AIRCASTLE

Third Quarter 2014 Earnings Call

November 4, 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, Cash Earnings, Cash ROE 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 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.

Q3:14 Primary Themes

- **Positioning the company for profitable growth and improved financial metrics through significant investments**

- **Continuing to de-risk our business profile**
  - Improved portfolio quality
  - Significant placement success in 2014 and 2015
  - Enhanced capital structure plus larger and longer term unsecured warehouse

- **Driving to investment grade credit ratings**

- **Remaining committed to allocating capital efficiently between investments and returning capital to shareholders**

Q3:14 Highlights

Financial Results

- **Lease rental and finance lease revenues of $180.3 million**
  - Adjusted EBITDA[1] of 177.4 million
- **Net income of $19.2 million**
  - $0.24 per common diluted share
- **Adjusted net income[1] of $26.5 million**
  - $0.33 per common diluted share
- **Cash ROE[1] of 12.8%**
- **Common dividend increased 10%**
  - $0.22 per share per quarter
  - 34th consecutive quarterly dividend declared
- **$100 million share repurchase authorized**

Milestones

- **Over $1 billion of investments YTD**
- **More than $750 million of additional investments expected to close by Q1:15**
- **Sold eleven aircraft to third parties in Q3**
  - $201 million in proceeds; $11.4 million gain
  - Also sold one 777-300ER to our joint venture with Ontario Teachers'
- **Fleet utilization 100%**
  - Aircraft portfolio yield of 13.2%
  - Net cash interest margin of 9.9%

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

2014 Investing Activity

- **Over $1 billion completed through Q3:14**
  - Focus on high quality aircraft on lease to strong carriers

Aircraft Acquisitions Closed	Lessees
Newer Wide-Bodies: • **Five 777-300ERs** • **Two A330-300s**	• **LATAM** • **Singapore** • **Thai Airways**
Mid-Aged Narrow-Bodies: • **Three 737-800s and one 737-900** • **Two A320s** • **One E195AR**	• **Alaska** • **Lion Air** • **THY** • **Croatia** • **Azul**

- **More than $750 million of additional investments expected to close by Q1:15**
- **Our ability to close acquisitions reliably led to the recent surge in investment activity**

2014 Aircraft Sales

- **Sales activity continued to capitalize on strong investor demand**
- **During Q3:14 sold 11 aircraft to third parties; 36* sold year-to-date**
  - Proceeds of $447 million YTD with a gain on sale of aircraft of $13.4 million
  - Also sold one 777-300ER to our joint venture with Ontario Teachers' Pension Plan
- **Portfolio de-risking through sales of freighter and classic generation aircraft and gains through opportunistic sales of current generation aircraft**

2014 Aircraft Sales Activity	
Freighters (7 aircraft)	• **Four 737 Classic Freighters** • **Three 747-400 Converted Freighters***
Classic Generation Aircraft (11 aircraft)	• **Three 737 Classics** • **Two 757s** • **Six 767s**
Mid-Aged Narrow-Bodies (15 aircraft)	• **Seven 737 NGs (three -700s and four -800s)** • **Eight A320 Family (five A319 and three A320s)**
Current Gen Wide-Bodies (4 aircraft)	• **One 777-300ER**** • **Three older A330s**

** Includes two freighter aircraft that are designated or planned for sale*
*** One 777-300ER sold to our joint venture with Ontario Teachers' Pension Plan in July 2014*

Positive Portfolio Trends

- **Portfolio increased by $1.2 billion since YE 2010; unencumbered aircraft increased by $2.3 billion**
- **Significant shift in fleet towards passenger aircraft and large reduction in fleet age**
- **Consistently strong utilization throughout the business cycle**

$ in billions	YE 2010	YE 2011	YE 2012	YE 2013	Q3 2014	Q3:14 vs YE:10
Flight Equipment Held for Lease[1]	$4.1	$4.4	$4.8	$5.2	$5.3	+$1.2
Unencumbered Flight Equipment	$0.6	$0.7	$2.1	$2.7	$2.9	+$2.3
Number of Aircraft	136	144	159	162	140	
Number of Unencumbered Aircraft	18	27	72	80	85	
Passenger Aircraft (% of NBV)	67%	69%	71%	81%	84%	+17%
Freighter Aircraft (% of NBV)	33%	31%	29%	19%	16%	-17%
Wtd. Avg. Fleet Age (years)[2]	11.0	10.9	10.7	9.9	8.6	-2.4
Wtd. Avg. Lease Term (years)[3]	4.7	4.9	5.0	5.0	5.0	
Wtd. Avg. Utilization[4]	99%	99%	99%	99%	100%	

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. YTD basis.*

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Q3:14 Revenue Summary

- **Lease rental and finance lease revenue of $180.3 million was $15.1 million higher, up 9%, versus Q3:13**
  - $43.3 million higher from aircraft acquisitions, offset by reductions from aircraft sales of $21.1 million
- **Maintenance revenue decreased by $17.1 million primarily due to:**
  - $12.1 million of maintenance revenue from an unscheduled lease termination in Q3:13
  - $8.7 million of contra-maintenance in Q3:14 reflecting engine restoration work completed by a lessee prior to the scheduled return of two 737-800 aircraft
- **Lower amortization of net lease discounts and incentives in Q3:14 versus Q3:13 reflects $5.3 million lease incentive reversal for maintenance work that we will not perform during the lease**

Revenue Summary		
$ millions	Q3:13	Q3:14
Lease Rental and Finance Lease Revenue	$ 165.3	$ 180.3
Amortization of Net Lease Discounts and Lease Incentives	(9.7)	(1.1)
Maintenance Revenue	12.9	(4.2)
Total Lease Rentals	168.5	175.1
Other Revenue	1.6	2.5
Total Revenues	$170.1	$ 177.6

Q3:14 Earnings Summary

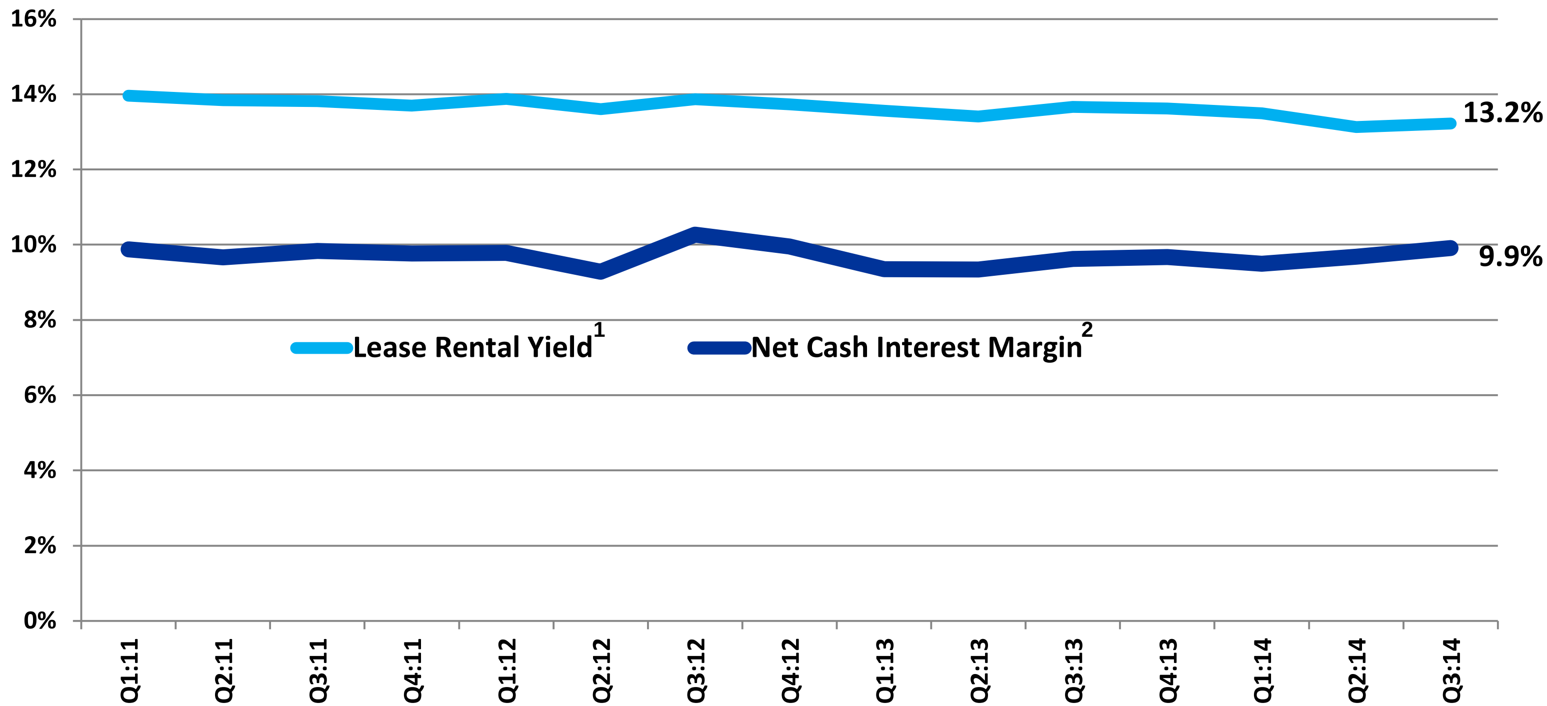
- **Adjusted net income was $26.5 million, up $95.6 million from Q3:13 due to**
  - Lower non-cash aircraft impairment charges which declined $85.7 million versus the prior year
  - Higher total revenues which increased $7.5 million
- **Adjusted EBITDA was $177.4 million, up $8.2 million from Q3:13 reflecting**
  - Higher lease rental and finance lease revenues of $15.1 million
  - Higher gains from the sale of flight equipment of $8.3 million
  - Partially offset by lower maintenance revenue of $17.1 million

Earnings Summary		
$ millions, except per share amounts	**Q3:13**	**Q3:14**
Net Income (Loss)	**$(74.6)**	**$ 19.2**
per diluted common share	***$(0.95)***	***$ 0.24***
Adjusted Net Income (Loss)	**$(69.1)**	**$ 26.5**
per diluted common share	***$(0.88)***	***$ 0.33***
EBITDA	**$ 62.9**	**$ 156.0**
Adjusted EBITDA	**$ 169.2**	**$ 177.4**

NOTE: See appendix for GAAP to Non-GAAP reconciliation

Among Industry's Highest Net Cash Interest Margins

- **Upgraded fleet composition resulting in slightly lower revenue yields**
- **Proactive liability management is resulting in strong funding competitiveness and wider Net Cash Interest Margins**



1. *Lease Rental Yield = Operating lease rental revenue / average monthly NBV of flight equipment for the period calculated on a quarterly basis, annualized.*
2. *Net Cash Interest Margin = Lease Rental Yield minus Interest on borrowings, net of settlements on interest rate derivatives, and other liabilities / average monthly NBV of flight equipment for the period calculated on a quarterly basis, annualized.*

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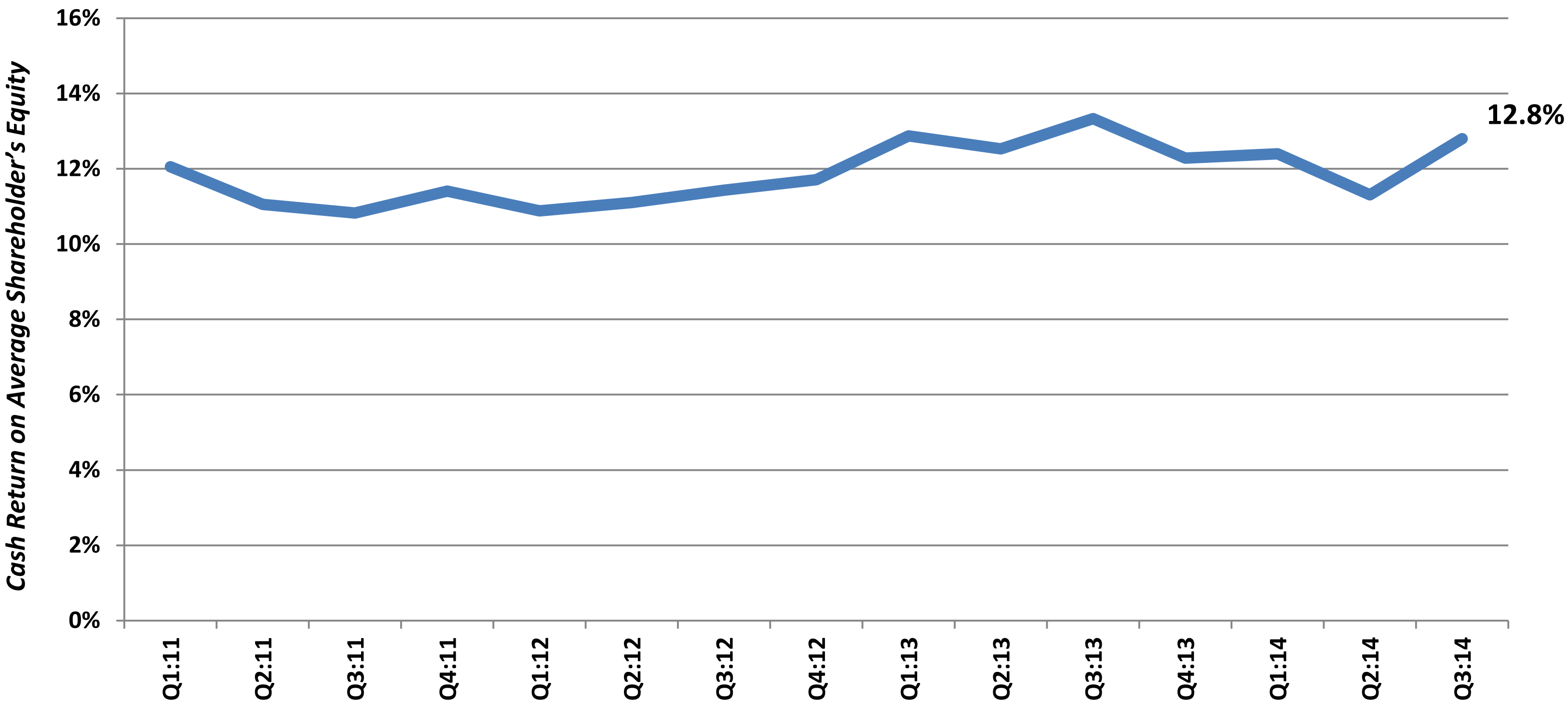
Cash ROE Remains Strong

- **Trailing twelve month Cash ROE has averaged 11.9% since Q1:11**
- **Sustainable cash returns and profitable growth will drive dividend growth over time**



Note: Cash ROE = 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', divided by average shareholder's equity. Average Shareholder's Equity is the average of the most recent five quarters period end shareholder's equity. The ratio is calculated on a rolling 12 month basis.

Q3:14 Capital Structure Summary

- **Net debt to equity of 1.9 times; unsecured debt to total debt 60%**
- **Debt weighted average remaining life of 4.5 years; no major debt maturities until 2017**
- **Weighted average cash interest expense of 4.75%**
- **$450 million in unsecured revolver capacity available; unrestricted cash of $474 million**

	As of Dec 31, 2012		As of Dec 31, 2013		As of Sep 30, 2014	
	$MM	Rate[1]	$MM	Rate[1]	$MM	Rate[1]
Total Secured Debt	1,848	3.03%	1,587	3.17%	1,485	2.90%
Total Unsecured Debt	1,751	7.53%	2,151	6.99%	2,200	6.00%
Total Debt & Wtd Avg Rate	3,599	5.22%	3,737	5.37%	3,685	4.75%
Shareholders' Equity	1,416		1,646		1,655	
Net Debt to Equity	2.1x		1.9x		1.9x	
Unsecured debt to total debt	49%		58%		60%	

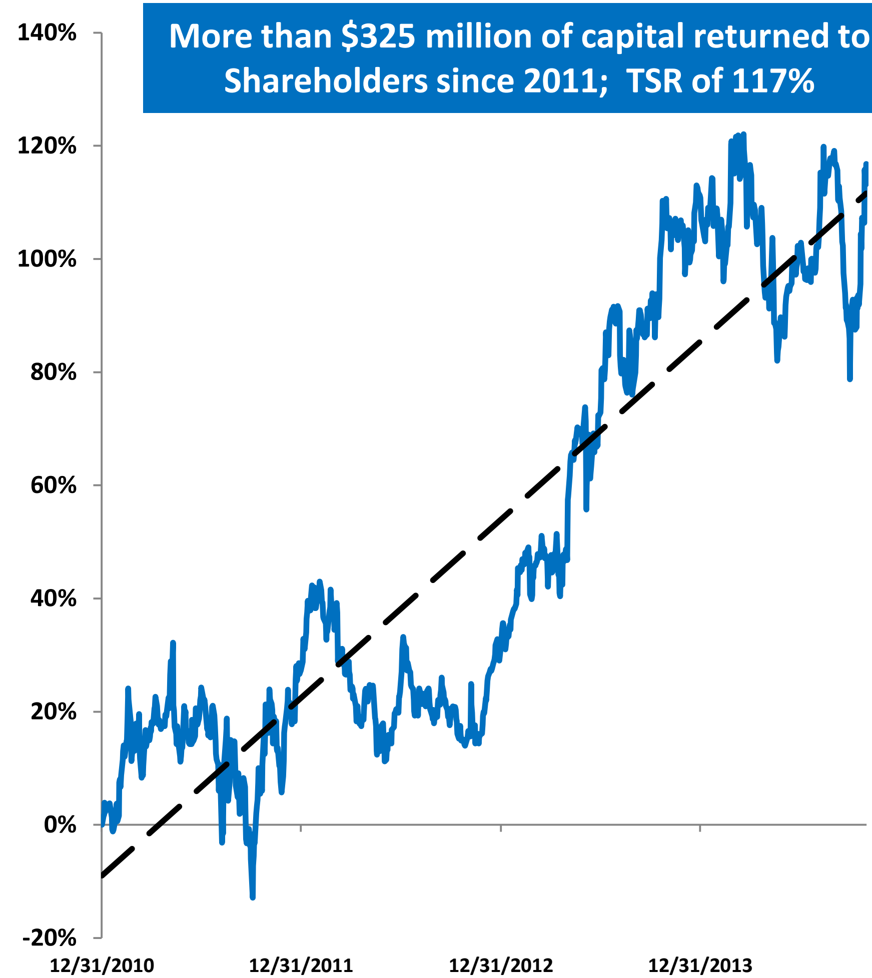
1. *Reflects fixed swap rate in effect plus the margin for Securitization No. 2. All other debt, including ECA Term Financings, Bank Financings and the Senior Notes due 2017 through 2021 are fixed rate financings.*

Capital Allocation Framework

Aircastle's balanced capital allocation approach:

1. Increase ROE over time through new investments and exit strategy sales
   - ***NBV of flight equipment up more than $1.2 billion since Q1:11***
2. Return capital to shareholders
   - ***$189.4 million of dividends paid since Q1:11***
3. Opportunistically repurchase shares at a discount to book value
   - ***Share repurchases of $138.5 million since Q1:11***

More than $325 million of capital returned to Shareholders since 2011; TSR of 117%



Source: Bloomberg. Total Shareholder's Return ("TSR") includes cumulative gross dividends plus share price appreciation from December 31, 2010 through the close on October 31, 2014

Selected Financial Guidance Elements for Q4:14

$ in millions

Guidance Item	Q4:14
Lease rental revenue	$173 - $175
Finance lease revenue	$1 - $2
Maintenance revenue	$11 - $14
Contra-Maintenance revenue	$6 - $7
Amortization of net lease discounts and lease incentives	$4 - $5
SG&A	$13 - $15
Depreciation	$75 - $77
Interest, net [1]	$56 - $58
Gain on sale	$4 - $10
Full Year Effective tax rate	13% - 14%

1. *Includes non-cash hedge loss amortization charges related to the payoff of Term Financing No.1 and Securitization No.1 of $6.1 million.*

Appendix

Diversified Customer Base with Broad Geographic Distribution

- **61 airline customers across the globe**
  - **Largest individual exposure is 8.8% of total NBV**
- **Large, national flag carriers comprise most of our top customers**

- **Regional distribution evolving with global trends**
  - Asian customers now 42% 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 Lessees			
% of NBV*	Customer	Country	#Aircraft
> 6% per Customer	Thai Airways	Thailand	3
	LATAM	Chile	3
3% to 6% per Customer	South African Airways	South Africa	4
	Singapore Airlines	Singapore	4
	Martinair[1]	Netherlands	5
	Emirates	UAE	2
	Garuda	Indonesia	4
	Virgin Australia	Australia	2
	AirBridge Cargo[2]	Russia	2
	Jet Airways	India	6
	Azul	Brazil	5

Top Ten Countries		
Country	# A/C	% of NBV*
Thailand	4	9.1%
Chile	3	7.6%
Russia	12	7.1%
South Africa	4	5.9%
Singapore	4	5.8%
Indonesia	6	5.6%
Netherlands	6	5.1%
USA	15	4.9%
South Korea	6	4.4%
United Arab Emirates	2	4.4%

* *Percentage of net book value. Figures as of September 30, 2014.*
1. *If combined with one other affiliated customer, represents 5.1% of flight equipment held for lease*
2. *Guaranteed by Volga-Dnepr Airlines.*

Aircraft Fleet Evolution

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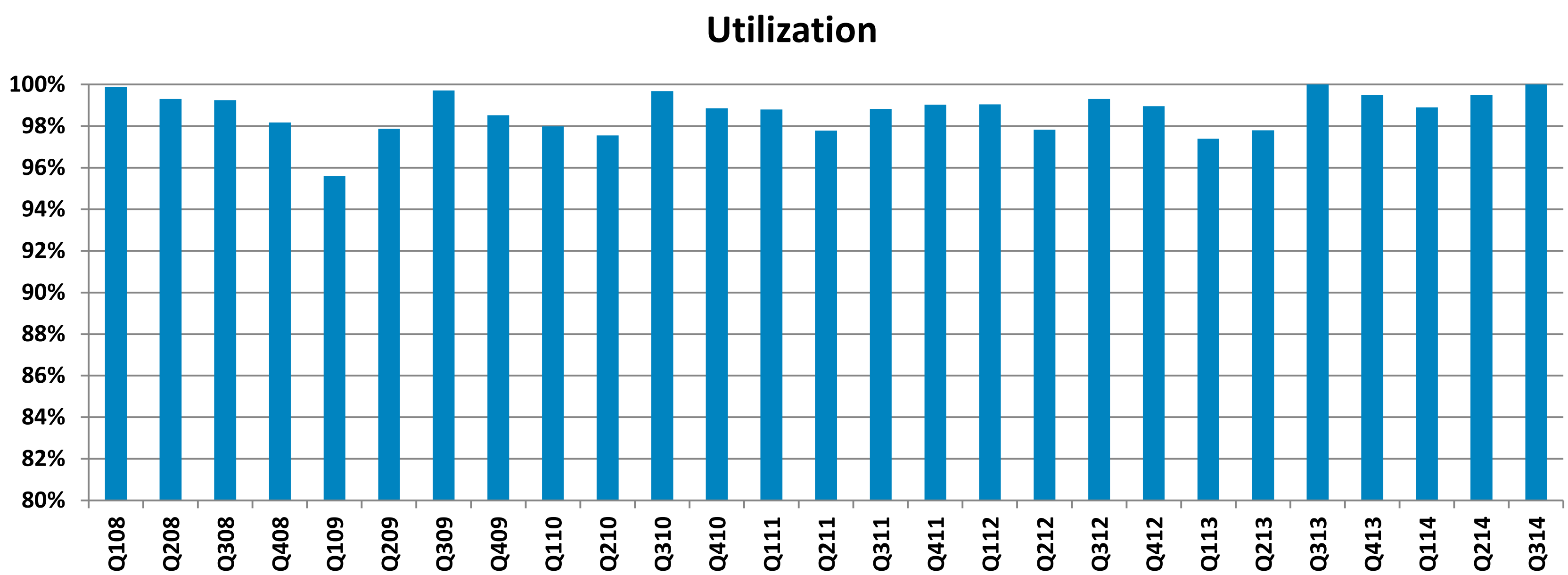
- **Flexible, value-oriented approach**
- **Acquired $1.45 billion in aviation assets during 2013, and $1.03 billion thus far in 2014**
  - 75% invested in aircraft less than five years old, mostly in mid- and wide-body aircraft
  - Mid-aged aircraft investments continue to play an important role

Fleet Distribution as a % of Total Net Book Value						
Aircraft Type	**Model**	**YE 2009**	**YE 2011**	**YE 2013**	**Q3 2014**	**Q3:14 vs YE:09**
Current Generation Mid- & Wide-Bodies	A330s	17%	23%	30%	30%	+33%
	777ERs	2%	5%	12%	22%	
Current Generation Narrow-Bodies	737 NGs	18%	17%	18%	17%	-8%
	A320 CEOs	17%	14%	12%	10%	
Freighters	747-400s	27%	22%	17%	15%	-14%
	Other Freighters	3%	9%	2%	1%	
Classic Generation Aircraft	737s	4%	2%	1%	<1%	-14%
	757s & 767s	12%	8%	5%	2%	
Regional Jets	E-Jets	0%	0%	3%	3%	+3%

Consistently Strong Portfolio Performance

- **Q3:14 utilization of 100%**
- **Portfolio utilization of 98-99% throughout the business cycle**
- **Demonstrates strong team**



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

2014 Annual Fleet Review & Recoverability Analysis

- **Completed annual fleet review in Q3**
  - Strong passenger aircraft outlook
  - Freight demand has improved but sector continuing to suffer from overcapacity
- **Reduced carrying values for two MD-11 freighters; $20.4 million charge**
- **Improving portfolio by reducing higher risk assets**
- **"Aircraft Monitoring List" showing steady improvement**

$ in millions

	YE 2011	YE 2012	YE 2013	Q3:14
NBV	**$404**	**$319**	**$217**	**$146**
# of Aircraft	**27**	**13**	**10**	**6**

Aircastle's Freighter Fleet

- **At September 30, 2014, owned 16 freighter aircraft vs. 140 total fleet**
  - Freighter fleet NBV of $843 million is less than 16% of total fleet
  - All aircraft currently on lease
- **Managing exposure actively and steadily reducing fleet via asset sales**
  - Freighter share of our total fleet has declined by almost half over the past two years
  - During 2014, entered commitments to lease four 747 aircraft; three older units sold or held for sale
- **Two main parts to our freighter fleet**
  - Expect to reduce freighter fleet to five units over the next five years

$ in millions

Types	# Units	NBV	Weighted Average Age	Comments
747-400 factory freighters	**5**	**$523.4**	**7.3 yrs**	**Newer, more modern and fuel efficient units**
747-400 converted freighters; MD-11 freighters	**11**	**$319.2**	**21.3 yrs**	**Expect to dispose over the next five years**

Capital Structure & Liquidity Summary

$ in millions	As of Dec 31, 2012		As of Dec 31, 2013		As of Sep 30, 2014	
Unrestricted cash & equivalents	$618		$655		$ 474	
Debt	O / S	Rate[1]	O / S	Rate[1]	O / S	Rate[1]
Securitization No. 1	$310	5.78%	$225	5.78%		5.78%
Securitization No. 2	773	1.58%	604	1.58%	452	1.58%
ECA Term Financings	653	3.22%	494	3.57%	461	3.57%
Bank Financings	113	4.31%	264	3.81%	573	3.39%
Total Secured Debt	1,848	3.03%	1,587	3.17%	1,485	2.87%
Senior Notes due 2017	500	6.75%	500	6.75%	500	6.75%
Senior Notes due 2018	451	9.75%	451	9.75%		9.75%
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%
Total Unsecured Debt	1,751	7.53%	2,151	6.99%	2,200	6.00%
Total Debt and Weighted Avg. Rate	**3,599**	**5.22%**	**3,737**	**5.37%**	3,685	**4.75%**
Shareholders' equity	1,416		1,646		1,655	
Total capitalization	$5,014		$5,383		$5,340	
Net debt to equity	2.1 x		1.9 x		1.9 x	
Unsecured debt to total debt	49%		58%		60%	

1. *Reflects fixed swap rate in effect plus the margin except for the ECA Term Financings, Bank Financings and the Senior Notes due 2017 through 2021 which are fixed rate financings.*

Supplemental Financial Information

in thousands, except per share amounts	Three Months Ended September 30, 2013	Three Months Ended September 30, 2014	Nine Months Ended September 30, 2013	Nine Months Ended September 30, 2014
Revenues	$ 170,090	$ 177,596	$ 516,657	$ 580,345
EBITDA	$ 62,894	$ 156,023	$ 409,705	$ 453,022
Adjusted EBITDA	$ 169,242	$ 177,408	$ 521,244	$ 559,083
Adjusted net income (loss)	$(69,091)	$ 26,545	$ 4,361	$ 87,497
Adjusted net income (loss) allocable to common shares	$(69,091)	$ 26,348	$ 4,327	$ 86,868
Per common share - Basic	$ (0.88)	$ 0.33	$ 0.06	$ 1.08
Per common share - Diluted	$ (0.88)	$ 0.33	$ 0.06	$ 1.08
Basic common shares outstanding	78,544	80,390	71,462	80,389
Diluted common shares outstanding	78,544	80,390	71,462	80,389

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2013	2014	2013	2014
	(Dollars in thousands)			
Net income (loss)	$ (74,558)	$ 19,151	$ (18,640)	$ 28,064
Depreciation	70,469	75,519	212,448	225,230
Amortization of net lease discounts and lease incentives	9,737	1,075	25,527	7,252
Interest, net	57,843	56,794	183,651	181,551
Income tax provision	(597)	3,484	6,719	10,925
EBITDA	$ 62,894	$ 156,023	$ 409,705	$ 453,022
Adjustments:				
Impairment of aircraft	106,136	20,436	112,335	67,005
Loss on extinguishment of debt	—	—	—	36,570
Non-cash share based payment expense	1,067	949	2,931	3,167
Gain on mark to market of interest rate derivative contracts	(855)	—	(3,727)	(681)
Adjusted EBITDA	$ 169,242	$ 177,408	$ 521,244	$ 559,083

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 Sept. 30, 2013	Three Months Ended Sept. 30, 2014	Nine Months Ended Sept. 30, 2013	Nine Months Ended Sept. 30, 2014
	(Dollars in thousands)			
Net income	$ (74,558)	$ 19,151	$ (18,640)	$ 28,064
Loss on extinguishment of debt (2)	—	—	—	36,570
Loan termination fee (1)	—	—	2,954	—
Ineffective portion and termination of hedges (1)	91	(21)	2,222	41
Gain on mark to market of interest rate derivative contracts (2)	(855)	—	(3,727)	(681)
Write-off of deferred financing fees (1)	150	—	3,975	—
Non-cash share based payment expense (3)	1,067	949	2,931	3,167
Term Financing No. 1 hedge loss amortization charges (1)	4,591	3,601	13,478	11,544
Securitization No. 1 hedge loss amortization charges (1)	423	2,865	1,168	8,792
Adjusted net income	$ (69,091)	$ 26,545	$ 4,361	$ 87,497
Net Income, per share	$ (0.95)	$ 0.24	$ (0.26)	$ 0.35
Adjusted net income, per share	$ (0.88)	$ 0.33	$ 0.06	$ 1.08

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 – Cash Earnings and Cash ROE

Quarter Ending	Cash Flow from Operations	Collections on Finance Leases	Gain/(Loss) on Sale of Flight Equipment	Depreciation	Distributions from Joint Venture	Cash Earnings	Cash Earnings Trailing 12 Months	LTM Average Shareholders' Equity	Cash ROE
3/31/2011	$63,507		$9,662	($59,591)		$13,578	$159,148	$1,319,984	12.1%
6/30/2011	$99,776		$10,299	($58,576)		$51,499	$147,383	$1,333,723	11.1%
9/30/2011	$91,890		$8,997	($60,132)		$40,755	$145,816	$1,346,677	10.8%
12/31/2011	$104,204		$10,134	($63,804)		$50,534	$156,366	$1,370,513	11.4%
3/31/2012	$72,966		$196	($64,514)		$8,648	$151,436	$1,391,290	10.9%
6/30/2012	$119,142	$1,476	$2,855	($67,097)		$56,376	$156,313	$1,407,491	11.1%
9/30/2012	$113,848	$565	$11	($68,413)		$46,011	$161,569	$1,413,218	11.4%
12/31/2012	$121,321	$1,811	$2,685	($69,896)		$55,921	$166,956	$1,425,658	11.7%
3/31/2013	$92,747	$1,845	$1,192	($69,900)		$25,884	$184,192	$1,431,146	12.9%
6/30/2013	$100,692	$2,207	$21,317	($72,079)		$52,137	$179,953	$1,436,324	12.5%
9/30/2013	$125,874	$2,606	$3,092	($70,469)		$61,103	$195,045	$1,462,886	13.3%
12/31/2013	$104,724	$2,850	$11,619	($72,476)		$46,717	$185,841	$1,513,156	12.3%
3/31/2014	$102,991	$2,773	$1,110	($73,927)	$388	$33,335	$193,292	$1,558,848	12.4%
6/30/2014	$111,014	$3,446	$884	($75,784)	$263	$39,823	$180,978	$1,600,660	11.3%
9/30/2014	$151,970	$1,877	$11,390	($75,519)	$346	$90,064	$209,939	$1,637,202	12.8%

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 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.

Net Cash Interest Margin Calculation

Qtr	Lease Rental Revenue	Cash Interest Expense[1]	Net Cash Interest Margin	Average NBV of Flight Equipment	Annualized Lease Rental Yield[2]	Annualized Cash Interest /Avg NBV of Flight Eqt.	Annualized Net Cash Interest Margin[3]
Q208	137.647	46.171	91.476	4,079	13.5%	4.5%	9.0%
Q308	136.578	41.138	95.440	4,042	13.5%	4.1%	9.4%
Q408	137.063	40.672	96.391	3,962	13.8%	4.1%	9.7%
Q109	125.994	36.770	89.224	3,818	13.2%	3.9%	9.3%
Q209	129.406	36.642	92.764	3,817	13.6%	3.8%	9.7%
Q309	128.284	36.779	91.505	3,802	13.5%	3.9%	9.6%
Q409	127.775	36.426	91.349	3,763	13.6%	3.9%	9.7%
Q110	130.122	35.598	94.524	3,790	13.7%	3.8%	10.0%
Q210	128.134	35.348	92.786	3,759	13.6%	3.8%	9.9%
Q310	133.486	40.144	93.342	3,797	14.1%	4.2%	9.8%
Q410	139.335	41.974	97.361	3,980	14.0%	4.2%	9.8%
Q111	141.116	41.278	99.838	4,042	14.0%	4.1%	9.9%
Q211	143.356	43.217	100.139	4,143	13.8%	4.2%	9.7%
Q311	145.890	42.066	103.824	4,223	13.8%	4.0%	9.8%
Q411	149.848	43.041	106.807	4,375	13.7%	3.9%	9.8%
Q112	152.242	44.969	107.273	4,388	13.9%	4.1%	9.8%
Q212	153.624	48.798	104.826	4,517	13.6%	4.3%	9.3%
Q312	159.546	41.373	118.173	4,602	13.9%	3.6%	10.3%
Q412	158.090	43.461	114.629	4,606	13.7%	3.8%	10.0%
Q113	156.590	48.591	107.999	4,619	13.6%	4.2%	9.4%
Q213	157.918	47.869	110.049	4,712	13.4%	4.1%	9.3%
Q313	161.148	47.682	113.466	4,718	13.7%	4.0%	9.6%
Q413	169.274	49.080	120.194	4,972	13.6%	3.9%	9.7%
Q114	174.335	51.685	122.650	5,169	13.5%	4.0%	9.5%
Q214	183.231	48.144	135.087	5,582	13.1%	3.4%	9.7%
Q314	178.886	44.820	134.066	5,412	13.2%	3.3%	9.9%

1. *Excludes loan termination payments of $3.2 million and $3.0 million in the second quarter of 2011 and 2013 respectively.*
2. *Lease Rental Yield = Operating lease rental revenue / average NBV of flight equipment for the period calculated on a quarterly basis, annualized.*
3. *Net Cash Interest Margin = Lease Rental Yield minus Interest on borrowings, net of settlements on interest rate derivatives, and other liabilities / average NBV of flight equipment for the period calculated on a quarterly basis, annualized.*

Except for percentages, all figures are $ in millions.

Supplemental Financial Information

	Three Months Ended September 30, 2014		Nine Months Ended September 30, 2014	
Weighted-average shares:	**Shares**	**Percent[2]**	**Shares**	**Percent[2]**
Common shares outstanding – Basic	80,390	99.26%	80,389	99.28%
Unvested restricted common shares	601	0.74%	582	0.72%
Total weighted-average shares outstanding	80,991	100.00%	80,971	100.00%
Common shares outstanding – Basic	80,390	100.00%	80,389	100.00%
Effect of dilutive shares[1]	---	---	---	---
Common shares outstanding – Diluted	80,390	100.00%	80,389	100.00%
Net income allocation				
Net income	$ 19,151	100.00%	$ 28,064	100.00%
Distributed and undistributed earnings allocated to unvested restricted shares	(142)	-0.74%	(202)	-0.72%
Earnings available to common shares	$ 19,009	99.26%	$ 27,862	99.28%
Adjusted net income allocation				
Adjusted net income	$ 26,545	100.00%	$ 87,497	100.00%
Amounts allocated to unvested restricted shares	(197)	-0.74%	(629)	-0.72%
Amounts allocated to common shares	$ 26,348	99.26%	$ 86,868	99.28%

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 September 30, 2013		Nine Months Ended September 30, 2013	
Weighted-average shares:	**Shares**	**Percent[2]**	**Shares**	**Percent[2]**
Common shares outstanding – Basic	78,544	99.15%	71,462	99.22%
Unvested restricted common shares	669	0.85%	563	0.78%
Total weighted-average shares outstanding	79,214	100.00%	72,025	100.00%
Common shares outstanding – Basic	78,544	100.00%	71,462	100.00%
Effect of dilutive shares[1]	---	---	---	---
Common shares outstanding – Diluted	78,544	100.00%	71,462	100.00%
Net income allocation				
Net income	$ (74,558)	100.00%	$ (18,640)	100.00%
Distributed and undistributed earnings allocated to unvested restricted shares	---	---	---	---
Earnings available to common shares	$ (74,558)	100.00%	$ (18,640)	100.00%
Adjusted net income allocation				
Adjusted net income	$ (69,091)	100.00%	$ 4,361	100.00%
Amounts allocated to unvested restricted shares	---	---	(34)	0.78%
Amounts allocated to common shares	$ (69,091)	100.00%	$ 4,327	99.22%

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 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.