

Deutsche Bank Aircraft Financing and Leasing Conference

September 6, 2017



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, Adjusted Net Income, Cash Return on Equity and Net Cash Interest Margin 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 2016 Annual Report on Form 10-K. 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.

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Corporate Strategy

Disciplined and differentiated investment strategy

Flexible and efficient access to capital

Conservative financial leverage and a balanced approach towards capital allocation

Active portfolio management with an experienced team and an established platform

2017 Accomplishments

More than \$1.2 billion in closed, committed and awarded deals for 2017

Fourteen aircraft sold opportunistically and for risk reduction in H1:17; total gain of \$14.3 million

Repaid \$500 million of 6.75% coupon debt and borrowed \$500 million of 4.125% coupon debt; \$13.1 million of annual interest expense savings

Declared our 45th consecutive quarterly dividend in Q2:17

Acquisitions & Sales

Acquisitions have been primarily mid-aged, current technology aircraft

Sales remain focused on reducing risk, recognizing gains and redeploying capital into aircraft with better earnings profiles

2017 Acquisitions & Sales Through Q2:17		
	Acquisitions ⁽¹⁾	Completed Sales
Investments / Sales Proceeds	\$276 million	\$238 million
Total Number of Aircraft	15	14
Narrow-bodies	14	13
Wide-bodies	1 ⁽²⁾	0 ⁽³⁾
Freighters	0	1 ⁽³⁾

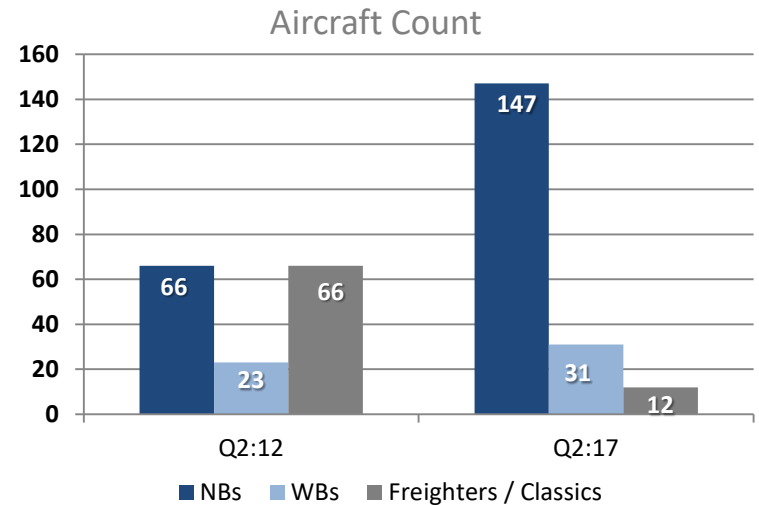
1. Closed deals only through June 30, 2017.

2. Assumed to be on last lease.

3. Does not include one 777-300ER and one 747-400BCF freighter that were sold in early July, and two 747-400ER freighters that were agreed to be sold.

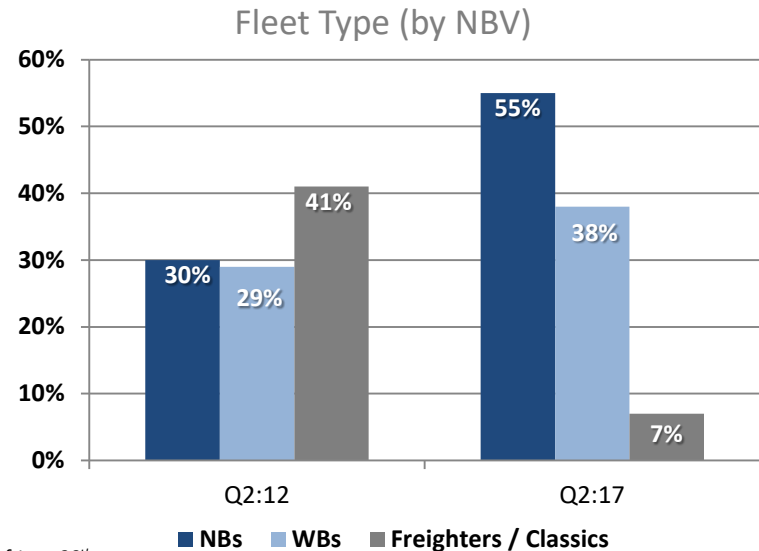
Aircraft Fleet Evolution

The number of current generation narrow-body aircraft has increased by 122% over the past five years



As of June 30th

Reduction in freighter and classic generation aircraft continues and has been significant



As of June 30th

Portfolio Trends

Expanded owned fleet by \$1.5 billion in past five years, a compound annual growth rate of 5.9%

Thirteen aircraft are managed in our two joint ventures

<i>\$ in billions</i>	Q2:12	Q2:17	Q2:17 vs Q2:12
Flight Equipment Held for Lease ¹	\$4.7	\$6.2	+\$1.5
Wtd. Avg. Fleet Age (years) ²	11.1	8.3	-2.8
Wtd. Avg. Lease Term (years) ²	4.9	4.7	-0.2
Managed Aircraft ¹	-	\$0.7	+\$0.7

1. Calculated using NBV* at period end.

2. Weighted average by NBV.

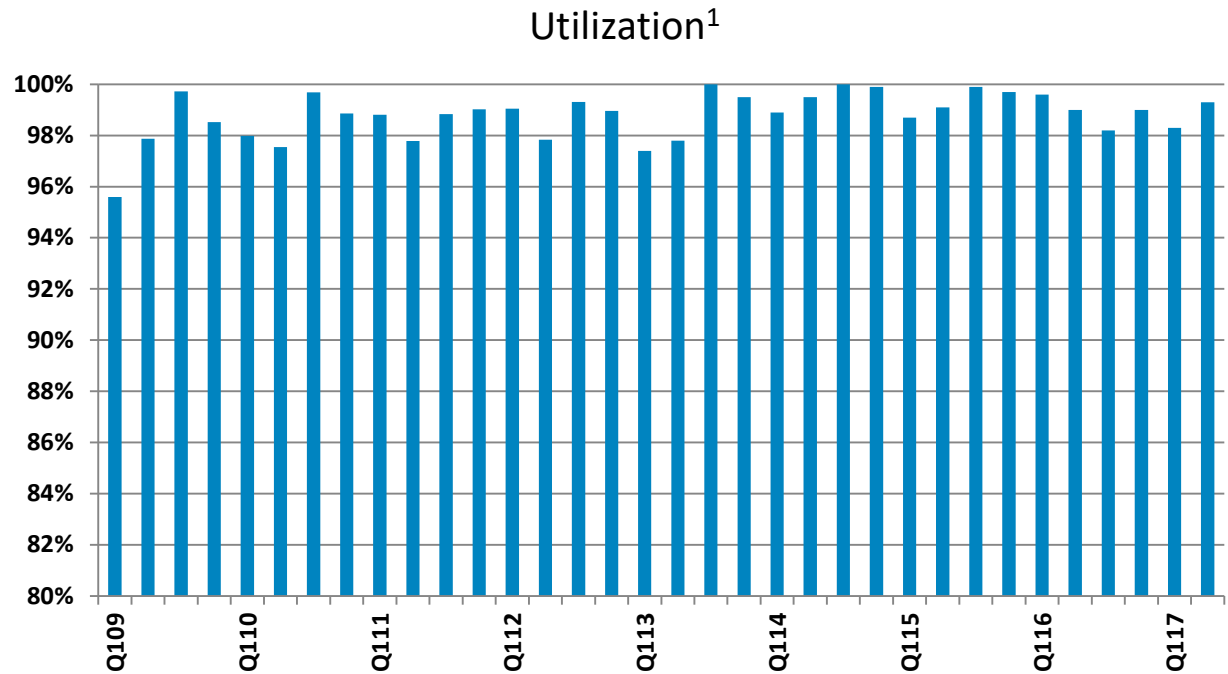
* NBV as used throughout this presentation includes the net book value of flight equipment held for lease and the net investment in finance and sales-type leases.

Leasing Activity & Portfolio Performance

Utilization during Q2:17 was 99.3%

Placed all four wide-bodies with 2017 lease expiries

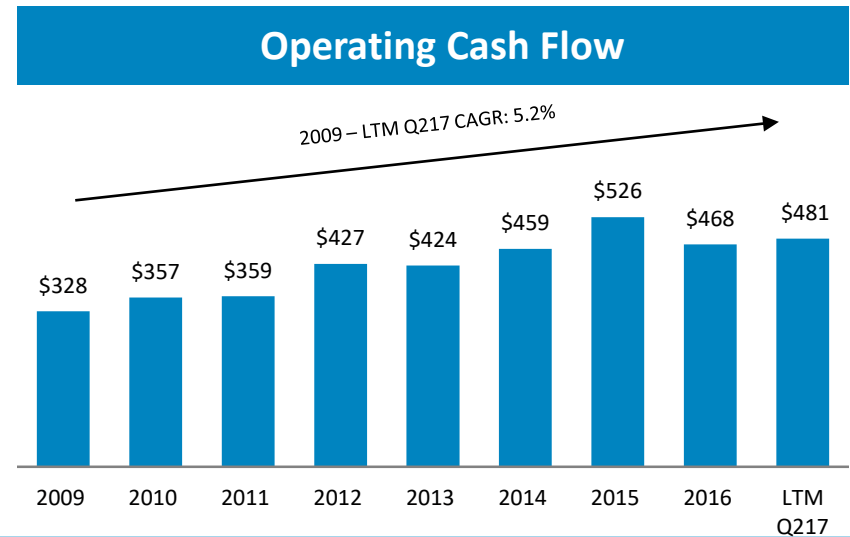
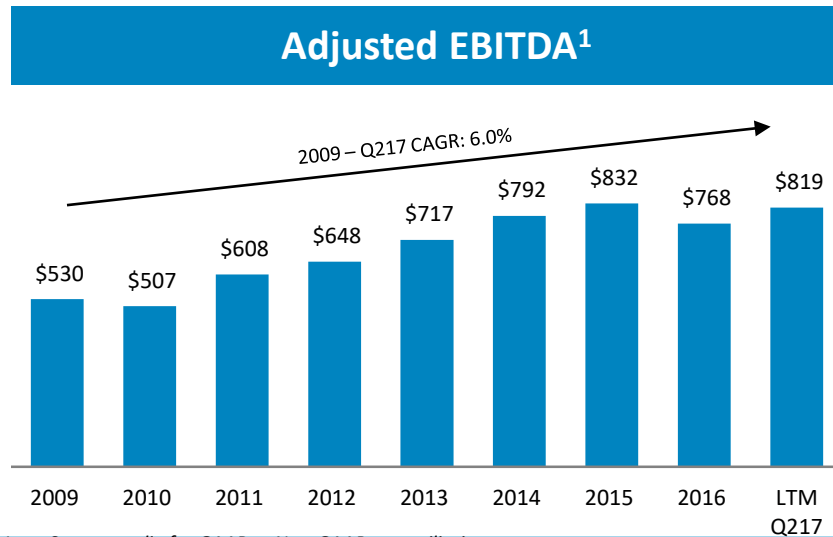
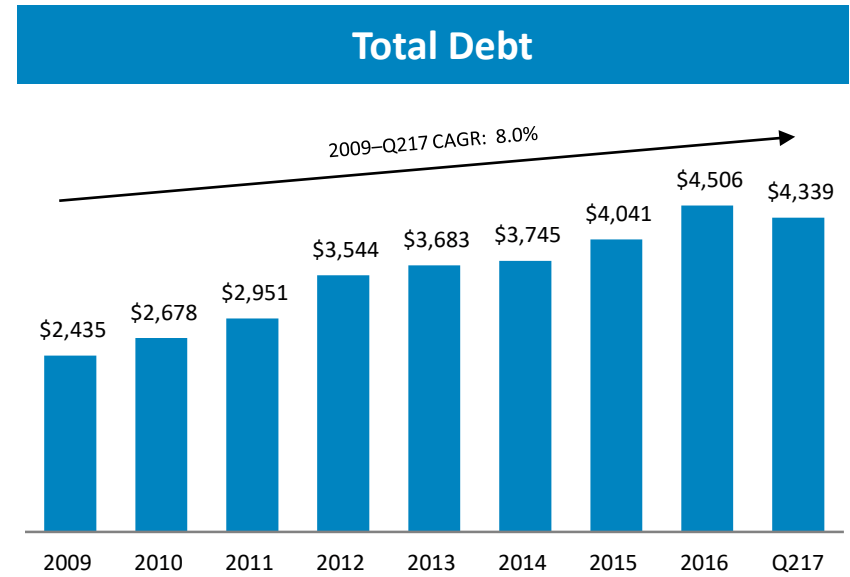
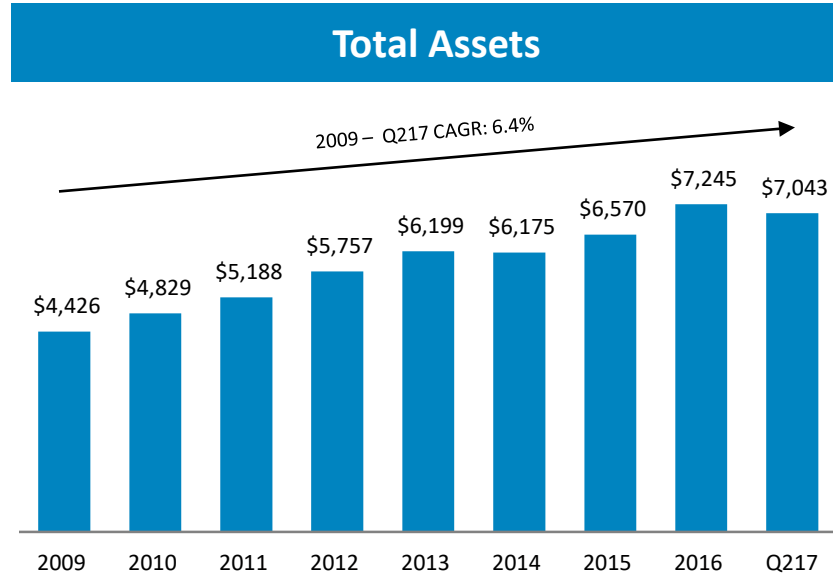
No Aircraft on Ground at the end of Q2



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

Selected Historical Financials

(\$ in millions)



1. See appendix for GAAP to Non-GAAP reconciliation.

Q2:17 Capital Structure Summary

Net debt to equity of 2.1x

Average remaining life of debt is 4.1 years

\$810 million in available revolver capacity

\$4.5 billion of unencumbered flight equipment

	As of Jun 30, 2017		As of Dec 31, 2016		As of Dec 31, 2015	
	\$MM	Rate	\$MM	Rate	\$MM	Rate
Total Secured Debt ¹	1,072	3.44%	1,239	3.28%	1,171	3.17%
Total Unsecured Debt ²	3,320	5.28%	3,320	5.65%	2,925	5.66%
Total Debt & Wtd Avg Rate ³	4,392	4.83%	4,559	5.01%	4,096	4.95%
Shareholders' Equity	1,835		1,834		1,779	
Net Debt to Equity	2.1x		2.2x		2.2x	
Unsecured debt to total debt	76%		73%		71%	

1. Q2:17 secured debt comprised ECA and Bank financings. Borrowings under secured ECA financings at June 30, 2017 had a weighted-average rate of interest of 3.52%. Borrowings under secured Bank financings at June 30, 2017 had a weighted-average fixed rate of interest of 3.41%.
2. 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.

Appendix

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

EBITDA:	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>LTM Q2:17</u>
Net Income	\$ 102,492	\$ 65,816	\$ 124,270	\$ 32,868	\$ 29,781	\$ 100,828	\$ 121,729	\$ 151,453	\$ 130,484
Depreciation	209,481	220,476	242,103	269,920	284,924	299,365	318,783	305,216	310,927
Amortization of net lease discounts and lease incentives	11,229	20,081	16,445	12,844	32,411	6,172	10,664	10,353	11,847
Interest, net	169,810	178,262	204,150	222,808	243,757	238,378	243,577	255,660	253,707
Income tax provision	8,660	6,596	7,832	7,845	9,215	13,863	12,771	12,307	8,324
EBITDA	501,672	491,231	594,800	546,285	600,088	658,606	707,524	734,989	715,289
Adjustments:									
Impairment of aircraft	18,211	7,342	6,436	96,454	117,306	93,993	119,835	28,585	92,292
Loss on extinguishment of debt	-	-	-	-	-	36,570	-	-	0
Non-cash share based payment expense	6,868	7,509	5,786	4,232	4,569	4,244	5,537	7,901	12,294
Loss (gain) on mark to market of interest rate derivative contracts	(959)	860	848	(597)	(4,754)	(1,130)	(791)	(3,522)	(741)
Contract termination expense	4,000	-	-	1,248	-	-	-	-	-
Adjusted EBITDA	\$ 529,792	\$ 506,942	\$ 607,870	\$ 647,622	\$ 717,209	\$ 792,283	\$ 832,105	\$ 767,953	\$ 819,134

\$ in thousands

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.

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.