Third Quarter 2018
Earnings Call

November 1, 2018

Forward-Looking Statements / Property of Aircastle

All statements included or incorporated by reference in this presentation, other than characterizations of historical fact, are forward-looking statements within the meaning of the federal securities laws, including the Private Securities Litigation Reform Act of 1995. Examples of forward-looking statements include, but are not necessarily limited to, statements relating to our ability to acquire, sell, lease or finance aircraft, raise capital, pay dividends, and increase revenues, earnings, EBITDA, Adjusted EBITDA, Adjusted Net Income, Cash Return on Equity and Net Cash Interest Margin and the global aviation industry and aircraft leasing sector. Words such as “anticipates,” “expects,” “intends,” “plans,” “projects,” “believes,” “may,” “will,” “would,” “could,” “should,” “seeks,” “estimates” and variations on these words and similar expressions are intended to identify such forward-looking statements. These statements are based on our historical performance and that of our subsidiaries and on our current plans, estimates and expectations and are subject to a number of factors that could lead to actual results materially different from those described in the forward-looking statements; Aircastle can give no assurance that its expectations will be attained. Accordingly, you should not place undue reliance on any such forward-looking statements which are subject to certain risks and uncertainties that could cause actual results to differ materially from those anticipated as of the date of this presentation. These risks or uncertainties include, but are not limited to, those described from time to time in Aircastle’s filings with the SEC and previously disclosed under “Risk Factors” in Item 1A of Aircastle’s 2017 Annual Report on Form 10-K. In addition, new risks and uncertainties emerge from time to time, and it is not possible for Aircastle to predict or assess the impact of every factor that may cause its actual results to differ from those contained in any forward-looking statements. Such forward-looking statements speak only as of the date of this presentation. Aircastle expressly disclaims any obligation to revise or update publicly any forward-looking statement to reflect future events or circumstances.

Q3:18 Highlights

Investment grade ratings from Standard and Poor's, Moody's and FitchRatings

- Upgraded to investment grade by Moody's in August 2018
- Issued inaugural investment grade senior note for $650 million bearing a coupon of 4.40%

Acquired first two of thirteen A320neo aircraft and a total of eight narrow-body aircraft during the third quarter for $262.4 million

- Average age of 5.7 years; average remaining lease term of 5.2 years
- Acquired or committed to acquire a total of 36 narrow-body aircraft in 2018 for $1.35 billion

Sold three aircraft during Q3:18 for proceeds of $98.0 million and gains of $3.0 million

- Average age of 13.6 years; total YTD gains of $28.6 million with a sales margin of approximately 10.4%

YTD repurchased $53.7 million of our common shares at an average price of $20.22 per share

- Share repurchase authorization increased by $58 million, to $100 million

Declared our 50th consecutive quarterly dividend

- Increased the dividend to $0.30 from $0.28, or 7.1%
- Aircastle's ninth dividend increase in eight years

Key Financial Metrics – Q3:18

Net income was \$36.3 million versus \$57.4 million in Q3:17

$0.46 per diluted common share versus $0.73 the previous year

EBITDA[1] was \$176.8 million versus \$196.7 million in Q3:17

Adjusted net income[1] was \$38.2 million versus \$64.4 million in Q3:17

$0.49 per diluted common share versus $0.82 the previous year

Adjusted EBITDA[1] was \$179.2 million versus \$199.5 million in Q3:17

GAAP ROE was 10.3%; Cash ROE[1] was 13.7% and Net cash interest margin[1] was 8.6%

1. *Refer to the selected financial Information accompanying this presentation for a reconciliation of GAAP to Non-GAAP numbers.*

Q3:18 Revenue Summary

Total lease rental and finance and sales-type lease revenue of $190.8 million, up $12.7 million vs. $178.1 million in Q3:17; primarily due to the addition of 41 aircraft, net of aircraft sold, over the past year

Gain on sale on flight equipment down by $18.7 million; we sold three aircraft in Q3:18 versus fifteen the prior year

No aircraft transitions during the quarter; therefore no maintenance revenue in Q3:18, versus $14.5 million in Q3:17

1. *See Supplemental Financial Information footnote in the Appendix of this presentation.*

Revenue Summary		
$ in millions	Q3:18	Q3:17
Lease Rental and Finance and Sales-Type Lease Revenues	$190.8	$178.1
Amortization of Lease Premiums, Discounts and Incentives	(4.0)	(2.4)
Maintenance Revenue	--	14.5
Total Lease Revenue	186.8	190.2
Gain on Sale of Flight Equipment[1]	3.0	21.6
Other Revenue	1.0	1.2
Total Revenues[1]	$190.8	$213.1

Q3:18 Earnings Summary

Core lease rental and finance and sales-type lease revenues increased by $12.7 million

Net income decreased by $21.1 million versus Q3:17; Adjusted net income declined $26.2 million

Adjusted EBITDA was $179.2 million, down $20.3 million

All three declines were primarily driven by an $18.7 million decrease in gains from the sale of flight equipment and a $14.5 million decrease in maintenance revenue

1. *Refer to the selected financial Information accompanying this presentation for a reconciliation of GAAP to Non-GAAP numbers.*

Earnings Summary		
$ in millions, except per share amounts	Q3:18	Q3:17
Net Income	$36.3	$57.4
per diluted common share	*$0.46*	*$0.73*
Adjusted Net Income[1]	$38.2	$64.4
per diluted common share	$0.49	*$0.82*
EBITDA[1]	$176.8	$196.7
Adjusted EBITDA[1]	$179.2	$199.5

Q3:18 Acquisitions & Sales

Acquired eight aircraft in Q3:18 for $262.4 million

Acquired or have committed to acquire a total of 36 aircraft for approximately $1.35 billion in 2018

Sold three aircraft, including one 777-300ER, for a gain of $3.0 million in Q3:18

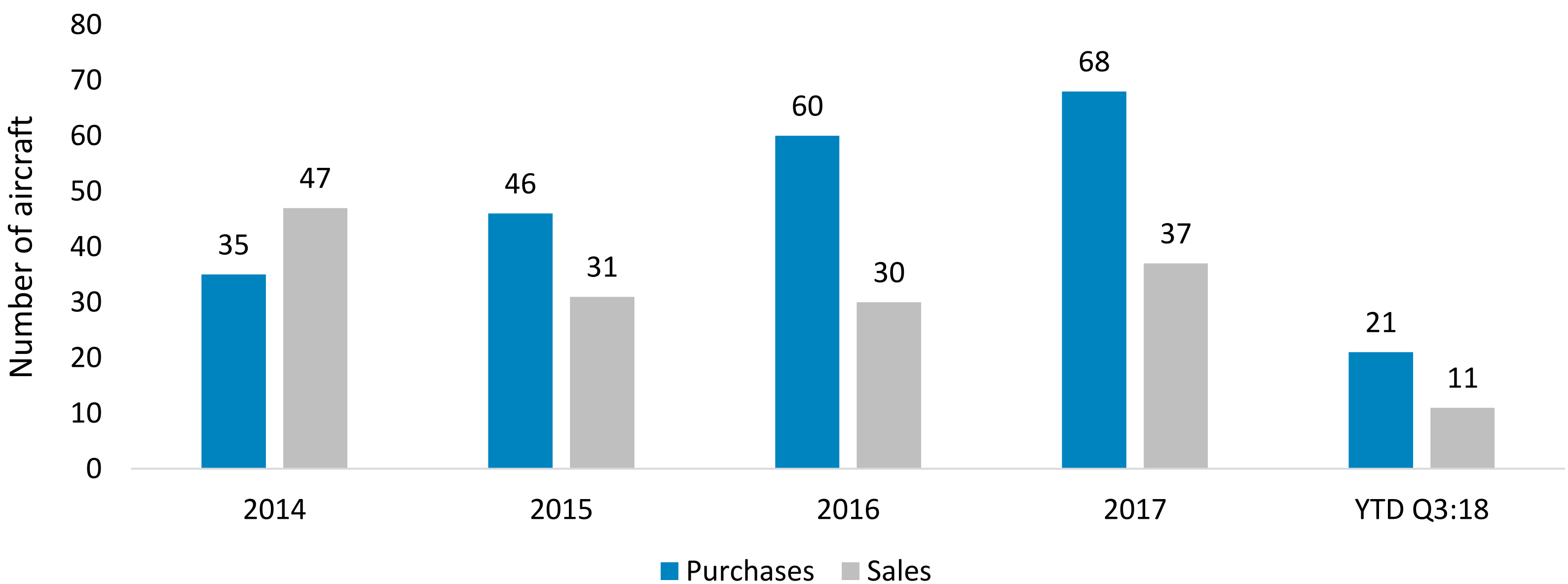
Q3:18 Acquisitions & Sales		
	Acquisitions[1]	Completed Sales
Investments / Sales Proceeds	$262 million	$98 million
Total Number of Aircraft	8	3

YTD Q3:18 Acquisitions & Sales		
	Acquisitions[1]	Completed Sales
Investments / Sales Proceeds	$675 million	$276 million
Total Number of Aircraft	21	11

1. *Closed deals only through September 30, 2018, June 30, 2018 and March 31, 2018 respectively.*

Robust Portfolio Management with an Active Asset Strategy

- 246 aircraft owned and managed at Q3:18
- Since 2014
  - Acquired 230 aircraft
  - Sold 156 aircraft
  - Generated $204 million gains from sales

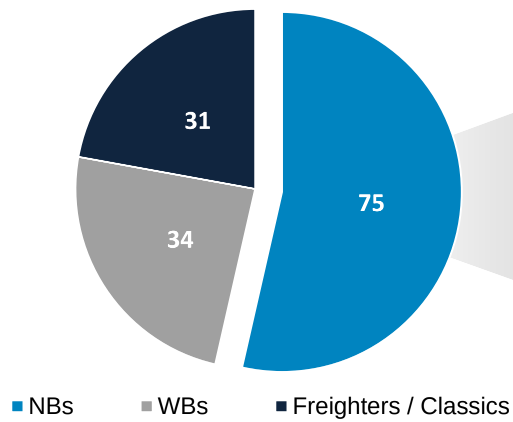


Fleet Evolution

Significant Fleet Risk Reduction

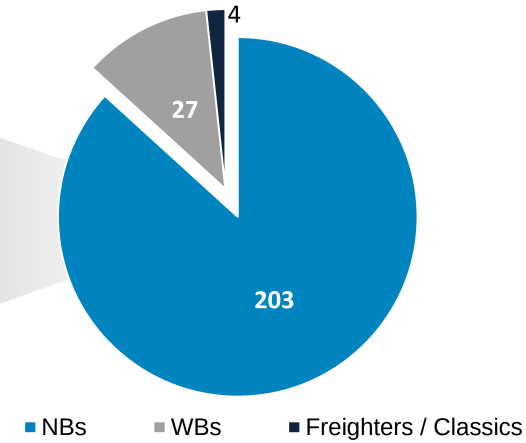
Aircastle has realigned its portfolio to concentrate on highly liquid narrow-bodies with selective exposure to wide-bodies

Q3:14 Aircraft Count

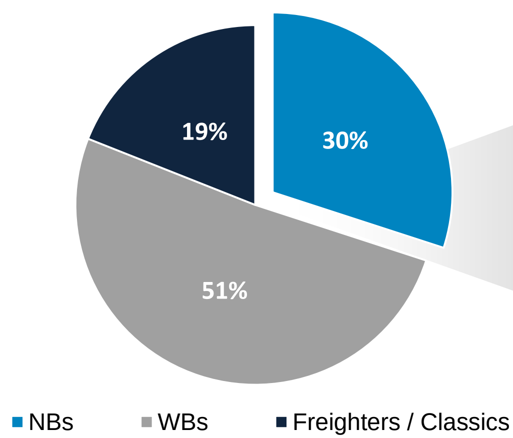


The number of wide-body, freighter and classic aircraft has declined significantly since Q3:14

Q3:18 Aircraft Count

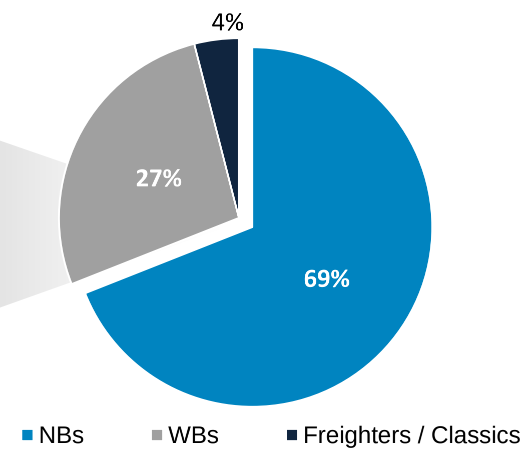


Q3:14 Fleet Type (By NBV)



69% of the fleet now consists of more liquid, and more broadly operated narrow-body aircraft versus 30% five years ago

Q3:18 Fleet Type (By NBV)



Source: Company filings.

Portfolio Metrics

Expanded owned fleet by $1.5 billion since Q3:14; CAGR of 6.6%

Additional twelve aircraft are managed in our two joint ventures; NBV of $621 million

$ in billions	Q3:14	Q3:18
Flight Equipment Held for Lease[1]	$5.3	$6.8
Wtd. Avg. Fleet Age (years)[2]	8.6	9.6
Wtd. Avg. Lease Term (years)[2]	5.0	4.5
Managed JV Aircraft[1]	$0.3	$0.6

1. *Calculated using NBV* at period end.*
2. *Weighted average by NBV.*

** NBV as used throughout this presentation includes the net book value of flight equipment held for lease and the net investment in finance and sales-type leases.*

Diversified Customer Base with Broad Geographic Distribution

85 airline customers in 46 countries across the globe

Most top customers are large flag carriers and leading LCCs

Balanced distribution of the aircraft fleet by geographic region

1. *As of September 30, 2018.*

Top Ten Lessees

% of NBV[1] per customer	Customer	Country	#Aircraft[1]
>6%	Avianca Brazil	Brazil	11
3%-6%	TAP Portugal	Portugal	8
	LATAM	Chile	3
	Lion Air	Indonesia	10
	South African Airways	South Africa	4
	easyJet	United Kingdom	20
	Iberia	Spain	13
	Indigo	India	8
	Aerolineas Argentinas	Argentina	5
	Interjet	Mexico	11

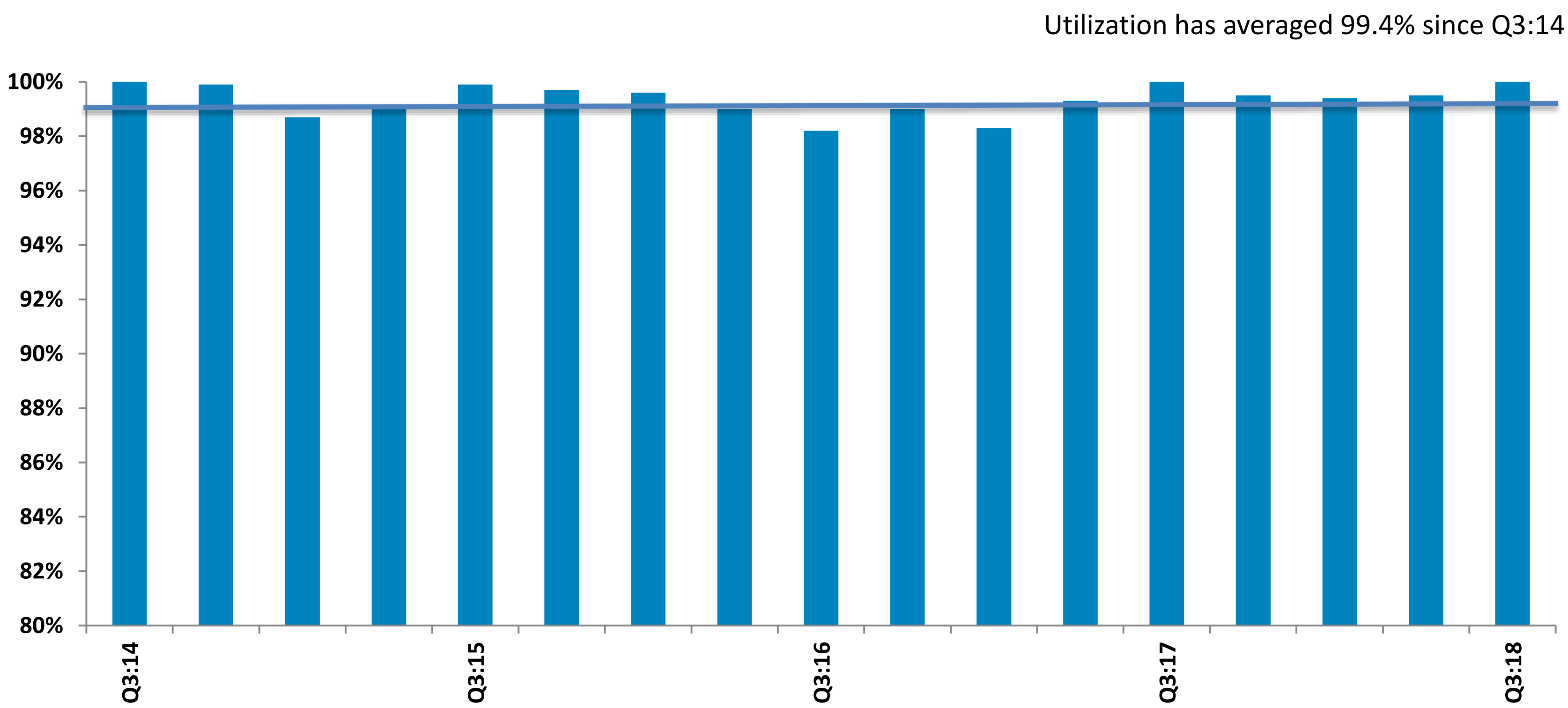
Top Ten Countries

Country	# A/C	% of NBV1
Brazil	14	7.9%
India	18	7.0%
United Kingdom	32	6.7%
Indonesia	12	6.1%
USA	16	5.2%
Portugal	8	5.1%
Russia	9	5.1%
Chile	3	5.0%
Mexico	17	5.0%
South Korea	10	4.2%

Leasing Activity and Portfolio Performance

- 100% utilization during Q3:18
- No aircraft on the ground at quarter-end
- Eleven narrow-bodies to place in 2019; represents approximately 3% of NBV

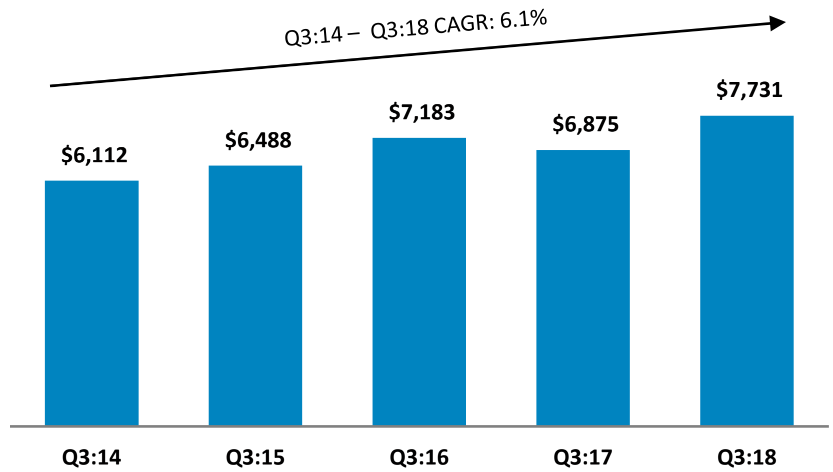
Utilization Performance



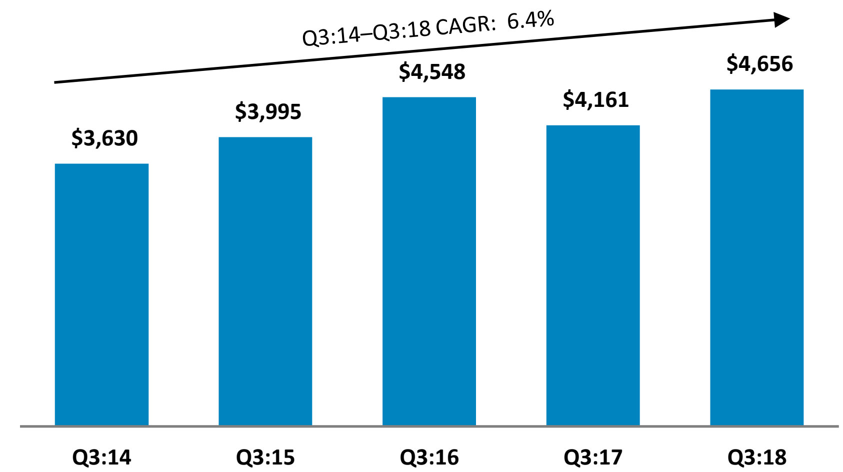
Note: Aircraft on-lease days as a percent of total days in period weighted by NBV.

Disciplined & Profitable Organic Growth

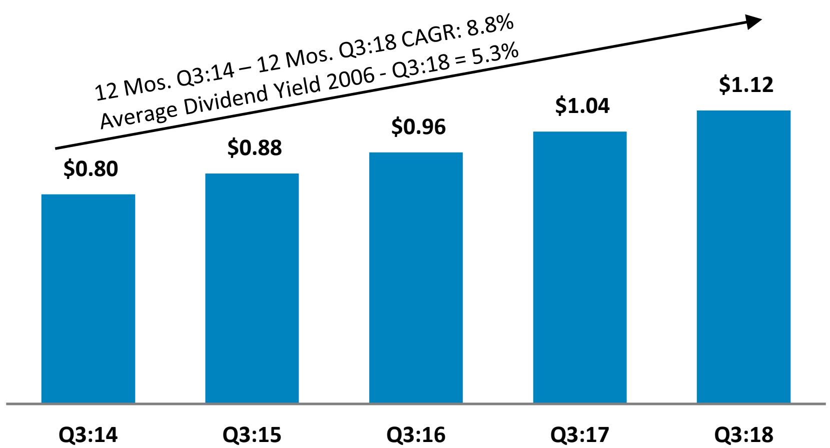
Total Assets



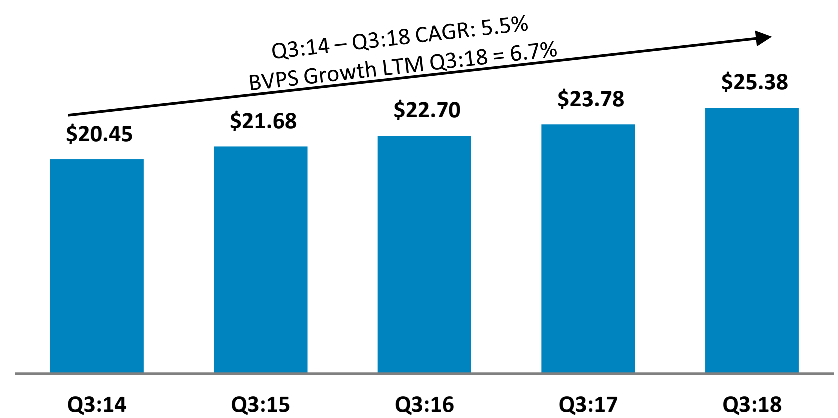
Total Debt



Dividends Paid Per Share



Book Value Per Share

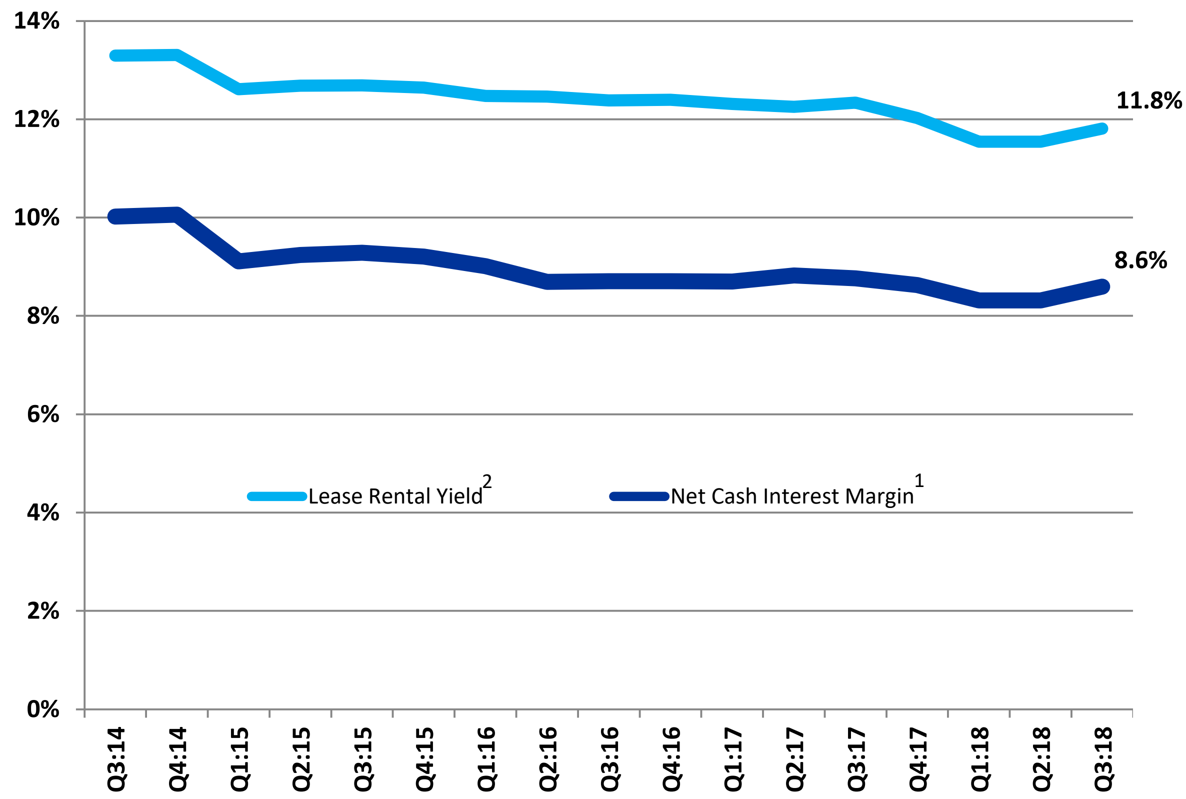


Rental Yields & Net Cash Interest Margins

Q3:18 net cash interest margin increased 26bps versus Q2:18

Rental yields and net cash interest margin[1] trends reflect:

- Higher yielding aircraft that we've sold to reduce risk and recognize gains
- Wide-body lease transitions at lower lease rates
- The impact of recent aircraft acquisitions and disposals and funding efficiency which have helped stabilize yield and margin



1. *Refer to the selected financial Information accompanying this presentation for a reconciliation of GAAP to Non-GAAP numbers.*
2. *Lease Rental Yield = Operating and finance lease rental revenue plus finance lease collections / average monthly NBV including finance leases for the period calculated on a quarterly basis, annualized.*

Note: The second quarter of 2017 excluded a non-recurring, $7.0 million accelerated collection received from a lessee in connection with a finance lease.

Cash ROE Performance

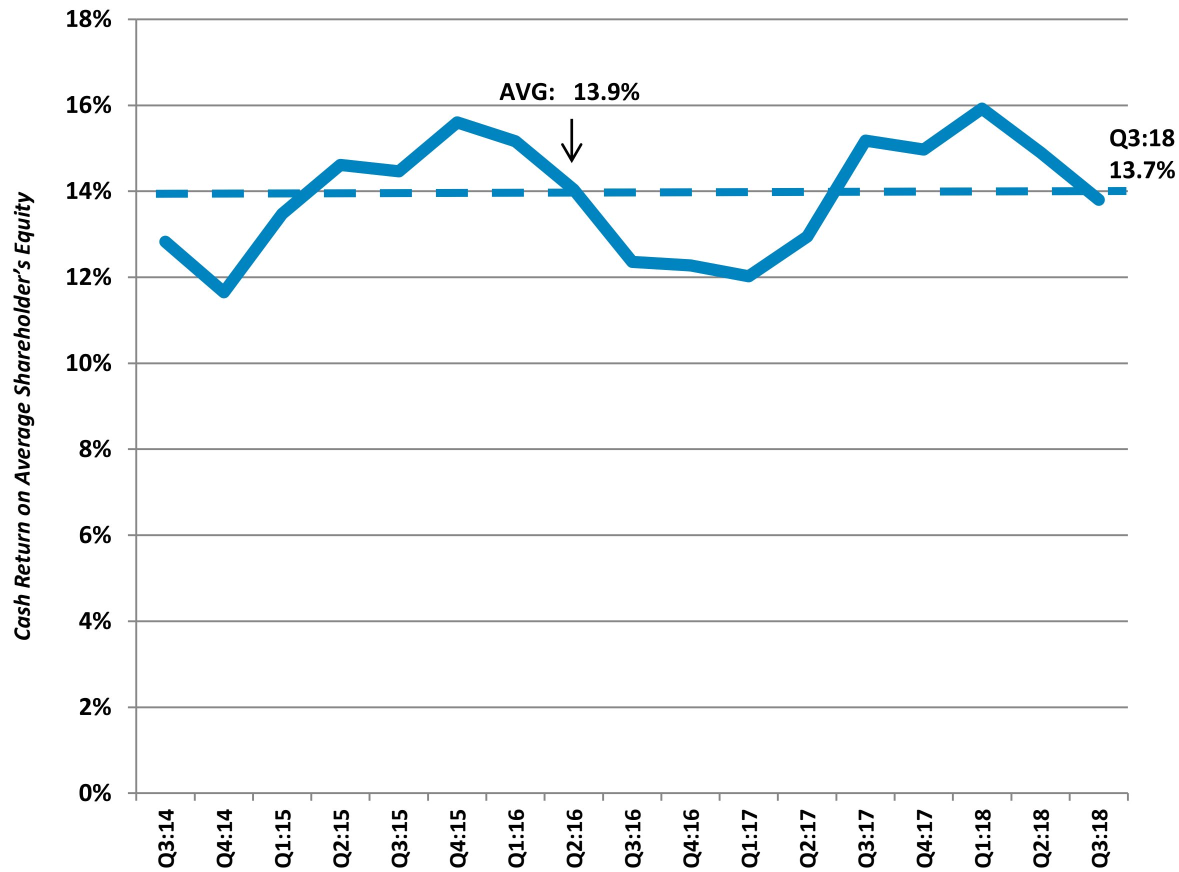
Trailing twelve month Cash ROE[1] was 13.7%

Converging with GAAP and Adjusted ROE

Gains from aircraft sales have been a strong contributor to Cash ROE

- Gains represent ~2.5% of ROE

Recent move to the longer term average reflects lower CFFO due to aircraft sold to reduce residual value risk and realize gains



1. *Refer to the selected financial Information accompanying this presentation for a reconciliation of GAAP to Non-GAAP numbers.*

Q3:18 Capital Structure

Strong liquidity profile and low financial leverage

Net debt to equity of 2.1x; 85% of total debt was unsecured at quarter-end

Average remaining life of debt is 3.2 years; next maturity is a $400 million note due in Q4:18

$935 million in available revolver capacity

- Unsecured revolving credit facility increased to $800 million from $675 million and extended to June 2022
  - Borrowing margin reduced by 75 basis points
- Undrawn Asian revolving credit facility currently totals $135 million
- Unrestricted cash of $594 million at the end of Q3:18

$5.6 billion of unencumbered flight equipment

IG ratings assisted recent bond issue upsizing from $500 million to $650 million

- Nearly $3 billion of demand helped drive the indicative yield from 4.7% to a final yield of ~4.4%

Selected Financial Guidance Elements for Q4:18

Guidance Item	Q4:18
Lease rental revenue	$187 - $191
Finance lease revenue	$8 - $9
Amortization of lease premiums, discounts and incentives	$(4) - $(5)
Maintenance revenue	$14 - $18
Gain on sale	$5 - $8
Depreciation	$79 - $83
Interest, net	$62 - $64
SG&A[1]	$17 - $18
Full year effective tax rate	4% - 6%

1. *Includes ~$3.0M of non-cash share based payment expense.*

Appendix

Reclassification of Gain on Sale of Flight Equipment

	Three Months Ended Sept. 30, 2017	NIne Months Ended Sept. 30, 2017
Total revenues as previously reported	$ 191,411	$ 619,218
Gain on sale of flight equipment	21,642	35,926
Total revenues	$ 213,053	$ 655,144

As part of the Company's adoption of FASB ASU No. 2014-09, Revenue from Contracts with Customers (Topic 606), we have reclassified Gain on sale of flight equipment from Other income (expense) to Revenues on our Consolidated Statement of Income as of March 31, 2018. We believe this better reflects the sale of flight equipment as part of our ordinary activities and conforms our presentation to those of our publicly traded peers. The presentation for the three and nine months ended September 30, 2017, have also been reclassified to conform to the current period presentation. The standard did not have a material impact on our consolidated financial statements and related disclosures.

Q3:18 Capital Structure & Liquidity Summary

($ in millions)	As of Sept. 30, 2018		As of Dec. 31, 2017		As of Dec. 31, 2016	
Unrestricted cash and cash equivalents	$ 594		$ 212		$ 456	
Debt	O / S	Rate[1]	O / S	Rate[1]	O / S	Rate[1]
ECA Term Financings	199	3.58%	227	3.59%	305	3.52%
Bank Financings	528	4.37%	635	3.68%	934	3.20%
Total Secured Debt	727	4.15%	863	3.65%	1,239	3.28%
Senior Notes due 2017	-	-	-	-	500	6.75%
Senior Notes due 2018	400	4.63%	400	4.63%	400	4.63%
Senior Notes due 2019	500	6.25%	500	6.25%	500	6.25%
Senior Notes due 2020	300	7.63%	300	7.63%	300	7.63%
Senior Notes due 2021	500	5.13%	500	5.13%	500	5.13%
Senior Notes due 2022	500	5.50%	500	5.50%	500	5.50%
Senior 5.00% Notes due 2023	500	5.00%	500	5.00%	500	5.00%
Senior 4.40% Notes due 2023	650	4.40%	-	-	-	-
Senior Notes due 2024	500	4.13%	500	4.13%	-	-
Bank Revolvers ($935 million - undrawn)	-	0.00%	175	3.68%	-	-
Other Unsecured Bank Financings	120	4.34%	120	3.59%	120	2.65%
Total Unsecured Debt	3,970	5.17%	3,495	5.21%	3,320	5.65%
Total Debt and Weighted Avg. Rate	4,697	5.01%	4,358	4.90%	4,559	5.01%
Shareholders' equity	1,959		1,908		1,834	
Total capitalization	$ 6,655		$ 6,265		$ 6,393	
Net debt to equity	2.1 x		2.2 x		2.2 x	
Unsecured debt to total debt	85%		80%		73%	

Note: The debt totals in the above table do not include debt issuance costs or discounts which are reflected in the net debt totals that are displayed on the consolidated balance sheet.

Supplemental Financial Information

in thousands, except per share amounts	Three Months Ended September 30, 2018	Three Months Ended September 30, 2017	Nine Months Ended September 30, 2018	Nine Months Ended September 30, 2017
Revenues	$ 190,829	$ 213,053	$ 597,785	$ 655,144
EBITDA	$ 176,802	$ 196,668	$ 559,191	$ 522,892
Adjusted EBITDA	$ 179,233	$ 199,535	$ 563,001	$ 617,031
Net income	$ 36,332	$ 57,431	$ 144,082	$ 92,754
Net income allocable to common shares	$ 36,105	$ 57,016	$ 143,213	$ 92,083
Per common share - Basic	$ 0.47	$ 0.73	$ 1.84	$ 1.18
Per common share - Diluted	$ 0.46	$ 0.73	$ 1.83	$ 1.18
Adjusted net income	$ 38,225	$ 64,387	$ 147,354	$ 112,526
Adjusted net income allocable to common shares	$ 37,986	$ 63,922	$ 146,465	$ 111,712
Per common share - Basic	$ 0.49	$ 0.82	$ 1.88	$ 1.43
Per common share - Diluted	$ 0.49	$ 0.82	$ 1.87	$ 1.43
Basic common shares outstanding	77,600	78,237	77,956	78,197
Diluted common shares outstanding	77,895	78,375	78,243	78,366

1. *As part of the Company's adoption of Financial Accounting Standards Board ("FASB") Accounting Standards Update ("ASU") No. 2014-09, Revenue from Contracts with Customers (Topic 606), we have reclassified Gain on sale of flight equipment from Other income (expense) to Revenues on our Consolidated Statement of Income as of March 31, 2018. We believe this better reflects the sale of flight equipment as part of our ordinary activities and conforms our presentation to those of our publicly traded peers. The presentation for the three and nine months ended September 30, 2017, has also been reclassified to conform to the current period presentation. The standard did not have a material impact on our consolidated financial statements and related disclosures.*

Reconciliation of GAAP to Non-GAAP Measures – EBITDA & Adjusted EBITDA

We define EBITDA as income (loss) from continuing operations before income taxes, interest expense, and depreciation and amortization. We use EBITDA to assess our consolidated financial and operating performance, and we believe this non-US GAAP measure is helpful in identifying trends in our performance.

This measure provides an assessment of controllable expenses and affords management the ability to make decisions which are expected to facilitate meeting current financial goals as well as achieving optimal financial performance. It provides an indicator for management to determine if adjustments to current spending decisions are needed.

EBITDA provides us with a measure of operating performance because it assists us in comparing our operating performance on a consistent basis as it removes the impact of our capital structure (primarily interest charges on our outstanding debt) and asset base (primarily depreciation and amortization) from our operating results.

Accordingly, this metric measures our financial performance based on operational factors that management can impact in the short-term, namely the cost structure, or expenses, of the organization. EBITDA is one of the metrics used by senior management and the board of directors to review the consolidated financial performance of our business.

We define Adjusted EBITDA as EBITDA (as defined above) further adjusted to give effect to adjustments required in calculating covenant ratios and compliance as that term is defined in the indenture governing our senior unsecured notes. Adjusted EBITDA is a material component of these covenants.

	Three Mos. Ended Sept. 30,		Nine Mos. Ended Sept. 30,	
	2018	2017	2018	2017
	(Dollars in thousands)			
Net income	$ 36,332	$ 57,431	$ 144,082	$ 92,754
Depreciation	78,059	70,018	229,242	227,446
Amortization of lease premiums, discounts and incentives	4,044	2,388	10,706	8,780
Interest, net	57,131	60,636	171,637	185,376
Income tax provision	1,236	6,195	3,524	8,536
EBITDA	176,802	196,668	559,191	522,892
Adjustments:				
Impairment of flight equipment	-	-	-	80,430
Non-cash share based payment expense	2,798	2,506	8,252	10,636
(Gain) loss on MTM of interest rate derivative contracts	(367)	361	(4,442)	3,073
Adjusted EBITDA	$ 179,233	$ 199,535	$ 563,001	$ 617,031

Reconciliation of GAAP to Non-GAAP Measures – Adjusted Net Income

Management believes that ANI, when viewed in conjunction with the Company's results under U.S. GAAP and the above reconciliation, provides useful information about operating and period-over-period performance, and provides additional information that is useful for evaluating the underlying operating performance of our business without regard to periodic reporting elements related to interest rate derivative accounting, changes related to refinancing activity and non-cash share based payment expense.

	Three Mos. Ended Sept. 30,		Nine Mos. Ended Sept. 30,	
	2018	2017	2018	2017
	(Dollars in thousands)			
Net income (loss)	$ 36,332	$ 57,431	$ 144,082	$ 92,754
Loan termination (gain) fee [1]	(838)	1,070	(838)	2,058
(Gain) loss on mark-to-market of interest rate derivative contracts [2]	(367)	361	(4,442)	3,073
Write-off of deferred financing fees [1]	300	3,019	300	4,005
Non-cash share based payment expense [3]	2,798	2,506	8,252	10,636
Adjusted net income	$ 38,225	$ 64,387	$ 147,354	$ 112,526

1. *Included in Interest, net.*
2. *Included in Other income (expense).*
3. *Included in Selling, general and administrative expenses.*

Reconciliation of GAAP to non-GAAP Measures - Cash Earnings & Cash ROE

	CFFO	Finance Lease Collections	Gain on Sale of Eqt.	Deprec.	Distributions in excess (less than) Equity Earnings	Cash Earnings	Average Shareholders' Equity	Trailing 12 Month Cash ROE
2012	$427,277	$3,852	$5,747	$269,920	$0	$166,956	$1,425,658	11.7%
2013	$424,037	$9,508	$37,220	$284,924	$0	$185,841	$1,513,156	12.3%
2014	$458,786	$10,312	$23,146	$299,365	$667	$193,546	$1,661,228	11.7%
2015	$526,285	$9,559	$58,017	$318,783	($530)	$274,548	$1,759,871	15.6%
2016	$468,092	$19,413	$39,126	$305,216	($1,782)	$219,633	$1,789,256	12.3%
2017	$490,871	$32,184	$55,167	$298,664	($1,011)	$278,547	$1,861,005	15.0%
LTM Q3:18	$490,710	$31,156	$47,827	$300,460	($4,815)	$264,418	$1,927,819	13.7%

Note: LTM Average Shareholders' Equity is the average of the most recent five quarters period end Shareholders' Equity. Management believes that the cash return on equity metric ("Cash ROE") when viewed in conjunction with the Company's results under U.S. GAAP and the above reconciliation, provide useful information about operating and period-over-period performance, and provide additional information that is useful for evaluating the underlying operating performance of our business without regard to periodic reporting impacts related to non-cash revenue and expense items and interest rate derivative accounting, while recognizing the depreciating nature of our assets.

Dollars in thousands.

Net Cash Interest Margin Calculation

1. *We define net cash interest margin as lease rentals from operating leases, interest income and cash collections from finance and sales-type leases minus interest on borrowings, net settlements on interest rate derivatives and other liabilities adjusted for loan termination payments divided by the average net book of flight equipment (which includes net investment in finance and sales-type leases) for the period calculated on a quarterly and annualized basis. The second quarter of 2017 excludes a non-recurring, $7.0 million accelerated collection received from a lessee in connection with a finance lease.*

2. *Excludes loan termination payments of $3.0 million in the second quarter of 2013, $1.5 million and $3.5 million in the first quarter and fourth quarter of 2016, respectively, and loan termination payments of $1.0 million in both the second and third quarters of 2017, and an $0.8 million loan termination gain in the third quarter of 2018.*

Management believes that net cash interest margin, when viewed in conjunction with the Company's results under U.S. GAAP and the above reconciliation, provides useful information about the effective deployment of our capital in the context of the yield on our aircraft assets, the utilization of those assets by our lessees, and our ability to borrow efficiently.

Except for percentages, all figures are $ in thousands.

	Average NBV	Quarterly Rental Revenue[1]	Cash Interest[2]	Annualized Net Cash Interest Margin[1,2]
Q1:12	$ 4,388,008	$ 152,242	$ 44,969	9.8%
Q2:12	$ 4,542,477	$ 156,057	$ 48,798	9.4%
Q3:12	$ 4,697,802	$ 163,630	$ 41,373	10.4%
Q4:12	$ 4,726,457	$ 163,820	$ 43,461	10.2%
Q1:13	$ 4,740,161	$ 162,319	$ 48,591	9.6%
Q2:13	$ 4,840,396	$ 164,239	$ 44,915	9.9%
Q3:13	$ 4,863,444	$ 167,876	$ 47,682	9.9%
Q4:13	$ 5,118,601	$ 176,168	$ 49,080	9.9%
Q1:14	$ 5,312,651	$ 181,095	$ 51,685	9.7%
Q2:14	$ 5,721,521	$ 190,574	$ 48,172	10.0%
Q3:14	$ 5,483,958	$ 182,227	$ 44,820	10.0%
Q4:14	$ 5,468,637	$ 181,977	$ 44,459	10.1%
Q1:15	$ 5,743,035	$ 181,027	$ 50,235	9.1%
Q2:15	$ 5,967,898	$ 189,238	$ 51,413	9.2%
Q3:15	$ 6,048,330	$ 191,878	$ 51,428	9.3%
Q4:15	$ 5,962,874	$ 188,491	$ 51,250	9.2%
Q1:16	$ 5,988,076	$ 186,730	$ 51,815	9.0%
Q2:16	$ 5,920,030	$ 184,469	$ 55,779	8.7%
Q3:16	$ 6,265,175	$ 193,909	$ 57,589	8.7%
Q4:16	$ 6,346,361	$ 196,714	$ 58,631	8.7%
Q1:17	$ 6,505,355	$ 200,273	$ 58,839	8.7%
Q2:17	$ 6,512,100	$ 199,522	$ 55,871	8.8%
Q3:17	$ 5,985,908	$ 184,588	$ 53,457	8.8%
Q4:17	$ 6,247,581	$ 187,794	$ 53,035	8.6%
Q1:18	$ 6,700,223	$ 193,418	$ 53,978	8.3%
Q2:18	$ 6,721,360	$ 193,988	$ 53,979	8.3%
Q3:18	$ 6,787,206	$ 200,354	$ 54,521	8.6%

Book Value Per Share Calculation

	Shares Issued and Outstanding (000)	Shareholders' Equity ($000)	Book Value Per Share
9/30/2014	80,949	$1,655,202	$20.45
9/30/2015	81,181	$1,760,411	$21.68
9/30/2016	78,634	$1,785,096	$22.70
9/30/2017	78,708	$1,871,974	$23.78
9/30/2018	77,180	$1,958,697	$25.38

Supplemental Financial Information

	Three Months Ended Sept. 30, 2018		Nine Months Ended Sept. 30, 2018	
Weighted-average shares:	**Shares**	**Percent**	**Shares**	**Percent**
Common shares outstanding – Basic	77,600	99.37%	77,956	99.40%
Unvested restricted common shares	489	0.63%	473	0.60%
Total weighted-average shares outstanding	78,089	100.00%	78,429	100.00%
Common shares outstanding – Basic	77,600	99.62%	77,956	99.63%
Effect of dilutive shares[1]	296	0.38%	287	0.37%
Common shares outstanding – Diluted	77,895	100.00%	78,243	100.00%
Net income allocation				
Net income	$ 36,332	100.00%	$ 144,082	100.00%
Distributed and undistributed earnings allocated to unvested restricted shares[2]	(227)	-0.63%	(869)	-0.60%
Earnings available to common shares	$ 36,105	99.37%	$ 143,213	99.40%
Adjusted net income allocation				
Adjusted net income	$ 38,225	100.00%	$ 147,354	100.00%
Amounts allocated to unvested restricted shares	(239)	-0.63%	(889)	-0.60%
Amounts allocated to common shares	$ 37,986	99.37%	$ 146,465	99.40%

Except for percentages, all figures are in thousands.

1. *For the three and nine months ended September 30, 2018, distributed and undistributed earnings to restricted shares were 0.60% and 0.63% respectively of net income and adjusted net income. The amount of restricted share forfeitures for the period presented is immaterial to the allocation of distributed and undistributed earnings.*
2. *For the three and nine months ended September 30, 2018, dilutive shares represented contingently issuable shares.*

Supplemental Financial Information

	Three Months Ended Sept. 30, 2017		Nine Months Ended Sept. 30, 2017	
Weighted-average shares:	**Shares**	**Percent**	**Shares**	**Percent**
Common shares outstanding – Basic	78,237	99.20%	78,197	99.28%
Unvested restricted common shares	570	0.72%	569	0.72%
Total weighted-average shares outstanding	78,807	100.00%	78,767	100.00%
Common shares outstanding – Basic	78,237	99.82%	78,197	99.78%
Effect of dilutive shares[1]	138	0.18%	169	0.22%
Common shares outstanding – Diluted	78,375	100.00%	78,366	100.00%
Net income allocation				
Net income	$ 57,431	100.00%	$ 92,754	100.00%
Distributed and undistributed earnings allocated to unvested restricted shares[2]	(415)	-0.72%	(671)	-0.72%
Earnings available to common shares	$ 57,016	99.28%	$ 92,083	99.28%
Adjusted net income allocation				
Adjusted net income	$ 64,387	100.00%	$ 112,526	100.00%
Amounts allocated to unvested restricted shares	(465)	-0.72%	(814)	-0.72%
Amounts allocated to common shares	$ 63,922	99.28%	$ 111,712	99.28%

Except for percentages, all figures are in thousands.

1. *For the three and nine months ended September 30, 2017, distributed and undistributed earnings to restricted shares were 0.72%, of net income and adjusted net income for both periods presented. The amount of restricted share forfeitures for the period presented is immaterial to the allocation of distributed and undistributed earnings.*
2. *For the three and nine months ended September 30, 2017, dilutive shares represented contingently issuable shares.*

Limitations of EBITDA, Adjusted EBITDA, ANI, Cash ROE & Net Cash Interest Margin

An investor or potential investor may find EBITDA, Adjusted EBITDA , ANI, Cash Earnings, Cash ROE and Net Cash Interest Margin important measures in evaluating our performance, results of operations and financial position. We use these non-US GAAP measures to supplement our US GAAP results in order to provide a more complete understanding of the factors and trends affecting our business.

EBITDA, Adjusted EBITDA, ANI, Cash Earnings, Cash ROE and Net Cash Interest Margin have limitations as analytical tools and should not be viewed in isolation or as substitutes for US GAAP measures of earnings. Material limitations in making the adjustments to our earnings to calculate EBITDA, Adjusted EBITDA, ANI, Cash Earnings, Cash ROE and Net Cash Interest Margin and using these non-US GAAP measures as compared to US GAAP net income, income from continuing operations and cash flows provided by or used in operations, include:

- depreciation and amortization, though not directly affecting our current cash position, represent the wear and tear and/or reduction in value of our aircraft, which affects the aircraft's availability for use and may be indicative of future needs for capital expenditures;

- the cash portion of income tax (benefit) provision generally represents charges (gains), which may significantly affect our financial results;

- elements of our interest rate derivative accounting may be used to evaluate the effectiveness of our hedging policy;

- hedge loss amortization charges related to Term Financing No. 1 and Securitization No. 1; and

- adjustments required in calculating covenant ratios and compliance as that term is defined in the indenture governing our senior unsecured notes.

EBITDA, Adjusted EBITDA, ANI, Cash Earnings, Cash ROE and Net Cash Interest Margin are not alternatives to net income, income from operations or cash flows provided by or used in operations as calculated and presented in accordance with US GAAP. You should not rely on these non-US GAAP measures as a substitute for any such US GAAP financial measure. We strongly urge you to review the reconciliations to US GAAP net income, along with our consolidated financial statements included elsewhere in our Annual Report. We also strongly urge you to not rely on any single financial measure to evaluate our business. In addition, because EBITDA, Adjusted EBITDA, ANI, Cash Earnings, Cash ROE and Net Cash Interest Margin are not measures of financial performance under US GAAP and are susceptible to varying calculations, EBITDA, Adjusted EBITDA, ANI, Cash Earnings, Cash ROE and Net Cash Interest Margin as presented here, may differ from and may not be comparable to, similarly titled measures used by other companies.