

# GLOBAL LEADER IN AVIATION



November 10, 2015


## *Third Quarter 2015 Financial Results*

AerCap Holdings N.V.



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*Today AerCap is the largest and most profitable aircraft lessor*

-  **Strong and resilient** industry fundamentals
-  **Industry leading earnings and profitability** delivering shareholder value
-  Proven track record of **rapid deleveraging**
-  **Efficient and scalable** platform
-  **Strong growth** profile
-  **Hedging strategies** to mitigate risk
-  **Highly experienced management team** with deep industry expertise



## Financial Results

### ADJUSTED NET INCOME

- **\$328.0 million** for 3Q 2015  
(\$293.9 million reported)
- **\$993.7 million** for 3QYTD 2015  
(\$914.5 million reported)

### ADJUSTED EARNINGS PER SHARE<sup>1</sup>

- **\$1.66** for 3Q 2015  
(\$1.49 reported)
- **\$4.82** for 3QYTD 2015  
(\$4.44 reported)

## Highlights

- **306 aircraft transactions**, including **86 widebody aircraft**, executed 3QYTD 2015
- **99.7% fleet utilization** rate for 3Q 2015
  - **5.9 years** of average remaining **contracted lease term** as of September 30, 2015
- **458 new aircraft on order** with deliveries through 2022
  - Approximately 80% of aircraft purchases delivering through December 2018 are leased under a contract or letter of intent on an average 12-year lease term
- **Completed the sale of a \$0.6 billion ten-aircraft portfolio** which included **eight widebody aircraft**
- **\$6.4 billion** of available liquidity as of September 30, 2015.
- In October 2015, **completed** the offering of **\$1.0 billion** senior unsecured notes due 2020, which was **upsized** from initial launch size of \$0.4 billion

(1) Calculated using basic weighted average shares outstanding of 197 million for 3Q 2015 and 206 million for 3QYTD 2015




*AerCap continues to successfully place widebody aircraft*

## REMARKETING OF USED WIDEBODY AIRCRAFT IS WELL UNDER WAY

Boeing 777	2015	2016	2017	Total
<b>Scheduled expiries</b> (Dec 31, 2014)	<b>1</b>	<b>4</b>	<b>12</b>	<b>17</b>
Releases / Extensions <sup>1</sup>	(1)	(1)	(3)	(5)
Sales	-	-	-	-
Planned Part-outs	-	(1)	(1)	(2)
<b>Current Placement Requirement</b>	<b>-</b>	<b>2</b>	<b>8</b>	<b>10</b>

Airbus A330	2015	2016	2017	Total
<b>Scheduled expiries</b> (Dec 31, 2014)	<b>7</b>	<b>19</b>	<b>20</b>	<b>46</b>
Releases / Extensions <sup>1</sup>	(3)	(17)	(13)	(33)
Sales	(1)	-	-	(1)
Planned Part-outs	(3)	(1)	(2)	(6)
<b>Current Placement Requirement</b>	<b>-</b>	<b>1</b>	<b>5</b>	<b>6</b>

 **75% of expiries<sup>1</sup> through 2017 have already been placed<sup>2</sup>**

 **4 777s and 2 A330s with 2018 expiries<sup>3</sup> have already been sold**

 **A330s for planned part-out are on average over 20 years old at lease expiry and are being depreciated to part-out value**



(1) Released or extended either under a lease or letter of intent

(2) Either released, extended, sold or to be parted-out

(3) Scheduled as of December 31, 2014 as outlined in 2014 20-F filing

(\$ million)	3Q 2015	3Q 2014	3QYTD 2015	3QYTD 2014
<b>Reported Net Income</b>	<b>293.9</b>	<b>333.8</b>	<b>914.5</b>	<b>512.2</b>
<b>Adjusted for:</b>				
• Mark-to-market on interest rate caps and swaps, net of tax	<b>9.3</b>	<b>0.4</b>	<b>16.0</b>	<b>10.4</b>
• Transaction and integration related expenses, net of tax	<b>2.3</b>	<b>12.6</b>	<b>7.1</b>	<b>119.8</b>
• Maintenance rights related expenses, net of tax	<b>22.5</b>	<b>(52.8)</b>	<b>56.1</b>	<b>(83.6)</b>
<b>Adjusted Net Income<sup>1</sup></b>	<b>328.0</b>	<b>294.0</b>	<b>993.7</b>	<b>558.8</b>

(1) We incurred lower than average maintenance rights related expenses during 2014, following the ILFC acquisition and the related purchase accounting

(2) 3Q 2015 net income includes ~\$45.0 million (net of tax) generated from gains on sale of assets compared with ~\$2.0 million (net of tax) in 3Q 2014, partially offset by lower earnings from investments accounted for under the equity method

# Basic Earnings Per Share



(\$)	3Q 2015	3Q 2014	3QYTD 2015	3QYTD 2014
<b>Reported Earnings Per Share</b>	<b>1.49</b>	<b>1.57</b>	<b>4.44</b>	<b>3.13</b>
<b>Adjusted for:</b>				
<ul style="list-style-type: none"> <li>• Mark-to-market on interest rate caps and swaps, transaction and integration related expenses, and maintenance rights related expenses, all net of tax</li> </ul>	<b>0.17</b>	<b>(0.18)</b>	<b>0.38</b>	<b>0.28</b>
<b>Adjusted Earnings Per Share<sup>1</sup></b>	<b>1.66</b>	<b>1.39</b>	<b>4.82</b>	<b>3.41</b>
<b>Average Shares Outstanding - Basic (million)</b>	<b>197.3</b>	<b>212.1</b>	<b>206.1</b>	<b>163.7</b>

(1) 3Q 2015 earnings per share includes ~\$0.23 (net of tax) generated from gains on sale of assets compared with ~\$0.01 (net of tax) in 3Q 2014, partially offset by lower earnings from investments accounted for under the equity method. The increase in earnings per share is also the result of the share repurchases completed in 2Q 2015

# Maintenance Rights: 3Q 2015 Adjustment



(\$ million)	Reported Amount	Adjusted Amount	Adjustment
Depreciation	(460)	(528)	(68)
Lease Expense	(133)	(39)	94
<b>Pre-Tax Earnings Impact</b>			<b>26</b>
<b>Net Income Impact</b>			<b>23</b>

- As a result of the purchase accounting, **a portion of the acquired ILFC aircraft value is classified as an intangible asset (\$3.3 billion at September 30, 2015)**
  - The amortization cost for this portion of the aircraft value is recorded as **lease 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 (lease expense versus depreciation) is **effectively accelerated depreciation of \$26.0 million** for 3Q 2015
- The **adjusted amount reflects lease expense and depreciation** on an **economic basis**



# Revenues and Other Income



(\$ million)	3Q 2015	3Q 2014
<b>Basic Lease Rents<sup>1</sup></b>	<b>1,164.6</b>	<b>1,172.3</b>
<b>Maintenance Rents and Other Receipts</b>	<b>81.1</b>	<b>43.7</b>
<b>Net Gain on Sale of Assets</b>	<b>51.6</b>	<b>2.8</b>
<b>Other Income</b>	<b>25.5</b>	<b>26.1</b>
<b>Total Revenues and Other Income</b>	<b>1,322.8</b>	<b>1,244.9</b>

(1) The decrease was driven primarily by the extension of leases prior to their contracted redelivery dates. The accounting for extensions requires the remaining rental payments to be recorded on a straight-line basis over the remaining term of the original lease plus the extension period. This results in a decrease in basic lease rents during the remaining term of the original lease that will be offset by an increase in basic lease rents during the extension period.

# Net Interest Margin (Net Spread)



(\$ million)	3Q 2015	3Q 2014
<b>Net Interest Margin (Net Spread)<sup>1</sup></b>	<b>892.3</b>	<b>907.4</b>
<b>Average Lease Assets<sup>2</sup></b>	<b>36,397</b>	<b>35,808</b>
<b>Annualized Net Spread %</b>	<b>9.8%</b>	<b>10.1%</b>

(1) Net Interest Margin 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, net investment in finance and sales-type leases and maintenance rights intangible asset

(\$ million)	3Q 2015	3Q 2014
<b>Pre-Tax Gain from Aircraft Sales</b>	<b>51.6</b>	<b>2.8</b>

## 3Q 2015 Disposal Activity<sup>1</sup>:

- 12 aircraft, with an average age of 12 years, were sold and 1 aircraft was parted-out from our owned portfolio:
  - 2 Airbus A320-200s and 4 Airbus A330-200s
  - 2 Boeing 757-200s, 2 Boeing 777-200ERs, and 2 Boeing 777-300ERs
  - 1 Airbus A340-300 (part-out)

## 3Q 2015 Purchase Activity:

- 7 aircraft were purchased and delivered from order book:
  - 1 Boeing 787-8, 1 Boeing 787-9, and 5 Boeing 737-800s

***During the nine months ended September 30, 2015, we have sold or parted-out 30 widebody aircraft<sup>2</sup>***

(1) In 3Q 2015, one aircraft was reclassified to net investment in finance and sales-type leases, which had no impact on gain from aircraft sales

(2) Includes disposals either under a sale agreement or letter of intent as of September 30, 2015



# Other Expenses and Taxes



(\$ million)	3Q 2015	3Q 2014
<b>Leasing<sup>1</sup></b>	<b>133.0</b>	<b>31.4</b>
<b>SG&amp;A</b>	<b>91.2</b>	<b>96.0</b>
<b>Impairment<sup>2</sup></b>	<b>7.9</b>	<b>1.6</b>
<b>Transaction and Integration Related<sup>3</sup></b>	<b>2.6</b>	<b>14.4</b>

	3QYTD 2015	FY 2014
<b>Blended Tax Rate<sup>4</sup></b>	<b>13.5%</b>	<b>15.0%</b>

(1) 3Q 2015 leasing expenses include \$93.6 million in maintenance rights expenses which resulted from the ILFC acquisition

(2) 3Q 2015 impairment charges primarily related to the terminations of two aircraft leases. We also recognized maintenance revenue of \$18.6 million due to the same terminations, and the net impact was a positive \$10.6 million.

(3) Transaction and integration expenses incurred in 3Q 2015 related to the ILFC acquisition, consisting primarily of severance and other compensation expenses and rent termination costs

(4) The blended effective tax rate in any year is impacted by the source and amount of earnings among our different tax jurisdictions

(\$ million)	2015	2014
<b>Cash and Cash Equivalents</b> as of September 30 (excl. restricted cash)	<b>1,301.5</b>	<b>1,744.3</b>
<b>Total Cash Balance</b> as of September 30 (incl. restricted cash)	<b>1,686.1</b>	<b>2,417.6</b>
<b>Operating Cash Flow<sup>1</sup></b> for 3Q	<b>796.4</b>	<b>879.6</b>

*Annual run-rate for operating cash flow is over \$3.0 billion*

(1) 3Q 2014 operating cash flow was higher primarily due to a higher volume of receivable collection post the ILFC acquisition and an extraordinary dividend received from an investment accounted for under the equity method

# Liquidity Position *as of September 30, 2015*



Sources (for 12 months to September 30, 2016)	(\$ billion)
Unsecured Revolver	3.0
Other Commitments	1.6
AIG Revolver	0.5
Unrestricted Cash	1.3
<b>Total Available Liquidity</b>	<b>6.4</b>
Estimated Operating Cash Flow	3.4
<b>Total Sources</b>	<b>9.8</b>

Uses (for 12 months to September 30, 2016)	(\$ billion)
Debt Maturities	(4.0)
Capex (Cash payments for purchases) <sup>1</sup>	(3.9)
<b>Total Uses</b>	<b>(7.9)</b>

<b>Excess Coverage</b> (Sources less Uses, \$ billion)	<b>1.9</b>
<b>Ratio of Sources to Uses</b>	<b>1.2x</b>

*Sources do not assume additional financing for deliveries of new aircraft purchases*

*Sources do not include \$1.0 billion of senior unsecured notes issued in October 2015*

(1) Includes cash payments for the next 12 months' aircraft deliveries and pre-delivery payments



Summary	3Q 2015	3Q 2014
<b>Average Cost of Debt</b> (including all fees) <sup>1</sup>	3.6%	3.4%
<b>Debt / Equity Ratio</b>	3.1 to 1	3.5 to 1

Debt/Equity Calculation (\$ million)	3Q 2015	3Q 2014
<b>Debt at Quarter-End</b> (incl. fair value adjustments)	29,321	30,828
<b>Adjusted for:</b>		
• Unrestricted cash & cash equivalents	(1,302)	(1,744)
• 50% equity credit for long-term subordinated debt <sup>2</sup>	(750)	(500)
<b>Adjusted Debt at Quarter-End</b>	27,269	28,584
<b>Equity at Quarter-End</b>	8,136	7,623
<b>Adjusted for:</b>		
• 50% equity credit for long-term subordinated debt <sup>2</sup>	750	500
<b>Adjusted Equity at Quarter-End</b>	8,886	8,123

(1) Interest expense divided by average debt balance, excluding mark-to-market on interest rate caps and swaps. Our average cost of debt increased resulting from the repayment of older ILFC debt which was fair-valued at lower rates because of the remaining short tenor of the debt

(2) Please refer to Note 12 – Debt in our quarterly report on Form 6-K for the second quarter ended June 30, 2015, filed with the SEC on August 18, 2015



## *Financial Outlook*

# Financial Outlook for 2015: Adjusted Net Income



(\$ billion)	Full Year 2015
Total Revenue (incl. gain on sale)	~5.2
Depreciation	~(2.1)
Interest Expense	~(1.1)
Lease Expense, SG&A & Other	~(0.5)
<b>Adjusted Pre-Tax Earnings</b>	<b>~1.5</b>
<b>Adjusted Net Income</b>	<b>~1.3</b>

~14  
percent

TAX RATE

*Anticipated drivers for AerCap's 2015 financial performance, subject to change, in light of highly fluid market conditions and other factors<sup>1</sup>*

(1) Refer to slide 2: Disclaimer Incl. Forward Looking Statements & Safe Harbor





# Q&A



## *Supplemental Information*



# Executed 306 Aircraft Transactions

(during the nine months ended September 30, 2015)



AerCap continues to lease or sell an aircraft on average every 24 hours, consisting of two widebody and five narrowbody aircraft transactions per week

216



LEASE  
AGREEMENTS  
EXECUTED

including:  
54 widebody and  
162 narrowbody aircraft

35



AIRCRAFT  
PURCHASED

55



AIRCRAFT  
DISPOSED

Sale or part-out:  
43 from our owned portfolio  
12 from our managed  
portfolio

# Aircraft Transactions by Type

(during the nine months ended September 30, 2015)



Aircraft Type	Leases Signed	Sales Executed
Airbus A320 Family	71	15
Airbus A320neo Family	16	-
Airbus A330	28	5
Airbus A340	3	3
Boeing 737NG	68	-
Boeing 737Classics	5	8
Boeing 747	2	2
Boeing 757	2	12
Boeing 767	10	2
Boeing 777	3	4
Boeing 787	7	2
Other	1	2
<b>Total</b>	<b>216</b>	<b>55</b>



Lease Portfolio	3Q 2015	3Q 2014
<b>Utilization Rate<sup>1</sup> (%)</b>	<b>99.7</b>	<b>99.3</b>
<b>Portfolio Yield<sup>2</sup> (%)</b>	<b>13.7</b>	<b>13.6</b>
<b>Average Lease Term (Previous 12 months)</b>		
• <b>Leases for New Aircraft (Years)</b>	<b>11.6<sup>3</sup></b>	<b>12.0</b>
• <b>Leases for Used Aircraft (Years)</b>	<b>5.7<sup>4</sup></b>	<b>4.9</b>

(1) Utilization rate weighted by book value of flight equipment divided by total days in the period

(2) Lease revenue divided by average book value of flight equipment and maintenance right intangible asset

(3) Lease agreements for 77 new aircraft signed in the previous 12 months

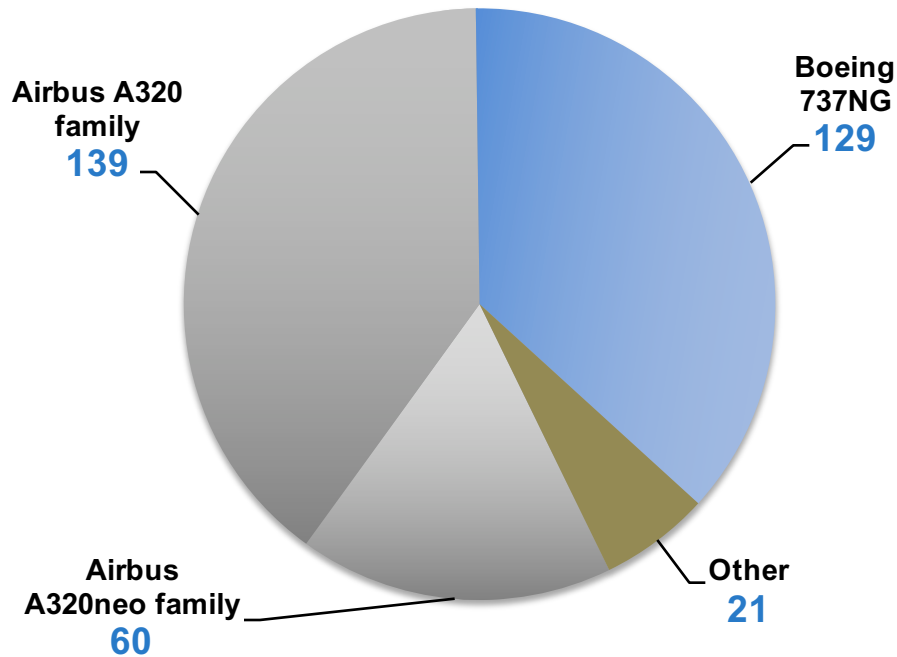
(4) Lease agreements for 233 used aircraft signed in the previous 12 months

# AerCap's Platform Capabilities

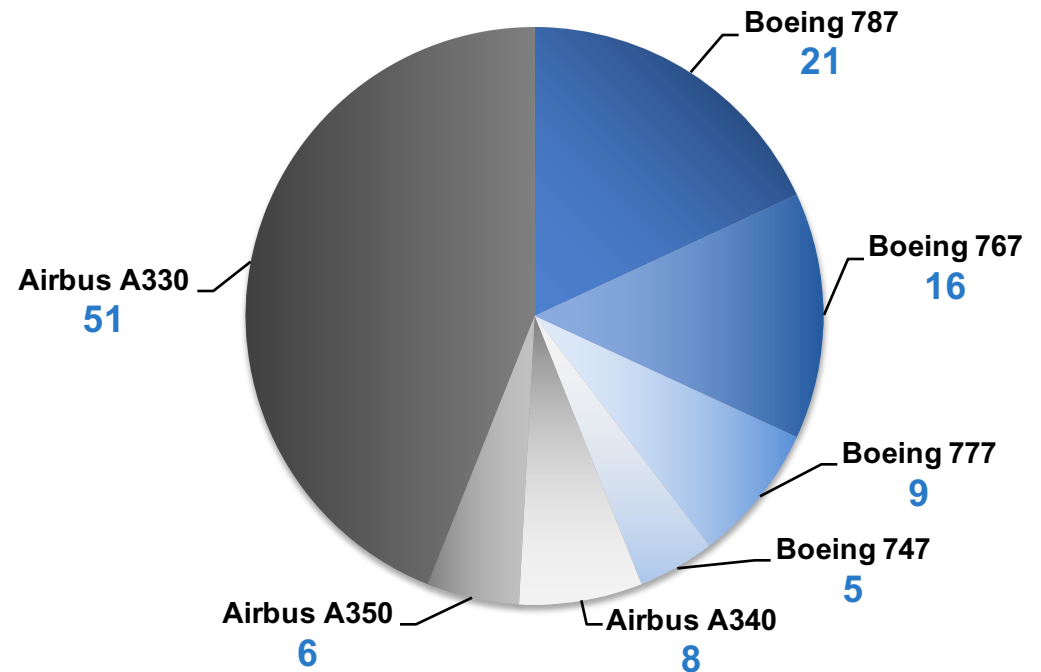


AerCap has executed 465 leases over the past 18 months, approx. 26 each month

**349** narrowbody aircraft leases  
~53% extensions<sup>1</sup>



**116** widebody aircraft leases  
~67% extensions<sup>1</sup>



(1) Extension rate on existing leases

Aircraft Type	Number of Owned Aircraft <sup>1</sup>	% Net Book Value	Number of Managed & AerDragon Aircraft	Aircraft on Order <sup>2</sup>	Total Aircraft
Airbus A319	140	7	11	-	151
Airbus A320	234	15	32	-	266
Airbus A320 / A321neo	-	-	-	209	209
Airbus A321	99	7	14	-	113
Airbus A330	117	16	12	-	129
Airbus A350	1	-	-	28	29
Boeing 737NG	318	28	43	7	368
Boeing 737MAX	-	-	-	109	109
Boeing 767	44	1	-	-	44
Boeing 777-200ER	35	5	4	-	39
Boeing 777-300 / 300ER	32	8	3	-	35
Boeing 787	27	10	-	55	82
Embraer E190 / 195-E2	-	-	-	50	50
Other	77	3	24	-	101
<b>Total</b>	<b>1,124</b>	<b>100</b>	<b>143</b>	<b>458</b>	<b>1,725</b>

- Average age of owned aircraft fleet is **7.7 years**
- Average remaining lease term is **5.9 years**

(1) Excluding AeroTurbine which owned five aircraft

(2) Excludes spare engine commitments

# Forward Order & Purchase/Leasebacks as of September 30, 2015



(Unit)	Remaining 2015	2016	2017	2018	2019	Thereafter	Total
Airbus A320 / A321neo	1	21	45	42	40	60	209
Airbus A350	1	10	11	6	-	-	28
Boeing 737NG	6	1	-	-	-	-	7
Boeing 737MAX	-	-	-	6	23	80	109
Boeing 787	4	13	17	16	5	-	55
Embraer E190 / 195-E2	-	-	-	5	14	31	50
<b>Total Units<sup>1</sup></b>	<b>12</b>	<b>45</b>	<b>73</b>	<b>75</b>	<b>82</b>	<b>171</b>	<b>458</b>

(1) Excludes spare engine commitments



# Leasing Expenses



(\$ million)	3Q 2015	3Q 2014
<b>Default and Restructuring Related<sup>1</sup></b>	<b>10.6</b>	<b>3.9</b>
<b>Normal Transition Costs</b>	<b>17.9</b>	<b>15.6</b>
<b>Maintenance Rights Expense</b>	<b>93.6</b>	<b>7.9</b>
<b>Lessor Maintenance Contributions</b>	<b>6.2</b>	<b>1.4</b>
<b>Other Leasing Costs</b>	<b>4.7</b>	<b>2.6</b>
<b>Leasing Expenses</b>	<b>133.0</b>	<b>31.4</b>

(1) 3Q 2015 default & restructuring related expenses involved 6 aircraft defaulting in 2014 and 2015; 3Q 2014 default & restructuring expenses involved 6 aircraft defaulting in 2013 and 2014



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