

November 8, 2016

AerCap Holdings N.V. Reports Financial Results for the Third Quarter 2016 and Authorizes Share Repurchase Program of \$250 million

DUBLIN--(BUSINESS WIRE)-- AerCap (NYSE:AER):

- **Net income for the third quarter and nine months ended September 30, 2016 was:**
- **\$225.6 million and \$682.0 million on a reported basis**
- **\$310.6 million and \$903.9 million on an adjusted basis**
- **Diluted earnings per share for the third quarter and nine months ended September 30, 2016 were:**
- **\$1.22 and \$3.55 on a reported basis**
- **\$1.68 and \$4.71 on an adjusted basis**

Highlights

- 143 aircraft transactions executed in the third quarter of 2016, including 26 widebody transactions.
- 99.8% fleet utilization rate for the third quarter of 2016.
- 6.1 years average remaining lease term.
- 95% of new aircraft deliveries through 2018 have been leased.
- ~\$2.3 billion of sales closed in the first nine months of 2016 with a total of ~\$3 billion expected for 2016.
- \$9 billion of available liquidity.
- Adjusted debt/equity ratio of 2.7 to 1.
- \$46.91 book value per share.
- Repurchased 6.2 million shares in the third quarter of 2016 for \$234.4 million and 21.0 million shares year to date through November 4, 2016.
- Board authorized a \$250 million Share Repurchase Program, which will run through March 31, 2017.

Aengus Kelly, CEO of AerCap, commented, *"We are delighted to report another quarter of strong earnings, evidencing the consistency of our earnings power and our excellent operational performance. During the third quarter, we generated \$1.22 of earnings per share or \$1.68 on an adjusted basis. We are on track to complete \$3 billion of asset sales in 2016, which has enabled us to announce an additional share repurchase authorization of \$250 million, bringing our 2016 total authorizations to \$1.15 billion and our cumulative repurchase authorizations over the past 18 months to \$1.9 billion. AerCap continues to generate high levels of excess capital and our approach to capital deployment is designed to maximize long-term value for shareholders."*

Third Quarter 2016 Financial Results

- **Reported** net income of \$225.6 million, compared with \$293.9 million for the same period in 2015. *Reported* earnings per share (diluted) of \$1.22, compared with \$1.48 for the same period in 2015.
 - *Reported* net income and *reported* earnings per share were primarily impacted by sales of older aircraft during 2015 and 2016, which reduced average lease assets and lease income, as well as lower net gain on sale of assets.
 - During the third quarter of 2016, we recognized non-recurring income from net insurance proceeds which was offset by non-recurring, largely non-cash charges resulting from our decision to accelerate the downsizing of AeroTurbine.
 - Reported earnings per share was favorably impacted by a lower number of outstanding shares as a result of share repurchases completed in 2015 and the first nine months of 2016.

- **Adjusted** net income of \$310.6 million, compared with \$327.0 million for the same period in 2015. *Adjusted* earnings per share (diluted) of \$1.68, compared with \$1.64 for the same period in 2015.
 - *Adjusted* net income and earnings per share were primarily driven by the same factors as *reported* net income and earnings per share, except the pre-tax results at AeroTurbine, including restructuring related expenses.

Net Income/Earnings Per Share

Set forth below are the details to reconcile *reported* net income to *adjusted* net income and *reported* earnings per share to *adjusted* earnings per share, including the specific adjustments.

	Three months ended September 30,			Nine months ended September 30,		
	2016	2015	% increase/ (decrease)	2016	2015	% increase/ (decrease)
	(U.S. dollar amounts in millions except share data)			(U.S. dollar amounts in millions except share data)		
Net income	\$225.6	\$293.9	(23%)	\$682.0	\$914.5	(25%)
Adjusted for:						
Maintenance rights related expenses	12.0	25.7	(53%)	107.9	64.1	68%
AeroTurbine pre-tax results including restructuring related expenses	73.0	(1.5)	NA	109.8	(9.3)	NA
Mark-to-market of interest rate caps and swaps	1.6	10.6	(85%)	20.2	18.2	11%
ILFC transaction and integration related expenses	-	2.6	NA	-	8.1	NA
Income tax impact of above adjustments	(1.6)	(4.3)	(63%)	(16.0)	(7.8)	105%
Adjusted net income	\$310.6	\$327.0	(5%)	\$903.9	\$987.8	(8%)
	\$0.0	\$0.0		\$0.0	\$0.0	
Reported earnings per share - diluted	\$1.22	\$1.48	(18%)	\$3.55	\$4.38	(19%)
Adjusted for:						
Maintenance rights related expenses	0.07	0.13	(46%)	0.56	0.31	81%
AeroTurbine pre-tax results including restructuring related expenses	0.39	(0.01)	NA	0.57	(0.04)	NA
Mark-to-market of interest rate caps and swaps	0.01	0.05	(80%)	0.11	0.09	22%
ILFC transaction and integration related expenses	-	0.01	NA	-	0.04	NA
Income tax impact of above adjustments	(0.01)	(0.02)	(50%)	(0.08)	(0.04)	100%
Adjusted earnings per share - diluted	\$1.68	\$1.64	2%	\$4.71	\$4.74	(1%)

Third quarter 2016 net income decreased 23% on a *reported* basis and 5% on an *adjusted* basis compared with the same period in 2015, and third quarter 2016 earnings per share decreased 18% on a *reported* basis and increased 2% on an *adjusted* basis over the same period in 2015. Both *reported* and *adjusted* net income and earnings per share were primarily impacted by sales of older aircraft during 2015 and 2016, which reduced average lease assets and lease income, as well as lower net gain on sale of assets. During the third quarter of 2016, we recognized non-recurring income from net insurance proceeds and incurred non-recurring, largely non-cash charges resulting from our decision to accelerate the downsizing of AeroTurbine. *Reported* and *adjusted* earnings per share were favorably impacted by a lower number of outstanding shares as a result of share

repurchases completed in 2015 and the first nine months of 2016.

Adjusted net income reflects, among other items, expensing the maintenance rights asset over the remaining economic life of the aircraft as compared to expensing this asset during the remaining lease term as reflected in *reported* net income. The maintenance rights asset represents the difference between the actual physical condition of the former ILFC aircraft at the acquisition date and the value based on the contractual return conditions in the lease contracts. The difference between the two methods has no economic impact as it is non-cash and equalizes over time.

At the end of 2015, we made the decision to restructure and downsize the AeroTurbine business, after the completion of which, AeroTurbine would only provide services to support AerCap's aircraft leasing business. Following the decision to downsize AeroTurbine and in order to present AerCap Holdings N.V. earnings relating to the core aircraft leasing business, *adjusted* net income excludes AeroTurbine-related income and losses. We believe *adjusted* net income may further assist investors in their understanding of our operational and financial performance. Refer to Notes Regarding Financial Information Presented in This Press Release for details relating to the adjustments.

Revenue and Net Spread

	Three months ended September 30,			Nine months ended September 30,		
	2016	2015	% increase/ (decrease)	2016	2015	% increase/ (decrease)
	(U.S. dollar amounts in millions)			(U.S. dollar amounts in millions)		
Lease revenue:						
Basic lease rents	\$1,088.0	\$1,164.6	(7%)	\$3,333.6	\$3,487.0	(4%)
Maintenance rents and other receipts	91.9	81.1	13%	313.2	219.1	43%
Lease revenue	1,179.9	1,245.7	(5%)	3,646.8	3,706.1	(2%)
Net gain on sale of assets	22.4	51.6	(57%)	79.8	139.9	(43%)
Other income	23.8	25.5	(7%)	57.0	103.5	(45%)
Total Revenues and other income	\$1,226.1	\$1,322.8	(7%)	\$3,783.6	\$3,949.5	(4%)

Basic lease rents were \$1,088.0 million for the third quarter of 2016, compared with \$1,164.6 million for the same period in 2015. The decrease was primarily due to sales of older aircraft during 2015 and 2016, which reduced average lease assets. Our average lease assets for the third quarter of 2016 were \$34.6 billion, compared with \$36.4 billion for the same period in 2015.

Maintenance rents and other receipts were \$91.9 million for the third quarter of 2016, compared with \$81.1 million for the same period in 2015.

Net gain on sale of assets for the third quarter of 2016 was \$22.4 million, relating to 36 aircraft sold and four aircraft reclassified to finance leases, compared with \$51.6 million for the same period in 2015, relating to 12 aircraft sold and one aircraft reclassified to finance leases. The decrease was primarily due to the timing and composition of asset sales.

Other income for the third quarter of 2016 was \$23.8 million, compared with \$25.5 million for the same period in 2015. Other income for the third quarter of 2016 included non-recurring income from net insurance proceeds, partially offset by non-recurring, non-cash charges resulting from our decision to accelerate the downsizing of AeroTurbine.

	Three months ended September 30,			Nine months ended September 30,		
	2016	2015	% increase/ (decrease)	2016	2015	% increase/ (decrease)
	(U.S. dollar amounts in millions)			(U.S. dollar amounts in millions)		

	(U.S. dollar amounts in millions)			(U.S. dollar amounts in millions)		
Basic lease rents	\$1,088.0	\$1,164.6	(7%)	\$3,333.6	\$3,487.0	(4%)
Interest expense	273.9	282.9	(3%)	839.2	825.5	2%
Adjusted for:						
Mark-to-market of interest rate caps and swaps	(1.6)	(10.6)	(85%)	(20.2)	(18.2)	11%
Adjusted interest expense	272.3	272.3	0%	819.0	807.3	1%
Net interest margin, or net spread	\$815.7	\$892.3	(9%)	\$2,514.6	\$2,679.7	(6%)

As shown in the table above, adjusted interest expense was \$272.3 million in the third quarter of 2016 and 2015.

Net spread was \$815.7 million in the third quarter of 2016, a 9% decrease compared with the same period in 2015. The decrease was impacted by the higher average cost of debt and the cost associated with holding higher amounts of liquidity. Our average cost of debt increased primarily due to the issuance of new longer-term bonds to replace shorter-term ILFC notes, which had lower reported interest expense as a result of ILFC acquisition purchase accounting.

Selling, general and administrative expenses breakdown:

	Three months ended September 30,			Nine months ended September 30,		
	2016	2015	% increase/ (decrease)	2016	2015	% increase/ (decrease)
	(U.S. dollar amounts in millions)			(U.S. dollar amounts in millions)		
Share-based compensation expenses	\$25.6	\$25.1	2%	\$76.3	\$75.2	1%
AeroTurbine selling, general and administrative expenses	9.9	15.8	(37%)	35.4	48.8	(27%)
AerCap selling, general and administrative expenses	45.3	50.3	(10%)	142.5	153.7	(7%)
Total selling, general and administrative expenses	\$80.8	\$91.2	(11%)	\$254.2	\$277.7	(8%)

The decrease in selling, general, and administrative expenses quarter over quarter was due to the AeroTurbine downsizing as well as other expense reductions.

Other Expenses

Asset impairment was \$15.1 million for the third quarter of 2016, compared to \$7.9 million for the same period in 2015. Asset impairment recorded in the third quarter of 2016 primarily related to lease terminations and amendments for four aircraft, for which we retained maintenance-related balances and recognized \$20.3 million of maintenance rents. Leasing expenses were \$128.7 million for the third quarter of 2016, compared with \$133.0 million for the same period in 2015. Transaction, integration and restructuring related expenses were \$29.0 million for the third quarter of 2016, compared with \$2.6 million for the same period in 2015. Transaction, integration and restructuring related expenses in the third quarter of 2016 represented non-recurring, largely non-cash charges resulting from our decision to accelerate the downsizing of AeroTurbine. In the third quarter of 2015, these expenses were related to the acquisition of ILFC.

Effective Tax Rate

AerCap's effective tax rate was 16.5% during the third quarter of 2016, compared to 13.5% for the same period in 2015. The increase in our effective tax rate was primarily due to a valuation allowance related to the

AeroTurbine losses recognized during the third quarter of 2016. AerCap's effective tax rate was 14.5% during the nine months ended September 30, 2016, compared to 13.5% for the same period in 2015. The effective tax rate for the full year 2015 was 13.9%. The effective tax rate in any year is impacted by the source and amount of earnings among AerCap's different tax jurisdictions.

Book value per share:

	<u>September 30, 2016</u>	<u>December 31, 2015</u>	<u>% increase/ (decrease) over December 31, 2015</u>
	(U.S. dollar amounts in millions except share data)		
Total AerCap Holdings N.V. shareholders' equity	\$8,369.5	\$8,349.0	0%
Ordinary shares outstanding	181,743,634	200,342,204	(9%)
Unvested restricted stock	(3,327,489)	(3,030,724)	10%
Ordinary shares outstanding (excl. unvested restricted stock)	178,416,145	197,311,480	(10%)
Book value per ordinary shares outstanding (excl. unvested restricted stock)	\$46.91	\$42.31	11%

Financial position:

	<u>September 30, 2016</u>	<u>December 31, 2015</u>	<u>% increase/ (decrease) over December 31, 2015</u>
	(U.S. dollar amounts in millions except d/e ratio)		
Total cash (incl. restricted)	\$2,653.0	\$2,822.5	(6%)
Total assets	41,797.8	43,749.5	(4%)
Debt	27,997.9	29,641.9	(6%)
Total liabilities	33,370.8	35,323.7	(6%)
Total AerCap Holdings N.V. shareholders' equity	8,369.5	8,349.0	0%
Total equity	8,427.0	8,425.8	0%
Adjusted debt (*)	25,019.9	26,488.8	(6%)
Adjusted equity (*)	9,177.0	9,175.8	0%
Adjusted debt/equity ratio (*)	2.7 to 1	2.9 to 1	(7%)

(*) Refer to Notes Regarding Financial Information Presented in This Press Release for details relating to the adjustments

As of September 30, 2016, AerCap's portfolio consisted of 1,607 aircraft that were owned, on order or managed (including aircraft owned by AerDragon, a non-consolidated joint venture). The average age of our owned fleet as of September 30, 2016 was 7.6 years and the average remaining contracted lease term was 6.1 years.

Share Repurchase Program

We have authorized a \$250 million share repurchase program, which will run through March 31, 2017. Repurchases under the program may be made through open market purchases or privately negotiated transactions in accordance with applicable U.S. federal securities laws. 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.

Notes Regarding Financial Information Presented in This Press Release

The financial information presented in this press release is not audited.

The following is a definition of non-GAAP measures used in this press release. We believe these measures may further assist investors in their understanding of our operational performance.

Adjusted net income and adjusted earnings per share. These measures are determined by adding an adjustment for maintenance rights related expense, non-cash charges related to the mark-to-market gains and losses on our interest rate caps and swaps, an adjustment for the AeroTurbine results, including AeroTurbine restructuring related expenses, and ILFC transaction and integration related expenses, in each case during the applicable period, to U.S. GAAP net income. The average number of shares is based on a daily average.

In connection with the ILFC transaction, we have recognized maintenance rights intangible assets associated with existing leases on the legacy ILFC aircraft and we are expensing these assets during the remaining lease terms. The adjustment for maintenance rights related expense represents the difference between expensing the maintenance rights intangible assets *on a more accelerated basis* during the remaining lease terms (as in the Company's reported net income) as compared to expensing these assets on a straight-line basis over the remaining economic life of the aircraft (as in the Company's adjusted net income).

We use interest rate caps and swaps to allow us to benefit from decreasing interest rates and protect against the negative impact of rising interest rates on our floating rate debt. Management determines the appropriate level of caps and swaps in any period with reference to the mix of floating and fixed cash flows from our leases, debt and other contracts. We do not apply hedge accounting to our interest rate caps and some of our swaps. As a result, we recognize the change in fair value of these interest rate caps and swaps in our income statement during each period.

During the fourth quarter of 2015, we made the decision to restructure and downsize the AeroTurbine business. After completion of the downsizing, AeroTurbine will only provide services to support AerCap's aircraft leasing business. Following the decision to downsize AeroTurbine and in order to present AerCap Holdings N.V. earnings relating to the core aircraft leasing business, *adjusted* net income reflects an adjustment for AeroTurbine results, including AeroTurbine restructuring related expenses.

Adjusted net income excludes non-recurring expenses of \$2.6 million for the third quarter of 2015 and \$8.1 million for the first nine months of 2015, both relating to the ILFC transaction and integration. We recorded no expenses related to the ILFC transaction and integration during the third quarter of 2016 or the first nine months of 2016.

Additionally, *adjusted* net income includes the income tax impact of the above adjustments.

In addition to U.S. GAAP net income and earnings per share, we believe these measures may further assist investors in their understanding of our operational performance in relation to past and future reporting periods. A reconciliation of *reported* net income to *adjusted* net income for the three and nine months ended September 30, 2016 and 2015 is presented in a table under the Net Income/Earnings Per Share section of this press release.

Adjusted debt/equity ratio. This measure is the ratio obtained by dividing adjusted debt by adjusted equity.

- Adjusted debt means consolidated total debt less cash and cash equivalents, and less a 50% equity credit with respect to certain long-term subordinated debt.
- Adjusted equity means total equity, plus the 50% equity credit relating to the long-term subordinated debt.

Adjusted debt and adjusted equity are adjusted by the 50% equity credit to reflect the equity nature of those financing arrangements and to provide information that is consistent with definitions under certain of our debt covenants.

September 30, 2016	December 31, 2015
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**(U.S. dollar amounts in millions
except
d/e ratio)**

Debt	\$27,998	\$29,642
Adjusted for:		
Cash and cash equivalents	(2,228)	(2,403)
50% credit for long-term subordinated debt	(750)	(750)
Adjusted debt	25,020	26,489
Equity	\$8,427	\$8,426
Adjusted for:		
50% credit for long-term subordinated debt	750	750
Adjusted equity	9,177	9,176
Adjusted debt/equity ratio	2.7 to 1	2.9 to 1

Net interest margin, or net spread (refer to second table under Revenue and Net Spread section of this press release). This measure is the difference between basic lease rents and interest expense, excluding the impact of the mark-to-market of interest rate caps and swaps. We believe this measure may further assist investors in their understanding of the changes and trends related to the earnings of our leasing activities. This measure reflects the impact from changes in the number of aircraft leased, lease rates, utilization rates, as well as the impact from changes in the amount of debt and interest rates.

Conference Call

In connection with the earnings release, management will host an earnings conference call today, Tuesday, November 8, 2016, at 9:00 am Eastern Time. The call can be accessed live by dialing (U.S./Canada) +1 719 325 4746 or (International) +353 1 246 5621 and referencing code 5192367 at least 5 minutes before start time, or by visiting AerCap's website at www.aercap.com under "Investor Relations".

The webcast replay will be archived in the "Investor Relations" section of the Company's website for one year. For further details and to register for this event please email: aercap@instinctif.com.

For further information, contact John Wikoff: +31 20 655 9661 (jwikoff@aercap.com) or Mark Walter (Instinctif Partners): +44 20 7457 2020 (aercap@instinctif.com).

About AerCap

AerCap is the global leader in aircraft leasing with, as of September 30, 2016, 1,607 owned, managed or on order aircraft in its portfolio. AerCap has one of the most attractive order books in the industry. AerCap serves approximately 200 customers in approximately 80 countries with comprehensive fleet solutions. AerCap is listed on the New York Stock Exchange (AER) and has its headquarters in Dublin with offices in Amsterdam, Los Angeles, Shannon, Fort Lauderdale, Miami, Singapore, Shanghai, Abu Dhabi, Seattle and Toulouse.

Forward-Looking Statements

This press release 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 press release are forward-looking statements and are based on various underlying assumptions and expectations and are subject to known and unknown risks, uncertainties and assumptions and 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, we cannot assure you that the forward-looking statements included in this press release 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 press release 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. Except as required by applicable law, 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.

For more information regarding AerCap and to be added to our email distribution list, please visit www.aercap.com and follow us on Twitter www.twitter.com/aercapnv.

AerCap Holdings N.V.
Unaudited Consolidated Balance Sheets
(U.S. Dollars in thousands)

	September 30, 2016	December 31, 2015
Assets		
Cash and cash equivalents	\$2,228,019	\$2,403,098
Restricted cash	424,998	419,447
Trade receivables	69,744	106,794
Flight equipment held for operating leases, net	30,876,515	32,219,494
Maintenance rights intangible and lease premium, net	2,422,875	3,139,045
Flight equipment held for sale	343,432	71,055
Net investment in finance and sales-type leases	753,785	469,198
Prepayments on flight equipment	3,281,197	3,300,426
Other intangibles, net	409,968	461,006
Deferred income tax assets	162,029	161,193
Other assets	825,238	998,743
Total Assets	\$41,797,800	\$43,749,499
Liabilities and Equity		
Accounts payable, accrued expenses and other liabilities	\$1,093,991	\$1,239,199
Accrued maintenance liability	2,923,205	3,185,794
Lessee deposit liability	881,637	891,454
Debt	27,997,884	29,641,863
Deferred income tax liabilities	474,056	365,380
Total liabilities	33,370,773	35,323,690
Ordinary share capital €0.01 par value, 350,000,000 ordinary shares authorized as of September 30, 2016 and December 31, 2015; 187,847,345 and 203,411,207 ordinary shares issued and 181,743,634 and 200,342,204 ordinary shares outstanding (including 3,327,489 and 3,030,724 unvested restricted stock) as of September 30, 2016 and December 31, 2015, respectively	2,282	2,457
Additional paid-in capital	4,487,270	5,026,993
Treasury shares, at cost (6,103,711 and 3,069,003 ordinary shares as of September 30, 2016 and December 31, 2015, respectively)	(257,872)	(146,312)

Accumulated other comprehensive loss	(9,131)	(6,307)
Accumulated retained earnings	4,146,969	3,472,132
Total AerCap Holdings N.V. shareholders' equity	8,369,518	8,348,963
Non-controlling interest	57,509	76,846
Total Equity	8,427,027	8,425,809
Total Liabilities and Equity	\$41,797,800	\$43,749,499

AerCap Holdings N.V.

Unaudited Consolidated Income Statements

(U.S. Dollars in thousands, except share and per share data)

	Three months ended September 30,		Nine Months ended September 30,	
	2016	2015	2016	2015
Revenues and other income				
Lease revenue	\$1,179,849	\$1,245,689	\$3,646,751	\$3,706,105
Net gain on sale of assets	22,397	51,576	79,841	139,883
Other income	23,814	25,542	56,982	103,553
Total Revenues and other income	1,226,060	1,322,807	3,783,574	3,949,541
Expenses				
Depreciation and amortization	439,905	459,669	1,357,803	1,371,284
Asset impairment	15,077	7,912	70,179	15,355
Interest expense	273,905	282,855	839,182	825,474
Leasing expenses	128,675	132,951	439,224	396,104
Transaction, integration and restructuring related expenses	28,976	2,623	45,117	8,099
Selling, general and administrative expenses	80,750	91,191	254,244	277,729
Total Expenses	967,288	977,201	3,005,749	2,894,045
Income before income taxes and income of investments accounted for under the equity method	258,772	345,606	777,825	1,055,496
Provision for income taxes	(42,711)	(46,658)	(112,784)	(142,494)
Equity in net earnings of investments accounted for under the equity method	4,317	(4,550)	9,060	(542)
Net income	\$220,378	\$294,398	\$674,101	\$912,460
Net loss (income) attributable to non-controlling interest	5,249	(481)	7,879	2,061
Net income attributable to AerCap Holdings N.V.	\$225,627	\$293,917	\$681,980	\$914,521
Basic earnings per share	\$1.24	\$1.49	\$3.61	\$4.44
Diluted earnings per share	\$1.22	\$1.48	\$3.55	\$4.38

Weighted average shares outstanding - basic	181,710,294	197,264,160	188,752,244	206,054,934
Weighted average shares outstanding - diluted	185,326,517	199,215,352	191,874,286	208,568,730

AerCap Holdings N.V.

Unaudited Consolidated Statements of Cash Flows

(U.S. Dollars in thousands)

	Nine Months ended September 30,	
	2016	2015
Net income	\$674,101	\$912,460
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	1,357,803	1,371,284
Asset impairment	70,179	15,355
Amortization of debt issuance costs and debt discount	41,657	34,322
Amortization of lease premium intangibles	15,217	17,689
Amortization of fair value adjustment on debt	(265,520)	(348,377)
Accretion of fair value adjustment on deposits and maintenance liabilities	40,188	59,215
Maintenance rights write off	484,059	396,007
Maintenance liability release to income	(308,810)	(78,769)
Net gain on sale of assets	(79,841)	(139,883)
Deferred income taxes	107,808	138,558
Restructuring related expenses	33,588	-
Other	110,125	88,230
Changes in operating assets and liabilities:		
Trade receivables	73,745	(20,108)
Other assets	151,999	5,310
Accounts payable, accrued expenses and other liabilities	(60,306)	(45,063)
Net cash provided by operating activities	2,445,992	2,406,230
Purchase of flight equipment	(1,813,584)	(2,029,973)
Proceeds from sale or disposal of assets	1,828,122	1,086,513
Prepayments on flight equipment	(602,363)	(643,499)
Collections of finance and sales-type leases	49,993	40,388
Movement in restricted cash	(5,551)	332,731
Other	(13,198)	(46,400)
Net cash used in investing activities	(556,581)	(1,260,240)
Issuance of debt	3,036,434	2,725,275
Repayment of debt	(4,434,252)	(3,441,730)
Debt issuance costs paid	(27,878)	(22,801)
Maintenance payments received	609,852	576,282
Maintenance payments returned	(390,071)	(415,698)
Security deposits received	117,373	146,586
Security deposits returned	(187,202)	(108,124)
Dividend paid to non-controlling interest holders	(10,501)	-
Repurchase of shares and tax withholdings on share-based compensation	(778,868)	(792,473)
Net cash used in financing activities	(2,065,113)	(1,332,683)
Net decrease in cash and cash equivalents	(175,702)	(186,693)

Effect of exchange rate changes on cash and cash equivalents	623	(2,184)
Cash and cash equivalents at beginning of period	2,403,098	1,490,369
Cash and cash equivalents at end of period	\$2,228,019	\$1,301,492

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AerCap Holdings N.V.

For Media: Gillian Culhane, +353 1 636 0945

Vice President Corporate Communications

gculhane@aercap.com

or

For Investors: John Wikoff, +31 20 655 9661

Head of Investor Relations

jwikoff@aercap.com

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