Aircastle LTD
Form 424B2
September 24, 2018

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Registration No. 333-224813

CALCULATION OF REGISTRATION FEE

Title of each class of securities to be registered	Amount to be Registered	Proposed Maximum Offering Price	Proposed Maximum Aggregate Offering Price	Amount of Registration Fee(1)
4.400% Senior Notes due 2023	$650,000,000	99.831%	$648,901,500	$80,789.00

(1) Calculated in accordance with Rule 456(b) and 457(r) of the Securities Act of 1933, as amended.

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Prospectus Supplement to Prospectus dated May 9, 2018

$650,000,000

Aircastle Limited

4.400% Senior Notes due 2023

We are offering $650 million aggregate principal amount of 4.400% Senior Notes due 2023 (the notes). The notes will bear interest at a rate of 4.400% per annum. The notes will mature on September 25, 2023. Interest will accrue on the notes from September 25, 2018. Interest on the notes is payable on March 25 and September 25 of each year, commencing on March 25, 2019.

We may redeem some or all of the notes at any time prior to August 25, 2023 (one month prior to maturity) by paying a specified make-whole premium, plus accrued and unpaid interest, if any, to the redemption date, as described in this prospectus supplement. On and after August 25, 2023 (one month prior to maturity), we may redeem some or all of the notes at a redemption price of 100% of the principal amount of the notes to be redeemed, plus accrued and unpaid interest, if any, to the redemption date. See Description of the Notes Optional Redemption. If we experience a change of control triggering event as described in this prospectus supplement under Description of the Notes Repurchase at the Option of the Holders Change of Control, holders of the notes will have the right to require us to repurchase the notes under the terms set forth herein, plus accrued and unpaid interest, if any, to the date of purchase.

The notes will be our unsecured senior obligations, will rank equally in right of payment with all of our existing and future senior debt (including our existing senior notes) and will rank senior in right of payment to all of our future subordinated debt. The notes will be effectively junior in right of payment to all of our existing and future secured debt to the extent of the assets securing such debt, and structurally subordinated to all existing and future indebtedness and other liabilities of our subsidiaries that do not guarantee the notes. The notes will not initially be guaranteed by any of our subsidiaries or any third party.

Investing in the notes involves risks. See Risk Factors beginning on page S-14 of this prospectus supplement and page 2 of the accompanying prospectus and those risk factors incorporated by reference into this prospectus supplement and the accompanying prospectus from our Annual Report on Form 10-K for the year ended December 31, 2017.

Neither the Securities and Exchange Commission (the SEC or Commission), the Registrar of Companies in Bermuda, the Bermuda Monetary Authority, nor any state securities commission has approved or disapproved of these securities or determined if this prospectus supplement or the accompanying prospectus is truthful or

complete. Any representation to the contrary is a criminal offense.

	Per Note	Total
Public offering price(1)	99.831%	$ 648,901,500
Underwriting discount	0.600%	$ 3,900,000
Proceeds, before expenses, to us	99.231%	$ 645,001,500

(1) Plus accrued interest, if any, from September 25, 2018 if settlement occurs after that date.
The notes will not be listed on any securities exchange.

We expect that delivery of the notes will be made to investors in book-entry form through The Depository Trust Company (DTC) on or about September 25, 2018.

Joint Book-Running Managers

Goldman Sachs & Co. LLC **Citigroup** **MUFG** **RBC Capital Markets**

Prospectus Supplement dated September 20, 2018

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This prospectus supplement and the accompanying prospectus are part of a shelf registration statement that we filed with the SEC. Under this shelf registration process, we may sell the securities described in the accompanying prospectus at our discretion in one or more offerings. You should read (i) this prospectus supplement, (ii) the accompanying prospectus, (iii) any free writing prospectus prepared by or on behalf of us or to which we have referred you and (iv) the documents incorporated by reference herein and therein that are described in this prospectus supplement and the accompanying prospectus under the heading Where You Can Find More Information.

Consent under the Exchange Control Act of 1972 (and its related regulations) has been granted by the Bermuda Monetary Authority for the issue and transfer of securities of Bermuda companies (other than certain equity securities) to and between non-residents of Bermuda for exchange control purposes, which includes the notes. Neither the Bermuda Monetary Authority nor the Registrar of Companies in Bermuda accepts any responsibility for our financial soundness or the correctness of any of the statements made or opinions expressed in this prospectus supplement or the accompanying prospectus.

This prospectus supplement, the accompanying prospectus and any free writing prospectus that we prepare or authorize, contain and incorporate by reference information that you should consider when making your investment decision. Neither we nor the underwriters nor their affiliates and agents have authorized any person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. Neither we nor the underwriters nor their affiliates and agents are making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. You should assume that the information appearing in this prospectus supplement and the accompanying prospectus or any documents incorporated by reference in either is accurate only as of the stated date of each document in which the information is contained. After the stated date, our business, financial condition, results of operations and prospects may have changed.

This prospectus supplement and the accompanying prospectus summarize certain documents and other information to which we refer you for a more complete understanding of what we discuss in this prospectus supplement and the accompanying prospectus. In making an investment decision, you should rely on your own examination of our company and the terms of this offering and the notes, including the merits and risks involved.

Neither we nor the underwriters nor their affiliates and agents are making any representation to any purchaser of the notes regarding the legality of the purchaser s investment in the notes. You should not consider any information contained or incorporated by reference in this prospectus supplement or the accompanying prospectus to be legal, business or tax advice. You should consult your own attorney, business advisor and tax advisor for legal, business and tax advice regarding an investment in the notes.

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FORWARD-LOOKING STATEMENTS

All statements included or incorporated by reference in this prospectus supplement, the accompanying prospectus and the documents incorporated by reference herein and therein, 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, 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 to be materially different from those described in the forward-looking statements; we can give no assurance that our expectations will be attained. Accordingly, you should not place undue reliance on any forward-looking statements contained in this prospectus supplement, the accompanying prospectus or the documents incorporated by reference herein or therein, which are subject to certain risks and uncertainties that could cause actual results to differ materially from our expectations. These risks or uncertainties include, but are not limited to, those described under Risk Factors in our Annual Report on Form 10-K for the year ended December 31, 2017 that is incorporated by reference in this prospectus supplement and the accompanying prospectus. In addition, new risks and uncertainties emerge from time to time, and it is not possible for us to predict or assess the impact of every factor that may cause our actual results to differ from those contained in any forward-looking statements. Such forward-looking statements speak only as of the date of the document in which the statements are contained. We expressly disclaim any obligation to revise or update publicly any forward-looking statement contained herein, in the accompanying prospectus or in the documents incorporated by reference herein or therein to reflect future events or circumstances.

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SUMMARY

This summary highlights the information contained elsewhere in or incorporated by reference in this prospectus supplement and the accompanying prospectus. Because this is only a summary, it does not contain all of the information that may be important to you. For a more complete understanding of this offering, we encourage you to read this entire prospectus supplement and the accompanying prospectus and the information incorporated by reference herein and therein, including the financial statements and the notes to those statements.

In this prospectus supplement, except as otherwise indicated or the context otherwise requires, the terms Aircastle, we, our and us refer to Aircastle Limited and its consolidated subsidiaries.

Our Company

We acquire, lease, and sell commercial jet aircraft to airlines throughout the world. As of June 30, 2018, we owned and managed on behalf of our joint ventures 240 aircraft leased to 84 lessees located in 45 countries. Our aircraft are managed by an experienced team based in the United States, Ireland and Singapore. Our aircraft are subject to net leases whereby the lessee is generally responsible for maintaining the aircraft and paying operational, maintenance and insurance costs. In many cases, however, we are obligated to pay a portion of specified maintenance or modification costs. As of June 30, 2018, the net book value (including flight equipment held for lease and net investment in finance and sales-type leases, or net book value) was $6.78 billion compared to $6.73 billion at the end of 2017. Our revenues, net income and Adjusted EBITDA were $796.6 million, $147.9 million, and $801.6 million, respectively, for the year ended December 31, 2017 and $407.0 million and $107.8 million, and $383.8 million, respectively, for the six months ended June 30, 2018.

Our Industry

Growth in commercial air traffic is broadly correlated with world economic activity. In recent years, commercial air traffic growth has expanded at a rate of one and a half to two times that of global GDP growth. The expansion of air travel has driven an increase in the world aircraft fleet. There are approximately 21,000 commercial mainline passenger and freighter aircraft in current operation worldwide. This fleet is expected to continue expanding at three to four percent average annual rate over the next twenty years. Aircraft leasing companies own approximately 42% of the world s commercial jet aircraft.

Notwithstanding the sector s long-term growth, the aviation market has been, and is expected to remain, subject to economic variability due to changes in macroeconomic variables, such as fuel price levels and foreign exchange rates. The aviation industry is also susceptible to external shocks, such as regional conflicts and terrorist events. Mitigating this risk is the portability of the assets, allowing aircraft to be redeployed to locations where there is demand.

Air traffic data continues to show strong passenger market growth. According to the International Air Transport Association, global passenger traffic increased 7.6% during 2017 compared to 2016 and 6.8% during the first five months of 2018 compared to the same period in 2017. Air cargo traffic increased 9.0% during 2017 compared to 2016 and 5.3% during the first five months of 2018 compared to the same period in 2017.

Demand for air travel varies by region. Emerging market economies have generally been experiencing greater increases in air traffic, driven by rising levels of per capita income leading to an increased propensity to fly. Mature markets, such as North America and Western Europe, have been growing more slowly in tandem

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with their economies. Air traffic growth is also being driven by the proliferation of low cost carriers, which have stimulated demand through lower prices. Airlines operating in areas with political instability or weakening economies are under pressure, and their near-term outlook is more uncertain. On balance, we believe air travel will increase over time and, as a result, we expect demand for modern aircraft will continue to remain strong over the long-term.

Fuel prices and interest rates have had a substantial effect on our industry. After dropping to a low of $36 per barrel in December 2015, the price of fuel has started to rise and averaged $69 per barrel during the first six months of 2018. While still below historic highs, rising fuel prices are impacting airline profitability. The prolonged low interest rate environment and the strong overall performance of the aircraft financing sector attracted significant new capital, increasing competition for new investments. Interest rates have recently started to rise in the U.S., with Federal Reserve guidance suggesting multiple future rate hikes in the Federal Funds rate in 2018.

Capital availability for aircraft has varied over time, and we consider this variability to be a basic characteristic of our business. If pursued properly, this represents an important source of investment opportunity. Strong U.S. debt capital market conditions benefit borrowers by permitting access to financing at historic lows while export credit agency availability has been curtailed, both in the U.S. and in Europe, due to political issues. Commercial bank debt also continues to play a critical role for aircraft finance.

While financial market conditions remain attractive, geopolitical issues may increase capital costs and limit availability going forward. We believe these market forces should generate attractive additional investment and trading opportunities for which we are well placed to capitalize given our access to different financing sources, our limited capital commitments and our reputation as a reliable trading partner. During the second quarter of 2018, we achieved an investment grade credit rating from Standard & Poor s and Fitch, and during the third quarter of 2018, we achieved an investment grade rating from Moody s. We believe being an investment grade issuer will reduce our borrowing costs and enable more reliable access to debt capital throughout the business cycle. No report of any rating agency is incorporated by reference herein.

Our Business

We originate acquisitions and sales through well-established relationships with airlines, other aircraft lessors, financial institutions and brokers, as well as other sources. We believe that sourcing such transactions globally through multiple channels provides for a broad and relatively consistent set of opportunities.

Our objective is to develop and maintain a diverse operating lease portfolio. We review our operating lease portfolio to sell aircraft opportunistically, to manage our portfolio diversification and to exit from aircraft investments when we believe selling will achieve better expected risk-adjusted cash flows than reinvesting in and re-leasing the aircraft.

We have an experienced acquisition and sales team based in Stamford, Connecticut; Dublin, Ireland; and Singapore that maintains strong relationships with a wide variety of market participants throughout the world. We believe that our seasoned personnel and extensive industry contacts facilitate our access to acquisition and sales opportunities and that our strong operating track record facilitates our access to debt and equity capital markets.

Potential investments and sales are evaluated by teams comprised of marketing, technical, risk management, finance and legal professionals. These teams consider a variety of aspects before we commit to purchase or sell an aircraft, including price, specification/configuration, age, condition and maintenance history, operating

efficiency, lease terms, financial condition and liquidity of the lessee, jurisdiction, industry trends and future redeployment potential and values. We believe that utilizing a cross-functional team of experts to consider investment parameters helps us assess more completely the overall risk and return profile of potential acquisitions and helps us move forward expeditiously on letters of intent and acquisition documentation.

Nearly all of our aircraft are contracted on operating leases. Under an operating lease, we retain the benefit, and bear the risk, of re-leasing and of the residual value of the aircraft at the end of the lease. Operating leasing can be an attractive alternative to ownership for an airline because leasing increases an airline s fleet flexibility, requires lower capital commitments, and significantly reduces aircraft residual value risks for the airline. Under an operating lease, the lessee agrees to lease an aircraft for a fixed term, although certain of our operating leases allow the lessee the option to extend the lease for an additional term or, in rare cases, terminate the lease prior to its expiration. As a percentage of lease rental revenue, our four largest customers, Lion Air, Avianca Brazil, LATAM Airlines Group and South African Airways, accounted for 7%, 7%, 6% and 5%, respectively, for the year ended December 31, 2017.

Each of our leases requires the lessee to pay periodic rentals during the lease term. As of June 30, 2018, rentals on more than 94% of our leases then in effect, as a percentage of net book value, are fixed and do not vary according to changes in interest rates. For the remaining leases, rentals are payable on a floating interest-rate basis. Virtually all lease rentals are payable monthly in advance, and all lease rentals are payable in U.S. dollars.

Our aircraft re-leasing strategy is to develop opportunities proactively, well in advance of scheduled lease expiration, to enable consideration of a broad set of alternatives, including deployment, sale or part-out, and to allow for reconfiguration or maintenance lead times where needed. We also take a proactive approach to monitoring the credit quality of our customers, and may seek early return and redeployment of aircraft if we feel that a lessee is unlikely to perform its obligations under a lease. We have invested significant resources in developing and implementing what we consider to be state-of-the-art lease management information systems and processes to enable efficient management of aircraft in our portfolio.

Our business approach is differentiated from those of other large leasing companies. Our investment strategy is to seek out the best risk-adjusted return opportunities across the commercial jet market, so our acquisition targets and growth rates will vary with market conditions. We plan to grow our business and profits over the long-term while maintaining a countercyclical orientation and a conservative and flexible capital structure. We prefer to have capital resources available to capture investment opportunities that arise in the context of changing market circumstances. As such, we limit large, long-term capital commitments and are therefore less reliant on orders for new aircraft from aircraft manufacturers as a source of new investments than many of our competitors.

Our Strengths

We believe that the following competitive strengths will allow us to capitalize on future growth opportunities in the global aviation industry:

Diversified Portfolio of Modern Aircraft: We have a portfolio of modern aircraft that is diversified with respect to lessees, geographic markets, lease maturities and aircraft types. As of June 30, 2018, we owned and managed on behalf of our joint ventures 240 aircraft, comprising a variety of aircraft types leased to 84 lessees located in 45 countries and lease expirations for our owned aircraft are well dispersed, with a weighted-average remaining lease term of 4.7 years. This provides the Company with a long-dated base of contracted revenues. We believe our focus on portfolio diversification reduces the risks associated with individual lessee defaults and adverse geopolitical or economic issues, and results in generally predictable cash flows.

Flexible, Disciplined Acquisition Approach and Broad Investment Sourcing Network: Since our formation, we have acquired 444 aircraft for approximately $14.4 billion as of June 30, 2018. Our investment strategy is to seek out the best risk-adjusted return opportunities across the commercial jet market, so our acquisition targets vary with market opportunities. We source our acquisitions through well-established relationships with airlines, other aircraft lessors, manufacturers, financial institutions and other aircraft owners. Since our formation in 2004, we built our aircraft portfolio through more than 158 transactions with 89 counterparties as of June 30, 2018.

Significant Experience in Successfully Selling Aircraft Throughout Their Life Cycle: Since our formation, we have sold 215 aircraft for approximately $5.1 billion as of June 30, 2018. These sales produced net gains of approximately $311.7 million and involved a wide range of aircraft types and buyers. Our team is adept at managing and executing the sale of aircraft. We sold 144 aircraft that were over fourteen years old at the time of sale; many of these being sold on a part-out disposition basis, where the airframe and engines may be sold to various buyers. We believe our competence in selling older aircraft is an essential portfolio management skill and one of the capabilities that sets us apart from many of our larger competitors.

Strong Capital Raising Track Record and Access to a Wide Range of Financing Sources: Aircastle is a publicly listed company, and our shares have traded on the NYSE since 2006. Since our inception in late 2004, we have raised approximately $1.7 billion in equity capital from private and public investors as of June 30, 2018. Our largest shareholder is Marubeni Corporation (Marubeni) with whom we maintain a strong, strategic relationship. As of June 30, 2018, we have also obtained approximately $13.4 billion in debt capital from a variety of sources including the unsecured bond market, commercial banks, export credit agency-backed debt, and the aircraft securitization market. The diversity and global nature of our financing sources demonstrates our ability to adapt to changing market conditions and seize new opportunities.

Our Capital Structure is Long-Dated and Provides Investment Flexibility: As of June 30, 2018, our business is financed under debt financings with a weighted-average debt maturity of 3.1 years. We also have $835 million available from unsecured revolving credit facilities that expire in 2019 and 2022, thereby limiting our near-term financial markets exposure. Given our relatively limited future capital commitments, we have the resources to take advantage of future investment opportunities. Our access to the unsecured bond market and our unsecured revolving lines of credit, due to our large unencumbered asset base, allow us to pursue a flexible and opportunistic investment strategy.

Experienced Management Team with Significant Expertise: Each member of our management team has more than 20 years of industry experience and we have expertise in the acquisition, leasing, financing, technical management, restructuring/repossession and/or sale of aviation assets. This experience spans several industry cycles and a wide range of business conditions and is global in nature. We believe our management team is highly qualified to manage and grow our aircraft portfolio and to address our long-term capital needs.

Global and Scalable Business Platform: We operate through offices in the United States, Ireland and Singapore, using a modern asset management system designed specifically for aircraft operating lessors and capable of handling a significantly larger aircraft portfolio. We believe that our current facilities, systems and personnel are capable of supporting an increase in our revenue base and asset base without a proportional increase in overhead costs.

Our Strategy

Aircraft owners have benefited from the low interest rate environment in recent years. Particularly strong conditions in the debt capital markets have provided select borrowers, including Aircastle, access to attractively priced, flexible financing. This provides us a competitive advantage over many airlines and lessors that lack

similar access. Geopolitical and macroeconomic events may increase the cost of capital and limit its availability in the future, which may provide more attractive investment opportunities for Aircastle.

We plan to grow our business and profits over the long-term while maintaining a countercyclical orientation and a conservative and flexible capital structure. We prefer to have capital resources available to capture investment opportunities that arise in the context of changing market circumstances. As such, we limit large, long-term capital commitments and are therefore less reliant on orders for new aircraft from aircraft manufacturers as a source of new investments than many of our competitors.

Our business strategy entails the following elements:

Pursuing a Disciplined and Differentiated Investment Strategy. In our view, values of different aircraft change in different ways over time. We carefully evaluate investments across different aircraft models, ages, lessees and acquisition sources and re-evaluate these choices as market conditions and relative investment values change. We believe the financing flexibility offered through unsecured debt and our team s experience with a wide range of asset types provides us with a competitive advantage. We view orders from equipment manufacturers to be part of our investment opportunity set, but choose to keep our long term capital commitments limited.

Originating Investments from Many Different Sources Across the Globe. Our strategy is to seek out worthwhile investments by leveraging our team s wide range of contacts. We utilize a multi-channel approach to sourcing acquisitions and have purchased aircraft from a large number of airlines, lessors, original equipment manufacturers, lenders and other aircraft owners. Since our formation in 2004, we have acquired aircraft from 89 different sellers as of June 30, 2018.

Selling Assets when Attractive Opportunities Arise. We sell assets with the aim of realizing profits and reinvesting proceeds when a sale generates the greatest expected cash flow or when more accretive investments are available. We also use asset sales for portfolio management purposes, such as reducing lessee specific concentrations and lowering residual value exposures to certain aircraft types. Since our formation, we have sold 215 aircraft to 62 buyers as of June 30, 2018.

Maintaining Efficient Access to Capital from a Wide Set of Sources and Leveraging our Recent Investment Grade Credit Rating. We believe the aircraft investment market is influenced by the business cycle. Our strategy is to increase our purchase activity when prices are low and to emphasize asset sales when competition for assets is high. To implement this approach, we believe it is important to maintain access to a wide variety of financing sources. Recently, we achieved our objective of improving our corporate credit ratings to an investment grade level by maintaining strong portfolio and capital structure metrics while achieving a critical size through accretive growth. We believe our improved credit rating will not only reduce our borrowing costs, but also facilitate more reliable access to both unsecured and secured debt capital throughout the business cycle.

Leveraging our Strategic Relationships. We intend to capture the benefits provided through the extensive global contacts and relationships maintained by Marubeni, which is our biggest shareholder and one of the largest Japanese trading companies. Marubeni has enabled greater access to Japanese-based financing and helped source and develop our joint venture with the leasing arm of the Industrial Bank of Japan, Limited.

Capturing the Value of our Efficient Operating Platform and Strong Operating Track Record. We believe our team s capabilities in the global aircraft leasing market places us in a favorable position to source and manage new income-generating activities. We intend to continue to focus our efforts in areas where we believe we have competitive advantages, including new direct investments as well as ventures with strategic business partners.

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Intending to Pay Quarterly Dividends to our Shareholders Based on the Company s Sustainable Earnings Levels. Aircastle has paid dividends each quarter since our initial public offering in 2006. On August 3, 2018, our Board of Directors (Board) declared a regular quarterly dividend of $0.28 per common share to be paid on September 14, 2018 to holders of record on August 31, 2018. These dividends may not be indicative of the amount of any future dividends. See Dividend Policy.

Company Information

We are a Bermuda exempted company and were incorporated on October 29, 2004. Our principal executive offices are located at c/o Aircastle Advisor LLC, 201 Tresser Boulevard, Suite 400, Stamford, CT 06901. Our telephone number is (203) 504-1020. Our website address is www.aircastle.com. Information on, or accessible through, our website does not constitute part of this prospectus supplement or the accompanying prospectus, other than documents that we file with the SEC that are expressly incorporated by reference into this prospectus supplement and the accompanying prospectus.

For a further discussion of our business, we urge you to read the documents incorporated by reference herein, including our Annual Report on Form 10-K for the year ended December 31, 2017, our Quarterly Report on Form 10-Q for the quarter ended June 30, 2018 and our Current Reports on Form 8-K. See Where You Can Find More Information.

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The Offering

The summary below describes the principal terms of the notes. Certain of the terms and conditions described below are subject to important limitations and exceptions. The following is not intended to be complete. You should carefully review the Description of the Notes section of this prospectus supplement, which contains a more detailed description of the terms and conditions of the notes.

Issuer	Aircastle Limited, a Bermuda exempted company (the Issuer).
Notes Offered	$650 million aggregate principal amount of 4.400% Senior Notes due 2023 (the notes).
Maturity	September 25, 2023.
Interest Payment Dates	March 25 and September 25, commencing on March 25, 2019. Interest will accrue from September 25, 2018.
Ranking	The notes will be our general unsecured senior indebtedness and will:

- rank senior in right of payment to any of our future subordinated indebtedness and other obligations that are, by their terms, expressly subordinated in right of payment to the notes;
- rank equally in right of payment to all of our existing and future indebtedness and other obligations that are not, by their terms, expressly subordinated in right of payment to the notes, including our previously issued:
  - $400 million aggregate principal amount of 4.625% senior notes due 2018,
  - $500 million aggregate principal amount of 6.25% senior notes due 2019,
  - $300 million aggregate principal amount of 7.625% senior notes due 2020,

$500 million aggregate principal amount of 5.125% senior notes due 2021,

$500 million aggregate principal amount of 5.50% senior notes due 2022,

$500 million aggregate principal amount of 5.00% senior notes due 2023 and

$500 million aggregate principal amount of 4.125% senior notes due 2024 (collectively, the existing notes);

be effectively junior in right of payment to all of our existing and future secured indebtedness and other obligations to the extent of the value of the assets securing such indebtedness and other obligations;

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	be structurally subordinated to all existing and future indebtedness and other liabilities of our subsidiaries that do not guarantee the notes; and
	not be initially guaranteed by any of our subsidiaries or any third party.
	As of June 30, 2018, after giving effect to the issuance and sale of the notes and the application of the net proceeds therefrom, the aggregate carrying value of our and our subsidiaries indebtedness was approximately $4.84 billion, including $4.04 billion of our indebtedness (none of which is secured) and $0.8 billion of indebtedness at our subsidiaries (all of which is secured). As of June 30, 2018, we also had $835 million of borrowings available under our revolving credit facilities. As of June 30, 2018, our subsidiaries had approximately $0.8 billion of outstanding indebtedness and other obligations (excluding intercompany liabilities). In addition, none of our outstanding indebtedness is subordinated.
Optional Redemption	Prior to August 25, 2023 (one month prior to maturity), we may redeem the notes, in whole or in part, at any time at the make whole redemption price, as described in Description of the Notes Optional Redemption, plus accrued and unpaid interest, if any, to the applicable redemption date.
	On and after August 25, 2023 (one month prior to maturity), we may redeem the notes, in whole or in part, at a redemption price of 100% of the principal amount of the notes to be redeemed, plus accrued and unpaid interest, if any, to the applicable redemption date.
	See Description of the Notes Optional Redemption.
Change of Control	Upon a Change of Control Triggering Event (as defined herein), we will be required to make an offer to purchase each holder s notes at a price of 101% of the principal amount thereof, plus accrued and unpaid interest, if any, to the date of purchase. See Description of the Notes Repurchase at the Option of the Holders Change of Control. We will only be required to offer to repurchase the notes if, in addition to a Change of Control, there is a Below Investment Grade Rating Event, as defined in Description of the Notes Certain Definitions.
Certain Covenants	The indenture governing the notes will contain covenants that, among other things, limit our ability and the ability of our subsidiaries (other than certain joint ventures) to incur liens that secure obligations under

indebtedness for borrowed money or capitalized lease obligations and consolidate, amalgamate, merge, sell or otherwise dispose of all or substantially all of our assets.

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	These limitations will be subject to a number of important qualifications and exceptions. The notes will initially not be guaranteed by any of our subsidiaries. See Description of the Notes Certain Covenants.
No Prior Market	The notes will be new securities for which there is no market. Although the underwriters have informed us that they intend to make a market in the notes, they are not obligated to do so and may discontinue market-making at any time without notice. Accordingly, a liquid market for the notes may not develop or be maintained.
Use of Proceeds	We intend to use the net proceeds from the issuance and sale of the notes for general corporate purposes, which may include the acquisition of aircraft or the refinancing of our existing indebtedness. See Use of Proceeds.
Risk Factors	You should carefully consider the information set forth herein under Risk Factors beginning on page S-14 and in the section entitled Risk Factors in our most recent Annual Report on Form 10-K, and the other information included or incorporated by reference in this prospectus supplement and the accompanying prospectus in deciding whether to purchase the notes.

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Summary Consolidated Financial and Operating Data

Our summary historical consolidated financial and operating data set forth below as of December 31, 2017 and 2016 and for each of the years ended December 31, 2017, 2016 and 2015 is derived from our audited consolidated financial statements incorporated by reference herein. Our summary historical consolidated financial and operating data set forth below as of December 31, 2015, 2014 and 2013 and for each of the years ended December 31, 2014 and 2013 is derived from our audited consolidated financial statements not included or incorporated by reference herein.

Our summary historical consolidated financial and operating data set forth below for the six months ended June 30, 2018 and 2017 and our summary historical consolidated balance sheet data as of June 30, 2018 are derived from our unaudited consolidated financial statements incorporated by reference herein. Our summary historical consolidated balance sheet data as of June 30, 2017 is derived from our unaudited consolidated financial statements for the quarter then ended, which are not incorporated by reference herein. Our unaudited consolidated financial statements have been prepared on the same basis as the audited consolidated financial statements and, in the opinion of management, reflect all adjustments, including normal recurring items, which are necessary to present fairly the results for interim periods. Operating results for the periods presented are not necessarily indicative of the results that may be expected for the entire year.

You should also read Management s Discussion and Analysis of Financial Condition and Results of Operations and our historical financial statements and related notes in our Annual Report on Form 10-K for the year ended December 31, 2017 and Management s Discussion and Analysis of Financial Condition and Results of Operations and our unaudited consolidated financial statements and related notes in our Quarterly Report on Form 10-Q for the quarter ended June 30, 2018, each of which is incorporated by reference herein.

	Six Months Ended June 30,		Year Ended December 31,				
	2018	2017	2017	2016	2015	2014	2013
	(unaudited)						
	(dollars in thousands, except per share amounts)						
Consolidated Statements of Operation:							
Lease rental revenue	$ 355,969	$ 379,684	$ 721,302	$ 725,220	$ 733,417	$ 714,654	$ 644,929
Total revenues(1)	406,956	442,091	851,787	812,084	877,219	841,748	745,865
Selling, general and administrative expenses	36,418	38,354	73,604	61,872	56,198	55,773	53,436
Depreciation	151,183	157,428	298,664	305,216	318,783	299,365	284,924
Interest, net	114,506	124,740	241,231	255,660	243,577	238,378	243,757
Net income	107,750	35,323	147,874	151,453	121,729	100,828	29,781
Earnings per common share Basic: Net income	$ 1.37	$ 0.45	$ 1.88	$ 1.92	$ 1.50	$ 1.25	$ 0.40
Earnings per common share Diluted: Net income	$ 1.37	$ 0.45	$ 1.87	$ 1.92	$ 1.50	$ 1.25	$ 0.40

Dividends declared per share	$ 0.56	$ 0.52	$ 1.06	$ 0.98	$ 0.90	$ 0.82	$ 0.695
Other Operating Data:							
EBITDA(2)(4)	$ 382,389	$ 326,224	$ 705,525	$ 734,989	$ 707,524	$ 658,606	$ 600,088
Adjusted EBITDA(2)(4)	383,768	417,496	801,584	767,953	832,105	792,283	717,209
Adjusted net income(3)(4)	109,129	48,139	169,566	168,527	142,271	167,642	59,260
Consolidated Statements of Cash Flows:							
Cash flows provided by operations	$ 239,843	$ 247,389	$ 490,871	$ 468,092	$ 526,285	$ 458,786	$ 424,037
Cash flows used in investing activities	(191,458)	(15,677)	(517,107)	(663,155)	(847,662)	(861,602)	(682,933)
Cash flows provided by (used in) financing activities	(119,002)	(209,881)	(248,724)	449,839	306,878	(106,030)	306,123

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	Six Months Ended June 30, 2018	2017	Year Ended December 31, 2017	2016	2015	2014	2013
	(unaudited)						
	(dollars in thousands, except per share amounts)						
Consolidated Balance Sheet Data (end of period):							
Cash and cash equivalents	$ 142,360	$ 481,035	$ 211,922	$ 455,579	$ 155,904	$ 169,656	$ 654,613
Flight equipment held for lease, net of accumulated depreciation							