AIRCASTLE

First Quarter 2012 Earnings Call

May 3, 2012

Forward-Looking Statements / Property of Aircastle

Certain items in this presentation and other information we provide from time to time, may constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 including, but 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 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 management’s current expectations and beliefs 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 Limited can give no assurance that its expectations will be attained. Accordingly, you should not place undue reliance on any forward-looking statements contained in this presentation. Factors that could have a material adverse effect on our operations and future prospects or that could cause actual results to differ materially from Aircastle Limited’s expectations include, but are not limited to, significant capital markets disruption and volatility and the significant contraction in the availability of bank financing, which may adversely affect our continued ability to obtain additional capital to finance our working capital needs, volatility in the value of our aircraft or in appraisals thereof, which may, among other things, result in increased principal payments under our term financings and reduce our cash flow available for investment or dividends; general economic conditions and business conditions affecting demand for aircraft and lease rates; our continued ability to obtain favorable tax treatment in Bermuda, Ireland and other jurisdictions; our ability to pay dividends; high or volatile fuel prices, lack of access to capital, reduced load factors and/or reduced yields, operational disruptions or unavailability of capital caused by political unrest in North Africa, the Middle East or elsewhere, uncertainties in the Eurozone arising from the sovereign debt crisis and other factors affecting the creditworthiness of our airline customers and their ability to continue to perform their obligations under our leases; termination payments on our interest rate hedges; and other risks detailed from time to time in Aircastle Limited’s filings with the Securities and Exchange Commission (“SEC”), including “Risk Factors” as previously disclosed in Aircastle’s 2011 Annual Report on Form 10-K, and in our other filings with the SEC, press releases and other communications. 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 Limited expressly disclaims any obligation to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in its expectations with regard thereto or change in events, conditions or circumstances on which any statement is based.

Q1 2012 Highlights

- Lease rental revenue of $152.2 million versus $141.1 million in Q1:11
- Net income of $32.6 million, or $0.45 per diluted share
- Adjusted net income of $32.4 million, or $0.45 per diluted share
- 99% fleet utilization and ~14% rental yield
- $170 million of aircraft investments so far in 2012, including our final new order Airbus A330 which delivered in early April
- Recently entered into commitments to acquire five additional aircraft
- Issued $800 million of senior notes at par consisting of $500 million 6.75% unsecured senior notes due 2017 and $300 million 7.625% unsecured senior notes due 2020
- Increased Q1:12 pro-forma unencumbered assets from ~$1 billion at YE to ~$2.2 billion
- 24th consecutive quarterly dividend declared by Aircastle's Board of Directors ($0.15 per common share for Q2:12)

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Q1:12 Revenue Summary

- Lease rental revenue of $152.2 million was higher by $11.1 million, or 8%, versus Q1:11 due to:
  - Positive impact of new aircraft acquisitions of $26.1 million, partially offset by sales of $(9.0) million, and
  - Declines from lease extensions, transitions and terminations which totaled $(6.0) million
- Maintenance revenue in Q1:12 decreased $4.2 million due primarily to higher unscheduled lease expirations in Q1:11
- Q1:12 annualized lease rental exit run rate of $598 million, including $251 million(1) from unencumbered aircraft, pro-forma with the refinancing of Term Financing No. 1

Revenue Summary

$ millions	Q1:11	Q1:12
Lease Rental Revenue	$141.1	$152.2
Amortization of Net Lease Discounts and Lease Incentives	(3.1)	(1.6)
Maintenance Revenue	16.8	12.6
Total Lease Rentals	**154.9**	**163.3**
Interest Income and Other Revenue	3.1	1.6
Total Revenues	**$157.9**	**$164.9**

(1) *The quarter end lease rental run rate from unencumbered aircraft was ~$105 million. Aircastle also owned one 747-400 undergoing freighter conversion that enter revenue service in April 2012. During Q1, World Airways and its parent company filed for bankruptcy protection and the lease on one of the Company's two 747-400 freighters leased to World was terminated. Aircastle now has a lease commitment for that aircraft. In aggregate, these two items are estimated to contribute an incremental ~$13 million to the lease rental run rate. The lease rental run rate related to aircraft unencumbered by the repayment of Term Financing No. 1 is ~$133 million, bringing the total lease rental run rate to ~$251 million.*

Q1:12 Earnings Summary

- Adjusted net income was $32.4 million, down $12.1 million versus Q1:11, due primarily to
  - Higher total revenues of $7.0 million, offset by
  - Lower gains from the sale of aircraft of $9.5 million
  - Higher depreciation expense of $4.9 million
  - Higher adjusted interest expense of $4.4 million
- EBITDA was $150.6 million, down $3.6 million due primarily to
  - Higher lease rental revenues of $11.1 million, offset by
  - Lower maintenance and other revenue of $5.6 million
  - Lower gains from the sale of aircraft of $9.5 million

Earnings Summary		
$ millions, except per share amounts	**Q1:11**	**Q1:12**
Net Income	**$ 42.7**	**$ 32.6**
per diluted common share	$ 0.54	$ 0.45
Adjusted Net Income	**$ 44.5**	**$ 32.4**
per diluted common share	$ 0.56	$ 0.45
EBITDA	**$ 154.3**	**$ 150.6**

NOTE: See appendix for GAAP to Non-GAAP reconciliation

Recent $800 Million Senior Note Issue

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Transaction Summary

- Early April 2012, AYR raised $800 million of Senior Unsecured Notes
  - $500 million, 5 year 6.75% notes
  - $300 million, 8 year 7.625% notes
- Both tranches priced at par
- Proceeds used to refinance existing debt and for growth capital, including the acquisition of aircraft

Benefits

- Enhances capital structure and credit profile
- Increases financial and operational flexibility
- Extends debt maturity profile by refinancing debt maturing in 2015
- Continues migration to an unsecured funding model
  - NBV of unencumbered aircraft increases from ~$700 million at 3/31/12 to pro-forma ~$1.7 billion
- Frees up cash flow to be deployed in high ROA investment opportunities

Pro-Forma Capital Structure ($800 Million Series Note Offering)

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- $800 million raised to pay off Term Financing No. 1 for $583 million
- Restricted cash of ~$70 million released; ~$51 million used for hedge settlement associated with Term Financing No. 1

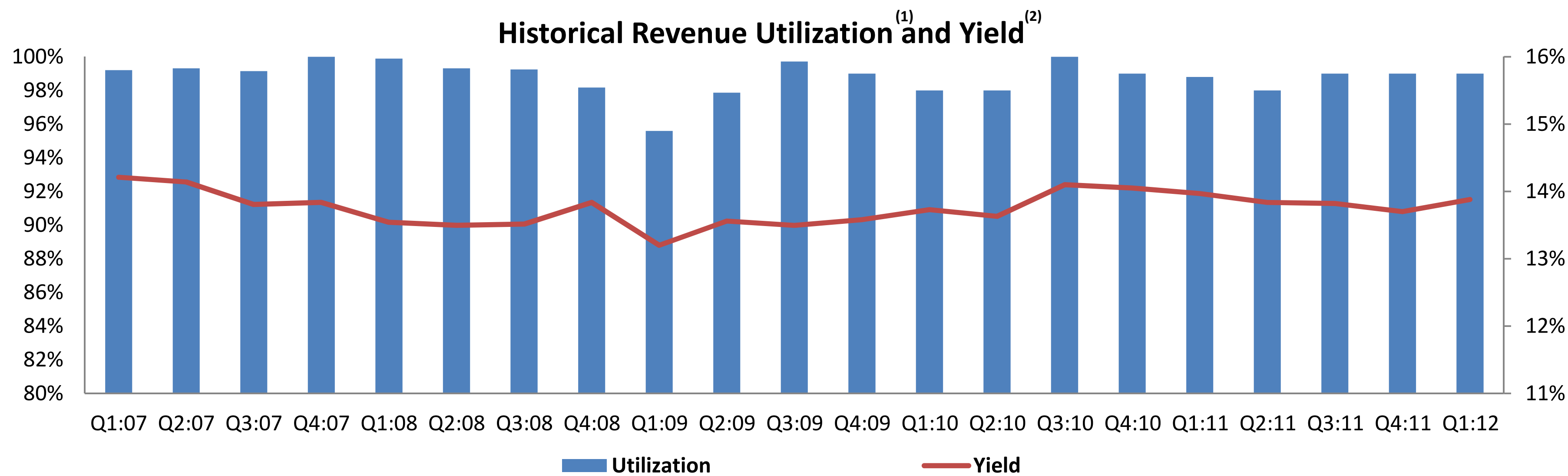
Aircastle's Pro-Forma Capital Structure

($ in millions)	Pro Forma As of March 31, 2012 Actual		As Adjusted		March 31, 2013e	
Unrestricted cash and cash equivalents[1]	$ 256.7		$ 477.2			
Debt	O / S	Rate	O / S	Rate	O / S[3]	Rate
Securitization No. 1	374.1	5.78%	374.1	5.78%	316.1	5.78%
Securitization No. 2	866.4	5.56%	866.4	5.56%	756.0	1.58%
Term Financing No. 1	583.1	5.79%	-	-	-	-
ECA Term Financings	526.2	3.31%	526.1	3.31%	558.7	3.39%
Senior Notes due 2018	450.7	9.75%	450.7	9.75%	450.6	9.75%
Senior Notes due 2017	-		500.0	6.75%	500.0	6.75%
Senior Notes due 2020	-		300.0	7.63%	300.0	7.63%
Bank Financings	122.7	4.31%	122.7	4.31%	109.4	4.31%
Revolving Credit Facility	-		-		-	
Total debt	2,923.2	5.82%	3,140.1	6.89%	2,990.8	5.16%
Shareholders' equity[2]	1,446.6		1,443.8			
Total capitalization	$ 4,369.8		$ 4,583.9			
Total debt to equity	2.0 x		2.2 x			
Net debt to equity	1.8 x		1.8 x			

1. *Included in pro-forma cash and cash equivalents is a $50.8 million reduction associated with the hedge payoff in Term Financing No. 1. This outflow is offset by ~$70 million of restricted cash that was released with the refinancing.*
2. *Deferred financing costs of $2.9 million, a non-cash charge, will also be incurred in connection with the payoff of Term Financing No. 1.*
3. *2013 estimated balances reflect principal payments due in less than one year as detailed in the contractual commitments table in our SEC Form 10Q for the period ended March 31, 2012. The ECA Term financings 2013 estimated balance includes one additional loan for one New A330 Aircraft we acquired on April 5, 2012. No other new financings or refinancing were assumed.*

Consistent Portfolio Performance

Diversification and active asset management drive consistently good portfolio performance



- Consistently delivered portfolio utilization of 98-99% and a rental yield of ~14%
- Q1:12 utilization of 99% and rental yield of ~14%

(1) Aircraft on-lease days as a percent of total days in period weighted by net book, excludes aircraft in conversion.
(2) Calculated as lease rental revenue / average NBV for the period (rental revenue does not include maintenance revenue).

Well Dispersed Lease Placements

2012 Lease Placements

- 10 aircraft (~5% of total NBV) with scheduled expirations being marketed for lease or sale in 2012
- Will have two additional 737-700s to place (~1% of Total NBV)

2013 – 16 Lease Placements

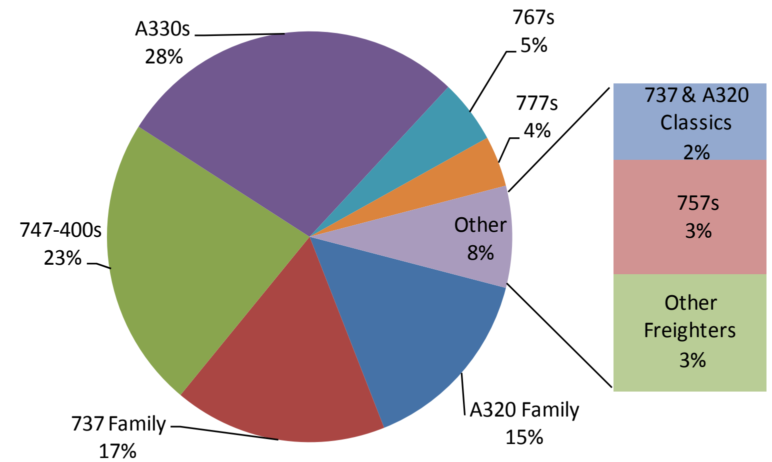
	Number of Leases Expiring	% of Total NBV
2013	22	8%
2014	31	15%
2015	17	7%
2016	22	12%

All NBV figures represent net book value of flight equipment as of March 31, 2012

Modern Portfolio with Strong Revenue Stream

- Modern aircraft portfolio comprised of 145 commercial jets
- Investments oriented to early and middle part of an aircraft's production
  - Longer useful lives than "last off the line" units
- 31% of our portfolio by net book value in cargo aircraft
  - End market diversification
  - Excellent lessee performance throughout last downturn
- Provides strong cash flow performance

Diversification – Aircraft Type[1]



Portfolio Statistics[1,2]

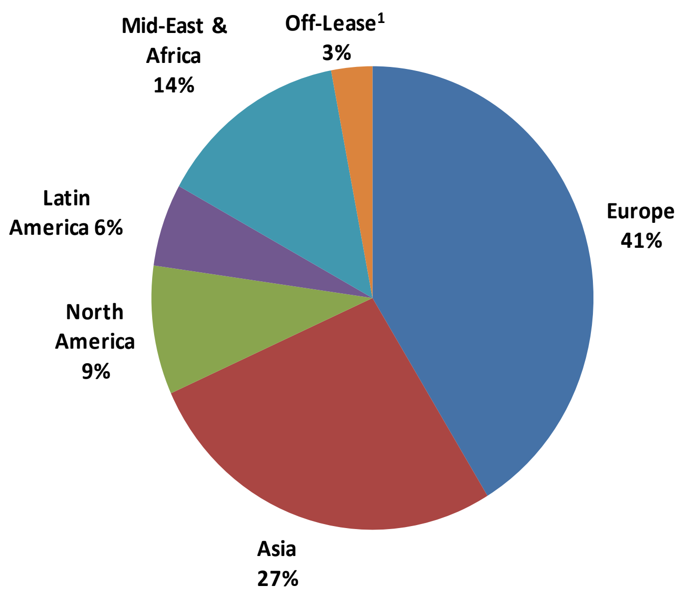
# Lessees / # Countries	65 / 34
Portfolio Remaining Lease Term	4.7
Freighter Remaining Lease Term	5.9
Weighted Average Age	11.1

[1] *Percentage of net book value. Figures as of March 31, 2012*
[2] *Years weighted by net book value*

Well Diversified Customer Base

- Portfolio spread across a variety of carriers around the world
- Largest customer exposure represents less than 8% of net book value
- Combined, the top 10 customers represent ~50% of net book value
- Europe represents 41% of the portfolio; diversified across 67 aircraft and 36 lessees

Geographical Diversity*



% of NBV	Customer	Country	# Aircraft
Greater than 6% per customer	South African Airways	South Africa	4
	Hainan Airlines Co.	China	9
3% to 6% per customer	Emirates	United Arab Emirates	2
	US Airways	USA	11
	Martinair[(2)]	Netherlands	5
	SriLankan Airlines	Sri Lanka	5
	Airbridge Cargo[(3)]	Russia	2
	Iberia Airlines	Spain	6
	GOL[(4)]	Brazil	7
Less than 3% per customer	Cathay Pacific	Hong Kong	1

(*) Percentage of net book value. Figures as of March 31, 2012.

[1] Includes one Boeing Model 747-400 aircraft being converted from passenger to freighter configuration, which was delivered to a customer in North America in April 2012, one Boeing Model 747-400 BDSF aircraft for which we have a commitment to lease to a customer in North America, one Boeing Model 737-700 aircraft and one Boeing Model 747-400 aircraft.

[2] Martinair is a wholly owned subsidiary of KLM. If combined with KLM, the two, together with two other affiliated customers, represent 10% of flight equipment held for lease.
[3] Guaranteed by Volga-Dnepr.
[4] GOL has guaranteed the obligations of an affiliate, VRG Linhas Aereas, and accordingly, the two are shown combined in the above table.

Reporting Impact of Refinancing Term Financing No. 1

- Payoff of Term Financing No. 1 included a cash hedge "settlement" of ~$51 million which will amortize over 4 years; funded from the release of restricted cash

Expected Term Financing No. 1 Reporting Implications	2012	2013	2014	2015
	$ in Millions			
Amortization of hedge loss	$ 13.3	$ 17.8	$ 14.9	$ 4.4
'One time' write off of unamortized deferred financing fees	2.9	0.0	0.0	0.0
Impact on Interest Expense, Net	$ 16.2	$ 17.8	$ 14.9	$ 4.4

- Aircastle's *cash interest expense* is considerably lower than reported Interest, net

	2009	2010	2011	Q1:11	Q1:12
		$ in Millions			
Interest on borrowings, net settlements on interest rate derivatives, and other liabilities ("Cash Interest Expense")	***$ 146.6***	***$ 153.1***	***$ 172.8***	***$ 41.3***	***$ 45.0***
Hedge ineffectiveness losses (gains)	0.5	5.0	(0.1)	(0.5)	(1.5)
Amortization related to deferred losses	12.9	9.6	23.1	2.8	4.1
Amortization of deferred financing fees	12.2	15.1	15.3	3.5	2.7
Interest Expense	172.2	182.8	211.0	47.2	50.2
Less: interest income	(0.9)	(0.4)	(0.4)	(0.2)	(0.2)
Less: capitalized interest	(1.5)	(4.1)	(6.5)	(1.4)	(1.1)
Interest, Net ("GAAP Interest Expense")	***$ 169.8***	***$ 178.3***	***$ 204.2***	***$ 45.6***	***$ 49.0***

Appendix

Supplemental Financial Information

(In thousands, except per share amounts)

	Three Months Ended March 31, 2011	Three Months Ended March 31, 2012
Revenues	$157,914	$164,915
EBITDA	$154,258	$150,624
Adjusted net income	$ 44,456	$ 32,372
Adjusted net income allocable to common shares	$ 43,946	$ 32,090
Per common share - Basic	$ 0.56	$ 0.45
Per common share - Diluted	$ 0.56	$ 0.45
Basic common shares outstanding	78,786	71,697
Diluted common shares outstanding	78,786	71,697

Supplemental Financial Information: Revenue Trends

- Increasing lease rental revenue reflects the growth in our portfolio
  - Lease rental revenue is a consistent driver of operating and financial results
- Maintenance and other revenue in any reporting period depends on several factors such as the timing of lease expirations, early lease expirations, maintenance events and aircraft utilization
  - Inherently volatile quarter to quarter

($ millions)	2010 Q1	2010 Q2	2010 Q3	2010 Q4	2011 Q1	2011 Q2	2011 Q3	2011 Q4	2012 Q1
Revenues									
Lease rental revenue	$ 130.1	$ 128.1	$ 133.5	$ 139.3	$ 141.1	$ 143.4	$ 145.9	$ 149.8	$ 152.2
Amortization of net lease discounts & lease incentives	(4.8)	(4.9)	(4.2)	(6.1)	(3.1)	(3.0)	(4.7)	(5.6)	(1.6)
Maintenance revenue	5.3	6.8	2.5	1.1	16.8	8.2	-	$ 11.9	12.6
Other revenue	-	0.1	0.4	0.4	3.1	0.2	0.3	$ 0.7	1.6
Total Revenues	**$ 103.6**	**$ 130.2**	**$ 132.2**	**$ 134.7**	**$ 157.9**	**$ 148.8**	**$ 141.5**	**$ 156.9**	**$ 164.9**

Reconciliation of GAAP to Non-GAAP Measures

(In thousands, except per share amounts)

	Three Months Ended March 31,	
	2011	2012
Net income	$ 42,677	$ 32,602
Depreciation	59,591	64,514
Amortization of net lease discounts and lease incentives	3,102	1,598
Interest, net	45,619	48,981
Income tax provision	3,269	2,929
EBITDA	$154,258	$150,624

We define EBITDA as income 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-GAAP measure is helpful in identifying trends in our performance. Using EBITDA assists us in comparing our operating performance on a consistent basis by removing the impact of our capital structure (primarily interest charges on our outstanding debt) and asset base (primarily depreciation and amortization) from our operating results.

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Reconciliation of GAAP to Non-GAAP Measures

- To align more closely with our peer group we have revised our Adjusted Net Income ("ANI") metric, a non-GAAP measure
- GAAP presentation does not change
- Adjustments (commenced with Q1:12 results)
  1. No longer excludes gains / losses from asset sales
  2. Adds back stock compensation
  3. Will exclude Term Financing No. 1 hedge loss amortization charges which will be reported as part of "interest, net" beginning in Q2:12
- Historical ANI after these revisions is presented in the following table[1]

$ in millions	12 Months Ended December 31,					3 Months Ended	
	2007	2008	2009	2010	2011	Mar-11	Mar-12
Net income	$127.3	$115.3	$102.5	$65.8	$124.3	$42.7	$32.6
Ineffective portion and termination of hedges(2)	0.2	29.6	5.4	5.8	11.6	(0.5)	(1.5)
Mark to market of interest rate derivative contracts(3)	(1.2)	11.4	(1.0)	0.9	0.8	0.4	0.1
Contract termination fee(3)	-	-	4.0	-	-	-	-
Write-off of deferred financing fees(2)	-	-	-	2.5	2.5	-	-
Stock compensation expense(4)	6.7	6.5	6.9	7.5	5.8	1.9	1.2
Adjusted net income	$133.0	$162.9	$117.8	$82.5	$145.0	$44.5	$32.4

(1) Term Financing No. 1 hedge loss adjustment will commence in Q2:12. No historical experience to reflect.
(2) Included in Interest, net.
(3) Included in Other income (expense).
(4) Included in Selling, general and administrative expenses.

Management believes that Adjusted Net Income ("ANI"), when viewed in conjunction with the Company's results under 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 elements related to interest rate derivative accounting. However, ANI is not a measure of financial performance or liquidity under GAAP and, accordingly, should not be considered as alternatives to net income (loss) or cash flow from operating activities as indicators of operating performance or liquidity.

Supplemental Financial Information

(In thousands)	Three Months Ended March 31, 2012	
	Shares	Percent[2]
Weighted average shares		
Common shares outstanding – Basic	71,697	99.13 %
Unvested restricted common shares outstanding	630	0.87 %
Total weighted average shares outstanding	72,327	100.00%
Common shares outstanding – Basic	71,697	100.00 %
Effect of dilutive shares(1)	—	—
Common shares outstanding – Diluted	71,697	100.00 %
Net income allocation		
Net income	$32,602	100.00 %
Distributed and undistributed earnings allocated to unvested restricted shares	(284)	(0.87)%
Earnings available to common shares	$32,318	99.13 %
Adjusted net income allocation		
Adjusted net income	$32,372	100.00 %
Amounts allocated to unvested restricted shares	(282)	(0.87)%
Amounts allocated to common shares	$32,090	99.13 %

1. The Company had no dilutive common share equivalents for the periods presented.
2. Percentages rounded to two decimal places.

Supplemental Financial Information

(In thousands)	Three Months Ended March 31, 2011	
	Shares	Percent[2]
Weighted average shares		
Common shares outstanding – Basic	78,786	98.85 %
Unvested restricted common shares outstanding	913	1.15 %
Total weighted average shares outstanding	79,699	100.00 %
Common shares outstanding – Basic	78,786	100.00 %
Effect of dilutive shares(1)	—	—
Common shares outstanding – Diluted	78,786	100.00 %
Net income allocation		
Net income	$42,677	100.00 %
Distributed and undistributed earnings allocated to unvested restricted shares	(489)	(1.15)%
Earnings available to common shares	$42,188	98.85 %
Adjusted net income allocation		
Adjusted net income	$44,456	100.00 %
Amounts allocated to unvested restricted shares	(510)	(1.15)%
Amounts allocated to common shares	$43,946	98.85 %

1. The Company had no dilutive common share equivalents for the periods presented.
2. Percentages rounded to two decimal places.