

AerCap UK Limited

Directors' report and financial statements

Year ended December 31, 2008

Registered number 2830095

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AerCap UK Limited

Directors' report and financial statements

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AerCap UK Limited

Directors and other information

Directors

P. Rofe
P. Tak (Netherlands)

Secretary

Mawlaw Secretaries Ltd

Auditors

PricewaterhouseCoopers
Chartered Accountants and Registered Auditors
One Spencer Dock
North Wall Quay
Dublin 1
Ireland

Solicitors

Mayer, Brown, Rowe & Maw LLP
201 Bishopsgate
London
EC2M 3AF
England

Registered office

201 Bishopsgate
London
EC2M 3AF
England

Company definitions

“the Company”

: AerCap UK Limited

“AerCap”

: AerCap Holdings N.V. and its subsidiary undertakings

AerCap UK Limited

Directors' report

The directors present their annual report together with the audited financial statements of the Company for the year ended December 31, 2008.

Principal activities, business review and future developments

The Company is a wholly owned subsidiary of AerCap Holdings NV. The Company is an administrative agent company providing administrative services to other group companies.

The operating result for the year is broadly in line with expectations.

Results and dividends

The results for the year and movement in reserves are set out in the profit and loss account on page 7 of the financial statements. The directors do not propose to pay a dividend.

Directors and secretary

The names of those persons who were directors of the Company at any time during the year ended December 31, 2008 are set out on page 1. There have been no appointments or resignations from the board of directors during the year ended December 31, 2008.

In accordance with the Articles of Association, the directors are not required to retire by rotation.

Interests of directors and secretary

The directors and secretary who held office at December 31, 2008 had no interests in the shares of the Company or other group companies.

No director has or has had any interest in any transaction with the Company or other group companies which is or was unusual in its nature or conditions or significant to the business of the Company or the group within the year.

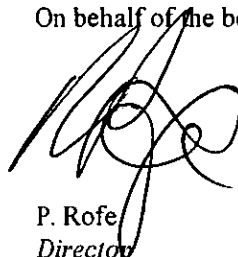
Post balance sheet events

There are no significant post balance sheet events affecting the Company since the end of the financial year.

Auditors

The auditors, PricewaterhouseCoopers, Chartered Accountants, will continue in office.

On behalf of the board



P. Rofe
Director

April 15, 2009

AerCap UK Limited

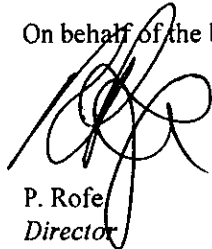
Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. The directors are required to prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the company will continue in business.

The directors confirm that suitable accounting policies have been used and applied consistently in the preparation of the financial statements. They also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the year ended 31 December 2008 and that applicable accounting standards have been followed.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

On behalf of the board

A handwritten signature in black ink, appearing to be 'P. Rofe', written over a horizontal line.

P. Rofe
Director

PricewaterhouseCoopers

One Spencer Dock

North Wall Quay

Dublin 1

Ireland

Telephone +353 (0) 1 792 6000

Facsimile +353 (0) 1 792 6200

www.pwc.com/ie**Independent auditors' report to the members of AerCap UK Limited**

We have audited the financial statements of AerCap UK Limited for the year ended 31 December 2008 which comprise the profit and loss account, the balance sheet, and the related notes. These financial statements have been prepared under the accounting policies set out in the statement of accounting policies.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements:

- give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2008 and of its profit for the year then ended; and
- have been properly prepared in accordance with the Companies Act 1985.
- the information given in the Directors' Report is consistent with the financial statements.

PricewaterhouseCoopers.

PricewaterhouseCoopers
Chartered Accountants and Registered Auditors
Dublin

20 April 2009

AerCap UK Limited

Statement of accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements.

Basis of preparation

The accounting policies followed in the preparation of the accompanying financial statements are in conformity with generally accepted accounting principles and comply with Financial Reporting Standards of the Accounting Standards Board in the United Kingdom as promulgated by the Institute of Chartered Accountants in England and Wales.

The financial statements of the Company are prepared on the going concern basis, under the historical cost convention and are stated in US dollars which is the principal operating currency of the Company and of the aviation industry.

Revenue recognition

Revenue from aircraft on operating lease is recognised as income as it accrues over the period of the lease and when the earnings process is complete. Unearned revenue from finance and sales type leases is amortized to lease income in a manner which produces a constant rate of return on the net investment in the lease.

Revenue from aircraft trading transactions and commissions receivable from aircraft brokerage are recognised as income when the contract for sale or supply of the relevant aircraft is completed and the risk of ownership of the equipment is transferred. Revenue from lease management fees is recognised as income as it accrues over the life of the contract. Interest on lessee notes receivable is recognised as income as it accrues.

Foreign currencies

Transactions denominated in foreign currencies are translated into United States dollars and recorded at the rates of exchange prevailing at the date of the transactions or at the rates of exchange under related forward contracts where such contracts exist.

Monetary assets and liabilities in foreign currencies are translated into United States dollars at rates of exchange ruling at the balance sheet or at the rates of exchange under related forward contracts where such contracts exist.

Taxation

Corporation tax is provided based on the results for the period.

In accordance with Financial Reporting Standard No. 19 "Deferred Tax", except where otherwise required by accounting standards, full provision is made for all timing differences which have arisen but not reversed at the balance sheet date. Timing differences are temporary differences between profits as computed for tax purposes and profits as stated in the financial statements, which arise because certain items of income and expenditure in the financial statements are dealt with in different years for tax purposes. Provision is made at the rates of taxation expected to prevail at the time of reversal based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

A deferred tax asset is recorded where it is more likely than not to be recoverable. The recoverability of deferred tax assets is assessed annually by the directors.

AerCap UK Limited

Profit and loss account

for the year ended December 31, 2008

	Note	2008 US\$000	2007 US\$000
Turnover		2,335	1,160
Operating expenses	1	(2,116)	(1,085)
Operating profit- continuing operations		219	75
Interest (payable)/receivable and similar income		(50)	(15)
Profit on ordinary activities before taxation	2	169	60
Tax (charge)/credit on profit on ordinary activities	3	(48)	(18)
Retained profit for the period	6	121	42

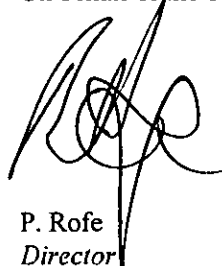
Profit on ordinary activities before taxation arose solely from continuing operations.

All recognised gains and losses are included in the profit and loss account for the year ended December 31, 2008 and December 31, 2007. Therefore no separate statement of total recognised gains and losses has been presented.

There is no significant difference between the results as disclosed on the profit and loss account and the results on an unmodified historical cost basis.

The accounting policies on page 6 and the notes from pages 9 to 11 form an integral part of these financial statements.

On behalf of the board



P. Rofo
Director

AerCap UK Limited

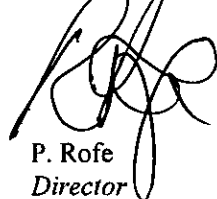
Balance sheet

at December 31, 2008

	<i>Note</i>	2008 US\$000	2007 US\$000
Current assets			
Cash at bank		2	-
Debtors	4	596	161
		<hr/>	<hr/>
Total assets		598	161
		<hr/>	<hr/>
Capital and reserves			
Called up share capital	5	-	-
Profit and loss account		215	94
		<hr/>	<hr/>
Shareholders' funds – equity	6	215	94
		<hr/>	<hr/>
Creditors			
Amounts falling due within one year	7	383	67
		<hr/>	<hr/>
Total liabilities		598	161
		<hr/>	<hr/>

The accounting policies on page 6 and the notes from pages 9 to 11 form part of these financial statements.

On behalf of the board



P. Rofe
Director

AerCap UK Limited

Notes to the financial statements

1. Staff numbers and costs

	2008 US\$000	2007 US\$000
(i) Employee costs		
Wages, salaries and bonuses	1,634	775
Social welfare costs	202	81
Other operating expenses	280	229
	<u>2,116</u>	<u>1,085</u>

The Company's staff number for the financial year was 8 (2007: 4).

2. Profit on ordinary activities before taxation

The profit on ordinary activities before taxation has been arrived at after charging the following items:

	2008 US\$000	2007 US\$000
Directors' emoluments	-	-
Auditor's remuneration	-	-
	<u>-</u>	<u>-</u>

Auditors' Remuneration was borne by other AerCap entities on behalf of the Company in the years ended December 31, 2008 and December 31, 2007.

3. Tax charge/(credit) on profit on ordinary activities

The Company's income from approved activities is taxable at a rate of 30%.

(a) Analysis of tax charge for the year	2008 US\$000	2007 US\$000
Current tax:		
Corporation tax on profits for the year	48	18
	<u>48</u>	<u>18</u>
Total current tax charge for year (note 3(b))	48	18
Deferred tax:		
Increase in deferred tax provision	-	-
	<u>-</u>	<u>-</u>
Tax (credit)/charge on profit on ordinary activities	<u>48</u>	<u>18</u>

AerCap UK Limited

Notes to the financial statements (continued)

3. Tax charge/(credit) on profit on ordinary activities *(continued)*

(b) Factors affecting current tax charge for year

The reconciliation of current tax on profits on ordinary activities at the standard rate of UK corporation tax to the Company's actual current tax charge is analysed as follows:

	2008 US\$000	2007 US\$000
Profit on ordinary activities before tax	169	60
Profit on ordinary activities multiplied by the standard rate of UK corporation tax for the year of 30% (2007: 30%)	48	18
Effects of: Movement in tax losses carried forward	-	-
Current tax charge for the year	48	18

4. Debtors

	2008 US\$000	2007 US\$000
Amounts due within one year		
Amounts due from group companies	-	161
Trade debtors	596	-
	596	161

All amounts due from group companies are due from the parent undertaking and fellow subsidiary undertakings.

5. Called up share capital

	2008	2007
<i>Authorised</i>	Stg£	Stg£
100 ordinary shares of Stg£1 each	100	100
<i>Allotted, called up and fully paid</i>	US\$	US\$
1 ordinary share of Stg£1 each	2	2

AerCap UK Limited

Notes to the financial statements (continued)

6. Reconciliation of movement in shareholders' funds

	2008 US\$000	2007 US\$000
Shareholders' funds at beginning of the year	94	52
Profit for the financial year	121	42
	<hr/>	<hr/>
Shareholders' funds at end of the year	215	94
	<hr/>	<hr/>

7. Creditors

	2008 US\$000	2007 US\$000
Amounts falling due within one year		
Amounts due to group companies	257	-
Accruals	78	49
Corporation tax	48	18
	<hr/>	<hr/>
	383	67
	<hr/>	<hr/>

8. Group membership

The Company is a 100% direct subsidiary of AerCap Holdings N.V., a company incorporated in the Netherlands, into which the results of the Company are consolidated. The consolidated accounts of AerCap Holdings N.V. are publicly available from the Trade Register in the city of Amsterdam under the number 34251954. AerCap UK Limited is therefore exempt from the requirement under FRS 1 to present a cash flow statement.

9. Related party transactions

The Company has availed of the exemption available under Financial Reporting Standard No. 8, *Related Party Disclosures*, not to disclose details of all transactions with group companies. Details of the availability of the Group Financial Statements are given in note 8.

10. Approval of the financial statements

The financial statements were approved by the board of directors on April 15, 2009.