



AerCap Holdings N.V.

First Quarter 2013 Earnings Call

May 7, 2013

Pride • Dream • Passion

Disclaimer Incl. 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,” “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.

The information in this document is the property of AerCap Holdings N.V. and its subsidiaries and may not be copied or communicated to a fourth party, or used for any purpose other than that for which it is supplied without the express written consent of AerCap Holdings N.V. and its subsidiaries.

No warranty or representation is given concerning such information, which must not be taken as establishing any contractual or other commitment binding upon AerCap Holdings N.V. or any of its subsidiaries or associated companies.

First Quarter 2013 Headlines/ Financial Highlights

- ***Adjusted net income and earnings per share for the first quarter 2013 was \$68.0 million and \$0.60 respectively, (first quarter 2013 adjusted earnings per share increased 22% over first quarter 2012).***
- ***During the first quarter of 2013:***
 - ***\$0.4 billion of new aircraft were purchased,***
 - ***\$0.1 billion of aircraft were sold,***
 - ***\$0.1 billion of financing transactions were completed,***
 - ***and 34 aircraft transactions were executed.***

Net Income

(\$ Millions)	<u>1Q 2013</u>	<u>1Q 2012</u>
Reported Net Income	67.5	65.0
Adjusted for: mark-to-market on interest rate caps *	(1.3)	2.8
Adjusted for: cost of share-based compensation*	<u>1.8</u>	<u>1.3</u>
Adjusted Net Income**	68.0	69.1

* The adjustment is reduced for the tax impact as well as the amount relating to JV partners' share where applicable (which was deducted from net income through non-controlling interest).

** Slight decrease in adjusted net income driven by the sale of our ALS portfolio in Q4 2012, plus other aircraft sales which were completed since Q1 2012, partially offset by income generated from new aircraft purchases over the same period.



Earnings Per Share

	<u>1Q 2013</u>	<u>1Q 2012</u>
Earnings Per Share	\$0.59	\$0.46
Adjusted for: mark-to-market on interest rate caps and share based compensation	<u>0.01</u>	<u>0.03</u>
Adjusted Earnings Per Share*	\$0.60	\$0.49
Average Shares Outstanding (Million)	113.4	139.9

* The increase in adjusted earnings per share was driven primarily by the 26.5 million shares repurchased during 2012.



Revenue

(\$ Millions)	<u>1Q 2013</u>	<u>1Q 2012</u>
Basic Lease Rents	212.9	235.1
Maintenance Rents and Other Receipts	13.9	17.6
Management Fee and Interest Revenue	7.1	5.2
Other Revenue	0.9	0.2
Net Gain/(Loss) on Sales of Assets	<u>11.0</u>	<u>(0.2)</u>
Total Revenue	245.8	257.9

Net Interest Margin (Net Spread) – First Quarter 2013

(\$ Millions)	<u>1Q 2013</u>	<u>1Q 2012</u>
Net Interest Margin (Net Spread)	152.9	174.4
Annualized Margin %	8.3%	8.8%

* 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 and write-off of deferred financing costs.

Sales of Assets

AerCap continues to optimize its portfolio through the sale of aircraft:

In the first quarter of 2013, we sold one A330, one B737-800 and one MD-11 freighter aircraft.

In the first quarter of 2012, we sold one A330 and one B757.

(\$ Millions)	<u>1Q 2013</u>	<u>1Q 2012</u>
Pre-tax Gain/(Loss) from Aircraft Sales	11.0	(0.2)
Total Gain from Sales – adjusted for tax impact and amounts relating to JV partners' share	9.6	-

Expenses/Taxes

(\$ Millions)	<u>1Q 2013</u>	<u>1Q 2012</u>
Leasing Expenses	14.9	18.5
SG&A*	20.2	16.3
Impairment Charge**	2.7	-
Blended Tax Rate ***	8.0%	5.2%

** Increase in SG&A was driven primarily by the movement in the mark-to-market of foreign currency and other derivatives which was partially offset by lower legal fees and litigation expenses.*

*** The impairment charge recognized in 1Q 2013 related to the redelivery of two older Boeing 737 aircraft and was triggered by the release of \$9.9 million of maintenance reserves which was recorded in revenues.*

**** Estimated 2013 tax rate compared with full year 2012 actual tax rate. The blended effective tax rate in any year is impacted by the source and amount of earnings among AerCap's different tax jurisdictions.*



Cash

(\$ Millions)	<u>Q1 2013</u>	<u>Q1 2012</u>
Cash and Cash Equivalents at March 31 (Excl. Restricted Cash)	375.4	424.7
Total Cash Balance at March 31 (Incl. Restricted Cash)	663.7	728.3
Operating Cash Flow for the Quarter	148.9	166.5

Note: An undrawn working capital facility of \$290 million was also available at March 31, 2013.

Debt and Equity

(\$ Millions)	<u>1Q 2013</u>	<u>1Q 2012</u>
Total Debt at Quarter-End	5,794	6,177
Average Cost of Debt (including ~0.4% relating to amortization of debt issuance costs)*	4.0%	3.9%
Equity**	2,194	2,348
Debt / Equity Ratio	2.6 to 1	2.6 to 1

* Interest expense divided by average debt balance, excluding mark-to-market on interest rate caps, non recurring charges for the prepayments of secured loans and other charges not reflective of on-going interest costs.

** The decrease in equity is driven by the 26.5 million share repurchases, partially offset by an increase in retained earnings.



2013 Financial Outlook

Set forth below are the expected drivers for AerCap's 2013 financial performance, which are subject to change.

- **2013 committed aircraft purchases are ~\$1.1 billion.**
- **2013 maintenance contribution (maintenance & end-of-lease revenue less leasing expenses) is expected to be minimal.**
- **Contracted gain on sale of assets ~\$20 million in 2013.**
- **2013 average cost of debt including amortization of debt issuance costs is expected to be ~4%.**
- **2013 tax rate is expected to be ~8%.**

Supplemental Information



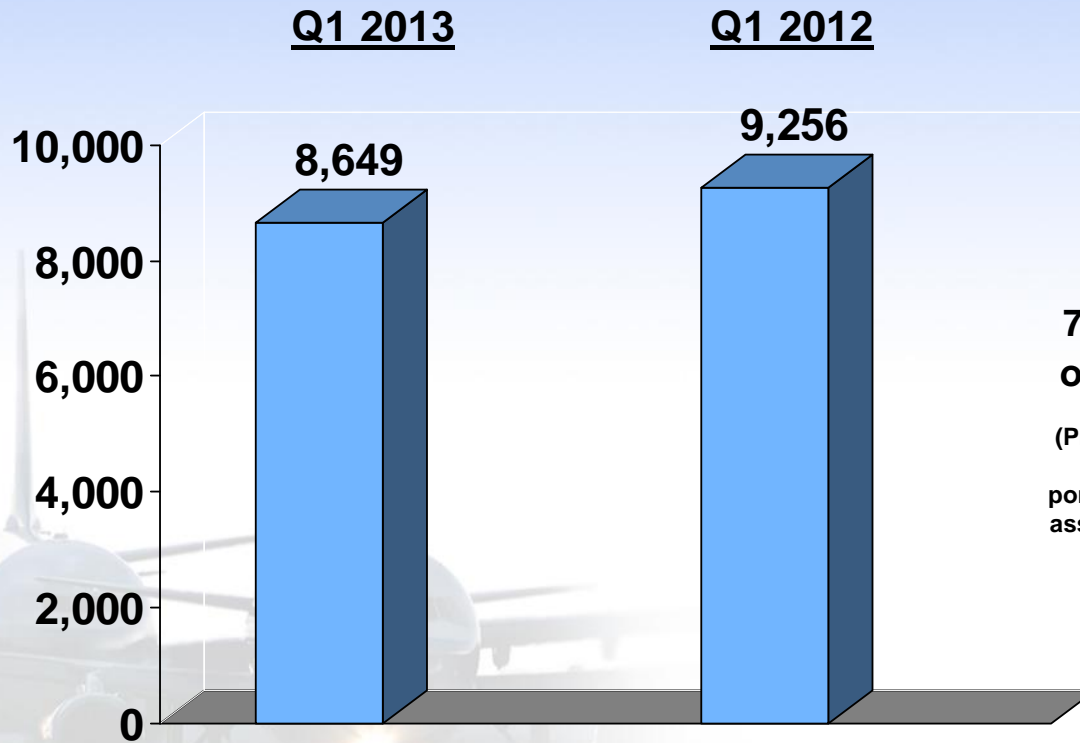
Aircraft Transactions First Quarter 2013

- 13 aircraft lease agreements & letters-of-intent executed
- 9 aircraft delivered to lessees
- 9 aircraft purchased
- 3 aircraft sold from our owned portfolio and 2 aircraft sold or subject to letters of intent for sale from our managed portfolio

Total Assets and Number of Aircraft

(\$ Millions)

**Total Assets
Owned and on
Balance Sheet**



**7% decrease
over Q1 2012**

(Primarily attributable to the sale of the ALS portfolio, now a managed asset, and partially offset by new aircraft deliveries.)

**Number of Aircraft
Owned, On Order, Managed,
AerDragon, Contracted
and LOI (units)**

341

367

The decrease of 26 aircraft is driven by purchase of aircraft (+1), contracted/LOI sale or part out of owned aircraft (-10), contracted/LOI sale or part out of managed aircraft (-13) and aircraft returned to head lessor (-4).

Value of aircraft under our management and owned by AerDragon was \$2.1 billion as of March 31, 2013.*

* Aircraft value was based on the average appraised value provided by three external appraisers between September 2012 and March 2013.



High Quality and Well-Diversified Portfolio

Aircraft Portfolio as of March 31, 2013

	Number of Owned Aircraft	% Net Book Value	Number of Managed & AerDragon Aircraft	Aircraft on Order	Aircraft under Sale / Purchase Contract or LOI	Total Aircraft
Airbus A300 Freighter	0	0.0%	1	0	0	1
Airbus A319	24	8.4%	6	0	0	30
Airbus A320	89	34.8%	30	3	0 **	122
Airbus A320 NEO	0	0.0%	0	0	5 **	5
Airbus A321	8	3.8%	14	0	0	22
Airbus A330	24	24.5%	4	4	-2	30
Boeing 737 (Classics)	2	0.1%	20	0	-6	16
Boeing 737 (NG)	60	24.7%	10	27 *	0	97
Boeing 747 Freighter	2	0.9%	0	0	0	2
Boeing 757	0	0.0%	2	0	0	2
Boeing 767	3	1.5%	3	0	-1	5
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
ERJ170-100	2	0.3%	0	0	0	2
	218	100.0%	93	34	-4	341

- 72% narrow body – “Work Horses” of industry
- High share of liquid / remarketable aircraft
- Average age of owned aircraft fleet 5.1 years
- Average remaining lease term 6.9 years

* Includes 10 firm aircraft and 5 purchase rights as part of a Boeing order and 12 aircraft as part of the American Airlines purchase-leaseback transaction.

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



Aircraft Portfolio Valuation – As of March 31, 2013

(\$ Billion)

	<u>Carrying Value or Price Paid</u>	<u>External Appraisers</u>	<u>Difference</u>
A320 Family, A330s, & B737NGs (~98% of Portfolio)	8.1	8.8	9%
B737 Classics and All Others (~2% of Portfolio)	<u>0.2</u>	<u>0.2</u>	-
Total Aircraft Assets	8.3	9.0	8%

Notes:

- Based on data as of March 31, 2013 provided by three external appraisers.
- Includes AerCap's currently owned aircraft plus forward orders (discounted to present).
- Excludes JV partner's share.



Aircraft Portfolio Valuation (Based on PV of Rent & Residual Values)

(\$ Billion)	<u>Carrying Value / Price Paid</u>	<u>PV of Contracted Rent</u>	<u>PV of Residual Value</u>	<u>Total Present Value</u>	<u>Difference</u>
Future Value Based on 3 Appraisers	8.3	5.3	3.7	9.0	8%
Future Value Based on Ascend	8.3	5.3	3.8	9.1	10%

Notes:

- Based on data as of March 31, 2013 provided by three external appraisers.
- Includes AerCap's currently owned aircraft plus forward orders (discounted to present).
- Excludes JV partner's share.



Committed Aircraft Purchases

	<u>1Q 2013</u>	<u>Remaining 2013*</u>	<u>Committed 2013</u>
Aircraft Purchases (\$ Millions)	412	705	1,117
Number of Aircraft Purchases (Units)	9	16	25

*Includes 12 committed aircraft as part of the American Airlines purchase-leaseback transaction.



Portfolio Management Metrics Owned Aircraft

<u>Lease Portfolio</u>	<u>1Q 2013</u>	<u>FY 2012</u>
Utilization Rate*	99.6%	98.5%
Portfolio Yield**	12.3%	12.7%
Average Term (Previous 12 Months)		
– New Leases for New Aircraft (Months)	150***	149
– New Leases for Used Aircraft (Months)	68****	66

*Days utilized weighted by the book value of flight equipment divided by total days in the period.

**Lease revenue divided by the average book value of flight equipment. The lower portfolio yield was due primarily to the sale of the ALS portfolio.

***Reflects lease agreements and LOIs for 28 new aircraft signed in the previous 12 months.

****Reflects lease agreements and LOIs for 23 used aircraft signed in the previous 12 months.



Leasing Expenses

(\$ Millions)	<u>1Q 2013</u>	<u>1Q 2012</u>
Default & Restructuring Related*	1.6	13.0
Normal Transition Costs	6.4	2.9
Lessor Maintenance Contributions	6.3	1.0
Other Leasing Costs	<u>0.6</u>	<u>1.6</u>
Total Leasing Expenses	14.9	18.5

* 2013 default and restructuring related costs were due to defaults and restructurings that occurred in 2012.



SG&A

(\$ Millions)	<u>1Q 2013</u>	<u>1Q 2012</u>
Mark-to-market of: foreign currency hedges, foreign currency cash balances, and other derivatives	0.6	(4.9)
Share-based compensation expenses	2.1	1.5
Other Selling, General and Administrative expenses*	<u>17.5</u>	<u>19.7</u>
Total Selling, General and Administrative expenses	20.2	16.3

* The decrease in other selling, general and administrative expenses was driven primarily by lower legal fees and litigation expenses.