



AerCap Holdings N.V.

Third Quarter 2010 Earnings Call

November 5, 2010

• *Pride* • *Dream* • *Passion*

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Third Quarter 2010 Highlights

- Net income was \$61.1 million for third quarter 2010, exclusive of the impact relating to mark-to-market of interest rate caps and share-based compensation
- Earnings per share for third quarter 2010 was \$0.51, exclusive of the impact relating to mark-to-market of interest rate caps and share-based compensation
- Net spread was \$171.8 million in third quarter 2010, an increase of 50% over third quarter 2009
- Total assets were \$9.3 billion as of September 30, 2010, up 46% from September 30, 2009 (an increase of \$ 1.5 billion relates to the Genesis Transaction which was completed on March 25, 2010)
 - Total equity is \$2.0 billion
- Secured ~\$830 million of new debt facilities in 2010 YTD

Aircraft and Engine Transactions Year to Date (September) 2010

- 21 aircraft lease agreements & letters-of-intent executed
- 43 aircraft and 35 engines delivered to lessees
- 51 aircraft and 15 engines purchased
- 15 aircraft and 13 engines sold from our owned portfolio

Net Income

(\$ Millions)	<u>3Q 2009</u>	<u>3Q 2010</u>
Total Net Income	35.5	51.9
Adjusted For: (Gain)/Loss from Mark-to-Market on Interest Rate Caps *	3.0	9.0
Adjusted for: Cost of Share- Based Compensation	<u>0.7</u>	<u>0.2</u>
Net Income Excluding Above Adjustments	39.2	61.1

* Adjustment reduced for tax impact as well as the amount relating to JV partners' share which was already deducted from net income.

Earnings Per Share

(\$)	<u>3Q 2009</u>	<u>3Q 2010</u>
Earnings Per Share	0.42	0.43
Adjusted for: mark-to-market on interest rate caps and share based compensation	<u>0.04</u>	<u>0.08</u>
Adjusted Earnings Per Share	0.46	0.51
Average Shares Outstanding (Millions)	85.0	119.4 *

* Increase of 34.4 million shares relates to Genesis Transaction.

Total Revenue

(\$ Millions)	<u>3Q 2009</u>	<u>3Q 2010</u>
Basic Lease Rents	142.4	233.9
Maintenance/End-of-Lease Revenue	11.4	20.1
Sales Revenue	49.0	218.2
Management Fees and Interest Income	5.3	3.8
Other Revenue	<u>4.4</u>	<u>2.1</u>
Total Revenue	212.5	478.1

Net Spread (Margin)

(\$ Millions)	<u>3Q 2009</u>	<u>3Q 2010</u>	<u>% Change</u>
Basic Lease Rents	142.4	233.9	64%
Less: Interest Expense*	<u>(27.8)</u>	<u>(62.1)</u>	123%
Net Spread (Margin)	114.6	171.8	50%
Average Lease Assets	4,596	7,788	70%
Annualized Margin (% Lease Assets) **	9.97%	8.82%	

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

** Decrease in annualized margin % driven by the impact from the delivery of new aircraft and the Genesis Transaction. For new aircraft, the net spread is lower at the start of the lease because of higher interest expenses resulting from a higher loan-to-value, and also higher book value used as denominator.



Sales

(\$ Millions)	<u>3Q 2009</u>	<u>3Q 2010</u>
Aircraft Sales	5.2	168.2*
Engine Sales	13.2	10.3
Part Sales	<u>30.6</u>	<u>39.7</u>
Total Sales Revenue	49.0	218.2
Total Gain from Sales	9.0	16.1

* Includes sales of two new Airbus A320s and one new Airbus A330.

Leasing Expenses and SG&A

(\$ Millions)	<u>3Q 2009</u>	<u>3Q 2010</u>	<u>% Change</u>
Operating Lease In Costs	3.3	3.1	(6%)
Leasing Expenses *	10.6	17.3	63%
SG&A**	<u>27.8</u>	<u>21.7</u>	<u>(22%)</u>
Total Leasing Expenses and SG&A	41.7	42.1	1%

* Details on following page.

** 3Q 2010 SG&A includes \$8.5m mark-to-market gain relating to foreign exchange hedges and \$1.1m additional SG&A relating to the Genesis Transaction.

Leasing Expenses

(\$ Millions)	<u>3Q 2009</u>	<u>3Q 2010</u>	<u>% Change</u>
Default Related Leasing Expenses	4.3*	1.5**	(65%)
Normal Transition Costs	3.2	6.9	116%
Lessor Maintenance Contributions	1.6	3.7	131%
AeroTurbine & Other Leasing Costs	<u>1.5</u>	<u>5.2</u>	<u>247%</u>
Total Leasing Expenses	10.6	17.3	63%

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

** Costs in 2010 relate to airline defaults which occurred during 2010 (Mexicana and KTHY).



Impact from Defaults & Restructuring

(\$ Millions)	<u>3Q 2010</u>	<u>YTD 2010</u>	<u>FY 2009</u>
Lost Basic Lease Rents (Net of Security Deposits)	(0.2)	(0.2)	(5.0)
Maintenance Rents Held	2.9	7.8	0.0
Default Related Leasing Expenses	(1.5)	(1.5)	(19.9)
Default Related Impairment Charges	<u>(2.8)</u>	<u>(5.5)</u>	<u>(0.0)</u>
Total Impact (Pre-tax)	(1.6)	0.6	(24.9)

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

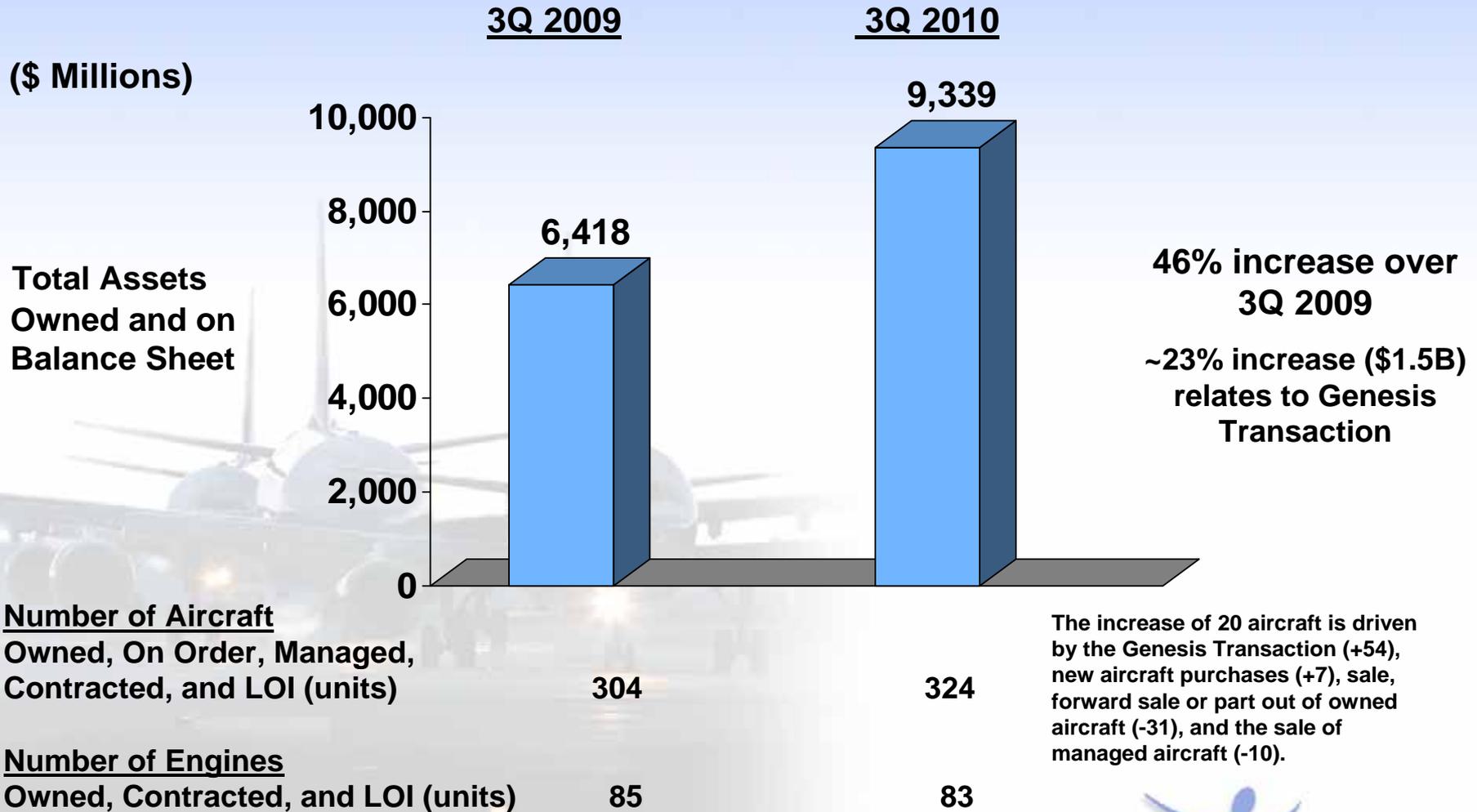


Tax Rate

	<u>FY 2009</u>	<u>YTD 2010</u>
Tax Rate for Aircraft	0.0%	9.3% Charge
Tax Rate for Engine/Parts	<u>36.8%</u> Charge	<u>(29.8%)</u> Income
Blended Tax Rate*	1.9% Charge	9.0% Charge

* The blended effective tax rate in any year is impacted by the source and amount of earnings among AerCap's different tax jurisdictions. The increase in the 2010 blended tax rate as compared to 2009 is the result of having more earnings generated from higher tax rate jurisdictions.

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	2,311	151	2,462
Engines/Airframes	<u>54</u>	<u>1</u>	<u>55</u>
Total Purchases	2,365	152	2,517
Number of Aircraft Purchases (Units)	51	3	54

Portfolio Management Metrics Owned Aircraft

<u>Lease Portfolio</u>	<u>FY 2009</u>	<u>YTD 2010</u>
Utilization Rate	98.1%	98.3%
Portfolio Yield*	14.3%	13.2%
Average Term (Months)		
New Leases for New Aircraft	139	**138
New Leases for Used Aircraft	50	*** 62

* Lease revenue divided by average book value of flight equipment.

** Reflects lease agreements and LOIs for 6 new aircraft signed YTD 2010.

*** Reflects lease agreements and LOIs for 15 used aircraft signed YTD 2010.

Cash

(\$ Millions)

3Q 2010

Cash and Cash Equivalents at September 30, 2010

285.8

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

519.7

Operating Cash Flow for 3Q 2010

150.5



Debt and Equity

(\$ Millions)	<u>3Q 2009</u>	<u>3Q 2010</u>
Total Debt at Quarter-End	4,593	6,562
Average Cost of Debt*	2.6%	3.7%
Equity	1,335	1,981
Debt / Equity Ratio**	**3.4 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 3Q 2009 excluding \$63 million subordinated debt and 3.1 to 1 for 3Q 2010 excluding \$88 million subordinated debt received from JV partners.



Interest on Debt

(\$ Millions)	<u>3Q 2009</u>	<u>3Q 2010</u>	<u>YTD 2009</u>	<u>YTD 2010</u>
<i>Interest on Debt from Financial Statements</i>	32.8	75.1	68.3	202.1
Less: Mark-to-Market on Interest Rate Caps	<u>(5.0)</u>	<u>(13.0)</u>	<u>17.2</u>	<u>(47.6)</u>
<i>Interest on Debt Excl. MTM on Caps (for Net Spread calc.)</i>	27.8	62.1	51.1	154.5
Less: Impact from Genesis Transaction	<u>0.0</u>	<u>(15.0)</u>	<u>0.0</u>	<u>(32.2)</u>
<i>Interest on Debt Excl. MTM on Caps & Genesis Transaction</i>	27.8	47.1	84.3	146.9
 <u>Average Cost of Debt</u>				
Average Cost of Debt (prior page) *	2.6%	3.7%	2.7%	3.3%
Excluding Genesis Transaction	2.6%	3.2%	2.7%	2.9%

* The portion of debt which is fixed has increased from ~10% of total debt in 3Q 2009 to ~20% of total debt in 3Q 2010.



Debt & Interest Rate Hedging

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

\$ Billions (Approx.)

Fixed Rate Debt	1.3
Debt under Fixed Rate Swaps (from Genesis Transaction)	0.8
Debt Covered by Interest Rate Caps	2.6
Debt Related to Floating Rate/Short Term Leases and Offsetting Assets	1.8
Short Term PDP Debt & Other	<u>0.1</u>
Total	6.6



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 million vs. ~\$18 million in 2009 (net of tax and adjusted for non-controlling interest)
- 2010 average cost of debt expected to be ~3.5 - 4.0%
- 2010 tax rate expected to be ~ 9 - 10%
- 2010 ROE expected to be in line with 2009
- Minimum income statement impact expected from the recently announced Waha transaction

4Q 2010 Outlook – EPS Impact of Aircraft Sales / One-Offs

	<u>3Q 2010</u>	<u>4Q 2010</u>
Committed Aircraft Sales	\$0.06	\$0.02
Other One-Offs	<u>\$0.00</u>	<u>\$0.00</u>
EPS Impact	\$0.06	\$0.02

2011 Outlook – EPS Impact of Aircraft Sales / One-Offs

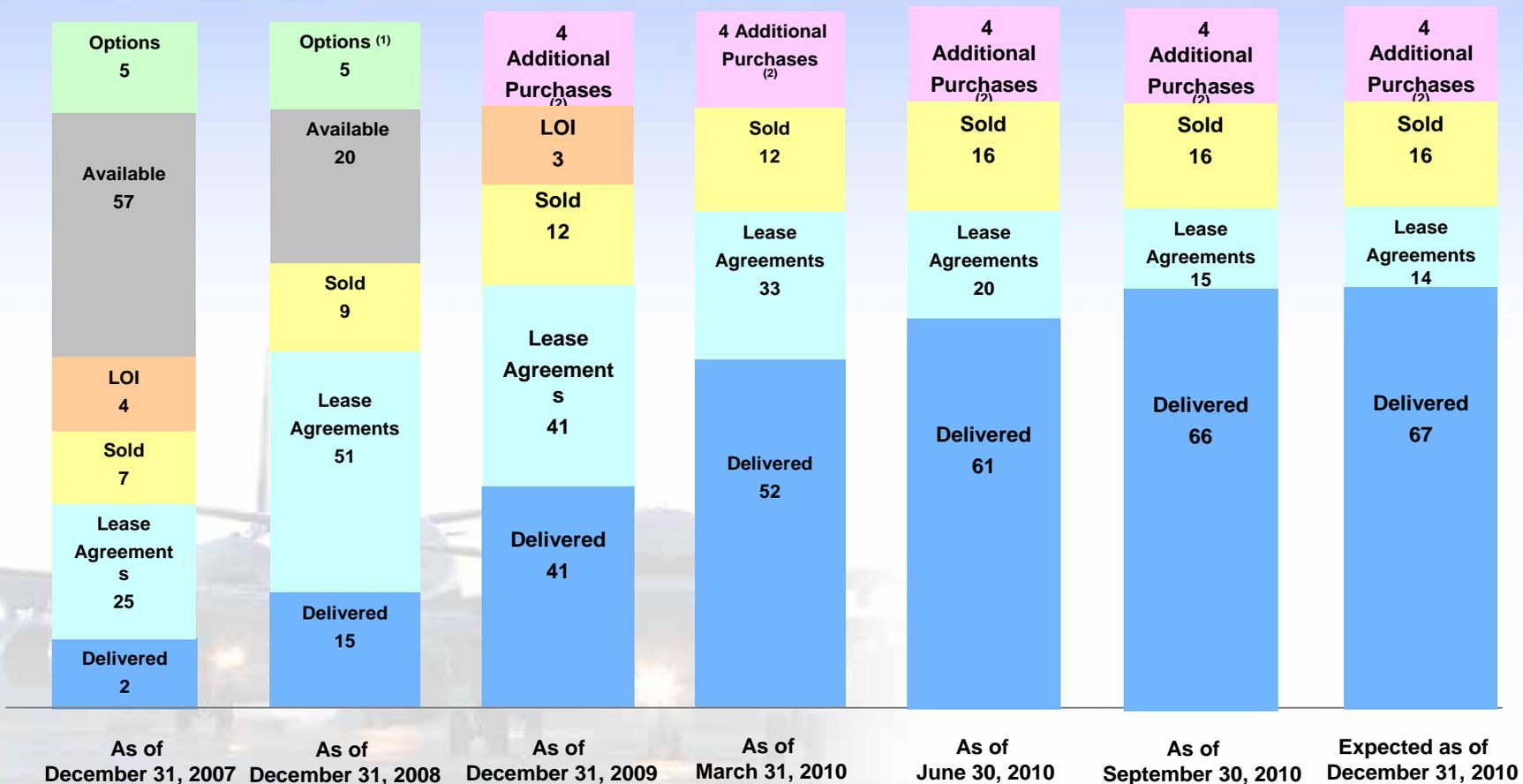
	<u>2010</u>	<u>2011</u>
Committed Aircraft Sales	\$0.22	\$0.00*
Other One-Offs	<u>\$0.01</u>	<u>\$0.00</u>
EPS Impact	\$0.23	\$0.00

* There are currently no contracted or executed LOI's of aircraft sales in 2011.

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 September 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	0.3%	0	0	0	1
Airbus A319	30	10.8%	0	1	0	31
Airbus A320	112	40.8%	11	6	0	129
Airbus A321	20	7.9%	1	0	0	21
Airbus A330	19	17.5%	0	13	0	32
Boeing 737 (Classics)	15	1.5%	26	0	0	41
Boeing 737 (NG)	43	15.8%	0	0	0	43
Boeing 747	2	1.1%	0	0	0	2
Boeing 757	9	1.3%	2	0	-4	7
Boeing 767	5	2.1%	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
	265	100%	43	20	-4	324

- **79% narrow body – “Work Horses” of industry**
- **High share of liquid / remarketable aircraft**
- **Average age of owned aircraft fleet 5.4 years**
- **83 engines in portfolio, as of September 30, 2010, incl. 2 under a letter of intent to purchase**
 - **CFM56 engines, one of the most widely used engines in the commercial aviation industry, represented 61% of our engine portfolio**

Aircraft Portfolio Valuation – As of Sept. 30, 2010

(\$ Billion)	<u>Carrying Value or Price Paid</u>	<u>External Appraisers</u>	<u>Difference/ Appraisers Value</u>
A320 Family, A330s, & B737NGs (~95% of Portfolio)	6.98	7.88	13%
B747s, B757s, B767s, A300s (~2% of Portfolio)	0.28	0.27	(4%)
B737 Classics and All Others (~3% of Portfolio)	<u>0.16</u>	<u>0.19</u>	19%
Total Aircraft Assets	7.42	8.34	12%

Notes:

- Based on data as of September 30, 2010, provided by external appraisers (Ascend, BK Associates and AISI)
- Includes AerCap's currently owned aircraft plus forward orders (discounted to present)
- Excludes JV partner's share (Waha Capital, etc.)

Aircraft Portfolio Valuation (Based on PV of Rent & Residual Values)

(\$ Billion)	<u>Carrying Value / Price Paid</u>	<u>PV of Contracted Rent</u>	<u>PV of Residual Value</u>	<u>Total Present Value</u>	<u>Difference / PV</u>
Future Value Based on 3 Appraisers	7.42	4.51	3.69	8.20	10%
Future Value Based on Ascend	7.42	4.51	3.59	8.10	8%

Notes:

- Based on data as of September 30, 2010, provided by external appraisers (Ascend, BK Associates and AISI)
- Includes AerCap's currently owned aircraft plus forward orders (discounted to present)
- Excludes JV partner's share (Waha Capital, etc.)