



AerCap Holdings N.V.

Second Quarter 2008 Earnings Call

August 7, 2008

• *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.

Second Quarter 2008 Highlights

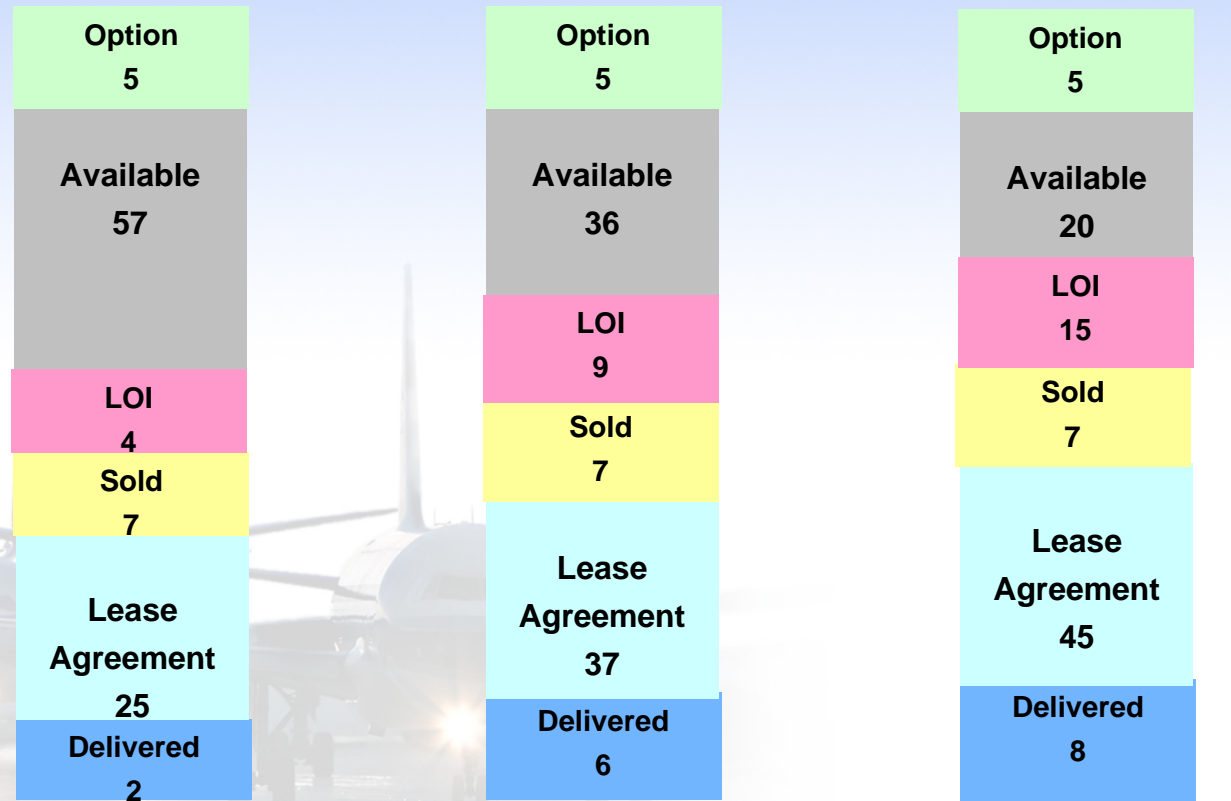
- Net income was \$58.2 million in the second quarter 2008, exclusive of non-cash impact relating to mark-to-market of interest rate caps and share-based compensation
- Earnings per share in the second quarter 2008 were \$0.68 excluding the items referenced above
- Basic rents in second quarter 2008 increased 2% from second quarter 2007, while interest expense excluding mark-to-market and refinancing charges decreased 32%
 - The difference between basic rents and adjusted interest expense (net spread) was \$93.1 million in the second quarter 2008, an increase of 24%
- Total assets were \$5.2 billion as of June 30, 2008, up 18% from June 30, 2007
- Committed purchases of aviation assets in 2008 are \$1.3 billion, of which \$933 million closed in first half 2008

Aircraft and Engine Transactions

- 49 new aircraft lease agreements and letters-of-intent executed during second quarter 2008
- 6 aircraft and 14 engines delivered to lessees during second quarter 2008
- 24 aircraft and 14 engines purchased during second quarter 2008
- 10 aircraft and 2 engines sold during second quarter 2008 from our owned portfolio

Forward Order Aircraft

**Total
Number of
Aircraft
100**



As of Dec. 31, 2007

As of March 31, 2008

As of June 30, 2008

Net Income

(\$ Million)	<u>2Q 2007</u>	<u>2Q 2008</u>
Total Net Income	34.2*	68.6
Adjusted for:		
Mark-to-market on interest rate caps (gains)	(7.5)	(11.9)
Share-based compensation charges	<u>2.0</u>	<u>1.5</u>
Net Income excluding above items	<u>28.7</u>	<u>58.2</u>

* Second quarter 2007 net income included a \$24 million charge (net of tax) relating to debt refinancing

Earnings Per Share

	<u>2Q 2007</u>	<u>2Q 2008</u>
Earnings Per Share	\$0.40*	\$0.81
Adjusted for: mark-to-market on interest rate caps and share based compensation	(0.06)	(0.13)
Earnings Per Share excluding above items	\$0.34	\$0.68

* Second quarter 2007 earnings per share included expenses from refinancing of \$0.28

**Average Shares Outstanding
(Millions)**

85.0 **85.0**



Net Spread (Margin)

(\$ Millions)

	<u>2Q 2007</u>	<u>2Q 2008</u>	<u>% Change</u>
Basic Lease Rents	125	127	2%
Less: Interest Expense*	<u>(50)</u>	<u>(34)</u>	(32%)
Net Spread (Margin)	75	93	24%
Average Lease Assets	3,122	3,460	11%

- *Basic lease rents on floating rate leases were lower as a result of lower interest rates*
- *Interest expense was also reduced by the same amount, keeping margins intact*
- *Growth of ~11% in lease assets, plus benefit from caps driving ~24% increase in margins*

*Excludes non-cash impact relating to the mark-to-market of interest rate caps and 2007 refinancing charges

Net Spread Trends

(\$ Millions)	<u>2007 Avg. Quarter</u>	<u>2008 1st Quarter</u>	<u>2008 2nd Quarter</u>
Net Spread (Margin)*	77	86	93

*Growth in Net Spread Reflective of Growth in Leasing Income;
2008 Avg. Quarter Expected to be ~\$95 Million (+23% over 2007)*

* Net Spread = Basic rents minus interest expense
(excluding non-cash charges relating to the mark-to-market of
interest rate caps and 2007 refinancing charges)

Total Revenue

(\$ Millions)

	<u>2Q 2007</u>	<u>2Q 2008</u>
Basic Lease Rents	125	127*
Maintenance/End-of-Lease Revenue	16	18
Sales Revenue	84	180
Servicing Fees and Interest Income	13	8
Other Revenue	<u>9</u>	<u>0</u>
Total Revenue	<u>247</u>	<u>333</u>

Up 35% over
second
quarter 2007

* Amount is lower by ~\$4 million from reduced rentals on floating rate lease (offset in interest expense)

Sales Revenue

Optimizing Our Portfolio with Sales

(\$ Millions)	<u>2Q 2007</u>	<u>2Q 2008</u>
Aircraft Sales	59	150
Engine Sales	5	8
Part Sales	<u>20</u>	<u>22</u>
Total Sales Revenue	<u>84</u>	<u>180</u>
Gain from Aircraft Sales	<u>18</u>	<u>32</u>

10 aircraft sold

1 Fokker 100
1 MD83
1 MD82
1 B737-300
2 A321-200
4 A320-200

Leasing Expenses and SG&A

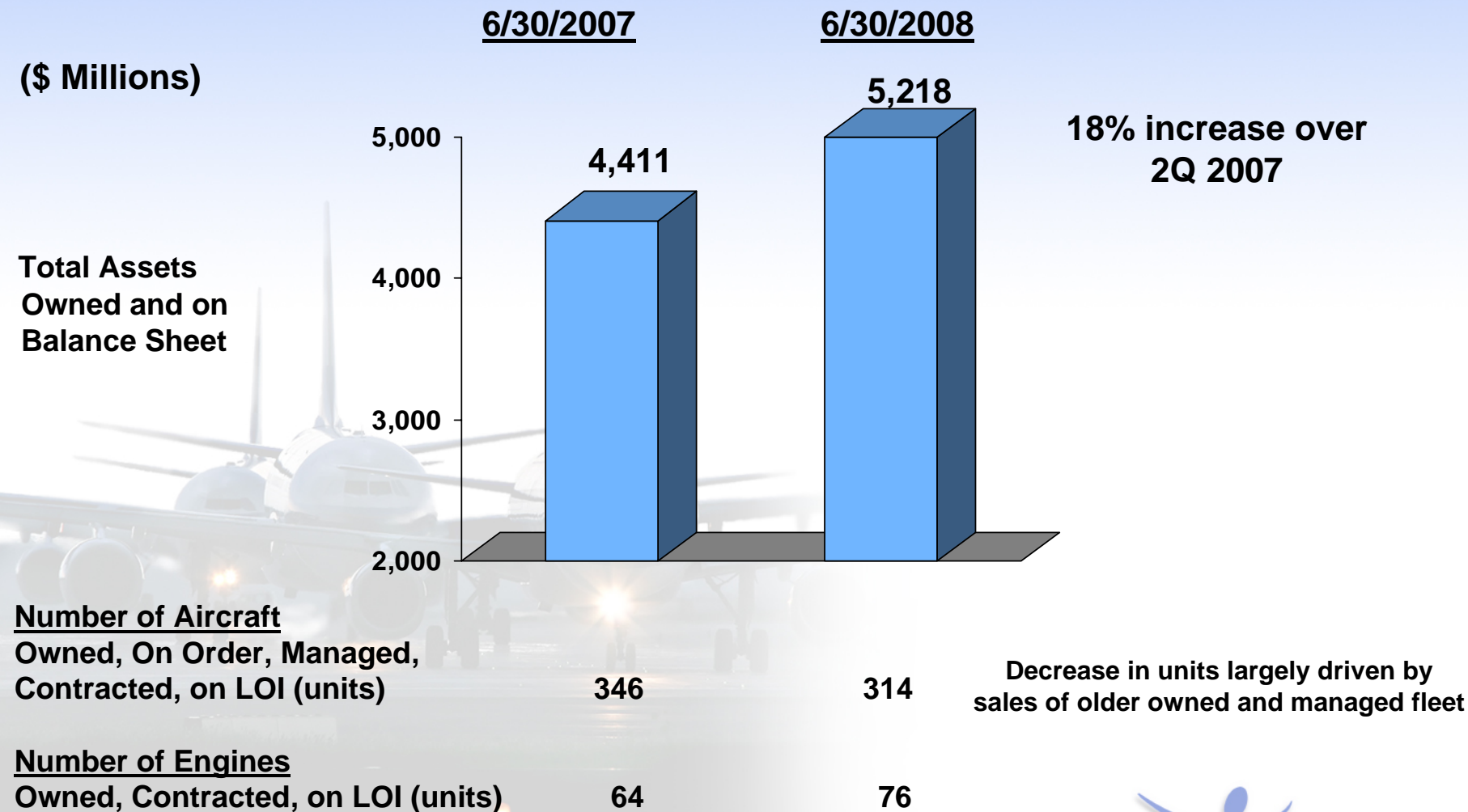
(\$ Millions)	<u>2Q 2007</u>	<u>2Q 2008</u>	<u>% Change</u>
Operating lease in costs	4.6	3.3	(28%)
Leasing expenses	9.7	11.4	18%
SG&A	<u>27.6</u>	<u>32.7*</u>	18%
Total Leasing expenses and SG&A	41.9	47.4*	14%

* \$2.2 million of increase driven by higher Euro/U.S. dollar exchange rates

Tax Rate

	<u>FY 2007</u>	<u>1H 2008</u>
Tax Rate for Aircraft	9.8%	7.6%
Tax Rate for Engine/Parts	35.4%	27.5%
Blended Tax Rate	11.8%	8.7%

Total Assets and Number of Aircraft/Engines



Purchases of Aviation Assets

(\$ Millions)	<u>1H 2008</u>	<u>Committed 2008</u>
Aircraft Related	913	1,260
Engines/Airframes	<u>20</u>	<u>37</u>
Total Purchases	933	1,297
<hr/>		
Number of Aircraft Purchases (Units)	43	51

Portfolio Management Metrics

<u>Lease Portfolio</u>	<u>FY 2007</u>	<u>2Q 2008</u>
Utilization Rate	98.4%	97.6%
Portfolio Yield (Year-to-Date)*	18.1%	17.4%**
Average Term (Months)		
– New Aircraft Leases	107	120***
– Used Aircraft Leases	72	64****

* Lease revenue divided by average book value of flight equipment

** 2Q 2008 lease yield calculation excludes impact of TUI acquisition due to short time in service

*** Reflects 27 lease agreements and 17 LOIs for new aircraft leases signed during 1Q and 2Q 2008

**** Reflects 28 lease agreements and 16 LOIs for used aircraft leases signed during 1Q and 2Q 2008

Aircraft Portfolio Valuation

(\$ Billion)	<u>NBV or Price Paid</u>	<u>External Appraisers</u>	<u>Difference/ Appraisers Value</u>
A320 Family, A330s, & B737NGs (~95% of Portfolio; ...only ~12% > 8 Years of Age)	5.37	6.93	23%
B757s, B767s, A300s (~1.5% of Portfolio)	0.08	0.13	38%
B737 Classics and All Others (~3.5% of Portfolio)	<u>0.20</u>	<u>0.26</u>	23%
Total Aircraft Assets	5.65	7.32	23%

Note:

- Based on data provided by external appraisers (Ascend, BK Associates, and AISI)
- Includes AerCap's currently owned aircraft plus forward orders
- Based on information as of March 31, 2008
- Excluding JV partner's share

Debt and Equity

(\$ Million)

	<u>2Q 2007</u>	<u>2Q 2008</u>
Total Debt at end of Quarter	2,978	3,580
Average Cost of Debt in Quarter*	6.7%	4.1%
Shareholder Equity at end of Quarter	856	1,073
Debt / Equity Ratio at end of Quarter	3.5 to 1	3.3 to 1

* Interest expense divided by average debt balance, excluding mark-to-market on interest rate caps

Funding/Access to Capital

Unrestricted Cash Balance at June 30, 2008* **\$176 Million**

Operating Cash Flow for 2Q 2008** **\$86 Million**

Financing Transactions Completed in Q2 2008 – Nearly \$2 Billion

- **ALS II – 30 new Aircraft Securitisation** **\$1.0 Billion**
- **TUI Portfolio Acquisition Facility** **\$489 Million**
- **A320 Pre-Delivery Payments Debt Facility** **\$269 Million**
- **Engine Acquisition Facility** **\$100 Million**
- **A330 Pre-Delivery Payments Debt Facility** **\$68 Million**

Available Lines of Credit at June 30, 2008*** **~\$3.0 Billion**

* Free cash only (excludes restricted cash balance of \$183.8 million)

** Operating cash flow is reduced for interest cost

*** Includes revolving lines of credit, ECA financing, and pre-delivery payment financing



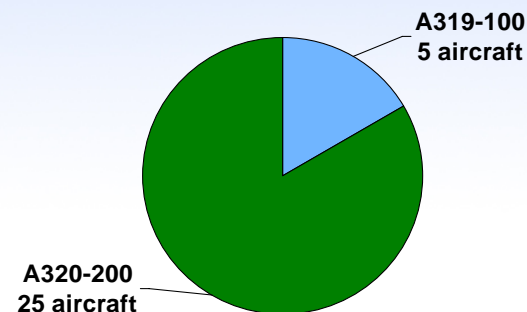
ALS II Limited

\$1 Billion “ALS II Ltd” Securitization provides financing requirements for 30 A320 family aircraft from forward order delivering between 2008 and 2010

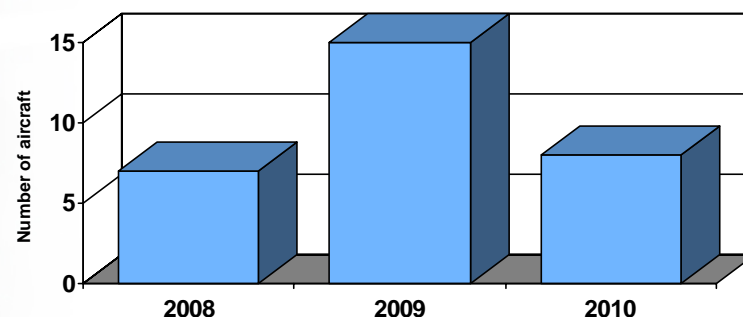
Key features of deal include:

- Issuance of Class A1 and A2 floating rate notes
- Commitment to fund aircraft upon delivery
- No recourse to AerCap Group
- Ratings of A1 / A+ by Moody’s and S&P
- Spread of one month LIBOR plus 185bps
- Loan to Value 74%
- No insurance wrap
- Expected final payment date in 2020
- AerCap Group remains owner of E note

Type of aircraft



Year of scheduled delivery from Airbus



2008 Financial Outlook

- Purchases of aviation assets in all of 2008 expected to be ~\$1.3 billion
- 2008 “net spread” from leasing (basic lease rents less interest expense) expected to increase ~23% over 2007
- Full year 2008 gains from aircraft sales expected to be comparable with 2007
 - 2008 sales revenue now expected to be higher than 2007 due to acceleration of remaining older aircraft sales
 - Gains from aircraft sales in 2nd half 2008 expected to be ~80% of 1st half 2008
- 2008 average cost of debt expected to be ~4.5% or lower
- 2008 tax rate expected to be lower than 2007 (~9-10%)
- 2008 ROE expected to be ~20%

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Appendix:
Additional Cash Flow Disclosures

Sales Revenue vs. Proceeds from Sales (Income vs. Cash Flow Statement)

(\$ Million)	<u>2Q 2008</u>	<u>1H 2008</u>
Sales Revenue (from Income Statement)	181	323
Less: Inventory Sales*	(34)	(68)
Add:Cash Received from Prior Period Sales	24	-
Non-Cash Maintenance Sales Revenue	<u>(7)</u>	<u>(7)</u>
Proceeds from Sales/Disposal of Assets (from Cash Flow Statement)	164	248

* Reflected in Change in Assets /Liabilities in Cash Flow Statement (Inventories)

Gain from Sales (Income vs. Cash Flow Statement)

(\$ Million)	<u>2Q 2008</u>	<u>1H 2008</u>
Gain from Sales (Income Statement) Sales Revenue less COGS	40	73
Less: Inventory Sales*	<u>(10)</u>	<u>(20)</u>
Gain on Disposal of Assets (Cash Flow Statement)	30	53

* Reflected in Change in Assets /Liabilities in Cash Flow Statement (Inventories)