



FOURTH QUARTER EARNINGS CALL

March 8, 2018



DISCLAIMER

Forward-Looking Statements:

This presentation contains certain “forward - looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements may be identified by words such as “expects,” “intends,” “anticipates,” “plans,” “believes,” “seeks,” “estimates,” “will,” or words of similar meaning and include, but are not limited to, statements regarding the outlook for FLY’s future business, operations and financial performance, including the expected benefits of the AirAsia portfolio transactions (the “Transactions”); whether and when the Transactions will be consummated; the amount of cash and stock consideration to be paid by FLY; the type, amount and terms of the acquisition financing to be obtained by FLY; and, the amount of any fees and expenses incurred in connection with the Transactions. Forward-looking statements are based on management’s current expectations and assumptions, which are subject to inherent uncertainties, risks and changes in circumstances that are difficult to predict. Actual outcomes and results may differ materially due to global political, economic, business, competitive, market, regulatory and other factors and risks, including risks relating to the satisfaction of conditions to the closing of the Transactions; risks relating to satisfaction of conditions to the financing of the Transactions; risks relating to FLY’s ability to obtain additional required financing for the Transactions on favorable terms, or at all; the risk that expected benefits of the Transactions may not be fully realized or may take longer to realize than expected; the risk that business disruption resulting from the Transactions may be greater than expected; and the risk that FLY may be unable to achieve its portfolio growth expectations, or to reap the benefits of such growth. Further information on the factors and risks that may affect FLY’s business is included in filings FLY makes with the Securities and Exchange Commission from time to time, including its Annual Report on Form 20-F and its reports on Form 6-K. FLY expressly disclaims any obligation to update or revise any of these forward-looking statements, whether because of future events, new information, a change in its views or expectations, or otherwise.

Notes:

1. All period end figures are as of December 31, 2017 except as otherwise noted.
2. Fleet age and lease term are calculated using the weighted net book value of flight equipment held for operating lease, including maintenance rights and investment in finance lease, at period end.
3. In addition to U.S. GAAP financials, this presentation includes certain non-GAAP financial measures. These non-GAAP financial measures are in addition to, not a substitute for or superior to, measures of financial performance prepared in accordance with U.S. GAAP. We have provided a reconciliation of those measures to the most directly comparable GAAP measures in the Appendix. For further information, please refer to the earnings press release dated March 8, 2018.
4. Industry sources per IATA.



PORTFOLIO ACQUISITION

55 Aircraft and 7 CFM Engines

- 34 A320ceo aircraft and 21 A320neo family aircraft
- 20 options for new A320neo family aircraft



Strong Growth Pipeline of New Technology Aircraft

BBAM PARTNERSHIP DRIVES HIGHER RETURNS

- Manage FLY's fleet, source aircraft acquisition opportunities
 - Market aircraft to global airline customers
- BBAM shareholders investing \$20 million in FLY
 - Increasing ownership in FLY to 17%
 - Strong alignment of interest with FLY stakeholders



World leader in aircraft management with 200+ airline relationships and \$20B in AUM

FAVORABLE INDUSTRY FUNDAMENTALS

Strong Global Air Traffic Growth

Passenger traffic growth is robust • Increased by 7.6% for 2017 (year-on-year)

Continued Airline Profitability

Airline industry results are positive • Estimated global net profit of \$34.5 billion in 2017

Healthy Demand for Aircraft

Strong demand for aircraft • Created by continuing strong passenger demand

Positive Financial Markets

Attractive markets for aircraft financing • Ample capacity and attractive rates

FINANCIAL RESULTS AND HIGHLIGHTS

Financial Results

OPERATING LEASE RENTAL REVENUE

(\$ in mm)	Q4 2017	Q4 2016	FY 2017	FY 2016
	\$89.0	\$82.8	\$337.1	\$314.0

NET INCOME (LOSS)

(\$ in mm)	Q4 2017	Q4 2016	FY 2017	FY 2016
GAAP	\$7.2	(\$63.8)	\$2.6	(\$29.1)
Adjusted	\$30.9	\$30.6	\$66.6	\$79.3

EARNINGS (LOSS) PER SHARE

	Q4 2017	Q4 2016	FY 2017	FY 2016
GAAP	\$0.25	(\$1.98)	\$0.09	(\$0.88)
Adjusted	\$1.09	\$0.95	\$2.19	\$2.38

Highlights

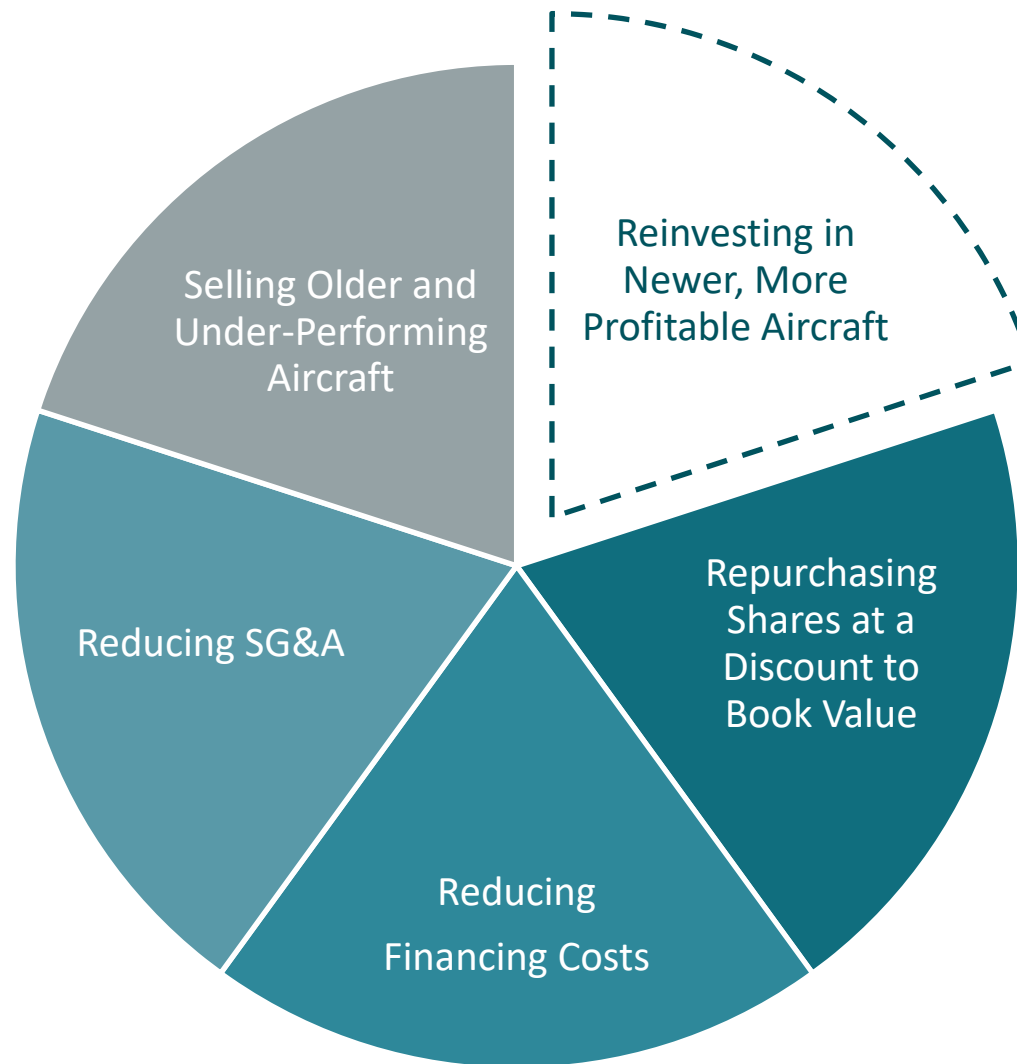
Q4 2017

- ✓ 7.6% operating lease rental revenue growth
- ✓ GAAP EPS of \$0.25
- ✓ Adjusted EPS of \$1.09

Full Year 2017

- ✓ Adjusted ROE of 11.7%
- ✓ Acquired 10 aircraft for \$456 million
- ✓ Repurchased 4.3 million shares (13% of shares outstanding)
- ✓ Average debt maturity 6.5 years

STRATEGY DRIVING HIGHER ROE AND EPS



LIABILITY MANAGEMENT

2024 Notes

- Issued \$300 million of 5.25% 2024 Notes to refinance 6.75% 2020 Notes
- \$10 million of annual cash interest savings
 - \$5 million from coupon reduction
 - \$5 million from repaying \$75 million of 2020 Notes
- De-risks FLY's debt maturity profile

Term Loan B

- Repriced \$431 million Term Loan, reducing margin by 0.75%
- Over \$3 million of annual cash interest savings
- Extended maturity by 1 year to February 2023
- FLY's largest debt facility

Magellan Facility

- Closed new \$332 million secured facility
- 8 year maturity
- Pricing at LIBOR plus 1.65%
- One of industry's most competitive secured facilities

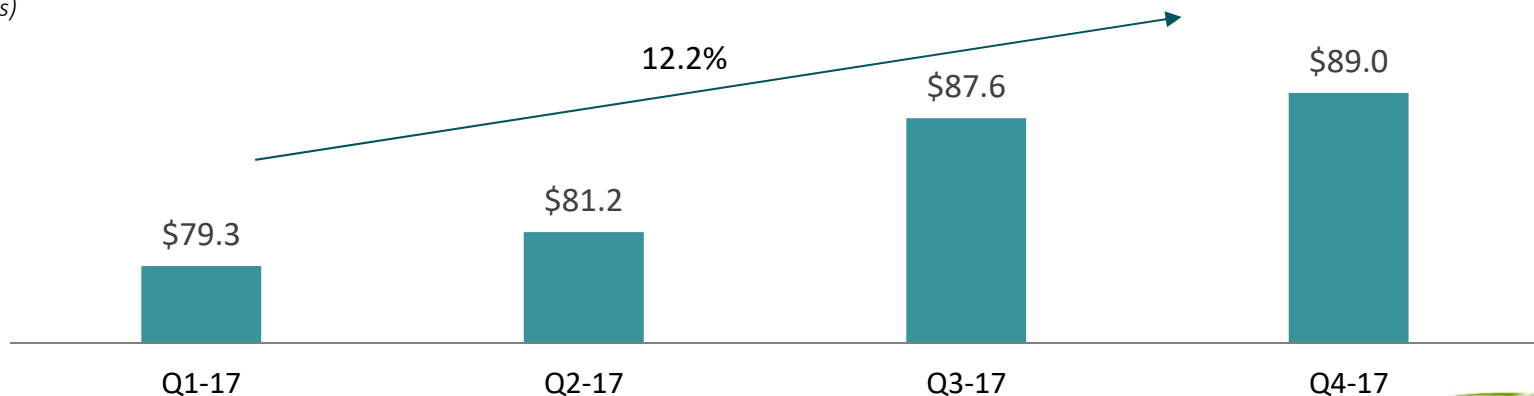
FLY has a weighted average debt maturity of 6.5 years

2017 ACQUISITIONS

- Acquired 10 aircraft for \$456 million
 - Average age of 2 years
 - Average remaining lease term of 10 years
 - \$49 million of annual rental revenue
 - Includes first Boeing 737 MAX 8 acquisitions
- 2017 acquisitions have supported consistent rental revenue growth

Operating Lease Rental Revenue by Quarter in 2017

(\$ in millions)





PORTFOLIO ACQUISITION

STAGE 1

Initial Portfolio

34 A320-200 aircraft

- Leased to 5 AirAsia Group airlines⁽¹⁾
- 6.6 year average age
- 6.2 year average remaining lease term
- 7 engines on lease to AirAsia Group
- Aggregate base purchase price of \$1.1 billion
- Aircraft closings Q2/Q3 2018

STAGE 2

Future Sale-Leasebacks

21 new A320neo family aircraft

- 12 year lease term
- Will be leased to AirAsia Group airlines
- Deliveries 2019 – 2021
- No Pre-Delivery Payments

STAGE 3

NEO Options

Options to acquire 20 new A320neo family aircraft

- Deliveries starting in 2019
- Aircraft not subject to leases
- To be marketed globally
- No obligation to exercise options
- No Pre-Delivery Payments

STAGE 1 PROFORMA FINANCIAL OUTLOOK

Run-Rate Operating Lease Revenue	\$450+ million
Run-Rate EPS	\$2.50+
Unrestricted Cash After Closing	\$145 million
Equity After Closing	\$640 million ⁽¹⁾
Share Count After Closing	32.7 million ⁽¹⁾

FINANCIAL OVERVIEW

2017 FINANCIAL OVERVIEW

\$ in millions

Net Income (Loss)	Q4 2017	Q4 2016	FY 2017	FY 2016
GAAP	\$7.2	(\$63.8)	\$2.6	(\$29.1)
Adjusted	\$30.9	\$30.6	\$66.6	\$79.3

\$ in millions

	Q4 2017	Q4 2016	FY 2017	FY 2016
Operating Lease Rental Revenue	\$89.0	\$82.8	\$337.1	\$314.0
End of Lease Income	16.6	0.8	17.8	8.9
Amortization of Lease Incentives	(2.1)	(1.8)	(7.7)	(8.9)
Other	(0.1)	(0.1)	(0.4)	(0.4)
Operating Lease Revenue	\$103.4	\$81.6	\$346.9	\$313.6
Finance Lease Income	0.2	0.1	0.7	2.1
Gain on Sale of Aircraft	3.9	17.5	3.9	27.2
Other Income	0.4	1.4	1.7	2.2
Total Revenue	\$107.9	\$100.6	\$353.3	\$345.0

Note: Sums may not foot due to rounding.

Q1 2018 FINANCIAL GUIDANCE

<i>(\$ in millions)</i>	Guidance
Operating Lease Rental Revenue	\$87 – 88
Lease Incentives and Other	\$2 – 3
End of Lease Income	-
Depreciation	\$34 – 35
Interest Expense	\$32 – 33
Maintenance and Other Costs	\$1
SG&A ⁽¹⁾	\$7 – 8

(1) Forecasted SG&A does not consider foreign exchange gains or losses due to the unpredictability of such items.

APPENDICES

CAPITAL STRUCTURE & LIQUIDITY SUMMARY

(\$ in millions)	December 31, 2017		December 31, 2016		
Unrestricted cash and cash equivalents	\$329		\$518		
Unencumbered assets	\$331		\$380		
	<u>O/S</u>	<u>Rate⁽¹⁾</u>	<u>O/S</u>	<u>Rate⁽¹⁾</u>	<u>Maturity</u>
Securitization	\$102	3.06%	\$140	3.36%	2033
2012 Term Loan	431	4.25%	404	4.41%	2023
Nord LB Facility	153	4.47%	172	4.14%	2018
CBA Debt	49	5.53%	56	5.45%	2020
Other Bank Debt Facilities	906	3.83%	981	3.50%	2019-2028
Aircraft Acquisition Facility	86	3.41%	113	2.88%	2022
Magellan Acquisition Facility	332	3.15%	-	-	2025
Unamortized Discounts and Loan Costs	(29)		(34)		
Total Secured Debt	\$2,030	3.84%	\$1,832	3.77%	
2020 Notes	-	-	375	6.75%	2020 ⁽³⁾
2021 Notes	325	6.38%	325	6.38%	2021
2024 Notes	300	5.25%	-	-	2024 ⁽³⁾
Unamortized Discounts and Loan Costs	(9)		(9)		
Total Unsecured Debt	\$616	5.84%	\$691	6.58%	
Total Debt	2,646	4.30%	2,523	4.53%	
Shareholders' Equity	544		593		
Total Capitalization	\$3,190		\$3,116		
Net Debt to Equity ⁽²⁾	4.3x		3.4x		
Secured Debt to Total Debt	77%		73%		
Total Debt to Total Capitalization	83%		81%		

(1) Represents the contractual interest rates and effect of derivative instruments and excludes the amortization of debt discounts and debt issuance costs.

(2) Represents the ratio of total debt, less unrestricted cash and cash equivalents, divided by shareholders' equity.

(3) On December 15, 2017, the 2020 Notes were refinanced, using proceeds from the sale of 2024 Notes together with cash on hand.

ADJUSTED NET INCOME, ROE AND EPS

<i>\$ in thousands</i>	Q4 2017	Q4 2016	FY 2017	FY 2016
Net Income (Loss)	\$7,170	(\$63,831)	\$2,598	(\$29,112)
Plus:				
Aircraft impairment	-	92,000	22,000	96,122
Amortization of debt discounts and debt issuance costs	1,902	2,170	7,955	9,375
Amortization of lease premiums, discounts and other	123	88	412	388
Amortization of fair value adjustments recorded in purchase accounting	295	316	1,223	1,621
Loss on modification and extinguishment of debt	20,798	4,100	23,309	9,246
Professional fees related to restatement	-	-	-	1,134
Transaction fees and expenses	146	-	1,815	-
Unrealized foreign exchange (gain) loss	301	(1,187)	2,305	(437)
Provision for deferred income taxes	721	(2,854)	5,178	(9,158)
(Gain) Loss on ineffective, dedesignated and terminated derivatives	(546)	(252)	(192)	91
Adjusted Net Income	\$30,910	\$30,550	\$66,603	\$79,270
Average Shareholders' Equity	\$543,705	\$620,937	\$571,042	\$632,818
Adjusted ROE⁽¹⁾	22.7%	19.7%	11.7%	12.5%

(1) Percentages have been annualized.

ADJUSTED SG&A

<i>\$ in thousands</i>	Q4 2017	Q4 2016	FY 2017	FY 2016
Selling, General & Administrative	\$7,445	\$6,055	\$30,671	\$30,077
Less:				
Transaction fees and expenses	146	1	1,815	954
Professional fees related to restatement	-	-	-	1,134
Unrealized foreign exchange loss (gain)	301	(1,187)	2,305	(437)
Adjusted Selling, General & Administrative	\$6,998	\$7,241	\$26,551	\$28,426
Total Revenue	\$107,934	\$100,600	\$353,251	\$345,039
Adjusted SG&A as a % of Total Revenue	6.5%	7.2%	7.5%	8.2%

AIRASIA PORTFOLIO DAY 1 SOURCES AND USES

Day 1 Sources and Uses to Close Initial Portfolio

\$ in millions

Sources

Secured Debt	\$698
Release of Initial Portfolio Cash MRs	24
Proceeds from Share Issuances	70
Unrestricted Cash	299
Total Sources	\$1,091

Uses

Purchase Price	\$1,065
Transaction Costs	26
Total Uses	\$1,091