



AerCap Holdings N.V.

First Quarter 2012 Earnings Call

May 8, 2012

• Pride • Dream • Passion

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First Quarter 2012 Financial Highlights

- Adjusted net income was \$69.1 million for first quarter 2012 (as compared to \$75.3 million in first quarter 2011).
- Adjusted earnings per share was \$0.49 for first quarter 2012 (as compared to \$0.50 in first quarter 2011).
- Net interest margin (net spread) was \$174.4 million for first quarter 2012 (as compared to \$180.1 million in first quarter 2011).
- Total assets were \$9.3 billion as of March 31, 2012, a decrease of 5% from March 31, 2011 - the net decrease is attributed to the AeroTurbine sale coupled with the sale of our 50% interest in a joint venture containing three A330 aircraft, totaling \$0.6 billion, offset by new aircraft additions.
- Debt to equity ratio was 2.6 to 1 as compared to 2.9 to 1 for first quarter 2011 and total equity was \$2.35 billion as of March 31, 2012.
- We acquired \$258m of new aircraft during the first quarter 2012.



Net Income

(\$ Million)	<u>1Q 2011</u>	<u>1Q 2012</u>
Reported Net Income	72.1	65.0
Adjusted for: Loss from mark-to-market on interest rate caps *	1.5	2.8
Adjusted for: cost of share-based compensation*	<u>1.7</u>	<u>1.3</u>
Adjusted Net Income	75.3	69.1
Adjusted Net Income excluding impact from defaults/restructurings (up 12%, 1Q 2012 vs. 1Q 2011)	67.4	75.8

* Adjustment reduced for tax impact as well as the amount relating to JV partners' share which was deducted from net income through non-controlling interest.



Earnings Per Share

	<u>1Q 2011</u>	<u>1Q 2012</u>
Earnings Per Share	\$0.48	\$0.46
Adjusted for: mark-to-market on interest rate caps & share based compensation	<u>0.02</u>	<u>0.03</u>
Adjusted Earnings Per Share	\$0.50	\$0.49
Average Shares Outstanding (Million)*	149.2	139.9

* The decrease in average shares outstanding reflects 9.4 million shares repurchased under the share repurchase program during 2011 (currently held as treasury stock).



Total Revenue

(\$ Million)	<u>1Q 2011</u>	<u>1Q 2012</u>
Basic Lease Rents	237.1	235.1
Maintenance Rents and Other Receipts	20.1	17.6
Management Fees and Interest Income	5.7	5.2
Other Revenue*	2.5	0.2
Net Loss on Sales	<u>(1.3)</u>	<u>(0.2)</u>
Total Revenue	264.1	257.9

* Includes a one-time receipt of \$2.0 million in 1Q 2011 due to a claim settlement.



Net Interest Margin (Net Spread) - First Quarter 2012

(\$ Millions)	<u>1Q 2011</u>	<u>1Q 2012</u>	<u>% Change</u>
Net Interest Margin (Net Spread)*	180.1	174.4	(3%)
Average Lease Assets	7,810	7,881	1%
Annualized Margin (% Lease Assets)**	9.22%	8.85%	

* Net Interest Margin (Net Spread) is basic lease rents less interest expense, excluding non-cash charges relating to the mark-to-market of interest rate caps.

** Decrease in annualized margin % is driven primarily by the impact from the delivery of new aircraft. 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

(\$ Million)

1Q 2011*

1Q 2012**

Loss from Sales*

(1.3)

(0.2)

* 1Q 2011 aircraft sales include 2 older B757s, 1 older MD-82 & 1 older A320

** 1Q 2012 aircraft sales include 1 new A330 & 1 older B757



Leasing Expenses

(\$ Million)	<u>1Q 2011</u>	<u>1Q 2012</u>
Default Related	4.7	13.0
Normal Transition Costs	2.4	2.9
Lessor Maintenance Contributions	1.4	1.0
Other Leasing Costs	<u>2.6</u>	<u>1.6</u>
Total Leasing Expenses	11.1	18.5

SG&A

(\$ Million)	<u>1Q 2011</u>	<u>1Q 2012</u>
Aircraft Management Fees	1.6	0.5
Mark-to-market of: foreign currency hedges, foreign currency cash balances, and other derivatives	(7.2)	(4.9)
Share-based compensation expenses	1.2	1.5
Other Selling, General and Administrative expenses	<u>21.2</u>	<u>19.2</u>
Total Selling, General and Administrative expenses	16.8	16.3

Impact from Defaults and Restructuring

(\$ Million)	<u>Q1 2011</u>	<u>Q1 2012</u>
<u>Default and Restructuring Related</u>		
Lost Basic Lease Rents (Net of Security Deposits)	3.0	(3.3)
Maintenance Rents Held	10.7	8.6
Leasing Expenses	<u>(4.7)</u>	<u>(13.0)</u>
Total Impact (Pre-Tax)	9.0	(7.7)
Total Impact (Post-Tax)	7.9	(6.7)

Impact from Defaults and Restructuring

(\$ Million)	FY 2011 (Actual)	FY 2012 (Estimate)*
<u>Default and Restructuring Related</u>		
Lost Basic Lease Rents (Net of Security Deposits)	(5.4)	~(6)
Maintenance Rents Held	63.9	9
Leasing Expenses	(30.7)	~(25)
Impairment Charges	<u>(3.7)</u>	<u>-</u>
Total Impact (Pre-tax)	24.1	~(22)

* Amounts relate only to defaults and restructurings that have already occurred and exclude any amounts for further defaults/restructurings that may occur.

The Accounting for Items above is as follows:

- 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.

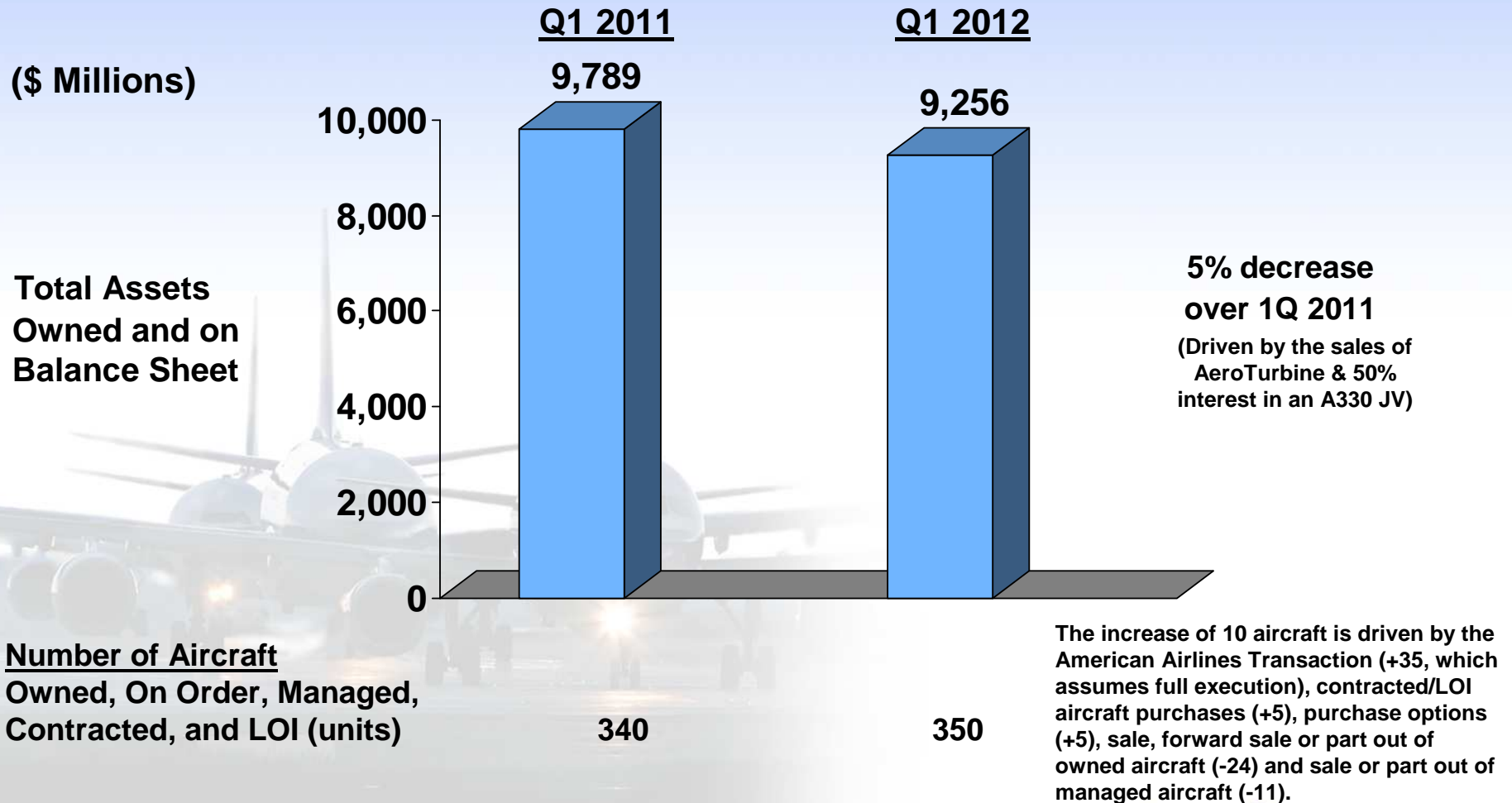


Tax Rate

	<u>FY 2011</u>		<u>Q1 2012</u>	
Blended Tax Rate*	6.7%	Charge	8.7%	Charge

* The blended effective tax rate in any year is impacted by the source and amount of earnings among AerCap's different tax jurisdictions. Full year 2012 blended tax rate is expected to be same as 1Q 2012 (~ 8.7%).

Total Assets and Number of Aircraft/Engines



Committed Aircraft Purchases

(\$ Million)	<u>1Q 2012</u>	<u>Remaining 2012*</u>	<u>Committed 2012</u>
Aircraft Purchases	258	727	985
Number of Aircraft Purchases (Units)	5	12	17

* Includes purchases of 7 additional aircraft as part of the American Airlines Purchase-Leaseback transaction (subject to confirmation on an aircraft by aircraft basis).

Portfolio Management Metrics Owned Aircraft

<u>Lease Portfolio</u>	<u>FY 2011</u>	<u>Q1 2012</u>
Utilization Rate	98.4%	98.2%
Portfolio Yield*	13.2%	12.8%
Average Term (Previous 12 Months)		
– New Leases for New Aircraft	137	**134
– New Leases for Used Aircraft	74	*** 69

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

** Reflects lease agreements and LOIs for 30 new aircraft signed in the previous 12 months.

*** Reflects lease agreements and LOIs for 29 used aircraft signed in the previous 12 months.



Cash

(\$ Millions)	<u>Q1 2012</u>
Cash and Cash Equivalents at March 31, 2012	424.7
Total Cash Balance at March 31, 2012 (Incl. Restricted Cash)	728.3
Operating Cash Flow for Q1 2012	166.2

Debt and Equity

(\$ Millions)	<u>1Q 2011</u>	<u>1Q 2012</u>
Total Debt at Quarter-End	6,731	6,177
Average Cost of Debt (including ~0.4% relating to amortization of debt issuance costs)*	3.6%	3.9%
Equity	2,293	2,348
Debt / Equity Ratio	2.9 to 1	2.6 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.

2012 Current Outlook – EPS Impact of Aircraft Sales / One-offs

	<u>Q1 2012</u>	<u>Remaining 2012</u>
Committed Aircraft Sales	\$0.00	\$0.01
Other One-offs	<u>\$0.00</u>	<u>\$0.00</u>
EPS Impact	\$0.00	\$0.01

Net Maintenance Contribution

	<u>Full Year 2010</u>	<u>Full Year 2011</u>	<u>Full Year 2012 Estimate</u>
Default & Restructuring Related Maint. Rents*	29.3	63.9	~9
Regular Maintenance Rents	32.6	35.3	~43
Leasing Expenses *	<u>(55.5)</u>	<u>(58.4)</u>	<u>~(72)</u>
Pre-tax Impact	6.4	40.8	~(20)
EPS Impact (after tax)	\$0.05	\$0.24	~(\$0.12)

* Include impacts relating to defaults and restructurings that have already occurred and exclude any amounts for further defaults/restructurings that may occur.

2012 Financial Outlook

AerCap expects to grow EPS based on the committed and new aircraft purchases and the recently completed share repurchase program despite the continued uncertainties of the global economic environment. Set forth below are the anticipated drivers for AerCap's 2012 financial performance, which are subject to change in light of the highly fluid market conditions.

- **2012 committed aircraft purchases are ~ \$1.0 billion, including purchases of 11 aircraft as part of the American Airlines Purchase-Leaseback transaction (subject to confirmation on an aircraft by aircraft basis).**
- **2012 basic lease revenue expected to increase 2 - 5% over 2011.**
- **2012 maintenance contribution (maintenance / end-of-lease revenue less leasing expenses) expected to decrease by ~ \$60 million vs. 2011 (see previous slide).**
- **Minimal impact expected from committed aircraft sales in 2012; gains from aircraft sales and one-offs in 2011 were ~\$16 million (adjusted for non-controlling interest).**
- **2012 average cost of debt including amortization of debt issuance costs expected to be ~ 4%.**
- **2012 tax rate expected to be ~ 9%.**
- **2012 ROE is expected to be ~ 10%.**



Appendix

Aircraft Transactions Q1 2012

- 21 aircraft lease agreements & letters-of-intent executed
- 6 aircraft delivered to lessees
- 5 aircraft purchased
- 2 aircraft sold from our owned and 2 from managed portfolios

High Quality and Well-Diversified Portfolio

Aircraft Portfolio as of March 31, 2012

	Number of Owned Aircraft	% Net Book Value	Number of Managed Aircraft	Aircraft on Order	Aircraft under Sale / Purchase Contract or LOI	Total Aircraft
Airbus A300 Freighter	1	0.3%	0	0	0	1
Airbus A319	30	9.9%	0	0	0	30
Airbus A320	104	36.8%	8	7	-3	116
Airbus A320 NEO	0	0.0%	0	0	5 **	5
Airbus A321	20	7.2%	2	0	0	22
Airbus A330	23	22.1%	4	4	5	36
Boeing 737 (Classics)	9	0.8%	19	0	-2	26
Boeing 737 (NG)	51	18.3%	0	42 *	0	93
Boeing 747	2	0.9%	0	0	0	2
Boeing 757	3	0.5%	1	0	-2	2
Boeing 767	4	1.7%	2	0	0	6
Boeing 777	0	0.0%	2	0	0	2
CRJ-705	0	0.0%	1	0	0	1
CRJ-900	4	0.9%	0	0	0	4
MD 11 Freighter	1	0.3%	1	0	0	2
ERJ170-100	2	0.3%	0	0	0	2
	254	100.0%	40	53	3	350

- **73% narrow body – “Work Horses” of industry**
- **High share of liquid / remarketable aircraft**
- **Average age of owned aircraft fleet 5.6 years**

* Includes 10 firm aircraft and 5 purchase rights as part of a Boeing order, and 27 aircraft as part of the American Airlines Purchase-Leaseback transaction which are subject to confirmation on an aircraft by aircraft basis

** AerCap has 5 SLB call-options on Airbus A320 family NEO aircraft delivering in 2016



Update on American Airlines Purchase-Leaseback

- American Airlines parent AMR filed for Chapter 11 bankruptcy on November 29, 2011.
- The recent purchase/leaseback deal was structured so that the remaining undelivered aircraft obligation automatically terminated when American filed for bankruptcy.
- AerCap has eleven aircraft leased to American, nine from the recent purchase/leaseback deal (including one which was delivered in April 2012), and two previously owned.
- American is performing under all lease agreements.
- We plan to take delivery of the remaining aircraft on the same terms as those delivered to date (subject to confirmation on an aircraft by aircraft basis).

Indebtedness as of March 31, 2012

Outstanding (\$mm)	Commitment (\$mm)	Outstanding (\$mm)	Availability (\$mm)
ECA Guaranteed Financings	1,967	1,699	268
UBS Revolving Credit Facility	775	456	319
SkyFunding B737 Acquisition Facilities	399	265	134
ALS I	593	593	–
ALS II	663	663	–
GFL	604	604	–
All Other	1,933	1,897	113
Total	7,011	6,177	834

No Short Term Obligations and ~\$0.8 Billion of Available Liquidity

Net Maintenance Contribution

	<u>1Q 2012</u>	<u>Remaining 2012 Estimate</u>	<u>Full Year 2012 Estimate</u>
Default & Restructuring Related Maint. Rents*	8.6	-	~9
Regular Maintenance Rents	9.0	~34	~43
Leasing Expenses *	<u>(18.5)</u>	<u>~(53)</u>	<u>~(72)</u>
Pre-tax Impact	(0.9)	~(19)	~(20)
EPS Impact (after tax)	(\$0.01)	~(\$0.11)	~(\$0.12)

* Include impacts relating to defaults and restructurings that have already occurred and exclude any amounts for further defaults/restructurings that may occur.