# Analyst Day

September 29, 2016

# Safe Harbor Statement

This presentation contains “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934 that are based on management’s beliefs and assumptions and on information currently available to management. All statements other than statements of historical fact included in this presentation are forward-looking statements. Forward-looking statements appearing throughout this presentation include, without limitation, statements regarding our intentions, beliefs, assumptions or current expectations concerning, among other things: growth of our various markets; near-term and long-term targets regarding our financial position, results of operations and cash flows; prospects, growth strategies and expectations; the availability and performance of our current and future technology solutions; aircraft installed and installation capacity; the return on investment of installed aircraft; satellite capacity availability and demand; and future operational capabilities, including STCs and OEM offerability. These statements may contain words that identify them as forward-looking, such as “anticipates,” “believes,” “continues,” “could,” “seeks,” “estimates,” “expects,” “intends,” “may,” “plans,” “potential,” “predicts,” “projects,” “should,” “will,” “would” or similar expressions and the negatives of those terms that relate to future events. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause Gogo’s actual results, performance or achievements to be materially different from any projected results, performance or achievements expressed or implied by the forward-looking statements. Forward-looking statements represent the beliefs and assumptions of Gogo only as of the date of this presentation and Gogo undertakes no obligation to update or revise publicly any such forward-looking statements, whether as a result of new information, future events or otherwise. As such, Gogo’s future results may vary from any expectations or goals expressed in, or implied by, the forward-looking statements included in this presentation, possibly to a material degree.

Gogo cannot assure you that the assumptions made in preparing any of the forward-looking statements will prove accurate or that any near-term or long-term financial or operational goals and targets will be realized. In particular, the availability and performance of certain technology solutions yet to be fully implemented by the Company set forth in this presentation represent aspirational long-term goals based on current expectations. For a discussion of some of the important factors that could cause Gogo’s results to differ materially from those expressed in, or implied by, the forward-looking statements included in this presentation, investors should refer to the disclosure contained under the headings “Risk Factors” and “Cautionary Note Regarding Forward-Looking Statements” in the Company’s Annual Report on Form 10-K and Quarterly Reports on Form 10-Q.

**Note to Certain Operating and Financial Data**

In addition to disclosing financial results that are determined in accordance with U.S. generally accepted accounting principles (“GAAP”), Gogo also discloses in this presentation certain non-GAAP financial information, including Adjusted EBITDA and Cash CAPEX. These financial measures are not recognized measures under GAAP, and when analyzing our performance or liquidity, as applicable, investors should (i) use Adjusted EBITDA in addition to, and not as an alternative to, net loss attributable to common stock as a measure of operating results, and (ii) use Cash CAPEX in addition to, and not as an alternative to, consolidated capital expenditures when evaluating our liquidity. See the Appendix for a reconciliation of each of Adjusted EBITDA and Cash CAPEX to the comparable GAAP measure.

In addition, this presentation contains various customer metrics and operating data, including numbers of aircraft or units online, that are based on internal company data, as well as information relating to the commercial and business aviation markets, and our position within those markets. While management believes such information and data are reliable, they have not been verified by an independent source and there are inherent challenges and limitations involved in compiling data across various geographies and from various sources.

# Overview

Michael Small – President & CEO

# Connectivity now a requirement

## Value-Added Broadband Connectivity

### Passenger Connectivity & Entertainment

- Internet
- Streaming Movies
- IPTV

### Passenger Experience

- Rebooking Travel
- Baggage Tracker
- Digitized Attendants
- Turbulence Avoidance

### Operational Efficiencies

- Lower Fuel Costs
- Maintenance Savings
- Turbulence Avoidance

Providing ground-like experience to passengers while supporting airlines' operational requirements

# Barriers to entry inherently high

Global

Regulatory

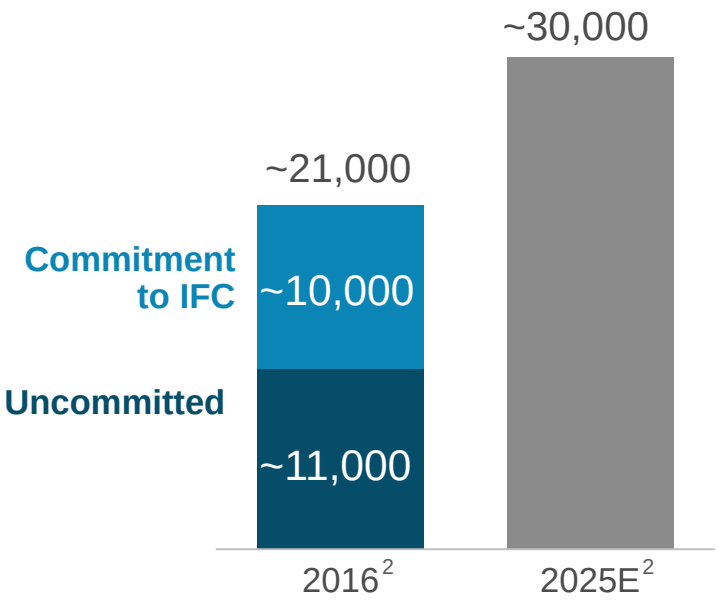

Safety
& Security

Long-
Technology
Cycles

# Significant global market opportunity

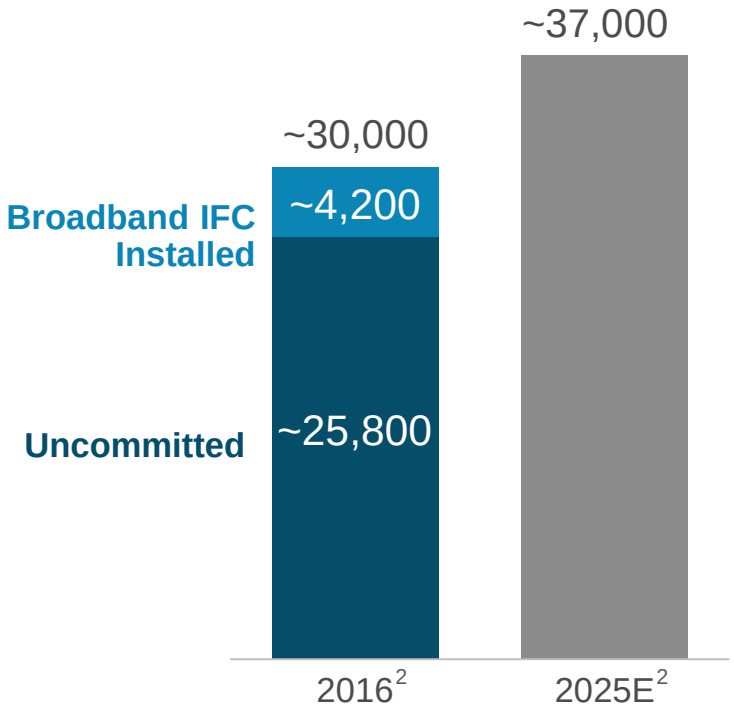
## Commercial Aircraft

**Estimated Annual Commitments: ~2,000**[1]



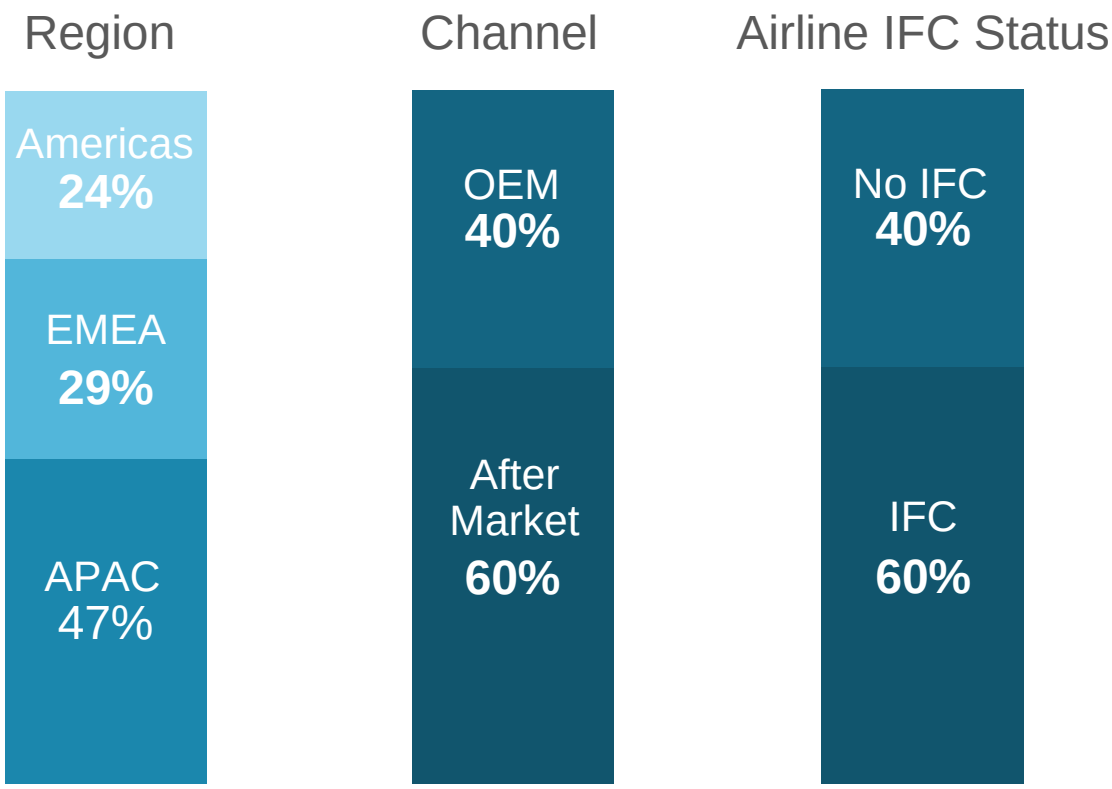

## Business Aircraft

**Estimated Annual Commitments: ~1,000**[1]




1 Based on management estimates
2 Sources include Boeing Current Market Outlook 2016-2035, JetNet iQ Report Q4 2015, GAMA 2015 General Aviation Manufacturers Association Statistical Handbook, and management estimates. Only North American turboprops are included in the business aircraft estimates.

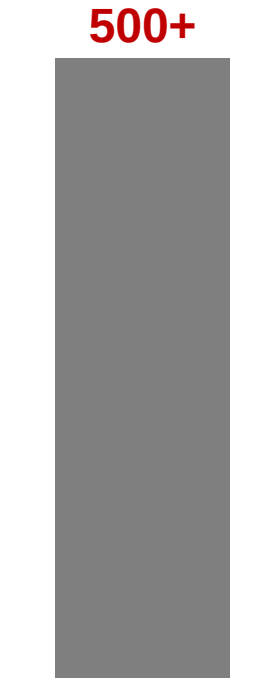
# Expanding distribution in CA




**Composition of Expected Industry Commitments Through 2018**

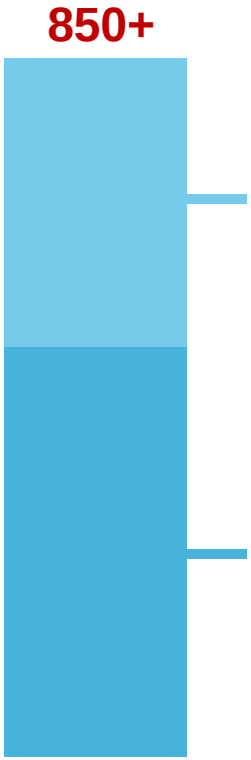
Note: Figures are based on public information and management estimates

# Market leading win rate in 2016




BA ATG Units YTD[2]

2Ku awarded aircraft now exceeds **1,300**




2Ku New Installs

2Ku Conversions

2Ku Awards YTD[1]

AIRFRANCE KLM

IAG INTERNATIONAL AIRLINES GROUP

HAINAN AIRLINES

AIR CANADA

DELTA

American Airlines

1 2Ku awards are as of September 29, 2016 and include both signed contracts and letters of intent
2 Data as of August 31, 2016

# Unrivaled scale & experience

**6,600+** Total Broadband Aircraft[1]

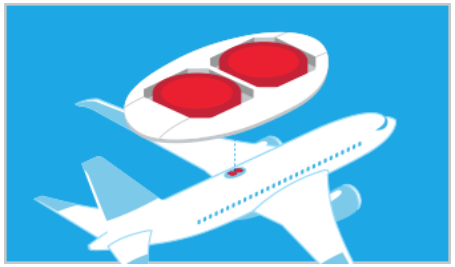
**50%** CA Global Market Share[2]

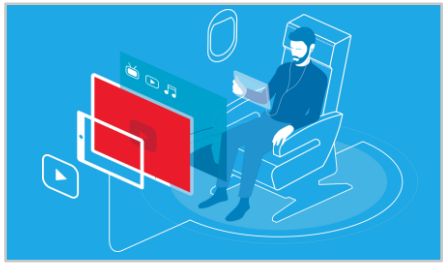
**90%** BA Broadband Market Share[2]

**110M+** Connectivity Sessions[3]

1. As of June 2016
2. Based on management estimates of current installations as of June 30, 2016
3. Since inception through August 2016, represents only Commercial Aviation

# Scale drives more capabilities and more wins



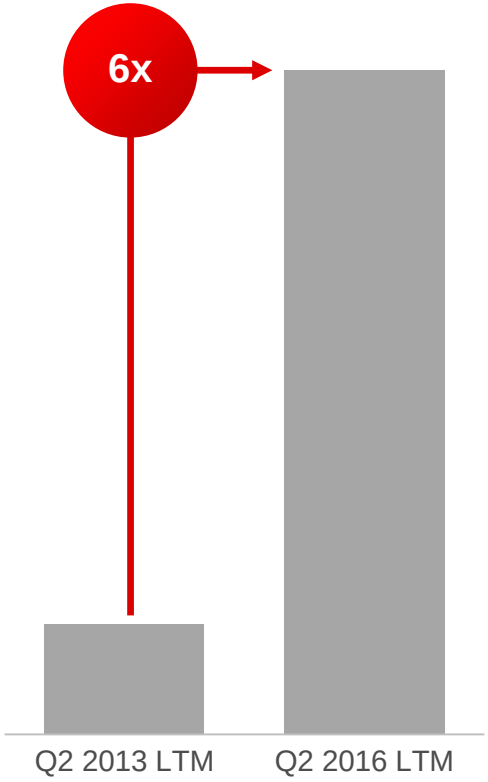


| | Network Technology | Aircraft Operations | Platforms |
|---|---|---|---|
| Gogo Investments | • 5 Gogo and 4 third party network solutions<br>• 250+ North American cell sites and fiber backhaul<br>• 19 satellites and 18 teleports | • 150+ STCs in BA and CA<br>• 20+ simultaneous CA install sites<br>• 170+ BA dealers<br>• 33 CA maintenance locations | • Mature passenger platform (portal, Gogo Vision)<br>• Connected aircraft platform |
| Customer Benefits | • Faster & more reliable<br>• Technology roadmap | • Shorter time to install<br>• Streamlined maintenance | • Increased flexibility<br>• Improved airline services |

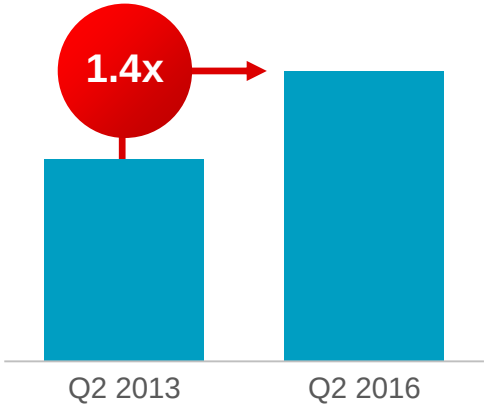
# Strong track record since IPO

## Consolidated total revenue ($M)

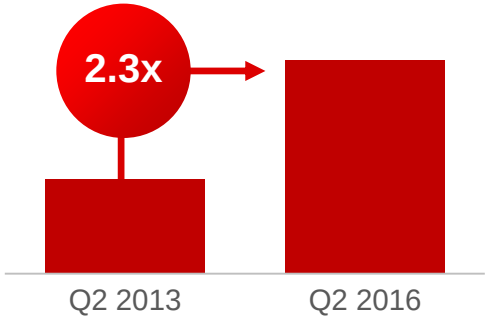

## Consolidated Adjusted EBITDA ($M)




## CA aircraft online




## BA ATG aircraft online



# Driving innovation and delivering results

## Milestones Since Investor Day 2015

### Network Technology

**2Ku**

- Optimized for 50% higher speed and 65% lower cost
- HTS capacity procured
- Proprietary modem developed

**Next gen ATG**

- Reduced cost of deployment
- Leverages existing infrastructure and spectrum

### Aircraft Operations

**1,300+** awarded 2Ku aircraft

- 8 STCs
- 10+ OEM programs
- 14 aircraft flying

**550** ATG-4 installations

### Platforms

- Gogo Vision exceeds 2M sessions per month, up 2x YOY
- Increased deployment of custom portals
- Connected aircraft applications with ForeFlight, Garmin, The Weather Company and others

## Results

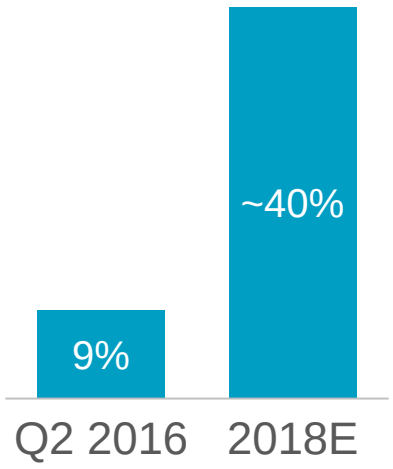
**Revenue** – Up 23% Y/Y to $553M through Q2 2016 LTM

**Adjusted EBITDA** – Up 118% Y/Y to $47M through Q2 2016 LTM

Note aircraft operations data as of September 2016

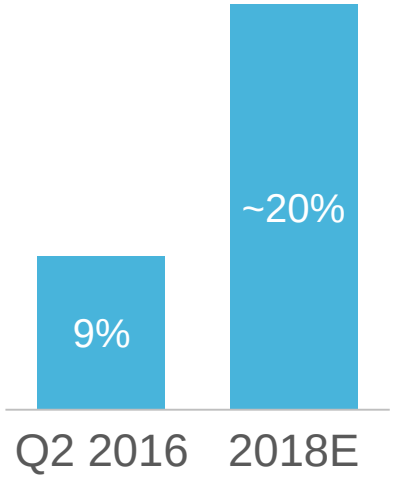
# More bandwidth, more aircraft, more payers, more revenue

## CA Satellite Aircraft Online
(% of Total Gogo CA)



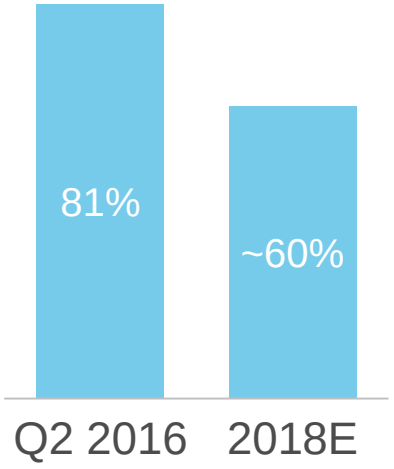

**From ATG to ATG & Satellite**

## CA-ROW Aircraft Online
(% of Total Gogo CA)




**From N.A. to Global**

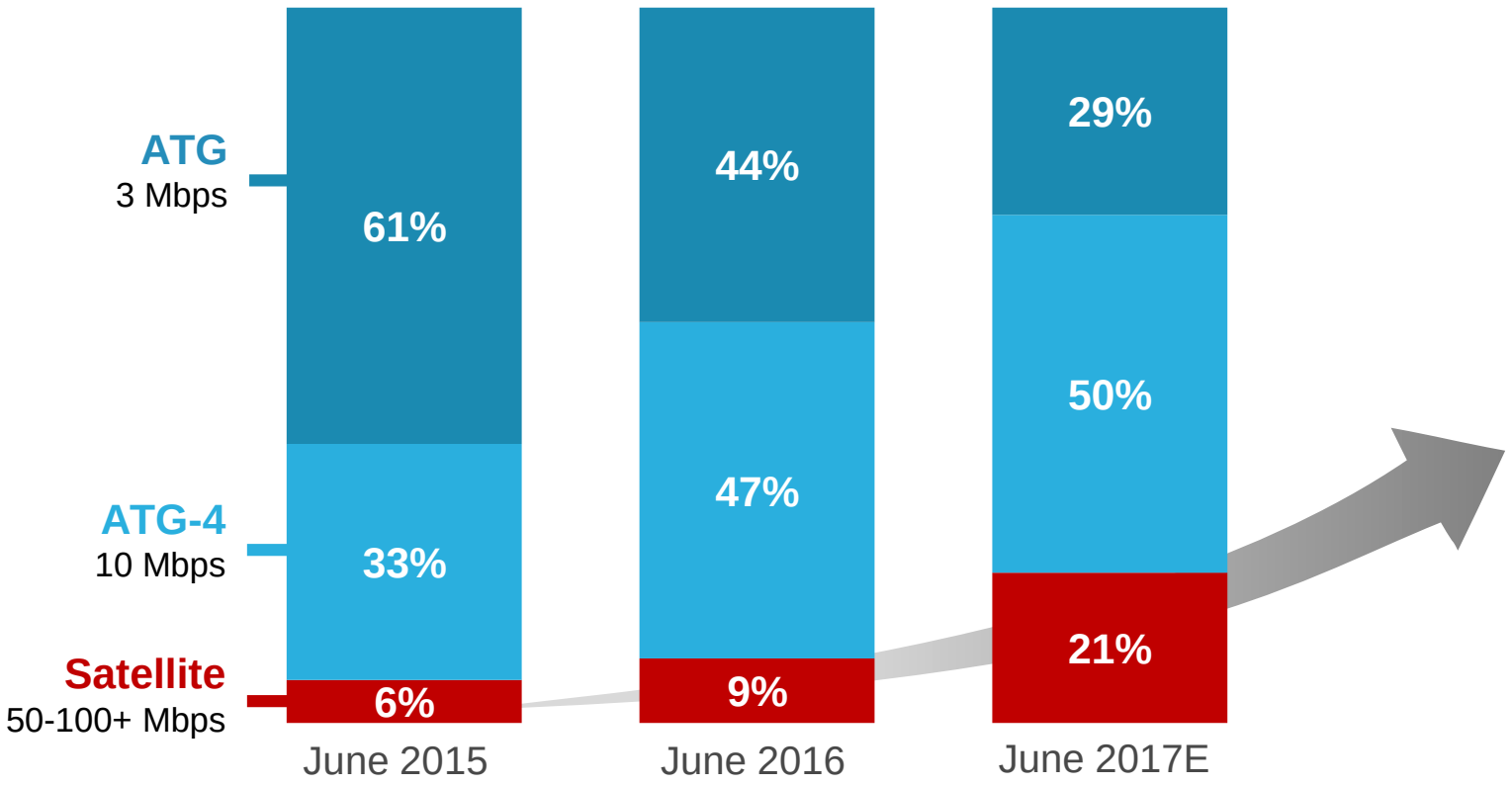
## CA Passenger-Paid
(% of Total Service Revenue)




**From Passenger to Multi-Payer**

# Strong bandwidth growth is happening now

## Total data delivered up 57% in first half of 2016




Percentage of Aircraft Online by Technology

# Three strategic objectives

1

## Expand Technology Leadership

Anand Chari
EVP & CTO

- Extend Global 2Ku Roadmap
- Develop Next Gen ATG Solution

2

## Scale Globally

John Wade
EVP & COO

- Embed 2Ku in CA Aviation Ecosystem
- Increase Customer Satisfaction
- Increase Penetration Of Light BA Aircraft
- Expand Product Offerings

3

## Grow Shareholder Value

Norm Smagley
EVP & CFO

- Strong Revenue Growth
- Invest Capital Prudently
- Achieve Profitability

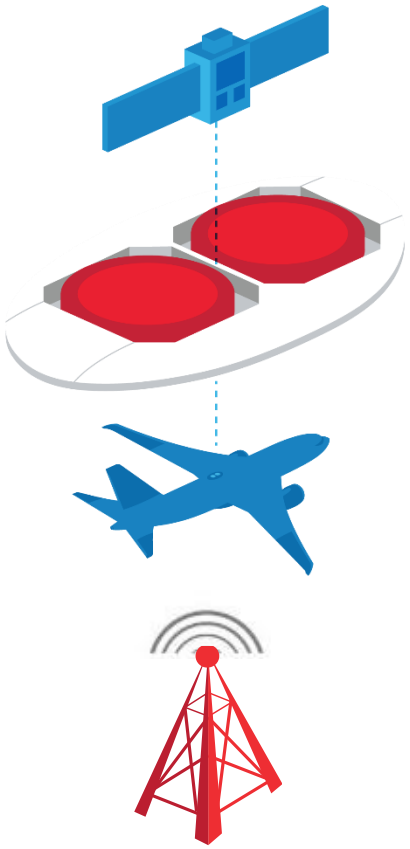
# Technology

Anand Chari – EVP & CTO

# Delivering best of breed solutions

## Customer-Centric

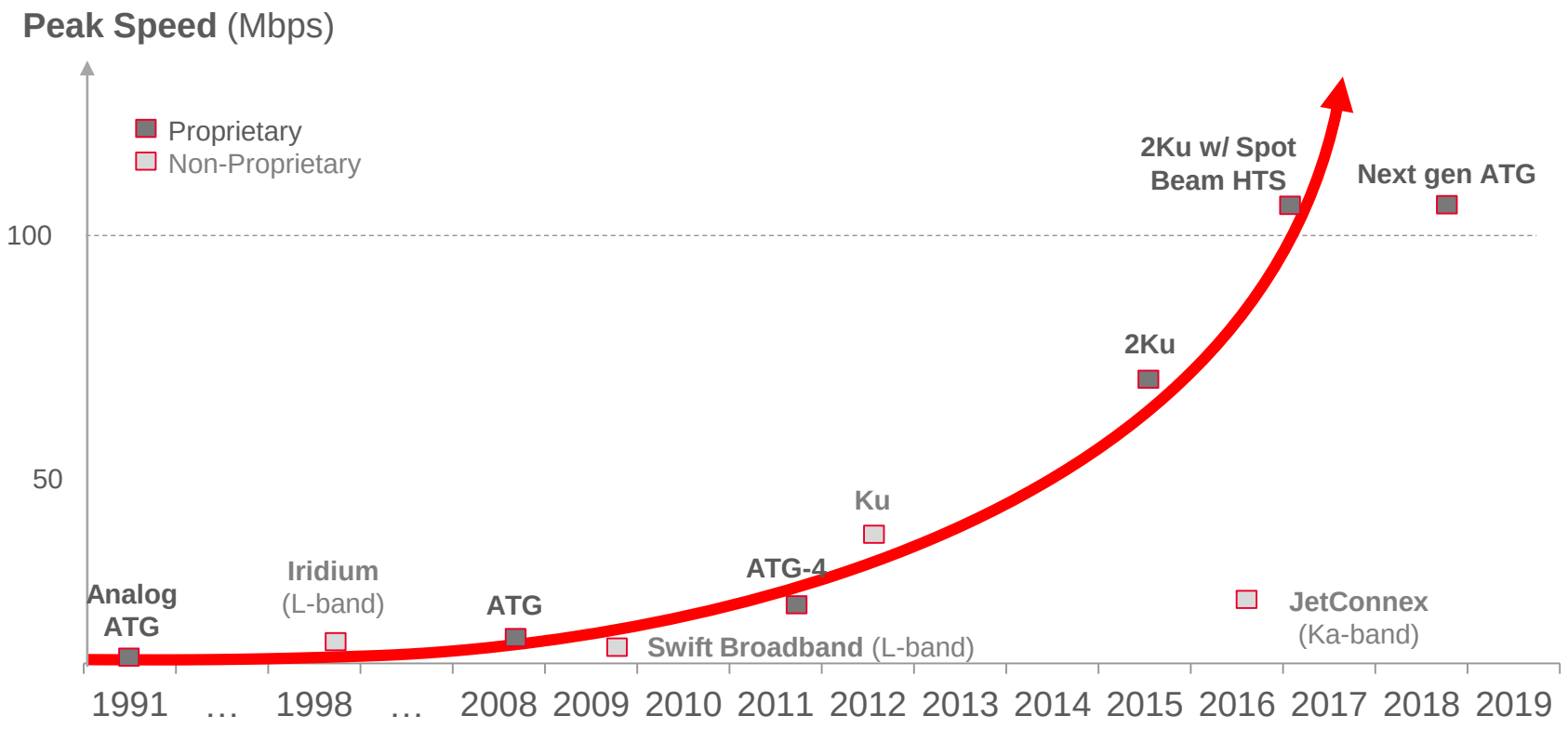
- Highest speed
- Most capacity
- Global coverage
- Fastest installation
- Enterprise-grade (reliability and redundancy)
- Lowest total cost (upfront + ongoing)
- Most future-proof



## Technology-Agnostic

- ATG and satellite
- Regional and global
- GEO and LEO
- Multiple bands

# Relentless innovation




Expected results and availability based on management estimates.

# Bringing 100+ Mbps to all aircraft

## Global

2Ku

Global Coverage

Satellite Network Redundancy

High Speed & Capacity

Live TV

~18,000[1] Commercial Aircraft Globally

## North America

ATG, ATG-4

Next Gen ATG

North American Coverage

Overnight Installs

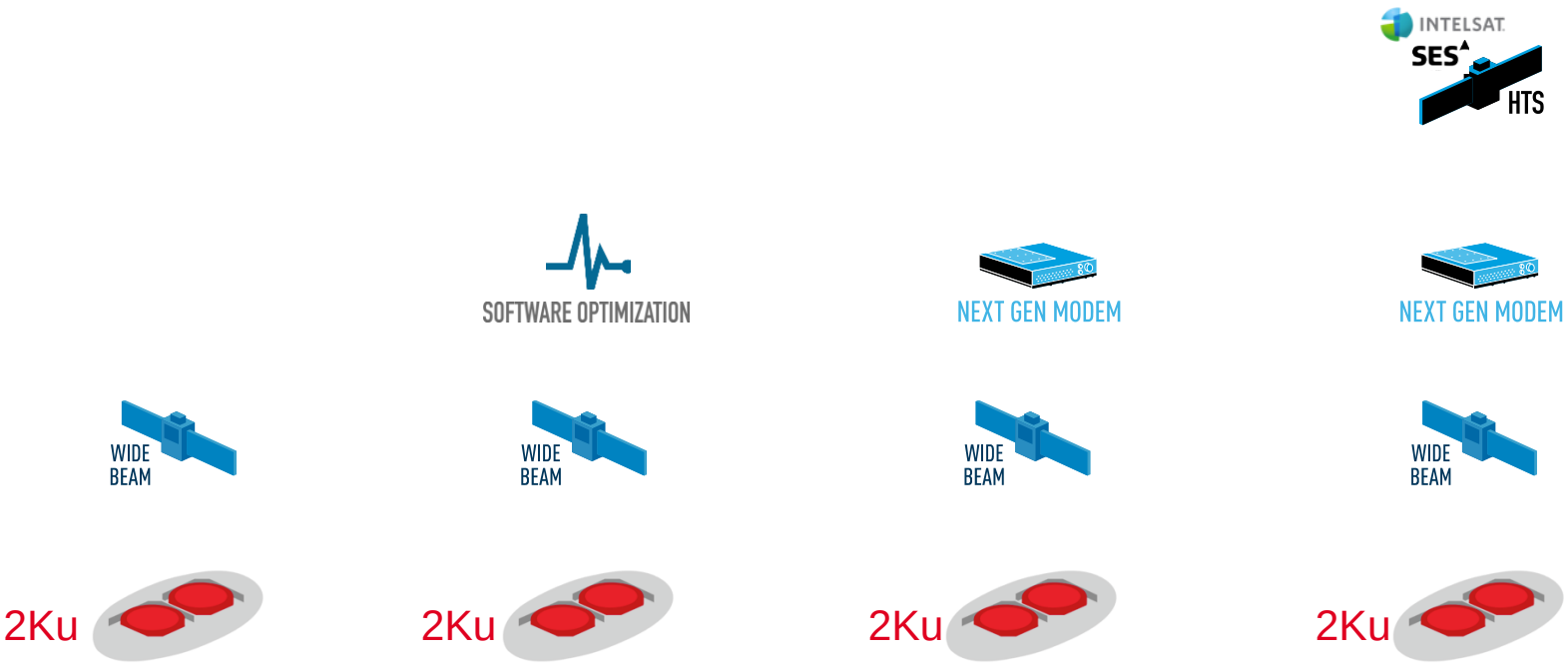
High Speed & Low Latency

Light Weight

~22,000[2] BA + RJ Aircraft in N.A.

1 Boeing Market Outlook 2016-2035, excluding regional jets
2 JetNet iQ Report Q4 2015, including regional jets from Boeing Market Outlook 2016-2035 and management estimates

# Open architecture for continuous growth




**25 Mbps**
2015

**50 Mbps**
Today

**70+ Mbps**[1]
Early 2017

**100+ Mbps**[1]
Late 2017

1 Expected results based on management estimates

# Ample and diverse satellite supply

Select Ku launches
HTS satellites
Wide beam satellites

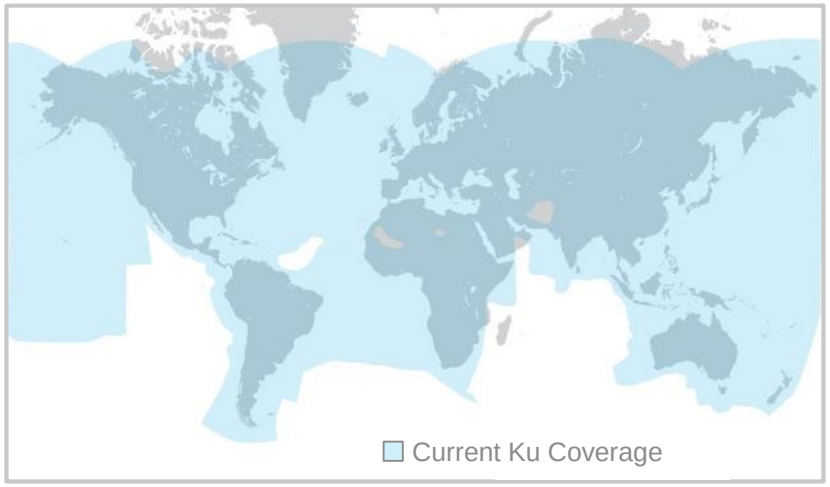
**Today**
Telesat: T11N
Gazprom Space Systems: Yamal 401, Yamal 300K
JSAT: JCSAT-5A, JCSAT-2B
SES: SES-1, SES-4, SES-6, AMC-3, AMC-1, Astra-4A
Intelsat: IS-14, IS-18, IS-19, IS-20, IS-21, IS-22, IS-29e, IS-907, Galaxy-17
eutelsat: E115WB, E117WA, E172a

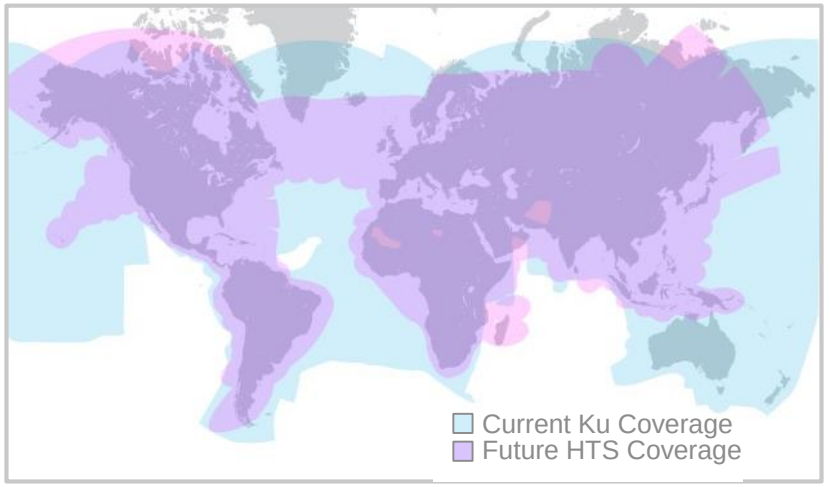
**Rest of 2016**
AsiaSat: Asiasat-7
SES: SES-3, AMC-21

**2017**
SES: SES-10
Intelsat: IS-32e, IS-33e
eutelsat: E172B
Intelsat: IS- 35e, IS-37e
SES: SES-15

**2018**
SES: SES-12, SES-14
Telesat: T18V, T19V
JSAT: Horizons-3e
Intelsat: Horizons-3e

**2019 and Beyond**
Multiple LEO, MEO & GEO Satellite Launches



# North America Ku capacity far exceeds demand

**4,000** Aircraft

×

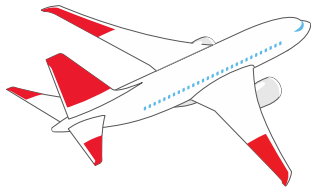
**70%** Simultaneously In-Service

×

**100** Average Passengers per Aircraft

×

Projected Consumption per Session in 2020



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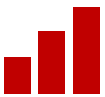
**70** Gbps North America Maximum Demand

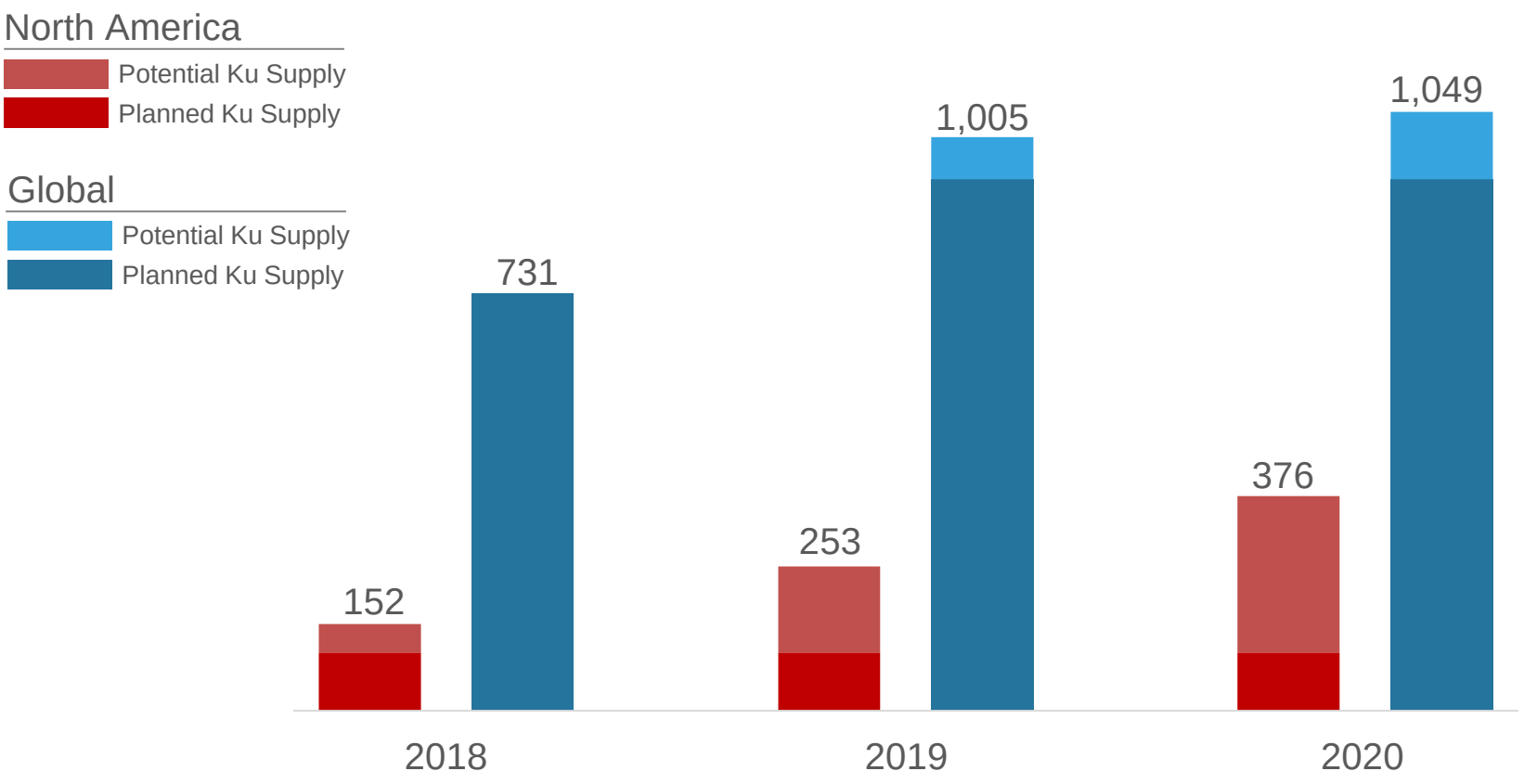


Ku industry is projected to provide over **370 Gbps**[1] of capacity over NA by 2020 with flexibility to grow

1. Based on estimates provided by satellite capacity providers

# Ku band has the most flexibility to meet global demand through 2020 and beyond

## Global Ku bandwidth supply (Gbps)[1]

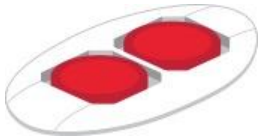



1 Based on estimates by satellite capacity providers

# Continued R&D investment

## Satellite Innovation

- GEO and LEO
- Low cost bandwidth
- Low latency
- Highly redundant
- Global coverage
- High capacity



## Antenna Innovation

- Antennas for multiple bands, including Ka
- Very low profile
- Increased redundancy
- Low cost
- Electronically steered phased array
- Millisecond handoffs

***<u>Modest</u> incremental investments leverage core platform***

Modular approach provides **multiple options** to ensure today's customer deployment delivers market leading performance for 10+ years

# Next gen ATG brings 100+ Mbps to smaller aircraft

## ATG

**3**
Mbps

2008

## ATG-4

Hardware

**10**
Mbps

2012

## Next Gen ATG

Hardware

Existing + Unlicensed Spectrum

Tower Upgrades

**100+**[1]
Mbps

2018

1 Expected results and availability based on management estimates

# Prototype in 2H 2017, targeting launch in 2018

## Low Cost Solution

**Low**
Network & aircraft investment

**Leverage**
Existing ATG infrastructure: 250 cell sites, fiber backhaul & data centers

**Use**
Unlicensed spectrum, LTE & beamforming

## Market & Deployment

**~9,000**[1]
Business jets, RJ's and select mainline aircraft

**Overnight**
Installation

**Redundancy**
Integrates existing ATG network

## Performance

**100+** Mbps

**High**
Reliability

**Low**
Latency

1 Source Boeing Market Outlook 2016-2035, JetNet iQ Report Q4 2015, and management estimates

# Key takeaways

- Customer-centric, technology-agnostic approach
- Innovation is in our DNA, continual focus on enhancing network even with 2Ku delivering market leading performance right now
- Ongoing improvements in satellite and modem technologies in 2017 will lower costs and provide better customer experience
- Next gen ATG expected to bring 100+ Mbps speeds in 2018 to smaller aircraft
- Balancing both near-term and long-term technology investments to ensure continued leadership

# Operations

John Wade – EVP & COO

# Customer needs come first

## What aviation partners want:

- More bandwidth
- High reliability
- Minimized operational impact
- Increased customization
- Passenger interface / use
- Low total cost of ownership

# Priorities by segment

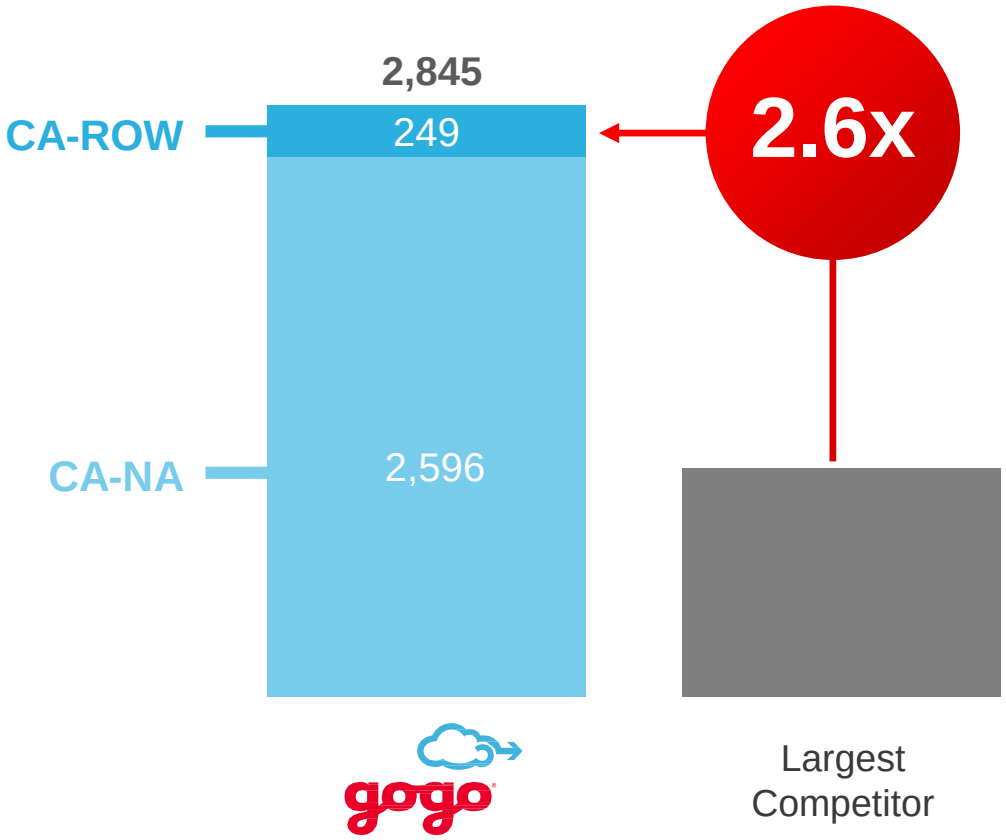
## Commercial Aviation

- Deploy 2Ku on 1,300+ awarded aircraft
- Increase customer satisfaction
- Expand OEM delivery
- Improve unit economics

## Business Aviation

- Increase penetration of light aircraft
- Further develop platform to enable third-party applications
- Launch 4G BA product by Q2 2017
- Deploy next gen ATG

# Commercial aviation scale

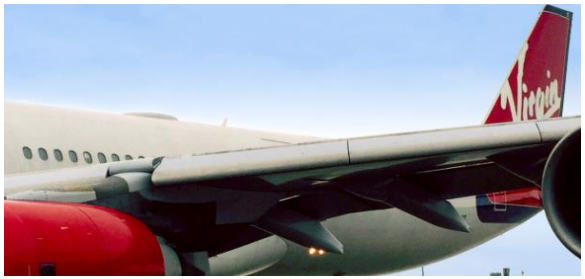



Note: Data is as of June 30, 2016, based on public sources and management estimates

# 2Ku has taken flight

## 4 airlines & 14 installed aircraft

- Full plane, including streaming
- 50+Mbps
- Global performance
- Live TV






Note: As of September 22, 2016

# Rapid 2Ku rollout

## Today*

| | |
|---|---|
| 14 | Aircraft Online |
| 12 | Installation Lines |
| 8 | Days to Install |
| 300+ | Annual Install Capacity by Yearend |
| 8 | STCs |
| 33 | Global Maintenance Locations |

- Global Logistics and MROs
- AS9100 Certification
- Supply Chain
- Regional Field Capabilities

## 2017

| | |
|---|---|
| 500+ | Aircraft Online |
| 40+ | Installation Lines |
| 3 | Days to Install |
| 750+ | Annual Install Capacity |
| 30+ | STCs |
| 45 | Global Maintenance Locations |

* Data is as of September 2016

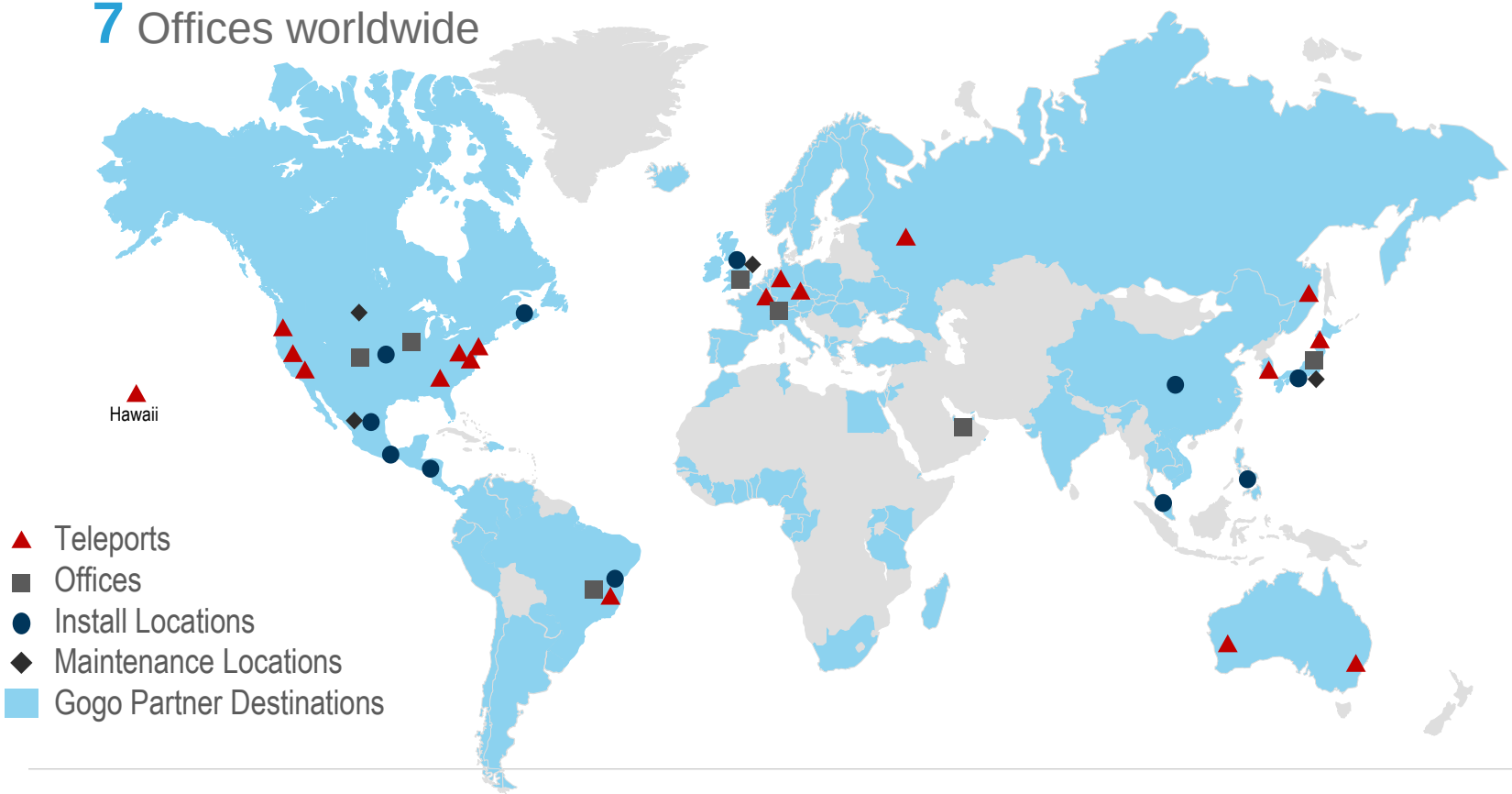
# Investing in global operational support

**450** Employees focused on serving airlines globally

**33** Global maintenance locations

**11** Countries where aircraft are installed

**7** Offices worldwide

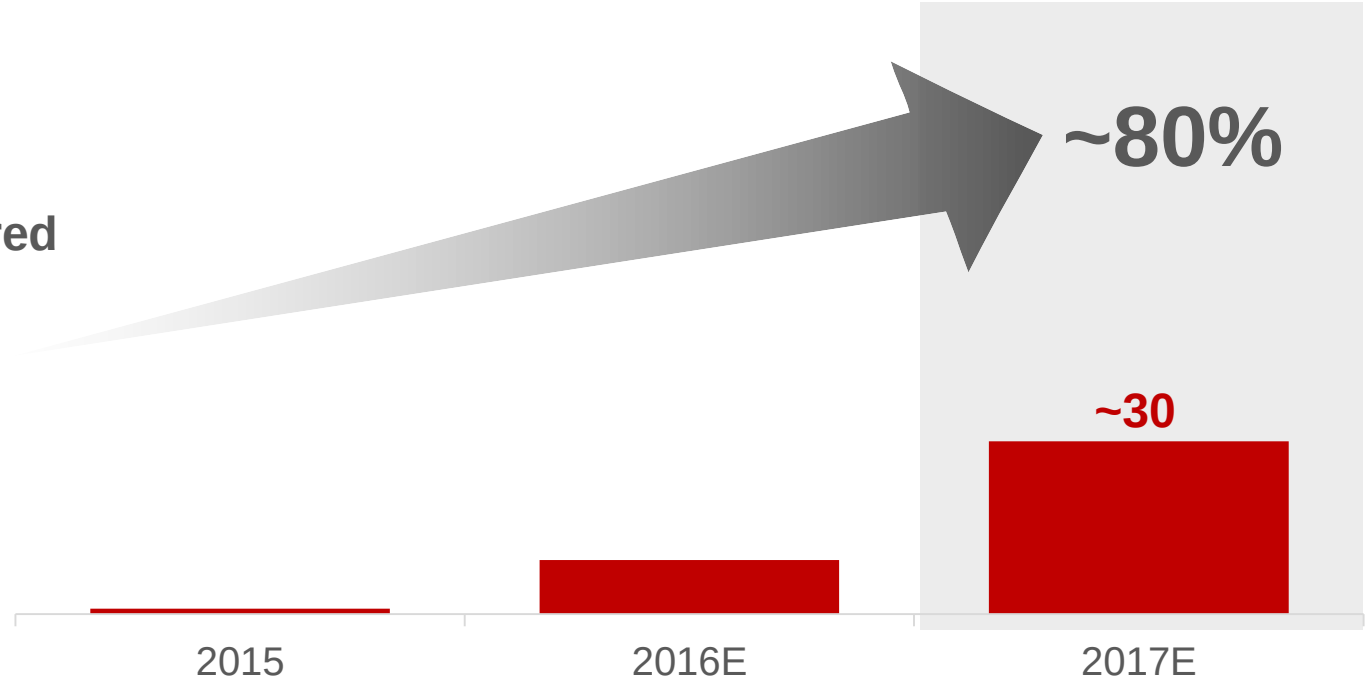


# Expanding 2Ku STC portfolio for aftermarket

**% of Global Commercial Aircraft Covered**

**~80%**

**Projected Cumulative 2Ku STCs***




| First-of-Type STCs | 2015 | 2016E | 2017E |
|---|---|---|---|
| | 737-500 | 737-800<br>737-900<br>747-400<br>A319-100<br>A330-300<br>A340-300 | 717-200<br>737-300<br>757-200<br>757-300<br>777-200<br>777-300<br>A320-200<br>A321-200<br>A330-200<br>MD 80/90 series |

* Schedule as of August 2016

# Growth of OEM opportunity

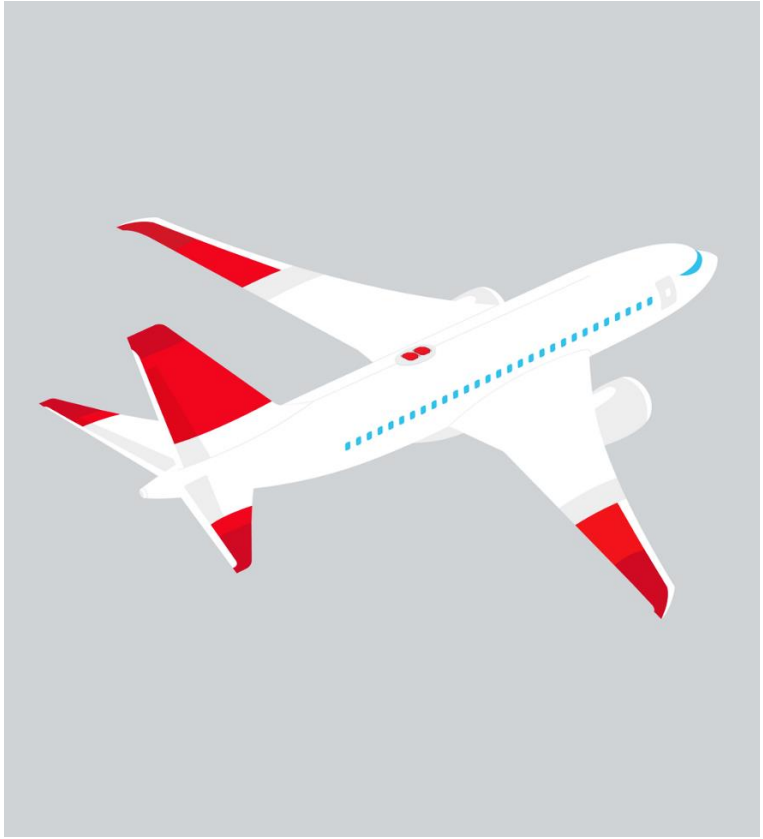
2015:
First ATG OEM installation

2017:
First 2Ku OEM installation expected

By 2020:
Most of the ~2,000 new aircraft deliveries will have IFC

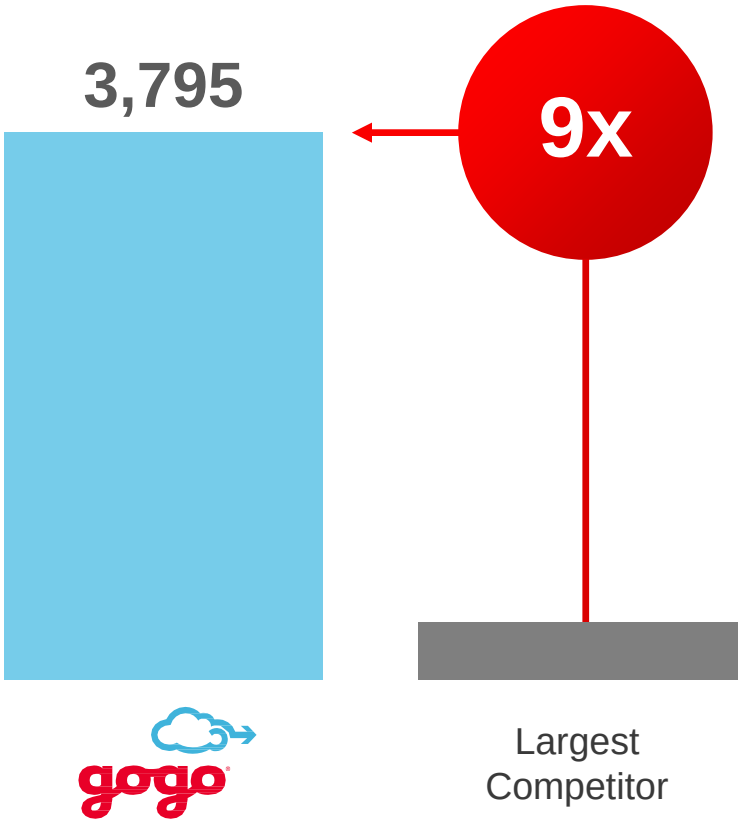
Gogo investing in OEM offerability on:

- Boeing: 777, 787, 737, 777X
- Airbus: A330, A340, A350, A380, A320 NEO
- Bombardier: CS100



# Business Aviation scale

## Connected Broadband Aircraft




Note: Data is as of June 30, 2016, based on public sources and management estimates

# Established innovator in BA

**1991**
Gogo (formerly Aircell) founded

**2002**
Gogo launches Iridium ST3100

**2011**
Gogo OnePhone introduced

**2014**
Dassault selects Gogo Axxess for FANS program

**2015**
Announces GogoBiz 4G timing

**2016**
Gogo BA teams up with Delta Private Jets for 4G service

**2016**
Gogo BA partners to bring apps to ATG 1000

1990-2000 | 2001-2010 | 2011-2013 | 2014-2016

**1997**
FCC authorizes Aircell's ATG network

**2008**
Gogo launches Axxess II Iridium System

**2010**
Aircell ships 10,000th communications system

**10,000**

**2014**
Gogo launches ST4300 Multi-Channel Iridium System

**2015**
NetJets selects UCS 5000 and Gogo Vision for Signature Series Aircraft

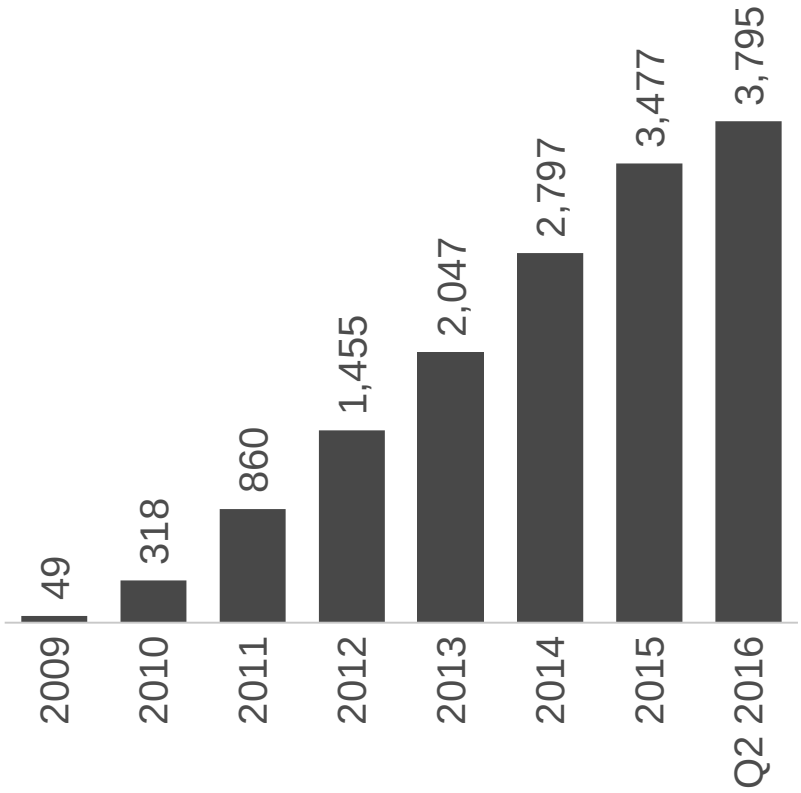
**2016**
Weather Company collaborates with Gogo BA to improve turbulence

# Leveraging established distribution ecosystem to reduce time to market

## Distribution Ecosystem


| | |
|---|---|
| Supplemental Type Certificates (STCs) | 90 |
| OEM Shipments Equipped w/ Gogo Biz[1] | 73% |

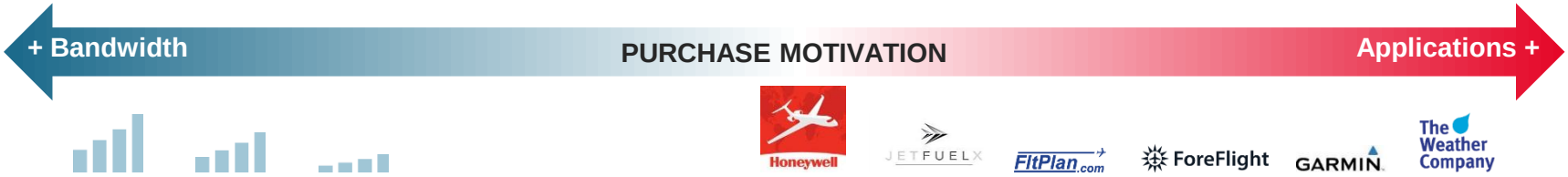
## BA ATG Aircraft Online




1 Based on management estimates for business jets in North America

# Covering entire BA market

| | Large Jets ~3,000 Aircraft* | Medium Jets ~4,000 Aircraft* | Light Jets ~5,000 Aircraft* | Turboprops ~8,500 Aircraft* |
|---|---|---|---|---|
| |  |  |  |  |
| Regional: | ATG/4G/ Next Gen ATG | ATG/4G/ Next Gen ATG | ATG/4G | ATG/4G/ Next Gen ATG |
| Global: | JX/SBB | SBB | SBB | SBB |




* Source: JetNet iQ Report Q4 2015 and Gogo estimates as of June 2016

# Key takeaways for CA and BA

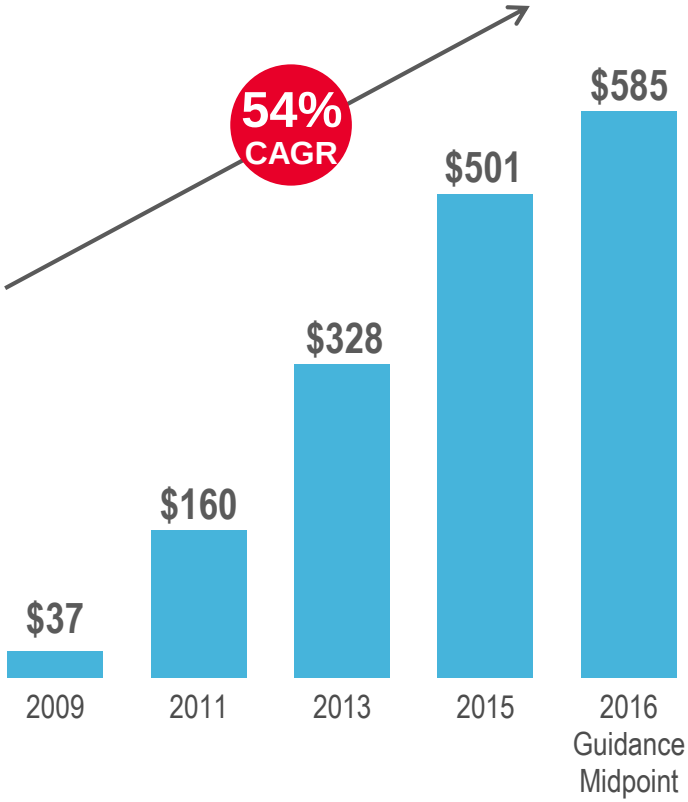
- Maintain strong momentum and grow market share
- Continue to embed 2Ku into CA market by augmenting STC portfolio and investing in OEM offerability on leading airframes
- Provide more bandwidth and value-added applications to the BA market

# Financials

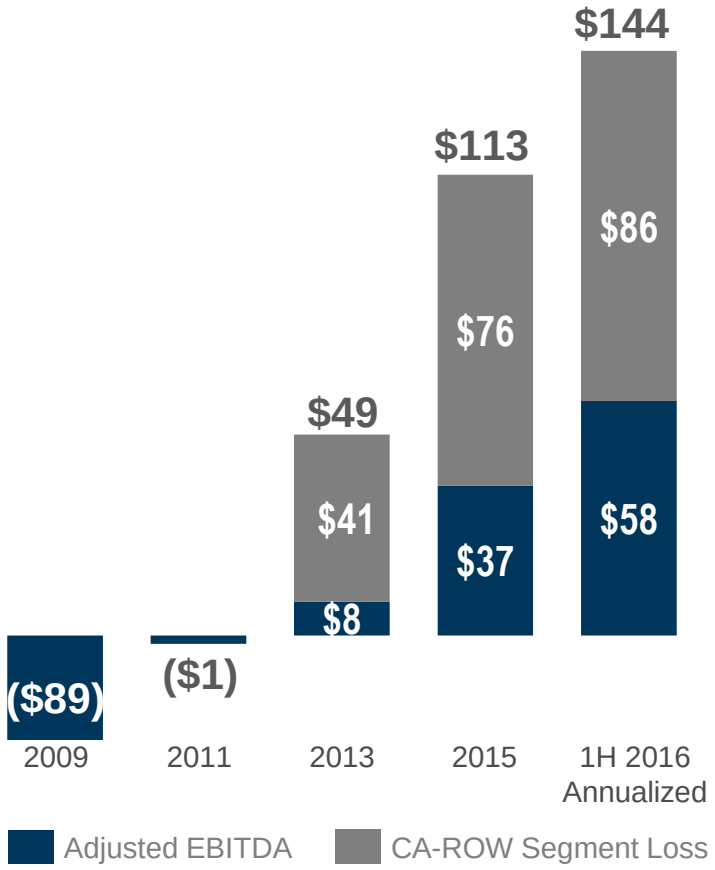
Norm Smagley – EVP & CFO

# Strong growth in revenue and profitability

## Revenue ($M)

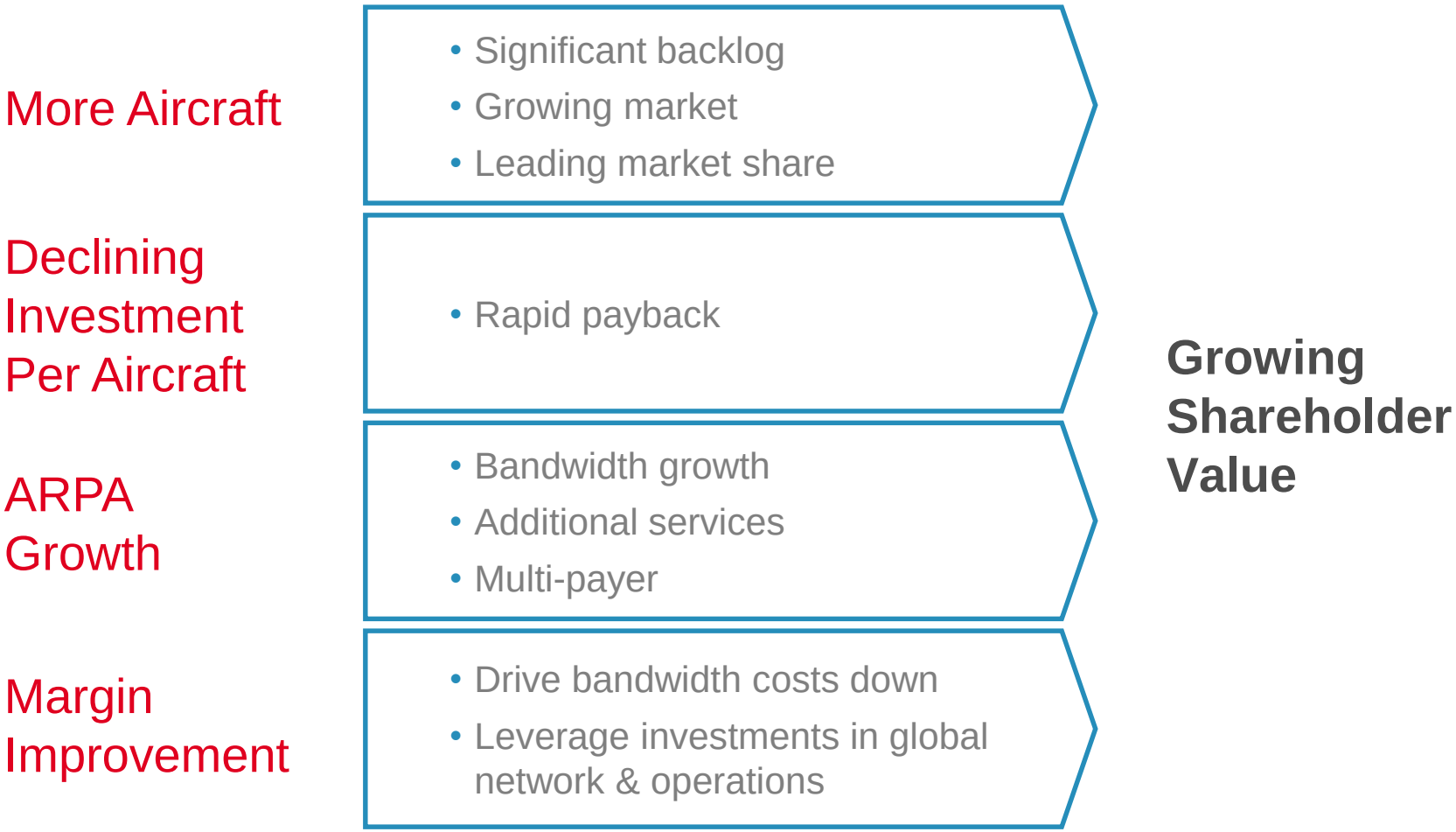



## Adjusted EBITDA[(1)] ($M)




Note: Minor differences exist due to rounding
(1) Please see reconciliation of Adjusted EBITDA in appendix

# Path to profitability



# Strong visibility into CA aircraft online growth

## By the end of 2018…

- Installed majority of 2Ku aircraft awards
- Captured competitive share of potential awards
- Developed comprehensive STC portfolio
- Achieved OEM offerability for 2Ku
- Established 2Ku install capacity of 750+ aircraft annually

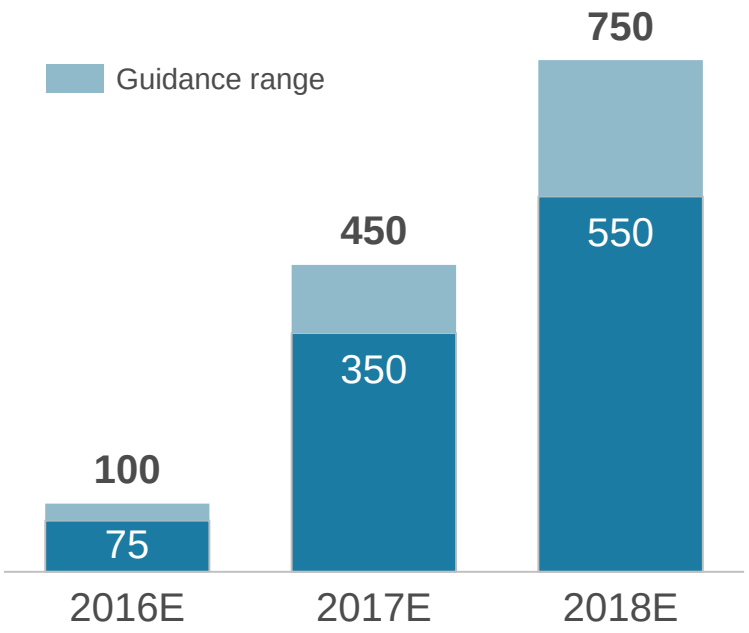
## 1,300+ 2Ku Awards*

AIRFRANCE KLM
DELTA
IAG INTERNATIONAL AIRLINES GROUP
American Airlines
virgin atlantic
AEROMEXICO
GOL Linhas aéreas inteligentes
AIR CANADA
JAL JTA JAPAN TRANSOCEAN AIR
HAINAN AIRLINES

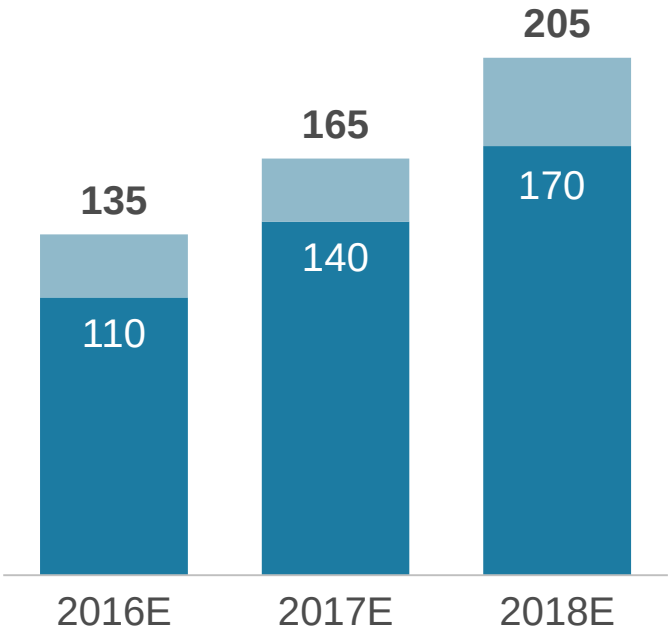
* 2Ku awards include both signed contracts and letters of intent

# Increasingly success-based cash CAPEX

## Annual 2Ku Aircraft Installations




## Total Cash CAPEX* ($M)




2-3 year payback at current mainline ARPA

*Total cash CAPEX includes software and network CAPEX and excludes CAPEX associated with next gen ATG deployment, assumes lease accounting treatment

# Next gen ATG is CAPEX light

## Deployment:

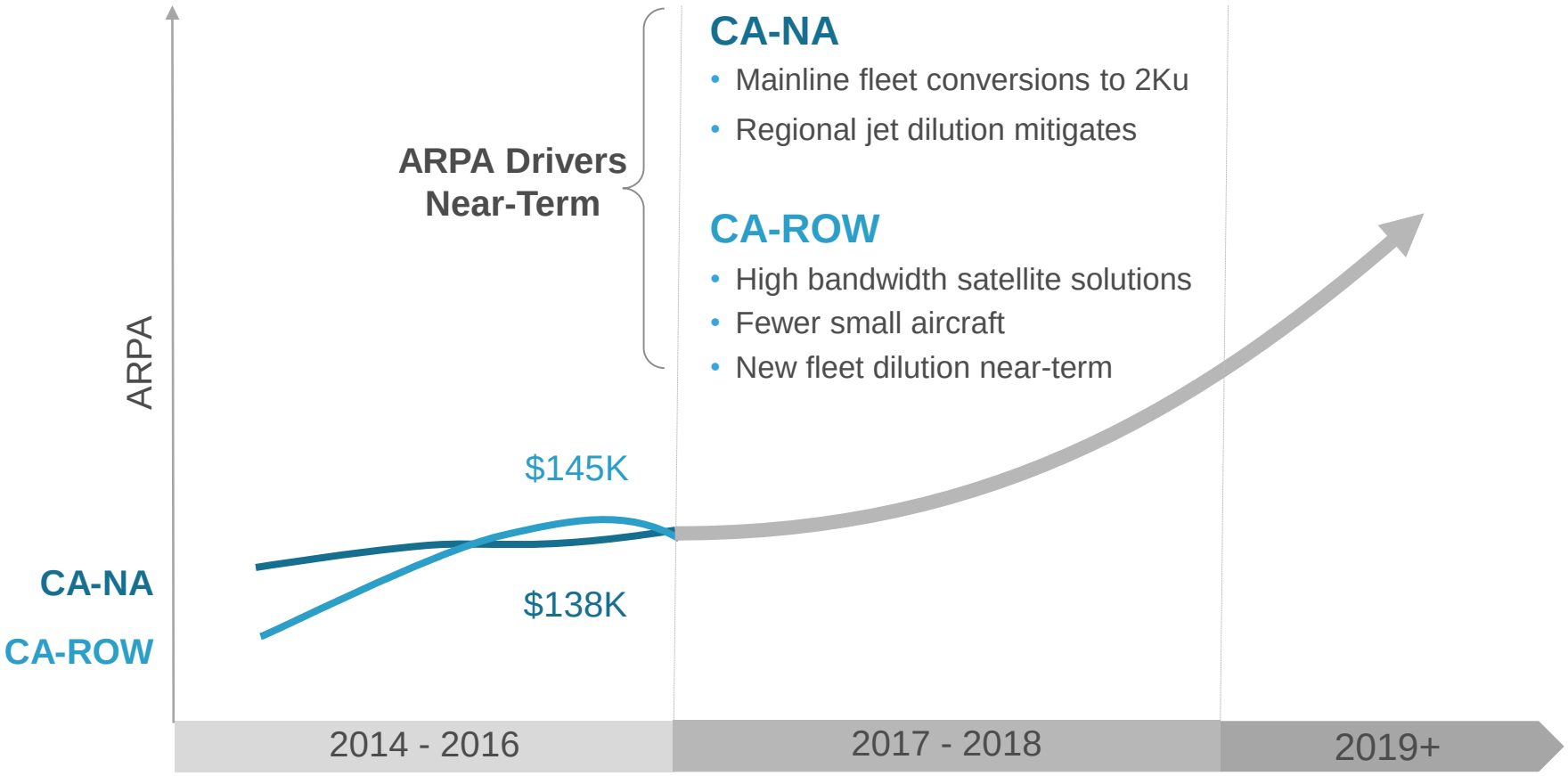
- $50 million phased project
- Leverages existing cell sites, backhaul & spectrum
- Rapid aircraft installations
- Low airborne equipment costs
- Targeted for 2018

## Economic Benefits

- >10x capacity and peak speed increases
- Lower cost per bit
- Utilizes existing and unlicensed spectrum

Note: Expected results and availability of next gen ATG is based on management estimates.

# Increased bandwidth driving ARPA growth




Note: Numbers shown are based on 2Q 2016 annualized ARPA

# More bandwidth, more flexibility, more partners




**REVENUE**

Multi-payer model drives revenue

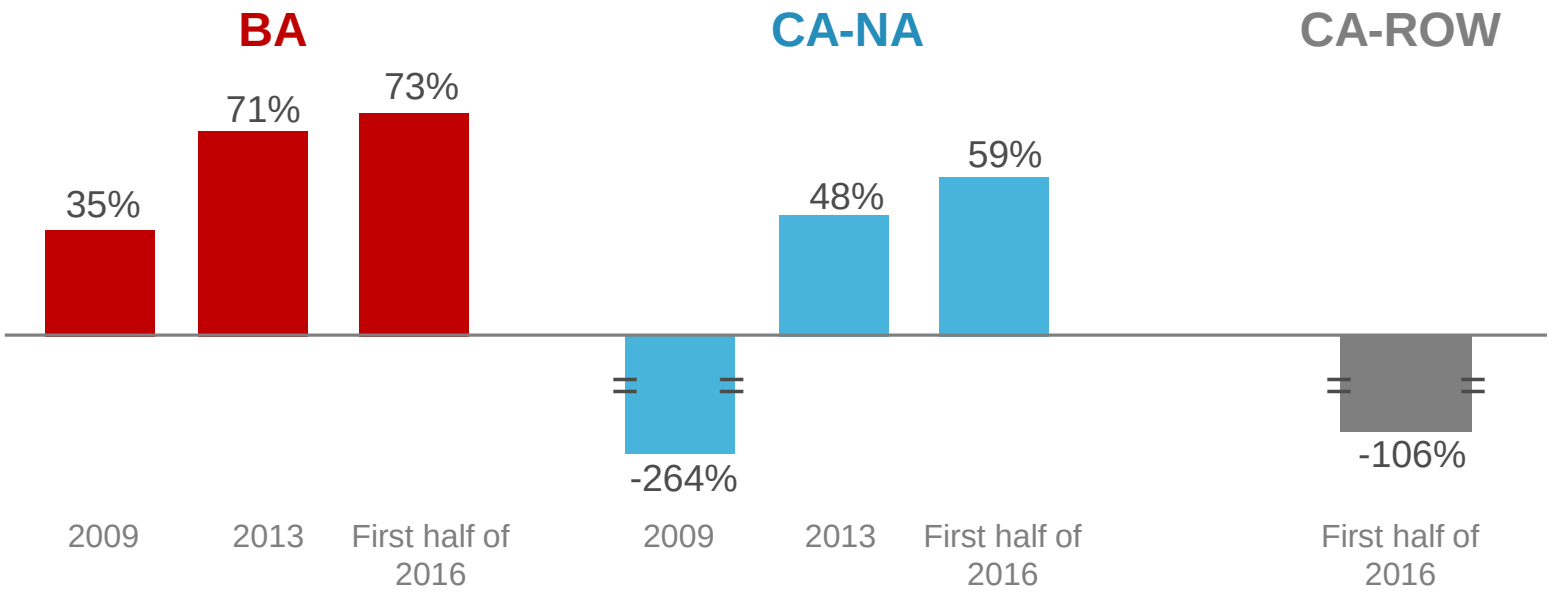
# CA-ROW service revenue margin expected to exceed 50% by 2019…

**>50%**

**CA-ROW Service Revenue Margin in 2019***

- Greater utilization from more aircraft online
- 2X spectral efficiency from 2Ku antennas
- Lower bandwidth pricing from Ku HTS

Service Revenue Margins*



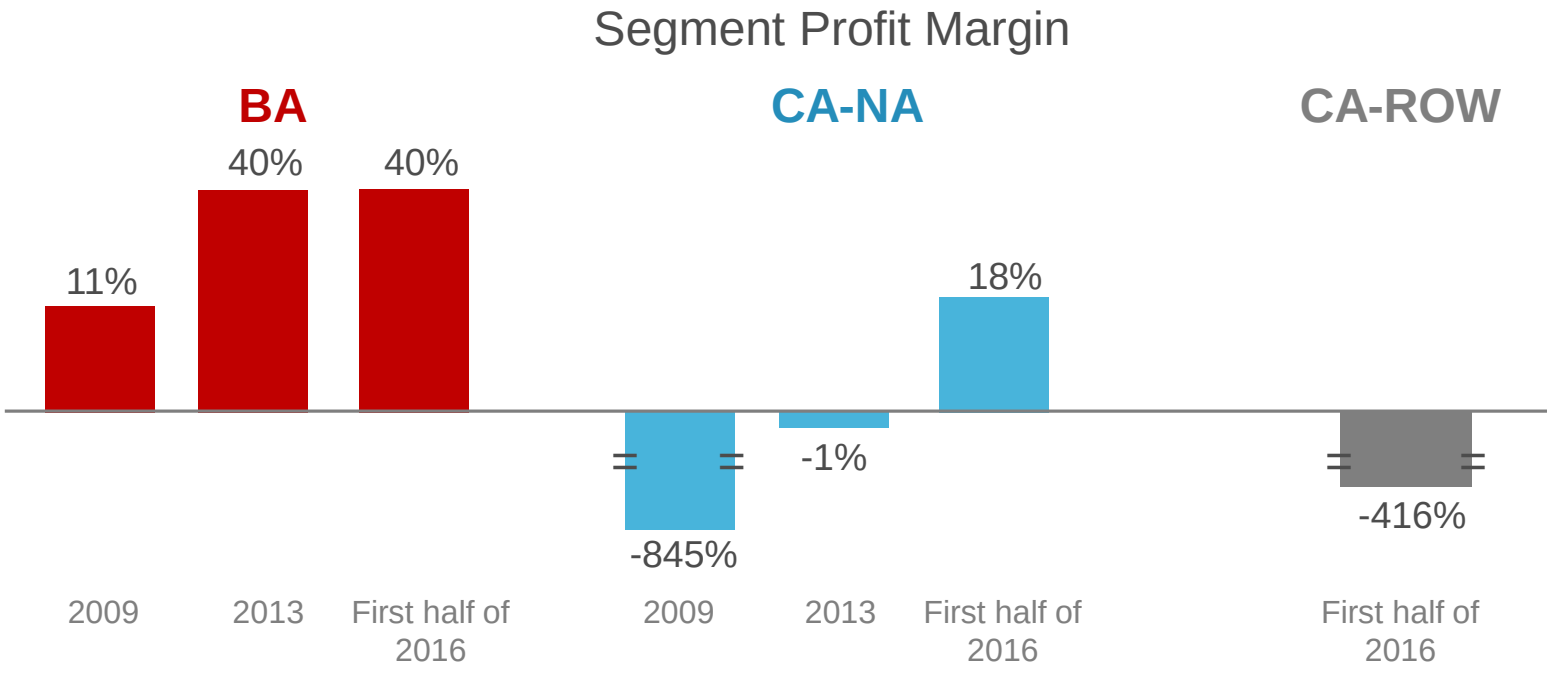

* Service revenue margin is the difference of service revenue and cost of service as a percent of service revenue.

# …and achieve 30% segment profit margin by 2021

**~30%**

**CA-ROW Segment Profit Margin in 2021**

- Improved service revenue margin
- Increased operating leverage from global operations



# All elements are in place to achieve profitability

| | Near-term Targets | Long-term Targets (5 years) |
|---|---|---|
| Aircraft | Install most of 2Ku awards by end of 2018 | New awards |
| ARPA | Moderate growth | Doubles |
| Investment Per Aircraft | 2-3 year breakeven | Gogo co-investment continues to decline |
| Margins | >50% CA-ROW service revenue margin by 2019<br>Investment in STCs and OEM offerability | 30% CA-ROW segment profit margin & consolidated Adj. EBITDA margin by 2021 |

# Closing Remarks

Michael Small – President & CEO

# Closing remarks

## Path to Profitability

| | | |
|---|---|---|
| We have enough aircraft and continue to win more with the install rate accelerating | Delivering more bandwidth to drive higher ARPA | Margins improve as we continue to scale and execute our plan |

## Technology Leadership

| | | |
|---|---|---|
| Regional and global solutions to deliver 100+ Mbps | Continuous innovation to deliver the best solutions to our aviation partners | Continue to deliver the most capacity at the lowest cost per megabyte to global aviation |

## Global Operations

| | | |
|---|---|---|
| Unparalleled ability in aftermarket installations | Investing in OEM offerability | 2Ku embedded in aviation ecosystem |

# Questions

# Appendix

# Adjusted EBITDA reconciliation ($MM)

| | 2009 | 2011 | 2012 Q3 | 2012 Q4 | 2013 Q1 | 2013 Q2 | 2013 | 2015 | 2015 Q3 | 2015 Q4 | 2016 Q1 | 2016 Q2 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Net Income** | (142) | (18) | (29) | (36) | (32) | (73) | (146) | (108) | (29) | (34) | (24) | (40) |
| Interest Income | (0) | (0) | (0) | (0) | (0) | (0) | (0) | (0) | (0) | (0) | (0) | (0) |
| Interest Expense | 30 | – | 4 | 4 | 4 | 10 | 29 | 59 | 17 | 16 | 16 | 18 |
| Income Tax Provision | – | 1 | – | – | – | – | 1 | 1 | – | – | – | – |
| Depreciation & Amortization | 22 | 33 | 9 | 10 | 14 | 14 | 56 | 87 | 22 | 25 | 24 | 25 |
| **EBITDA** | (91) | 16 | (15) | (21) | (14) | (48) | (60) | 39 | 10 | 8 | 17 | 2 |
| Fair Value Derivative Adjustments | – | (59) | – | – | – | 36 | 36 | – | – | – | – | – |
| Class A and Class B Senior Convertible Preferred Stock Return | – | 31 | 13 | 14 | 15 | 14 | 29 | – | – | – | – | – |
| Accretion of Preferred Stock | – | 10 | 3 | 3 | 3 | 3 | 5 | – | – | – | – | – |
| Stock-based Compensation Expense | – | 2 | 1 | 1 | 1 | 1 | 6 | 15 | 5 | 4 | 4 | 4 |
| Amortization of Deferred Airborne Lease Incentives | – | (1) | (1) | (1) | (2) | (2) | (8) | (20) | (5) | (6) | (6) | (7) |
| Loss on Extinguishment of Debt | 2 | – | – | – | – | – | – | – | – | – | – | 15 |
| Adjustment of deferred financing costs | – | – | – | 5 | – | – | – | 2 | – | 2 | (1) | – |
| **Adjusted EBITDA** | **(89)** | **(1)** | **1** | **1** | **3** | **4** | **8** | **37** | **10** | **8** | **14** | **14** |

Note: Minor differences exist due to rounding

# Cash CAPEX reconciliation ($MM)

| | 2013 | 2014 | 2015 | 2015 Q2 | 2015 Q3 | 2015 Q4 | 2016 Q1 | 2016 Q2 |
|---|---|---|---|---|---|---|---|---|
| Purchases of Property and Equipment | (105) | (132) | (135) | (33) | (19) | (30) | (31) | (40) |
| Acquisition of Intangible Assets (Capitalized Software) | (16) | (17) | (18) | (4) | (4) | (5) | (6) | (8) |
| **Consolidated Capital Expenditures** | **(121)** | **(150)** | **(153)** | **(37)** | **(24)** | **(35)** | **(37)** | **(48)** |
| Change in Deferred Airborne Lease Incentives | 9 | 30 | 37 | 7 | 7 | 14 | 8 | 1 |
| Amortization of Deferred Airborne Lease Incentives | 8 | 13 | 20 | 5 | 5 | 6 | 6 | 7 |
| Landlord Incentives | – | 10 | 16 | 3 | – | 1 | – | – |
| **Cash CapEx** | **(104)** | **(98)** | **(80)** | **(23)** | **(12)** | **(13)** | **(24)** | **(40)** |

Note: Minor differences exist due to rounding

# Cash CAPEX guidance reconciliation ($MM)

| For the year ending 2016 | Low | High |
|---|---|---|
| Consolidated capital expenditures (GAAP) | (150) | (185) |
| Deferred airborne lease incentives | 40 | 50 |
| **Cash CapEx** | **(110)** | **(135)** |

| For the year ending 2017 | Low | High |
|---|---|---|
| Consolidated capital expenditures (GAAP) | (220) | (265) |
| Deferred airborne lease incentives | 80 | 100 |
| **Cash CapEx** | **(140)** | **(165)** |

| For the year ending 2018 | Low | High |
|---|---|---|
| Consolidated capital expenditures (GAAP) | (315) | (400) |
| Deferred airborne lease incentives | 145 | 195 |
| **Cash CapEx** | **(170)** | **(205)** |

Note: Minor differences exist due to rounding