

A GLOBAL LEADER IN AVIATION



November 4, 2014

Third Quarter 2014 Financial Results

AerCap Holdings N.V.



AMSTERDAM | LOS ANGELES | SHANNON | DUBLIN | FORT LAUDERDALE | MIAMI | SINGAPORE | SHANGHAI | ABU DHABI | SEATTLE | TOULOUSE

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- **The integration of the ILFC business remains on track.** The primary IT systems were successfully integrated on schedule by the end of the third quarter of 2014.
- **Annualized net spread percentage** for the third quarter was **10.1%**, up from 8.8% in the same period of 2013.
- Our **fleet utilization rate** was **99.3%** for the third quarter of 2014. **The average age of the owned fleet** as of September 30, 2014 was **7.6 years** and the **average remaining contracted lease term** was **5.5 years**.
- We executed **134 aircraft transactions** during the third quarter of 2014.
- As of September 30, 2014, we had **committed to purchase 391 aircraft** with scheduled delivery dates up to 2022. Over 90% of our committed aircraft purchases delivering through December 2016 and nearly 60% delivering through 2019 are placed, either under lease contract or a letter of intent.
- Nearly all of the **ILFC aircraft** as well as substantial **business operations** have been **transferred to Ireland**.
- As of September 30, 2014, we had **\$6.6 billion of available liquidity**. Since the announcement of the ILFC transaction in December 2013, **\$8.9 billion of funding has been raised**.

Third Quarter Highlights



Adjusted net income was **\$315.8 million** for the third quarter of 2014, an **increase of 253%** over the same period in 2013.

Adjusted earnings per share were **\$1.49** for the third quarter of 2014, an **increase of 89%** over the same period in 2013.

KEY HIGHLIGHTS

- We **purchased nine aircraft** with a total value of **\$0.7 billion** and **exercised an option to purchase 50 A320neo** family aircraft from Airbus.
- We **executed \$1.5 billion of financing transactions**, including the previously announced private placement of \$800 million of notes.
- We **signed agreements with Virgin Atlantic Airways** for the purchase and leaseback of **seven Boeing 787 aircraft** that Virgin Atlantic Airways has on order from Boeing. The **lease terms** for all aircraft are **twelve years** and **deliveries will start in October 2014**.

Net Income



(\$ Millions)	3Q 2014	3Q 2013
Reported Net Income*	340.9	83.6
Adjusted for:		
Mark-to-market on interest rate caps and swaps, net of tax	0.4	3.7
Share-based compensation, net of tax	22.5	2.1
Transaction and integration related expenses, net of tax	12.6	-
Maintenance rights related expenses, net of tax	<u>(60.6)</u>	=
Adjusted Net Income*	315.8	89.4

* Reported and adjusted net income included \$20 million of non-recurring income.

Basic Earnings Per Share



	3Q 2014	3Q 2013
Earnings Per Share	\$1.61	\$0.74
Adjusted for: Mark-to-market on interest rate caps and swaps, share-based compensation, Transaction and integration related expenses and maintenance rights related expenses	<u>\$(0.12)</u>	<u>\$0.05</u>
Adjusted Earnings Per Share	\$1.49	\$0.79
Average Shares Outstanding (Million)	212.1	113.5

Revenues and Other Income



(\$ Millions)	3Q 2014	3Q 2013
Basic Lease Rents*	1,172.3	234.3
Maintenance Rents and Other Receipts	49.8	23.7
Net Gain on Sale of Assets	2.8	10.7
Other Income**	<u>26.1</u>	<u>10.7</u>
Total Revenues and Other Income	1,251.0	279.4

* Third quarter 2014 basic lease rents increased by 400% over the same period in 2013 driven primarily by the ILFC transaction and new aircraft purchases.

** Increase driven by the ILFC transaction and relates primarily to income from our AeroTurbine subsidiary.

Net Interest Margin (Net Spread)



(\$ Millions)	3Q 2014	3Q 2013
Net Interest Margin (Net Spread)*	905.8	174.8
Average Lease Assets**	35,899	7,993
Annualized Net Spread %	10.1%	8.8%

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

** Includes flight equipment held for operating lease plus maintenance rights intangible asset (total lease assets were \$36.1bn for Q3 2014 and \$8.1bn for Q3 2013).

Sales of Aircraft



(\$ Millions)	3Q 2014	3Q 2013
Pre-tax Gain from Aircraft Sales	2.8	10.7

- In 3Q 2014: we sold ten aircraft from our owned portfolio (one Airbus A300-600F, seven Boeing 737 classics, one Boeing 767-300ER and one MD-11 aircraft). In addition we executed part-out transactions for three aircraft (one Airbus A340-300, one Boeing 737 classic and one MD-11 aircraft) and sold two aircraft from our managed portfolio (one Boeing 737 classic and one Airbus A320-200).
- In 3Q 2013: we sold two aircraft from our owned portfolio (one Airbus A330-300 and one Boeing 737 classic). In addition we sold three aircraft from our managed portfolio (three Boeing 737 classics).

Over 100 aircraft valued at ~\$2 billion were sold/disposed or parted-out since the announcement of the ILFC transaction in December 2013, well ahead of the targeted \$1 billion per year for portfolio optimization.

Other Expenses and Taxes



(\$ Millions)	3Q 2014	3Q 2013
Leasing Expenses	28.9	5.5
SG&A	96.0	23.4
Transaction and Integration Related Expenses*	14.4	-
	YTD 2014	YTD 2013
Blended Tax Rate**	17.5%	8.5%

* Transaction and integration related expenses are costs that were incurred in relation to the ILFC transaction, including professional fees and severance and other compensation costs.

** 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 is driven primarily by the ILFC acquisition.

Cash



(\$ Millions)	2014	2013
Cash and Cash Equivalents at September 30 (Excl. Restricted Cash)	1,744.3	318.1
Total Cash Balance at September 30 (Incl. Restricted Cash)	2,417.6	593.3
Operating Cash Flow for the third Quarter	885.0	198.1

Strong operating cash flow generation.

Liquidity Position as of September 30, 2014



Sources (for 12 Months to September 30, 2015)	(\$ billions)
Unsecured Revolver	2.9
AIG Revolver	1.0
Other Undrawn Commitments	1.0
Unrestricted Cash	1.7
Total Available Liquidity	6.6
Estimated Operating Cash Flow	3.1
Total Sources	9.7

Sources do not include additional financing for deliveries of new aircraft purchases.

Uses (for 12 Months to September 30, 2015)	(\$ billions)
Debt Maturities	(3.6)
CapEx	(3.1)
Total Uses	(6.7)

Excess Coverage (Sources less Uses)	3.0
Ratio of Sources to Uses	1.45x

Capital Structure



(\$ Millions)	3Q 2014	3Q 2013
Total Debt at Quarter-End	30,828	6,232
Average Cost of Debt *	3.4%	3.9%
Equity	7,645	2,362
Adjusted Debt / Equity Ratio **	3.5 to 1	2.6 to 1

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

** Adjusted debt/equity ratio is obtained by dividing adjusted net debt by adjusted shareholders' equity. Adjusted net debt means consolidated total debt less cash and cash equivalents, and less a 50% equity credit with respect to \$1.0 billion of subordinated debt. Adjusted shareholders' equity means total shareholders' equity, plus the 50% equity credit.

Financial Outlook for 4Q 2014



Set forth below are the expected drivers for AerCap's 4Q 2014 financial performance and are subject to change.

Total revenue of ~\$1.25 billion (~\$5.0 billion on an annualized basis).

Costs as follows:

- Depreciation of ~\$0.53 billion (~\$2.1 billion on an annualized basis) which reflects expensing the maintenance rights asset over the remaining economic life of the aircraft;
- Interest expenses of ~\$0.28 billion (~\$1.1 billion on an annualized basis);
- Leasing expenses, and all SG&A of ~\$0.13-\$0.15 billion (~\$0.5-\$0.6 billion on an annualized basis).

Tax rate of ~17.5%.



Supplemental Information

134 Aircraft Transactions During Third Quarter 2014



84



↑
**LEASE
AGREEMENTS
EXECUTED**

26



↑
**AIRCRAFT
DELIVERED TO
LESSEES**

9



↑
**AIRCRAFT
PURCHASED**

15



↑
**AIRCRAFT
DISPOSED
(sale or part-out)**
13 from our owned
portfolio and two from
our managed portfolio

High Quality and Well-Diversified Portfolio



Aircraft Portfolio as of September 30, 2014

	Number of Owned Aircraft*	% Net Book Value	Number of Managed & AerDragon Aircraft	Aircraft on Order**	Total Aircraft
Airbus A319	143	8%	11	-	154
Airbus A320	241	17%	36	-	277
Airbus A320neo	-	-	-	155	155
Airbus A321	97	7%	15	5	117
Airbus A321neo	-	-	-	50	50
Airbus A330	121	18%	8	1	130
Airbus A350	-	-	-	29	29
Boeing 737 (NG)	295	26%	44	31	370
Boeing 767	47	2%	-	-	47
Boeing 777	71	15%	3	-	74
Boeing 787	14	4%	-	70	84
E190-E2 / E195-E2	-	-	-	50	50
Other	101	3%	38	-	139
	1,130	100%	155	391	1,676

- High share of liquid / remarketable aircraft
- Significant number of new technology aircraft on order
- Average age of owned aircraft fleet is 7.6 years
- Average remaining lease term 5.5 years

* Excluding AeroTurbine which had five aircraft as of September 30, 2014.

** Excludes five Boeing purchase rights and 17 spare engines.

Committed Aircraft Purchases



	Actual YTD 3Q 2014	Remaining 2014	Total Remaining as of 9/30/14*
Aircraft Purchases (\$ Billions)	1.6	0.9	28.7
Number of Aircraft Purchases (Units)	22	12	391

* Consists of \$3.6 billion in 2015, \$4.4 billion in 2016, \$5.8 billion in 2017, \$5.9 billion in 2018, and \$8.1 billion between 2019 and 2022. Excludes five Boeing purchase rights and 17 spare engines.

Portfolio Management Metrics for Owned Aircraft



Lease Portfolio	3Q 2014	3Q 2013
Utilization Rate*	99.3%	99.7%
Portfolio Yield**	13.6%	12.5%
Average Lease Term (Previous 12 Months)		
• New Leases for New Aircraft (Months)	144***	165
• Leases for Used Aircraft (Months)	58****	56

* Utilization rate weighted by book value of flight equipment divided by total days in the period.

** Lease revenue divided by average book value of flight equipment and maintenance right intangible.

*** Reflects lease agreements for 60 new aircraft signed in the previous 12 months.

**** Reflects lease agreements for 99 used aircraft signed in the previous 12 months.

Leasing Expenses



(\$ Millions)	3Q 2014	3Q 2013
Default and Restructuring Related	8.6	0.7
Normal Transition Costs	15.6	4.3
Maintenance Rights Expense	0.7	-
Lessor Maintenance Contributions	1.4	-
Other Leasing Costs	<u>2.6</u>	<u>0.5</u>
Leasing Expenses	28.9	5.5

Impact from Defaults and Restructurings



(\$ Millions)	3Q 2014	3Q 2013
Lost Basic Lease Rents (Net of Security Deposits)	(0.2)	(0.1)
Default Related Leasing Expenses (Net of Maintenance Rents Held)	<u>(3.2)</u>	<u>(0.1)</u>
Total Impact (Pre-Tax)	(3.4)	(0.2)
Total Impact (Post-Tax)	(3.0)	(0.2)

Default and restructuring related costs incurred in the third quarter 2014 related to six aircraft, four of which defaulted in 2014 and two of which defaulted in 2013. Default costs incurred in the third quarter of 2013 related to two aircraft.

(\$ Millions)	3Q 2014	3Q 2013
Share-based compensation expenses	25.7	2.4
Other selling, general and administrative expenses	<u>70.3</u>	<u>21.0</u>
Selling, General and Administrative Expenses	96.0	23.4

The increase in SG&A , period over period, reflects the ILFC acquisition.