

## **AerCap Holdings N.V. Reports Financial Results for 2016 and Authorizes New Share Repurchase Program of \$350 million**

DUBLIN – February 21, 2017

- **Net income for the fourth quarter and full year 2016 was:**
  - **\$364.7 million and \$1,046.6 million on a reported basis (US GAAP)**
- **Diluted earnings per share for the fourth quarter and full year 2016 were:**
  - **\$2.01 and \$5.52 on a reported basis (US GAAP)**

**The Company's reporting of financial results was changed from prior periods. Going forward, adjusted net income and adjusted earnings per share will no longer be provided. Please refer to the Appendix for additional detail for this transitional period.**

### **Highlights**

- 458 aircraft transactions executed in 2016, including 126 widebody transactions.
- 99.5% fleet utilization rate for the full year 2016.
- 7.4 years average age of owned fleet and 6.4 years average remaining lease term.
- 98% of new aircraft deliveries through 2018 and 78% through 2019 have been leased.
- Over \$3 billion of sales closed in 2016.
- \$9.5 billion of available liquidity.
- Adjusted debt/equity ratio of 2.7 to 1.
- Upgraded to investment grade rating by Moody's.
- \$49.33 book value per share.
- Repurchased 5.7 million shares in the fourth quarter of 2016 for \$241 million and 25 million shares in 2016 for \$966 million.
- Board authorized a new \$350 million share repurchase program, which will run through June 30, 2017.

Aengus Kelly, CEO of AerCap, commented: "AerCap delivered record results in the fourth quarter, finishing off a very successful year for the company. During the fourth quarter, we generated \$2.01 of earnings per share and net income of \$364.7 million on a reported basis. This results in full year numbers of \$5.52 and \$1,046.6 million, respectively. We continued to focus on proactive portfolio management initiatives which have resulted in executing over \$3 billion in asset sales. This, combined with signing a record 279 lease agreements, illustrates the scale of AerCap's platform and the expertise of its people."

### **Full Year 2016 Financial Results**

- Net income of \$1,046.6 million, compared with \$1,178.7 million for the same period in 2015. Diluted earnings per share of \$5.52, compared with \$5.72 for the same period in 2015.
- Net income and diluted earnings per share decreased due to various items, including sales of older aircraft during 2015 and 2016, which reduced average lease assets by

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approximately \$1.6 billion. Diluted earnings per share was favorably impacted by the repurchase of 40.7 million shares for \$1.7 billion during 2015 and 2016.

## Fourth Quarter 2016 Financial Results

- Net income of \$364.7 million, compared with \$264.2 million for the same period in 2015. Diluted earnings per share of \$2.01, compared with \$1.33 for the same period in 2015.
- Net income and diluted earnings per share were driven by higher gains on sale and other non-recurring items, as well as lower AeroTurbine losses.

## Components of Net Income/Earnings Per Share

Set forth below are the components of net income and diluted earnings per share.

	Three months ended December 31,		Year ended December 31,	
	2016	2015	2016	2015
	(U.S. dollar amounts in millions except share data)		(U.S. dollar amounts in millions except share data)	
<b>Components of Net Income</b>				
Gains on sale and other non-recurring items.....	\$ 115.4	\$ 57.0	\$ 248.2	\$ 194.4
AeroTurbine results, including restructuring related expenses.....	(13.6)	(86.2)	(123.4)	(80.4)
Maintenance rights amortization impact.....	(33.6)	(16.7)	(128.0)	(72.8)
All other earnings.....	296.5	310.1	1,049.8	1,137.5
<b>Reported Net Income.....</b>	<b>\$ 364.7</b>	<b>\$ 264.2</b>	<b>\$ 1,046.6</b>	<b>\$ 1,178.7</b>
<b>Components of Earnings Per Share</b>				
Gains on sale and other non-recurring items.....	\$ 0.64	\$ 0.29	\$ 1.31	\$ 0.94
AeroTurbine results, including restructuring related expenses.....	(0.07)	(0.43)	(0.65)	(0.39)
Maintenance rights amortization impact.....	(0.19)	(0.08)	(0.67)	(0.35)
All other earnings.....	1.63	1.55	5.53	5.52
<b>Reported Diluted Earnings Per Share.....</b>	<b>\$ 2.01</b>	<b>\$ 1.33</b>	<b>\$ 5.52</b>	<b>\$ 5.72</b>

Gains on sale and other non-recurring items includes gain on sale of assets, income from lease terminations, net insurance proceeds, a gain related to the repayment of a note receivable earlier than expected and gains from the settlement of asset value guarantees. Maintenance rights amortization impact represents the difference between the amortization cost of the maintenance rights asset as compared to depreciation expense if this asset had been classified as flight equipment. Please refer to Notes regarding Financial Information Presented in this Press Release for additional detail.

## Revenue and Net Spread

	Three months ended December 31,			Year ended December 31,		
	2016	2015	% increase/ (decrease)	2016	2015	% increase/ (decrease)
	(U.S. dollar amounts in millions)			(U.S. dollar amounts in millions)		
<b>Lease revenue:</b>						
Basic lease rents.....	\$ 1,061.8	\$ 1,148.8	(8%)	\$ 4,395.3	\$ 4,635.8	(5%)
Maintenance rents and other receipts.....	159.1	136.7	16%	472.3	355.8	33%
Lease revenue.....	1,220.9	1,285.5	(5%)	4,867.6	4,991.6	(2%)
Net gain on sale of assets.....	58.7	43.4	35%	138.5	183.3	(24%)
Other income.....	89.0	9.1	878%	146.0	112.7	30%
<b>Total Revenues and other income.....</b>	<b>\$ 1,368.6</b>	<b>\$ 1,338.0</b>	<b>2%</b>	<b>\$ 5,152.1</b>	<b>\$ 5,287.6</b>	<b>(3%)</b>

Basic lease rents were \$1,061.8 million for the fourth quarter of 2016, compared with \$1,148.8 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

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assets for the fourth quarter of 2016 were \$34.2 billion, compared with \$35.8 billion for the same period in 2015.

Maintenance rents and other receipts were \$159.1 million for the fourth quarter of 2016, compared with \$136.7 million for the same period in 2015.

Net gain on sale of assets for the fourth quarter of 2016 was \$58.7 million, relating to 37 aircraft sold and three aircraft reclassified to finance leases, compared with \$43.4 million for the same period in 2015, relating to 22 aircraft sold and three aircraft reclassified to finance leases.

Other income for the fourth quarter of 2016 was \$89.0 million, compared with \$9.1 million for the same period in 2015. Other income for the fourth quarter of 2016 included \$73.2 million of non-recurring income from lease terminations and a gain related to the repayment of a note receivable earlier than expected.

	Three months ended December 31,			Year ended December 31,		
	2016	2015	% increase/ (decrease)	2016	2015	% increase/ (decrease)
	(U.S. dollar amounts in millions)			(U.S. dollar amounts in millions)		
Basic lease rents	\$ 1,061.8	\$ 1,148.8	(8%)	\$ 4,395.3	\$ 4,635.8	(5%)
Interest expense.....	252.7	274.4	(8%)	1,091.9	1,099.9	(1%)
Adjusted for:						
Mark-to-market of interest rate caps and swaps.....	18.6	0.1	14,185%	(1.6)	(18.1)	(91%)
Adjusted interest expense.....	271.3	274.5	(1%)	1,090.3	1,081.8	1%
Net interest margin, or net spread.....	\$ 790.5	\$ 874.3	(10%)	\$ 3,305.0	\$ 3,554.0	(7%)

As shown in the table above, adjusted interest expense was \$271.3 million in the fourth quarter of 2016, compared with \$274.5 million for the same period in 2015.

Net spread was \$790.5 million in the fourth quarter of 2016, compared with \$874.3 million for the same period in 2015. The decrease was primarily impacted by lower average lease assets, lower age of owned fleet and higher average cost of debt. 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

	Three months ended December 31,			Year ended December 31,		
	2016	2015	% increase/ (decrease)	2016	2015	% increase/ (decrease)
	(U.S. dollar amounts in millions)			(U.S. dollar amounts in millions)		
Share-based compensation expenses.....	\$ 26.5	\$ 25.0	6%	\$ 102.8	\$ 100.2	3%
AeroTurbine selling, general and administrative expenses.....	7.6	16.4	(54%)	43.1	65.2	(34%)
AerCap selling, general and administrative expenses.....	62.7	62.2	1%	205.1	215.9	(5%)
Total selling, general and administrative expenses.....	\$ 96.8	\$ 103.6	(7%)	\$ 351.0	\$ 381.3	(8%)

The decrease in selling, general, and administrative expenses quarter over quarter was primarily due to the AeroTurbine downsizing.

### Other Expenses

Asset impairment was \$11.4 million for the fourth quarter of 2016, compared to \$1.0 million for the same period in 2015. Asset impairment recorded in the fourth quarter of 2016 primarily related to the lease termination of two aircraft, which was more than offset by \$13.4 million of related maintenance rents. Leasing expenses were \$143.3 million for the fourth quarter of 2016, compared with \$126.3 million for the same period in 2015.

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Transaction, integration and restructuring related expenses were \$8.3 million for the fourth quarter of 2016, compared with \$50.8 million for the same period in 2015. Transaction, integration and restructuring related expenses in the fourth quarter of 2016 and 2015 primarily represented non-recurring charges related to the downsizing of AeroTurbine.

### Effective Tax Rate

AerCap's effective tax rate was 14.5% during the full year 2016, compared to 13.9% for the same period in 2015. 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

	December 31, 2016	December 31, 2015	% increase/ (decrease) over December 31, 2015
(U.S. dollar amounts in millions except share data)			
Total AerCap Holdings N.V. shareholders' equity.....	\$ 8,524.4	\$ 8,349.0	2%
Ordinary shares outstanding.....	176,247,154	200,342,204	(12%)
Unvested restricted stock.....	(3,426,810)	(3,030,724)	13%
Ordinary shares outstanding (excl. unvested restricted stock).....	<u>172,820,344</u>	<u>197,311,480</u>	<u>(12%)</u>
Book value per ordinary share outstanding (excl. unvested restricted stock).....	<u>\$ 49.33</u>	<u>\$ 42.31</u>	<u>17%</u>

### Financial Position

	December 31, 2016	December 31, 2015	% increase/ (decrease) over December 31, 2015
(U.S. dollar amounts in millions except d/e ratio)			
Total cash (incl. restricted).....	\$ 2,364.6	\$ 2,822.5	(16%)
Total assets.....	41,615.5	43,749.5	(5%)
Debt.....	27,717.0	29,641.9	(6%)
Total liabilities.....	33,033.2	35,323.7	(6%)
Total AerCap Holdings N.V. shareholders' equity.....	8,524.4	8,349.0	2%
Total equity.....	8,582.3	8,425.8	2%
Adjusted debt (*).....	24,931.6	26,488.8	(6%)
Adjusted equity (*).....	9,332.3	9,175.8	2%
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 December 31, 2016, AerCap's portfolio consisted of 1,566 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 December 31, 2016 was 7.4 years and the average remaining contracted lease term was 6.4 years.

### Share Repurchase Program

We have authorized a new \$350 million share repurchase program, which will run through June 30, 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.

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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.

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 maintenance rights amortization impact represents the difference between expensing the maintenance rights intangible assets on a more accelerated basis during the remaining lease terms as compared to expensing these assets on a straight-line basis over the remaining economic life of the aircraft.

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 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.

	December 31, 2016	December 31, 2015
	(U.S. dollar amounts in millions except d/e ratio)	
Debt.....	\$ 27,717	\$ 29,642
Adjusted for:		
Cash and cash equivalents.....	(2,035)	(2,403)
50% credit for long-term subordinated debt.....	(750)	(750)
<b>Adjusted debt.....</b>	<b>\$ 24,932</b>	<b>\$ 26,489</b>
Equity.....	\$ 8,582	\$ 8,426
Adjusted for:		
50% credit for long-term subordinated debt.....	750	750
<b>Adjusted equity.....</b>	<b>\$ 9,332</b>	<b>\$ 9,176</b>
<b>Adjusted debt/equity ratio.....</b>	<b>2.7 to 1</b>	<b>2.9 to 1</b>

*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

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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, February 21, 2017, at 8:30 am Eastern Time. The call can be accessed live by dialing (U.S./Canada) +1 719 325 2213 or (International) +353 1 246 5621 and referencing code 9184593 at least 5 minutes before start time, or by visiting AerCap's website at [www.aercap.com](http://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](mailto:aercap@instinctif.com).

For further information, contact Brian Canniffe: +353 1 418 0461 ([bcanniffe@aercap.com](mailto:bcanniffe@aercap.com)) or Mark Walter (Instinctif Partners): +44 20 7457 2020 ([aercap@instinctif.com](mailto:aercap@instinctif.com)).

### **About AerCap**

AerCap is the global leader in aircraft leasing with, as of December 31, 2016, 1,566 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](http://www.aercap.com) and follow us on Twitter [www.twitter.com/aercapny](https://www.twitter.com/aercapny).

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## AerCap Holdings N.V. Unaudited Consolidated Balance Sheets

(U.S. Dollars in thousands)

	December 31, 2016	December 31, 2015
<b>Assets</b>		
Cash and cash equivalents.....	\$ 2,035,447	\$ 2,403,098
Restricted cash.....	329,180	419,447
Trade receivables.....	64,923	106,794
Flight equipment held for operating leases, net.....	31,501,973	32,219,494
Maintenance rights intangible and lease premium, net.....	2,167,925	3,139,045
Flight equipment held for sale.....	107,392	71,055
Net investment in finance and sales-type leases.....	755,882	469,198
Prepayments on flight equipment.....	3,265,979	3,300,426
Other intangibles, net.....	397,101	461,006
Deferred income tax assets.....	210,498	161,193
Other assets.....	779,206	998,743
<b>Total Assets.....</b>	<b>\$ 41,615,506</b>	<b>\$ 43,749,499</b>
<b>Liabilities and Equity</b>		
Accounts payable, accrued expenses and other liabilities.....	\$ 1,132,536	\$ 1,239,199
Accrued maintenance liability.....	2,750,576	3,185,794
Lessee deposit liability.....	859,099	891,454
Debt.....	27,716,999	29,641,863
Deferred income tax liabilities.....	574,032	365,380
Total liabilities.....	33,033,242	35,323,690
Ordinary share capital €0.01 par value, 350,000,000 ordinary shares authorized as of December 31, 2016 and December 31, 2015; 187,847,345 and 203,411,207 ordinary shares issued and 176,247,154 and 200,342,204 ordinary shares outstanding (including 3,426,810 and 3,030,724 unvested restricted stock) as of December 31, 2016 and December 31, 2015, respectively.....	2,282	2,457
Additional paid-in capital.....	4,505,019	5,026,993
Treasury shares, at cost (11,600,191 and 3,069,003 ordinary shares as of December 31, 2016 and December 31, 2015, respectively).....	(490,092)	(146,312)
Accumulated other comprehensive loss.....	(1,769)	(6,307)
Accumulated retained earnings.....	4,509,007	3,472,132
Total AerCap Holdings N.V. shareholders' equity.....	8,524,447	8,348,963
Non-controlling interest.....	57,817	76,846
Total Equity.....	8,582,264	8,425,809
<b>Total Liabilities and Equity.....</b>	<b>\$ 41,615,506</b>	<b>\$ 43,749,499</b>

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## AerCap Holdings N.V. Unaudited Consolidated Income Statements

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

	Three months ended December 31,		Year ended December 31,	
	2016	2015	2016	2015
<b>Revenues and other income</b>				
Lease revenue.....	\$ 1,220,872	\$ 1,285,446	\$ 4,867,623	\$ 4,991,551
Net gain on sale of assets.....	58,681	43,445	138,522	183,328
Other income.....	89,004	9,123	145,986	112,676
<b>Total Revenues and other income.....</b>	<b>1,368,557</b>	<b>1,338,014</b>	<b>5,152,131</b>	<b>5,287,555</b>
<b>Expenses</b>				
Depreciation and amortization.....	433,533	471,719	1,791,336	1,843,003
Asset impairment.....	11,428	980	81,607	16,335
Interest expense.....	252,679	274,410	1,091,861	1,099,884
Leasing expenses.....	143,306	126,309	582,530	522,413
Transaction, integration and restructuring related expenses.....	8,272	50,814	53,389	58,913
Selling, general and administrative expenses.....	96,768	103,579	351,012	381,308
<b>Total Expenses.....</b>	<b>945,986</b>	<b>1,027,811</b>	<b>3,951,735</b>	<b>3,921,856</b>
<b>Income before income taxes and income of investments accounted for under the equity method.....</b>				
	<b>422,571</b>	<b>310,203</b>	<b>1,200,396</b>	<b>1,365,699</b>
Provision for income taxes.....	(60,712)	(47,311)	(173,496)	(189,805)
Equity in net earnings of investments accounted for under the equity method.....	3,556	1,820	12,616	1,278
<b>Net income.....</b>	<b>\$ 365,415</b>	<b>\$ 264,712</b>	<b>\$ 1,039,516</b>	<b>\$ 1,177,172</b>
Net (income) loss attributable to non-controlling interest.....	(765)	(503)	7,114	1,558
<b>Net income attributable to AerCap Holdings N.V.....</b>	<b>\$ 364,650</b>	<b>\$ 264,209</b>	<b>\$ 1,046,630</b>	<b>\$ 1,178,730</b>
Basic earnings per share.....	\$ 2.07	\$ 1.34	\$ 5.64	\$ 5.78
Diluted earnings per share.....	\$ 2.01	\$ 1.33	\$ 5.52	\$ 5.72
Weighted average shares outstanding - basic.....	175,871,138	197,310,382	185,514,370	203,850,828
Weighted average shares outstanding - diluted.....	181,223,598	199,266,901	189,682,036	206,224,135



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## AerCap Holdings N.V. Unaudited Consolidated Statements of Cash Flows

(U.S. Dollars in thousands)

	Year ended December 31,	
	2016	2015
Net income.....	\$ 1,039,516	\$ 1,177,172
<b>Adjustments to reconcile net income to net cash provided by operating activities:</b> .....		
Depreciation and amortization.....	1,791,336	1,843,003
Asset impairment.....	81,607	16,335
Amortization of debt issuance costs and debt discount.....	55,768	45,582
Amortization of lease premium intangibles.....	19,836	23,042
Amortization of fair value adjustment on debt.....	(335,998)	(442,972)
Accretion of fair value adjustment on deposits and maintenance liabilities.....	55,210	76,246
Maintenance rights write off.....	652,111	628,643
Maintenance liability release to income.....	(421,332)	(243,809)
Net gain on sale of assets.....	(138,522)	(183,328)
Deferred income taxes.....	161,340	110,353
Restructuring related expenses.....	33,588	49,311
Other.....	121,700	90,074
<b>Changes in operating assets and liabilities:</b>		
Trade receivables.....	40,065	48,468
Other assets.....	257,190	88,418
Accounts payable, accrued expenses and other liabilities.....	(32,183)	33,502
<b>Net cash provided by operating activities.....</b>	<b>3,381,232</b>	<b>3,360,040</b>
Purchase of flight equipment.....	(2,892,731)	(2,772,110)
Proceeds from sale or disposal of assets.....	2,366,242	1,568,235
Prepayments on flight equipment.....	(947,419)	(791,546)
Collections of finance and sales-type leases.....	74,207	54,975
Movement in restricted cash.....	90,267	297,941
Other.....	(21,678)	(73,400)
<b>Net cash used in investing activities.....</b>	<b>(1,331,112)</b>	<b>(1,715,905)</b>
Issuance of debt.....	3,642,166	3,913,840
Repayment of debt.....	(5,213,724)	(4,043,743)
Debt issuance costs paid.....	(34,687)	(49,417)
Maintenance payments received.....	794,711	776,488
Maintenance payments returned.....	(505,407)	(558,477)
Security deposits received.....	201,970	171,408
Security deposits returned.....	(270,575)	(144,445)
Dividend paid to non-controlling interest holders.....	(10,501)	-
Repurchase of shares and tax withholdings on share-based compensation.....	(1,021,119)	(793,945)
<b>Net cash used in financing activities.....</b>	<b>(2,417,166)</b>	<b>(728,291)</b>
Net (decrease) increase in cash and cash equivalents.....	(367,046)	915,844
Effect of exchange rate changes on cash and cash equivalents.....	(605)	(3,115)
Cash and cash equivalents at beginning of period.....	2,403,098	1,490,369
<b>Cash and cash equivalents at end of period.....</b>	<b>\$ 2,035,447</b>	<b>\$ 2,403,098</b>

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## Appendix

Following the SEC's issuance of updated guidance on the use of non-GAAP financial measures, the Company will no longer report adjusted net income. Below are reconciliations of reported net income to adjusted net income and reported earnings per share to adjusted earnings share, as previously reported, which is provided as a final transitional disclosure.

	Three months ended December 31,			Year ended December 31,		
	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)		
<b>Net income</b> .....	<b>\$ 364.7</b>	<b>\$ 264.2</b>	<b>38%</b>	<b>\$ 1,046.6</b>	<b>\$ 1,178.7</b>	<b>(11%)</b>
Adjusted for:						
- Eliminate reported maintenance right expense.....	\$ 94.5	\$ 85.0	11%	\$ 381.6	\$ 348.4	10%
- Establish adjusted maintenance right expense.....	(56.2)	(66.0)	(15%)	(235.4)	(265.2)	(11%)
Maintenance rights adjustment.....	38.3	19.0	102%	146.2	83.2	76%
AeroTurbine pre-tax results including restructuring related expenses.....	13.6	83.4	(84%)	123.3	74.0	67%
Mark-to-market of interest rate caps and swaps.....	(18.6)	(0.1)	18,500%	1.6	18.1	(91%)
ILFC transaction and integration related expenses.....	-	1.5	NA	-	9.6	NA
Income tax impact of above adjustments.....	(2.5)	0.3	NA	(18.3)	(7.4)	147%
<b>Adjusted net income</b> .....	<b>\$ 395.5</b>	<b>\$ 368.3</b>	<b>7%</b>	<b>\$ 1,299.4</b>	<b>\$ 1,356.2</b>	<b>(4%)</b>
<b>Reported earnings per share - diluted</b> .....	<b>\$ 2.01</b>	<b>\$ 1.33</b>	<b>51%</b>	<b>\$ 5.52</b>	<b>\$ 5.72</b>	<b>(3%)</b>
Adjusted for:						
- Eliminate reported maintenance right expense.....	\$ 0.52	\$ 0.42		\$ 2.01	\$ 1.69	19%
- Establish adjusted maintenance right expense.....	(0.31)	(0.33)		(1.24)	(1.29)	(4%)
Maintenance rights adjustment.....	0.21	0.09	133%	0.77	0.40	93%
AeroTurbine pre-tax results including restructuring related expenses.....	0.07	0.42	(83%)	0.65	0.36	81%
Mark-to-market of interest rate caps and swaps.....	(0.10)	-	NA	0.01	0.09	(89%)
ILFC transaction and integration related expenses.....	-	0.01	NA	-	0.05	NA
Income tax impact of above adjustments.....	(0.01)	-	NA	(0.10)	(0.04)	150%
<b>Adjusted earnings per share - diluted</b> .....	<b>\$ 2.18</b>	<b>\$ 1.85</b>	<b>18%</b>	<b>\$ 6.85</b>	<b>\$ 6.58</b>	<b>4%</b>