AIRCASTLE

J.P. Morgan
Aviation, Transportation & Industrials Conference

March 9, 2016

Forward-Looking Statements / Property of Aircastle

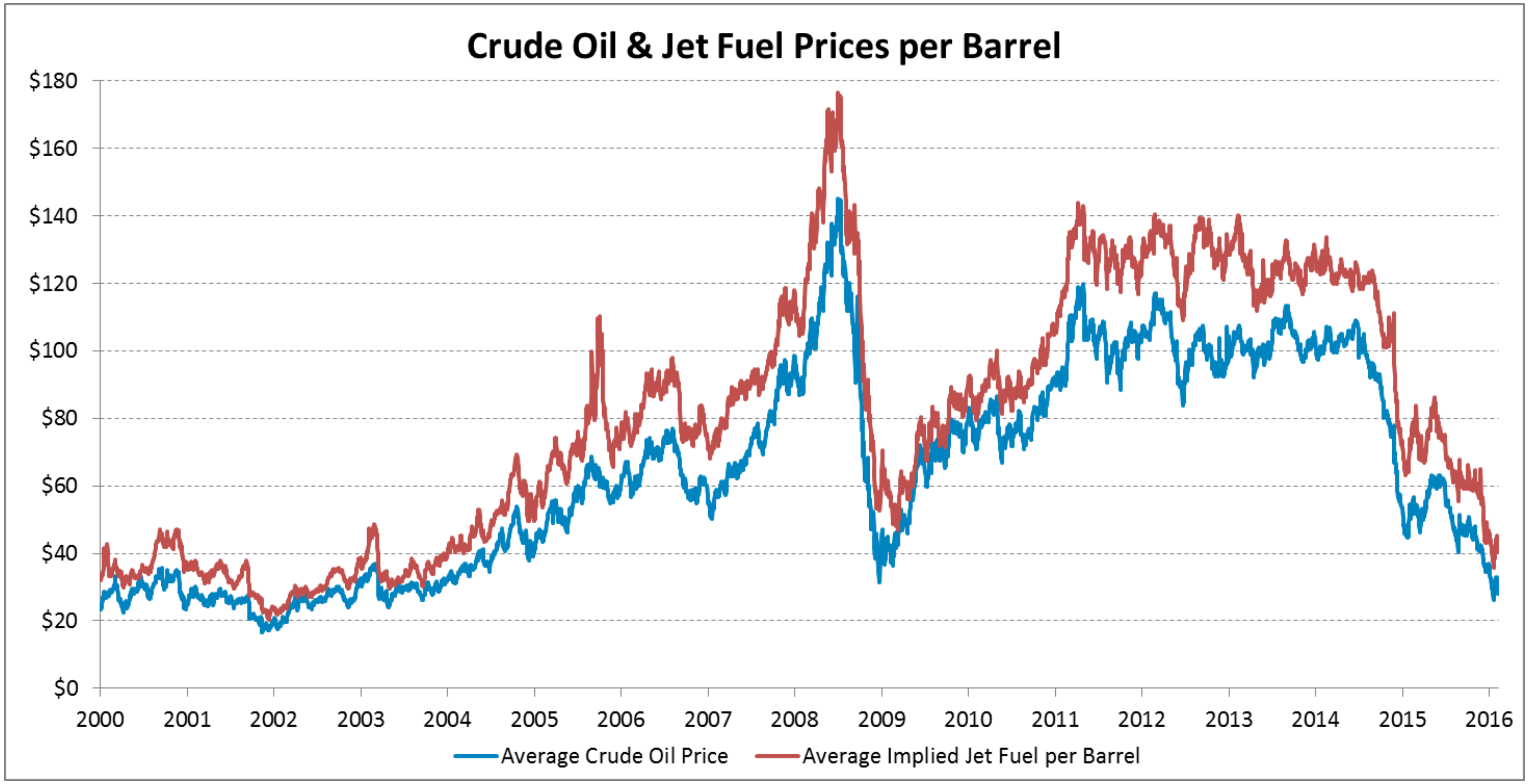
All statements included or incorporated by reference in this Presentation, other than characterizations of historical fact, are forward-looking statements within the meaning of the federal securities laws, including the Private Securities Litigation Reform Act of 1995. Examples of forward-looking statements 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 our Form 10-Q filed for the quarter ended September 30, 2015, 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.

Market Update

- **Air traffic continued growing rapidly; good demand for aircraft**
  - Passenger traffic (RPKs) increased 6.5% in 2015; load factors at record levels
- **Significant drop in fuel prices driving record industry profits**
  - Enabling lower ticket prices and higher traffic
- **Aircraft lease rental levels have generally been stable**
  - Steady for current generation narrow-bodies
  - Weaker for wide-bodies and new technology aircraft
- **Investor interest in aircraft remains strong**
  - Global demand for US$ assets
- **Several macro themes lead us to be more cautious going forward**

Sharp & Continuing Drop in Fuel Prices

- **Jet fuel prices at *one third* the level seen 30 months ago**
- **Enabling lower ticket prices and higher traffic levels**
- **Benefits current technology aircraft**



Source: Bloomberg

Key Themes

Highly productive Q4 Caps Positive 2015

- **Upgraded fleet**
  - Nearly doubled current generation narrow-body fleet over last five years
  - Reduced holdings of out-of-production and freighter aircraft significantly
- **De-risked business**
  - Addressed placement needs and increased average lease term to 5.9 years
  - Enhanced liquidity profile and broadened base of banking relationships
- **Aircastle positioned to thrive**
  - Limited long-term capital expenditure commitments
  - Building on strong partnerships with strategic shareholders

2015 Highlights

- **Completed $1.4 billion in aircraft acquisitions**
  - Also entered into an order for 25 Embraer E-Jet E2 aircraft delivering in 2018 - 2021
- **Sold 31 aircraft for record gains of $58 million**
  - Reduced out-of-production and freighter aircraft exposure
- **Maintained excellent operating performance; 99.3% utilization**
  - Pared exposure to several weaker credits and jurisdictions
- **Obtained $800 million in new financing from several different sources**
  - Enlarged unsecured revolver to $600 million and extended maturity to 2019
- **Increased dividend 9% in Q3; repurchased 2.6 million shares since November 2015**
  - Declared 39th consecutive quarterly dividend

Acquisitions & Sales

- **Acquisitions centered on newer narrow-body aircraft**
  - Closed or committed to acquire ten aircraft for $380 million so far in 2016
- **Strong sales results during 2015 for mid-age and out of production aircraft**
- **Continuing to execute on sales program in 2016**
  - Expect to sell six aircraft to our JV with Ontario Teachers’ Pension Plan during Q1

2015 Acquisitions & Sales		
	Acquisitions	Sales
Investments / Sales Proceeds	$1.4 billion	$563 million
Aircraft Average Age	5 years	16 years
Aircraft Mix (# of Units)		
Narrow-bodies	43	21
Wide-bodies	3*	6
Freighters	None	4
Total # of Aircraft	46	31

** Two of these three aircraft are assumed to be on last leases*

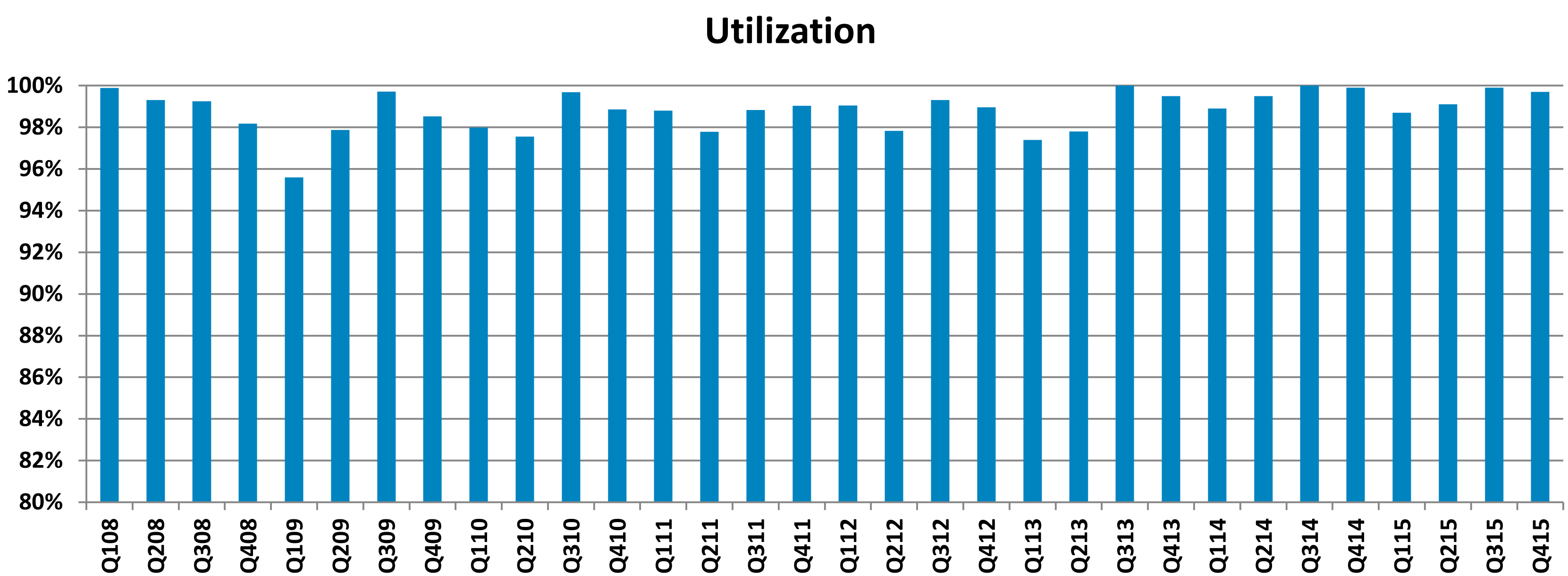
2015 Sales

- **Record gains from aircraft sales in 2015**
  - Strong results from the sales of both narrow-body and wide-body aircraft
- **Sales efforts focused on older aircraft with short term leases**
  - Weighted avg. remaining lease term less than 3 years

2015 Asset Sales			
$ in millions	**#Aircraft**	**Wtd Avg Age (yrs)**	**Pre-Tax Impact ($M)**
Narrow-bodies	**21**	**14.8**	**$48.4**
Wide-bodies	**6**	**15.9**	**$17.9**
Freighters	**4**	**18.3**	**($7.8)**
Total	**31**	**15.5**	**$58.6**

Leasing Activity & Portfolio Performance

- **99.7% utilization[1] during Q4:15, consistent with strong performance over time**
- **Minimal lease placement requirements in 2016**
  - Actively marketing three new 737-800s we just agreed to buy delivering in Q1-Q3 of 2016
  - Only one other aircraft to place in 2016



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

Positive Portfolio Trends

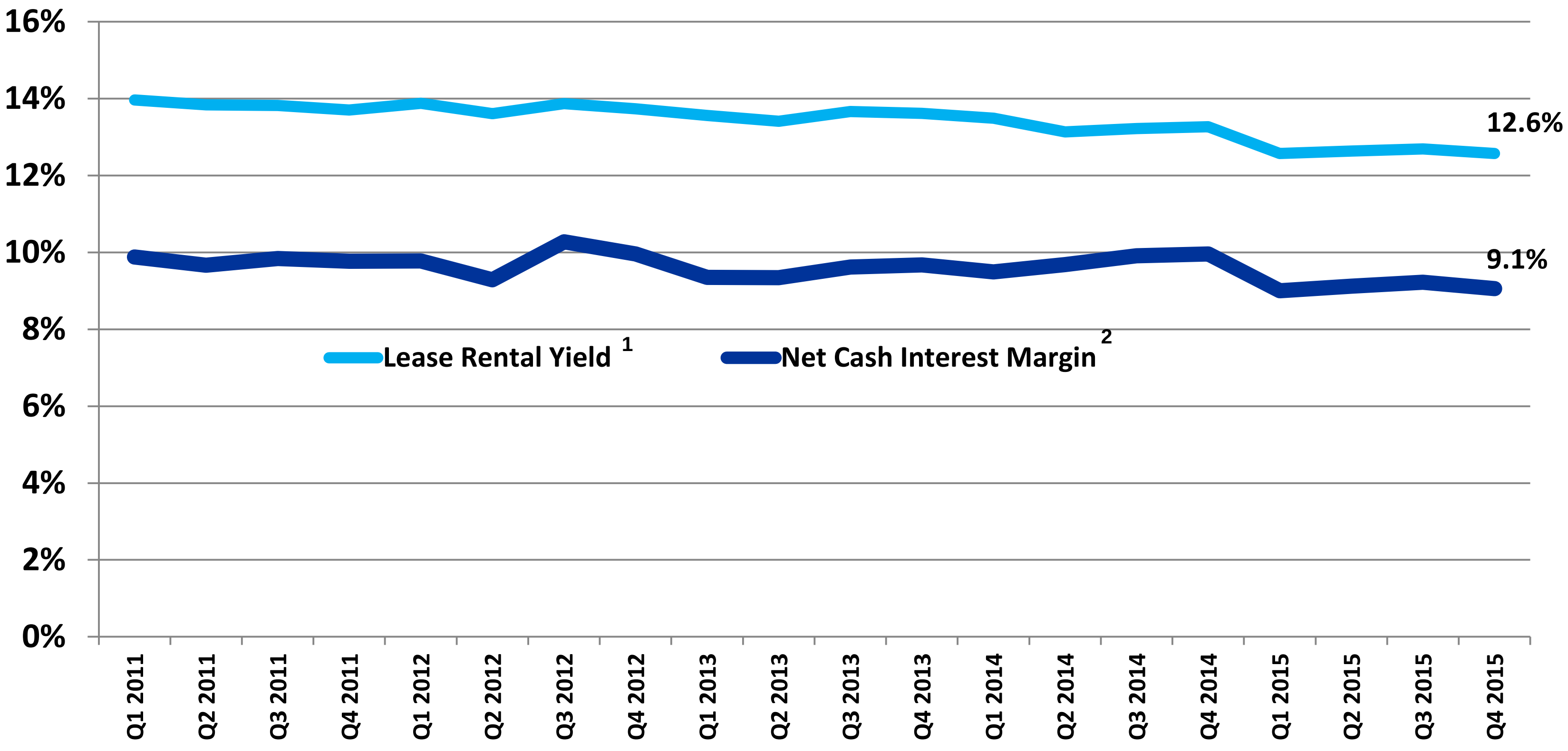
- **Grew portfolio by $2.0 billion in past 5 years**
- **Built $3.9 billion unencumbered aircraft base**
- **Fleet mix shifted to younger aircraft with longer remaining lease terms**

$ in billions	2010	2012	2014	2015	2015 vs 2010
Flight Equipment Held for Lease[1]	$4.1	$4.8	$5.7	$6.1	+$2.0
Unencumbered Flight Equipment	$0.6	$2.1	$3.3	$3.9	+$3.3
Number of Aircraft	136	159	148	162	+26
Number of Unencumbered Aircraft	18	72	95	118	+100
Wtd. Avg. Fleet Age (years)[2]	11.0	10.7	8.4	7.5	-3.5
Wtd. Avg. Lease Term (years)[3]	4.7	5.0	5.4	5.9	+1.2

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.*

Rental Yields and Net Cash Interest Margins

- **Recent newer aircraft acquisitions resulting in lower revenue yields**
- **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.*

Q4:15 Capital Structure Summary

- **Net debt to equity of 2.2 times; unsecured debt to total debt 71%**
- **Average remaining life of debt is 4.0 years; no debt maturities until 2017**
- **\$375 million of available revolver capacity[1]; \$156 million in unrestricted cash**

	At Dec 31, 2015		At Dec 31, 2014		At Dec 31, 2013	
	$Bn	Rate[2]	$Bn	Rate[2]	$Bn	Rate[2]
Total Secured Debt	1.17	3.17%	1.40	2.96%	1.59	3.17%
Total Unsecured Debt	2.93	5.66%	2.40	5.70%	2.15	6.99%
Total Debt & Wtd Avg Rate[3]	4.10	4.95%	3.80	4.69%	3.74	5.37%
Shareholders' Equity	1.80		1.72		1.65	
Net Debt to Equity	2.2x		2.1x		1.9x	
Unsecured Debt / Total Debt	71%		63%		58%	

1. *Bank revolver was increased to \$600 million from \$450 million on January 26, 2015. As of December 31, 2015, \$225 million of the bank revolver was drawn.*
2. *Reflects fixed swap rate in effect plus the margin for Securitization No. 2. With the exception of five variable rate Bank Financings and Revolving Credit facility borrowings, all other debt, including ECA Term Financings, all other Bank Financings and the Senior Notes due 2017 through 2022 are fixed rate financings.*
3. *The debt totals in the above table do not include debt issuance costs or discount which are reflected in the net debt totals that are displayed on the consolidated balance sheet.*

Balanced Capital Allocation Framework

- **Increase ROE over time through new investments and aircraft sales**
  - *Increased NBV of flight equipment by $2.0 billion since YE 2010*

- **Return capital to shareholders**
  - *Paid $280 million of dividends since Q1:11*

- **Opportunistically repurchase shares at a discount to book value**
  - *Repurchased $188.5 million of shares since Q1:11*

$469 million of capital returned to shareholders since 2011;
TSR[1] of 158% vs. 77% for S&P 500 Index and 65% for S&P 400 Index

1. Source: Bloomberg. Total Shareholder's Return ("TSR") includes cumulative gross dividends plus share price appreciation from December 31, 2010 through the close on March 3, 2016.

Corporate Strategy

- **World's largest aircraft "value investor"**
  - Able to move quickly and with certainty
- **Deploy capital where risk-adjusted returns are highest**
  - Acquisition focus adjusts with market opportunities
- **Disciplined, countercyclical orientation**
  - Active seller during strong markets
- **Limited future capital commitments**

Differentiated, Lower Risk Strategy

Appendix

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

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2015	2014	2015	2014
	(Dollars in thousands)			
Net income	$ 50,641	$ 72,764	$ 121,729	$ 100,828
Depreciation	81,245	74,135	318,783	299,365
Amortization of net lease discounts and lease incentives	376	(1,080)	10,664	6,172
Interest, net	59,514	56,827	243,577	238,378
Income tax provision	734	2,938	12,771	13,863
EBITDA	$ 192,510	$ 205,584	$ 707,524	$ 658,606
Adjustments:				
Impairment of aircraft	17,477	26,988	119,835	93,993
Loss on extinguishment of debt	-	-	-	36,570
Non-cash share based payment expense	1,556	1,077	5,537	4,244
Gain on mark to market of interest rate derivative contracts	(571)	(449)	(791)	(1,130)
Adjusted EBITDA	$ 210,972	$ 233,200	$ 832,105	$ 792,283

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.

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Reconciliation of GAAP to Non-GAAP Measures – Cash Earnings and Cash ROE

	CFFO	Finance Lease Collections	Gain (Loss) on Sale of Eqt.	Deprec.	Distributions in excess (less than) Equity Earnings	Cash Earnings	Average Shareholders' Equity	12 Month Cash ROE
2008	$333,626		$6,525	$201,759		$138,392	$1,242,635	11.1%
2009	$327,641		$1,162	$209,481		$119,322	$1,205,284	9.9%
2010	$356,530		$7,084	$220,476		$143,138	$1,300,953	11.0%
2011	$359,377		$39,092	$242,103		$156,366	$1,370,513	11.4%
2012	$427,277	$3,852	$5,747	$269,920		$166,956	$1,425,658	11.7%
2013	$424,037	$9,508	$37,220	$284,924		$185,841	$1,513,156	12.3%
2014	$458,786	$10,312	$23,146	$299,365	$667	$193,546	$1,661,228	11.7%
2015	$526,285	$9,559	$58,017	$318,783	($530)	$274,548	$1,759,871	15.6%

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	$ 48,172	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%
Q2:15	$ 5,850,516	$ 184,839	$ 51,413	9.1%
Q3:15	$ 5,926,459	$ 188,037	$ 51,428	9.2%
Q4:15	$ 5,835,547	$ 183,394	$ 51,250	9.1%

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.

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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.