



Third Quarter 2009 Earnings Call

November 6, 2009

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 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.

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Q3:09 Revenue Summary

- Lease rental revenue of \$128.3mm was lower versus Q3:08 by \$8.3mm due to:
 - Lease transitions and extensions \$4.1mm
 - Aircraft in freighter conversion \$2.2mm
 - \$1.3mm impact of dispositions net of aircraft acquired
- Maintenance revenue increased by \$25.9mm due mainly to early lease terminations
- During the quarter we received \$9.4mm in lease termination payments included in Other Revenue

Revenue Summary		
\$ millions	Q3:08	Q3:09
Lease Rental Revenue	\$136.6	\$128.3
Maintenance Revenue	5.4	31.4
Amortization of Net Lease Discounts and Lease Incentives	1.8	(4.0)
Total Lease Rentals	143.8	155.7
Interest Income and Other Revenue	0.7	10.1
Total Revenues	\$144.5	\$165.7

Q3:09 Earnings Summary

- Adjusted Net Income of \$35.7mm or \$0.45 per share
- Adjusted Net Income + Depreciation & Amortization was higher by \$7.5mm compared to Q3:08 largely due to:
 - Higher maintenance revenue of \$25.9mm and lease termination payments of \$9.4mm
 - Offset by impairment charges of \$18.2mm, lower lease rental revenue of \$8.3mm and increased amortization from lease incentives \$5.8mm

Earnings Summary		
\$ millions, except per share amounts	Q3:08	Q3:09
EBITDA	\$129.2	\$135.0
Net Income	23.6	33.5
Adjusted Net Income	35.0	35.7
per diluted common share	\$0.44	\$0.45
Adjusted Net Income + Depreciation & Amortization	85.3	92.8
per diluted common share	\$1.08	\$1.17

Q3:09 Aircraft Sales and Early Returns

- Sold three ~20 year old 737-300s
- Negotiated the early return of five aircraft:
 - 1x 767-300ER: had been leased to a Mexican airline; immediately placed on new lease
 - 2x 757-200: subject to a forward sale agreement in mid-2010
 - 2x 737-300: one aircraft sold and the other being marketed for lease or sale

P&L Impact of Q3:09 Sales & Early Returns			
(in millions)	Aircraft Sold ⁽¹⁾	Early Returns	Total
Maintenance Revenue	\$ 1.8	\$ 9.8	\$ 11.6
Lease Termination Revenue	3.2	6.2	9.4
Total Revenue	5.0	16.0	21.0
Non Cash Impairment	(5.1)	(13.1)	(18.2)
Gain on Sale of aircraft	0.2	-	0.2
Net Income	\$ 0.1	\$ 2.9	\$ 3.0

(1) Includes one early return

Airbus A330 Program Update

- Signed commitment to purchase and leaseback an A330-200 delivering in Dec 2009
 - Will be treated as advancement of one of Aircastle's 11 remaining A330 order positions
 - Advancement would reduce 2010 pre-delivery payments to \$121mm
- Ten remaining aircraft on order from Airbus delivering H2:10 through H1:12
 - Signed lease commitments for three aircraft
 - First available position is April 2011

Financing and Liquidity

- Ended Q3 with \$132.4mm of unrestricted cash and \$218.1mm of restricted cash
- Aircastle's 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

Debt Summary			
\$ millions	Maturity	Interest Rate ⁽²⁾	Outstanding
Securitization No. 1 ⁽¹⁾	Jun – 31	5.78%	\$ 447
Securitization No. 2 ⁽¹⁾	Jun – 37	5.53%	1,072
Term Financing No. 1 ⁽¹⁾	May – 15	5.79%	721
Term Financing No. 2	Sep – 13	5.42%	127
ECA Term Financing	May – 21	4.48%	69
Total		5.62%	\$2,436

(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
- Includes 2x 737-400 converted freighters delivered on 10 year leases

2010 Lease Roll-off Activity

- 11 of 19 scheduled expirations placed:
 - 2x aircraft subject to sale agreement
 - 9x have executed lease renewals or commitments
- 8 remaining scheduled expirations represent 4% of NBV of total flight equipment at 9/30/09
- 5 of the 8 remaining aircraft are in 2H 2010

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 9/30/09

Owned Portfolio ⁽¹⁾

Lessees / # Countries **60 / 34**

AIRCRAFT TYPE (% Net Book Value)

Freighter	30%
Passenger	70%

WEIGHTED AVERAGE (years, by Net Book Value)

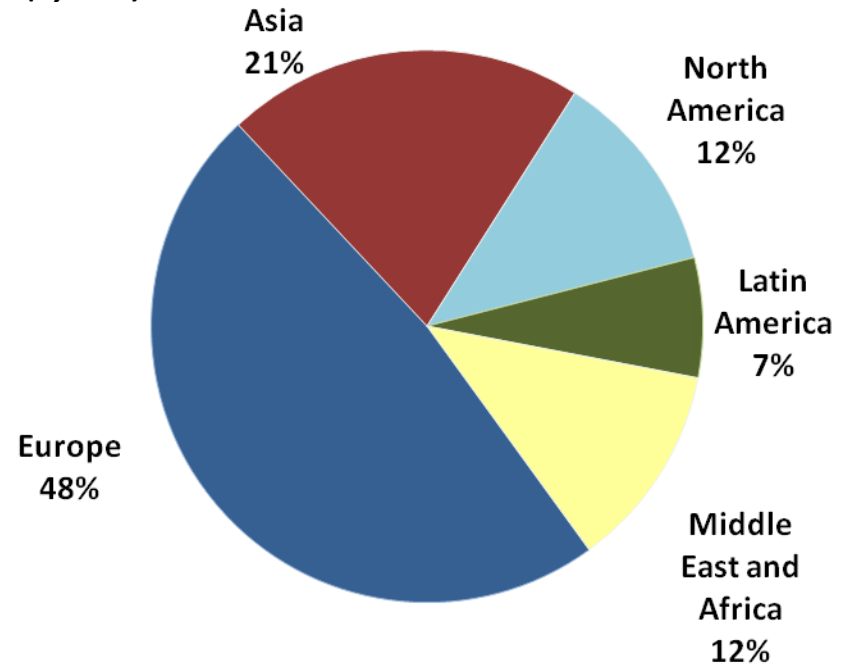
Lease Term	4.9
Freighter Lease Term	7.9

LESSEE CONCENTRATION (% of total revenue)

Top 5 Lessees	34%
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Diversification – Geography ⁽¹⁾

(by NBV)



(1) As of 9/30/09

Appendix

(In thousands, except per share amounts)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2008	2009	2008	2009
Revenues	\$ 144,454	\$ 165,740	\$ 424,805	\$ 434,791
EBITDA	\$ 129,240	\$ 135,035	\$ 386,567	\$ 377,111
Adjusted net income	\$ 35,019	\$ 35,668	\$ 104,229	\$ 83,677
Adjusted net income allocable to common shares.....	\$ 34,602	\$ 35,060	\$ 103,056	\$ 82,295
Per common share - Basic.....	\$ 0.44	\$ 0.45	\$ 1.33	\$ 1.06
Per common share - Diluted	\$ 0.44	\$ 0.45	\$ 1.33	\$ 1.06
Adjusted net income plus depreciation and amortization.....	\$ 85,258	\$ 92,790	\$ 249,140	\$ 247,975
Adjusted net income plus depreciation and amortization allocable to common shares.....	\$ 84,242	\$ 91,208	\$ 246,336	\$ 243,880
Per common share - Basic.....	\$ 1.08	\$ 1.17	\$ 3.17	\$ 3.13
Per common share - Diluted	\$ 1.08	\$ 1.17	\$ 3.17	\$ 3.13
Basic common shares outstanding	77,768	78,013	77,744	77,977
Diluted common shares outstanding.....	77,768	78,013	77,744	77,977

Refer to the selected information accompanying this press release for a reconciliation of GAAP to Non-GAAP information.

Reconciliation of GAAP to Non-GAAP Measures

(In thousands)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2008	2009	2008	2009
Net income	\$ 23,574	\$ 33,458	\$ 90,552	\$ 79,500
Depreciation	52,020	53,130	151,840	156,379
Amortization of net lease discounts and lease incentives	(1,781)	3,992	(6,929)	7,919
Interest, net	54,112	43,032	146,442	127,925
Income tax provision	1,315	1,423	4,662	5,388
EBITDA.....	<u>\$ 129,240</u>	<u>\$ 135,035</u>	<u>\$ 386,567</u>	<u>\$ 377,111</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

(In thousands)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2008	2009	2008	2009
Net income.....	\$ 23,574	\$ 33,458	\$ 90,552	\$ 79,500
Ineffective portion and termination of cash flow hedges ⁽¹⁾	10,545	1,633	17,575	4,764
Mark to market adjustment on undesignated derivatives ⁽²⁾	1,672	608	942	(556)
Write-off of deferred financing fees	-	-	813	-
Gain on sale of aircraft.....	(772)	(162)	(5,898)	(162)
Loss on sale of debt investments ⁽²⁾	-	131	245	131
Adjusted net income	\$ 35,019	\$ 35,668	\$104,229	\$ 83,677
Depreciation.....	52,020	53,130	151,840	156,379
Amortization of net lease discounts and lease incentives	(1,781)	3,992	(6,929)	7,919
Adjusted net income plus depreciation and amortization	\$ 85,258	\$ 92,790	\$249,140	\$247,975

(1) Included in Interest, net

(2) Included in Other income (expense)

We adjust net income for ineffective portion and termination of cash flow hedges, write-off of deferred financing fees, mark to market and termination of interest rate swaps, loss on sale 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 amortization to assess our consolidated financial and operating performance, and we believe this non-GAAP measure is helpful in identifying trends in our performance on an operating cash flow basis after taking into account interest expense on our outstanding indebtedness.

(In thousands)

	Three Months Ended September 30, 2009		Nine Months Ended September 30, 2009	
	Shares	Percent⁽²⁾	Shares	Percent⁽²⁾
<u>Weighted average shares</u>				
Common shares outstanding – Basic	78,013	98.30%	77,977	98.35%
Unvested restricted common shares	1,353	1.70%	1,309	1.65%
Total weighted average shares outstanding	<u>79,366</u>	<u>100.00%</u>	<u>79,286</u>	<u>100.00%</u>
Common shares outstanding – Basic	78,013	100.00%	77,977	100.00%
Effect of dilutive shares ⁽¹⁾	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Common shares outstanding - Diluted	<u>78,013</u>	<u>100.00%</u>	<u>77,977</u>	<u>100.00%</u>
<u>Net income allocation</u>				
Net income	\$ 33,458	100.00%	\$ 79,500	100.00%
Distributed and undistributed earnings allocated to unvested restricted shares	<u>(570)</u>	<u>(1.70)%</u>	<u>(1,313)</u>	<u>(1.65)%</u>
Earnings available to common shares	<u>\$ 32,888</u>	<u>98.30%</u>	<u>\$ 78,187</u>	<u>98.35%</u>
<u>Adjusted net income allocation</u>				
Adjusted net income	\$ 35,668	100.00%	\$ 83,677	100.00%
Amounts allocated to unvested restricted shares	<u>(608)</u>	<u>(1.70)%</u>	<u>(1,382)</u>	<u>(1.65)%</u>
Amounts allocated to common shares	<u>\$ 35,060</u>	<u>98.30%</u>	<u>\$ 82,295</u>	<u>98.35%</u>
<u>Adjusted net income plus depreciation and amortization allocation</u>				
Adjusted net income plus depreciation and amortization	\$ 92,790	100.00%	\$ 247,975	100.00%
Amounts allocated to unvested restricted shares	<u>(1,582)</u>	<u>(1.70)%</u>	<u>(4,095)</u>	<u>(1.65)%</u>
Amounts allocated to common shares	<u>\$ 91,208</u>	<u>98.30%</u>	<u>\$ 243,880</u>	<u>98.35%</u>

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

(2) Percentages rounded to two decimal places.