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Fourth Quarter 2012 Earnings Call

February 21, 2013

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, Adjusted 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 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 report. 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 expectations include, but are not limited to, capital markets disruption or volatility which could adversely affect our continued ability to obtain additional capital to finance new investments or our working capital needs; government fiscal or tax policies, general economic and business conditions or other factors affecting demand for aircraft or aircraft values 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, 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's filings with the Securities and Exchange Commission (“SEC”), including as described in Item 1A. “Risk Factors” and elsewhere in this report. 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 report. Aircastle 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.

Q4 2012 Highlights

- Operating and finance lease rental revenue of $162.0[1] million versus $149.8 million in Q4:11, up 8%
- Adjusted EBITDA of $172.3 million versus $161.8 million in Q4:11, up 6%
- Net income of $29.8 million, or $0.43 per diluted share
- Adjusted net income of $36.4 million, or $0.52 per diluted share
- Acquired five aircraft for $235 million
- 99% fleet utilization and 14% rental yield
- Gain on sale of flight equipment of $2.7 million
- Issued $500 million of 6.25% unsecured senior notes due 2019
- Common dividend of $0.165 declared; 27th consecutive quarterly dividend
- Repurchased 1.6 million shares in December 2012 and January 2013, for $20 million; $30 million remaining under current repurchase authorization

(1) Q4:12 finance lease revenue totaled $3.9 million and is included in the "Other Revenue" line of Aircastle's Q4:12 Consolidated Statement of Operations

Full Year 2012 Highlights

- Operating and finance lease rental revenue of $631.9[(1)] million versus $580.2 million in 2011, up 9%
- Adjusted EBITDA of $647.6 million versus $607.9 million in Q4:11, up 7%
- Net income of $32.9 million, or $0.46 per diluted share
- Adjusted net income of $57.0 million, or $0.80 per diluted share
- $843 million of aircraft investments
- 99% fleet utilization and 14% rental yield
- Gain on sale of flight equipment of $5.7 million
- Total debt financing of $1.6 billion raised in 2012, including $1.3 billion of unsecured senior debt
- Dividend increased 10% to $0.165 per share; third dividend increase in two years
- Repurchased 3.6 million shares in 2012, at an average price of $11.65 per share

(1) FY 2012 finance lease revenue totaled $8.4 million and is included in the "Other Revenue" line of Aircastle's 2012 Consolidated Statement of Operations

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Q4:12 Revenue Summary

- Lease rental revenue of $158.1 million was higher by $8.2 million, or 6%, versus Q4:11 due to:
  - Positive impact of new aircraft acquisitions of $25.0 million, partially offset by sales of $(5.2) million, and
  - Reductions from lease extensions, transitions, conversions and terminations which totaled $(11.6) million
- Maintenance revenue increased by $4.2 million, and includes $6.5 million of end of lease return compensation related to one A320 aircraft which we also impaired by $6.7 million
- Other revenue includes finance lease income of $3.9 million, debt investment interest of $1.2 million and an early lease termination fee of $3.5 million
- Q4:12 annualized lease rental(1) exit run rate of $650 million, including $296 million from unencumbered aircraft

Revenue Summary		
$ millions	**Q4:11**	**Q4:12**
Lease Rental Revenue	$ 149.8	$ 158.1
Amortization of Net Lease Discounts and Lease Incentives	(5.6)	(6.5)
Maintenance Revenue	11.9	16.2
Total Lease Rentals	**156.2**	**167.8**
Interest Income and Other Revenue	0.7	8.8
Total Revenues	**$ 156.9**	**$ 176.6**

(1) Rents collected under our finance leases are included in the lease rental exit run rate, and represents $22.9 million of the total lease rental exit run rate, and $16.1 million of the lease rental exit run rate from unencumbered aircraft. Q4:12 run rate excludes five aircraft repossessed in January 2013.

Q4:12 Earnings Summary

- Adjusted net income of $36.4 million, down $6.0 million
  - Revenues increased by $19.7 million, offset by
  - Aircraft impairment charges which increased $7.7 million
  - Lower gains from the sale of aircraft of $7.4 million
  - Depreciation expense which increased $6.1 million
  - SG&A, maintenance and adjusted interest expense which increased $4.5 million
- Adjusted EBITDA was $172.3 million, up $10.5 million
  - Revenues, excluding amortization, increased by $20.5 million, offset by
  - SG&A and maintenance expenses which increased $2.6 million
  - Lower gains from the sale of aircraft of $7.4 million

Earnings Summary		
$ millions, except per share amounts	Q4:11	Q4:12
Net Income (loss)	**$ 35.6**	**$ 29.8**
per diluted common share	$ 0.49	$ 0.43
Adjusted Net Income (loss)	**$ 42.4**	**$ 36.4**
per diluted common share	$ 0.59	$ 0.52
EBITDA	**$ 160.6**	**$ 163.6**
Adjusted EBITDA	**$ 161.8**	**$ 172.3**

NOTE: See appendix for GAAP to Non-GAAP reconciliation

Broad Customer Base

- Largest customer exposure represents less than 8% of total net book value
- Combined, our top 10 customers lease 53 aircraft representing 44% of net book value
- Asia represents 34% of our portfolio, up from 27% in Q1:12
- Europe represents 35% of our portfolio, down from 41% in Q1:12; exposure spread across 68 aircraft, 36 lessees and 16 countries

TOP TEN CUSTOMERS

% 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
	SriLankan Airlines	Sri Lanka	5
	Airbridge Cargo (1)	Russia	2
	Martinair (2)	Netherlands	4
	Jet Airways	India	6
	GOL (3)	Brazil	7
Less than 3% per customer	Garuda	Indonesia	3

** Percentage of net book value. Figures as of December 31, 2012.*
(1) Guaranteed by Volga-Dnepr.
(2) Martinair is a wholly owned subsidiary of KLM. If combined with KLM and two other affiliated customers, the four customers represent 7% of flight equipment held for lease.
(3) GOL has guaranteed the obligations of an affiliate, VRG Linhas Aereas.

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Well Dispersed Lease Maturities

2012 Lease Placements

- Total of 39 lease or sale placements completed in 2012
  - Includes both scheduled lease expiries and early terminations
  - Highest level of activity in Aircastle history
  - Ended 2012 with two aircraft off-lease

2013 Lease Placements

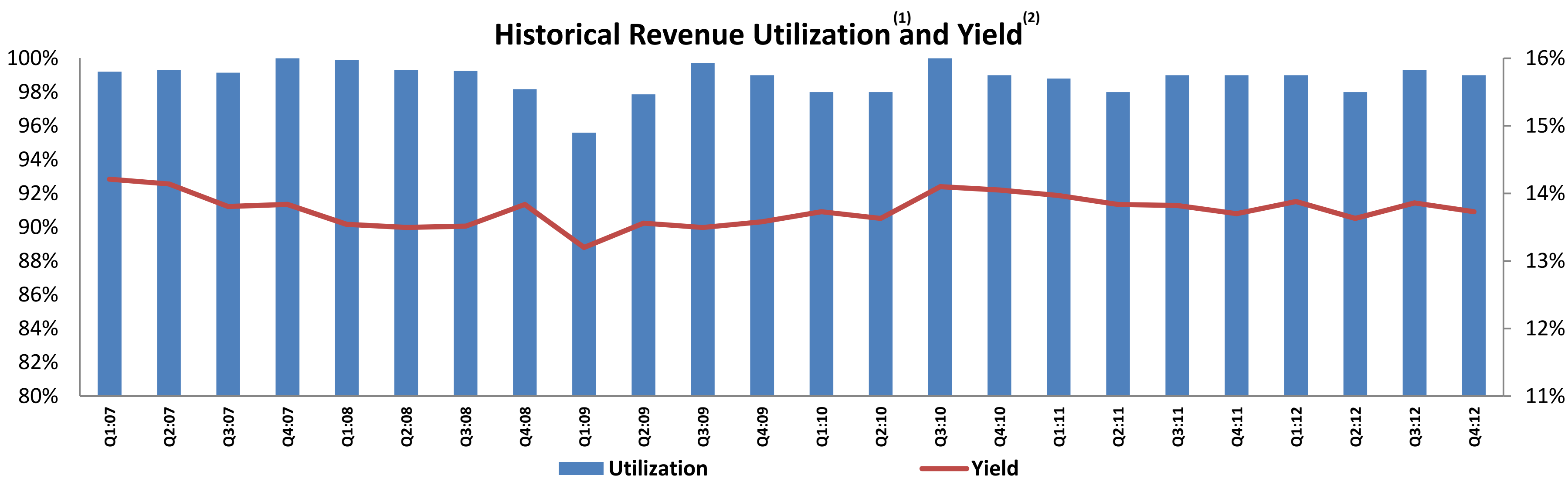
- 17 scheduled lease expiries
- Five early terminations in Q1:13
- Currently have 24 aircraft to place in 2013
  - Represents 9% of NBV

All NBV figures represent net book value of flight equipment including finance leases.

Consistent Portfolio Performance

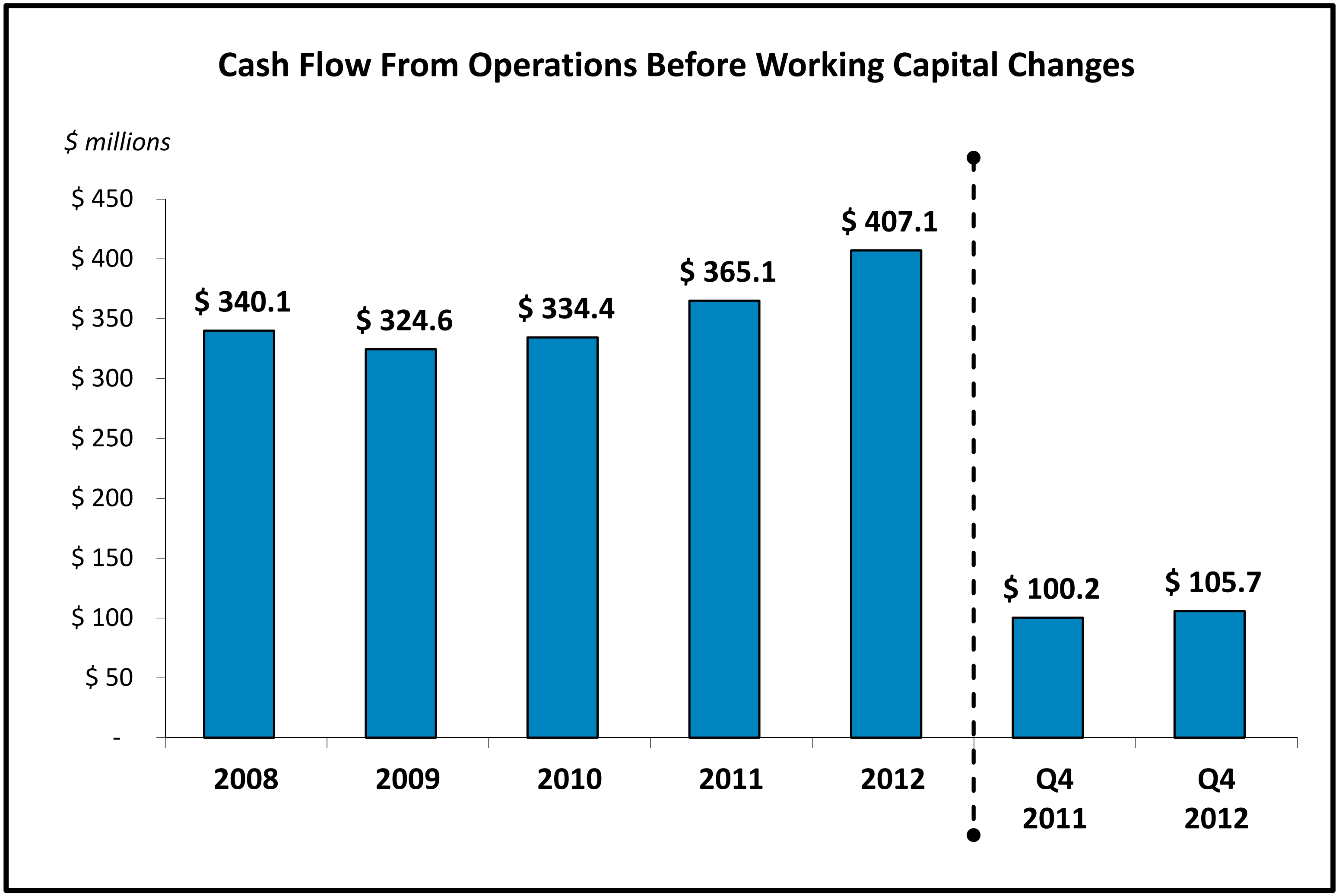
Diversification and active asset management continue to drive consistently strong portfolio performance

- Consistently delivered portfolio utilization of 98-99% and rental yield of 14%
- Q4:12 and full year utilization of 99%; 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 NBV, excluding aircraft in conversion.
(2) Calculated as lease rental revenue / average NBV of flight equipment for the period. Rental revenue does not include maintenance revenue.

Continued Strong Operating Cash Flow Performance



NOTE: See appendix for GAAP to Non-GAAP reconciliation

Positive Portfolio Trends

	Owned Aircraft as of December 31, 2010 (1)	Owned Aircraft as of December 31, 2011 (1)	Owned Aircraft as of December 31, 2012 (1)
Flight Equipment Held for Lease ($ millions)	$4,066	$4,388	$4,783
Unencumbered Flight Equipment ($ millions.)	$595	$677	$2,092
Number of Aircraft	136	144	159
Number of Unencumbered Aircraft	18	27	72
Passenger Aircraft (% of NBV)	67%	69%	71%
Freighter Aircraft (% of NBV)	33%	31%	29%
Weighted Avg. Fleet Age (years) (2)	11.0	10.9	10.7
Weighted Avg. Lease Term (years) (3)	4.7	4.9	5.0
Weighted Avg. Utilization (year-ended) (4)	99%	99%	99%
Portfolio Yield (year-ended) (5)	14%	14%	14%

(1) Calculated using net book value of flight equipment held for lease and net investment in finance leases at period end.
(2) Weighted average age (years) by net book value.
(3) Weighted average remaining lease term (years) by net book value.
(4) Aircraft on-lease days as a percent of total days in period weighted by net book value.
(5) Lease rental revenue for the period as a percent of average net book value of flight equipment held for lease for the period.

Evolving Geographic Profile

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- Portfolio is well diversified by geography
- Rising emerging market demand is driving growth
- Asia represents 34% of the portfolio, versus 26% in 2010, while European exposure is declining

	2010	2012
Europe	46%	35%
Asia	26%	34%
North America	10%	10%
Latin America	8%	8%
Middle East and Africa	10%	12%
Off-Lease	-	1%
Total	100%	100%

Figures as of December 31, 2010 and 2012 and are expressed as a percentage of net book value of flight equipment held for lease and net investment in finance leases at period end.

New Investment Profile

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- $1.8 billion invested over the last two years
- 2/3rds invested in aircraft less than five years old
- Investments weighted towards high value wide-bodies

$ in millions

Age of Aircraft Acquired	2011	2012
0 – 5 years	$728	$423
5 – 10 years	-	$119
10 – 15 years	$176	$166
> 15 years	$92	$92
Total Invested	$996	$799(1)

Type of Aircraft Acquired	2011	2012
Wide / Mid-body	$669	$383
Narrow-body / E-Jets	$148	$359
Freighters	$179	$57
Total Invested	$996	$799(1)

(1) Excludes a $44 million secured note

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Aircraft Sales and Dispositions

2011

- Thirteen aircraft
- Weighted average age: 6 yrs.
- Disposals primarily opportunistic; capital gains driven
- Aggregate sales price of $502 million
- Gains of $39 million

2012

- Eight aircraft
- Weighted average age: 17 yrs.
- Primary focus on end of life aircraft and capital efficiency
- Aggregate sales price of $65 million
- Gains of $6 million

Increasing focus on end of life asset management

Capital Structure and Liquidity Summary: December 31, 2012

- Unrestricted cash of $618 million; $150 million undrawn revolving credit facility
- Q4:12 net debt to equity ratio of 2.1x; net debt to total capitalization ratio of 59%
  - No maturities until 2017

Aircastle's Capital Structure

($ in millions)	As of December 31, 2011		As of December 31, 2012	
Unrestricted cash and cash equivalents	$ 296		$ 618	
Debt	O / S	Rate[1]	O / S	Rate[1]
Securitization No. 1	387	5.78%	310	5.78%
Securitization No. 2	892	5.56%	773	1.58%
Term Financing No. 1	595	5.79%	-	-
ECA Term Financings	536	3.31%	653	3.22%
Bank Financings	126	4.31%	113	4.31%
Total Secured Debt	2,536	5.11%	1,848	3.03%
Senior Notes due 2018	451	9.75%	451	9.75%
Senior Notes due 2017	-		500	6.75%
Senior Notes due 2019	-		500	6.25%
Senior Notes due 2020	-		300	7.63%
Total Unsecured Debt	451	9.75%	1,751	7.53%
Total Debt and Weighted Avg. Rate	2,987	5.81%	3,599	5.22%
Shareholders' equity	1,405		1,416	
Total capitalization	$ 4,391		$ 5,014	
Total debt to equity	2.1 x		2.5 x	
Net debt to equity	1.9 x		2.1 x	
Secured debt to total debt	0.85 x		0.51 x	
Net debt to total capitalization	0.61 x		0.59 x	

(1) Reflects fixed swap rate in effect plus the margin except for the ECA Term Financings, Bank Financings and the Senior Notes due 2017, 2018, 2019 and 2020, which are fixed rate financings.

Enhanced Capital Markets Access

- Raised $1.6 billion of capital in 2012
- Unsecured note issuance totaling $1.3 billion in 2012 versus $150 million in 2011
- Note coupons have steadily declined with increased issuance
  - 9.75 % in December 2011; 7.63% and 6.75% in April 2012; 6.25% in November 2012
- $150 million, undrawn revolving line of credit closed in December of 2012
- Secured debt to total debt ratio now 51%, down from 85% a year ago
- Year-end unencumbered flight equipment of $2.1bn versus $677 million at the end of 2011
  - Unencumbered flight equipment now 44% of total NBV versus 15% at the end of 2011

$ millions	2011	2012
Unsecured Senior Notes	$150	$1,300
ECA Loans	359	160
Funded Bank Financing (1)	108	-
Unfunded Bank Financing (2)	-	150
Total Financing Raised	$617	$1,610

(1) Secured Bank Loans
(2) Undrawn Revolving Line of Credit

Q1:13 Selected Financial Guidance Elements

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Guidance Item	Q1:13 Guidance
Lease rental revenue	$154 - $156 million
Interest from finance leases[1]	$3 - $4 million
Maintenance revenue	$8 - $9 million
Amortization of lease premiums, discounts and incentives	$8 - $10 million
SG&A	$12 - $13 million
Depreciation	$71 - $73 million
Interest, net	$58 - $60 million
Tax rate	8% - 9%

(1) Interest from Finance Leases is included in "Other Revenue" as reported in Aircastle's Consolidated Statement of Operations

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Appendix

Supplemental Financial Information

(In thousands, except per share amounts)	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2011	2012	2011	2012
Revenues	$ 156,938	$ 176,610	$ 605,197	$ 686,572
EBITDA	$ 160,584	$ 163,611	$ 594,800	$ 546,285
Adjusted EBITDA	$ 161,793	$ 172,279	$ 607,870	$ 647,622
Adjusted net income (loss)	$ 42,400	$ 36,372	$ 144,963	$ 57,009
Adjusted net income (loss) allocable to common shares	$ 41,847	$ 36,079	$ 143,130	$ 56,539
Per common share - Basic	$ 0.59	$ 0.52	$ 1.92	$ 0.80
Per common share - Diluted	$ 0.59	$ 0.52	$ 1.92	$ 0.80
Basic common shares outstanding	71,407	69,120	74,686	70,717
Diluted common shares outstanding	71,407	69,120	74,686	70,717

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

($ in thousands)	Three Months Ended December 31, 2011	Three Months Ended December 31, 2012	Twelve Months Ended December 31, 2011	Twelve Months Ended December 31, 2012
Net income (loss)	$ 35,619	$ 29,789	$ 124,270	$ 32,868
Depreciation	63,804	69,896	242,103	269,920
Amortization of net lease discounts and lease incentives	5,604	6,452	16,445	12,844
Interest, net	53,766	55,605	204,150	222,808
Income tax provision	1,791	1,869	7,832	7,845
EBITDA	160,584	163,611	594,800	546,285
Adjustments:				
Impairment of Aircraft	-	7,667	6,436	96,454
Non-cash share based payment expense	1,094	999	5,786	4,232
Loss (gain) on mark to market of interest rate derivative contracts	115	2	848	(597)
Contract termination expense	-	-	-	1,248
Adjusted EBITDA	$ 161,793	$ 172,279	$ 607,870	$ 647,622

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. 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.

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

$ in millions	12 Months Ended December 31,					3 Months Ended		12 Months Ended	
	2007	2008	2009	2010	2011	Dec-11	Dec-12	Dec-11	Dec-12
Net income (loss)	$ 127.3	$ 115.3	$ 102.5	$ 65.8	$ 124.3	$ 35.6	$ 29.8	$ 124.3	$ 32.9
Ineffective portion and termination of hedges[2]	0.2	29.6	5.4	5.8	11.6	5.6	1.1	8.4	2.9
Mark to market of interest rate derivative contracts[3]	(1.2)	11.4	(1.0)	0.9	0.8	0.1	-	0.8	(0.6)
Loan termination payment[2]	-	-	-	-	-	-	-	3.2	-
Write-off of deferred financing fees[2]	-	-	-	2.5	2.5	-	0.1	2.5	3.0
Stock compensation expense[4]	6.7	6.5	6.9	7.5	5.8	1.1	1.0	5.8	4.2
Term Financing No. 1 hedge loss amort. charges[1][2]	-	-	-	-	-	-	4.4	-	13.3
Contract termination expense	-	-	4.0	-	-	-	-	-	1.2
Adjusted net income (loss)	$ 133.0	$ 162.9	$ 117.8	$ 82.5	$ 145.0	$ 42.4	$ 36.4	$ 145.0	$ 57.0
Net income (loss) per common share - Diluted	$ 1.90	$ 1.48	$ 1.31	$ 0.84	$ 1.66	$ 0.49	$ 0.43	$ 1.64	$ 0.46
Adjusted net income (loss) per common share - Diluted	$ 1.98	$ 2.09	$ 1.51	$ 1.05	$ 1.94	$ 0.59	$ 0.52	$ 1.92	$ 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.

Reconciliation of GAAP to Non-GAAP Measures – Cash Flow from Operations

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($ in thousands)	2008	2009	2010	2011	2012	Q4 2011	Q4 2012
Net cash provided by operating activities	$ 333,626	$ 327,641	$ 356,530	$ 359,377	$ 427,277	$ 104,204	$ 121,321
Accounts receivable	1,439	364	(412)	(4,818)	(2,530)	(3,189)	6,650
Restricted cash and cash equivalents related to operating activities	(9,486)	1,619	(1,560)	4,418	-	(1,617)	-
Other Assets	559	(1,796)	(3,097)	(2,675)	919	423	4,197
Accounts payable, accrued expenses and other liabilities	3,364	(3,189)	18,478	(1,848)	17,732	5,598	3,661
Lease rentals received in advance	(2,345)	6,086	8,672	(753)	4,036	2,764	1,088
Changes in certain assets and liabilities:	(6,469)	3,084	22,081	(5,676)	20,157	3,979	15,596
Cash Flow from Operations before Changes in Working Capital	$ 340,095	$ 324,557	$ 334,449	$ 365,053	$ 407,120	$ 100,225	$ 105,725

Supplemental Financial Information

(In thousands)	Three Months Ended December 31, 2012		Twelve Months Ended December 31, 2012	
	Shares	Percent[2]	Shares	Percent[2]
Weighted average shares				
Common shares outstanding – Basic	69,120	99.19%	70,717	99.18%
Unvested restricted common shares outstanding	561	.81%	588	.82%
Total weighted average shares outstanding	69,681	100.00%	71,305	100.00%
Common shares outstanding – Basic	69,120	100.00%	70,717	100.00%
Effect of dilutive shares[1]	-	-	-	-
Common shares outstanding – Diluted	69,120	100.00%	70,717	100.00%
Net income (loss) allocation				
Net income (loss)	$29,789	100.00%	$ 32,868	100.00%
Distributed and undistributed earnings allocated to unvested restricted shares	(240)	(.81)%	(271)	(.82)%
Earnings (loss) available to common shares	$29,549	99.19%	$32,597	99.18%
Adjusted net income (loss) allocation				
Adjusted net income (loss)	$36,372	100.00%	$ 57,009	100.00%
Amounts allocated to unvested restricted shares	(293)	(.81)%	(470)	(.82)%
Amounts allocated to common shares	$36,079	99.19%	$ 56,539	99.18%

(1) For the three and twelve months ended December 31, 2012 the company had no dilutive shares.
(2) Percentages rounded to two decimal places.

Supplemental Financial Information

(in thousands)	Three Months Ended December 31, 2011		Twelve Months Ended December 31, 2011	
	Shares	Percent[2]	Shares	Percent[2]
Weighted average shares				
Common shares outstanding – Basic	71,407	98.70%	74,686	98.74%
Unvested restricted common shares outstanding	943	1.30%	957	1.26%
Total weighted average shares outstanding	72,350	100.00%	75,643	100.00%
Common shares outstanding – Basic	71,407	100.00%	74,686	100.00%
Effect of dilutive shares[1]	-	-	-	-
Common shares outstanding – Diluted	71,407	100.00%	74,686	100.00%
Net income allocation				
Net income	$ 35,619	100.00%	$124,270	100.00%
Distributed and undistributed earnings allocated to unvested restricted shares	(464)	(1.30)%	(1,571)	(1.26)%
Earnings available to common shares	$ 35,155	98.70%	$122,699	98.74%
Adjusted net income allocation				
Adjusted net income	$ 42,400	100.00%	$144,963	100.00%
Amounts allocated to unvested restricted shares	(553)	(1.30)%	(1,833)	(1.26)%
Amounts allocated to common shares	$ 41,847	98.70%	$ 143,130	98.74%

(1) For the three and twelve months ended December 31, 2011 the company had no dilutive shares.
(2) Percentages rounded to two decimal places.