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First Quarter 2014 Earnings Call

May 7, 2014

Forward-Looking Statements / Property of Aircastle

Certain items in this presentation and other information we provide from time to time, may constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 including, but 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, Operating Cash Flow, Cash Earnings and Cash ROE 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 management’s current expectations and beliefs 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 forward-looking statements contained in this report. Factors that could have a material adverse effect on our operations and future prospects or that could cause actual results to differ materially from Aircastle expectations include, but are not limited to, capital markets disruption or volatility which could adversely affect our continued ability to obtain additional capital to finance new investments or our working capital needs; government fiscal or tax policies, general economic and business conditions or other factors affecting demand for aircraft or aircraft values and lease rates; our continued ability to obtain favorable tax treatment in Bermuda, Ireland and other jurisdictions; our ability to pay dividends; high or volatile fuel prices, lack of access to capital, reduced load factors and/or reduced yields, operational disruptions caused by political unrest and other factors affecting the creditworthiness of our airline customers and their ability to continue to perform their obligations under our leases and other risks detailed from time to time in Aircastle’s filings with the SEC, including as previously disclosed in Aircastle’s 2013 Annual Report on Form 10-K, and elsewhere in this report. 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 report. Aircastle Limited expressly disclaims any obligation to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in its expectations with regard thereto or change in events, conditions or circumstances on which any statement is based.

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Q1:14 Highlights

- Operating lease and finance lease revenue of $178.3 million vs. $160.5 million in Q1:13, up 11%
- Adjusted EBITDA[1] of $170.0 million vs. $168.6 million in Q1:13, up 1%
- Net income of $5.8 million, or $0.07 per diluted share
- Adjusted net income[1] of $13.3 million, or $0.16 per diluted share
- Purchased eight aircraft for $715 million
- 99% fleet utilization and 13.5% rental yield
- Sold four 737 freighters and two 737 classic aircraft for proceeds of $28 million
- Issued $500 million of 5.125% notes due 2021; redeemed $450 million of 9.75% notes due 2018
- Increased bank revolving credit facility to $450 million and extended the facility term to 2018
- Repaid Securitization No. 1 and terminated the related swap for total of $255 million
- Common dividend of $0.20 declared; 32nd consecutive quarterly dividend

1. *See appendix for GAAP to Non-GAAP reconciliation.*

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Q1:14 Revenue Summary

- Lease rental and finance lease revenue of $178.3 million was $17.8 million higher, or up 11%, versus Q1:13
  - $38.0 million higher from aircraft acquisitions, offset by reductions from aircraft sales of $16.9 million and
  - $3.4 million in reductions from lease extensions, transitions and terminations
- Maintenance revenue decreased by $13.8 million primarily due to $16.4 million of contra maintenance revenue reflecting engine overhaul work performed by a lessee at lease expiry
- Interest income and other revenue declined $4.1 million due to lower lease termination fees and repayment of a debt investment in Q1:13

Revenue Summary		
$ millions	**Q1:13**	**Q1:14**
Lease Rental and Finance Lease Revenue	**$ 160.5**	**$ 178.3**
Amortization of Net Lease Discounts and Lease Incentives	**(7.1)**	**(6.6)**
Maintenance Revenue	**16.9**	**3.0**
Total Lease Rentals	**170.3**	**174.8**
Interest Income and Other Revenue	**5.9**	**1.8**
Total Revenues	**$ 176.2**	**$ 176.6**

Revenue Composition by Quarter

- Increasing operating and finance lease revenues is relative stable and reflects strong fleet growth

$ millions	Q2:12	Q3:12	Q4:12	Q1:13	Q2:13	Q3:13	Q4:13	Q1:14
Operating & Finance Lease Rev	$154.6	$163.1	$162.0	$160.5	$162.0	$165.3	$173.3	$178.3

- Maintenance and other revenue levels are volatile and driven by the timing of lease expirations

$ millions	Q2:12	Q3:12	Q4:12	Q1:13	Q2:13	Q3:13	Q4:13	Q1:14[1]
Amortization of Net Lease Discounts and Incentives	$2.0	($6.8)	($6.5)	($7.1)	($8.7)	($9.7)	($6.9)	($6.6)
Maintenance Revenue[1]	$13.5	$10.9	$16.2	$16.9	$13.2	$12.9	$25.4	$3.0
Other Revenue	$2.0	$5.7	$4.9	$5.9	$3.9	$1.6	$0.2	$1.8

1. *Q1:14 maintenance revenue includes $16.4 million of contra maintenance revenue*

Q1:14 Earnings Summary

- Adjusted net income was $13.3 million, down $14.2 million from Q1:13
  - Total revenues were flat, mostly due to much lower maintenance revenues in Q1:14
  - Non-cash aircraft impairment charges increased $12.1 million due to end of life aircraft dispositions
  - Depreciation expense increased $4.0 million due to aircraft fleet growth
  - Adjusted interest expense increased $2.2 million primarily due to higher average debt outstanding; offset by
  - A lower income tax provision of $2.7 million, and lower maintenance costs of $1.5 million
- Adjusted EBITDA was $170.0 million, up $1.4 million from Q1:13
  - Operating and finance lease revenues increased $17.8 million and maintenance expenses were $1.5 million lower; partially offset by
  - Lower maintenance revenues of $13.8 million, lower lease termination fees of $2.4 million and lower interest income of $1.7 million

Earnings Summary		
$ millions, except per share amounts	**Q1:13**	**Q1:14**
Net Income	**$ 23.1**	**$ 5.8**
per diluted common share	***$ 0.34***	***$ 0.07***
Adjusted Net Income	**$ 27.4**	**$ 13.3**
per diluted common share	***$ 0.40***	***$ 0.16***
EBITDA	**$ 162.8**	**$ 151.4**
Adjusted EBITDA	**$ 168.6**	**$ 170.0**

NOTE: See appendix for GAAP to Non-GAAP reconciliation

Q1:14 Lease Transition, Amendment & Termination Impacts

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$ millions	Maintenance Revenue	Transactional Impairment	Net Pre-Tax Impact
Aircraft & Engine Sales	**$17.2**	**($18.3)**	**($1.1)**
Contra Maintenance Revenue	**($16.4)**	**--**	**($16.4)**
Total	**$0.8**	**($18.3)**	**($17.5)**

- Q1:14 pre-tax earnings impact associated with non-cash transactional impairments, net of maintenance revenues received was $1.1 million, or approximately ($0.01) per share
- Contra maintenance revenue associated with heavy engine restoration on three 737-800 aircraft reduced pre-tax EPS by $0.20
- Expect approximately $16 million of additional contra maintenance for the balance of 2014 from three additional 737-800 aircraft

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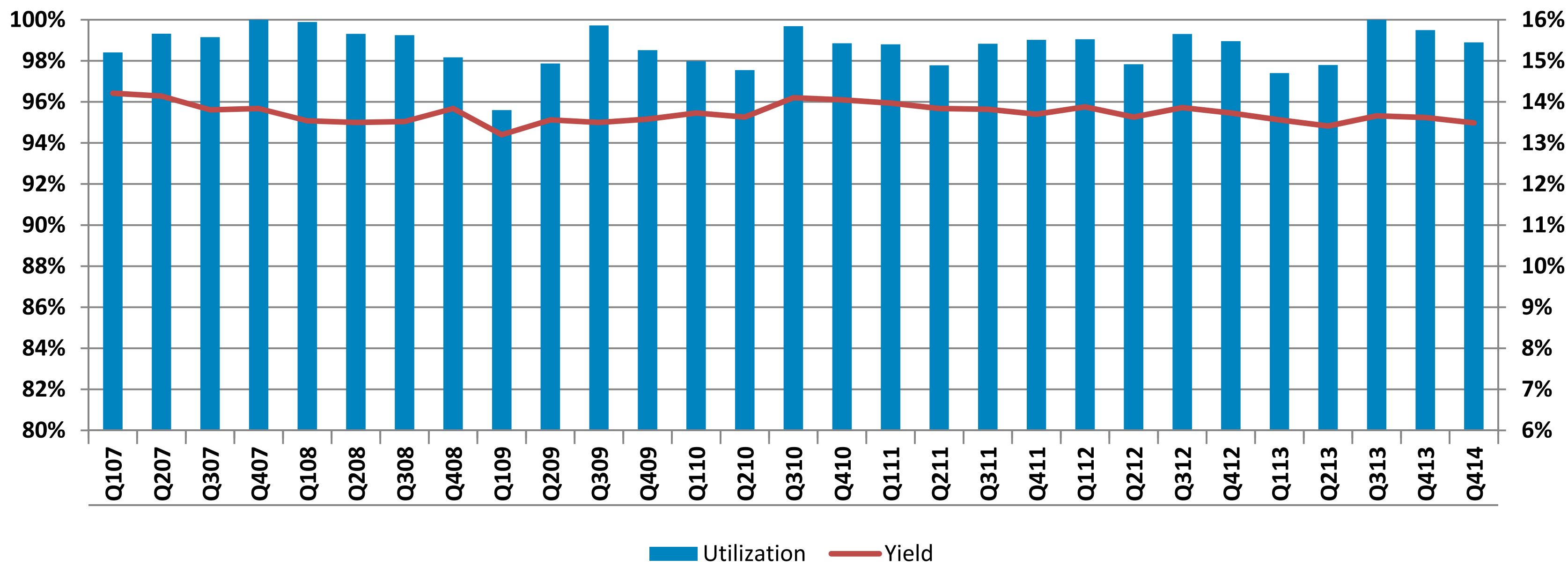
Consistently Strong Portfolio Performance

- Portfolio utilization of 98-99% and rental yield of ~14% over past six years
- Q1:14 utilization of 98.9% and rental yield of 13.5%

Historical Revenue Utilization[1] and Yield[2]



Diversification and Active Asset Management Drive Results

1. *Aircraft on-lease days as a percent of total days in period weighted by NBV.*
2. *Calculated as lease rental revenue / average NBV of flight equipment for the period. Rental revenue does not include maintenance revenue.*

Good Progress with Lease Placements

- 2014 task is well in hand
  - Sold three end of life aircraft in Q1; working on nine additional sales, most of which are subject to LOIs
  - Two of four remaining 2014 lease placements have LOIs
  - In active discussions to place one 747-400 converted freighter and one mid-aged A320
- Team is working on 2015 placements
- Lease roll-off in future years is well dispersed

Year	Number of Scheduled Lease Expirations	% of Total NBV
2015	21	8%
2016	26	11%
2017	33	20%
2018	21	14%

Figures as of March 31, 2014 except where otherwise noted.

Significant Asset Sales Activity

- Q1:14 exit strategy sales
  - Four 737 freighters and two 737 classics, modestly better than break-even
  - These six aircraft had a weighted average age of 25 years
- Actively pursuing opportunistic sales transactions
- Since inception sold 66 aircraft; generated unlevered IRR of 11.1%[1]
  - During 2013 sold 22 aircraft for $548 million; generated gains of $38 million

Asset Sales a Successful Part of Our Portfolio Management Plan and Generated Significant Gains

1. *Unlevered Internal Rate of Return; assumes annual SG&A expense equal to 1% of purchase price and excludes taxes and interest expense, interest rate hedging charges and other effects of financing.*

Aircraft Fleet Evolution

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- Flexible, value-oriented approach
- Acquired $1.45 billion in aviation assets during 2013, and $715 million thus far in 2014
  - 73% invested in aircraft less than five years old, mostly in mid- and wide-body aircraft
  - Mid-aged aircraft investments continue to play an important role

Fleet Distribution as a % of Total Net Book Value					
Aircraft Type	**Model**	**YE 2009**	**YE 2011**	**YE 2013**	**Q1 2014**
Current Generation Mid- & Wide-Bodies	**A330s**	**17%**	**23%**	**30%**	**29%**
	777ERs	**2%**	**5%**	**12%**	**20%**
Current Generation Narrow-Bodies	**737 NGs**	**18%**	**17%**	**18%**	**17%**
	A320 CEOs	**17%**	**14%**	**12%**	**11%**
Freighters	**747-400s**	**27%**	**22%**	**17%**	**15%**
	Other Freighters	**3%**	**9%**	**2%**	**1%**
Classic Generation Aircraft	**737s**	**4%**	**2%**	**1%**	**<1%**
	757s & 767s	**12%**	**8%**	**5%**	**4%**
Regional Jets	**E-Jets**	**0%**	**0%**	**3%**	**3%**

Positive Portfolio Trends

$ in millions	YE 2010	YE 2011	YE 2012	YE 2013	Q1 2014
Flight Equipment Held for Lease[1]	$4,066	$4,388	$4,783	$5,190	$5,822
Unencumbered Flight Equipment	$595	$677	$2,092	$2,655	$3,280
Number of Aircraft	136	144	159	162	164
Number of Unencumbered Aircraft	18	27	72	80	104
Passenger Aircraft (% of NBV)	67%	69%	71%	81%	84%
Freighter Aircraft (% of NBV)	33%	31%	29%	19%	16%
Wtd. Avg. Fleet Age (years)[2]	11.0	10.9	10.7	9.9	9.1
Wtd. Avg. Lease Term (years)[3]	4.7	4.9	5.0	5.0	4.8
Wtd. Avg. Utilization (period-ended)[4]	99%	99%	99%	99%	99%
Portfolio Yield (period-ended)[5]	13.9%	13.8%	13.8%	13.6%	13.5%

1. *Calculated using net book value of flight equipment held for lease and net investment in finance leases at period end.*
2. *Weighted average age by net book value.*
3. *Weighted average remaining lease term by net book value.*
4. *Aircraft on-lease days as a percent of total days in period weighted by net book value.*
5. *Lease rental revenue for the period as a percent of average net book value of flight equipment held for lease for the period.*

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Diversified Customer Base

- 65 airline customers across the globe
  - Largest individual exposure is 9.3% of total NBV
- Large, national flag carriers comprise most of our top customers

Top Ten Lessees			
% of NBV*	**Customer**	**Country**	**#Aircraft**
> 6% per Customer	LATAM	Chile	4
3% to 6% per Customer	South African Airways	South Africa	4
	Thai Airways	Thailand	2
	Singapore Airlines	Singapore	4
	Martinair	Netherlands	5
	Emirates	UAE	2
	Garuda	Indonesia	4
	US Airways	USA	11
	Jet Airways	India	8
	Virgin Australia	Australia	2

* *Percentage of net book value. Figures as of March 31, 2014.*

Broad Geographic Distribution

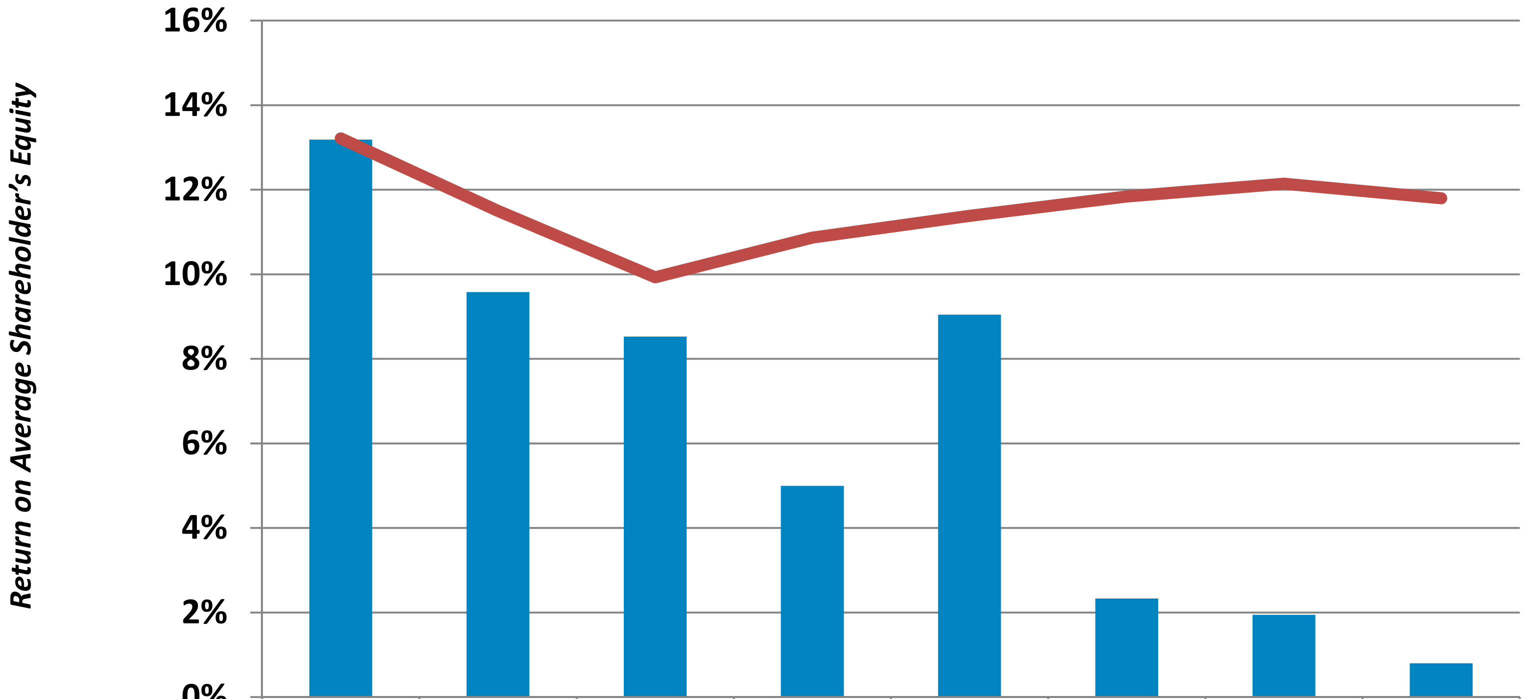
- Regional distribution evolving with global trends
  - Asian customers now 38% of portfolio NBV vs. 20% at YE 2009
  - European exposure now 28% of total NBV vs. 46% at YE 2009
- Airline customers based in 37 countries

Top Ten Countries		
Country	**#Customers**	**% of NBV***
Chile	**1**	**9.3%**
Russia	**7**	**6.6%**
USA	**5**	**6.1%**
Thailand	**2**	**5.7%**
South Africa	**1**	**5.5%**
Singapore	**1**	**5.4%**
Netherlands	**3**	**5.2%**
South Korea	**3**	**4.2%**
UAE	**1**	**4.1%**
Indonesia	**1**	**3.8%**

* *Percentage of net book value. Figures as of March 31, 2014.*

Cash Returns Illustrate a Consistently Strong Underlying Business

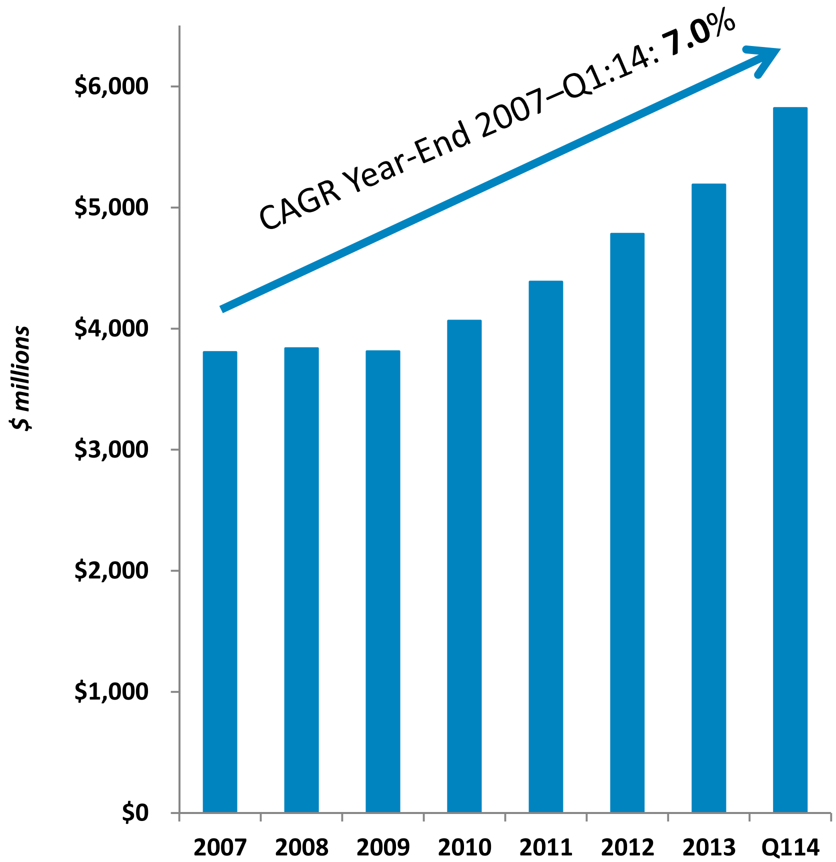
- Maintenance revenue, non-cash interest expense and other non-cash charges contribute to “GAAP” ROE volatility



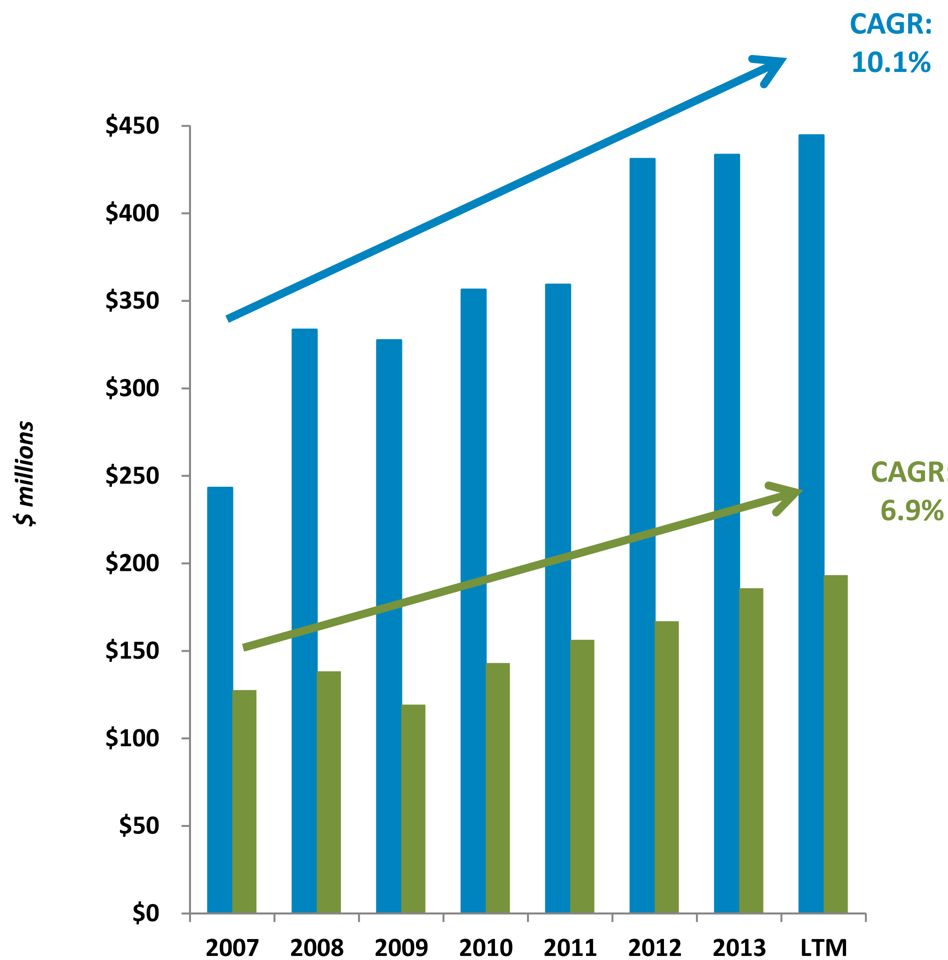
	2007	2008	2009	2010	2011	2012	2013	LTM
GAAP ROE	13.2%	9.6%	8.5%	5.0%	9.0%	2.3%	1.9%	0.8%
Cash ROE	13.2%	11.5%	9.9%	10.9%	11.4%	11.8%	12.1%	11.8%

NOTE: See appendix for GAAP to Non-GAAP reconciliation.

Asset Growth Driving Operating Cash Flow and Cash Earnings



NBV of Flight Equipment[1]



Operating Cash Flow[2] and Cash Earnings[3]

1. Total period end Net Book Value of flight equipment plus finance leases and assets held for sale.
2. Cash flow from operations plus collections on finance leases.
3. Cash Flow From Operations plus collections on finance leases and gain (loss) on sale of flight equipment less depreciation plus distributions received from our Joint Venture with Ontario Teachers'.

NOTE: See appendix for GAAP to Non-GAAP reconciliation.

Enhanced Capital Structure & Liquidity

- Q1:14 unrestricted cash of $614 million; $450 million undrawn revolving credit facility
- Pro-forma Q1:14 net debt to equity ratio of 2.3x; net debt to total capitalization ratio of 68%
  - No significant debt maturities until 2017
- Significant new financing and repayment activity during 2014
- Weighted average interest cost has declined significantly
- Maintaining average remaining debt term

Debt Profile		
	Wtd Avg Rate	Wtd Avg Life (yrs)
YE 2011	5.81%	4.3
YE 2012	5.22%	4.9
YE 2013	5.37%	4.3
Q1 2014	4.63%	4.8

- Increased size of unsecured revolver to $450M and extended term to 4 years
  - At YE 2011 was $50M with 3 year term

Capital Structure & Liquidity Summary

$ in millions	As of Dec 31, 2012		As of Dec 31, 2013		As of Mar 31, 2014	Pro-forma, as of Mar 31, 2014	
Unrestricted cash & equivalents	$ 618		$ 655		$ 614	$ 121	
Debt	O / S	Rate[1]	O / S	Rate[1]	O / S	O / S	Rate[1]
Securitization No. 1	**310**	**5.78%**	**225**	**5.78%**	**0**	**0**	**5.78%**
Securitization No. 2	773	1.58%	604	1.58%	560	560	1.58%
ECA Term Financings	653	3.22%	494	3.57%	483	483	3.57%
Bank Financings	**113**	**4.31%**	**264**	**3.81%**	**598**	**598**	**3.30%**
Total Secured Debt	1,848	3.03%	1,587	3.17%	1,642	1,642	2.79%
Senior Notes due 2017	500	6.75%	500	6.75%	500	500	6.75%
Senior Notes due 2018[2]	**451**	**9.75%**	**451**	**9.75%**	**450**	**0**	**9.75%**
Senior Notes due 2018	-	-	400	4.63%	400	400	4.63%
Senior Notes due 2019	500	6.25%	500	6.25%	500	500	6.25%
Senior Notes due 2020	300	7.63%	300	7.63%	300	300	7.63%
Senior Notes due 2021	**-**	**-**	**-**	**-**	**500**	**500**	**5.13%**
Total Unsecured Debt	1,751	7.53%	2,151	6.99%	2,650	2,200	6.00%
Total Debt and Weighted Avg. Rate	**3,599**	**5.22%**	**3,737**	**5.37%**	**4,292**	**3,842**	**4.63%**
Shareholders' equity	1,416		1,646		1,644	1,607	
Total capitalization	$5,014		$5,383		$ 5,936	$5,449	
Net debt to equity	2.1 x		1.9 x		2.2 x	2.3 x	
Unsecured debt to total debt	49%		58%		62%	57%	

1. *Reflects fixed swap rate in effect plus the margin except for the ECA Term Financings, Bank Financings and the Senior Notes due 2017, 2018, 2019, 2020 and 2021 (pro-forma) which are fixed rate financings.*
2. *Pro-forma adjustments associated with the 9.75% note redemption include a bond call premium of $32.8 million, accrued interest of $10.2 million and write-off of deferred financing fees of $4.0 million.*

Selected Financial Guidance Elements for Q2:14

- Redeemed 9.75% senior notes in April and paid the related call premium and accrued interest
  - Loss on debt extinguishment of $33 million and write-off of deferred finance fees of $4 million expensed in Q2:14
- Expect additional contra maintenance of approximately $16 million for the balance of 2014, including $5 - $6 million in Q2:14
- Also expect four end of lease part out/dispositions during the quarter at a modest profit

Guidance Item	Q2:14
Lease rental revenue	$178 - $180 million
Finance lease revenue	~$4 million
Maintenance revenue	$5 - $6 million
Contra-Maintenance revenue	$5 - $6 million
Amortization of net lease discounts and lease incentives	$5 - $6 million
SG&A	$13 - $14 million
Depreciation	$75 - $77 million
Interest, net[1]	$62 - $64 million
Gain on Sale	$7 - $12 million
Loss on Extinguishment of Debt[2]	$37 million
Effective Tax Rate	14% - 15%

1. *Includes hedge loss amortization charges related to the payoff of Term Financing No.1 and Securitization No.1 of $6.7 million.*
2. *Includes write-off of deferred fees of $4 million related to the payoff of 9.75% Notes in April..*

Appendix

Supplemental Financial Information

in thousands, except per share amounts	Three Months Ended March 31, 2013	Three Months Ended March 31, 2014
Revenues	$176,189	$176,603
EBITDA	$162,781	$151,441
Adjusted EBITDA	$168,576	$170,013
Adjusted net income	$ 27,412	$ 13,260
Adjusted net income allocable to common shares	$ 27,214	$ 13,178
Per common share - Basic	$ 0.40	$ 0.16
Per common share - Diluted	$ 0.40	$ 0.16
Basic common shares outstanding	67,896	80,387
Diluted common shares outstanding	67,896	80,387

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

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$ in thousands	Three Months Ended March 31, 2013	Three Months Ended March 31, 2014
Net income	$ 23,064	$ 5,777
Depreciation	69,900	73,927
Amortization of net lease discounts and lease incentives	7,081	6,591
Interest, net	59,152	64,263
Income tax provision	3,584	883
EBITDA	$ 162,781	$ 151,441
Adjustments:		
Impairment of aircraft	6,199	18,263
Non-cash share based payment expense	811	990
Gain on mark to market of interest rate derivative contracts	(1,215)	(681)
Adjusted EBITDA	$ 168,576	$ 170,013

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..

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

$ in thousands, except per share amounts	Three Months Ended March 31, 2013	Three Months Ended March 31, 2014
Net income	$ 23,064	$ 5,777
Ineffective portion and termination of hedges [1]	128	53
Gain on mark to market of interest rate derivative contracts [2]	(1,215)	(681)
Stock compensation expense [3]	811	990
Term Financing No. 1 hedge loss amortization charges [1]	4,283	4,104
Securitization No. 1 hedge loss amortization charges [1]	341	3,017
Adjusted net income	$ 27,412	$ 13,260
Net income, per share	$ 0.34	$ 0.07
Adjusted net income, per share	$ 0.40	$ 0.16

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

Management believes that ANI, when viewed in conjunction with the Company's results under US 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.

Reconciliation of GAAP to Non-GAAP Measures – Operating Cash Flow

($ thousands)	2007	2008	2009	2010	2011	2012	2013	LTM
Net cash provided by operating activities	$ 243,236	$ 333,626	$ 327,641	$ 356,530	$ 359,377	$ 427,277	$ 424,037	$ 434,281
Collections on Finance Leases	-	-	-	-	-	3,852	9,508	10,436
Operating Cash Flow	$ 243,236	$ 333,626	$ 327,641	$ 356,530	$ 359,377	$ 431,129	$ 433,545	$ 444,717

Management believes that Operating Cash Flow when viewed in conjunction with the Company's results under US 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 elements related to non-cash revenue and expense items and interest rate derivative accounting.

Reconciliation of GAAP to Non-GAAP Measures – Cash Earnings and Cash ROE

$ in thousands	2007	2008	2009	2010	2011	2012	2013	LTM
Net cash provided by operating activities	$ 243,236	$ 333,626	$ 327,641	$ 356,530	$ 359,377	$ 427,277	$ 424,037	$ 434,281
Collections on Finance Leases	-	-	-	-	-	3,852	9,508	10,436
Gain on Sale of Flight Equipment	11,566	6,525	1,162	7,084	39,092	5,747	37,220	37,138
Less: Depreciation	(127,164)	(201,759)	(209,481)	(220,476)	(242,103)	(269,920)	(284,924)	(288,951)
Distributions Received from Joint Venture	-	-	-	-	-	-	-	388
Cash Earnings	$ 127,638	$ 138,392	$ 119,322	$ 143,138	$ 156,366	$ 166,956	$ 185,841	$ 193,292
Average Shareholder's Equity	$965,887	$1,203,372	$1,201,702	$1,316,978	$1,373,663	$1,410,117	$1,530,516	$1,644,413
Cash Earnings / Average Shareholder's Equity	13.2%	11.5%	9.9%	10.9%	11.4%	11.8%	12.1%	11.8%
Net Income	$127,344	$115,291	$102,492	$65,816	$124,270	$32,868	$29,781	$12,493
Net Income / Average Shareholder's Equity	13.2%	9.6%	8.5%	5.0%	9.0%	2.3%	1.9%	0.8%

Note: Average Shareholder's Equity is the sum of the current period end shareholder's equity and prior year-end shareholder's equity divided by two. Management believes that the cash return on equity metric (Cash ROE) when viewed in conjunction with the Company's results under US 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.

Supplemental Financial Information

	Three Months Ended March 31, 2014	
	Shares	Percent [2]
Weighted average shares		
Common shares outstanding – Basic	80,387	99.38 %
Unvested restricted common shares outstanding	501	0.62 %
Total weighted average shares outstanding	80,888	100.00 %
Common shares outstanding – Basic	80,387	100.00 %
Effect of dilutive shares [1]	—	—
Common shares outstanding – Diluted	80,387	100.00 %
Net income allocation		
Net income	$5,777	100.00 %
Distributed and undistributed earnings allocated to unvested restricted shares	(36)	(0.62)%
Earnings available to common shares	$5,741	99.38 %
Adjusted net income allocation		
Adjusted net income	$13,260	100.00 %
Amounts allocated to unvested restricted shares	(82)	(0.62)%
Amounts allocated to common shares	$13,178	99.38 %

1. *The Company had no dilutive common share equivalents for the period presented.*
2. *Percentages rounded to two decimal places.*

Supplemental Financial Information

	Three Months Ended March 31, 2013	
	Shares	Percent[2]
Weighted average shares		
Common shares outstanding – Basic	67,896	99.28 %
Unvested restricted common shares outstanding	493	0.72 %
Total weighted average shares outstanding	68,389	100.00 %
Common shares outstanding – Basic	67,896	100.00 %
Effect of dilutive shares[1]	—	—
Common shares outstanding – Diluted	67,896	100.00 %
Net income allocation		
Net income	$23,064	100.00 %
Distributed and undistributed earnings allocated to unvested restricted shares	(166)	(0.72)%
Earnings available to common shares	$22,898	99.28 %
Adjusted net income allocation		
Adjusted net income	$27,412	100.00 %
Amounts allocated to unvested restricted shares	(198)	(0.72)%
Amounts allocated to common shares	$27,214	99.28 %

1. *The Company had no dilutive common share equivalents for the period presented.*
2. *Percentages rounded to two decimal places.*

Limitations of EBITDA, Adjusted EBITDA, ANI, Cash ROE and Operating Cash Flow

AIRCASTLE

An investor or potential investor may find EBITDA, Adjusted EBITDA , ANI, Cash ROE and Operating Cash Flow 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 Operating Cash Flow 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 ROE and Operating Cash Flow, 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 ROE and Operating Cash Flow 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 ROE and Operating Cash Flow are not measures of financial performance under US GAAP and are susceptible to varying calculations, EBITDA, Adjusted EBITDA, ANI, Cash ROE and Operating Cash Flow as presented here, may differ from and may not be comparable to, similarly titled measures used by other companies.