



AerCap Holdings N.V.

Second Quarter 2010 Earnings Call

August 5, 2010

Pride • Dream • Passion

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Second Quarter 2010 Highlights

- Net income was \$59.6 million for second quarter 2010, exclusive of the impact relating to mark-to-market of interest rate caps and share-based compensation
- Earnings per share for second quarter 2010 was \$0.50, exclusive of the impact relating to mark-to-market of interest rate caps and share-based compensation
- Net spread was \$169.0 million in second quarter 2010, an increase of 50% over second quarter 2009
- Total assets were \$9.1 billion as of June 30, 2010, up 48% from June 30, 2009 (an increase of \$ 1.5 billion relates to the Genesis Transaction which was completed on March 25, 2010)
 - Book equity is \$1.9 billion
- Secured \$835 million of new debt facilities in 2010 (year-to-date)

Aircraft and Engine Transactions Year to Date (June) 2010

- 10 aircraft lease agreements & letters-of-intent executed
- 30 aircraft and 23 engines delivered to lessees
- 39 aircraft and 7 engines purchased
- 10 aircraft and 8 engines sold from our owned portfolio

Net Income

(\$ Millions)	<u>2Q 2009</u>	<u>2Q 2010</u>
Total Net Income	56.6	48.9
Adjusted for: (Gain)/Loss from mark-to-market on interest rate caps *	(18.3)	10.1
Adjusted for: Cost of share-based compensation	<u>0.8</u>	<u>0.6</u>
Net Income excluding above adjustments	39.1	59.6

* Reduced for tax impact and the amount relating to JV partners share already adjusted for in minority interest

Earnings Per Share

(\$'s)	<u>2Q 2009</u>	<u>2Q 2010</u>
Earnings Per Share	0.67	0.41
Adjusted for: mark-to-market on interest rate caps and share based compensation	<u>(0.21)</u>	<u>0.09</u>
Earnings Per Share excluding above adjustments	0.46	0.50
Average Shares Outstanding (Millions)	85.0	119.4 *

* Increase of 34.4 million shares relates to Genesis Transaction



Total Revenue

(\$ Millions)	<u>2Q 2009</u>	<u>2Q 2010</u>
Basic Lease Rents	141.4	228.6
Maintenance/End-of-Lease Revenue	28.4	32.1
Sales Revenue	117.9	328.1
Management Fees and Interest Income	6.3	4.1
Other Revenue	<u>0.7</u>	<u>1.8</u>
Total Revenue	294.7	594.7

Net Spread (Margin)

(\$ Millions)	<u>2Q 2009</u>	<u>2Q 2010</u>	<u>% Change</u>
Basic Lease Rents	141.4	228.6	62%
Less: Interest Expense*	<u>(28.8)</u>	<u>(59.6)</u>	107%
Net Spread (Margin)	112.6	169.0	50%
Average Lease Assets	4,386	7,479	71%
Annualized Margin (% Lease Assets) **	10.27%	9.04%	

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

** Decrease in annualized margin % driven by Genesis portfolio acquisition and impact from delivery of new aircraft

Sales

(\$ Millions)	<u>2Q 2009</u>	<u>2Q 2010</u>
Aircraft Sales	67.9	282.8*
Engine Sales	23.1	9.4
Part Sales	<u>26.9</u>	<u>35.9</u>
Total Sales Revenue	117.9	328.1
Total Gain from Sales	12.4	14.4

* Includes 2 new A330 forward sales agreed in 1st half 2009, 2 new A320 forward sales and 1 older B767

Leasing Expenses and SG&A

(\$ Millions)	<u>2Q 2009</u>	<u>2Q 2010</u>	<u>% Change</u>
Operating lease in costs	3.3	3.1	(6%)
Leasing expenses *	22.1	15.9	(28%)
SG&A**	<u>27.8</u>	<u>34.9</u>	<u>26%</u>
Total Leasing Expenses and SG&A	53.2	53.9	1%

* Details on following page

** 2Q 2010 SG&A includes \$3.4m mark-to-market charge relating to foreign exchange hedges (benefits to occur in following quarters) and \$2.7m additional SG&A relating to the Genesis Transaction



Leasing Expenses

(\$ Millions)	<u>2Q 2009</u>	<u>2Q 2010</u>	<u>% Change</u>
Default Related Leasing Expenses *	4.5	0.0	(100%)
Normal Transition Costs	3.6	4.2	18%
Lessor Maintenance Contributions	8.1	7.9	(2%)
AeroTurbine & Other Leasing Costs	<u>5.9</u>	<u>3.8</u>	<u>(36%)</u>
Total Leasing Expenses	22.1	15.9	(28%)

*Costs in 2009 relating to airline defaults which occurred during 2008 (Gemini, InterExpress, Zoom)

Asset Impairment

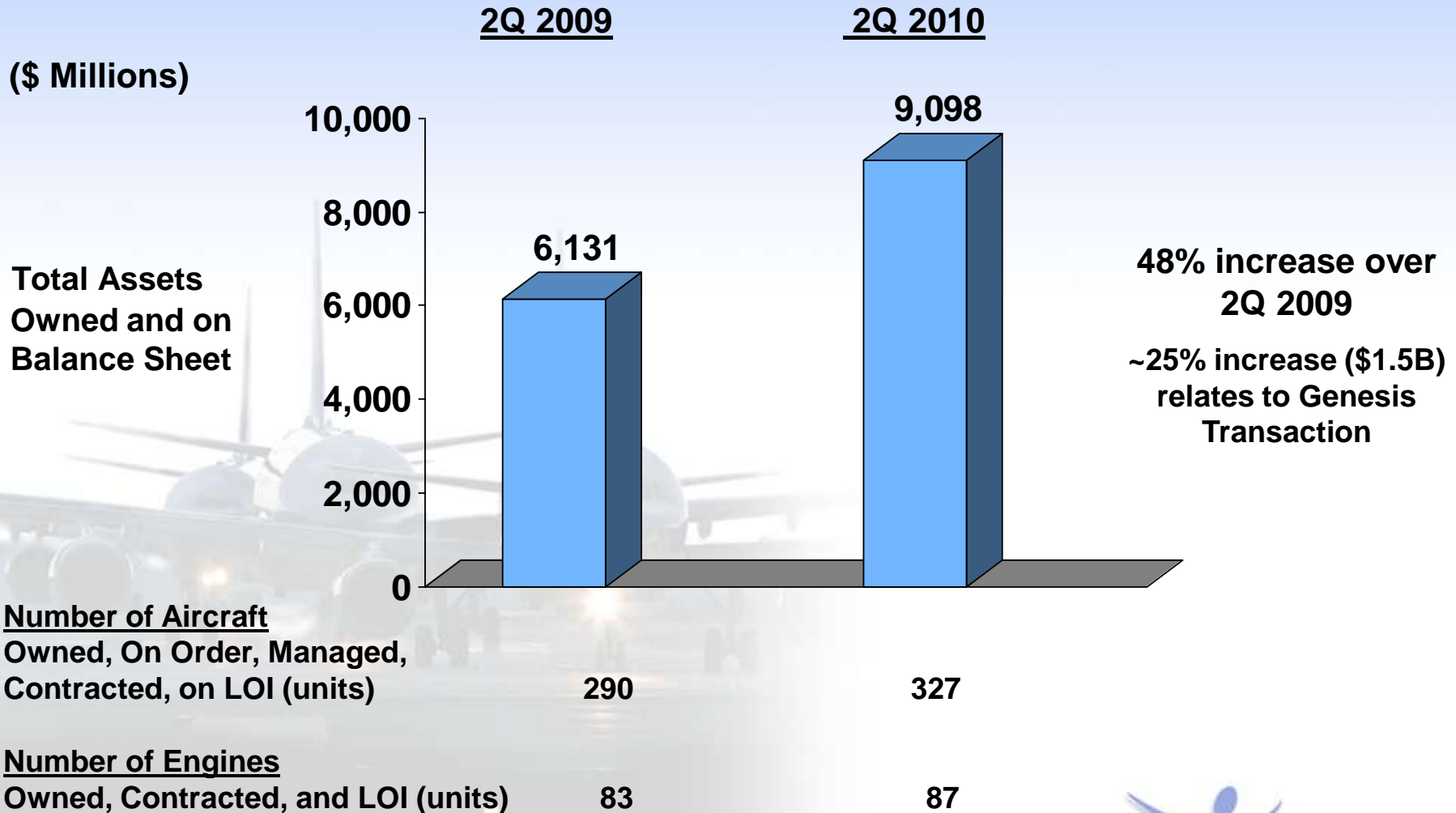
(\$ Millions)	<u>Maintenance Revenue</u>	<u>Asset Impairment</u>	<u>Net Amount</u>
<u>Actual</u>			
2nd Qtr 2009	13.7	(13.7)	0.0
2nd Qtr 2010 *	4.9	(2.7)	2.2

* 2Q 2010 maintenance revenue/impairment relates to an airline default in Genesis portfolio

Tax Rate

	<u>FY 2009</u>	<u>YTD 2010</u>
Tax Rate for Aircraft	0.0%	9.5% Charge
Tax Rate for Engine/Parts	<u>36.8%</u> Charge	<u>(32.1%)</u> Income
Blended Tax Rate	1.9% Charge	8.8% Charge

Total Assets and Number of Aircraft/Engines



Purchases of Aviation Assets

(\$ Millions)	<u>YTD 2010</u>	<u>Committed Remaining 2010</u>	<u>Total 2010</u>
Aircraft Related	1,756	702	2,458
Engines/Airframes	<u>20</u>	<u>6</u>	<u>26</u>
Total Purchases	1,776	708	2,484
Number of Aircraft Purchases (Units)	39	15	54

Portfolio Management Metrics Owned Aircraft

<u>Lease Portfolio</u>	<u>FY 2009</u>	<u>YTD 2010</u>
Utilization Rate	98.1%	99.0%
Portfolio Yield*	14.3%	13.2%
Average Term (Months)		
– New Leases for New Aircraft	139	**138
– New Leases for Used Aircraft	50	*** 65

* Lease revenue divided by average book value of flight equipment

** Reflects lease agreements and LOIs for 6 new aircraft signed during 1H 2010

*** Reflects lease agreements and LOIs for 4 used aircraft signed during 1H 2010



Cash

(\$ Millions)

2Q 2010

Cash and Cash Equivalents at June 30, 2010

260.3

**Total Cash Balance at June 30, 2010
(Incl. Restricted Cash)**

506.7

Operating Cash Flow for 2Q 2010

167.8



Debt and Equity

(\$ Millions)	<u>2Q 2009</u>	<u>2Q 2010</u>
Total Debt at Quarter-End	4,337	6,394
Average Cost of Debt*	2.7%	3.6%
Equity	1,295	1,921
Debt / Equity Ratio**	**3.3 to 1	**3.3 to 1

* Interest expense divided by average debt balance, excluding mark-to-market on interest rate caps and other small charges not reflective of on-going interest costs

** Debt/equity ratio was 3.2 to 1 for 2Q 2009 and 3.1 to 1 for 2Q 2010 excluding \$82.3m subordinated debt received from JV partners

Interest on Debt

(\$ Millions)	<u>2Q 2009</u>	<u>2Q 2010</u>	<u>YTD 2009</u>	<u>YTD 2010</u>
<i>Interest on Debt from Financial Statements</i>	6.0	75.5	35.5	126.9
Less: Mark-to-Market on Interest Rate Caps	<u>22.8</u>	<u>(15.9)</u>	<u>22.2</u>	<u>(34.2)</u>
<i>Interest on Debt Excl. MTM on Caps (for Net Spread calc.)</i>	28.8	59.6	57.7	92.7
Less: Impact from Genesis Transaction	<u>0.0</u>	<u>(17.3)</u>	<u>0.0</u>	<u>(17.3)</u>
<i>Interest on Debt Excl. MTM on Caps & Genesis Transaction</i>	28.8	42.3	57.7	75.4
 <u>Average Cost of Debt</u>				
Average Cost of Debt (prior page)	2.7%	3.6%	2.8%	3.1%
Excluding Genesis Transaction *	2.7%	3.0%	2.8%	2.8%

* The portion of debt which is fixed has increased from 6% of total debt in 2Q 2009 to 16% of total debt in 2Q 2010



Debt & Interest Rate Hedging

Segmentation of Debt Based on Type of Interest Rate Hedge (June 30, 2010)

\$ Billions (Approx.)

Fixed Rate Debt	1.0
Debt under Fixed Rate Swaps (from Genesis Transaction)	0.9
Debt Covered by Interest Rate Caps	2.5
Debt Related to Floating Rate/Short Term Leases and Offsetting Assets	1.8
Short Term PDP Debt & Other	<u>0.2</u>
Total	6.4



2010 Financial Outlook

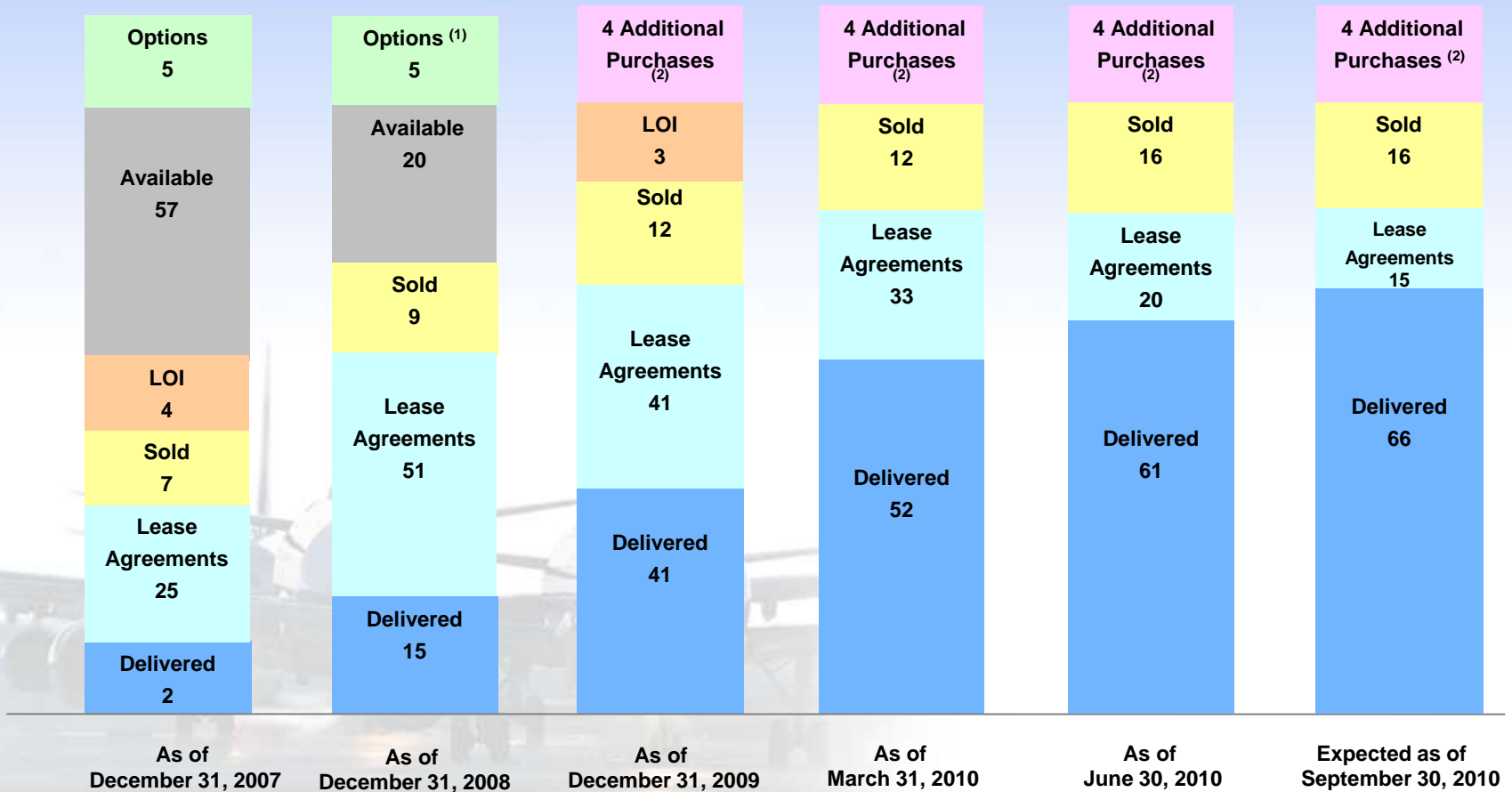
AerCap expects to grow earnings based on the committed aircraft purchases despite the continued uncertainties of the financial markets. Set forth below are the anticipated drivers for AerCap's 2010 financial performance, which are subject to change, in light of the highly fluid market conditions.

- **Purchases of aviation assets in 2010 expected to be ~\$2.5 billion**
 - **\$3.8 billion including Genesis aircraft portfolio**
- **2010 basic lease revenue expected to increase ~50 - 60% over 2009**
- **2010 gain from aircraft sales expected to be ~25% higher vs. 2009, based on committed sales of A330s and A320s**
- **2010 average cost of debt expected to be ~4.0%**
- **2010 tax rate expected to be ~ 9 - 10%**
- **2010 ROE expected to be in line with 2009**

Appendix



Forward Order Aircraft



Aircraft Orders Fully Placed other than 4 New Additions Delivering in 2013

(1) Options have expired in 1Q 2009

(2) 4 additional A320s delivering 2H 2013 were purchased in connection with the placement of 4 aircraft in 2010 to Spirit Airlines (with Airbus support)



High Quality and Well Diversified Portfolio

Aircraft Portfolio as of June 30, 2010

	Number of Owned Aircraft	% Net Book Value	Number of Managed Aircraft	Aircraft on Order	Aircraft under Purchase/Sale Contract or LOI	Total Aircraft
Airbus A300 Freighter	1	0.4%	0	0	0	1
Airbus A319	30	11.4%	0	1	0	31
Airbus A320	104	38.7%	11	9	5	129
Airbus A321	20	8.4%	1	0	0	21
Airbus A330	18	17.1%	0	15	0	33
Boeing 737 (Classics)	15	1.6%	27	0	0	42
Boeing 737 (NG)	43	16.7%	0	0	0	43
Boeing 747	2	1.2%	0	0	0	2
Boeing 757	9	1.4%	3	0	-4	8
Boeing 767	5	2.2%	2	0	0	7
MD 11 Freighter	1	0.4%	1	0	0	2
MD-82	2	0.0%	0	0	0	2
MD-83	4	0.1%	0	0	0	4
ERJ170-100	2	0.4%	0	0	0	2
	256	100.0%	45	25	1	327

- **79% narrow body – “Work Horses” of industry**
- **High share of liquid / remarketable aircraft**
- **Average age of owned aircraft fleet 5.4 years**
- **87 engines in portfolio, as of June 30, 2010, incl. 9 under a letter of intent to purchase**
 - **CFM56 engines, one of the most widely used engines in the commercial aviation industry, represented 65% of our engine portfolio**

