Aircastle LTD
Form 424B3
September 26, 2007

The information in this preliminary prospectus is not complete and may be changed. This preliminary prospectus supplement and accompanying prospectus are not an offer to sell these securities and we are not soliciting an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

Filed pursuant to Rule 424(b)3
Registration No. 333-146326

SUBJECT TO COMPLETION, DATED SEPTEMBER 26, 2007

PRELIMINARY PROSPECTUS SUPPLEMENT
(To Prospectus Dated September 26, 2007)

20,000,000 shares

Aircastle Limited

Common shares

We are offering 10,000,000 of our common shares and the selling shareholders identified in this prospectus supplement are offering 10,000,000 of our common shares in this offering. We will not receive any proceeds from the sale of shares being sold by the selling shareholders. After this offering, funds managed by affiliates of Fortress Investment Group LLC will beneficially own % of our common shares.

Our common shares are listed on the New York Stock Exchange under the symbol ''AYR''. The last reported sale price of our common shares on September 25, 2007, was $35.99 per share.

	Per Share	Total
Public offering price	$	$
Underwriting discounts and commissions	$	$
Proceeds to Aircastle (before expenses)	$	$
Proceeds to the selling shareholders (before expenses)	$	$

We have granted the underwriters a 30-day option to purchase up to 1,000,000 additional common shares, and the selling shareholders have granted the underwriters a 30-day option to purchase up to 1,000,000 additional common shares, in each case at the public offering price less underwriting discounts and commissions for the purpose of covering over-allotments, if any.

Investing in our common shares involves a high degree of risk. See ''Risk Factors'' beginning on page S-8 of this prospectus supplement and in the documents incorporated by reference in this prospectus supplement and the accompanying prospectus. You should read this prospectus supplement, the accompanying prospectus and the documents incorporated by reference into this prospectus supplement and the accompanying prospectus carefully before you make your investment decision.

Neither the Securities and Exchange Commission, state securities regulators, the Minister of Finance and the Registrar of Companies in Bermuda, the Bermuda Monetary Authority nor any other regulatory body has approved or disapproved of these securities or determined if this prospectus is accurate or complete. Any representation to the contrary is a criminal offense.

The underwriters expect to deliver the shares against payment in New York, New York on , 2007.

JPMorgan	Bear, Stearns & Co. Inc.	Citi
Jefferies & Company		Lazard Capital Markets

, 2007

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Prospectus Supplement

Prospectus

We, the selling shareholders and the underwriters have not authorized anyone to provide you with different information or to make representations as to matters not stated or incorporated by reference in this prospectus supplement and the accompanying prospectus. You must not rely on unauthorized information. This prospectus supplement and the accompanying prospectus may be used only where it is legal to sell these securities. The information in this prospectus supplement, the accompanying prospectus and the documents incorporated by reference is only accurate on the respective dates of such documents.

Consent under the Exchange Control Act 1972 (and its related regulations) has been obtained from the Bermuda Monetary Authority for the issue and transfer of our common shares to and between persons resident and non-resident of Bermuda for exchange control purposes, provided our shares remain listed on an appointed stock exchange, which includes the New York Stock Exchange, or NYSE. This prospectus supplement and the accompanying prospectus will be filed with the Registrar of Companies in Bermuda in accordance with Bermuda law. In granting such consent and in accepting this prospectus supplement for filing, neither the Bermuda Monetary Authority nor the Registrar of Companies in Bermuda accepts any responsibility for our financial soundness or the correctness of any of the statements made or opinions expressed in this prospectus supplement, the accompanying prospectus or the documents incorporated by reference.

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About this prospectus supplement

This document is in two parts. The first part is this prospectus supplement, which describes the terms of the offering of common shares and also adds to and updates information contained in the accompanying prospectus and the documents incorporated by reference into this prospectus supplement and the accompanying prospectus. The second part is the accompanying prospectus, which provides more general information. To the extent there is a conflict between the information contained in this prospectus supplement, on the one hand, and the information contained in the accompanying prospectus or any document incorporated herein and therein by reference, on the other hand, you should rely on the information in this prospectus supplement.

Special note regarding forward-looking statements

This prospectus supplement, the accompanying prospectus and the documents incorporated by reference may contain forward-looking statements which reflect our current views with respect to, among other things, future events and financial performance. You can identify these forward-looking statements by the use of forward-looking words such as ‘‘outlook,’’ ‘‘believes,’’ ‘‘expects,’’ ‘‘potential,’’ ‘‘continues,’’ ‘‘may,’’ ‘‘will,’’ ‘‘should,’’ ‘‘seeks,’’ ‘‘approximately,’’ ‘‘p
‘‘estimates,’’ ‘‘anticipates’’ or the negative version of those words or other comparable words. Any such forward-looking

statements are based upon the historical performance of us and our subsidiaries and on our current plans, estimates and expectations. The inclusion of this forward-looking information should not be regarded as a representation by us, Fortress, any selling shareholder or other Fortress fund, the underwriters or any other person that the future plans, estimates or expectations contemplated by us will be achieved. Such forward-looking statements are subject to various risks and uncertainties. Accordingly, there are or will be important factors that could cause our actual results to differ materially from those indicated in these statements. We believe that these factors include, but are not limited to, a decrease in the overall demand for commercial aircraft and aircraft leasing, the economic condition of the global airline industry and the ability of our lessees and potential lessees to make operating lease payments to us, acquisition risks, competitive pressures within the industry, the ability to obtain financing on satisfactory terms, risks related to the geographic markets in which we and our lessees operate and other factors described in the section entitled ''Risk Factors'' in this prospectus supplement and in the documents incorporated by reference in this prospectus supplement and the accompanying prospectus. These factors should not be construed as exhaustive and should be read in conjunction with the other cautionary statements that are included in this prospectus supplement, the accompanying prospectus and the documents incorporated by reference. We do not undertake any obligation to publicly update or review any forward-looking statement, whether as a result of new information, future developments or otherwise.

If one or more of these or other risks or uncertainties materialize, or if our underlying assumptions prove to be incorrect, our actual results may vary materially from what we may have projected. Any forward-looking statements you read in this prospectus supplement, the accompanying prospectus or the documents incorporated by reference reflect our current views with respect to future events and are subject to these and other risks, uncertainties and assumptions relating to our operations, financial results, financial condition, business prospects, growth strategy and liquidity. You should specifically consider all of the factors identified in this prospectus supplement, the accompanying prospectus and the documents incorporated by reference that could cause actual results to differ before making an investment decision to purchase our common shares.

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Prospectus Supplement Summary

This summary highlights information contained elsewhere in this prospectus supplement, the accompanying prospectus and the documents incorporated by reference. This summary does not contain all of the information you should consider before investing in our common shares. You should read this entire prospectus supplement and the accompanying prospectus, including the documents incorporated by reference herein and therein, carefully before making an investment decision, especially the risks of investing in our common shares discussed under ''Risk Factors'' contained herein and therein and the consolidated financial statements and notes to those consolidated financial statements incorporated by reference herein and therein.

Unless the context suggests otherwise, references in this prospectus supplement to ''Aircastle,'' the ''Company,'' ''we,'' ''us,'' and ''our'' refer to Aircastle Limited and its subsidiaries. References in this prospectus supplement to ''AL'' refer only to Aircastle Limited. References in this prospectus supplement to ''Aircastle Bermuda'' refer to Aircastle Holding Corporation Limited and its subsidiaries. References in this prospectus supplement to ''Fortress'' refer to Fortress Investment Group LLC, affiliates of which manage the Fortress funds, and certain of its affiliates and references to the ''Fortress funds'' refer to AL shareholders which are managed by affiliates of Fortress. References in this prospectus supplement to ''selling shareholders'' refer to our shareholders described in the section herein entitled ''Selling Shareholders.'' Throughout this prospectus supplement, when we refer to our aircraft, we include aircraft that we have transferred into grantor trusts or similar entities, for purposes of financing such assets through securitization. These grantor trusts or similar entities are consolidated for purposes of our financial statements. All amounts in this prospectus supplement are expressed in U.S. dollars).

Aircastle Limited

We are a global company that acquires and leases high-utility commercial jet aircraft to passenger and cargo airlines throughout the world. High-utility aircraft are generally modern, operationally efficient jets with a large operator base and long useful lives. As of June 30, 2007, our aircraft portfolio consisted of 100 aircraft with 45 lessees located in 28 countries and managed through our offices in the United States, Ireland and Singapore. Typically, our aircraft are subject to net operating leases whereby the lessee is generally responsible for maintaining the aircraft and paying operational and insurance costs although, in a majority of cases, we are obligated to pay a portion of specified maintenance or modification costs. We also make investments in other aviation assets, including debt investments secured by commercial jet aircraft. As of September 24, 2007 we had acquired and committed to acquire aviation assets having an aggregate purchase price equal to \$3.3 billion and \$2.3 billion, respectively, for a total of approximately \$5.6 billion, including 151 aircraft with 57 lessees in 33 countries. Our revenues and income from continuing operations for the three and six months ended June 30, 2007 were \$85.1 million and \$27.2 million and \$155.1 million and \$48.0 million, respectively.

We intend to pay regular quarterly dividends to our shareholders. We plan to grow our dividends per share through the acquisition of additional aviation assets using cash on hand, cash generated from operating activities and available credit facilities. We expect to finance our acquisitions on a long-term basis using relatively low-cost, non-recourse securitizations. Securitizations allow us to raise long-term capital by pledging cash flows of an asset pool, such as aircraft leases. In June 2007, we closed our second securitization, a \$1.17 billion transaction comprising 59 aircraft, which we refer to as Securitization No. 2.

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The table below is a summary of our recent dividend history. These dividends may not be indicative of the amount of any future dividends.

Dividend Period	Pay Date	Dividend Per Share ($)	Total Dividend ($ in millions)
Three months ended September 30, 2006	November 15, 2006	0.35	16.4[(1)]
Three months ended December 31, 2006	January 15, 2007	0.4375	22.6
Three months ended March 31, 2007	April 13, 2007	0.50	33.6
Three months ended June 30, 2007	July 13, 2007	0.60	40.5
Three months ended September 28, 2007	October 15, 2007	0.65	43.8[(2)]

(1) Dividends for the three months ended September 30, 2006 were paid in two installments. A dividend of \$0.156 per share was paid on August 15, 2006 for the period July 1, 2006 to August 12, 2006 for the period prior to our initial public offering. A dividend of \$0.194 per share was paid on November 15, 2006 for the period after our initial public offering.

(2)

Our board of directors has declared a dividend of $0.65 per share for the third quarter of 2007. This dividend is payable on October 15, 2007 to holders of record of our common shares on September 28, 2007. For purposes of this table only, the total dividend set forth above assumes that 67,433,451 common shares will be issued and outstanding as of the record date, which is the number of shares issued and outstanding as of September 25, 2007. Purchasers of common shares in this offering will not receive this dividend.

Competitive Strengths

We believe that the following competitive strengths will allow us to capitalize on the growth opportunities in the global aviation industry:

- Diversified portfolio of high-utility aircraft. We have a portfolio of 109 high-utility aircraft, as of September 24, 2007 that is diversified with respect to geographic markets, lease maturities and aircraft type. Our lease expirations are well dispersed, with a weighted average remaining lease term of 4.5 years for aircraft we owned at June 30, 2007 and, as of September 24, 2007, only four of these aircraft have scheduled lease expiries or otherwise are available for lease within the next 12 months and have not been committed for lease or renewal. We believe that our focus on portfolio diversification reduces the risks associated with lessee defaults and any adverse geopolitical or economic issues and results in generally predictable cash flows.
- Disciplined acquisition approach and broad sourcing network. We evaluate the risk-adjusted return of any potential acquisition first as a discrete investment and then from a portfolio management perspective. To evaluate potential acquisitions, we employ a rigorous due diligence process focused on: (i) cash flow generation with careful consideration of macro trends, industry cyclicality and product life cycles; (ii) aircraft specifications and maintenance condition; (iii) when applicable, lessee credit worthiness and the local jurisdiction’s rules for enforcing a lessor’s rights; and (iv) legal and tax implications. We source our acquisitions through well-established relationships with airlines, other aircraft lessors, financial institutions and other aircraft owners.
- Scaleable business platform. We operate globally through offices in the United States, Ireland and Singapore, using a modern asset management system designed specifically for aircraft operating lessors and capable of handling a significantly larger aircraft portfolio. We believe that our facilities, systems and personnel currently in place are capable of supporting an increase in our revenue base and asset base without a proportional increase in overhead costs.

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- Experienced management team with significant technical expertise. Our management team has significant experience in the acquisition, leasing, financing, technical management, restructuring/repossession and sale of aviation assets.
- Innovative long-term debt financing structure. On June 8, 2007, we closed Securitization No. 2. We have structured our securitizations to provide for the release to us, during the first five years, of the cash flows attributable to the underlying aircraft leases and other relevant contracts after payment of expenses, interest and scheduled principal payments. We intend to use this excess securitization cash flow to pay dividends and to make additional investments in aviation assets. By way of comparison, a typical aircraft securitization starts with significantly higher leverage and allows no release of excess securitization cash flows; instead, those cash flows are required to further amortize, and thus lower the leverage on, the securities.

Growth Strategy

We plan to grow our business and increase our dividends per share by employing the following business strategies:

- Selectively acquire commercial jet aircraft and other aviation assets. We believe the large and growing aircraft market provides significant acquisition opportunities. We plan to leverage our experience to make opportunistic acquisitions of other asset-backed aviation assets, including debt securities secured by aviation assets and other non-aircraft aviation assets. As of September 24, 2007 we had acquired or committed to acquire aviation assets having an aggregate purchase price equal to $3.3 billion and $2.3 billion, respectively, for a total of approximately $5.6 billion.
- Reinvest amounts approximately equal to non-cash depreciation expense in additional aviation assets. Through our strategy of reinvesting amounts approximately equal to non-cash depreciation expense, we will seek to maintain our asset base and grow our dividends.
- Maintain an efficient capital structure. We expect to finance acquisitions on a long-term basis using aircraft lease portfolio securitizations. We believe that our long-term debt structure and dividend payment strategy result in a low cost of capital and a high degree of financial flexibility, allowing us to grow our business and dividends.

Recent Developments

On January 22, 2007, we entered into an acquisition agreement (the ''GAIF Acquisition Agreement'') with Guggenheim Aviation Fund LP (''GAIF'') under which we agreed to acquire 38 aircraft for an aggregate base purchase price of approximately $1.595 billion subject to certain agreed adjustments. The aircraft we will acquire under the GAIF Acquisition Agreement are scheduled to be delivered to us through February 2009. For certain of the aircraft, we have agreed to make an accelerated payment to the relevant seller and acquire its right to obligations under the seller's purchase acquisition or freighter conversion agreement, with final payment and delivery of the aircraft to us being made upon delivery by the manufacturer or seller, or completion of the conversion process. As of June 30, 2007, we completed the acquisition of 24 of the aircraft to be delivered under the GAIF Acquisition Agreement, for approximately $780.4 million.

On June 8, 2007, we completed Securitization No. 2, a $1.17 billion transaction comprising 59 aircraft and having a legal final maturity of June 8, 2037. As of June 30, 2007, 39 of the

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aircraft had been transferred into the securitization and we paid certain expenses incurred of approximately $12.6 million in connection with closing Securitization No. 2. At June 30, 2007, proceeds in the amount of $500.6 million were held as restricted cash for the purchase of the remaining 20 aircraft, all of which transferred during the third quarter of 2007, resulting in the release of all of such restricted cash to us. We used a portion of the proceeds from Securitization No. 2 to repay amounts owed under Amended Credit Facility No. 2. The indebtedness incurred in connection with Securitization No. 2 provides for monthly payments of interest at a floating rate of one-month LIBOR plus 0.26%, which at June 30, 2007 was 5.58% per annum, and scheduled repayment of principal at maturity.

On June 20, 2007, we entered into an acquisition agreement (the ''Airbus A330F Agreement'') with Airbus SAS under which we agreed to acquire 15 new Airbus Model A330-200F freighter aircraft (the ''A330F Aircraft''). Five of the aircraft we will acquire under the Airbus A330F Agreement are scheduled to be delivered in 2010 with the remainder to be delivered in 2011.

As of June 30, 2007, we had commitments to acquire aircraft, and to convert aircraft to freighter configuration, of approximately $2.36 billion, including our anticipated commitments with respect to the 15 new A330F Aircraft and the balance of the aircraft to be delivered under the GAIF Acquisition Agreement.

Third Quarter Financial Information

Although we have not reached the end of the third quarter of 2007 and, therefore, we do not have final results for the third quarter of 2007, we currently expect that our aircraft lease rental revenues will increase from the comparable period of 2006 due primarily to the purchase of additional aircraft. As of September 24, 2007, all of the 109 aircraft we owned were on lease and our contractual lease rental revenue for these aircraft was $35.6 million per month.

Board of Directors

Under our Amended and Restated Shareholders Agreement, which we refer to as our Shareholders Agreement, FIG Advisors LLC, an affiliate of Fortress, is permitted to designate a specified number of individuals to be elected to our board of directors depending on the percentage of our voting power beneficially owned by certain Fortress funds. Upon completion of this offering, Fortress funds will own between 25% and 50% of the voting power of the Company. As a result, in accordance with our Shareholders Agreement, the number of our directors entitled to be designated by FIG Advisors LLC will decrease from four to three directors. In connection with this offering, a special committee of our board of directors, comprised solely of independent directors, has waived the requirement under our Shareholders Agreement that FIG Advisors LLC cause one of the directors designated by it to resign from our board of directors as a result of the Fortress funds no longer owning more than 50% of our voting power. The special committee concluded that waiving such requirement under the Shareholders Agreement and continuing the current composition of our board, with a majority of independent directors, was in the best interests of our shareholders.

Fortress

Fortress is a global alternative asset manager with approximately $43.3 billion in assets under management as of June 30, 2007. Fortress manages private equity funds, hedge funds and publicly traded alternative investment vehicles. The private equity funds total approximately $23.4 billion of the firm’s assets under management as of June 30, 2007. Fortress was founded in 1998, is headquartered in New York and has affiliates with offices in Dallas, San Diego, Los Angeles, Toronto, London, Rome, Hong Kong, Frankfurt and Sydney.

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Additional Information

We are a Bermuda exempted company and were incorporated on October 29, 2004 under the provisions of Section 14 of the Companies Act 1981 of Bermuda. Our registered office is located at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda, and our principal executive offices are located at c/o Aircastle Advisors LLC, 300 First Stamford Place, 5th Floor, Stamford, Connecticut 06902. Our subsidiaries also maintain offices at Harcourt Centre, Harcourt Road, Dublin 2 Ireland; and 6 Battery Road, #30-00, Singapore, 049909. Our main telephone number is 203-504-1020. Our internet address is www.aircastle.com. Information on our website does not constitute part of this prospectus supplement or the accompanying prospectus.

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The Offering

Common shares offered by AL in this offering	10,000,000 shares
Common shares offered by the selling shareholders in this offering	10,000,000 shares
Common shares to be issued and outstanding after this offering	77,433,451 shares
Use of proceeds	We expect to use the net proceeds from the shares sold by AL in this offering to repay any outstanding balance under our $250 million senior secured revolving credit facility, which we refer to as the Revolving Credit Facility, and approximately $272.0 million of the amount outstanding on our $1 billion senior secured credit facility, which we refer to as Amended Credit Facility No. 2, and for other general corporate purposes. See ''Use of Proceeds.'' We will not receive any proceeds from the sale of our common shares by the selling shareholders.
New York Stock Exchange symbol	AYR
Risk factors	Please read the section entitled ''Risk Factors'' beginning on page S-8 of this prospectus supplement and in the documents incorporated by reference for a discussion of some of the factors you should carefully consider before deciding to invest in our common shares.
Important tax considerations	We expect that we will be treated as a passive foreign investment company, or PFIC, for U.S. federal income tax purposes. In order to avoid possible deferred tax and interest charges under the U.S. Internal Revenue Code and regulations thereunder, you will need to make a ''qualified electing fund,'' or QEF, election, with respect to your investment in our common shares and with respect to each of our PFIC subsidiaries. Investors who are U.S. persons should consult with their tax advisors as to whether or not to make such election and the related consequences and should carefully review the information set forth under ''Material Tax Considerations — Material United States Federal Income Tax Considerations — Consequences to U.S. Holders — Passive Foreign Investment Company Status and Related Tax Consequences'' and in the documents incorporated by reference for additional information.

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The number of common shares to be issued and outstanding after this offering is based on 67,433,451 common shares issued and outstanding as of September 25, 2007, and excludes an additional 2,761,498 common shares which remain available for issuance under our equity and incentive plan. See ‘‘Management — Equity Incentive Plan’’ in the documents incorporated by reference.

Except as otherwise indicated, all information in this prospectus assumes no exercise by the underwriters of their option to purchase up to 1,000,000 additional common shares from us and 1,000,000 additional common shares from the selling shareholders, to cover over-allotments, if any.

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Risk Factors

Investing in our common shares involves a high degree of risk. Before deciding to invest in our common shares, you should carefully consider the following risk factors and those incorporated by reference, including in the section entitled ‘‘Risk Factors’’ in our Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2007, as well as other information contained or incorporated by reference in this prospectus supplement or the accompanying prospectus. The occurrence of any of these risks could materially and adversely affect our business, prospects, financial condition, results of operations and cash flow, in which case, the trading price of our common shares would decline and you could lose all or part of your investment.

Risks Related to This Offering

The market price and trading volume of our common shares may be volatile or may decline regardless of our operating performance, which could result in rapid and substantial losses for our shareholders.

The trading volume in our common shares may fluctuate and cause significant price variations to occur. If the market price of our common shares declines significantly, you may be unable to resell your shares at or above your purchase price.

The market price or trading volume of our common shares could be highly volatile and may decline significantly in the future in response to various factors, many of which are beyond our control, including:

- variations in our quarterly or annual operating results;
- failure to meet our earnings estimates or those of analysts;
- actual or anticipated accounting issues;
- publication of research reports about us, other aircraft lessors or the aviation industry or the failure of securities analysts to cover our common shares after this offering;
- additions or departures of key management personnel;
- adverse market reaction to any indebtedness we may incur or preference or common shares we may issue in the future;
- changes in our divided payment policy or failure to execute our existing policy;

- actions by shareholders;
- changes in market valuations of similar companies;
- announcements by us or our competitors of significant contracts, acquisitions, dispositions, strategic partnerships, joint ventures or capital commitments;
- speculation in the press or investment community;
- increases in market interest rates that may lead purchasers of our common shares to demand a higher dividend yield;
- reduced liquidity or increased volatility in the capital markets generally;
- changes or proposed changes in laws or regulations affecting the aviation industry or enforcement of these laws and regulations, or announcements relating to these matters; and

- general market, political and economic conditions and local conditions in the markets in which our lessees are located.

In addition, the equity markets in general have frequently experienced substantial price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of companies traded in those markets. Changes in economic conditions in the U.S., Europe or globally could also impact our ability to grow profitably. These broad market and industry factors may materially affect the market price of our common shares, regardless of our business or operating performance. In the past, following periods of volatility in the market price of a company’s securities, securities class-action litigation has often been instituted against that company. Such litigation, if instituted against us, could cause us to incur substantial costs and divert management’s attention and resources, which could have a material adverse effect on our business, financial condition and results of operations.

Future debt, which would be senior to our common shares upon liquidation, and additional equity securities, which would dilute the percentage ownership of our then current common shareholders and may be senior to our common shares for the purposes of dividends and liquidation distributions, may adversely affect the market price of our common shares.

In the future, we may attempt to increase our capital resources by incurring debt or issuing additional equity securities, including commercial paper, medium-term notes, senior or subordinated notes or loans and series of preference shares or common shares. Upon liquidation, holders of our debt securities and preference shares and lenders with respect to other borrowings would receive a distribution of our available assets prior to the holders of our common shares. Additional equity offerings would dilute the holdings of our then current common shareholders and could reduce the market price of our common shares, or both. Preference shares, if issued, could have a preference on liquidating distributions or a preference on dividend payments. Restrictive provisions in our debt and/or preference shares could limit our ability to make a distribution to the holders of our common shares. Because our decision to incur more debt or issue additional equity securities in the future will depend on market conditions and other factors beyond our control, we cannot predict or estimate the amount, timing or nature of our future capital raising activities. Thus, holders of our common shares bear the risk of our future debt and equity issuances reducing the market price of our common shares and diluting their percentage ownership in us. See ‘‘Description of Share Capital’’ in the accompanying prospectus.

The market price of our common shares could be negatively affected by sales of substantial amounts of our common shares in the public markets.

After this offering, there will be 78,433,451 common shares outstanding, assuming the exercise in full by the underwriters of their over-allotment option. All the common shares sold in this offering will be freely transferable, except for any shares held by our ‘‘affiliates,’’ as that term is defined in Rule 144 under the Securities Act of 1933, as amended, or the Securities Act.

Pursuant to our Amended and Restated Shareholders Agreement, the Fortress funds and certain Fortress affiliates and permitted third-party transferees have the right, in certain circumstances, to require us to register under the Securities Act for sale into the public markets their common shares, which, assuming the underwriters do not exercise their over-allotment option, will be an aggregate of 30,375,000 of our common shares, excluding shares offered by selling shareholders. We currently have in effect a registration statement by which such shares may be sold into the public markets subject to the terms of the lock-up arrangement described below. See ‘‘Certain Relationships and Related Party Transactions — Shareholders Agreement’’ in the documents incorporated by reference in this prospectus supplement.

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The selling shareholders, we, our executive officers and directors, and Fortress have agreed with the underwriters that, subject to certain exceptions, for a period of 90 days after the date of this prospectus, the Fortress funds, we and they will not directly or indirectly offer, pledge, announce the intention to sell, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase or otherwise transfer, dispose of or hedge, directly or indirectly, our common shares or any securities convertible into or exercisable or exchangeable for our common shares, or enter into any swap or other agreement that transfers, in whole or in part, any of the economic consequences associated with the ownership of common shares, or cause a registration statement covering our common shares to be filed, without the prior written consent of the representatives. See ‘‘Underwriting.’’ The representatives may waive these restrictions at their discretion.

In addition, following the completion of our initial public offering in August 2006, we filed a registration statement on Form S-8 under the Securities Act to register an aggregate of 4,000,000 of our common shares reserved for issuance under our equity incentive plan, subject to annual increases of 100,000 common shares per year, beginning in 2007 and continuing through and including 2016. Subject to any restrictions imposed on the shares and options granted under our equity incentive plan, shares registered under the registration statement on Form S-8 are available for sale into the public markets subject to the 90-day lock-up agreements referred to above.

The market price of our common shares may decline significantly when the aforementioned lock-up agreements expire. A decline in the price of our common shares might impede our ability to raise capital through the issuance of additional common shares or other equity securities.

The issuance of additional common shares in connection with acquisitions or otherwise will dilute all other shareholdings.

After this offering, assuming the exercise in full by the underwriters of their over-allotment option, we will have an aggregate of 168,788,823 common shares authorized but unissued and not reserved for issuance under our equity incentive plan. We may issue all of these common shares without any action or approval by our shareholders. We intend to continue to actively pursue acquisitions of aviation assets and may issue common shares in connection with these acquisitions. Any common shares issued in connection with our acquisitions, our equity incentive plan, the exercise of outstanding share options or warrants or otherwise would dilute the percentage ownership held by the investors who purchase common shares in this offering and could adversely affect the market price of our common shares.

Market interest rates may have an effect on the value of our common shares.

One of the factors that investors may consider in deciding whether to buy or sell our common shares is our dividend rate as a percentage of our share price relative to market interest rates. If market interest rates increase, prospective investors may desire a higher dividend yield on our common shares or seek securities paying higher dividends or interest. As a result, interest rate fluctuations and capital market conditions can affect the market value of our common shares.

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Use of Proceeds

Net proceeds to us from the sale of the 10,000,000 common shares offered by us hereby are estimated to be approximately $ million, after deducting the estimated underwriting discounts and commissions and offering expenses payable by us. We will not receive any proceeds from the sale of our common shares by the selling shareholders, including any shares sold by the selling shareholders pursuant to the underwriters' over-allotment option.

We expect to use the net proceeds from shares offered by us in this offering to repay $272.0 million under Amended Credit Facility No. 2, to repay amounts outstanding, if any, under our Revolving Credit Facility and for general corporate purposes. Pending these uses, we intend to invest the net proceeds in short-term interest bearing instruments or money market accounts.

As of September 25, 2007, we had letters of credit outstanding of $13.9 million and no borrowings outstanding under our Revolving Credit Facility, which is scheduled to mature on June 15, 2008.

As of September 25, 2007, we had $272.0 million outstanding under Amended Credit Facility No. 2, which is scheduled to mature on December 15, 2008. Borrowings under Amended Credit Facility No. 2 bear interest at the one-month LIBOR rate plus 1.25% which, at September 25, 2007, was 7.00%.

Borrowings currently outstanding under Amended Credit Facility No. 2 were used to finance a portion of the purchase price of certain of our aircraft. Amounts repaid under Amended Credit Facility No. 2 may be reborrowed from time to time, subject to compliance with borrowing conditions.

Certain of the underwriters or their affiliates are lenders under Amended Credit Facility No. 2 and the Revolving Credit Facility and will receive their pro rata share of amounts repaid thereunder with the net proceeds of this offering. See ''Underwriting.''

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Price Range of our Common Shares and Dividends

Our common shares are listed for trading on the New York Stock Exchange under the symbol ''AYR.'' The following table sets forth the quarterly high and low prices of our common shares on the New York Stock Exchange for the periods indicated since our initial public offering and dividends during such periods:

	High	Low	Dividends per Share
Year Ending December 31, 2006			
Third Quarter (from August 11, 2006)	$ 30.00	$ 25.75	$ 0.35(1)
Fourth Quarter	$ 33.45	$ 28.70	$ 0.4375
Year Ending December 31, 2007			
First Quarter	$ 36.58	$ 28.11	$ 0.50
Second Quarter	$ 41.31	$ 33.19	$ 0.60
Third Quarter (through September 26, 2007)	$ 40.66	$ 27.89	$ 0.65(2)

(1) Dividends for the three months ended September 30, 2006 were paid in two installments. A dividend of $0.156 per share was paid on August 15, 2006 for the period July 1, 2006 to August 12, 2006 for the period prior to our initial public offering. A dividend of $0.194 per share was paid on November 15, 2006 for the period after our initial public offering.

(2) Our board of directors has declared a dividend of $0.65 per share for the third quarter of 2007. This dividend is payable on October 15, 2007 to holders of record of our common shares on September 28, 2007. Purchasers of common shares in this offering will not receive this dividend.

On September 25, 2007, the closing sale price of our common shares as reported on the New York Stock Exchange was $35.99 per share.

The payment of dividends is subject to the discretion of our board of directors and will depend on many factors, including our ability to make and finance acquisitions, our ability to negotiate favorable lease and other contractual terms, the level of demand for our aircraft, the economic condition of the commercial aviation industry generally, the financial condition and liquidity of our lessees, the lease rates we charge and realize, our leasing costs, unexpected or increased expenses, the level and timing of capital expenditures, principal repayments and other capital needs, the value of our aircraft portfolio, our results of operations, financial condition and liquidity, general business conditions, restrictions imposed by financing agreements (including our credit facilities), legal restrictions on the payment of dividends and other factors that our board of directors deems relevant. We are not permitted to pay dividends on our common shares to the extent a default or an event of default exists under our Revolving Credit Facility.

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Capitalization

The following table sets forth our capitalization as of June 30, 2007:

- on an actual basis; and
- on an as adjusted basis to give effect to the sale of the 10,000,000 common shares being sold by us in

this offering at an assumed offering price of $35.99 per share, which was the closing price of our shares on September 25, 2007, after deducting the underwriting discounts and commissions and estimated offering expenses payable by us and the repayment of the certain amounts outstanding on our Revolving Credit Facility and Amended Credit Facility No. 2 using a portion of the net proceeds from such sale.

This table contains unaudited information and should be read in conjunction with the section entitled ‘‘Management’s Discussion and Analysis of Financial Condition and Results of Operations’’ and our historical consolidated financial statements and the accompanying notes in the documents that are incorporated by reference herein.

	June 30, 2007 (dollars in thousands)	
	Actual	As Adjusted
Borrowings under credit facilities[1]	$ 339,536	$ —
Borrowings from securitizations	1,708,534	1,708,534
Repurchase agreements	75,163	75,163
Shareholders’ equity:		
Common shares, $0.01 par value: 250,000,000 shares authorized, actual and as adjusted; 67,433,451 shares issued and outstanding, actual; 77,433,451 shares issued and outstanding, as adjusted	674	774
Preference shares, $0.01 par value: 50,000,000 shares authorized, actual and as adjusted; no shares issued and outstanding, actual and as adjusted	—	—
Additional paid-in capital	1,127,950	1,474,474
Dividends in excess of earnings	(17,867)	(17,867)
Accumulated other comprehensive income	65,553	65,553
Total shareholders’ equity	1,176,310	1,522,934
Total Capitalization	$ 3,299,543	$ 3,306,631

(1) As of September 25, 2007, we had $272.0 million outstanding under the Amended Credit Facility No. 2 and we had letters of credit outstanding of $13.9 million and no borrowings outstanding under our Revolving Credit Facility. We expect to repay approximately $272.0 million of the outstanding amount under Amended Credit Facility No. 2 and amounts outstanding, if any, under our Revolving Credit Facility using a portion of the net proceeds of this offering.

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Selling Shareholders

The following table presents certain information regarding the beneficial ownership of our common shares outstanding as of September 25, 2007 to be sold in this offering by the selling shareholders. Please see the ‘‘Certain Relationships and Related Party Transactions’’ section of the proxy statement for our annual meeting of shareholders held on May 17, 2007 which is incorporated by reference into this prospectus supplement and the accompanying prospectus for a description of material relationships between us and the selling shareholders.

We have determined beneficial ownership in accordance with the rules of the Securities and Exchange Commission. In computing the number of shares beneficially owned by a person and the percentage ownership of that person, the number of common shares subject to options or warrants held by that person that are currently exercisable or exercisable within 60 days of the date hereof are deemed outstanding. Such shares, however, are not deemed outstanding for the purposes of computing the percentage ownership of any other person. Except as indicated in the footnotes to the following table or pursuant to applicable community property laws, each shareholder named in the table has sole voting and investment power with respect to the shares set forth opposite such shareholder's name. The percentages of beneficial ownership set forth below are based on 67,433,451 common shares outstanding on September 25, 2007.

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Name of Beneficial Owner[1][4]	Shares Beneficially Owned Prior to this Offering[1]		Shares Being Sold in the Offering	Shares Beneficially Owned After this Offering[1]		Maximum Number of Shares Being Sold in the Underwriters' Over-Allotment Option, if Any	Shares Beneficially Owned After the Offering if the Underwriters' Over-Allotment Option is Exercised in Full[1]	
	Number[2]	Percentage[3]		Number[2]	Percentage[3]		Number[2]	Percentage[3]
Fortress Investment Fund III LP	10,109,187.5	15.0%	2,527,297	7,581,890.5	9.8%	252,730	7,329,160.5	9.3%
Fortress Investment Fund III (Fund B) LP	8,643,528.0	12.8%	2,160,882	6,482,646.0	8.4%	216,088	6,266,558.0	8.0%
Fortress Investment Fund III (Fund C) LP	1,807,436.6	2.7%	451,859	1,355,577.6	1.8%	45,186	1,310,391.6	1.7%
Fortress Investment Fund III (Fund D) L.P.	4,148,448.0	6.2%	1,037,113	3,111,335.0	4.0%	103,711	3,007,624.0	3.8%
Fortress Investment Fund III (Fund E) LP	291,399.9	0.4%	72,850	218,549.9	0.3%	7,285	211,264.9	0.3%
Fortress Investment Fund III (Coinvestment Fund A) LP	850,005.5	1.3%	212,501	637,504.5	0.8%	21,250	616,254.5	0.8%
	1,669,951.9	2.5%	417,488	1,252,463.9	1.6%	41,749	1,210,714.9	1.5%

Fortress Investment Fund III (Coinvestment Fund B) LP								
Fortress Investment Fund III (Coinvestment Fund C) LP	430,101.6	0.6%	107,525	322,576.6	0.4%	10,752	311,824.6	0.4%
Fortress Investment Fund III (Coinvestment Fund D) L.P.	2,049,941.0	3.0%	512,485	1,537,456.0	2.0%	51,249	1,486,207.0	1.9%
Drawbridge Special Opportunities Fund LP	3,997,500.0	5.9%	937,500	3,060,000.0	4.0%	93,750	2,966,250.0	3.8%
Drawbridge Special Opportunities Fund Ltd.	1,210,345.0	1.8%	312,500	897,845.0	1.2%	31,250		