



AerCap Holdings N.V.

Third Quarter 2009 Earnings Call

November 6, 2009

• *Pride* • *Dream* • *Passion*

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Third Quarter 2009 Financial Highlights

- Net income was \$39.2 million for third quarter 2009, exclusive of non-cash charges relating to mark-to-market of interest rate caps and share-based compensation
- Earnings per share for third quarter 2009 were \$0.46 on the same basis
- Basic rents in third quarter 2009 increased 7% from third quarter 2008, while interest expense excluding the mark-to-market of interest rate caps declined by 30%
 - Net spread, the difference between basic rents and the adjusted interest expense, was \$114.6 million in third quarter 2009, an increase of 23%
- Total assets were \$6.4 billion as of September 30, 2009, up 22% from September 30, 2008
- Aviation assets purchased and delivered in the first nine months of 2009 were \$1.1 billion

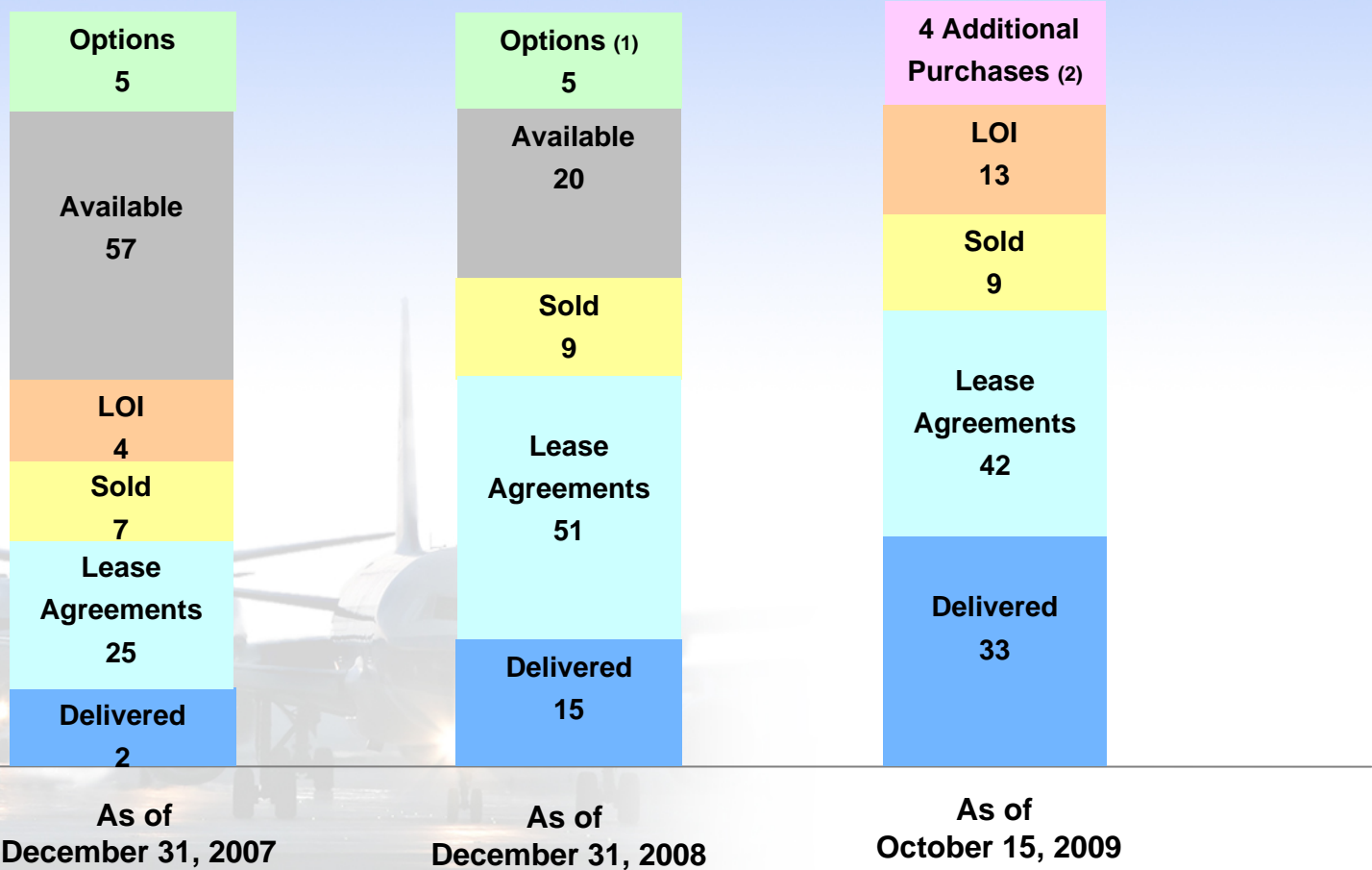
Genesis Transaction Update

- Two of three regulatory approvals obtained (Germany and US received, awaiting Turkey)
- Initial comments received from SEC this week
- Transitional activities underway
- Closing most likely early 2010 (based on timing of SEC initial comments)

Aircraft and Engine Transactions During Third Quarter 2009

- 11 new aircraft lease agreements & letters-of-intent executed
- 8 aircraft and 14 engines delivered to lessees
- 6 aircraft and 3 engines purchased
- 3 aircraft and 3 engines sold from our owned and managed portfolios

Forward Order Aircraft



Aircraft Orders Fully Placed other than 4 New Additions Delivering in 2013

(1) Options have expired in 1Q 2009

(2) 4 additional A320s delivering 2H 2013 were purchased in connection with the placement of 4 aircraft in 2010 with Spirit Airline (with Airbus support)

Net Income

(\$ Million)	<u>3Q 2008</u>	<u>3Q 2009</u>
Total Net Income	51.3*	35.5**
Mark-to-market on interest rate caps	8.2	3.0
Share-based compensation	<u>1.7</u>	<u>0.7</u>
Net Income excluding above charges	<u>61.2*</u>	<u>39.2**</u>

* 3Q 2008 includes ~\$30.6 million maintenance rents and end-of-lease compensation (net of tax)

** 3Q 2009 includes ~\$10.0 million maintenance rents and end-of-lease compensation (net of tax)

Net Income Analysis

(\$ million)	<u>3Q 2008</u>	<u>3Q 2009</u>	<u>Variance</u>
Net Spread	93.3	114.6	21.3
Depreciation	(45.3)	(55.7)	(10.4)
SG&A	<u>(33.4)</u>	<u>(27.8)</u>	<u>5.6</u>
Subtotal	14.6	31.1	16.5
Maintenance Revenue – Change in Est.	12.9	0.0	(12.9)
Impact from 2008 Defaults – Maint. Rev.	8.3	0.0	(8.3)
Impact from 2008 Defaults – Leasing Exp.	(0.1)	(4.3)	(4.2)
Gain from Sales	13.6	9.0	(4.6)
All Other (Incl. Taxes and Minority Interest)	<u>2.0</u>	<u>(0.3)</u>	<u>(2.3)</u>
Net Income	51.3	35.5	(15.8)

Earnings Per Share

	<u>3Q 2008</u>	<u>3Q 2009</u>
Earnings Per Share	\$0.60*	\$0.42**
Adjusted for: mark-to-market on interest rate caps and share based compensation	0.12	0.04
Earnings Per Share excluding above charges	\$0.72*	\$0.46**
Average Shares Outstanding (Million)	85.0	85.0

* 3Q 2008 includes ~\$0.36 per share maintenance rents and end-of-lease compensation (net of tax)

** 3Q 2009 includes ~\$0.12 per share maintenance rents and end-of-lease compensation (net of tax)



Total Revenue

(\$ Million)

	<u>3Q 2008</u>	<u>3Q 2009</u>
Basic Lease Rents	132.9	142.4
Maintenance/End-of-Lease Revenue	35.0	11.4*
Sales Revenue	122.4	49.0
Management Fees and Interest Income	8.0	5.3
Other Revenue	<u>3.6</u>	<u>4.4</u>
Total Revenue	<u>301.9</u>	<u>212.5</u>

Basic rents
up 7% over
third quarter
2008

* Decrease in maintenance rents largely due to \$21.2 million of non-recurring amounts which occurred in 3Q 2008 and were the result of a change-in-estimate (cumulative catch-up) plus airline defaults

Net Spread (Margin) – Third Quarter

(\$ Million)	<u>3Q 2008</u>	<u>3Q 2009</u>	<u>% Change</u>
Basic Lease Rents	132.9	142.4	7%
Less: Interest Expense*	<u>(39.6)</u>	<u>(27.8)</u>	(30%)
Net Spread (Margin)	93.3	114.6	23%
Average Lease Assets	3,731	4,596	23%
Annualized Margin (% Lease Assets)	10%	10%	

* Excludes non-cash charges relating to the mark-to-market of interest rate caps

Net Spread (Margin) – First Nine Months of 2009

(\$ Million)	<u>YTD 2008</u>	<u>YTD 2009</u>	<u>% Change</u>
Basic Lease Rents	386.0	425.2	10%
Less: Interest Expense*	<u>(114.2)</u>	<u>(85.5)</u>	(25%)
Net Spread (Margin)	271.8	339.7	25%
Average Lease Assets	3,490	4,368	25%
Annualized Margin (% Lease Assets)	10%	10%	

* Excludes non-cash charges relating to the mark-to-market of interest rate caps

Sales

(\$ Million)	<u>3Q 2008</u>	<u>3Q 2009</u>
Aircraft Sales	96.8	5.2
Engine Sales	6.0	13.2
Part Sales	<u>19.6</u>	<u>30.6</u>
Total Sales	<u>122.4</u>	<u>49.0</u>
Total Gain from Sales (pre-tax)	<u>13.6</u>	<u>9.0</u>

Leasing Expenses and SG&A

	<u>3Q 2008</u>	<u>3Q 2009</u>	<u>% Change</u>
(\$ Million)			
Operating lease in costs	4.3	3.3	(23%)
Leasing expenses *	5.4	10.6	96%
SG&A	33.4	27.8	(17%)
Other Expenses **	<u>0.0</u>	<u>1.9</u>	Unfavorable
Total Leasing Expenses and SG&A	43.1	43.6	(1%)

* Details on following page

** Accrual of expenses relating to the merger with Genesis



Leasing Expenses

(\$ Million)	<u>3Q 2008</u>	<u>3Q 2009</u>
Default Related Costs	0.1	4.3*
Normal Transition Costs	4.4	3.2
Lessor Maintenance Contributions	(0.8)**	1.6
AeroTurbine & Other Leasing Costs	<u>1.7</u>	<u>1.5</u>
Total Leasing Expenses	5.4	10.6

* Costs relate to airline defaults which occurred during 2008 (Gemini, InterExpress, Zoom)

** Negative lessor contribution due to reversal of earlier accrual



Impact from Defaults & Restructuring

(\$ Millions)

	<u>3Q 2009</u>	<u>YTD 2009</u>	<u>2008 Total</u>
Lost Basic Lease Rents (Net of Security Deposits)	(0.9)	(4.1)	(14.3)
Provision for Doubtful Accounts Receivable	0.0	0.0	(1.1)
Maintenance Rents	0.0	0.0	12.2
Leasing Expenses	<u>(4.3)</u>	<u>(15.6)</u>	<u>(15.5)</u>
Total	(5.2)	(19.7)	(18.7)

Accounting Specifics

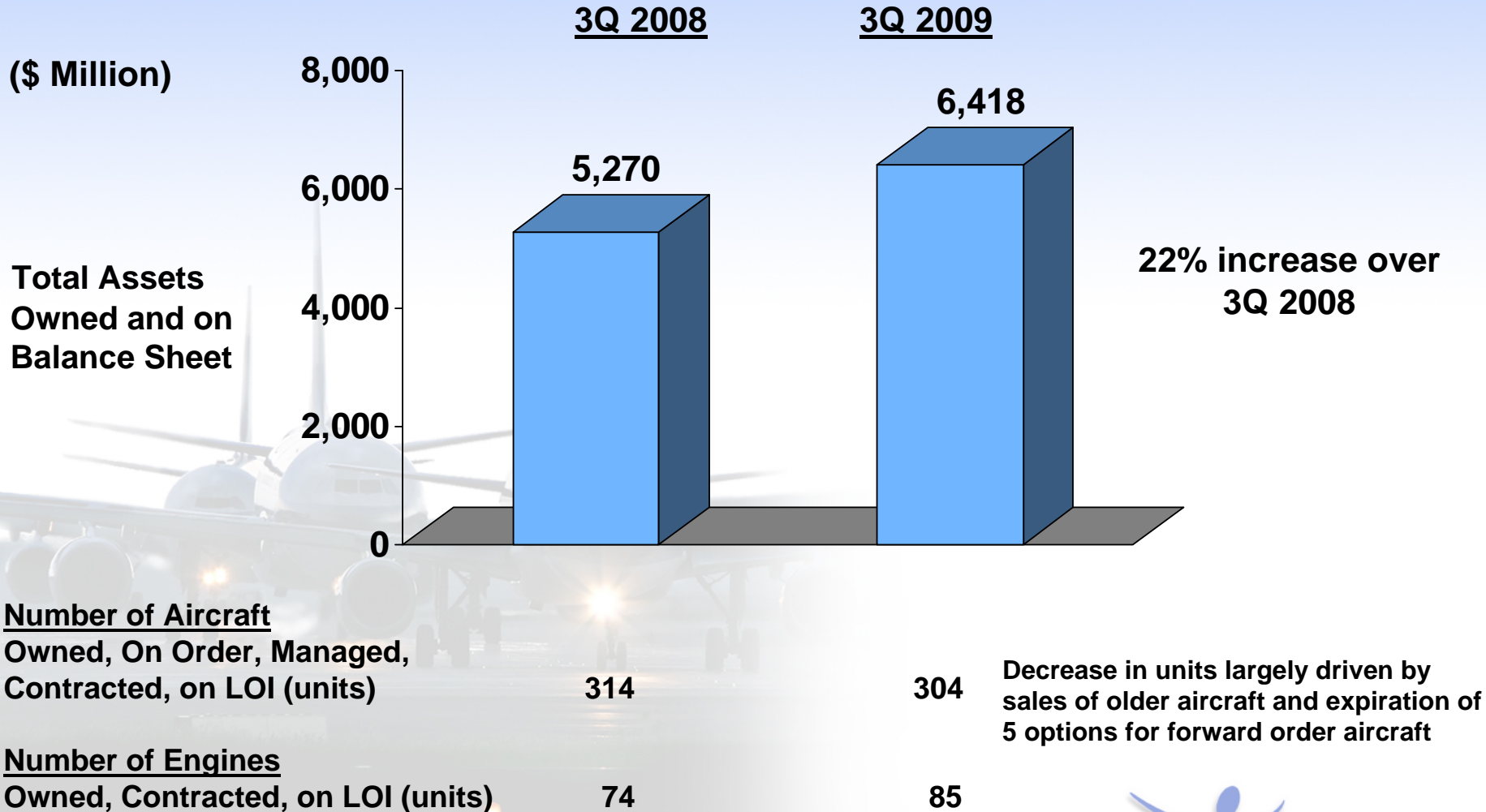
- Security deposits are applied against past-due rents, reducing impact from lost rents
- Maintenance rents held are recorded as revenue upon lease termination
- Costs are expensed as incurred

Tax Rate

	<u>FY 2008</u>	<u>YTD 2009</u>
Tax Rate for Aircraft	2.0% Charge	0.4% Charge
Tax Rate for Engine/Parts	(56.8%) Income	36.4% Charge
Blended Tax Rate	(0.3%) Income	2.5% Charge

Note: The tax income in 2008 resulted because the most significant portion of the charges relating to airline defaults and inventory impairments occurred in the higher tax rate jurisdictions, and the most significant portion of pre-tax earnings occurred in the lower tax rate jurisdictions.

Total Assets and Number of Aircraft/Engines



Purchases of Aviation Assets

(\$ Million)	<u>YTD 2009</u>	<u>Total 2009 Commitments</u>
Aircraft Related	1,070	1,789
Engines/Airframes	<u>39</u>	<u>43</u>
Total Purchases	1,109	1,832
<hr/>		
Number of Aircraft Purchases (Units)	27	41

Portfolio Management Metrics Owned Aircraft

<u>Lease Portfolio</u>	<u>FY 2008</u>	<u>YTD 2009</u>
Utilization Rate	97.7%	98.0%
Portfolio Yield*	16.9%	14.8%
Average Term (Months)		
– New Leases for New Aircraft	124	135**
– New Leases for Used Aircraft	65	46***

* Lease revenue divided by average book value of flight equipment

** Reflects 11 lease agreements and 21 LOIs for new aircraft leases signed during 1Q, 2Q and 3Q 2009

*** Reflects 4 lease agreements and 6 LOIs for used aircraft leases signed during 1Q, 2Q and 3Q 2009

Cash

(\$ million)

3Q 2009

Cash and Cash Equivalents at Sept. 30, 2009

\$203

Total Cash Balance at Sept. 30, 2009 (Incl. Restricted Cash)

\$324

Operating Cash Flow for 3Q 2009

\$119



Debt and Equity

(\$ Million)

	<u>3Q 2008</u>	<u>3Q 2009</u>
Total Debt	3,603	4,593
Average Cost of Debt in Third Quarter*	4.3%	2.6%
Equity	1,151	1,335
Debt / Equity Ratio	3.1 to 1**	3.4 to 1**

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

** Debt/Equity ratio is 2.9 to 1 for 3Q 2008 and 3.2 to 1 for 3Q 2009 if subordinated debt of \$63 million received from JV partner is treated as equity

2009 Financial Outlook (AerCap Stand-Alone)

The financial markets and access to capital remain uncertain and volatile. As a result, AerCap's 2009 financial outlook is less certain than in years past, particularly given the stresses imposed by the global economic climate on the financial conditions of many of our business partners, competitors and contract counterparties. Notwithstanding the foregoing, set forth below are the anticipated drivers for AerCap's 2009 financial performance, which are subject to change, in light of the highly fluid market conditions.

- Purchases of aviation assets in all of 2009 expected to be ~\$1.8 billion
- 2009 basic lease revenue expected to increase ~11% over 2008 and net spread expected to increase ~25%
- 2009 sales revenue expected to be ~\$240 million; Two of the six sales of forward order A320 aircraft (to be recorded as Other Revenue) originally expected in 4Q 2009 now expected to occur in 1Q 2010
- 2009 average cost of debt expected to be ~3%
- 2009 blended tax rate expected to be ~3%
- 2009 ROE expected to be ~15%, due mostly to lower gain from sales and the impact of airline defaults

2010 Financial Outlook (Combined Company)

The financial markets and access to capital remain uncertain and volatile. As a result, the 2010 financial outlook is less certain than in years past, particularly given the stresses imposed by the global economic climate on the financial conditions of many of our business partners, competitors and contract counterparties. Notwithstanding the foregoing, set forth below are the anticipated drivers for the 2010 financial performance, which are subject to change, in light of the highly fluid market conditions.

- Purchases of aviation assets in all of 2010 expected to be ~\$2.5 billion
- 2010 lease revenue including maintenance revenue expected to be ~\$1.0 - \$1.1 billion
- 2010 sales revenue expected to be ~\$0.5 billion (AeroTurbine plus the sale of three forward order A330 aircraft and the possible sales of older aircraft); Two of the six sales of forward order A320 aircraft originally expected in 4Q 2009 now expected to occur in 1Q 2010 (Other Revenue)
- 2010 SG&A cost savings from amalgamation expected to be ~\$8 million (partial year)
- 2010 average cost of debt expected to be ~5%
- 2010 blended tax rate expected to be ~8-10%



Appendix



High Quality and Well Diversified Portfolio

Aircraft Portfolio as of September 30, 2009

	Number of Owned Aircraft	% Net Book Value	Number of Managed Aircraft	Aircraft on Order	Aircraft under Purchase Contract or LOI	Total Aircraft
Airbus A300 Freighter	1	0.6%	0	0	0	1
Airbus A319	18	11.9%	0	10	2	30
Airbus A320	71	40.9%	16	29	5	121
Airbus A321	16	10.0%	1	3	0	20
Airbus A330	10	14.0%	0	25	0	35
Boeing 737 (Classics)	14	2.6%	29	0	0	43
Boeing 737 (NG)	19	13.4%	0	0	6	25
Boeing 757	11	3.1%	3	0	0	14
Boeing 767	4	2.5%	2	0	0	6
MD 11 Freighter	1	0.7%	1	0	0	2
MD-82	2	0.1%	1	0	0	3
MD-83	4	0.2%	0	0	0	4
	171	100.0%	53	67	13	304

- 82% narrowbody – “Work Horses” of industry
- High share of liquid / remarketable aircraft
- Average age of owned aircraft fleet 6.2 years
- 85 engines in portfolio, as of September 30, 2009, incl. 1 on order and 2 under purchase LOI
 - CFM56 engines, one of the most widely used engines in the commercial aviation industry, represented 61% of our engine portfolio

Aircraft Portfolio Valuation

(\$ Billion)	<u>Carrying Value or Price Paid</u>	<u>External Appraisers</u>	<u>Difference/ Appraisers Value</u>
A320 Family, A330s, & B737NGs (~95% of Portfolio; ...only ~11% > 8 Years of Age)	6.00	6.79	13%
B757s, B767s, A300s (~3.0% of Portfolio)	0.16	0.18	13%
B737 Classics and All Others (~2.0% of Portfolio)	<u>0.15</u>	<u>0.17</u>	13%
Total Aircraft Assets	6.31	7.14	13%

Note:

- Based on data provided by external appraisers (Ascend, BK Associates and AISI)
- Includes AerCap's currently owned aircraft plus forward orders (discounted to present)
- Based on information as of September 30, 2009
- Excluding JV partner's share