AIRCASTLE

Second Quarter 2018 Earnings Call

August 7, 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.

Q2:18 Highlights

Acquired nine narrow-body aircraft during the second quarter for $302 million

- Average age of 7.5 years; average remaining lease term of 6.4 years
- Acquired or committed to acquire a total of 33 narrow-body aircraft in 2018 for more than $1.2 billion

Sold four aircraft during Q2:18 for gains of $19.9 million

- Average age of 9.5 years; average margin on aircraft sales of approximately 15%

Upgraded to Investment Grade by Standard & Poor's; Received an IG rating from Fitch

- Ratings placed on review for upgrade to Investment Grade by Moody's

Increased Revolving Credit Facility to $800 Million and extended the facility to June 2022

- Borrowing margin reduced by 75bps

YTD repurchased $13.7 million of our common shares at an average price of $19.62 per share

Declared our 49th consecutive quarterly dividend

Key Financial Metrics – Q2:18

Net income was $50.2 million versus a net loss of ($7.1) million in Q2:17

$0.64 per diluted common share versus ($0.09) the previous year

EBITDA was $190.4 million versus $136.6 million in Q2:17, up 39%

Adjusted net income[1] was $52.4 million versus $2.4 million in Q2:17

$0.67 per diluted common share versus $0.03 the previous year

Adjusted EBITDA[1] was $192.6 million, down 14.0%

Cash ROE[1] was 14.9% and Net cash interest margin[1] was 8.3%

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

Q2:18 Revenue Summary

Total lease revenue of $183.8 million, down $36.8 million vs. Q2:17

We recognized no maintenance revenue in Q2:18, versus $28.9 million in Q2:17

Lease rental and finance lease revenues were down $7.6 million, primarily due to wide-body and freighter aircraft that were sold or transitioned over the past year

Revenue Summary		
$ in millions	Q2:18	Q2:17
Lease Rental and Finance and Sales-Type Lease Revenues	$187.4	$195.0
Amortization of Lease Premiums, Discounts and Incentives	(3.5)	(3.3)
Maintenance Revenue	--	28.9
Total Lease Revenue	183.8	220.6
Gain on Sale of Flight Equipment[1]	19.9	13.5
Other Revenue	0.6	2.9
Total Revenues[1]	$204.3	$237.1

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

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Q2:18 Earnings Summary

Net income increased $57.3 million versus Q2:17; adjusted net income rose $49.9 million

- Primarily driven by $79.9 million reduction in impairments, partially offset by $28.9 million reduction in maintenance revenue

Adjusted EBITDA was $192.6 million, down $31.5 million from Q2:17

- Mainly due to $28.9 million of lower maintenance revenue in the current year versus the prior year

Earnings Summary		
$ in millions, except per share amounts	Q2:18	Q2:17
Net Income	$50.2	$ (7.1)
per diluted common share	*$0.64*	*$ (0.09)*
Adjusted Net Income[1]	$52.4	$ 2.4
per diluted common share	$0.67	*$ 0.03*
EBITDA[1]	$190.4	$136.6
Adjusted EBITDA[1]	$192.6	$224.1

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

Q2:18 Acquisitions & Sales

Acquired nine aircraft in Q2:18 for $302 million

Acquired or committed to acquire a total of 33 aircraft for more than $1.2 billion in 2018

Good pipeline of additional medium-probability transactions

Sold four aircraft for gain on sale of $19.9 million

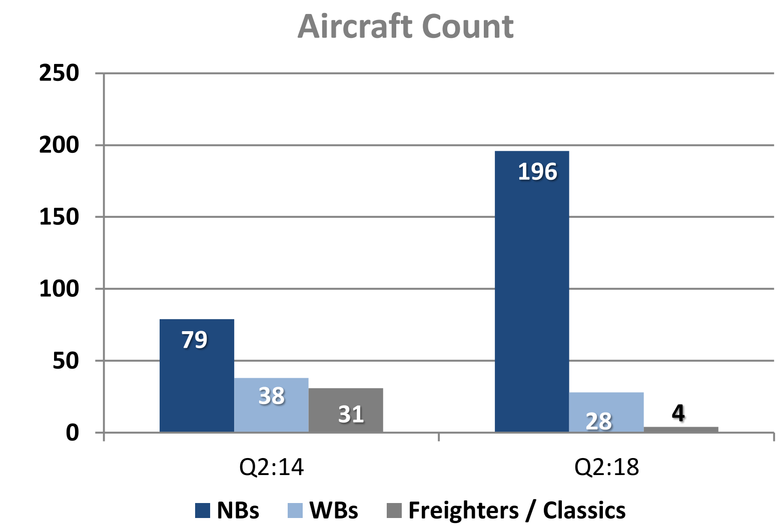
Q2:18 Acquisitions & Sales		
	Acquisitions[1]	Completed Sales
Investments / Sales Proceeds	$302 million	$134 million
Total Number of Aircraft	9	4

Q1:18 Acquisitions & Sales		
	Acquisitions[1]	Completed Sales
Investments / Sales Proceeds	$111 million	$44 million
Total Number of Aircraft	4	4

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

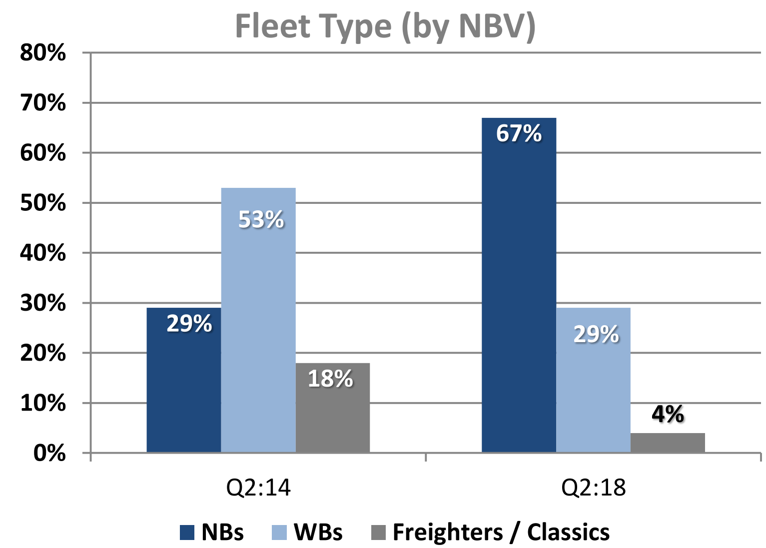
Aircraft Fleet Evolution – Significant Fleet Risk Reduction

The number of wide-body, freighter and classic aircraft has declined significantly since Q2:14



As of June 30, 2018

67% of the fleet now consists of more liquid, and more broadly operated narrow-body aircraft versus 29% five years ago



As of June 30, 2018

Portfolio Metrics

Expanded owned fleet by over $1 billion since Q2:14

Twelve aircraft are managed in our two joint ventures; NBV of $628 million

$ in billions	Q2:14	Q2:15	Q2:16	Q2:17	Q2:18
Flight Equipment Held for Lease[1]	$5.7	$6.1	$6.2	$6.2	$6.8
Wtd. Avg. Fleet Age (years)[2]	8.6	8.0	7.7	8.3	9.5
Wtd. Avg. Lease Term (years)[2]	4.9	5.8	5.5	4.7	4.7
Managed JV Aircraft[1]	$0.2	$0.5	$0.6	$0.7	$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

84 airline customers in 45 countries across the globe

Most top customers are large flag carriers and leading LCCs

Balanced distribution of the aircraft fleet by geographic region

Top Ten Lessees			
% of NBV[1] per customer	Customer	Country	#Aircraft[1]
>6%	Avianca Brazil	Brazil	11
3%-6%	LATAM	Chile	3
	TAP Portugal	Portugal	8
	Lion Air	Indonesia	10
	South African Airways	South Africa	4
	EasyJet	United Kingdom	20
	Aerolineas Argentinas	Argentina	5
	Interjet	Mexico	11
	Iberia	Spain	11
<3%	AirBridge Cargo[2]	Russia	2

Top Ten Countries		
Country	# A/C	% of NBV[1]
Brazil	14	8.1%
United Kingdom	32	6.8%
Indonesia	12	6.2%
India	16	5.6%
Portugal	8	5.2%
Russia	9	5.2%
Chile	3	5.1%
Mexico	17	5.1%
USA	14	4.4%
South Africa	4	3.9%

1. *As of June 30, 2018.*
2. *Guaranteed by Volga-Dnepr Airlines. We have one additional aircraft on lease with an affiliated airline.*

Leasing Activity & Portfolio Performance

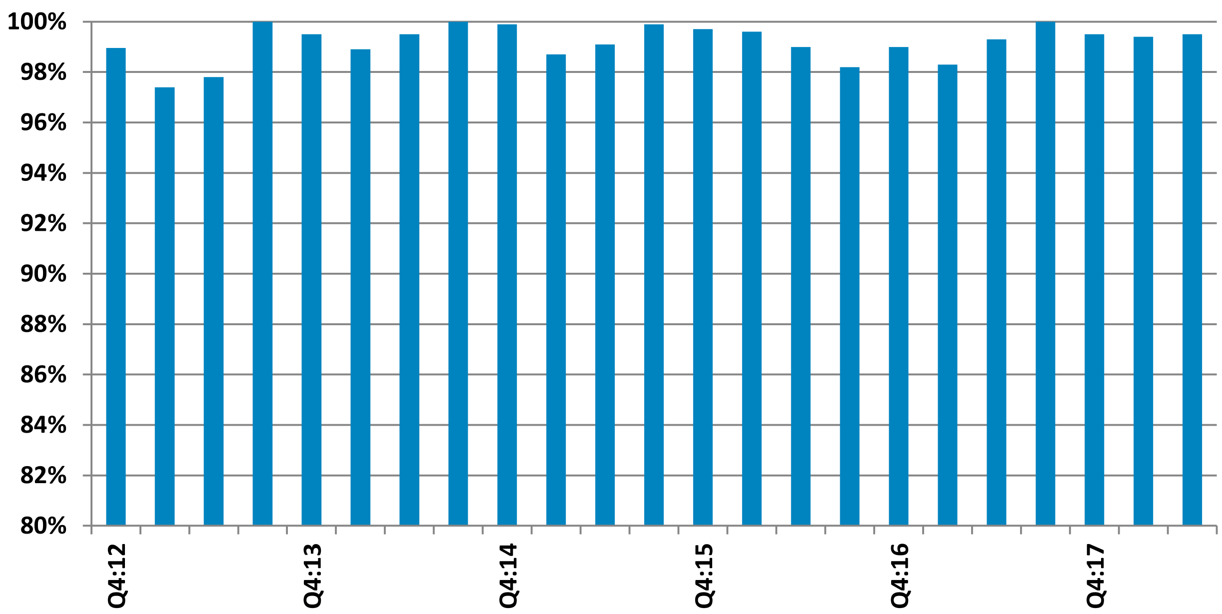
Utilization was 99.5% during Q2:18

No aircraft on the ground at the end of Q2:18

No aircraft remaining to place or transition in 2018

12 narrow-bodies to place in 2019; represents approximately 4% of NBV

Utilization[1]



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

Disciplined & Profitable Organic Growth

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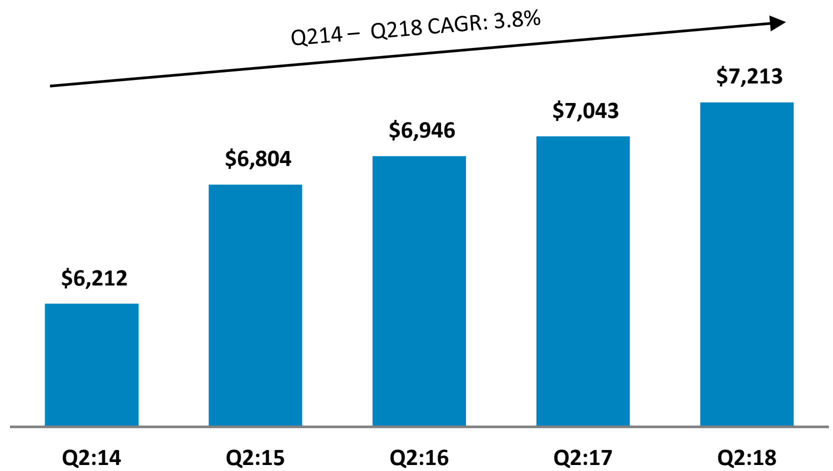
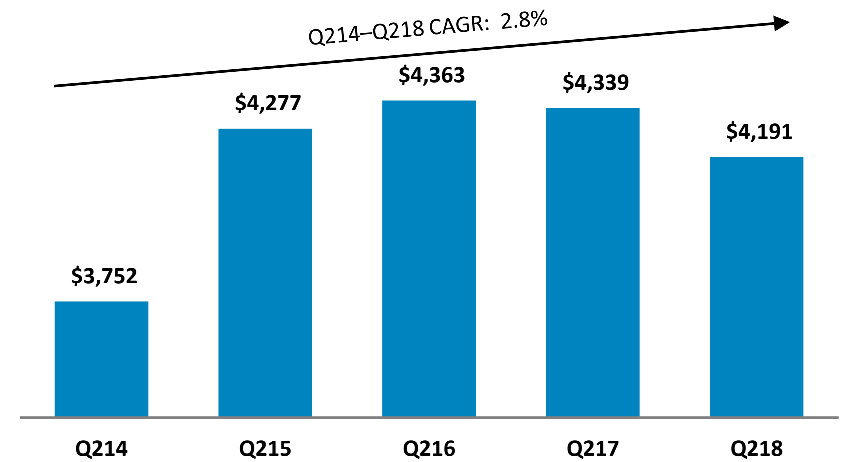
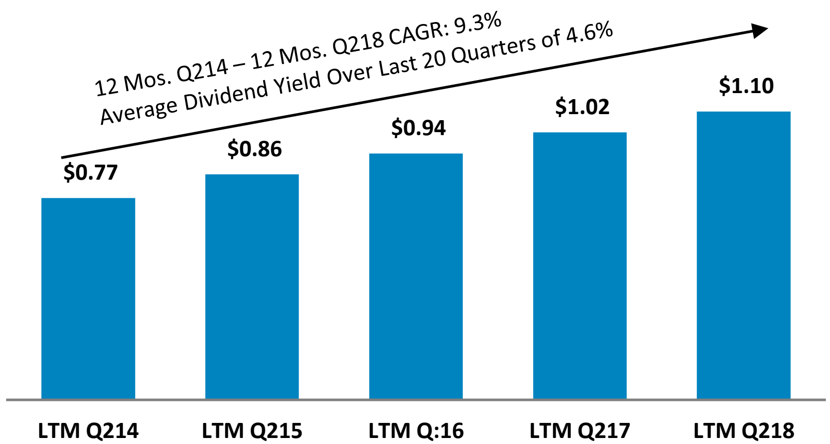
Total Assets



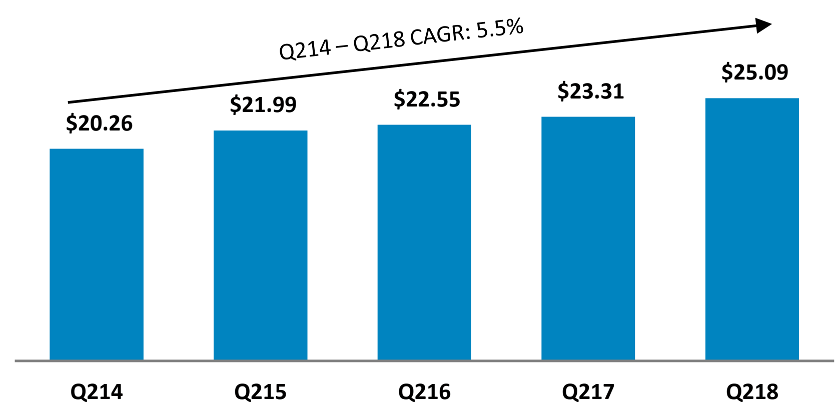
Total Debt



Dividends Paid Per Share



Book Value Per Share

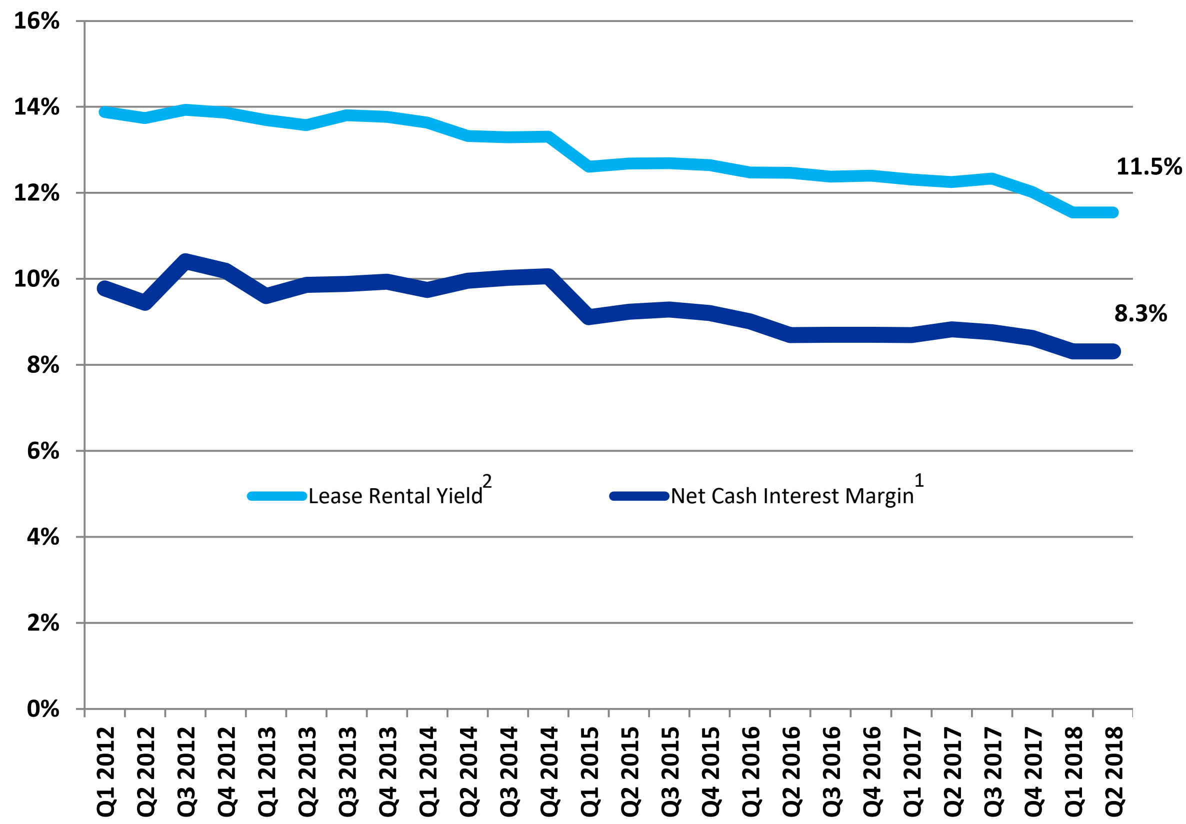


Rental Yields & Net Cash Interest Margins

Q2:18 net cash interest margin was flat versus Q1:18

Rental yields and net cash interest margin[1] trends declined over time due to:

- Higher yielding aircraft that we've sold to reduce risk and recognize gains
- Wide-body lease transitions at lower lease rates



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.*

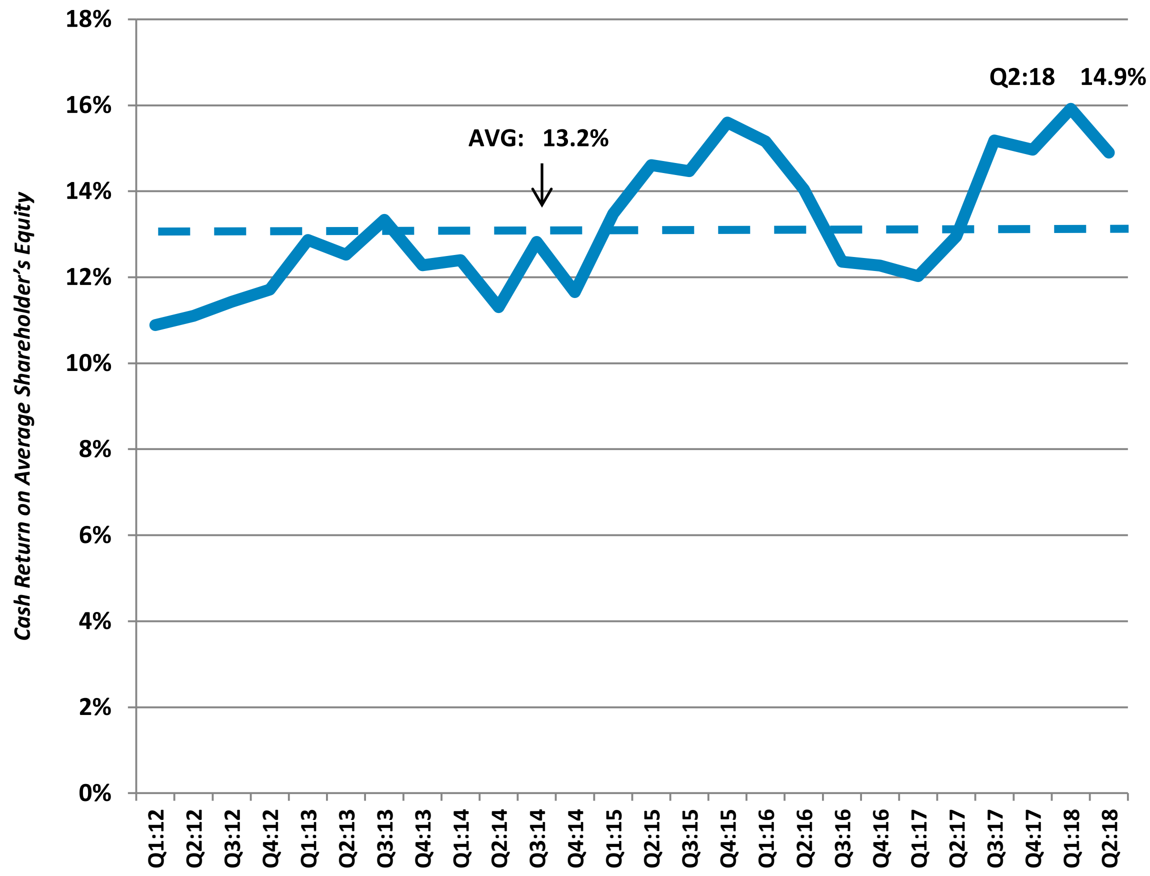
Note: The second quarter of 2017 excluded a non-recurring, $7.0 million accelerated collection received from a lessee in connection with a finance lease.

Cash ROE Performance

Trailing twelve month Cash ROE[1] was 14.9%

Recent performance driven by stable core earnings

Gains from asset sales also a strong contributor to Cash ROE



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

Q2:18 Capital Structure

Strong liquidity profile and low financial leverage

Net debt to equity of 2.1x

- 81% of total debt was unsecured at quarter-end

Average remaining life of debt is 3.1 years

- $400 million note matures in Q4:18

$835 million in available revolver capacity

- Unsecured revolving credit facility increased to $800 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 $142 million

$5.4 billion of unencumbered flight equipment

Investment grade ratings should reduce borrowing costs and enable more reliable access to debt capital throughout the business cycle

Selected Financial Guidance Elements for Q3:18

Guidance Item	Q3:18
Lease rental revenue	$181 - $185
Finance lease revenue	$8 - $9
Amortization of lease premiums, discounts and incentives	($4) - ($5)
Maintenance revenue	$0 - $1
Gain on sale	$0 - $8
Depreciation	$77 - $81
Interest, net	$58 - $60
SG&A[1]	$17 - $18
Full year effective tax rate	4% - 6%

1. *Includes ~$2.9M of non-cash share based payment expense.*

Appendix

Reclassification of Gain on Sale of Flight Equipment

	Three Months Ended June 30, 2017	Six Months Ended June 30, 2017
Total revenues as previously reported	$ 223,534	$ 427,807
Gain on sale of flight equipment	13,525	14,284
Total revenues	$ 237,059	$ 442,091

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 six months ended June 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.

Q2:18 Capital Structure & Liquidity Summary

($ in millions)	As of Jun. 30, 2018		As of Dec. 31, 2017		As of Dec. 31, 2016	
Unrestricted cash and cash equivalents	$ 142		$ 212		$ 456	
Debt	O / S	Rate[1]	O / S	Rate1	O / S	Rate1
ECA Term Financings	208	3.58%	227	3.59%	305	3.52%
Bank Financings	601	4.24%	635	3.68%	934	3.20%
Total Secured Debt	809	4.07%	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 Notes due 2023	500	5.00%	500	5.00%	500	5.00%
Senior Notes due 2024	500	4.13%	500	4.13%	-	-
Other Unsecured Bank Financings	120	4.33%	120	3.59%	120	2.65%
Bank Revolver	100	4.19%	175	3.68%	-	-
Total Unsecured Debt	3,420	5.29%	3,495	5.21%	3,320	5.65%
Total Debt and Weighted Avg. Rate	4,229	5.05%	4,358	4.90%	4,559	5.01%
Shareholders' equity	1,963		1,908		1,834	
Total capitalization	$ 6,193		$ 6,265		$ 6,393	
Net debt to equity	2.1 x		2.2 x		2.2 x	
Unsecured debt to total debt	81%		80%		73%	

Note: The debt totals in the above table do not include debt issuance costs or discount 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 June 30, 2018	Three Months Ended June 30, 2017	Six Months Ended June 30, 2018	Six Months Ended June 30, 2017
Revenues	$ 204,276	$ 237,059	$ 406,956	$ 442,091
EBITDA	$ 190,448	$ 136,585	$ 382,389	$ 326,224
Adjusted EBITDA	$ 192,623	$ 224,105	$ 383,768	$ 417,496
Net income (loss)	$ 50,203	$ (7,116)	$ 107,750	$ 35,323
Net income (loss) allocable to common shares	$ 49,884	$ (7,116)	$ 107,113	$ 35,068
Per common share - Basic	$ 0.64	$ (0.09)	$ 1.37	$ 0.45
Per common share - Diluted	$ 0.64	$ (0.09)	$ 1.37	$ 0.45
Adjusted net income	$ 52,378	$ 2,448	$ 109,129	$ 48,139
Adjusted net income allocable to common shares	$ 52,045	$ 2,428	$ 108,483	$ 47,791
Per common share - Basic	$ 0.67	$ 0.03	$ 1.39	$ 0.61
Per common share - Diluted	$ 0.67	$ 0.03	$ 1.38	$ 0.61
Basic common shares outstanding	77,911	78,177	78,137	78,177
Diluted common shares outstanding	78,248	78,177	78,420	78,404

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 six months ended June 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 June 30,		**Six Mos. Ended June 30,**	
	2018	**2017**	**2018**	**2017**
	(Dollars in thousands)			
Net income (loss)	$ 50,203	$ (7,116)	$ 107,750	$ 35,323
Depreciation	76,181	78,254	151,183	157,428
Amortization of lease premiums, discounts and incentives	3,534	3,280	6,662	6,392
Interest, net	57,398	61,672	114,506	124,740
Income tax provision	3,132	495	2,288	2,341
EBITDA	190,448	136,585	382,389	326,224
Adjustments:				
Impairment of flight equipment	-	79,930	-	80,430
Non-cash share based payment expense	3,076	6,028	5,454	8,130
(Gain) loss on MTM of interest rate derivative contracts	(901)	1,562	(4,075)	2,712
Adjusted EBITDA	$ 192,623	$ 224,105	$ 383,768	$ 417,496

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 June 30,		Six Mos. Ended June 30,	
	2018	2017	2018	2017
	(Dollars in thousands)			
Net income (loss)	$ 50,203	$ (7,116)	$ 107,750	$ 35,323
Loan termination fee [1]	-	988	-	988
(Gain) loss on mark-to-market of interest rate derivative contracts [2]	(901)	1,562	(4,075)	2,712
Write-off of deferred financing fees [1]	-	986	-	986
Non-cash share based payment expense [3]	3,076	6,028	5,454	8,130
Adjusted net income	$ 52,378	$ 2,448	$ 109,129	$ 48,139

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 (Loss) 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	$490,872	$32,184	$55,167	$298,664	($1,011)	$278,548	$1,861,005	15.0%
LTM Q2:18	$483,325	$28,126	$66,515	$292,419	($2,265)	$283,282	$1,903,097	14.9%

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.*

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%

Supplemental Financial Information

	Three Months Ended June 30, 2018		Six Months Ended June 30, 2018	
Weighted-average shares:	**Shares**	**Percent**	**Shares**	**Percent**
Common shares outstanding – Basic	77,911	99.36%	78,137	99.41%
Unvested restricted common shares	498	0.64%	465	0.59%
Total weighted-average shares outstanding	78,409	100.00%	78,602	100.00%
Common shares outstanding – Basic	77,911	99.57%	78,137	99.64%
Effect of dilutive shares[1]	338	0.43%	283	0.36%
Common shares outstanding – Diluted	78,248	100.00%	78,420	100.00%
Net income allocation				
Net income	$ 50,203	100.00%	$ 107,750	100.00%
Distributed and undistributed earnings allocated to unvested restricted shares[2]	(319)	-0.64%	(637)	-0.59%
Earnings available to common shares	$ 49,884	99.36%	$ 107,113	99.41%
Adjusted net income allocation				
Adjusted net income	$ 52,378	100.00%	$ 109,129	100.00%
Amounts allocated to unvested restricted shares	(333)	-0.64%	(646)	-0.59%
Amounts allocated to common shares	$ 52,045	99.36%	$ 108,483	99.41%

Except for percentages, all figures are in thousands.

1. *For the three and six months ended June 30, 2018, distributed and undistributed earnings to restricted shares were 0.64% and 0.59% 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 all periods presented, dilutive shares represented contingently issuable shares.*

Supplemental Financial Information

	Three Months Ended June 30, 2017		Six Months Ended June 30, 2017	
Weighted-average shares:	**Shares**	**Percent**	**Shares**	**Percent**
Common shares outstanding – Basic	78,177	99.20%	78,177	99.28%
Unvested restricted common shares	634	0.80%	569	0.72%
Total weighted-average shares outstanding	78,811	100.00%	78,746	100.00%
Common shares outstanding – Basic	78,177	100.00%	78,177	99.71%
Effect of dilutive shares[1]	---	---	227	0.29%
Common shares outstanding – Diluted	78,177	100.00%	78,404	100.00%
Net income allocation				
Net income (loss)	$ (7,116)	100.00%	$ 35,323	100.00%
Distributed and undistributed earnings allocated to unvested restricted shares[2]	---	---	(255)	-0.72%
Earnings available to common shares	$ (7,116)	100.00%	$ 35,068	99.28%
Adjusted net income allocation				
Adjusted net income	$ 2,448	100.00%	$ 48,139	100.00%
Amounts allocated to unvested restricted shares	(20)	-0.80%	(348)	-0.72%
Amounts allocated to common shares	$ 2,428	99.20%	$ 47,791	99.28%

Except for percentages, all figures are in thousands.

1. *For the three months ended June 30, 2017, the effect of any diluted shares on distributed and undistributed earnings to restricted shares would have been anti-dilutive and was excluded from the calculation. For the six months ended 2017, distributed and undistributed earnings to restricted shares were 0.72%, 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 months ended June 30, 2017, the effect of 170,116 contingently issuable shares related to the Company's PSUs would have been anti-dilutive and were excluded from the calculation. For the six months ended June 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.