Second Quarter 2017
Earnings Call

August 8, 2017

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 1 A of Aircastle’s 2016 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.

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Key Q2 2017 Accomplishments

Acquired seven narrow-body aircraft during Q2:17 for approximately $86 million; fifteen aircraft acquired in H1:17 for approximately $276 million

Closed or committed to acquire an additional $950 million in H2:17 and expect to sell approximately $600 million

Sold thirteen aircraft during the second quarter for a gain on sale $13.5 million; fourteen aircraft sold opportunistically and for risk reduction purposes in H1:17, for total gain of $14.3 million

Captured the opportunity to reduce freighter exposure by over 45% by agreeing to sell two younger production freighters and one converted freighter; impairments of $65.7 million include a maintenance revenue offset of $13.5 million

Completed our annual fleet review with no other impairment charges

Repaid $500 million of 6.75% coupon debt and borrowed $500 million of 4.125% coupon debt; $13.1 million of annual interest expense savings

Declared our 45th consecutive quarterly dividend

Key Financial Metrics – Q2:17

Net loss was $(7.1) million; $(0.09) per share versus income per share of $0.25 the prior year

Adjusted net income[1] was $2.4 million; $0.03 per share versus $0.31 the prior year

Results reflect $65.7 million of net transactional impairments from three freighter aircraft expected to be sold and $5.1 million of separation and disability compensation paid to former CEO

Adjusted EBITDA[1] was $224.1 million, up 23%

Lease rental[2] revenues were $195.0 million, up 8%

Cash ROE[1] was 12.9% and Net cash interest margin[1] was 8.8%

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

Impact of Freighter Sales and Separation Payments

($ in millions except per share amounts)	**Q2:17 Results**	**Freighter Sales**	**Executive Separation**	**Adjusted Q2:17 Results**
Total Revenues	$ 223.5	$ 13.5	$ -	$ 210.0
Total Operating Expenses	(244.4)	(79.2)	(5.1)	(160.1)
Total Other Income (Expense)	12.0	-	-	12.0
Pre-Tax Income	$ (8.9)	$ (65.7)	$ (5.1)	$ 61.9

Q2:17 Revenue Summary

Lease rental revenues of $195.0 million, up $14.7 million vs. Q2:16

- $36.2 million more from aircraft purchased and higher finance lease revenue, offset by $21.5 million less due to aircraft sales and other net revenue reductions

Maintenance revenue increased by $16.4 million

- Q2:17 included return compensation associated with several wide-body aircraft which transitioned during the quarter and $13.5 million from freighter aircraft to be sold

Revenue Summary		
$ millions	Q2:17	Q2:16
Lease Rental and Finance and Sales-Type Lease Revenues	$ 195.0	$ 180.3
Amortization of Lease Premiums, Discounts and Incentives	(3.3)	(3.8)
Maintenance Revenue	28.9	12.5
Total Lease Revenue	220.6	189.0
Other Revenue	2.9	1.0
Total Revenues	$ 223.5	$ 190.0

Q2:17 Earnings Summary

Net income declined $27.1 million while adjusted net income fell $21.8 million

- Total revenues rose $33.5 million driven by higher lease rental and maintenance revenues; gains from the sale of flight equipment also increased by $11.4 million
- Improvements were offset by higher impairment charges of $63.2 million as we moved to reduce freighter exposure, and $5.1 million of separation payments to our former CEO

Adjusted EBITDA was $224.1 million, up $41.7 million from Q2:16

- Reflects an increase in revenues and higher gains from sale of flight equipment

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

Earnings Summary		
$ millions, except per share amounts	Q2:17	Q2:16
Net Income (loss)	$ (7.1)	$ 20.0
per diluted common share	*$ (0.09)*	*$ 0.25*
Adjusted Net Income[1]	$ 2.4	$ 24.2
per diluted common share	*$ 0.03*	*$ 0.31*
EBITDA[1]	$136.6	$163.8
Adjusted EBITDA[1]	$224.1	$182.4

Acquisitions & Sales

Acquired seven narrow-body aircraft for $86 million during Q2:17

Closed or committed to acquire an additional $950 million in H2:17

Closed sales of thirteen aircraft during the quarter

Approximately $600 million in additional aircraft sales expected to close in H2:17

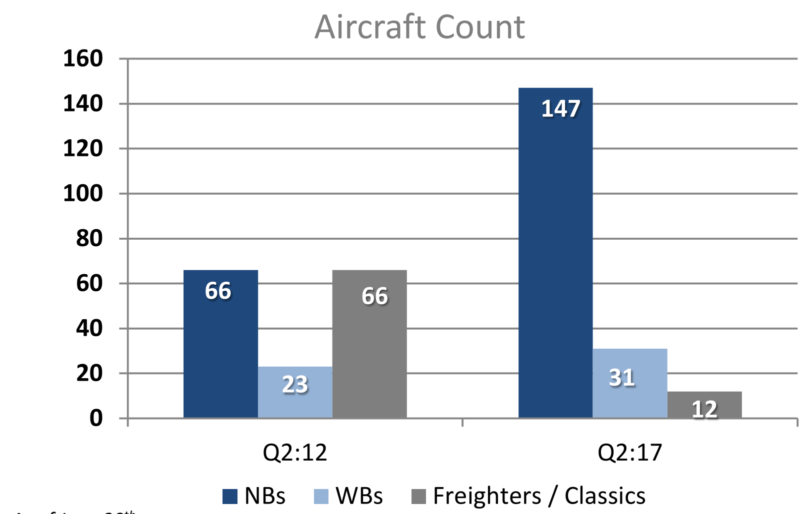
Sales remain focused on reducing risk, recognizing gains and redeploying capital into aircraft with better earnings profiles

2017 Acquisitions & Sales Through Q2:17		
	Acquisitions[1]	Completed Sales
Investments / Sales Proceeds	$276 million	$238 million
Total Number of Aircraft	15	14
Narrow-bodies	14	13
Wide-bodies	1[2]	0[3]
Freighters	0	1[3]

1. *Closed deals only through June 30, 2017.*
2. *Assumed to be on last lease.*
3. *Does not include one 777-300ER and one 747-400BCF freighter that were sold in early July, and two 747-400ER freighters that were agreed to be sold.*

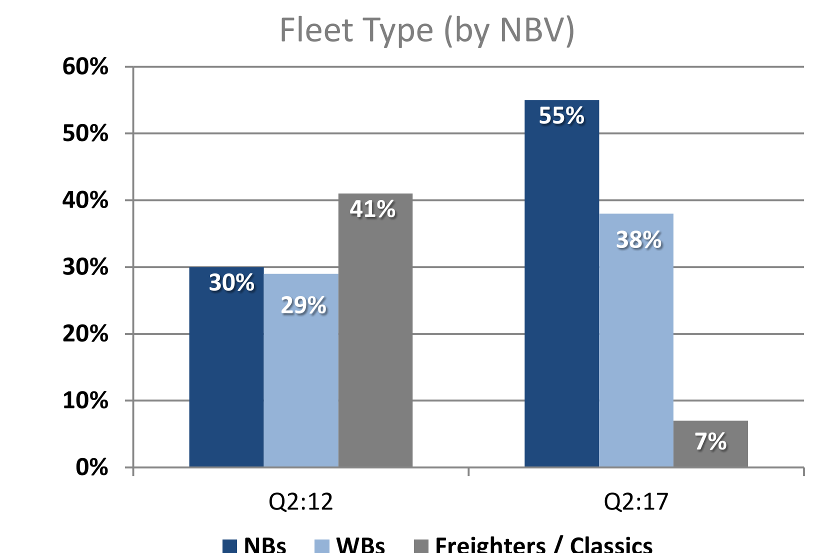
Aircraft Fleet Evolution

The number of current generation narrow-body aircraft has increased by 122% over the past five years



As of June 30th

Reduction in freighter and classic generation aircraft continues and has been significant



As of June 30th

Portfolio Trends

Expanded owned fleet by $1.5 billion in past five years, a compound annual growth rate of 5.9%

Thirteen aircraft are managed in our two joint ventures

$ in billions	Q2:12	Q2:17	Q2:17 vs Q2:12
Flight Equipment Held for Lease[1]	$4.7	$6.2	+$1.5
Wtd. Avg. Fleet Age (years)[2]	11.1	8.3	-2.8
Wtd. Avg. Lease Term (years)[2]	4.9	4.7	-0.2
Managed Aircraft[1]	-	$0.7	+$0.7

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

71 airline customers across the globe

Most top customers are large flag carriers and leading LCCs

Diversified geographic mix

Asia represents 36% of portfolio NBV followed by Europe at 27%

Airline customers in 38 countries

Top Ten Lessees			
% of NBV[1] per customer	Customer	Country	#Aircraft
>6%	Avianca Brazil	Brazil	10
3% to 6%	LATAM	Chile	3
	Lion Air	Indonesia	10
	TAP Portugal	Portugal	7
	South African Airways	South Africa	4
	Thai Airways	Thailand	2
	AirAsia X	Malaysia	3
	AirBridgeCargo[2]	Russia	2
	Iberia	Spain	10
<3%	Jet Airways	India	8

Top Ten Countries		
Country	# A/C	% of NBV[1]
Brazil	15	8.5%
Indonesia	13	8.5%
India	15	6.0%
United Kingdom	22	5.9%
Malaysia	8	5.9%
Chile	3	5.9%
Thailand	5	5.5%
Russia	6	5.2%
Portugal	7	4.8%
South Africa	4	4.5%

1. *As of June 30, 2017.*
2. *Guaranteed by Volga-Dnepr Airlines. We have one additional aircraft on lease with an affiliated airline.*

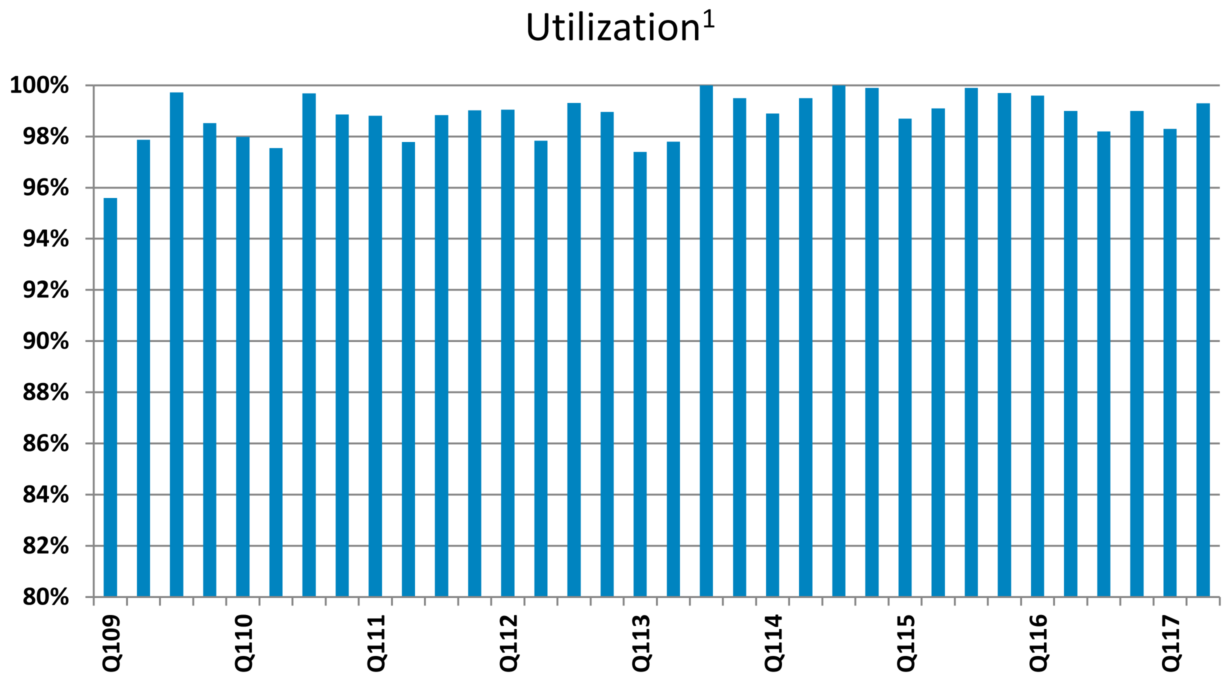
Leasing Activity & Portfolio Performance

Utilization during Q2:17 was 99.3%

Placed all four wide-bodies with 2017 lease expiries

At quarter-end, the lease placement task for 2017 was complete

No Aircraft on Ground at the end of Q2



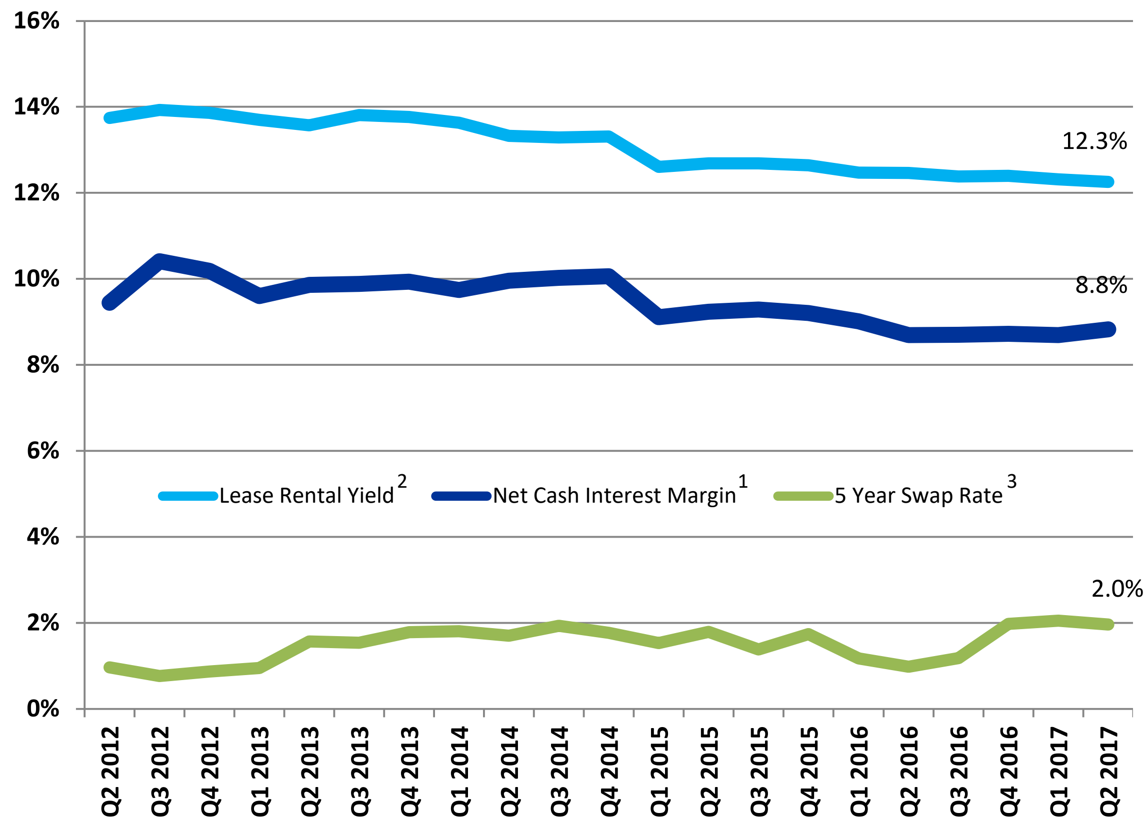
1. *Aircraft on-lease days as a percent of total days in period weighted by NBV.*

Rental Yields and Net Cash Interest Margins

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

- A shift towards finance leases and other aircraft assets with better long-term earnings profiles
- Recent deployment of previously higher cash balances and reduced cash interest expense

Yield was flat at 12.3%[4] while net cash interest margin rose slightly to 8.8%[4]

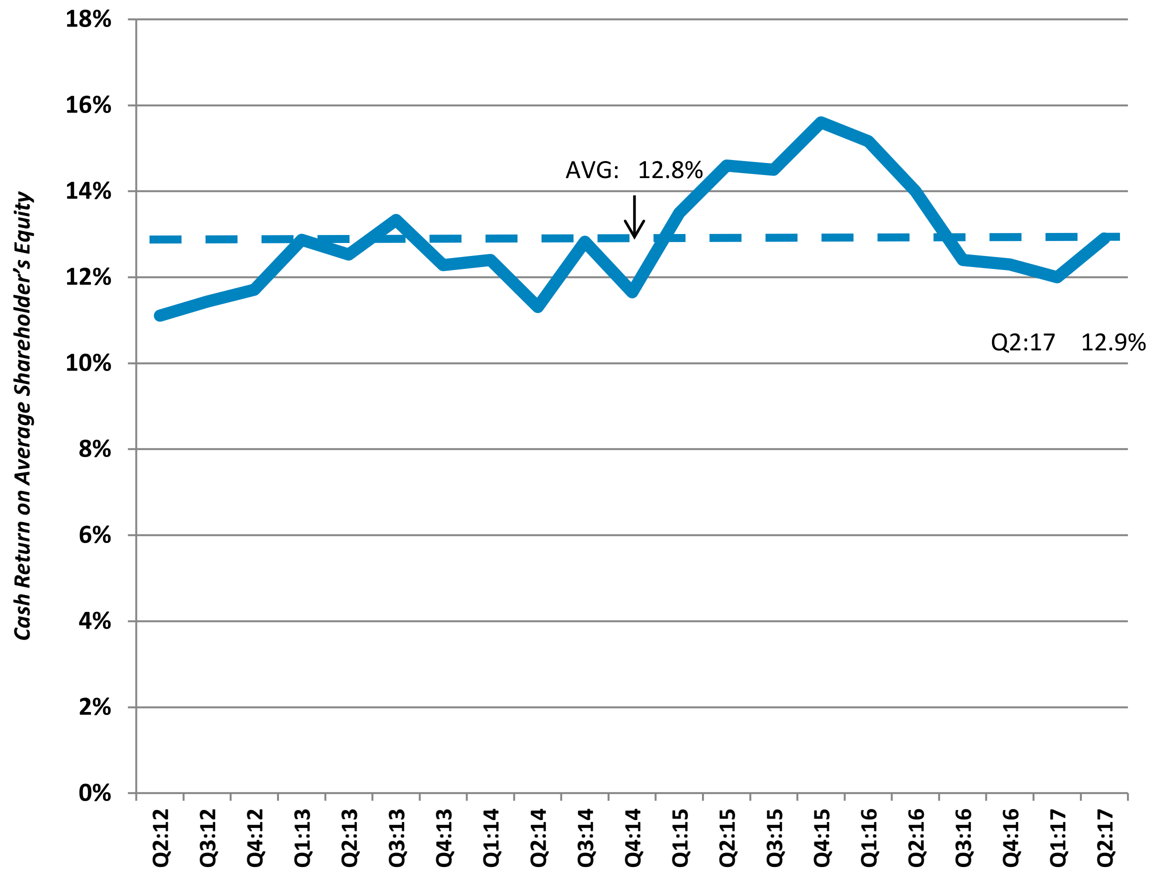


1. *Refer to the selected financial Information accompanying this presentation for a reconciliation of GAAP to Non-GAAP numbers.*
2. *Lease Rental Yield = Operating and finance lease rental revenue plus finance lease collections / average monthly NBV including finance leases for the period calculated on a quarterly basis, annualized.*
3. *Source: Bloomberg. USSWAP5. Mid-point. Quarter-end basis.*
4. *The second quarter of 2017 excludes 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 12.9% in line with longer term average

Recent performance driven by core earnings and strong gains from asset sales



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

Q2:17 Capital Structure

Net debt to equity of 2.1x

- 76% of total debt was unsecured at quarter-end

Average remaining life of debt is 4.1 years

$810 million in available revolver capacity

- Unrestricted cash of $481 million

$4.5 billion of unencumbered flight equipment

Selected Financial Guidance Elements for Q3:17

Guidance Item	Q3:17
Lease rental revenue	$170 - $174
Finance lease revenue	$5 - $6
Maintenance revenue	$6 - $8
Amortization of lease premiums, discounts and incentives	($2) - ($3)
SG&A[1]	$16 - $17
Depreciation	$69 - $72
Interest, net	$58 - $61
Gain on sale	$18 - $24
Full year effective tax rate	6% - 8%

1. *Includes ~$2.4M of non-cash share based payment expense.*

Appendix

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Q2:17 Capital Structure & Liquidity Summary

($ in millions)	As of Jun. 30, 2017		As of Dec. 31, 2016		As of Dec. 31, 2015	
Unrestricted cash and cash equivalents	$ 481		$ 456		$ 156	
Debt	O / S	Rate[1]	O / S	Rate1	O / S	Rate[1]
Securitization No. 2	0	1.58%	-	1.58%	125	1.58%
ECA Term Financings	284	3.52%	305	3.52%	404	3.57%
Bank Financings	788	3.41%	934	3.20%	641	3.23%
Total Secured Debt	1,072	3.44%	1,239	3.28%	1,171	3.17%
Bank Revolver	-	-	-	-	225	2.67%
Other Unsecured Bank Financings	120	3.25%	120	2.65%	-	-
Senior Notes due 2017	-	-	500	6.75%	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%	-	-
Senior Notes due 2024	500	4.13%	-	-	-	-
Total Unsecured Debt	3,320	5.28%	3,320	5.65%	2,925	5.66%
Total Debt and Weighted Avg. Rate	4,392	4.83%	4,559	5.01%	4,096	4.95%
Shareholders' equity	1,835		1,834		1,779	
Total capitalization	$ 6,227		$ 6,393		$ 5,875	
Net debt to equity	2.1 x		2.2 x		2.2 x	
Unsecured debt to total debt	76%		73%		71%	

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, 2017	Three Months Ended June 30, 2016	Six Months Ended June 30, 2017	Six Months Ended June 30, 2016
Revenues	$ 223,534	$ 189,988	$ 427,807	$ 373,653
EBITDA	$ 136,585	$ 163,765	$ 326,224	$ 345,924
Adjusted EBITDA	$ 224,105	$ 182,436	$ 417,496	$ 366,315
Net income (loss)	$ (7,116)	$ 20,030	$ 35,323	$ 56,292
Net income allocable to common shares	$ (7,116)	$ 19,856	$ 35,068	$ 55,844
Per common share - Basic	$ (0.09)	$ 0.25	$ 0.45	$ 0.71
Per common share - Diluted	$ (0.09)	$ 0.25	$ 0.45	$ 0.71
Adjusted net income	$ 2,448	$ 24,205	$ 48,139	$ 68,296
Adjusted net income allocable to common shares	$ 2,428	$ 23,994	$ 47,791	$ 67,752
Per common share - Basic	$ 0.03	$ 0.31	$ 0.61	$ 0.86
Per common share - Diluted	$ 0.03	$ 0.31	$ 0.61	$ 0.86
Basic common shares outstanding	78,177	78,159	78,177	78,351
Diluted common shares outstanding	78,177	78,159	78,404	78,351

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

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

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

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

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

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

	Three Mos. Ended June 30,		**Six Mos. Ended June 30,**	
	2017	**2016**	**2017**	**2016**
	(Dollars in thousands)			
Net income (loss)	$ (7,116)	$ 20,030	$ 35,323	$ 56,292
Depreciation	78,254	75,070	157,428	151,717
Amortization of lease premiums, discounts and incentives	3,280	3,828	6,392	4,898
Interest, net	61,672	62,452	124,740	126,693
Income tax provision	495	2,385	2,341	6,324
EBITDA	136,585	163,765	326,224	345,924
Adjustments:				
Impairment of flight equipment	79,930	16,723	80,430	16,723
Non-cash share based payment expense	6,028	2,094	8,130	3,737
(Gain) loss on MTM of interest rate derivative contracts	1,562	(146)	2,712	(69)
Adjusted EBITDA	$ 224,105	$ 182,436	$ 417,496	$ 366,315

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

	Three Mos. Ended June 30,		Six Mos. Ended June 30,	
	2017	2016	2017	2016
	(Dollars in thousands)			
Net income (loss)	$ (7,116)	$ 20,030	$ 35,323	$ 56,292
Loan termination fee[1]	988	-	988	1,509
(Gain) loss on mark to market of interest rate derivative contracts[2]	1,562	(146)	2,712	(69)
Write-off of deferred financing fees[1]	986	-	986	1,972
Non-cash share based payment expense[3]	6,028	2,094	8,130	3,737
Securitization No. 1 hedge loss amortization charges[1]	-	2,227	-	4,855
Adjusted net income	$ 2,448	$ 24,205	$ 48,139	$ 68,296

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.

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

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

	CFFO	Finance Lease Collections	Gain (Loss) on Sale of Eqt.	Deprec.	Distributions in excess (less than) Equity Earnings	Cash Earnings	Average Shareholders' Equity	12 Month Cash ROE
2011	$359,377	$0	$39,092	$242,103	$0	$156,366	$1,370,513	11.4%
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%
LTM Q2:17	$480,784	$28,765	$38,405	$310,927	($1,734)	$235,293	$1,817,414	12.9%

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

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1. *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 the second quarter of 2017. 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. *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.*

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%

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 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.*
2. *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 were excluded from the calculation. For the six months ended June 30, 2017 distributed and undistributed earnings to restricted shares were 0.72% of net income. The amount of restricted share forfeitures for all periods present is immaterial to the allocation of distributed and undistributed earnings.*

Supplemental Financial Information

	Three Months Ended June 30, 2016		Six Months Ended June 30, 2016	
Weighted-average shares:	**Shares**	**Percent**	**Shares**	**Percent**
Common shares outstanding – Basic	78,159	99.13%	78,351	99.20%
Unvested restricted common shares	686	0.87%	629	0.80%
Total weighted-average shares outstanding	78,845	100.00%	78,981	100.00%
Common shares outstanding – Basic	78,159	100.00%	78,351	100.00%
Effect of dilutive shares[1]	---	---	---	---
Common shares outstanding – Diluted	78,159	100.00%	78,351	100.00%
Net income allocation				
Net income	$ 20,030	100.00%	$ 56,292	100.00%
Distributed and undistributed earnings allocated to unvested restricted shares[2]	(174)	-0.87%	(448)	-0.80%
Earnings available to common shares	$ 19,856	99.13%	$ 55,844	99.20%
Adjusted net income allocation				
Adjusted net income	$ 24,205	100.00%	$ 68,296	100.00%
Amounts allocated to unvested restricted shares	(211)	-0.87%	(544)	-0.80%
Amounts allocated to common shares	$ 23,994	99.13%	$ 67,752	99.20%

Except for percentages, all figures are in thousands.

1. *For the three and six months ended June 30, 2016 the company had no dilutive shares.*
2. *For the three and six months ended June 30, 2016, distributed and undistributed earnings to restricted shares were 0.87% and 0.80% of net income respectively. The amount of restricted share forfeitures for all periods present is immaterial to the allocation of distributed and undistributed earnings.*

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.