



First Quarter 2015 Earnings Call

May 6, 2015

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 and Adjusted Net Income 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 2014 Annual Report on Form 10-K, and elsewhere in this Presentation. 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.

The information contained herein is the property of Aircastle Limited and shall not be disclosed, copied, distributed or transmitted, or used for any purpose, without the express written consent of Aircastle Limited.

Q1:15 Highlights

- **Financial metrics demonstrate our strategy of approaching opportunities differently yields strong results**
 - Maintained our solid record of returning capital to shareholders in Q1:15 in declaring our 36th consecutive quarterly dividend payment
- **Highlights the depth and breadth of Aircastle's team**
 - Enabled us to achieve 98.7% fleet utilization, including placing all aircraft removed from Russia-based lessees
- **Continued progress on the road to Investment Grade**
 - Acquired or committed to acquiring an additional 25 aircraft for \$770 million
 - Expanded our purchasing power through \$500 million issuance of unsecured notes, at par, and enlarged revolver to \$600 million

Q1:15 Achievements

Key Financial Metrics

- **Total revenues up 10% year-over-year to \$194.3 million**
- **Net income of \$43.3 million**
 - \$0.53 per common diluted share
- **Adjusted net income of \$50.5 million**
 - \$0.62 per common diluted share
- **Adjusted EBITDA up 12% year-over-year to \$190.2 million**
- **Net cash interest margin of 9.0%**

Quarterly Highlights

- **\$770 million of closed or committed investments for 2015**
 - Focus on purchase and lease-back programs tailored to airline customer needs
 - 24 of 25 aircraft are narrow-bodies
- **Profitable sale of two aircraft**
 - Leased to an airline based in India
- **Strong fleet performance; 98.7% utilization**
 - Placed aircraft returned by Russia-based lessees; all expected to be in service by end of Q2
- **Major capital raising activity**
 - \$500 million senior unsecured bond issuance
 - Enlarged revolver facility to \$600 million
- **Declared quarterly dividend of \$0.22 per share**
 - 36th consecutive quarterly dividend

Note: Non-GAAP items reconciled in the Appendix.

Positive Portfolio Trends

- Portfolio increased by \$1.7 billion since YE 2010; unencumbered aircraft increased by \$2.9 billion
- Significant shift in fleet towards passenger aircraft and large reduction in fleet age
- Remaining lease term increasing; consistently strong utilization

\$ in billions	YE 2010	YE 2012	YE 2014	Q1:15	Q1:15 vs YE:10
Flight Equipment Held for Lease ¹	\$4.1	\$4.8	\$5.7	\$5.8	+\$1.7
Unencumbered Flight Equipment	\$0.6	\$2.1	\$3.3	\$3.5	+\$2.9
Number of Aircraft	136	159	148	152	+16
Number of Unencumbered Aircraft	18	72	95	99	+81
Passenger Aircraft (% of NBV)	67%	71%	86%	86%	+19%
Freighter Aircraft (% of NBV)	33%	29%	14%	14%	-19%
Wtd. Avg. Fleet Age (years) ²	11.0	10.7	8.4	8.3	-2.7
Wtd. Avg. Lease Term (years) ³	4.7	5.0	5.4	5.6	+0.9
Wtd. Avg. Utilization ⁴	98.5%	98.8%	99.6%	98.7%	

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.

Q1:15 Revenue Summary

- **Lease rental and finance lease revenue of \$178.8 million was essentially flat versus Q1:14:**
 - \$40.6 million higher from aircraft acquisitions, partially offset by aircraft sales and other revenue reductions of \$40.2 million
- **Maintenance revenue increased by \$15.0 million due to \$16.4 million of contra maintenance from three returned aircraft in Q1:14**
- **Q1:15 amortization of lease incentives was \$2.1 million lower primarily due to the sale of aircraft during 2014**

Revenue Summary		
\$ millions	Q1:14	Q1:15
Lease Rental and Finance Lease Revenue	\$ 178.3	\$ 178.8
Amortization of Lease Premiums, Discounts and Incentives	(6.6)	(3.8)
Maintenance Revenue	3.0	18.1
Total Lease Rentals	174.8	193.0
Other Revenue	1.8	1.3
Total Revenues	\$176.6	\$ 194.3

Q1:15 Earnings Summary

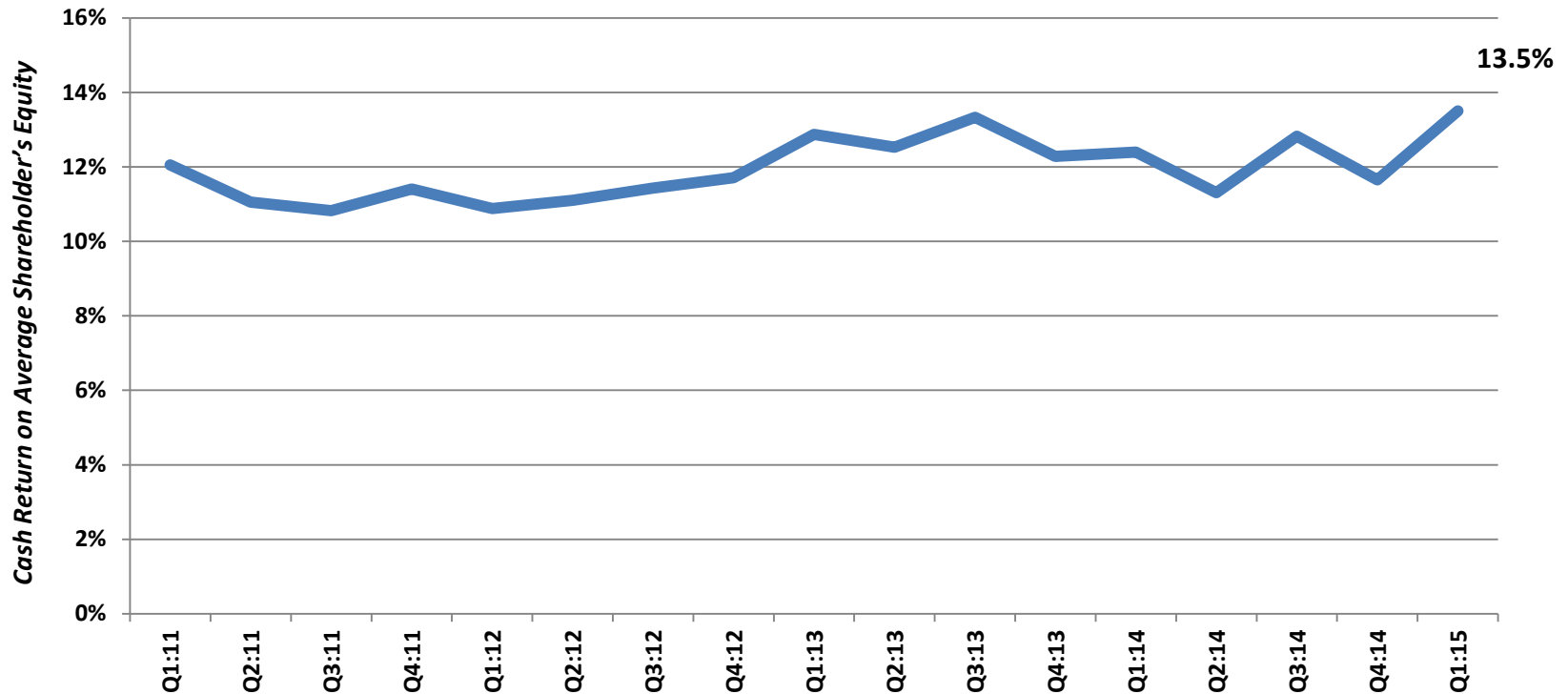
- **Adjusted net income was \$50.5 million, up \$37.2 million from Q1:14 due to:**
 - Higher total revenues of \$17.7 million, and
 - Lower non-cash impairment charges of \$18.3 million
- **Adjusted EBITDA was \$190.2 million, up \$20.2 million from Q1:14**
 - Reflects higher maintenance revenue of \$15.0 million and higher gain on sale of flight equipment of \$5.1 million

Earnings Summary		
\$ millions, except per share amounts	Q1:14	Q1:15
Net Income (Loss)	\$ 5.8	\$ 43.3
<i>per diluted common share</i>	<i>\$ 0.07</i>	<i>\$ 0.53</i>
Adjusted Net Income (Loss)	\$ 13.3	\$ 50.5
<i>per diluted common share</i>	<i>\$ 0.16</i>	<i>\$ 0.62</i>
EBITDA	\$151.4	\$188.9
Adjusted EBITDA	\$170.0	\$190.2

Note: Non-GAAP items reconciled in the Appendix.

Cash ROE Performance

- Trailing twelve month Cash ROE has averaged 12.0% since Q1:11
- Rising cash returns and profitable growth will drive dividend growth over time
- Q1:15 Cash ROE increase driven primarily by higher operating cash flow during last 12 months



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.

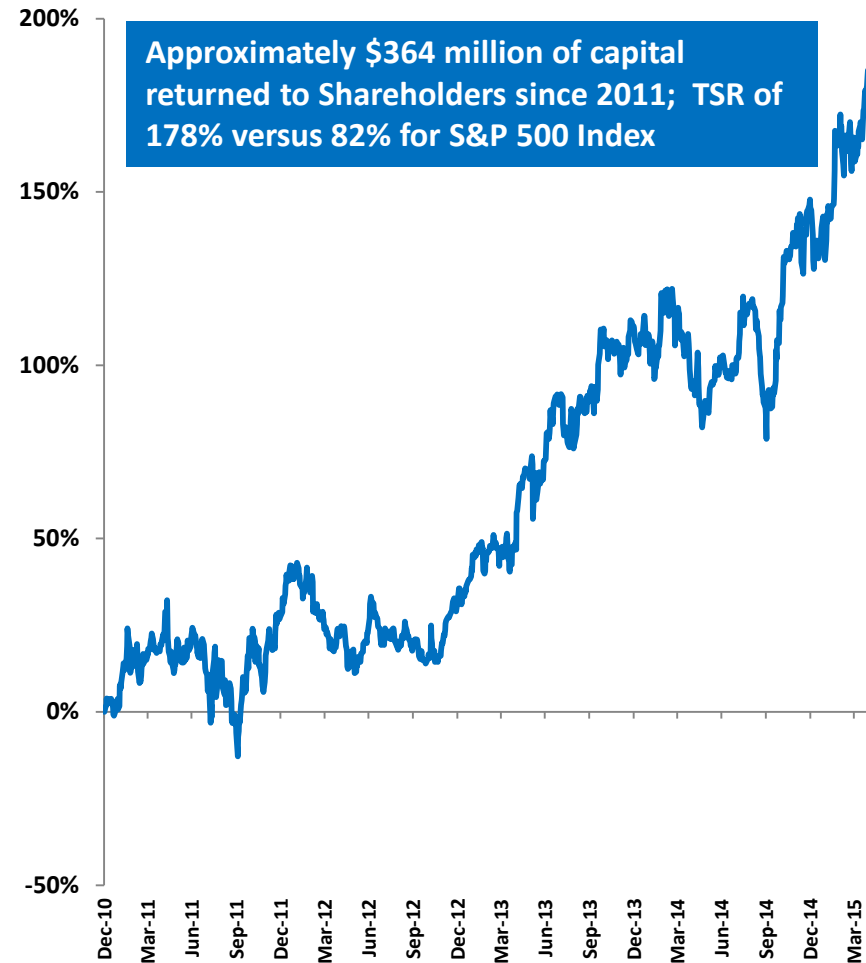
Capital Allocation Framework

Aircastle's balanced capital allocation approach:

- Increase ROE over time through new investments and exit strategy sales
 - *NBV of flight equipment up more than \$1.7 billion since Q1:11*

- Return capital to shareholders
 - *\$225.1 million of dividends paid since Q1:11*

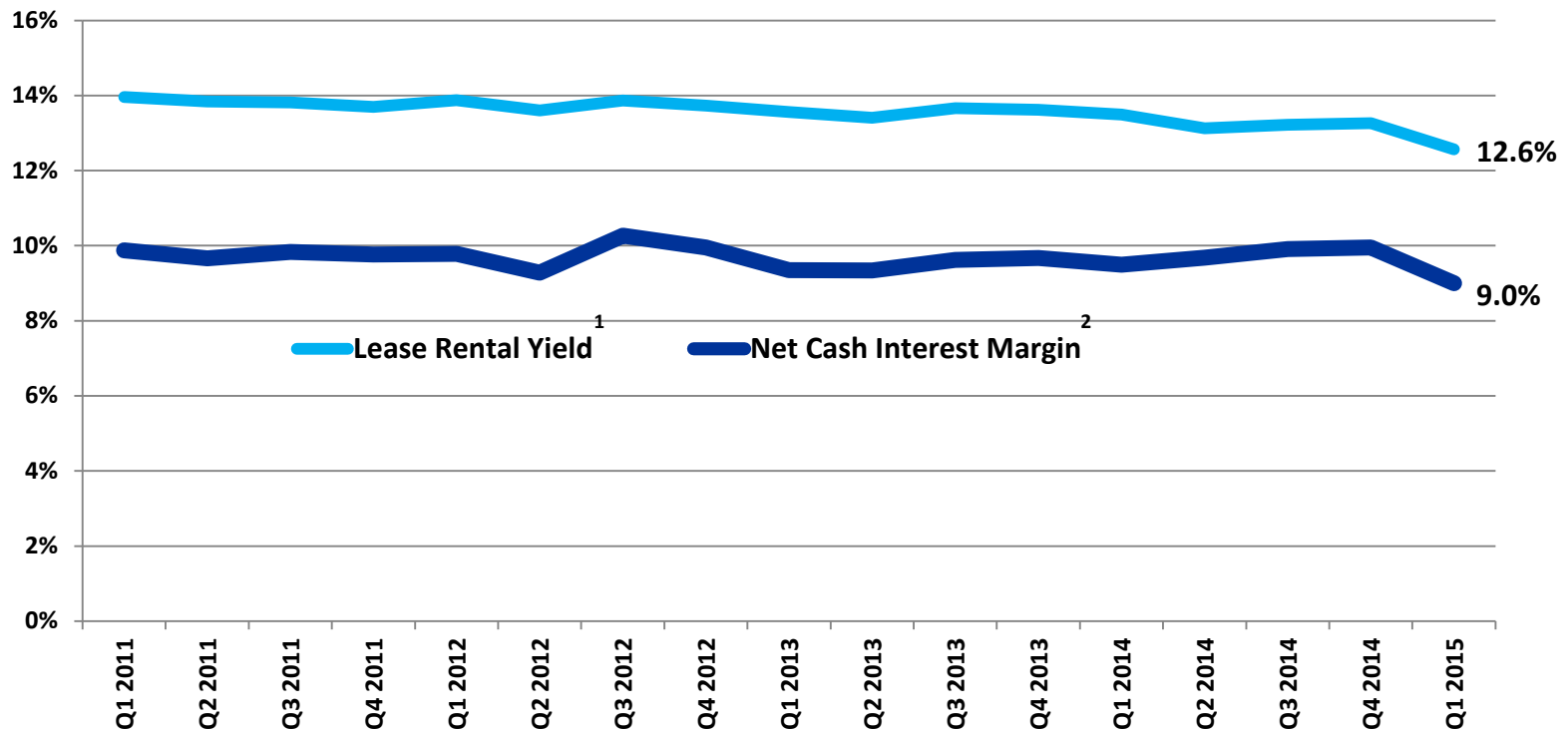
- Opportunistically repurchase shares at a discount to book value
 - *Share repurchases of \$138.5 million since Q1:11*



Source: Bloomberg. Total Shareholder's Return ("TSR") includes cumulative gross dividends plus share price appreciation from December 31, 2010 through the close on April 30, 2015.

Rental Yields and Net Cash Interest Margins

- Recent newer aircraft acquisitions resulting in lower revenue yields but longer lease terms
- Q1:15 yield and margin declines due primarily to transition of several aircraft out of Russia and interest expense “drag” from \$500 million of debt raised early in Q1:15
- Proactive liability management contributing to strong 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.

Q1:15 Capital Structure Summary

- Net debt to equity of 2.1 times; unsecured debt to total debt 67%
- Reduced weighted average cash interest expense to 4.94%
- Average remaining life of debt is 4.4 years; no major debt maturities until 2017
- \$600 million¹ in unsecured revolver capacity available; unrestricted cash of \$330 million

	As of Dec 31, 2013		As of Dec 31, 2014 ²		As of Mar 31, 2015 ²	
	\$MM	Rate ¹	\$MM	Rate ¹	\$MM	Rate ¹
Total Secured Debt	1,587	3.17%	1,396	2.96%	1,343	2.98%
Total Unsecured Debt	2,151	6.99%	2,400	5.70%	2,700	5.91%
Total Debt & Wtd Avg Rate	3,737	5.37%	3,796	4.69%	4,043	4.94%
Shareholders' Equity	1,646		1,720		1,754	
Net Debt to Equity	1.9x		2.1x		2.1x	
Unsecured debt to total debt	58%		63%		67%	

1. Bank revolver was increased to \$600 million from \$450 million on January 26, 2015.

2. Reflects fixed swap rate in effect plus the margin for Securitization No. 2. With the exception of three variable rate Bank Financings, all other debt, including ECA Term Financings, all other Bank Financings and the Senior Notes due 2017 through 2022 are fixed rate financings.

Selected Financial Guidance Elements for Q2:15

\$ in millions

Guidance Item	Q2:15 ⁽¹⁾
Lease rental revenue	\$180 - \$184
Finance lease revenue	\$1 - \$2
Maintenance revenue	\$3 - \$4
Amortization of lease premiums, discounts and incentives	(\$4) - (\$5)
SG&A	\$13 - \$14
Depreciation	\$78 - \$80
Interest, net ⁽²⁾	\$62 - \$64
Gain on sale	\$2 - \$10
Full year effective tax rate	11% - 12%

(1) Excludes the impact of lease end part outs.

(2) Includes non-cash hedge loss amortization charges related to the payoff of Term Financing No.1 and Securitization No.1 of \$4.0 million.

Appendix

Diversified Customer Base with Broad Geographic Distribution

- **54 airline customers across the globe**
 - Largest individual exposure is 7.0% of total NBV
- **Large, national flag carriers comprise most of our top customers**
- **Regional distribution evolving with global trends**
 - Asian customers now 39% of portfolio NBV vs. 20% at YE 2009
 - European exposure now 28% of total NBV vs. 46% at YE 2009
- **Airline customers based in 34 countries**

Top Ten Lessees			
% of NBV ¹	Customer	Country	#Aircraft
> 6% per Customer	LATAM	Chile	3
	Iberia	Spain	18
3% to 6% per Customer	South African Airways	South Africa	4
	Thai Airways	Thailand	2
	Singapore Airlines	Singapore	4
	AirBridge Cargo ²	Russia	3
	Air Asia X	Malaysia	3
	Emirates	UAE	2
	Garuda	Indonesia	4
	Virgin Australia	Australia	2

Top Ten Countries		
Country	# A/C	% of NBV*
Chile	3	6.8%
Spain	18	6.2%
Indonesia	8	6.1%
Russia	6	6.0%
Malaysia	4	5.7%
Thailand	3	5.5%
Brazil	9	5.3%
South Africa	4	5.3%
Singapore	4	5.2%
USA	15	4.7%

1. Percentage of net book value. Figures as of March 31, 2015.

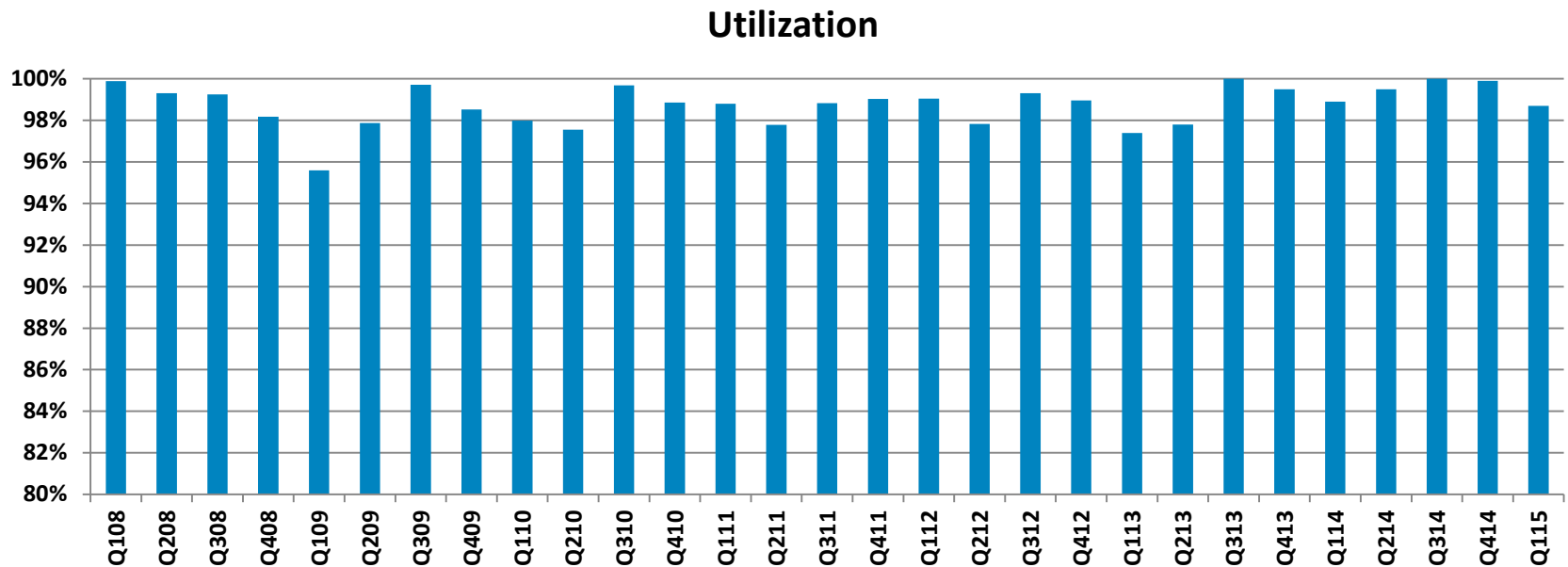
2. Guaranteed by Volga-Dnepr Airlines.

- Significant shift away from freighter and classic generation aircraft towards current generation wide-body passenger aircraft

Fleet Distribution as a % of Total Net Book Value							
Aircraft Type	Model	YE 2009	YE 2011	YE 2013	YE 2014	Q1 2015	Q1:15 vs YE:09
Current Generation Wide-Bodies	A330s	17%	23%	30%	32%	32%	+30%
	777ERs	2%	5%	12%	17%	17%	
Current Generation Narrow-Bodies	737 NGs	18%	17%	18%	18%	17%	-1%
	A320 CEOs	17%	14%	12%	14%	17%	
Freighters	747-400s	26%	22%	17%	13%	13%	-16%
	Oth. Freighters	4%	8%	2%	1%	1%	
Classic Generation Aircraft	737s	4%	3%	1%	--	--	-15%
	757s & 767s	12%	8%	5%	2%	1%	
Regional Jets	E-Jets	0%	0%	3%	3%	2%	+2%

Consistently Strong Portfolio Performance

- Q1:15 utilization of nearly 99%
- Portfolio utilization of 98-99% throughout the business cycle
- Demonstrates portfolio management strength across a variety of aircraft assets



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

Capital Structure & Liquidity Summary

(\$ in millions)	As of Dec. 31, 2013		As of Dec. 31, 2014		As of Mar. 31, 2015	
	\$		\$		\$	
Unrestricted cash and cash equivalents	655		170		330	
Debt	<u>O/S</u>	<u>Rate¹</u>	<u>O/S</u>	<u>Rate¹</u>	<u>O/S</u>	<u>Rate¹</u>
Securitization No. 1	225	5.78%		5.78%		5.78%
Securitization No. 2	604	1.58%	392	1.58%	361	1.58%
ECA Term Financings	494	3.57%	450	3.57%	439	3.57%
Bank Financings	264	3.81%	555	3.44%	544	3.44%
Total Secured Debt	1,587	3.17%	1,396	2.96%	1,343	2.98%
Bank Revolver			200	2.41%		2.41%
Senior Notes due 2017	500	6.75%	500	6.75%	500	6.75%
Senior Notes due 2018	451	9.75%		9.75%		9.75%
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%
Senior Notes due 2022					500	5.50%
Total Unsecured Debt	2,151	6.99%	2,400	5.70%	2,700	5.91%
Total Debt and Weighted Avg. Rate	3,737	5.37%	3,796	4.69%	4,043	4.94%
Shareholders' equity	1,646		1,720		1,754	
Total capitalization	\$ 5,383		\$ 5,517		\$ 5,797	
Net debt to equity	1.9 x		2.1 x		2.1 x	
Unsecured debt to total debt	58%		63%		67%	

1. Reflects fixed swap rate in effect plus the margin for Securitization No. 2. With the exception of three variable rate Bank Financings, all other debt, including ECA Term Financings, all other Bank Financings and the Senior Notes due 2017 through 2022 are fixed rate financings.

in thousands, except per share amounts	Three Months Ended March 31,	
	2014	2015
Revenues	\$ 176,603	\$ 194,296
EBITDA	\$ 151,441	\$ 188,933
Adjusted EBITDA	\$ 170,013	\$ 190,214
Adjusted net income	\$ 13,260	\$ 50,457
Adjusted net income (loss) allocable to common shares	\$ 13,178	\$ 50,136
Per common share - Basic	\$ 0.16	\$ 0.62
Per common share - Diluted	\$ 0.16	\$ 0.62
Basic common shares outstanding	80,387	80,564
Diluted common shares outstanding	80,387	80,564

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

	Three Months Ended March 31,	
	\$ in thousands	
	2014	2015
Net income	\$ 5,777	\$ 43,269
Depreciation	73,927	74,846
Amortization of net lease discounts and lease incentives	6,591	3,824
Interest, net	64,263	62,131
Income tax provision	883	4,863
EBITDA	\$ 151,441	\$ 188,933
Adjustments:		
Impairment of aircraft	18,263	-
Non-cash share based payment expense	990	1,170
(Gain) loss on mark to market of interest rate derivative contracts	(681)	111
Adjusted EBITDA	\$ 170,013	\$ 190,214

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

	Three Months Ended Mar. 31,	
	2014	2015
\$ in thousands, except per share amounts		
Net income	\$ 5,777	\$ 43,269
Ineffective portion and termination of hedges ⁽¹⁾	53	-
(Gain) loss on mark to market of interest rate derivative contracts ⁽²⁾	(681)	111
Non-cash share based payment expense ⁽³⁾	990	1,170
Term Financing No. 1 hedge loss amortization charges ⁽¹⁾	4,104	3,126
Securitization No. 1 hedge loss amortization charges ⁽¹⁾	3,017	2,781
Adjusted net income	<u>\$ 13,260</u>	<u>\$ 50,457</u>
Net Income, per share	<u>\$ 0.07</u>	<u>\$ 0.53</u>
Adjusted net income, per share	<u>\$ 0.16</u>	<u>\$ 0.62</u>

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%
12/31/2014	\$92,811	\$2,216	\$9,762	(\$74,135)	(\$330)	\$30,324	\$193,546	\$1,661,228	11.7%
3/31/2015	\$132,928	\$2,274	\$6,253	(\$74,846)	\$0	\$66,609	\$226,820	\$1,682,857	13.5%

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.

Except for percentages, all figures are \$ in thousands.

Net Cash Interest Margin Calculation

	Average NBV of Flight Equipment	Quarterly Lease Rental Revenue	Cash Interest ¹	Annualized Net Cash Interest Margin
Q1:11	\$ 4,041,967	\$ 141,116	\$ 41,278	9.9%
Q2:11	\$ 4,143,446	\$ 143,356	\$ 43,217	9.7%
Q3:11	\$ 4,222,512	\$ 145,890	\$ 42,066	9.8%
Q4:11	\$ 4,374,921	\$ 149,848	\$ 43,041	9.8%
Q1:12	\$ 4,388,008	\$ 152,242	\$ 44,969	9.8%
Q2:12	\$ 4,516,973	\$ 153,624	\$ 48,798	9.3%
Q3:12	\$ 4,602,185	\$ 159,546	\$ 41,373	10.3%
Q4:12	\$ 4,605,783	\$ 158,090	\$ 43,461	10.0%
Q1:13	\$ 4,619,204	\$ 156,590	\$ 48,591	9.4%
Q2:13	\$ 4,711,790	\$ 157,918	\$ 47,869	9.3%
Q3:13	\$ 4,717,877	\$ 161,148	\$ 47,682	9.6%
Q4:13	\$ 4,972,040	\$ 169,274	\$ 49,080	9.7%
Q1:14	\$ 5,168,851	\$ 174,335	\$ 51,685	9.5%
Q2:14	\$ 5,582,359	\$ 183,231	\$ 48,173	9.7%
Q3:14	\$ 5,412,299	\$ 178,886	\$ 44,820	9.9%
Q4:14	\$ 5,373,733	\$ 178,202	\$ 44,459	10.0%
Q1:15	\$ 5,637,513	\$ 177,146	\$ 50,235	9.0%

1. Excludes loan termination payments of \$3.2 million and \$3.0 million in the second quarter of 2011 and 2013 respectively.

Except for percentages, all figures are \$ in thousands.

	Three Months Ended March 31, 2015	
	Shares	Percent²
<u>Weighted-average shares:</u>		
Common shares outstanding – Basic	80,564	99.36%
Unvested restricted common shares	515	0.64%
Total weighted-average shares outstanding	<u>81,080</u>	<u>100.00%</u>
Common shares outstanding – Basic	80,564	100.00%
Effect of dilutive shares ¹	---	---
Common shares outstanding – Diluted	<u>80,564</u>	<u>100.00%</u>
<u>Net income allocation</u>		
Net income	\$ 43,269	100.00%
Distributed and undistributed earnings allocated to unvested restricted shares	(275)	-0.64%
Earnings available to common shares	<u>\$ 42,994</u>	<u>99.36%</u>
<u>Adjusted net income allocation</u>		
Adjusted net income	\$ 50,457	100.00%
Amounts allocated to unvested restricted shares	(321)	-0.64%
Amounts allocated to common shares	<u>\$ 50,136</u>	<u>99.36%</u>

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

	Three Months Ended March 31, 2014	
	Shares	Percent²
<u>Weighted-average shares:</u>		
Common shares outstanding – Basic	80,387	99.38%
Unvested restricted common shares	501	0.62%
Total weighted-average shares outstanding	<u>80,888</u>	<u>100.00%</u>
Common shares outstanding – Basic	80,387	100.00%
Effect of dilutive shares ¹	---	---
Common shares outstanding – Diluted	<u>80,387</u>	<u>100.00%</u>
<u>Net income allocation</u>		
Net income	\$ 5,777	100.00%
Distributed and undistributed earnings allocated to unvested restricted shares	(36)	-0.62%
Earnings available to common shares	<u>\$ 5,741</u>	<u>99.38%</u>
<u>Adjusted net income allocation</u>		
Adjusted net income	\$ 13,260	100.00%
Amounts allocated to unvested restricted shares	(82)	-0.62%
Amounts allocated to common shares	<u>\$ 13,178</u>	<u>99.38%</u>

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.