AIRCASTLE

Fourth Quarter 2018
Earnings Call

February 12, 2019

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 2018 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.

2018 Accomplishments

Completed $1.4 billion in aircraft acquisitions; acquired 39 aircraft in total – all narrow-bodies - including ten A320neos

Sold fourteen aircraft for $338.8 million and $36.8 million in gains; margin of 10.9% on net sales proceeds

Achieved investment grade ratings from Moody's, S&P and Fitch Ratings

Increased our revolving credit facilities from $810 million to a total of $1.05 billion

Returned a total of $157.7 million to shareholders in 2018 through a combination of dividends and repurchases

Key Q4:18 Accomplishments

Acquired eighteen narrow-body aircraft for $760 million; Q4 acquisitions included eight A320neos

Have commitments to acquire ten aircraft in 2019, including four A320neos, for $378 million

Sold three aircraft during Q4:18 for $62.7 million and gain on sale of $8.2 million; margin of 13.1% on net sales proceeds

Fourth quarter utilization of 97.0%; full year utilization averaged 99.6%

Repurchased $34.5 million of our common shares during Q4:18 at an average price of $18.60 per share

Declared our 51st consecutive quarterly dividend

Key Financial Metrics – Full Year 2018

Net income in 2018 was $247.9 million versus $147.9 million in 2017; $3.17 per diluted share versus $1.87 per diluted share

Lease rental revenues[2] were $757.8 million in 2018 versus $747.0 million in 2017

Gain on sale of flight equipment totaled $36.8 million in 2018 versus $55.2 million in 2017

Adjusted net income[1] was $257.2 million in 2018 versus $169.6 million in 2017; $3.29 per diluted share versus $2.15 per diluted share

Adjusted EBITDA[1] was $839.8 million in 2018, versus $801.6 million in 2017

GAAP ROE was 12.7% in 2018 and Cash ROE[1] was 14.2%; Net cash interest margin[2] was 7.8%

1. *Refer to the selected financial Information accompanying this presentation for a reconciliation of GAAP to Non-GAAP numbers.*
2. *Includes finance and sales-type lease revenue.*

Key Financial Metrics – Q4:18

Net income was $103.8 million; $1.35 per diluted share versus $0.70 per diluted share in Q4:17

Lease rental revenues[1] increased by 7.5% to $192.7 million versus $179.3 million

Adjusted net income[2] was $109.9 million; $1.43 per diluted share versus $0.72 per diluted share

Adjusted EBITDA[2] was $276.8 million versus $184.6 million

1. *Includes finance and sales-type lease revenue.*
2. *Refer to the selected financial Information accompanying this presentation for a reconciliation of GAAP to Non-GAAP numbers.*

Q4:18 Revenue Summary

Lease rental and finance and sales-type lease revenues of $192.7 million, up $13.4 million vs. Q4:17

- $42.6 million net increase from aircraft purchased, offset by a $29.2 million reduction from aircraft sales and other net revenue reductions

Maintenance revenue increased by $93.4 million

- Primarily driven by the early termination of eleven leased aircraft with Avianca Brazil in Q4:18

Revenue Summary		
$ in millions	Q4:18	Q4:17
Lease Rental and Finance and Sales-Type Lease Revenues	$192.7	$179.3
Amortization of Lease Premiums, Discounts and Incentives	(4.6)	(2.9)
Maintenance Revenue	93.7	0.4
Total Lease Revenue	281.9	176.7
Gain on Sale of Flight Equipment[1]	8.2	19.2
Other Revenue	2.5	0.7
Total Revenues[1]	$292.6	$196.6

Q4:18 Earnings Summary

Net income increased by $48.7 million versus Q4:17, while adjusted net income rose by $52.8 million

- Total lease revenues[2] rose by $105.2 million, partially offset by lower gains from the sale of flight equipment of $11.1 million, and higher combined depreciation, interest expense, tax expense and joint venture write-down of $37.6 million.

Adjusted EBITDA was $276.8 million, up by $92.3 million versus Q4:17

- Higher maintenance revenues of $93.4 million

Earnings Summary		
$ in millions, except per share amounts	Q4:18	Q4:17
Net Income	$103.8	$55.1
per diluted common share	*$1.35*	*$0.70*
Adjusted Net Income[1]	$109.9	$57.0
per diluted common share	*$1.43*	*$0.72*
EBITDA[1]	$255.0	$182.6
Adjusted EBITDA[1]	$276.8	$184.6

1. *Refer to the selected financial Information accompanying this presentation for a reconciliation of GAAP to Non-GAAP numbers.*
2. *Includes finance and sales-type lease revenue.*

Acquisitions & Sales

Acquired eighteen narrow-body aircraft for $760 million during Q4:18

Closed or committed to acquire an additional $378 million in 2019

Sold three aircraft during the fourth quarter for proceeds of $62.7 million; FY sales generated net proceeds of $338.8 million and gains of $36.8 million

2018 Acquisitions & Sales		
	Acquisitions[1]	Completed Sales
Investments / sales proceeds	$1.4 billion	$339 million
Total number of aircraft	39	14
Narrow-bodies	39	12
Wide-bodies	--	2[2]
Weighted avg. age	5.3 years	11.0 years
Weighted avg. remaining lease term	5.6 years	4.5 years

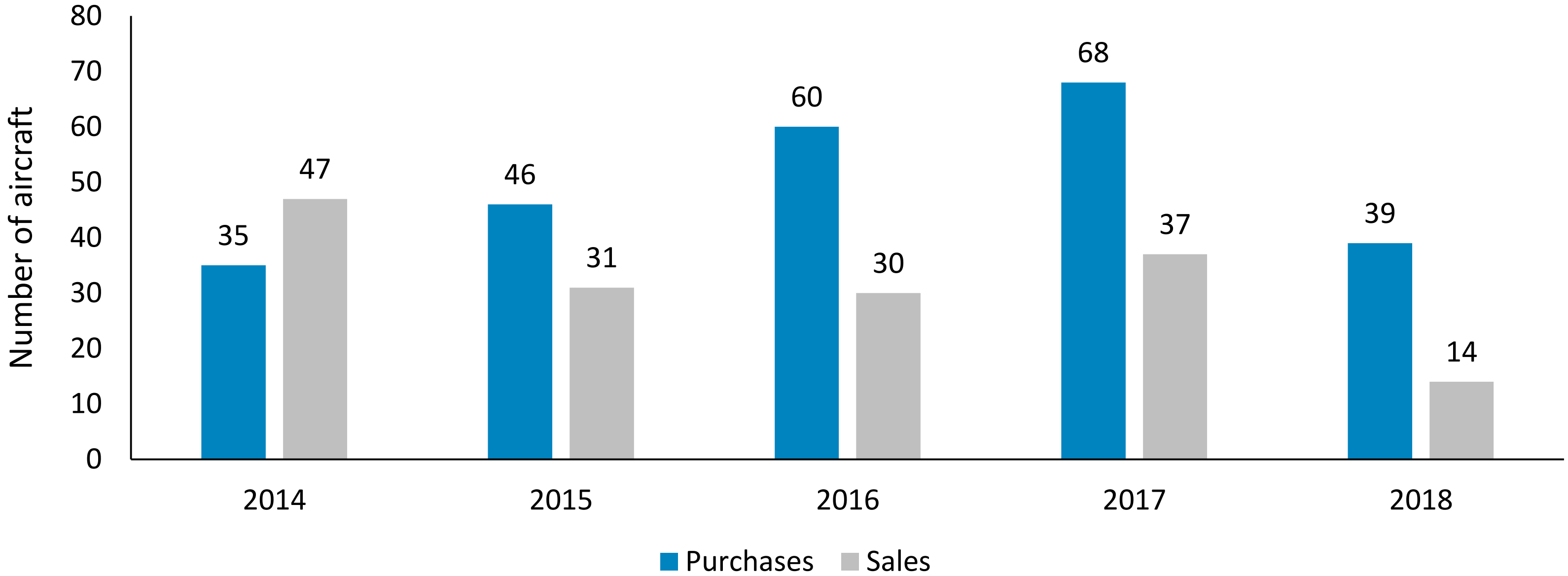
1. *Closed deals only through December 31, 2018*
2. *One 18 year-old A330-200 and one 11 year old 777-300ER*

Robust Portfolio Management with an Active Asset Strategy

261 aircraft owned and managed at YE:18

Since 2014

- Acquired 248 aircraft
- Sold 159 aircraft
- Generated $212 million gains from sales and net proceeds of $3.3 billion

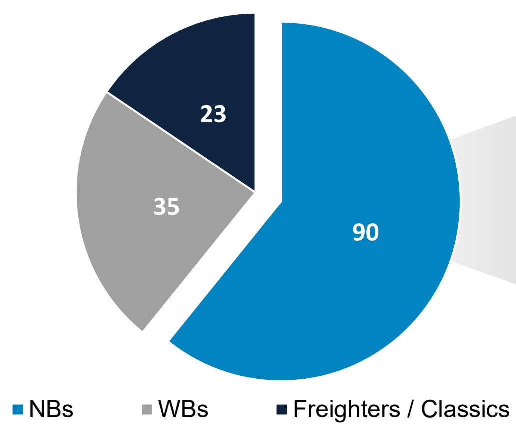


Fleet Evolution

Significant Fleet Risk Reduction

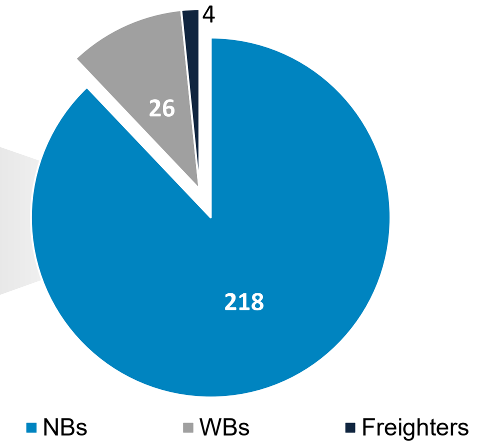
Aircastle has realigned its portfolio to concentrate on liquid narrow-bodies with selective exposure to wide-bodies

YE 2014 Aircraft Count

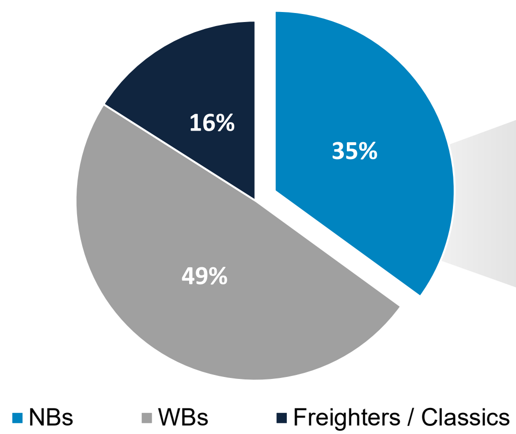


The number of wide-body, freighter and classic aircraft has declined significantly since 2014

YE 2018 Aircraft Count

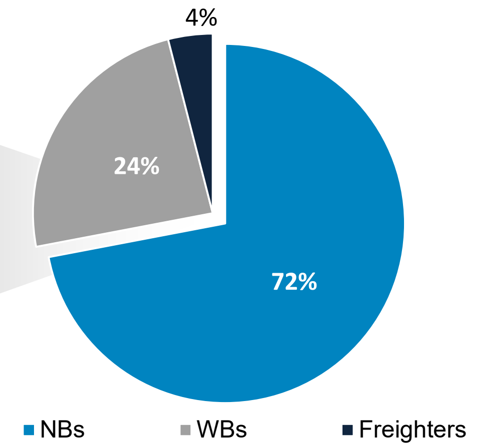


YE 2014 Fleet Type (By NBV)



72% of the fleet now consists of more liquid narrow-body aircraft versus 35% five years ago

YE 2018 Fleet Type (By NBV)



Portfolio Metrics

Since YE 2014, expanded owned fleet at a compound annual growth rate of 6.8%

Drove annual dividend per share growth of 8.6% from 2014 to 2018

$ in billions	YE 2014	YE 2018	YE 2018 vs YE 2014
Flight Equipment Held for Lease[1]	$5.7	$7.4	+ $1.7
Wtd. Avg. Fleet Age (years)[2]	8.4	9.1	+ 0.7
Wtd. Avg. Lease Term (years)[2]	5.4	4.5	- 0.9
Managed JV Aircraft[1]	$0.5	$0.6	+ $0.1

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

81 airline customers across the globe; ten A320neos on lease with Indigo

Ten A320 aircraft previously leased to Avianca Brazil are in the process of being repossessed

There is strong demand for these young, narrow-body aircraft which we expect to be quickly placed once recovered

Top ten customers: 95 leased aircraft; 42% of total NBV

Top Ten Lessees			
% of NBV[1] per customer	Customer	Country	#Aircraft
>6%	IndiGo	India	16
3%-6%	Lion Air	Indonesia	11
	LATAM	Chile	3
	TAP Portugal	Portugal	8
	Iberia	Spain	15
	SAA	South Africa	4
	EasyJet	United Kingdom	20
	Aerolineas Argentinas	Argentina	5
<3%	Interjet	Mexico	11
	AirBridgeCargo	Russia	2

Diversified geographic mix - airline customers in 44 countries

Asia/Pacific represents 36% of portfolio NBV - Europe 27%

Fifteen aircraft, including Avianca Brazil, were on the ground at year-end

Top ten countries: 148 leased aircraft; 55% of total NBV

Top Ten Countries		
Country	# A/C	% of NBV[1]
India	26	11.7%
Indonesia	15	6.9%
United Kingdom	30	5.5%
Portugal	8	4.7%
Russia	9	4.7%
Chile	3	4.6%
USA	15	4.4%
Mexico	16	4.3%
Spain	16	4.2%
South Korea	10	3.9%

1. *As of December 31, 2018.*

Leasing Activity and Portfolio Performance

97% utilization during Q4:18; below trend due to Avianca Brazil

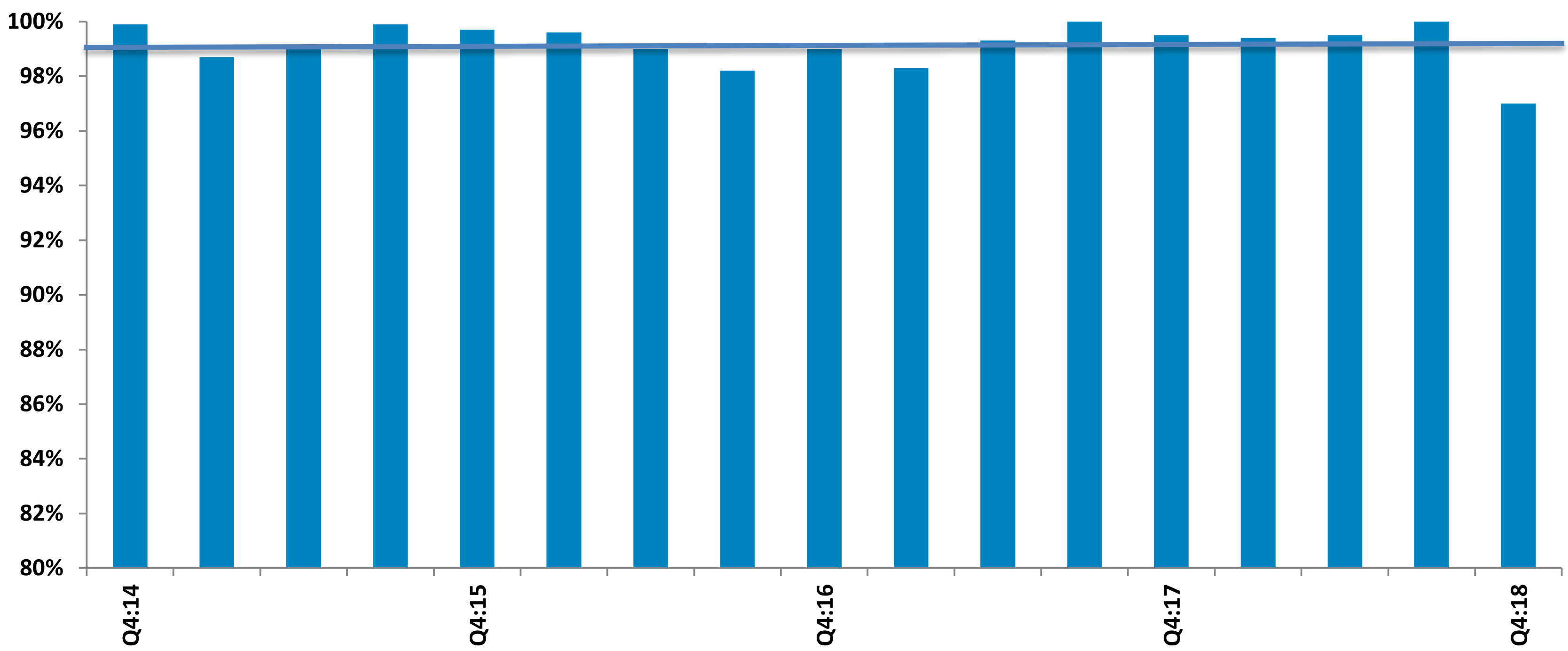
Two A330s and one A320 are on the ground; 1.9% of NBV

The repossession of ten Avianca Brazil A320s, included in AOG, in process; 5.2% of NBV

Six additional narrow-bodies scheduled to come off lease in 2019; 1.3% of NBV

Utilization Performance

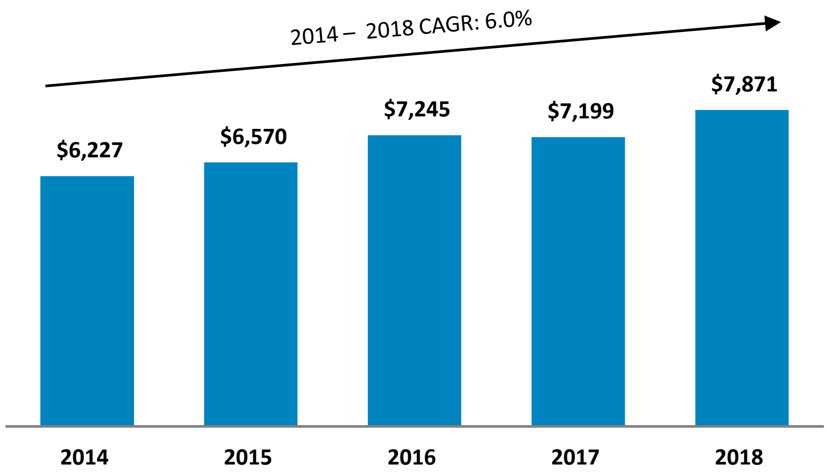
Utilization has averaged 99.2% since Q4:14



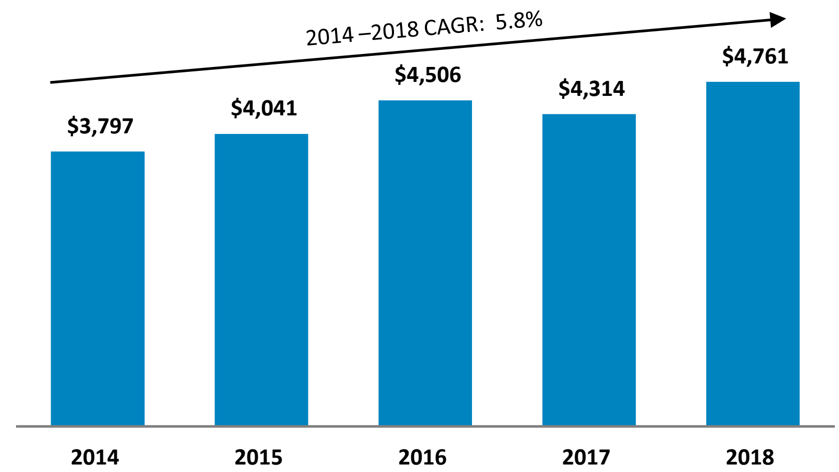
Note: Aircraft on-lease days as a percent of total days in period weighted by NBV.

Disciplined Approach to Profitable Growth

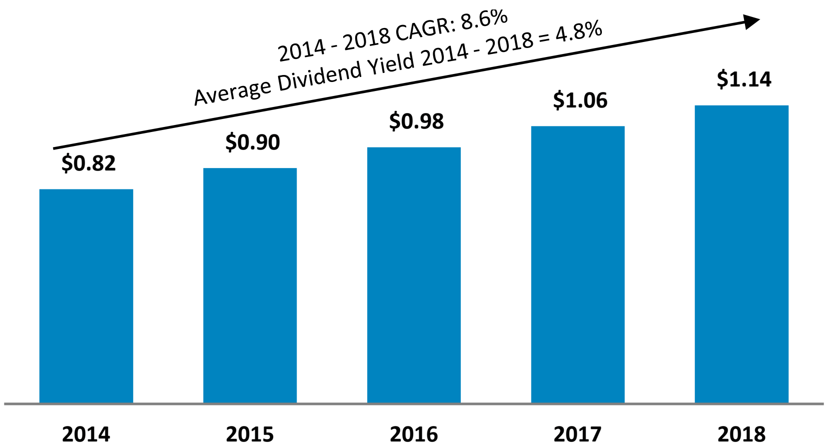
Total Assets



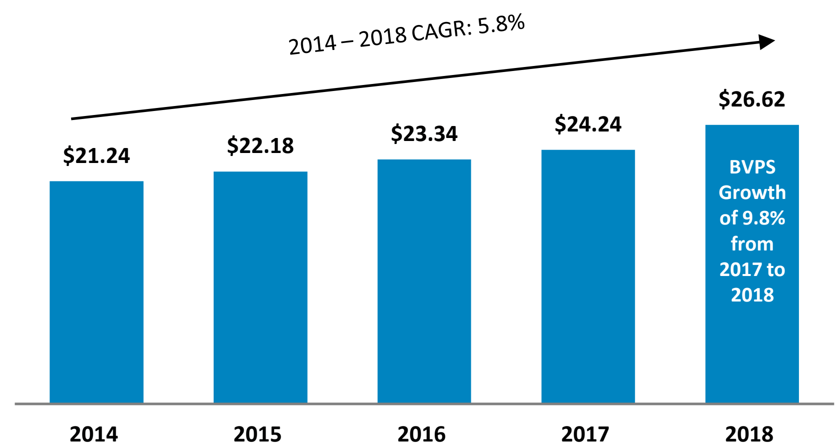
Total Debt



Dividends Paid Per Share



Book Value Per Share



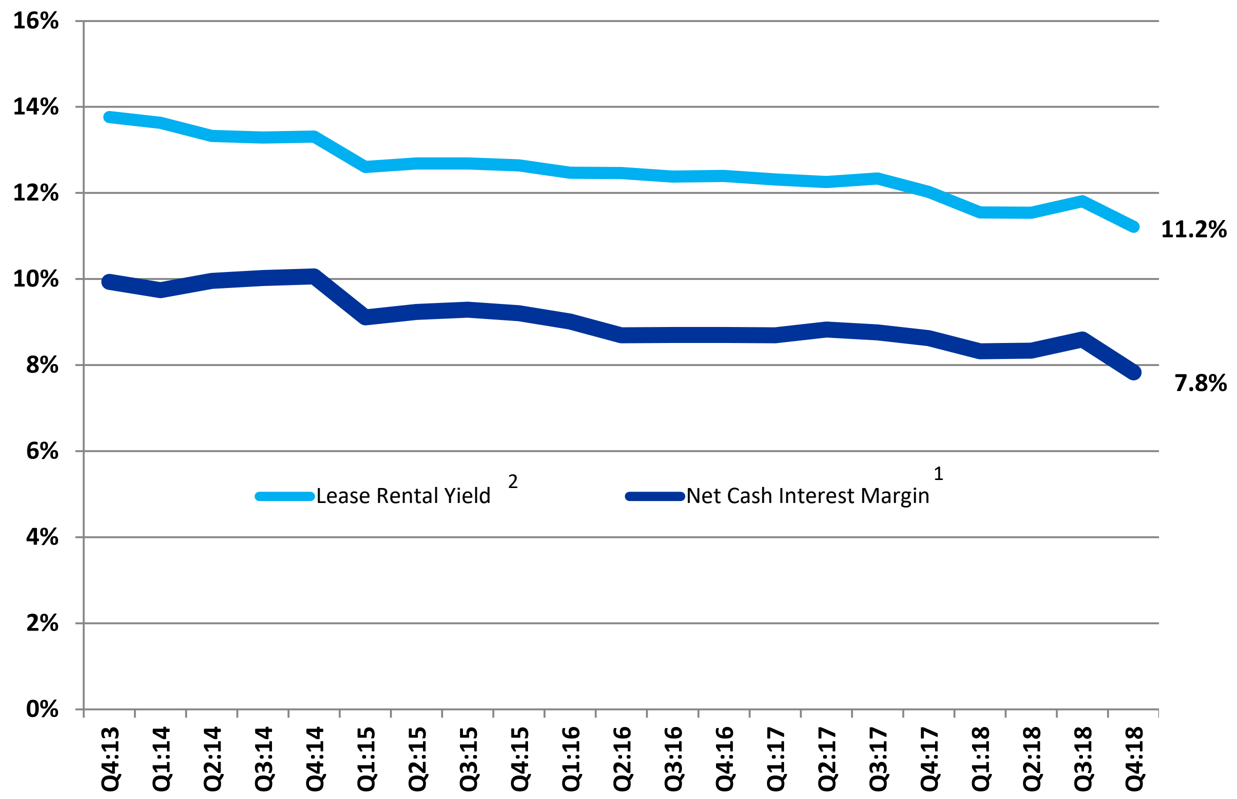
Rental Yields and Net Cash Interest Margins

11.2% lease rental yields [1] and 7.8% net cash interest margins[1]

Lower margin primarily reflects the loss rental revenue from the 11 Avianca Brazil aircraft

We expect the net cash interest margin to rebound in the second half of 2019 as the Avianca aircraft are placed back in revenue service

The current fleet composition is more liquid with less risk compared to five years ago



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.*

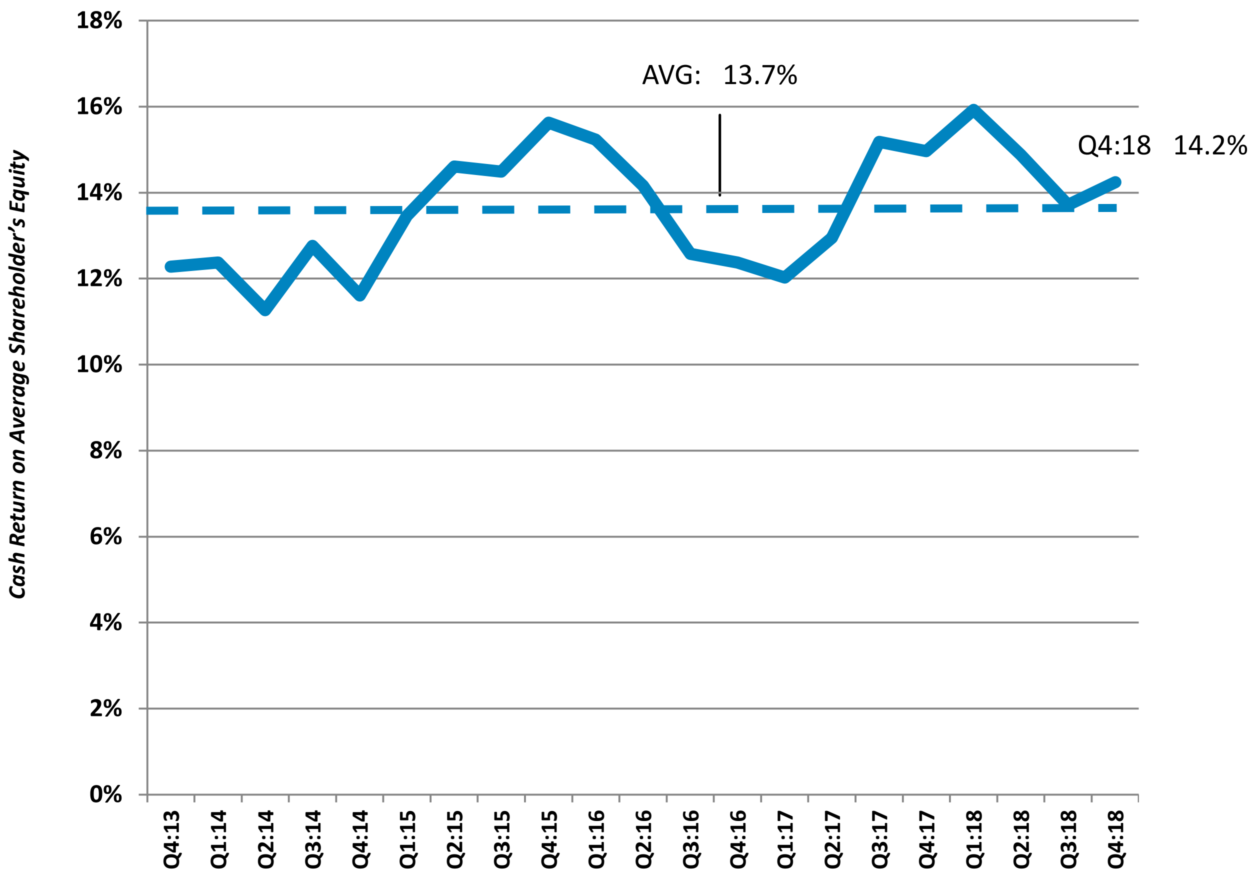
Note: The second quarter of 2017 excluded a non-recurring, $7.0 million accelerated collection received from a lessee in connection with a finance lease.

Cash ROE Performance

Trailing twelve month Cash ROE[1] was 14.2% versus 15.0% a year ago

GAAP ROE of 12.7%

Cash flow from operations of $522.6 million was $31.7 million higher in 2018 versus 2017



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

Q4:18 Capital Structure

Strong liquidity profile and low financial leverage

Net debt to equity of 2.3x; 83% of total debt was unsecured at quarter-end

Average remaining life of debt is 3.3 years

$1.05 billion in available revolver capacity

- Unsecured revolving credit facility increased to $800 million from $675 million; matures June 2022
- Replaced $135 million unsecured Asian revolving credit facility with a $250 million facility; matures in December 2021
    - Borrowing margin on both revolvers reduced by 75 basis points
- Unrestricted cash of $153 million at year-end

$6.1 billion of unencumbered flight equipment – 217 aircraft

Selected Financial Guidance Elements for Q1:19

Guidance Item	Q1:19
Lease rental revenue	$179 - $185
Finance lease revenue	$8 - $9
Amortization of lease premiums, discounts and incentives	($5) – ($6)
Maintenance revenue	$10 - $12
Gain on sale	$6 - $9
Depreciation	$83 - $87
Interest, net	$65 - $68
SG&A[1]	$18 - $19
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 December 31, 2017	Year Ended December 31, 2017
Total revenues as previously reported	$ 177,402	$ 796,620
Gain on sale of flight equipment	19,241	55,167
Total revenues	$ 196,643	$ 851,787

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 twelve months ended December 31, 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.

Q4:18 Capital Structure & Liquidity Summary

($ in millions)	As of Dec. 31, 2018		As of Dec. 31, 2017		As of Dec. 31, 2016	
Unrestricted cash and cash equivalents	$ 153		$ 212		$ 456	
Debt	O / S	Rate[1]	O / S	Rate[1]	O / S	Rate[1]
ECA Term Financings	189	3.58%	227	3.59%	305	3.52%
Bank Financings	620	4.73%	635	3.68%	934	3.20%
Total Secured Debt	809	4.46%	863	3.65%	1,239	3.28%
Senior Notes due 2017	-	-	-	-	500	6.75%
Senior Notes due 2018	-	-	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)	425	4.01%	175	3.68%	-	-
Other Unsecured Bank Financings	120	4.34%	120	3.59%	120	2.65%
Total Unsecured Debt	3,995	5.10%	3,495	5.21%	3,320	5.65%
Total Debt and Weighted Avg. Rate	4,804	4.99%	4,358	4.90%	4,559	5.01%
Shareholders' equity	2,009		1,908		1,834	
Total capitalization	$ 6,812		$ 6,265		$ 6,393	
Net debt to equity	2.3 x		2.2 x		2.2 x	
Unsecured debt to total debt	83%		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 December 31, 2018		Three Months Ended December 31, 2017		Year Ended December 31, 2018		Year Ended December 31, 2017	
Revenues	$	292,566	$	196,643	$	890,351	$	851,787
EBITDA	$	254,993	$	182,633	$	814,184	$	705,525
Adjusted EBITDA	$	276,830	$	184,553	$	839,831	$	801,584
Net income	$	103,837	$	55,120	$	247,919	$	147,874
Net income allocable to common shares	$	103,174	$	54,757	$	246,402	$	146,829
Per common share - Basic	$	1.36	$	0.70	$	3.18	$	1.88
Per common share - Diluted	$	1.35	$	0.70	$	3.17	$	1.87
Adjusted net income	$	109,883	$	57,040	$	257,237	$	169,566
Adjusted net income allocable to common shares	$	109,182	$	56,665	$	255,663	$	168,368
Per common share - Basic	$	1.44	$	0.72	$	3.30	$	2.15
Per common share - Diluted	$	1.43	$	0.72	$	3.29	$	2.15
Basic common shares outstanding		75,937		78,286		77,447		78,219
Diluted common shares outstanding		76,281		78,393		77,749		78,373

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 twelve months ended December 31, 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 and 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 Months Ended December 31,		Year Ended December 31,	
	2018	**2017**	**2018**	**2017**
	(Dollars in thousands)			
Net income	$ 103,837	$ 55,120	$ 247,919	$ 147,874
Depreciation	81,608	71,218	310,850	298,664
Amortization of lease premiums, discounts and incentives	4,653	2,934	15,269	11,714
Interest, net	62,867	55,855	234,504	241,231
Income tax provision	2,118	(2,494)	5,642	6,042
EBITDA	254,993	182,633	814,184	705,525
Adjustments:				
Impairment of flight equipment	—	—	—	80,430
Equity share of joint venture impairment	15,791	—	15,791	---
Non-cash share-based payment expense	3,236	2,512	11,488	13,148
(Gain) Loss on mark-to-market of interest rate derivative contracts	2,810	(592)	(1,632)	2,481
Adjusted EBITDA	$ 276,830	$ 184,553	$ 839,831	$ 801,584

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 Months Ended December 31,		Year Ended December 31,	
	2018	2017	2018	2017
	(Dollars in thousands)			
Net income	$ 103,837	$ 55,120	$ 247,919	$ 147,874
Loan termination fee[1]	—	—	(838)	2,058
(Gain) Loss on mark-to-market of interest rate derivative contracts[2]	2,810	(592)	(1,632)	2,481
Write-off of deferred financing fees[1]	—	—	300	4,005
Non-cash share-based payment expense[3]	3,236	2,512	11,488	13,148
Adjusted net income	$ 109,883	$ 57,040	$ 257,237	$ 169,566

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 and Cash ROE

	CFFO	+	Finance Lease Collections	+	Gain on Sale of Eqt.	-	Deprec.	=	Cash Earnings	Average Shareholders' Equity	Trailing 12 Month Cash ROE
2013	$424,037		$9,508		$37,220		$284,924		$185,841	$1,513,156	12.3%
2014	$458,786		$10,312		$23,146		$299,365		$192,879	$1,661,228	11.6%
2015	$526,285		$9,559		$58,017		$318,783		$275,078	$1,759,871	15.6%
2016	$468,092		$19,413		$39,126		$305,216		$221,415	$1,789,256	12.4%
2017	$490,871		$32,184		$55,167		$298,664		$279,558	$1,861,005	15.0%
2018	$522,592		$29,961		$36,766		$310,850		$278,469	$1,955,160	14.2%

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. To reflect the expected sale of the assets in one of our joint ventures, and to simplify the presentation of Cash ROE, we are no longer adjusting for joint venture distributions in excess of/less than joint venture earnings recorded under the equity method of investment accounting.

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]
Q1:13	$ 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%
Q4:18	$ 7,136,627	$ 200,027	$ 60,348	7.8%

AIRCASTLE

Book Value Per Share Calculation

As of Dec. 31,	Shares Issued and Outstanding (000)	Shareholders' Equity ($000)	Book Value Per Share	% Change
2014	80,983	$1,720,335	$21.24	
2015	80,232	$1,779,500	$22.18	4.4%
2016	78,593	$1,834,314	$23.34	5.2%
2017	78,708	$1,907,564	$24.24	3.8%
2018	75,455	$2,008,681	$26.62	9.8%
			2014-2018 CAGR	5.8%

AIRCASTLE

Supplemental Financial Information

	Three Months Ended December 31, 2018		Year Ended December 31, 2018	
Weighted-average shares:	**Shares**	**Percent[2]**	**Shares**	**Percent[2]**
Common shares outstanding – Basic	75,937	99.36%	77,447	99.39%
Unvested restricted common shares	488	0.64%	477	0.61%
Total weighted-average shares outstanding	76,425	100.00%	77,924	100.00%
Common shares outstanding – Basic	75,937	99.55%	77,447	99.61%
Effect of dilutive shares[1]	344	0.45%	301	0.39%
Common shares outstanding – Diluted	76,281	100.00%	77,749	100.00%
Net income allocation				
Net income	$ 103,837	100.00%	$ 247,919	100.00%
Distributed and undistributed earnings allocated to unvested restricted shares	(663)	(0.64)%	(1,517)	(0.61)%
Earnings available to common shares	$ 103,174	99.36%	$ 246,402	99.39%
Adjusted net income allocation				
Adjusted net income	$ 109,883	100.00%	$ 257,237	100.00%
Amounts allocated to unvested restricted shares	(701)	(0.64)%	(1,574)	(0.61)%
Amounts allocated to common shares	$ 109,182	99.36%	$ 255,663	99.39%

Except for percentages, all figures are in thousands.

1. *For the three months and year ended December 31, 2018, distributed and undistributed earnings to restricted shares were 0.64% and 0.61%, respectively, of net income and adjusted net income. The amount of restricted share forfeitures for all periods present is immaterial to the allocation of distributed and undistributed earnings.*
2. *For all periods presented, dilutive shares represented contingently issuable shares.*

Supplemental Financial Information

Weighted-average shares:	Three Months Ended December 31, 2017		Year Ended December 31, 2017	
	Shares	Percent[2]	Shares	Percent[2]
Common shares outstanding – Basic	78,286	99.34%	78,219	99.29%
Unvested restricted common shares	518	0.66%	557	0.71%
Total weighted-average shares outstanding	78,804	100.00%	78,776	100.00%
Common shares outstanding – Basic	78,286	99.86%	78,219	99.80%
Effect of dilutive shares[1]	108	0.14%	154	0.20%
Common shares outstanding – Diluted	78,393	100.00%	78,373	100.00%
Net income allocation				
Net income	$ 55,120	100.00%	$ 147,874	100.00%
Distributed and undistributed earnings allocated to unvested restricted shares	(363)	(0.66)%	(1,045)	(0.71)%
Earnings available to common shares	$ 54,757	99.34%	$ 146,829	99.29%
Adjusted net income allocation				
Adjusted net income	$ 57,040	100.00%	$ 169,566	100.00%
Amounts allocated to unvested restricted shares	(375)	(0.66)%	(1,198)	(0.71)%
Amounts allocated to common shares	$ 56,665	99.34%	$ 168,368	99.29%

Except for percentages, all figures are in thousands.

1. *For the three months and year ended December 31, 2017, distributed and undistributed earnings to restricted shares were 0.66% and 0.71%, respectively, of net income and adjusted net income. The amount of restricted share forfeitures for all periods present is immaterial to the allocation of distributed and undistributed earnings.*
2. *For all periods presented, dilutive shares represented contingently issuable shares.*

Limitations of EBITDA, Adjusted EBITDA, ANI, Cash ROE and 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 certain financings; 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.