

GLOBAL LEADER IN AVIATION



February 23, 2015

Fourth Quarter 2014 Financial Results

AerCap Holdings N.V.



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- **Adjusted net income**¹ was **\$296.7 million** for 4Q 2014 (reported net income of \$298.2 million), and **\$855.5 million** for FY 2014 (reported net income of \$810.4 million)
- **Adjusted basic earnings**¹ per share were **\$1.40** for 4Q 2014 (reported basic earnings per share of \$1.41), and **\$4.86** for FY 2014 (reported basic earnings per share of \$4.61)
- The **new share repurchase program** will run through December 31, 2015 and will allow total repurchases of up to **\$250 million** in 2015

Update on Strategic Execution

- Integration of ILFC remains on plan
- Maintained one of the **industry's most attractive order books**, purchasing **33** aircraft during 2014 with a total value of **\$2.3 billion**
- Demonstrated the scale of our platform and continued demand for modern fuel-efficient aircraft, executing **365 aircraft transactions in 2014**
- Made **substantial progress deleveraging**, ending the quarter with **debt/equity ratio**² of **3.4 to 1**; expect debt/equity ratio of 3.0 to 1 in 2015

(1) Adjusted net income and earnings per share has been redefined and no longer includes an adjustment relating to share-based compensation costs. The adjustments made include the mark-to-market of interest caps and swaps, transaction and integration related expenses, and maintenance rights related expense

(2) Refer to slide 15: Capital Structure

- **Key targets relating to the acquisition of ILFC have been met or exceeded:**
 - transfer of aircraft to Ireland has been completed
 - de-leveraging plan has been accelerated
 - annualized earnings of **\$1.0 billion** have been reached
 - relocation of personnel has been completed and realization of cost synergies remain on plan
- Our **fleet utilization rate** was **99.2%** for the full year of 2014
 - As of December 31, 2014, the **average age of our owned aircraft** was **7.7 years** and the **average remaining contracted lease term** was **5.7 years**
- As of December 31, 2014, we had **committed to purchase 380 aircraft** with scheduled delivery dates through 2022. Over 90% of our committed purchases delivering through December 2017 and over 60% delivering through 2019 are placed, either under lease contract or a letter of intent
- Since September 30, 2014, we **signed agreements** for the lease of **44 Airbus A320neo family** aircraft and **five Airbus A350** aircraft from our order book
- As of December 31, 2014, we had **\$7.3 billion** of **available liquidity**. Since the announcement of the ILFC transaction in December 2013, **\$13.0 billion** of **financing has been raised**

Share Repurchase Program



- AerCap will initiate a **new share repurchase program**
- The new share repurchase **program will run through December 31, 2015** and will allow **total repurchases of up to \$250.0 million in 2015**
- Repurchases under the program may be made through open market purchases or privately negotiated transactions in accordance with applicable U.S. federal securities law. The timing of repurchases and the exact number of shares of common stock to be purchased will be determined by the Company's management, in its discretion, and will depend upon market conditions and other factors. The program will be funded using the Company's cash on hand and cash generated from operations. The program may be suspended or discontinued at any time

(\$ millions)	4Q 2014	4Q 2013	FY 2014	FY 2013
Reported Net Income	298.2	65.6	810.4	292.4
Adjusted for:				
• Mark-to-market on interest rate caps and swaps, net of tax	4.2	(1.9)	14.6	(10.2)
• Transaction and integration related expenses, net of tax ¹	10.4	9.1	130.2	9.6
• Maintenance rights related expenses, net of tax	(16.1)	-	(99.7)	-
Adjusted Net Income	296.7	72.8	855.5	291.8

(1) All remaining transaction and integration costs will be incurred during 2015 (~\$15.0 million expected)

Basic Earnings Per Share



	4Q 2014	4Q 2013	FY 2014	FY 2013
Earnings Per Share	\$1.41	\$0.58	\$4.61	\$2.58
Adjusted for:				
Mark-to-market on interest rate caps and swaps, transaction and integration related expenses ¹ and maintenance rights related expenses	\$(0.01)	\$0.06	\$0.25	\$(0.01)
Adjusted Earnings Per Share	\$1.40	\$0.64	\$4.86	\$2.57
Average Shares Outstanding - Basic (million)	212.1	113.6	175.9	113.5

(1) All remaining transaction and integration costs will be incurred during 2015 (~\$15.0 million expected)

Revenues and Other Income



(\$ millions)	4Q 2014	4Q 2013	FY 2014	FY 2013
Basic Lease Rents¹	1,159.0	234.9	3,282.8	901.6
Maintenance Rents and Other Receipts²	124.1	26.6	215.5	74.5
Net Gain on Sale of Assets	25.8	9.6	37.5	41.9
Other Income³	28.0	6.7	104.5	32.1
Total Revenues and Other Income	1,336.9	277.8	3,640.3	1,050.1

(1) Fourth quarter 2014 basic lease rents increased over the same period in 2013, driven primarily by the ILFC transaction and new aircraft purchases

(2) Maintenance revenue includes ~\$57.0 million relating to aircraft that prematurely terminated or defaulted in 4Q

(3) Increase driven by the ILFC transaction and relates primarily to income from parts sales of our AeroTurbine subsidiary

Net Interest Margin (Net Spread)



(\$ millions)	4Q 2014	4Q 2013	FY 2014	FY 2013
Net Interest Margin (Net Spread)¹	883.5	175.7	2,519.2	663.6
Average Lease Assets²	36,066.2	8,058.1	25,907.2	7,750.2
Annualized Net Spread %	9.8%	8.7%	9.7%	8.6%

(1) 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. Interest expense in the fourth quarter of 2014 includes ~\$12 million of one-time charges relating to debt breakage costs on aircraft sales and interest costs on our ALS investment

(2) Includes flight equipment held for operating lease plus maintenance rights intangible asset

(\$ millions)	4Q 2014	4Q 2013	FY 2014	FY 2013
Pre-tax Gain from Aircraft Sales	25.8	9.6	37.5	41.9

4Q Activity

- The gain from aircraft sales related to nine aircraft from our owned portfolio (one Airbus A340-300, two Airbus A340-600s, one Boeing 737 classic, one Boeing 747, one Boeing 737-700, one Boeing 757-200, one Boeing 767-300ER and one MD-11)
- We executed part-out transactions for three aircraft which are not included in the amounts above (three Airbus A340-600s)
- We sold seven aircraft from our managed portfolio which are not included in the amounts above (four Boeing 737 classics and three Airbus A320-200s)

Over 100 aircraft valued at ~\$2.0 billion were sold/disposed or parted-out since the announcement of the ILFC transaction in December 2013, well ahead of the targeted \$1.0 billion per year for portfolio optimization

Other Expenses and Taxes



(\$ millions)	4Q 2014	4Q 2013	FY 2014	FY 2013
Leasing¹	119.1	17.7	190.3	48.5
SG&A	117.5	21.9	299.9	89.1
Impairment²	20.0	14.3	21.8	26.2
Transaction and Integration Related³	11.9	10.4	148.8	11.0

	FY 2014	FY 2013
Blended Tax Rate⁴	15.0%	8.4%

- (1) Leasing includes \$57.4 million relating to expensing of the maintenance rights asset and \$38.4 million relating to aircraft that prematurely terminated or defaulted in 4Q
- (2) The 4Q 2014 impairment charge related to aircraft that prematurely terminated in 4Q which was partially offset by the recognition of maintenance revenue triggered by the same events
- (3) Transaction and integration related expenses are costs that were incurred in relation to the ILFC transaction, including professional fees, severance and other compensation costs
- (4) 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

(\$ billions)	Net Exposure ¹	Aircraft Value ²
Aeroflot Group & S7 Group	1.2	1.4
Others (10 airlines)	1.0	1.4
Total	2.2	2.8

- AerCap holds ~\$0.7 billion of maintenance reserves, security deposits, and letters of credit on aircraft leased to Russian carriers
- Nine aircraft were terminated late December (six Boeing 757s, three Boeing 767s) and all were accessed & removed within 72 hours (with minimal loss) and are all now under LOI to be leased or sold
- In total, the number of aircraft in Russia has been reduced by 17

Russian exposure does not represent unusual risk: significant collateral is held, cost basis of aircraft is low, and aircraft can be removed as needed

(1) Includes Flight Equipment, Finance Leases, Maintenance Rights Intangible, Maintenance Liability and Letters of Credit as of September 30, 2014

(2) Average of half-life current market values from Ascend, BK and AISI, including EOL Maintenance Rights Intangible (most comparable valuation to the carrying value) as of September 30, 2014

(\$ millions)	FY 2014	FY 2013
Cash and Cash Equivalents at December 31, 2014 (Excl. Restricted Cash)	1,490.4	295.5
Total Cash Balance at December 31, 2014 (Incl. Restricted Cash)	2,207.8	568.3
Operating Cash Flow for the Full Year	2,325.2	692.7
Operating Cash Flow for the Fourth Quarter	845.9	182.2

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

Liquidity Position as of December 31, 2014



Sources (for 12 Months to December 31, 2015)	(\$ billions)
Unsecured Revolver	3.0
Other Undrawn Commitments	1.8
AIG Revolver	1.0
Unrestricted Cash	1.5
Total Available Liquidity	7.3
Estimated Operating Cash Flow	3.4
Total Sources	10.7

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

Uses (for 12 Months to December 31, 2015)	(\$ billions)
Debt Maturities	(3.6)
Capex (Cash payments for purchases) ¹	(3.2)
Total Uses	(6.8)

Excess Coverage (Sources less Uses)	3.9
Ratio of Sources to Uses	1.57x

(1) Includes payments for 2015 purchases and pre-delivery payments for aircraft delivering between 2015-2017

	4Q 2014	4Q 2013
Total Debt at Quarter-End (\$ millions)	30,402.4	6,236.9
Average Cost of Debt (Including all fees) ¹	3.6%	3.9%
Equity (\$ millions)	7,942.5	2,429.2
Debt / Equity Ratio	3.4 to 1	2.6 to 1

Debt / equity ratio calculation:

- The debt/equity ratio for 4Q 2014 is calculated by dividing adjusted net debt of \$28.4 billion by adjusted shareholders' equity of \$8.4 billion
- Adjusted net debt is calculated as follows: debt of \$30.4 billion, less unrestricted cash and cash equivalents of \$1.5 billion, less \$0.5 billion (reflects 50% equity credit for long-term subordinated debt of \$1.0 billion)
- Adjusted shareholders' equity is calculated as follows: total shareholders' equity of 7.9 billion, plus \$0.5 billion (reflects 50% equity credit for long-term subordinated debt of \$1.0 billion)

(1) Interest expense divided by average debt balance, excluding mark-to-market on interest rate caps and swaps. Interest expense in the fourth quarter of 2014 includes ~\$12 million of one-time charges relating to debt breakage costs on aircraft sales and interest costs on our ALS investment



Financial Outlook

Financial Outlook for 2015 – Adjusted Basis



Anticipated drivers for AerCap's 2015 financial performance, subject to change, in light of highly fluid market conditions and other factors¹

~**5.0-5.1**
billion

\$

TOTAL
REVENUE

~**13.5**
percent

TAX RATE

~**1.25**
billion

\$

PRE-TAX
EARNINGS

~**1.05-1.1**
billion

\$

NET INCOME

Costs:

- Depreciation of ~**\$2.1 billion** which includes expensing the maintenance rights asset over the remaining economic life of the aircraft
- Interest expenses of ~**\$1.1 billion**
- Leasing expenses and SG&A (incl. stock based compensation) of ~**\$0.6 billion**

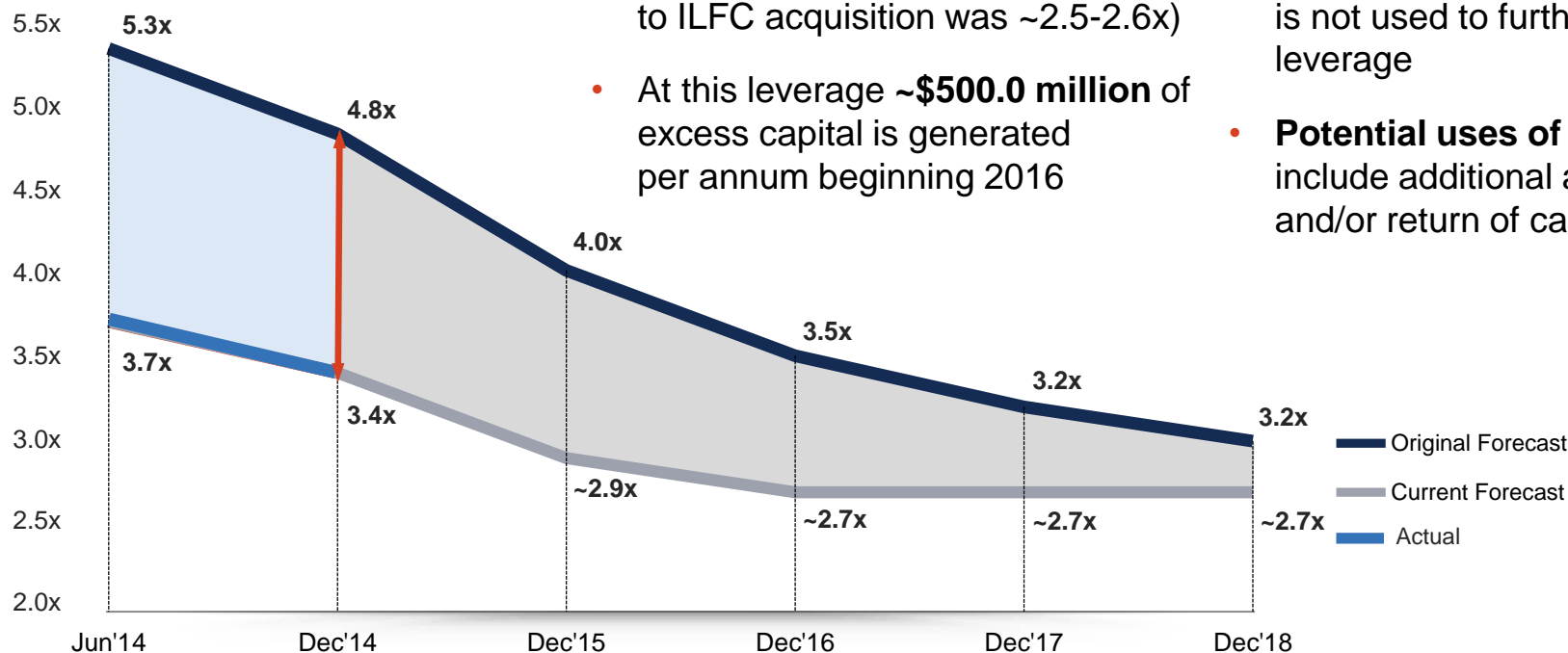
(1) Refer to slide 2: Disclaimer Incl. Forward Looking Statements & Safe Harbor

Rapid Deleveraging

AerCap's estimated capital structure (debt/equity ratios) beyond 2014, subject to change, in light of highly fluid market conditions and other factors¹



- **Targeted debt/equity² range: ~2.7x - 3.0x** (AerCap's leverage prior to ILFC acquisition was ~2.5-2.6x)
- **At this leverage ~\$500.0 million of excess capital is generated per annum beginning 2016**
- **Debt/equity remains flat** beyond 2016 as it is assumed excess capital is not used to further reduce leverage
- **Potential uses of excess capital** include additional aircraft purchases and/or return of capital



The debt/equity ratios are calculated by dividing adjusted net debt by adjusted shareholders' equity. Adjusted net debt is calculated as follows: debt less cash and cash equivalents, less 50% equity credit for long-term subordinated debt of \$1.0 billion. Adjusted shareholders' equity is calculated as follows: total shareholders' equity plus 50% equity credit for long-term subordinated debt of \$1.0 billion

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

(2) Refer to slide 15: Capital Structure



AerCap's estimated capital structure and the amount of excess capital expected to be generated beyond 2014, subject to change, in light of highly fluid market conditions and other factors¹

(\$ millions)	2015	2016	2017
Excess Capital available for use while still achieving targeted or better than targeted leverage	~250.0	~500.0	~500.0
Debt / Equity Ratio assuming use of excess capital	~2.9x	~2.7x	~2.7x

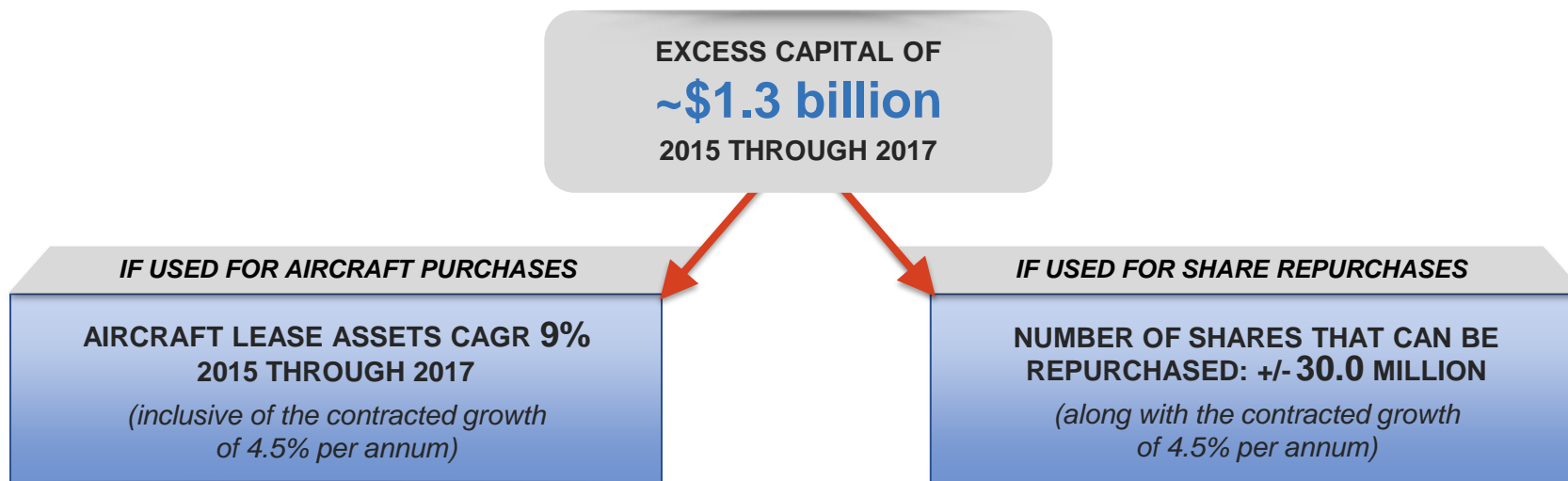
- Excess capital of ~\$250.0 million is available for use in 2015 while still achieving a debt/equity ratio of approximately 2.9 to 1
- Excess capital of ~\$500.0 million per annum or more is available during 2016 & 2017

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

Use of Excess Capital and Outlook



A combination of additional aircraft purchases and return of capital is expected



Anticipated drivers for AerCap's financial performance for 2017, subject to change, in light of highly fluid market conditions and other factors¹

- Changes in lease revenue, depreciation, and leasing expenses should generally correlate with changes in aircraft assets
- Other revenue, SG&A including share-based compensation should remain relatively flat
- Interest costs of ~4.2%
- Tax rate of ~12.5-13.0%
- Diluted shares, excluding share repurchases, of ~220.0 million

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

Financial Outlook for 2015 – Reported Basis



Anticipated drivers for AerCap's 2015 financial performance, subject to change, in light of highly fluid market conditions and other factors¹

(\$ billions)	Adjusted Income	Adjustment	Reported Income ²
Total Revenue	~5.0-5.10	-	~5.0-5.10
Depreciation	~(2.10)	~0.25	~(1.85)
Interest expense	~(1.10)	-	~(1.10)
Lease expenses, SG&A & other	~(0.60)	~(0.42)	~(1.02)
Pre-tax Earnings	~1.25	~(0.17)	~1.08
Net Income	~1.05-1.10	~(0.15)	~0.90-0.95

TAX RATE →

~13.5
percent

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

(2) Including impact from expensing of maintenance rights assets during lease term



Q&A



Supplemental Information

Aircraft Transactions – Full Year 2014



In addition to the aircraft transactions above, 81 aircraft were delivered to lessees during 2014

High Quality and Well-Diversified Portfolio



Aircraft Type	Number of Owned Aircraft ¹	% Net Book Value	Number of Managed & AerDragon Aircraft	Aircraft on Order ²	Total Aircraft
Airbus A319	143	8%	11		154
Airbus A320	241	16%	33		274
Airbus A320neo				155	155
Airbus A321	98	7%	15	4	117
Airbus A321neo				50	50
Airbus A330	121	17%	8	1	130
Airbus A350				29	29
Boeing 737NG	300	26%	43	25	368
Boeing 767	46	2%			46
Boeing 777	71	15%	3		74
Boeing 787	18	6%		66	84
E190 / 195-E2				50	50
Other	94	3%	34		128
	1,132	100%	147	380	1,659

- Average age of owned aircraft fleet is **7.7 years**
- Average remaining lease term is **5.7 years**

(1) Excluding AeroTurbine which had three aircraft as of December 31, 2014

(2) Excludes five Boeing purchase rights and 17 spare engines

Forward Orders and Purchase/Leasebacks



(\$ billions)	2015	2016	2017	2018	2019	Thereafter	Total ¹
Airbus A320 / A321neo & A350	0.3	2.6	4.0	3.2	2.2	3.3	15.6
Airbus A321	0.2						0.2
Airbus A330	0.1						0.1
Boeing 787-8/-9	1.9	1.9	1.9	2.5	0.7		8.9
Boeing 737NG	1.1						1.1
Embraer E190 / 195-E2				0.2	0.6	1.3	2.1
	3.6	4.5	5.9	5.9	3.5	4.6	28.0

All further deliveries post 2015 will be next generation aircraft

(1) Committed future aircraft purchases as of December 31, 2014, relating to 380 aircraft. It excludes five Boeing purchase rights and 17 spare engines

Lease Portfolio	FY 2014	FY 2013
Utilization Rate¹	99.2%	99.5%
Portfolio Yield²	13.5%	12.6%
Average Lease Term (Previous 12 months)		
• Leases for New Aircraft (Months)	144³	163
• Leases for Used Aircraft (Months)	54⁴	57

(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

(3) Reflects lease agreements for 82 new aircraft signed in the previous 12 months

(4) Reflects lease agreements for 164 used aircraft signed in the previous 12 months

Leasing Expenses



(\$ millions)	4Q 2014 ¹	4Q 2013	FY 2014 ¹	FY 2013
Default and Restructuring Related	38.4	12.3	47.3	15.5
Normal Transition Costs	11.2	2.6	35.8	16.4
Maintenance Rights Expense	57.4	-	69.8	-
Lessor Maintenance Contributions	6.7	0.1	24.5	10.8
Other Leasing Costs	5.4	2.7	12.9	5.8
Leasing Expenses	119.1	17.7	190.3	48.5

(1) 2014 amounts reflect the acquisition of ILFC in May 2014



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