AIRCASTLE

Second Quarter 2012 Earnings Call

August 2, 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 new investments or our working capital needs, volatility in the value of our aircraft; 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 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 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.

Q2 2012 Highlights

- Lease rental revenue of $153.6 million versus $143.4 million in Q2:11
- Net income of $16.3 million, or $0.23 per diluted share
- Adjusted net income of $25.8 million, or $0.36 per diluted share
- 98% fleet utilization and ~14% rental yield
- Acquired 12 aircraft in Q2:12 representing ~$400 million of incremental aircraft investments; additional signed commitments of ~$200 million to close in 2H:12
- $0.15 per share dividend declared, the 25th consecutive quarterly dividend, and Board authorized repurchase of an additional $50 million of common shares
- Issued $800 million of unsecured notes and repaid Term Financing No. 1, increasing our unencumbered asset base to $2.0 billion from $700 million in Q1:12

Q2:12 Revenue Summary

- Lease rental revenue of $153.6 million was higher by $10.3 million, or 7%, versus Q2:11 due to:
  - Positive impact of new aircraft acquisitions of $27.0 million, partially offset by sales of $(8.5) million, and
  - Declines from lease extensions, transitions and terminations which totaled $(8.2) million
- In Q2:12, maintenance revenue increased by $5.4 million, and the amortization of net lease discounts and lease incentives improved by $5.1 million, due primarily to the bankruptcy of Cimber Sterling in May
- Q2:12 annualized lease rental(1) exit run rate of ~$646 million, including $294 million from unencumbered aircraft

Revenue Summary		
$ millions	**Q2:11**	**Q2:12**
Lease Rental Revenue	$143.4	$153.6
Amortization of Net Lease Discounts and Lease Incentives	(3.0)	2.0
Maintenance Revenue	8.2	13.5
Total Lease Rentals	**148.5**	**169.2**
Interest Income and Other Revenue(2)	0.4	3.0
Total Revenues	**$148.8**	**$172.2**

(1) *Rents collected under our finance leases are included in the lease rental exit run rate, and represents ~$16 million of the total lease rental exit run rate and the lease rental exit run rate from unencumbered aircraft.*

(2) *Q2:12 "Interest Income and Other Revenue" includes rents collected under our finance leases and bank note interest .*

Q2:12 Earnings Summary

- Adjusted net income was $25.8 million, down $6.4 million versus Q2:11, due primarily to
  - Higher total revenues of $23.3 million, offset by
  - Higher depreciation expense of $8.5 million and higher adjusted interest expense of $7.4 million
  - Lower gains from the sale of aircraft of $7.4 million and higher aircraft impairment charges of $4.9 million
- EBITDA was $146.8 million, up $4.5 million due primarily to
  - Higher lease rental revenues of $10.3 million and higher maintenance and other revenue of $8.0 million, partially offset by
  - Lower gains from the sale of aircraft of $7.4 million and higher aircraft impairment charges of $4.9 million

Earnings Summary		
$ millions, except per share amounts	**Q2:11**	**Q2:12**
Net Income	**$ 23.3**	**$ 16.3**
per diluted common share	$ 0.30	$ 0.23
Adjusted Net Income	**$ 32.1**	**$ 25.8**
per diluted common share	$ 0.42	$ 0.36
EBITDA	**$ 142.3**	**$ 146.8**

NOTE: See appendix for GAAP to Non-GAAP reconciliation

$800 Million Senior Notes: April 2012

AIRCASTLE

Transaction Summary

- In 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
  - Acquired 12 aircraft in Q2 for ~$400 million

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 increased from ~$700 million at 3/31/12 to $2.0 billion at 6/30/2012
- Frees up cash flow to be deployed in high return investment opportunities

Capital Structure and Liquidity Summary

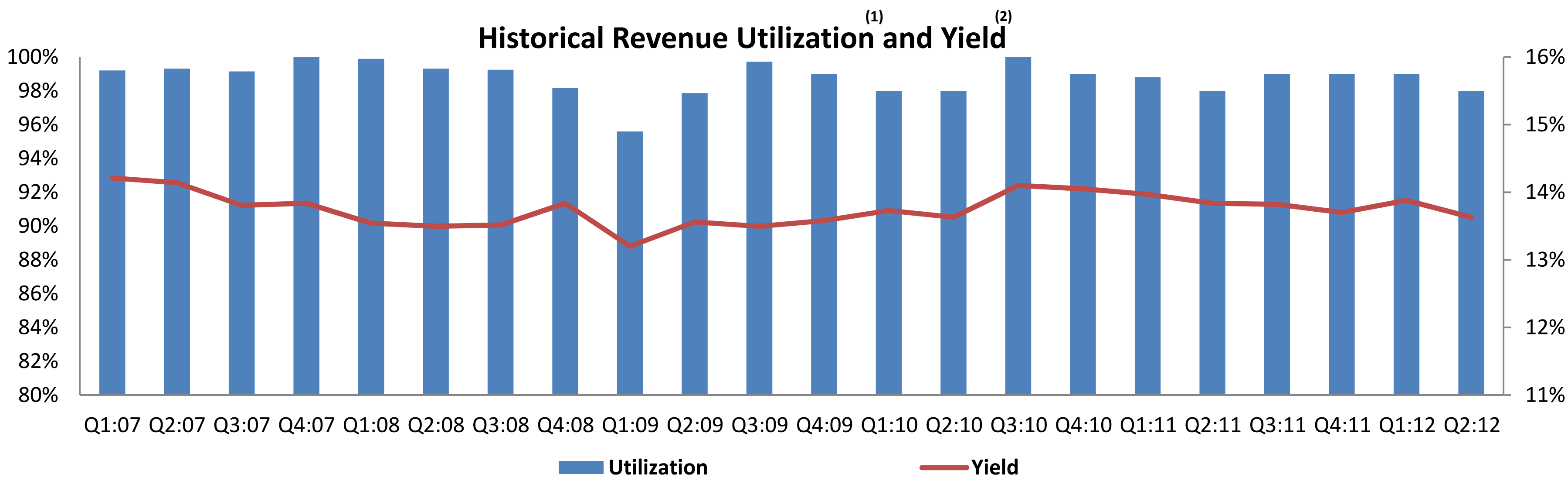
- Unrestricted cash of ~$291 million; $50 million undrawn revolving credit facility
- Unencumbered flight equipment of ~$2.0bn
- Secured debt to total debt ratio is 61%; no remaining LTV tests
- Q2:12 net debt to equity ratio of 2.0x; net debt to total capitalization ratio of 62%

($ in millions)	As of March 31, 2012		As of June 30, 2012		Est. June 30, 2013	
Unrestricted cash and cash equivalents	$ 256.7		$ 291.1			
Debt	O / S	Rate	O / S	Rate	O / S[2]	Rate
Securitization No. 1	374.1	5.78%	361.3	5.78%	284.6	5.78%
Securitization No. 2	866.4	5.56%	850.5	1.58%	718.1	1.58%
Term Financing No. 1[1]	583.1	5.79%	-	-	-	-
ECA Term Financings	526.2	3.31%	593.2	3.40%	547.0	3.40%
Bank Financings	122.7	4.31%	119.4	4.31%	106.0	4.30%
Total Secured Debt	2,472.5		1,924.4		1,655.7	3.07%
Senior Notes due 2018	450.7	9.75%	450.7	9.75%	450.7	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%
Total Unsecured Debt	450.7		1,250.7		1,250.7	8.04%
Revolving Credit Facility	-		-		-	
Total Debt and Weighted Avg. Rate	2,923.2	5.82%	3,175.2	5.05%	2,906.4	5.21%
Shareholders' equity	1,446.6		1,467.4			
Total capitalization	$4,369.8		$4,642.6			
Total debt to equity	2.0 x		2.2 x			
Net debt to equity	1.8 x		2.0 x			

1. *$800 million raised in April to pay off Term Financing No. 1 in the amount of $583 million. Restricted cash of ~$70 million also released with the refinancing. Approximately $50 million of this cash was used for hedge settlement associated with Term Financing No. 1.*
2. *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 June 30, 2012. No other new financings were assumed.*

Consistent Portfolio Performance

Diversification and active asset management drive consistently strong portfolio performance



- Consistently delivered portfolio utilization of 98-99% and a rental yield of ~14%
- Q2:12 utilization of 98% and rental yield of ~14.0% (includes lease rental from finance leases)

(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 of flight equipment for the period (rental revenue does not include maintenance revenue).

Good Progress on Lease Placements

2012 Lease Placements

- 6 aircraft (~3% of total net book value of flight equipment) with expirations being marketed for lease or sale in 2012
- World and Cimber aircraft (6 in total) successfully leased

2013 – 16 Lease Placements

	Number of Leases Expiring	% of Total NBV
2013	24	8%
2014	32	15%
2015	16	6%
2016	23	12%

All NBV figures represent net book value of flight equipment as of June 30, 2012

2012 Aircraft Acquisitions & Dispositions

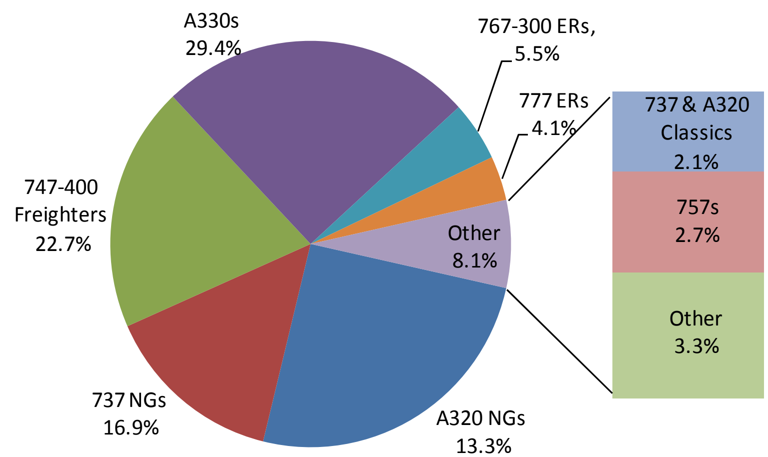
AIRCASTLE

	Acquisitions	Dispositions
Strategy	• Focus on areas where we see value/ have a competitive edge: – High quality wide-bodies – Broadly used mid-age aircraft – Freighters	• Primary focus on selling end of life aircraft – Where selling makes more sense than reinvesting and re-leasing
Financial Targets	• Incremental cash ROEs >15%	• Aim for sales where we believe we can redeploy capital more profitably
Results	• Invested \$500M during H1:12 • \$200M in commitments to close in H2:12 • Increased percentage of fleet on lease to Asia-Pacific airlines	• YTD sold three aircraft (two during H1:12) for roughly break-even results • Also disposed of one 767-300ER following an insurance settlement
Assets	• Two relatively new A330s including our last order stream aircraft • Five current gen narrow-bodies • Six 767-300ERs on finance leases • One 747-400 freighter • A loan secured by a 777ER	• Two 737 Classics • One 757 • One 767-300ER that suffered a casualty event

Modern Portfolio with Strong Revenue Stream

- Modern aircraft portfolio comprised of 155 commercial jets
- Investments oriented to early and middle part of an aircraft's production
  - Longer useful lives than "last off the line" units
- 30% 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]

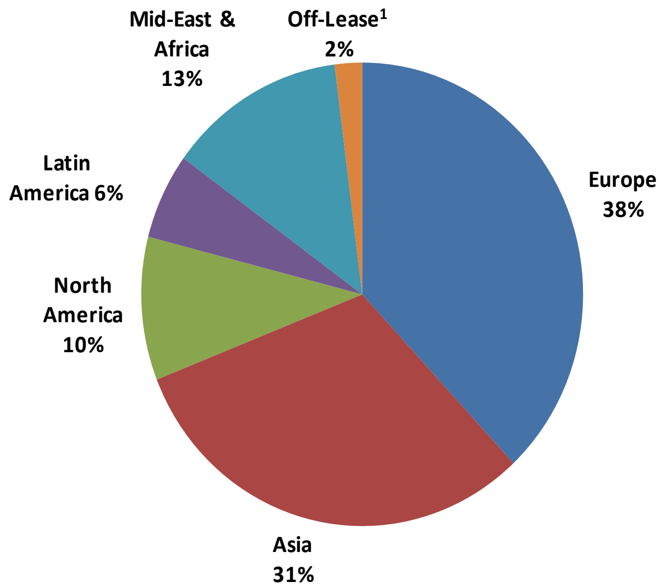
# Lessees / # Countries	67 / 36
Portfolio Remaining Lease Term	4.9
Passenger Remaining Lease Term	4.5
Freighter Remaining Lease Term	6.0
Weighted Average Age	11.1

[1] *Percentage of net book value. Figures as of June 30, 2012.*
[2] *Years weighted by net book value.*

Well Diversified Customer Base

- Largest customer exposure represents less than 8% of net book value
- Combined, our top 10 customers represent ~46% of net book value
- Asia represents 31% of our portfolio, up from 27% in Q1:12
- Europe represents 38% of our portfolio, down from 41% in Q1:12; diversified across 69 aircraft and 35 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[(1)]	Netherlands	5
	SriLankan Airlines	Sri Lanka	5
	Airbridge Cargo[(2)]	Russia	2
	GOL[(3)]	Brazil	7
Less than 3% per customer	Iberia Airlines	Spain	6
	Asiana	South Korea	2

(*) Percentage of net book value. Figures as of June 30 2012.

1 Martinair is a wholly owned subsidiary of KLM. If combined with KLM, the two, together with two other affiliated customers, represent 9% of flight equipment held for lease.
2 Guaranteed by Volga-Dnepr.
3 GOL has guaranteed the obligations of an affiliate, VRG Linhas Aereas.

Refinancing Impact on Interest Expense: Term Financing No. 1

AIRCASTLE

- Q2:12 Payoff of Term Financing No. 1 included a cash hedge "settlement" of ~$50 million which will amortize over 4 years; funded from the release of restricted cash

Expected Term Financing No. 1 Reporting Implications								
	$ in Millions							
		2012		2013		2014		2015
Amortization of hedge loss[1]	$	13.3	$	17.8	$	14.9	$	4.4
'One time' write off of unamortized deferred financing fees[2]		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

	$ in Millions									
		2009		2010		2011		Q2:11		Q2:12
Interest on borrowings, net settlements on interest rate derivatives, and other liabilities ("Cash Interest Expense")	***$***	***146.6***	***$***	***153.1***	***$***	***172.8***	***$***	***46.4***	***$***	***48.8***
Hedge ineffectiveness losses (gains)		0.5		5.0		(0.1)		(0.1)		1.9
Amortization related to deferred losses[1]		12.9		9.6		23.1		5.4		8.9
Amortization of deferred financing fees[2]		12.2		15.1		15.3		5.9		5.0
Interest Expense		172.2		182.8		211.0		57.6		64.5
Less: interest income		(0.9)		(0.4)		(0.4)		(0.1)		(0.2)
Less: capitalized interest		(1.5)		(4.1)		(6.5)		(1.6)		(0.2)
Interest, Net ("GAAP Interest Expense")	***$***	***169.8***	***$***	***178.3***	***$***	***204.2***	***$***	***55.9***	***$***	***64.1***

1 Includes $4.4 million of amortization as a result of the payoff of Term Financing No. 1 in April, 2012.
2 For the three months ended June 30, 2012, includes the write-off of deferred financing fees of $2.9 million related to the pay-off of Term Financing No. 1 in April 2012.

Q3:12 Selected Financial Guidance Elements

Guidance Item	Q3:12 Guidance
Lease rental revenues	$157 to $159 million
Maintenance revenues	$1 to $3 million
Amortization of lease premiums, discounts and lease incentives	$6 to $8 million
SG&A	$11 to $13 million
Depreciation	$67 to $69 million
Interest, net	$52 to $54 million
Amortization of hedge loss associated with Term Fin. No. 1	~$4.5 million
Tax rate	7% to 8%

Appendix

Supplemental Financial Information

(In thousands, except per share amounts)	Three Months Ended June 30, 2011	Three Months Ended June 30, 2012	Six Months Ended June 30, 2011	Six Months Ended June 30, 2012
Revenues	$ 148,838	$ 172,181	$ 306,752	$ 337,096
EBITDA	$ 142,343	$ 146,844	$ 296,601	$ 297,468
Adjusted net income	$ 32,120	$ 25,756	$ 76,576	$ 58,128
Adjusted net income allocable to common shares	$ 31,694	$ 25,546	$ 76,640	$ 57,638
Per common share - Basic	$ 0.42	$ 0.36	$ 0.98	$ 0.80
Per common share - Diluted	$ 0.42	$ 0.36	$ 0.98	$ 0.80
Basic common shares outstanding	75,701	71,723	77,235	71,710
Diluted common shares outstanding	75,701	71,723	77,235	71,710

Reconciliation of GAAP to Non-GAAP Measures - EBITDA

(In thousands)	Three Months Ended June 30, 2011	Three Months Ended June 30, 2012	Six Months Ended June 30, 2011	Six Months Ended June 30, 2012
Net income	$ 23,309	$ 16,324	$ 65,986	$ 48,926
Depreciation	58,576	67,097	118,167	131,611
Amortization of net lease discounts and lease incentives	3,030	(2,044)	6,132	(446)
Interest, net	55,893	64,121	101,512	113,102
Income tax provision	1,535	1,346	4,804	4,275
EBITDA	$ 142,343	$ 146,844	$ 296,601	$ 297,468

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.

AIRCASTLE

Reconciliation of GAAP to Non-GAAP Measures – Adjusted Net Income

$ in millions	12 Months Ended December 31,					3 Months Ended		6 Months Ended	
	2007	2008	2009	2010	2011	Jun-11	Jun-12	Jun-11	Jun-12
Net income	$127.3	$115.3	$102.5	$65.8	$124.3	$23.3	$16.3	$66.0	$48.9
Ineffective portion and termination of hedges[(2)]	0.2	29.6	5.4	5.8	11.6	1.7	1.9	1.2	0.4
Mark to market of interest rate derivative contracts[(3)]	(1.2)	11.4	(1.0)	0.9	0.8	0.3	(0.7)	0.6	(0.6)
Contract termination fee[(3)]	-	-	4.0	-	-	3.2	-	3.2	-
Write-off of deferred financing fees[(2)]	-	-	-	2.5	2.5	2.5	2.9	2.5	2.9
Stock compensation expense[(4)]	6.7	6.5	6.9	7.5	5.8	1.2	0.9	3.1	2.1
Term Financing No. 1 hedge loss amort. charges[(1)(2)]	-	-	-	-	-	-	4.4	-	4.4
Adjusted net income	$133.0	$162.9	$117.8	$82.5	$145.0	$32.1	$25.8	$76.6	$58.1
Net income per common share - Diluted	$1.90	$1.48	$1.31	$0.84	$1.66	$0.30	$0.23	$0.84	$0.68
Adjusted net income per common share - Diluted	$1.98	$2.09	$1.51	$1.05	$1.94	$0.42	$0.36	$0.98	$0.80

(1) Term Financing No. 1 hedge loss adjustment commenced 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 June 30, 2012		Six Months Ended June 30, 2012	
	Shares	Percent[2]	Shares	Percent[2]
Weighted average shares				
Common shares outstanding – Basic	71,723	99.19%	71,710	99.16%
Unvested restricted common shares outstanding	589	.81%	610	.84%
Total weighted average shares outstanding	72,312	100.00%	72,320	100.00%
Common shares outstanding – Basic	71,723	100.00%	71,710	100.00%
Effect of dilutive shares[1]	—	—	—	—
Common shares outstanding – Diluted	71,723	100.00%	71,710	100.00%
Net income allocation				
Net income	$ 16,324	100.00%	$ 48,926	100.00%
Distributed and undistributed earnings allocated to unvested restricted shares	(133)	(.81)%	(412)	(.84)%
Earnings available to common shares	$ 16,191	99.19%	$ 48,514	99.16%
Adjusted net income allocation				
Adjusted net income	$ 25,756	100.00%	$ 58,128	100.00%
Amounts allocated to unvested restricted shares	(210)	(.81)%	(490)	(.84)%
Amounts allocated to common shares	$ 25,546	99.19%	$ 57,638	99.16%

(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 June 30, 2011		Six Months Ended June 30, 2011	
	Shares	Percent[2]	Shares	Percent[2]
Weighted average shares				
Common shares outstanding – Basic	75,701	98.67%	77,235	98.78%
Unvested restricted common shares outstanding	1,018	1.33%	956	1.22%
Total weighted average shares outstanding	76,719	100.00%	78,191	100.00%
Common shares outstanding – Basic	75,701	100.00%	77,235	100.00%
Effect of dilutive shares[1]	—	—	—	—
Common shares outstanding – Diluted	75,701	100.00%	77,235	100.00%
Net income allocation				
Net income	$ 23,309	100.00%	$ 65,986	100.00%
Distributed and undistributed earnings allocated to unvested restricted shares	(309)	(1.33)%	(807)	(1.22)%
Earnings available to common shares	$ 23,000	98.67%	$ 65,179	98.78%
Adjusted net income allocation				
Adjusted net income	$ 32,120	100.00%	$ 76,576	100.00%
Amounts allocated to unvested restricted shares	(426)	(1.33)%	(936)	(1.22)%
Amounts allocated to common shares	$ 31,694	98.67%	$ 75,640	98.78%

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