



AIRCATTLE ADVISOR LLC  
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April 14, 2014

Attention: U.S. Shareholders of Aircastle Limited

**IMPORTANT TAX NOTICE**

Re: 2013 PFIC Status

**This statement is provided for shareholders who are United States persons for purposes of the U.S. Internal Revenue Code. It is not relevant to other shareholders.**

Aircastle Limited (“AYR” or “the Company”) and its wholly-owned subsidiary AYR Bermuda Limited (“AYR Bermuda”) meet the Internal Revenue Code definition of a passive foreign investment company (“PFIC”) for the taxable year ended December 31, 2013. The Company is hereby making available PFIC Annual Information Statements for both AYR and AYR Bermuda for their taxable years beginning on January 1, 2013 and ending on December 31, 2013 pursuant to the requirements of Treasury Regulation Section 1.1295-1(g)(1). **If you were a shareholder of AYR during 2013 you also are deemed to have indirectly owned shares in AYR Bermuda during 2013.**

The PFIC Annual Information Statements contain information to enable you, should you choose, to elect to treat AYR and AYR Bermuda as a Qualified Electing Fund (“QEF”).

**A U.S. shareholder who makes a QEF election for AYR and AYR Bermuda is required annually to include in his or her income his or her pro rata share of the ordinary earnings and net capital gains for both AYR and AYR Bermuda.** The QEF election is made by completing and attaching Form 8621 for each PFIC to your federal income tax return filed by the due date of the return, including extensions.

Please note that the information provided herein is not intended to constitute tax advice or recommendation to take any particular tax position. U.S. shareholders are advised to consult with their tax advisors with respect to the 2013 PFIC Annual Information Statement.

Further information on PFIC rules is available on the internet at the Internal Revenue Service website, including the following pages:

Detailed information about PFICs and the QEF election: [www.irs.gov/instructions/i8621/ch01.html](http://www.irs.gov/instructions/i8621/ch01.html)

Instructions to complete Form 8621: [www.irs.gov/pub/irs-pdf/i8621.pdf](http://www.irs.gov/pub/irs-pdf/i8621.pdf)

Form 8621: [www.irs.gov/pub/irs-pdf/f8621.pdf](http://www.irs.gov/pub/irs-pdf/f8621.pdf)

**Additional information related to AYR's and AYR Bermuda's  
Annual PFIC Information Statement**

**For Aircastle Limited:**

1. Description of each class of AYR shares – common shares.
2. Total number of AYR shares outstanding at year end – 80,342,069.
3. The value of AYR shares at December 31, 2013 – \$19.16 per share.

**For AYR Bermuda Limited:**

1. Description of each class of AYR Bermuda shares – common shares.
2. Total number of AYR Bermuda shares outstanding at year end – 12,000.
  - a. Your deemed indirect ownership in AYR Bermuda at year end is based on the number of AYR common shares you own at December 31, 2013 over total number of AYR shares outstanding (Example: If you own 100,000 shares of AYR divide 100,000 by 80,342,069 X 12,000 = 15 shares of AYR Bermuda).
3. The value of AYR Bermuda shares at December 31, 2013 – estimated to be 1% of value of AYR or \$.1916 per AYR share
  - a. Your deemed proportionate share of AYR Bermuda at year end is 1% of the value of your AYR shares (Example: If you own 100,000 shares of AYR multiply 100,000 x \$.1916 = \$19,160 value of AYR Bermuda)

**THIS INFORMATION IS PROVIDED IN ORDER TO ASSIST SHAREHOLDERS AND DOES NOT CONSTITUTE TAX ADVICE. SHAREHOLDERS ARE ADVISED TO CONSULT THEIR OWN TAX ADVISORS CONCERNING THE OVERALL TAX CONSEQUENCES OF THE OWNERSHIP OF AIRCASTLE LIMITED SHARES ARISING IN THEIR OWN PARTICULAR SITUATIONS UNDER UNITED STATES FEDERAL, STATE, LOCAL OR FOREIGN LAW.**

**IRS Circular 230 Notice**

TO ENSURE COMPLIANCE WITH TREASURY DEPARTMENT CIRCULAR 230, YOU ARE HEREBY NOTIFIED THAT: (A) ANY FEDERAL TAX ADVICE CONTAINED HEREIN IS NOT INTENDED OR WRITTEN TO BE USED, AND CANNOT BE USED BY ANY TAXPAYER FOR THE PURPOSE OF AVOIDING PENALTIES THAT MAY BE IMPOSED UNDER THE INTERNAL REVENUE CODE; (B) THE ADVICE IS WRITTEN IN CONNECTION WITH THE PROMOTION OR MARKETING OF THE TRANSACTIONS OR MATTERS ADDRESSED HEREIN, AND (C) THE TAXPAYER SHOULD SEEK ADVICE BASED ON THE TAXPAYER'S PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.