



GLOBAL LEADER IN AVIATION



Third Quarter 2016 Financial Results

AerCap Holdings N.V.

November 8, 2016








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AerCap is the global leader in aircraft leasing

-  **Resilient** industry fundamentals
-  **Global** platform with **unmatched breadth and reach**
-  **Strong earnings** and **cash flow generation**
-  **Disciplined** portfolio management
-  **Strong liquidity** and **access to capital**
-  **Hedging strategies** to mitigate risk
-  **Highly experienced management team** with deep industry expertise

Financial Results

Net Income

(\$ million)	3Q 2016	3QYTD 2016
Reported	225.6	682.0
Adjusted	310.6	903.9

Diluted Earnings Per Share

(\$)	3Q 2016	3QYTD 2016
Reported	1.22	3.55
Adjusted	1.68	4.71

Highlights

- **143 aircraft transactions**, including **26** widebody transactions
- **99.8% fleet utilization**
- **6.1 years average remaining lease term**
- **95%** of new aircraft deliveries through 2018 leased
- **~\$2.3 billion** of sales closed in **3QYTD 2016** with a total of **~\$3 billion** expected for **2016**
- **\$9 billion** of available **liquidity**
- **2.7 to 1** adjusted debt/equity ratio
- **\$46.91** book value per share
- **Repurchased 6.2 million shares** in 3Q 2016 for \$234.4 million and 21.0 million shares year to date through November 4, 2016
- **\$250 million** Share Repurchase Program authorized, which will run through March 31, 2017

(\$ million)	3Q 2016	3Q 2015	3QYTD 2016	3QYTD 2015
Reported Net Income	225.6	293.9	682.0	914.5
Adjusted for:				
• Maintenance rights related expenses ¹	12.0	25.7	107.9	64.1
• AeroTurbine pre-tax results, including restructuring related expenses ²	73.0	(1.5)	109.8	(9.3)
• Mark-to-market on interest rate caps and swaps	1.6	10.6	20.2	18.2
• ILFC transaction and integration related expenses	-	2.6	-	8.1
• Income tax impact of above adjustments	(1.6)	(4.3)	(16.0)	(7.8)
Adjusted Net Income	310.6	327.0	903.9	987.8

- Year over year 3Q net income decreased primarily due to sales of older aircraft during 2015 and 2016, which reduced average lease assets by ~\$1.8 billion, as well as lower net gain on sale of assets
- During 3Q 2016, we recognized non-recurring income from net insurance proceeds which was offset by non-recurring, largely non-cash charges resulting from our decision to accelerate the downsizing of AeroTurbine

(1) Please refer to slide 15 for additional detail regarding the maintenance rights related expenses adjustment.

(2) Amounts in 3Q 2016 and 3QYTD 2016 primarily related to the AeroTurbine downsizing.

(\$)	3Q 2016	3Q 2015	3QYTD 2016	3QYTD 2015
Reported Diluted Earnings Per Share	1.22	1.48	3.55	4.38
Adjusted for:				
<ul style="list-style-type: none"> Maintenance rights related expenses, AeroTurbine pre-tax results, including restructuring related expenses, mark-to-market on interest rate caps and swaps and ILFC transaction and integration related expenses 	0.47	0.18	1.24	0.40
<ul style="list-style-type: none"> Income tax impact of above adjustments 	(0.01)	(0.02)	(0.08)	(0.04)
Adjusted Diluted Earnings Per Share	1.68	1.64	4.71	4.74

- EPS was favorably impacted by the redeployment of capital from aircraft sales to repurchase 35.0 million shares for \$1.5 billion during 2015 and 3QYTD 2016

Book Value Per Share



(\$ million except book value per share)	Sept. 30, 2016	Dec. 31, 2015	Sept. 30, 2015	% Incr/(Decr) over Sep. 30, 2015
Total Shareholders' Equity	\$8,370	\$8,349	\$8,060	3.8%
Ordinary Shares Outstanding	181.7	200.3	197.5	
Unvested Restricted Stock	(3.3)	(3.0)	(0.2)	
Ordinary Shares Outstanding (excl. Unvested Restricted Stock)¹	178.4	197.3	197.3	(9.6%)
Book Value Per Share	\$46.91	\$42.31	\$40.85	14.8%

- Our strong earnings and proceeds from asset sales have generated capital and enabled significant share repurchases, driving strong growth in our book value per share

(1) Ordinary shares outstanding used to calculate book value per share excludes unvested restricted stock.

(\$ million)	3Q 2016	3Q 2015
Basic Lease Rents	1,088.0	1,164.6
Maintenance Rents and Other Receipts	91.9	81.1
Net Gain on Sale of Assets	22.4	51.6
Other Income	23.8	25.5
Total Revenues and Other Income	1,226.1	1,322.8

- Basic lease rents decreased primarily due to sales of older aircraft during 2015 and 2016, which reduced average lease assets by ~\$1.8 billion
- Net gain on sale of assets decreased due to the timing and composition of asset sales
- 3Q 2016 other income included non-recurring income from net insurance proceeds, partially offset by non-recurring, non-cash charges resulting from our decision to accelerate the downsizing of AeroTurbine

Net Interest Margin (Net Spread)



(\$ million)	3Q 2016	3Q 2015
Net Interest Margin (Net Spread)¹	815.7	892.3
Average Lease Assets²	34,577	36,397
Annualized Net Spread	9.4%	9.8%
Average Cost of Debt (including all fees)³	3.8%	3.6%

- Net spread reduction was impacted by the higher average cost of debt and the cost associated with holding higher amounts of liquidity
- Average cost of debt increased primarily due to the issuance of new longer-term bonds to replace shorter-term ILFC notes, which had lower reported interest expense as a result of ILFC acquisition purchase accounting

(1) Net Interest Margin is calculated as basic lease rents less interest expense, excluding the non-cash charges related to the mark-to-market of interest rate caps and swaps.

(2) Includes flight equipment held for operating leases, flight equipment held for sale, net investment in finance and sales-type leases and maintenance rights intangible asset.

(3) Interest expense divided by average debt balance, excluding mark-to-market on interest rate caps and swaps.

(\$ million)	3Q 2016	3Q 2015
Net Gain on Sale of Assets	22.4	51.6

3Q 2016 Disposal Activity:

- 36 aircraft, with an average age of 12 years, were sold from our owned portfolio:
 - 7 Airbus A319-100s, 4 Airbus A320-200s, 2 Airbus A321-100s, 3 Airbus A321-200s, 4 Airbus A330-200s and 1 Airbus A340-600
 - 10 Boeing 737NGs, 1 Boeing 757-200 and 4 Boeing 777-200ERs
- 4 aircraft were placed on long-term leases and reclassified from flight equipment held for operating leases to net investment in finance and sales-type leases
 - 2 Airbus A320-200s
 - 2 Boeing 777-200ERs
- 3QYTD 2016 sales margin of ~4%

3Q 2016 Purchase Activity:

- 7 aircraft were purchased and delivered:
 - 1 Airbus A320neo and 3 Airbus A350-900s
 - 1 Boeing 787-8 and 2 Boeing 787-9s

(\$ million)	3Q 2016	3Q 2015
Leasing Expenses	128.7	133.0
Selling, General & Administrative Expenses	80.8	91.2
Asset Impairment	15.1	7.9
Transaction, Integration and Restructuring Related Expenses	29.0	2.6

- SG&A expenses decreased due to the AeroTurbine downsizing as well as other expense reductions
- Asset impairment in 3Q 2016 primarily related to lease terminations and amendments for 4 aircraft, for which we retained maintenance-related balances and recognized \$20.3 million of maintenance rents
- Transaction, integration and restructuring related expenses in 3Q 2016 represented non-recurring, largely non-cash charges resulting from our decision to accelerate the downsizing of AeroTurbine

Sources vs. Uses (Next 12 Months)

(\$ billion as of September 30, 2016)

Sources (for 12 months to September 30, 2017)

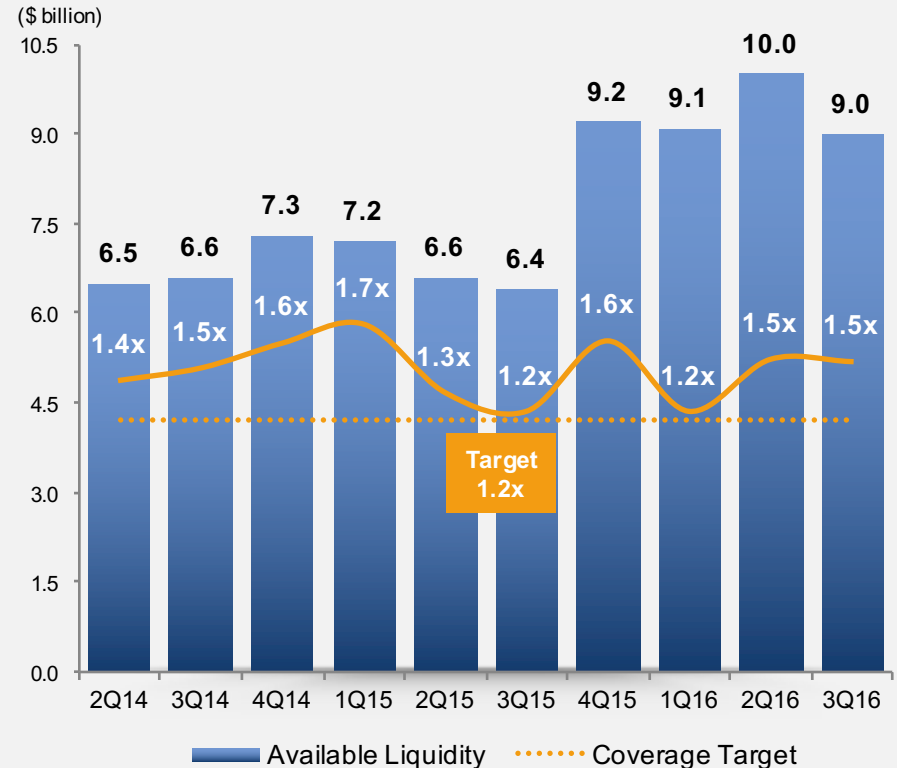
Unsecured Revolver	3.0
Other Facilities and Contracted Sales	3.8
Unrestricted Cash	2.2
Total Available Liquidity	9.0
Estimated Operating Cash Flow	3.3
Total Sources¹	12.3

Uses (for 12 months to September 30, 2017)

Debt Maturities	(3.9)
Capex (Cash payments for purchases) ²	(4.4)
Total Uses	(8.3)

Excess Coverage (Sources less Uses)	4.0
Ratio of Sources to Uses	1.5x

Liquidity Levels Since ILFC Acquisition



We continue to maintain strong liquidity with ~\$9 billion as of 9/30/16

- (1) Sources assume no additional financing for deliveries of new aircraft purchases.
- (2) Includes cash payments for next 12 months' aircraft deliveries and pre-delivery payments.



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Q&A



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Supplemental Information

(\$ million)	3Q 2016 Reported Amount	3Q 2016 Adjusted Amount	3Q 2016 Adjustment
Depreciation and Amortization	(439.9)	(499.6)	(59.7)
Leasing Expenses	(128.7)	(57.0)	71.7
Pre-Tax Income Impact			12.0
Net Income Impact			10.5

- As a result of purchase accounting, a portion of the acquired ILFC aircraft value is classified as an intangible asset (\$2.4 billion as of September 30, 2016, compared to \$4.0 billion as of May 14, 2014)
 - The depreciation cost for this portion of the aircraft value is recorded as leasing expense over the remaining lease term instead of depreciation expense over the remaining aircraft life
 - Prior to the acquisition, this asset was part of the aircraft book value and subject to normal depreciation
- The difference in costs (leasing expense versus depreciation) is effectively accelerated depreciation of \$12.0 million for 3Q 2016
- The adjusted amount reflects leasing expense and depreciation on an economic basis

Summary	Sep. 30, 2016	Dec. 31, 2015
Adjusted Debt / Equity Ratio	2.7 to 1	2.9 to 1
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Adjusted Debt/Equity Calculation (\$ million)	Sep. 30, 2016	Dec. 31, 2015
Debt (including fair value adjustments)	27,998	29,642
Adjusted for:		
• Unrestricted cash & cash equivalents	(2,228)	(2,403)
• 50% equity credit for long-term subordinated debt	(750)	(750)
Adjusted Debt	25,020	26,489
Equity	8,427	8,426
Adjusted for:		
• 50% equity credit for long-term subordinated debt	750	750
Adjusted Equity	9,177	9,176

Aircraft Type	Number of Owned Aircraft ¹	% Net Book Value	Number of Managed & AerDragon Aircraft	Aircraft on Order ²	Total Aircraft
Airbus A319	127	7	11	-	138
Airbus A320	216	14	30	-	246
Airbus A320neo Family	1	-	-	218	219
Airbus A321	87	6	13	-	100
Airbus A330	107	15	11	-	118
Airbus A350	7	3	-	22	28
Boeing 737NG	303	26	43	-	346
Boeing 737MAX	-	-	-	109	109
Boeing 767	38	1	-	-	38
Boeing 777-200ER	26	3	3	-	29
Boeing 777-300 / 300ER	31	8	3	-	34
Boeing 787	43	16	-	40	84
Embraer E190 / 195-E2	-	-	-	50	50
Other	54	1	14	-	68
Total	1,040	100	128	439	1,607

- Average age of owned aircraft fleet is **7.6 years**
- Average remaining lease term is **6.1 years**

(1) Excludes AeroTurbine, which owned 2 aircraft.

(2) Excludes spare engine commitments.

Forward Order & Purchase/Leasebacks as of September 30, 2016



(Unit)	Remaining 2016	2017	2018	2019	2020	Thereafter	Total
Airbus A320neo Family	16	32	53	47	40	30	218
Airbus A350	3	8	9	2	-	-	22
Boeing 737MAX	-	-	6	23	25	55	109
Boeing 787	2	18	14	6	-	-	40
Embraer E190 / 195-E2	-	-	5	14	14	17	50
Total Units¹	21	58	87	92	79	102	439

(1) Excludes spare engine commitments.



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