



## **Second Quarter 2009 Earnings Call**

**August 7, 2009**

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 and lease aircraft, raise capital, pay dividends, and increase revenues, earnings and EBITDA 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, prolonged capital markets disruption and volatility, which may adversely affect our continued ability to obtain additional capital to finance our working capital needs, our pre-delivery payment obligations and other aircraft acquisition commitments, our ability to extend or replace our existing financings, and the demand for and value of aircraft; our exposure to increased bank and counterparty risk caused by credit and capital markets disruptions; 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 yields 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 SEC, including “Risk Factors” as previously disclosed in Aircastle’s 2008 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.

## Q2:09 Revenue Summary

- Lease rental revenue of \$129.4 mm was lower versus Q2:08 by \$8.2 mm due to:
  - Aircraft in freighter conversion or transition \$5.0 mm
  - \$2.7 mm impact of dispositions net of aircraft acquired
  - \$0.7 mm of changes in floating lease rents
- Maintenance revenue increased by \$5.5 mm compared to Q2:08 due mainly to early lease terminations
- All aircraft on lease at quarter end; 98% weighted average fleet utilization

Revenue Summary		
\$ millions	Q2:08	Q2:09
Lease Rental Revenue	\$137.6	\$129.4
Maintenance Revenue	4.1	9.6
Amortization of Net Lease Discounts and Lease Incentives	2.5	(2.8)
<b>Total Lease Rentals</b>	<b>144.3</b>	<b>136.2</b>
Interest Income and Other Revenue	1.0	0.7
<b>Total Revenues</b>	<b>\$145.4</b>	<b>\$136.9</b>

## Q2:09 Earnings Summary

- Adjusted Net Income of \$26.9 mm or \$0.34 per share
- Adjusted Net Income + Depreciation & Amortization was lower by \$2.0 mm compared to Q2:08 largely due to:
  - Lower lease rental revenue of \$8.2 mm and higher transition expenses of \$3.9 mm
  - Offset by higher maintenance revenue of \$5.5 mm and lower net interest expense of \$5.4 mm

Earnings Summary		
\$ millions, except per share amounts	Q2:08	Q2:09
EBITDA	\$137.4	\$125.6
Net Income	\$35.3	\$27.6
Adjusted Net Income	\$34.3	\$26.9
per diluted common share	\$0.44	\$0.34
<b>Adjusted Net Income + Depreciation &amp; Amortization</b>	<b>\$83.4</b>	<b>\$81.4</b>
<b>per diluted common share</b>	<b>\$1.06</b>	<b>\$1.03</b>

## Airbus A330 Program Update

- In May, acquired, leased and financed one new A330-200 advancing one of Aircastle's twelve A330 order positions
  - 8-year lease to a strong credit at attractive economic terms
  - Financed acquisition with ECA supported debt
- Eleven remaining A330 aircraft on order from Airbus delivering 2010-12
  - Three deliveries with signed lease commitments
  - First available position is April 2011

### A330 2009 Pre-Delivery Payment Schedule<sup>(1)</sup>

(in millions)		Q1	Q2	Q3	Q4	Total
<b>2009</b>	Pre-delivery payments	\$4.3	\$28.9	\$1.5	\$41.5	\$76.2

(1) - Payment Schedule reflects deferral of one order position from Dec -10 to Jul -11

## Financing and Liquidity

- Aircastle fleet is long-term financed; first maturity in September 2013
- Five separate long-term financings
  - Only the ECA supported financing is recourse to Aircastle Limited
- Ended Q2 with \$95.8 mm of unrestricted cash

Debt Summary			
\$ millions	Maturity	Interest Rate <sup>(2)</sup>	Outstanding
Securitization No. 1 <sup>(1)</sup>	Jun – 31	5.78%	\$ 461
Securitization No. 2 <sup>(1)</sup>	Jun – 37	5.53%	1,082
Term Financing No. 1 <sup>(1)</sup>	May – 15	5.79%	733
Term Financing No. 2	Sep – 13	5.42%	133
ECA Term Financing	May– 21	4.48%	71
<b>Total</b>		<b>5.65%</b>	<b>\$2,481</b>

(1) For Securitization No. 1 and No. 2 and Term Financing No. 1 all cash flows available after expenses and interest will be applied to debt amortization if the debt is not refinanced by June 2011, June 2012 and May 2013, respectively.

(2) Reflects current swap rate + spread, for all financings except the ECA financing which is fixed rate debt .

## Lease Placement Status

### 2009 Lease Roll-off Activity

- 19 of 20 scheduled expirations placed:
  - 19x have executed lease renewals or commitments
  - 1x A319 expiring in Q4
- Expect “same store” rents on scheduled expirations to increase ~6%

### 2010 Lease Roll-off Activity

- 9 of 19 scheduled expirations placed:
  - 2x aircraft subject to sale agreement
  - 7x have executed lease renewals or commitments
- 10 remaining scheduled expirations, represent less than 6% of NBV of total flight equipment at 6/30/09

### 2011 Lease Roll-off Activity

- 2011 : 4 of 11 scheduled expirations placed:
  - 1x aircraft subject to sale agreement
  - 3x aircraft have executed commitments to extend leases
- 7 remaining scheduled expirations, represent less than 6% of NBV of total flight equipment at 6/30/09

# Modern Diverse Portfolio

## Owned Portfolio<sup>(1)</sup>

# Lessees / # Countries **60 / 35**

**AIRCRAFT TYPE** (% Net Book Value)

Freighter	30%
Passenger	70%

**WEIGHTED AVERAGE** (years, by Net Book Value)

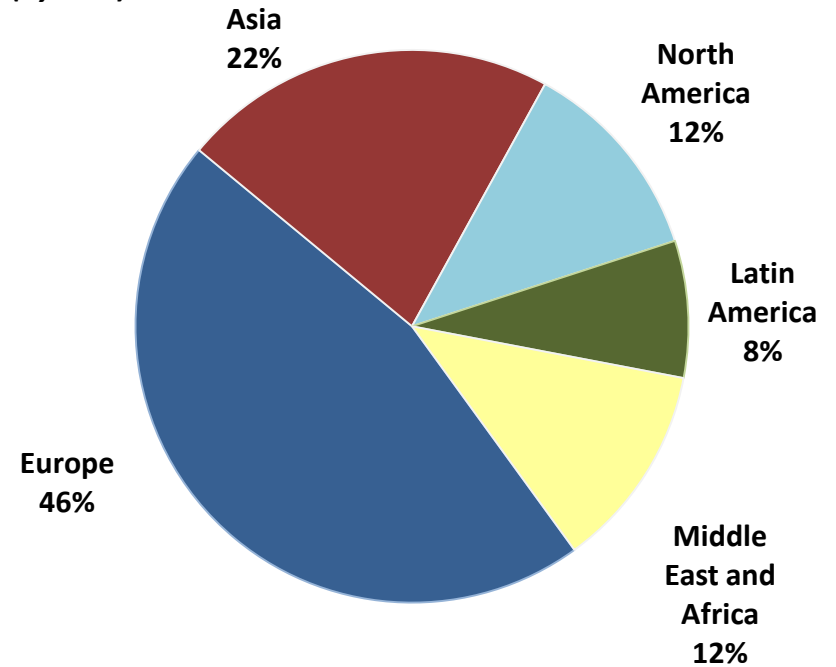
Lease Term	5.0
Freighter Lease Term	8.1

**LESSEE CONCENTRATION** (% of total revenue)

Top 5 Lessees	30%
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## Diversification – Geography<sup>(1)</sup>

(by NBV)



(1) – As of 6/30/09



# Appendix

	<b>Three Months Ended June 30,</b>		<b>Six Months Ended June 30,</b>	
	<b>2008</b>	<b>2009</b>	<b>2008</b>	<b>2009</b>
Revenues .....	\$ 145,395	\$ 136,913	\$ 280,351	\$ 269,051
EBITDA.....	\$ 137,396	\$ 125,600	\$ 257,327	\$ 242,076
Adjusted net income .....	\$ 34,308	\$ 26,884	\$ 69,209	\$ 48,009
Adjusted net income allocable to common shares.....	\$ 33,917	\$ 26,413	\$ 68,442	\$ 47,229
Per common share - Basic .....	\$ 0.44	\$ 0.34	\$ 0.88	\$ 0.61
Per common share - Diluted .....	\$ 0.44	\$ 0.34	\$ 0.88	\$ 0.61
Adjusted net income plus depreciation and amortization.....	\$ 83,411	\$ 81,382	\$ 163,881	\$ 155,185
Adjusted net income plus depreciation and amortization allocable to common shares.....	\$ 82,460	\$ 79,957	\$ 162,065	\$ 152,665
Per common share - Basic .....	\$ 1.06	\$ 1.03	\$ 2.08	\$ 1.96
Per common share - Diluted .....	\$ 1.06	\$ 1.03	\$ 2.08	\$ 1.96
Basic common shares outstanding.....	77,743	77,977	77,732	77,959
Diluted common shares outstanding.....	77,743	77,977	77,732	77,959

## Reconciliation of GAAP to Non-GAAP Measures

	<b>Three Months Ended June 30,</b>		<b>Six Months Ended June 30,</b>	
	<b>2008</b>	<b>2009</b>	<b>2008</b>	<b>2009</b>
Net income .....	\$ 35,341	\$ 27,571	\$ 66,978	\$ 46,042
Depreciation.....	51,605	51,688	99,820	103,249
Amortization of net lease discounts and lease incentives.....	(2,502)	2,810	(5,148)	3,927
Interest, net.....	51,319	41,482	92,330	84,893
Income tax provision.....	1,633	2,049	3,347	3,965
EBITDA .....	<u>\$ 137,396</u>	<u>\$ 125,600</u>	<u>\$ 257,327</u>	<u>\$ 242,076</u>

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.

## Reconciliation of GAAP to Non-GAAP Measures

	Three Months Ended June 30,		Six Months Ended June 30,	
	2008	2009	2008	2009
Net income .....	\$35,341	\$ 27,571	\$66,978	\$ 46,042
Ineffective portion and termination of cash flow hedges <sup>(1)</sup> .....	4,011	385	7,030	3,131
Mark to market adjustment on undesignated derivatives <sup>(2)</sup> .....	(731)	(1,072)	(731)	(1,164)
Write-off of deferred financing fees.....	813	-	813	-
Gain on sale of aircraft.....	(5,126)	-	(5,126)	-
Loss on sale of debt investments <sup>(2)</sup> .....	-	-	245	-
Adjusted net income.....	\$34,308	\$26,884	69,209	\$48,009
Depreciation.....	51,605	51,688	99,820	103,249
Amortization of net lease discounts and lease incentives.....	(2,502)	2,810	(5,148)	3,927
Adjusted net income plus depreciation and amortization.....	\$ 83,411	\$ 81,382	\$163,881	\$ 155,185

(1) Included in Interest, net

(2) Included in Other income (expense)

We adjust net income for ineffective portion and termination of cash flow hedges, writeoff of deferred financing fees, mark to market and termination of interest rate swaps, loss onsale of debt investments and gain on sale of flight equipment. We use adjusted net income to assess our consolidated financial and operating performance, and we believe this non-GAAP measure is helpful in identifying long-term trends in our performance net of non-recurring items.

We use adjusted net income plus depreciation and amortizationto assess our consolidated financial and operating performance, and we believe this non-GAAP measure is helpful in identifying trends in our performanceon an operating cash flow basis after taking into account interest expense on our outstanding indebtedness.

	Three Months Ended June 30, 2009		Six Months Ended June 30, 2009	
	Shares	Percent <sup>(2)</sup>	Shares	Percent <sup>(2)</sup>
<b><u>Weighted average shares</u></b>				
Common shares outstanding – Basic	77,977	98.25%	77,959	98.38%
Unvested restricted common shares	1,390	1.75%	1,287	1.62%
Total weighted average shares outstanding	<u>79,367</u>	<u>100.00%</u>	<u>79,246</u>	<u>100.00%</u>
Common shares outstanding – Basic	77,977	100.00%	77,959	100.00%
Effect of dilutive shares <sup>(1)</sup>	—	—	—	—
Common shares outstanding - Diluted	<u>77,977</u>	<u>100.00%</u>	<u>77,959</u>	<u>100.00%</u>
<b><u>Net income allocation</u></b>				
Net income	\$27,571	100.00%	\$ 46,042	100.00%
Distributed and undistributed earnings allocated to unvested restricted shares	(483)	(1.75)%	(748)	(1.62)%
Earnings available to common shares	<u>\$27,088</u>	<u>98.25%</u>	<u>\$ 45,294</u>	<u>98.38%</u>
<b><u>Adjusted net income allocation</u></b>				
Adjusted net income	\$26,884	100.00%	\$ 48,009	100.00%
Amounts allocated to unvested restricted shares	(471)	(1.75)%	(780)	(1.62)%
Amounts allocated to common shares	<u>\$26,413</u>	<u>98.25%</u>	<u>\$ 47,229</u>	<u>98.38%</u>
<b><u>Adjusted net income plus depreciation and amortization allocation</u></b>				
Adjusted net income plus depreciation and amortization	\$81,382	100.00%	\$155,185	100.00%
Amounts allocated to unvested restricted shares	(1,425)	(1.75)%	(2,520)	(1.62)%
Amounts allocated to common shares	<u>\$79,957</u>	<u>98.25%</u>	<u>\$152,665</u>	<u>98.38%</u>

(1) The Company had no dilutive common share equivalents for the periods presented.

(2) Percentages rounded to two decimal places.

	Three Months Ended June 30, 2008		Six Months Ended June 30, 2008	
	Shares	Percent <sup>(2)</sup>	Shares	Percent <sup>(2)</sup>
<b><u>Weighted average shares</u></b>				
Common shares outstanding – Basic	77,743	98.86%	77,732	98.89%
Unvested restricted common shares	897	1.14%	871	1.11%
Total weighted average shares outstanding	<u>78,640</u>	<u>100.00%</u>	<u>78,603</u>	<u>100.00%</u>
Common shares outstanding – Basic	77,743	100.00%	77,732	100.00%
Effect of dilutive shares <sup>(1)</sup>	—	—	—	—
Common shares outstanding – Diluted	<u>77,743</u>	<u>100.00%</u>	<u>77,732</u>	<u>100.00%</u>
<b><u>Net income allocation</u></b>				
Net income	\$35,341	100.00%	\$66,978	100.00%
Distributed and undistributed earnings allocated to unvested restricted shares	(403)	(1.14)%	(742)	(1.11)%
Earnings available to common shares	<u>\$34,398</u>	<u>98.86%</u>	<u>\$66,236</u>	<u>98.89%</u>
<b><u>Adjusted net income allocation</u></b>				
Adjusted net income	\$34,308	100.00%	\$69,209	100.00%
Amounts allocated to unvested restricted shares	(391)	(1.14)%	(767)	(1.11)%
Amounts allocated to common shares	<u>\$33,917</u>	<u>98.86%</u>	<u>\$68,442</u>	<u>98.89%</u>
<b><u>Adjusted net income plus depreciation and amortization allocation</u></b>				
Adjusted net income plus depreciation and amortization	\$83,411	100.00%	\$163,881	100.00%
Amounts allocated to unvested restricted shares	(951)	(1.14)%	(1,816)	(1.11)%
Amounts allocated to common shares	<u>\$82,460</u>	<u>98.86%</u>	<u>\$162,065</u>	<u>98.89%</u>

(1) The Company had no dilutive common share equivalents for the periods presented.

(2) Percentages rounded to two decimal places.