



# Expenses & Productivity

(\$ Million)

	<u>2005*</u>	<u>2006</u>
<b>Expenses**</b>	\$206.1	\$245.7
<b>% Increase in Expenses (2006 over 2005)</b>	-	19%
<b>% Increase in Assets (2006 over 2005)</b>	-	28%
<b>% Increase in Revenue (2006 over 2005)</b>	-	65%

\*2005 results are for 6 months ended June 30, 2005 for AerCap B.V. (predecessor company) plus 6 months ended December 31, 2005 for AerCap N.V. (successor company)

\*\* Includes depreciation/amortization, lease expenses, and SG&A expenses excluding charges for share-based compensation





# Taxes & Tax Rate

(\$ Million)

2006

**Income Before Taxes**

\$103.7

**Taxes**

\$16.3

**Tax Rate**

15.7%



# Adjusted EBITDA

	<u>2005*</u>	<u>2006**</u>
<b>Adjusted EBITDA (\$ million) ***</b>	\$325	\$452
<b>% Increase over 2005</b>	-	39%

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\*\*\* Adjusted EBITDA excludes charges for share-based compensation



# 2007 Outlook

- Cash and available lines of credit allow for purchases in 2007 to be comparable to that achieved in 2006
- 2007 sales revenue as a % to total revenue expected to be higher than 2006
- 2007 cost of debt expected to be comparable to 2006
- 2007 tax rate expected to be lower than 2006
- 2007 ROE expected to be 20-25%

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Notes Regarding Financial Information  
Presented in This Document

The financial information presented in this press release is not audited.

Following are definitions of certain non-GAAP measures used in this press release and a reconciliation of such measures to the most closely related GAAP measure:

*Net income excluding charges for share-based compensation.* This measure is determined by adding charges for share-based compensation, net of related tax benefits to GAAP net income. The Company uses this measure to evaluate and communicate the results of its operations in periods where significant non-cash charges for share-based compensation have been recognized. The majority of these charges were recognized in connection with the Company's public offering and related to a series of share-based awards granted in the twelve months prior to the public offering. The Company does not expect share-based charges of a similar magnitude to occur in comparable periods in the future. The Company believes this measure provides investors with a more meaningful view on the Company's operational performance and allows investors to better understand the Company's operational performance in relation to past and future reporting periods. Following is a reconciliation of net income excluding charges for share-based compensation to net income:

**Reconciliation of net income excluding charges for share-based compensation to net income (\$ million)**

	Fourth Quarter 2006	Full Year 2006
Net (loss)/income	(\$17.2)	\$88.0
Plus: Charges for share-based compensation, net of taxes	<u>58.7</u>	<u>68.3</u>
Equals: Net income excluding charges for share-based compensation	\$41.5	\$156.3

Earnings per share excluding share-based compensation are determined by dividing the amount of net income excluding charges for share-based compensation by the average number of shares outstanding for that period. The average number of shares is based on a daily average.





*Adjusted EBITDA.* Adjusted EBITDA is determined by adding the amounts for charges relating to interest, depreciation and amortization, taxes and share-based compensation to the amount of net income. Adjusted EBITDA provides management with a useful measure of the Company's operating performance because it assists management in comparing the Company's operating performance in different periods without the impact of the Company's capital structure (primarily interest charges on our outstanding debt), non-cash expenses related to our long-lived asset base (primarily depreciation and amortization) and non-cash expenses related to share-based compensation. Following is a reconciliation of Adjusted EBITDA to net income:

**Reconciliation of Adjusted EBITDA to net income**

	<u>Full Year 2006</u>	<u>Full Year 2005</u>
Net income	\$88.0	\$83.4
Plus: Interest charge	166.2	114.6
Income taxes	16.3	14.7
Depreciation and amortization	102.4	112.3
Share-based compensation	78.6	-
Equals: Adjusted EBITDA	<u>\$451.5</u>	<u>\$325.0</u>

The non-GAAP measures used in this press release are not intended to be considered in isolation or as a substitute for the GAAP measures to which they most closely relate.

References to financial information for full year 2005 data include the six months ended June 30, 2005 for the predecessor company, AerCap B.V. (formerly known as debis AirFinance B.V.) and the six months ended December 31, 2005 for the successor company, AerCap Holdings N.V. This combined presentation is included because it is the way management analyzes the results of the Company and for the convenience of investors. The combination of these two periods is not in accordance with US GAAP and should be considered supplemental information only.

