



AerCap Holdings N.V.

First Quarter 2010 Earnings Call

May 7, 2010

• *Pride* • *Dream* • *Passion*

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First Quarter 2010 Highlights

- Net income was \$46.7 million for first quarter 2010, exclusive of the impact relating to mark-to-market of interest rate caps and share-based compensation
- Earnings per share for first quarter 2010 was \$0.55, exclusive of the impact relating to mark-to-market of interest rate caps and share-based compensation
- Basic rents in first quarter 2010 increased 17% from first quarter 2009, while interest expense excluding the mark-to-market of interest rate caps increased 13% from first quarter 2009
 - The difference between basic rents and the adjusted interest expense (net spread) was \$133.0 million in first quarter 2010, an increase of 18%
- Total assets were \$8.7 billion as of March 31, 2010, up 50% from March 31, 2009 (an increase of \$ 1.6 billion relates to the Genesis Transaction which was completed on March 25, 2010)
 - Book equity was \$1.9 billion

Aircraft and Engine Transactions During First Quarter 2010

- 6 aircraft lease agreements & letters-of-intent executed
- 12 aircraft and 12 engines delivered to lessees
- 20 aircraft and 5 engines purchased
- 5 aircraft (including 3 forward order positions) and 3 engines sold from our owned portfolio

1Q 2010 Financial Impact from Genesis Transaction

- **The Genesis Transaction was completed on March 25, 2010 and is fully reflected in the AerCap Consolidated Balance Sheet as of March 31, 2010**
 - Total Assets increased by \$1.6 billion to \$8.7 billion
 - Flight Equipment increased by \$1.3 billion to \$7.2 billion
 - Total Debt increased by \$1.0 billion to \$6.1 billion
 - Total Equity increased by \$0.4 billion to \$1.9 billion
 - Total Maint. Reserves / Sec. Deposits increased by \$ 0.1 billion to \$ 0.4 billion
- **There is no impact from the closing of the Genesis Transaction to the 1Q 2010 AerCap Consolidated Income Statement other than one line reflecting a \$0.3 million amalgamation gain (net of transaction expenses and tax)**
- **The closing of Genesis Transaction is also reflected in just one line in the 1Q 2010 AerCap Consolidated Cash Flow Statement (Purchase of Subsidiaries, Net of Cash Acquired)**
- **Beginning in 2Q 2010, the impact from the Genesis Transaction will be fully reflected in the consolidated income and cash flow statements**
- **The integration of the Genesis Transaction is progressing well and is expected to be completed during second quarter 2010**

Net Income

(\$ Million)	<u>1Q 2009</u>	<u>1Q 2010</u>
Total Net Income	30.0	34.4
Adjusted for: Mark-to-market on interest rate caps	0.7	11.6
Adjusted for: Share-based compensation	<u>0.8</u>	<u>0.7</u>
Net Income excluding above charges	31.5	46.7

Earnings Per Share

	<u>1Q 2009</u>	<u>1Q 2010</u>
Earnings Per Share	\$0.35	\$0.40
Adjusted for: mark-to-market on interest rate caps and share based compensation	<u>0.02</u>	<u>0.15</u>
Earnings Per Share excluding above charges	\$0.37	\$0.55
Average Shares Outstanding (Million)	85.0	85.0

Total Revenue

(\$ Million)	<u>1Q 2009</u>	<u>1Q 2010</u>
Basic Lease Rents	141.4	165.8
Maintenance/End-of-Lease Revenue	19.8	9.5
Sales Revenue	41.7	182.4
Management Fees and Interest Income	5.4	3.9
Other Revenue	<u>0.2</u>	<u>2.4</u>
Total Revenue	208.5	364.0

Net Spread (Margin)

(\$ Million)	<u>1Q 2009</u>	<u>1Q 2010</u>	<u>% Change</u>
Basic Lease Rents	141.4	165.8	17%
Less: Interest Expense*	<u>(28.9)</u>	<u>(32.8)</u>	13%
Net Spread (Margin)	112.5	133.0	18%
Average Lease Assets**	4,145	5,435	31%
Annualized Margin (% Lease Assets)	10.9%***	9.8%	

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

** Average age of aircraft portfolio was 5.3 years as of March 2010, vs. 7.0 years as of March 2009

*** Fourth quarter 2009 net spread % was 10.1% and full year 2009 net spread % was 10.2%

Sales

(\$ Million)	<u>1Q 2009</u>	<u>1Q 2010</u>
Aircraft Sales	0.0	140.8
Engine Sales	10.9	7.8
Part Sales	<u>30.8</u>	<u>33.8</u>
Total Sales Revenue	41.7	182.4
Total Gain from Sales	7.9	26.3

Leasing Expenses and SG&A

(\$ Million)	<u>1Q 2009</u>	<u>1Q 2010</u>	<u>% Change</u>
Operating lease in costs	3.3	3.2	(3%)
Leasing expenses *	19.2	10.5	(45%)
SG&A	<u>27.2</u>	<u>29.9</u>	<u>10%</u>
Total Leasing Expenses and SG&A	49.7	43.6	(12%)

* Details on following page

Leasing Expenses

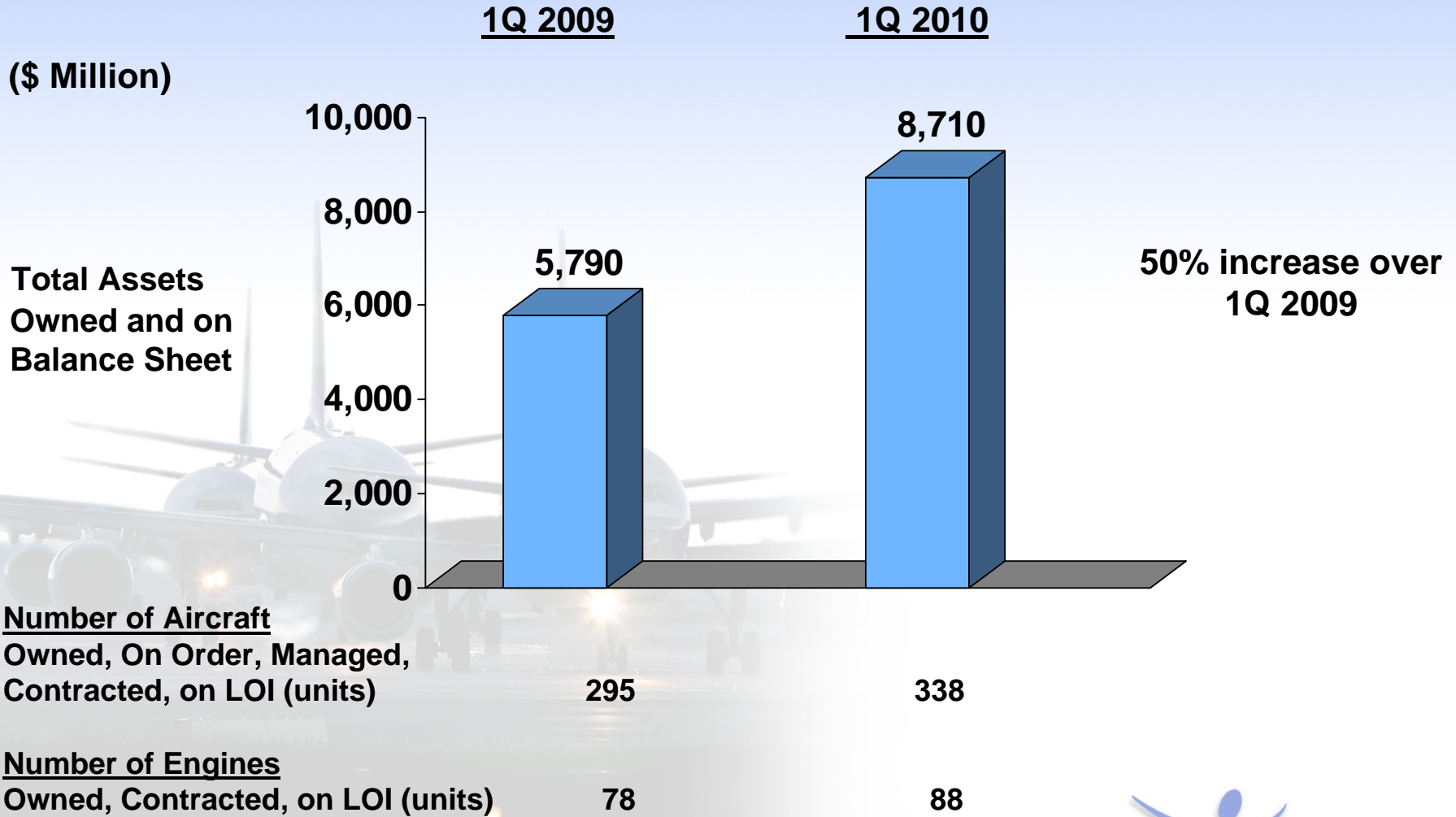
(\$ Million)	<u>1Q 2009</u>	<u>1Q 2010</u>	<u>% Change</u>
Default Related Leasing Expenses *	6.1	0.0	(100%)
Normal Transition Costs	2.7	2.3	(15%)
Lessor Maintenance Contributions	2.0	1.2	(40%)
AeroTurbine & Other Leasing Costs	<u>8.4</u>	<u>7.0</u>	<u>(17%)</u>
Total Leasing Expenses	19.2	10.5	(45%)

*Costs in 2009 relate to airline defaults which occurred during 2008 (Gemini, InterExpress, Zoom)

Tax Rate

	<u>FY 2009</u>	<u>1Q 2010</u>
Tax Rate for Aircraft	0.0%	11.3% Charge
Tax Rate for Engine/Parts	<u>36.8%</u> Charge	<u>(30.8%)</u> Income
Blended Tax Rate	1.9% Charge	10.0% Charge

Total Assets and Number of Aircraft/Engines



Purchases of Aviation Assets

(\$ Million)	<u>1Q 2010</u>	<u>Remaining 2010</u>	<u>Total 2010</u>
Aircraft Related	882	1,314	2,196
Engines/Airframes	<u>6</u>	<u>18</u>	<u>24</u>
Total Purchases	888	1,332	2,220
Number of Aircraft Purchases (Units)	20	27	47

Note: Genesis Transaction added an additional 54 aircraft (\$1.3 billion) to numbers above

Portfolio Management Metrics Owned Aircraft

<u>Lease Portfolio</u>	<u>FY 2009</u>	<u>1Q 2010</u>
Utilization Rate	98.1%	98.9%
Portfolio Yield*	14.3%	12.9%
Average Term (Months)		
– New Leases for New Aircraft	139	**144
– New Leases for Used Aircraft	50	*** 62

* Lease revenue divided by average book value of flight equipment

** Reflects 3 LOIs for new aircraft leases signed during 1Q 2010

*** Reflects 1 lease agreement and 2 LOIs for used aircraft leases signed during 1Q2010

Cash

(\$ Million)

1Q 2010

Cash and Cash Equivalents at March 31, 2010

\$225.9

Total Cash Balance at March 31, 2010 (Incl. Restricted Cash)

\$440.4

Operating Cash Flow for 1Q 2010

\$137.6

Debt and Equity

(\$ Million)	<u>1Q 2009</u>	<u>1Q 2010</u>
Total Debt at Quarter-End	4,134	6,083
Average Cost of Debt*	2.8%	2.6%
Equity	1,161	1,860
Debt / Equity Ratio**	3.6 to 1	3.3 to 1

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

** If subordinated debt received from JV partner is treated as equity, Debt/Equity ratio was 3.3 to 1 for 1Q 2009 and 3.1 to 1 for 1Q 2010

2010 Financial Outlook

AerCap expects to grow earnings based on the committed aircraft purchases despite the continued uncertainties of the financial markets. Set forth below are the anticipated drivers for AerCap's 2010 financial performance, which are subject to change, in light of the highly fluid market conditions.

- **Purchases of aviation assets in 2010 expected to be ~\$2.2 billion**
 - **\$3.5 billion including Genesis aircraft portfolio**
- **2010 basic lease revenue expected to increase ~60% over 2009**
- **2010 gain from aircraft sales expected to be ~25% higher vs. 2009, based on committed sales of A330s and A320s**
- **2010 average cost of debt expected to be ~4.0%**
- **2010 tax rate expected to be ~10%**
- **2010 ROE expected to be in line with 2009**

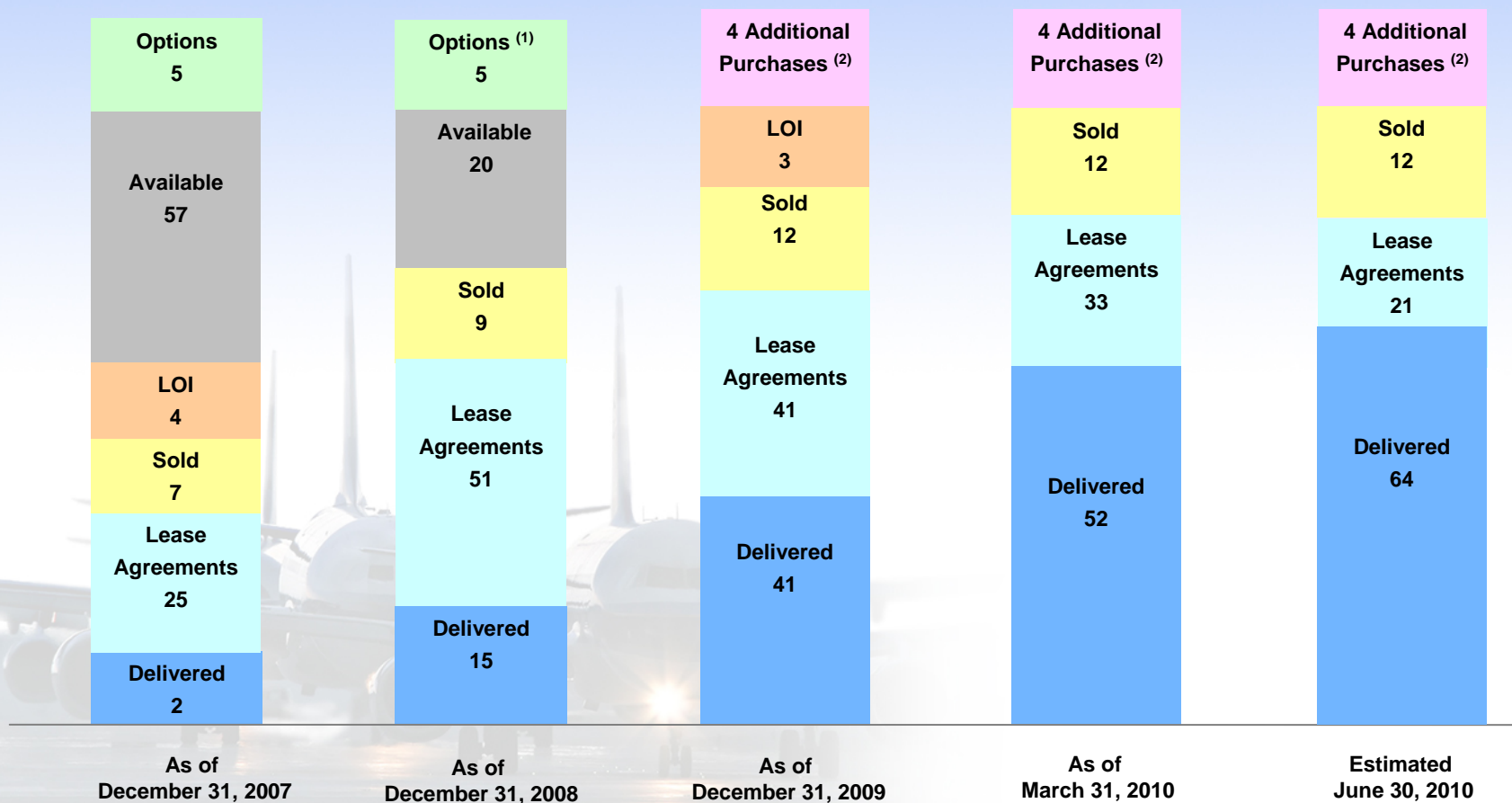
2Q Outlook – EPS Impact of Aircraft Sales / One-Offs

	<u>1Q 2010</u>	<u>2Q 2010</u>
Aircraft Sales	\$0.13	\$0.06
Other One-Offs	<u>\$0.02</u>	<u>\$0.00</u>
EPS Impact	\$0.15	\$0.06

Appendix



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 to Spirit Airlines (with Airbus support)

High Quality and Well Diversified Portfolio

Aircraft Portfolio as of March 31, 2010

	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	0.4%	0	0	0	1
Airbus A319	26	10.5%	0	3	2	31
Airbus A320	103	39.5%	11	16	3	133
Airbus A321	18	7.7%	1	2	0	21
Airbus A330	17	17.1%	0	18	0	35
Boeing 737 (Classics)	12	1.2%	27	0	0	39
Boeing 737 (NG)	44	17.3%	0	0	2	46
Boeing 747	2	1.3%	0	0	0	2
Boeing 757	9	1.6%	3	0	0	12
Boeing 767	6	2.4%	2	0	0	8
MD 11 Freighter	1	0.4%	1	0	0	2
MD-82	2	0.0%	0	0	0	2
MD-83	4	0.1%	0	0	0	4
ERJ170-100	2	0.4%	0	0	0	2
	247	100.0%	45	39	7	338

- **78% narrow body – “Work Horses” of industry**
- **High share of liquid / remarketable aircraft**
- **Average age of owned aircraft fleet 5.7 years**
- **88 engines in portfolio, as of March 31, 2009, incl. 1 on order and 2 under a letter of intent to purchase**
 - **CFM56 engines, one of the most widely used engines in the commercial aviation industry, represented 61% of our engine portfolio**