

WORLD FUEL SERVICES CORPORATION

(Exact name of registrant as specified in its charter)

Florida
(State or other jurisdiction of
incorporation or organization)

59-2459427
(I.R.S. Employer
Identification No.)

9800 N.W. 41st Street, Suite 400
Miami, Florida
(Address of Principal Executive Offices)

33178
(Zip Code)

Registrant's Telephone Number, including area code: **(305) 428-8000**

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

The registrant had a total of 72,623,000 shares of common stock, par value \$0.01 per share, issued and outstanding as of April 24, 2013.

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Part I Financial Information

General

The following unaudited consolidated financial statements and notes thereto of World Fuel Services Corporation and its subsidiaries have been prepared in accordance with the instructions to Quarterly Reports on Form 10-Q and, therefore, omit or condense certain footnotes and other information normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States. In the opinion of management, all adjustments necessary for a fair presentation of the financial information, which are of a normal and recurring nature, have been made for the interim periods reported. Results of operations for the three months ended March 31, 2013 are not necessarily indicative of the results for the entire fiscal year. The unaudited consolidated financial statements and notes thereto included in this Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2013 (10-Q Report) should be read in conjunction with the audited consolidated financial statements and notes thereto included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2012 (2012 10-K Report). World Fuel Services Corporation (World Fuel or the Company) and its subsidiaries are collectively referred to in this 10-Q Report as we, our and us.

Table of Contents**Item 1. Financial Statements****World Fuel Services Corporation and Subsidiaries****Consolidated Balance Sheets**

(Unaudited - In thousands, except per share data)

	March 31, 2013	As of	December 31, 2012
Assets:			
Current assets:			
Cash and cash equivalents	\$ 159,600	\$	172,740
Accounts receivable, net	2,494,373		2,193,866
Inventories	634,057		572,313
Prepaid expenses	112,430		158,909
Other current assets	180,488		183,549
Total current assets	3,580,948		3,281,377
Property and equipment, net	119,636		112,525
Goodwill	468,456		470,506
Identifiable intangible and other non-current assets	240,217		243,343
Total assets	\$ 4,409,257	\$	4,107,751
Liabilities:			
Current liabilities:			
Short-term debt	\$ 28,362	\$	26,065
Accounts payable	2,185,325		1,814,794
Accrued expenses and other current liabilities	283,654		308,439
Total current liabilities	2,497,341		2,149,298
Long-term debt	248,312		354,253
Non-current income tax liabilities, net	59,459		50,879
Other long-term liabilities	12,032		11,697
Total liabilities	2,817,144		2,566,127
Commitments and contingencies			
Equity:			
World Fuel shareholders' equity:			
Preferred stock, \$1.00 par value; 100 shares authorized, none issued			
Common stock, \$0.01 par value; 100,000 shares authorized, 72,583 and 72,147 issued and outstanding as of March 31, 2013 and December 31, 2012, respectively	725		721
Capital in excess of par value	518,598		517,589
Retained earnings	1,060,932		1,014,882
Accumulated other comprehensive loss	(14,978)		(16,018)
Total World Fuel shareholders' equity	1,565,277		1,517,174
Noncontrolling interest equity	26,836		24,450
Total equity	1,592,113		1,541,624
Total liabilities and equity	\$ 4,409,257	\$	4,107,751

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The accompanying notes are an integral part of these unaudited consolidated financial statements.

Table of Contents**World Fuel Services Corporation and Subsidiaries****Consolidated Statements of Income and Comprehensive Income**

(Unaudited - In thousands, except per share data)

	For the Three Months ended March 31,	
	2013	2012
Revenue	\$ 10,184,029	\$ 9,479,055
Cost of revenue	10,001,650	9,321,820
Gross profit	182,379	157,235
Operating expenses:		
Compensation and employee benefits	69,429	54,527
Provision for bad debt	1,103	141
General and administrative	44,906	43,311
	115,438	97,979
Income from operations	66,941	59,256
Non-operating expenses, net:		
Interest expense and other financing costs, net	(3,659)	(4,661)
Other income, net	120	566
	(3,539)	(4,095)
Income before income taxes	63,402	55,161
Provision for income taxes	12,291	6,615
Net income including noncontrolling interest	51,111	48,546
Net income attributable to noncontrolling interest	2,386	2,131
Net income attributable to World Fuel	\$ 48,725	\$ 46,415
Basic earnings per common share	\$ 0.68	\$ 0.65
Basic weighted average common shares	71,288	70,998
Diluted earnings per common share	\$ 0.68	\$ 0.65
Diluted weighted average common shares	71,999	71,774
Comprehensive income:		
Net income including noncontrolling interest	\$ 51,111	\$ 48,546
Other comprehensive income:		
Foreign currency translation adjustments	1,109	2,807
Cash flow hedges, net of income tax of \$21	(69)	
Other comprehensive income	1,040	2,807
Comprehensive income including noncontrolling interest	52,151	51,353
Comprehensive income attributable to noncontrolling interest	2,386	2,131
Comprehensive income attributable to World Fuel	\$ 49,765	\$ 49,222

The accompanying notes are an integral part of these unaudited consolidated financial statements.

Table of Contents**World Fuel Services Corporation and Subsidiaries****Consolidated Statements of Shareholders Equity**

(Unaudited - In thousands)

	Common Stock Shares	Common Stock Amount	Capital in Excess of Par Value	Retained Earnings	Accumulated Other Comprehensive Loss	Total World Fuel Shareholders Equity	Noncontrolling Interest Equity	Total Equity
Balance as of December 31, 2012	72,147	\$ 721	\$ 517,589	\$ 1,014,882	\$ (16,018)	\$ 1,517,174	\$ 24,450	\$ 1,541,624
Net income				48,725		48,725	2,386	51,111
Cash dividends declared				(2,675)		(2,675)		(2,675)
Amortization of share-based payment awards			3,748			3,748		3,748
Issuance of common stock related to share-based payment awards including income tax benefit of \$1,721	449	4	1,717			1,721		1,721
Purchases of common stock tendered by employees to satisfy the required withholding taxes related to share-based payment awards	(13)		(4,456)			(4,456)		(4,456)
Other comprehensive income					1,040	1,040		1,040
Balance as of March 31, 2013	72,583	\$ 725	\$ 518,598	\$ 1,060,932	\$ (14,978)	\$ 1,565,277	\$ 26,836	\$ 1,592,113

	Common Stock Shares	Common Stock Amount	Capital in Excess of Par Value	Retained Earnings	Accumulated Other Comprehensive Loss	Total World Fuel Shareholders Equity	Noncontrolling Interest Equity	Total Equity
Balance as of December 31, 2011	71,154	\$ 712	\$ 502,551	\$ 836,222	\$ (6,524)	\$ 1,332,961	\$ 13,757	\$ 1,346,718
Net income				46,415		46,415	2,131	48,546
Cash dividends declared				(2,664)		(2,664)		(2,664)
Distribution of noncontrolling interest							(923)	(923)
Amortization of share-based payment awards			2,435			2,435		2,435
Issuance of common stock related to share-based payment awards	758	7	2,722			2,729		2,729
Purchases of common stock tendered by employees to satisfy the required withholding taxes related to share-based payment awards	(25)		(4,072)			(4,072)		(4,072)
Other comprehensive income					2,807	2,807		2,807
Balance as of March 31, 2012	71,887	\$ 719	\$ 503,636	\$ 879,973	\$ (3,717)	\$ 1,380,611	\$ 14,965	\$ 1,395,576

The accompanying notes are an integral part of these unaudited consolidated financial statements.

Table of Contents**World Fuel Services Corporation and Subsidiaries****Consolidated Statements of Cash Flows**

(Unaudited - In thousands)

	For the Three Months ended March 31,	
	2013	2012
Cash flows from operating activities:		
Net income including noncontrolling interest	\$ 51,111	\$ 48,546
Adjustments to reconcile net income including noncontrolling interest to net cash provided by operating activities:		
Depreciation and amortization	10,848	9,659
Provision for bad debt	1,103	141
Share-based payment award compensation costs	3,872	2,904
Deferred income tax provision	739	10,730
Extinguishment of liabilities	(428)	(3,490)
Foreign currency (gains) losses, net	(785)	2,274
Other	228	(743)
Changes in assets and liabilities, net of acquisitions:		
Accounts receivable, net	(303,010)	(127,281)
Inventories	(60,162)	23,010
Prepaid expenses	45,876	(63,607)
Other current assets	14,266	(70,249)
Cash collateral with financial counterparties	563	35,094
Other non-current assets	(154)	280
Accounts payable	370,898	143,990
Accrued expenses and other current liabilities	(26,249)	40,329
Non-current income tax, net and other long-term liabilities	794	(2,795)
Total adjustments	58,399	246
Net cash provided by operating activities	109,510	48,792
Cash flows from investing activities:		
Acquisitions and other investments, net of cash acquired		(90)
Capital expenditures	(12,949)	(3,948)
Other		(115)
Net cash used in investing activities	(12,949)	(4,153)
Cash flows from financing activities:		
Borrowings under senior revolving credit facility and senior term loans	1,376,800	815,000
Repayments under senior revolving credit facility and senior term loans	(1,477,550)	(815,000)
Repayments of other debt	(2,901)	(1,492)
Dividends paid on common stock	(2,667)	(2,664)
Distribution of noncontrolling interest		(923)
Federal and state tax benefits resulting from tax deductions in excess of the compensation cost recognized for share-based payment awards	1,721	
Purchases of common stock tendered by employees to satisfy the required withholding taxes related to share-based payment awards	(4,456)	(4,072)
Net cash used in financing activities	(109,053)	(9,151)
Effect of exchange rate changes on cash and cash equivalents	(648)	1,690
Net (decrease) increase in cash and cash equivalents	(13,140)	37,178
Cash and cash equivalents, as of beginning of period	172,740	205,415
Cash and cash equivalents, as of end of period	\$ 159,600	\$ 242,593

Supplemental Schedule of Noncash Investing and Financing Activities:

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We declared cash dividends of \$0.0375 per common share of \$2.7 million for the three months ended March 31, 2013 and 2012, which were paid in April 2013 and 2012, respectively.

In March 2012, we granted equity awards to certain employees of which \$2.7 million was previously recorded in accrued expenses and other current liabilities.

The accompanying notes are an integral part of these unaudited consolidated financial statements.

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World Fuel Services Corporation and Subsidiaries

Notes to the Consolidated Financial Statements

(Unaudited)

1. Significant Accounting Policies

Except as updated below, the significant accounting policies we use for quarterly financial reporting are the same as those disclosed in Note 1 of the Notes to the Consolidated Financial Statements included in our 2012 10-K Report.

Basis of Consolidation

The accompanying consolidated financial statements and related notes include the accounts of our wholly-owned and majority-owned subsidiaries and joint ventures where we exercise operational control or have a primary benefit of its profits. All significant intercompany accounts, transactions and profits are eliminated upon consolidation.

Reclassifications

Certain amounts in prior periods have been reclassified to conform to the current period's presentation.

Accounts Receivable Purchase Agreement

We have a Receivables Purchase Agreement (RPA) to sell up to \$125.0 million of certain of our accounts receivable. On our sold receivables, we are charged a discount margin equivalent to a floating market rate plus 2% and certain other fees, as applicable and we retain a beneficial interest in certain of the sold accounts receivable which is included in accounts receivable, net in the accompanying consolidated balance sheets.

As of March 31, 2013, we had sold accounts receivable of \$70.8 million and retained a beneficial interest of \$4.8 million. During the three months ended March 31, 2013, the fees and interest paid under the receivables purchase agreement were not significant.

Goodwill

During the three months ended March 31, 2013, based on our ongoing fair value assessment of certain of our 2012 acquisitions, we recorded a \$2.0 million reduction in goodwill within our land segment primarily due to a \$3.3 million increase in identifiable intangible assets, partially offset by a \$0.9 million decrease in other acquired assets and a \$0.4 million increase in assumed liabilities. Additionally, we reclassified \$6.5 million in goodwill from our land segment to our aviation segment.

Recent Accounting Pronouncements

Foreign Currency Matters Parent's Accounting for the Cumulative Translation Adjustment upon Derecognition of Certain Foreign Subsidiaries. In March 2013, the Financial Accounting Standards Board (FASB) issued an accounting standards update (ASU) aimed at resolving the diversity in practice of accounting for the release of the cumulative translation adjustment into net income when a parent either sells a part or all of its investment in a foreign entity or no longer holds a controlling financial interest in a subsidiary or group of assets that is a nonprofit activity or a business within a foreign entity. In addition, the amendments in this ASU resolve the diversity in practice for the treatment of business combinations achieved in stages (sometimes also referred to as step acquisitions) involving a foreign entity. This update is effective for fiscal years, and interim periods within those years, beginning after December 15, 2013. We are currently evaluating whether the adoption of this new guidance will have a significant impact on our consolidated financial statements and disclosures.

Disclosure Obligations Resulting from Joint and Several Liability Arrangements. In February 2013, the FASB issued an ASU clarifying the guidance for the recognition, measurement and disclosure of obligations resulting from joint and several liability arrangements for which the total amount of the obligation within the scope of this ASU is fixed at the reporting date, except for obligations addressed within existing guidance in U.S. GAAP. This update is effective for fiscal years, and interim periods within those years, beginning after December 15, 2013. We are currently evaluating whether the adoption of this new guidance will have a significant impact on our consolidated financial statements and disclosures.

Disclosure Relating to Amounts Reclassified Out of Accumulated Other Comprehensive Income. In February 2013, the FASB issued an ASU amending the information that companies will be required to present relating to reclassifications out of accumulated other comprehensive income. The amendments require presentation, either on the face of the financial statements or in the notes, of amounts reclassified out of accumulated other comprehensive income by component and by net income line item. This update is effective for fiscal years, and interim periods within those years, beginning after December 15, 2012. The adoption of this ASU resulted in additional derivative disclosures included in Note 2 - Derivatives and did not have a significant impact on our consolidated financial statements.

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Disclosure About Offsetting Assets and Liabilities. In December 2011, the FASB issued an ASU which requires companies to disclose information about financial instruments that have been offset and related arrangements to enable users of its financial statements to understand the effect of those arrangements on its financial position. Companies will be required to provide both net (offset amounts) and gross information in the notes to the financial statements for relevant assets and liabilities that are offset. In January 2013, the FASB issued an ASU clarifying that the requirement to disclose information about financial instruments that have been offset and related arrangements applies only to derivatives, repurchase agreements and reverse purchase agreements, and securities borrowing and lending transactions that are either offset in accordance with specific criteria contained in the FASB Accounting Standards Codification or subject to a master netting arrangement or similar agreement. This update became effective at the beginning of our 2013 fiscal year. The adoption of this ASU did not have a significant impact on our consolidated financial statements and disclosures.

2. Derivatives

We enter into financial derivative contracts in order to mitigate the risk of market price fluctuations in aviation, marine and land fuel, to offer our customers fuel pricing alternatives to meet their needs and to mitigate the risk of fluctuations in foreign currency exchange rates. We also enter into proprietary derivative transactions, primarily intended to capitalize on arbitrage opportunities related to basis or time spreads related to fuel products we sell. We have applied the normal purchase and normal sales exception (NPNS), as provided by accounting guidance for derivative instruments and hedging activities, to certain of our physical forward sales and purchase contracts. While these contracts are considered derivative instruments under the guidance for derivative instruments and hedging activities, they are not recorded at fair value, but rather are recorded in our consolidated financial statements when physical settlement of the contracts occurs. If it is determined that a transaction designated as NPNS no longer meets the scope of the exception, the fair value of the related contract is recorded as an asset or liability on the consolidated balance sheet and the difference between the fair value and the contract amount is immediately recognized through earnings.

The following describes our derivative classifications:

Cash Flow Hedges. Includes certain of our foreign currency forward contracts we enter into in order to mitigate the risk of currency exchange rate fluctuations.

Fair Value Hedges. Includes derivatives we enter into in order to hedge price risk associated with our inventory and certain firm commitments relating to fixed price purchase and sale contracts.

Non-designated Derivatives. Includes derivatives we primarily enter into in order to mitigate the risk of market price fluctuations in aviation, marine and land fuel in the form of swaps or futures as well as certain fixed price purchase and sale contracts and proprietary trading. In addition, non-designated derivatives are also entered into to hedge the risk of currency rate fluctuations.

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As of March 31, 2013, our derivative instruments, at their respective fair value positions were as follows (in thousands, except weighted average fixed price and weighted average mark-to-market amount):

Hedge Strategy	Settlement Period	Derivative Instrument	Notional	Unit	Weighted Average Fixed Price	Weighted Average Mark-to-Market Amount	Fair Value Amount
Cash Flow Hedge	2013	Foreign currency contracts (long)	1,290	EUR	\$ 0.81	\$ 0.05	\$ 58
Fair Value Hedge	2013	Commodity contracts for inventory hedging (long)	344	BBL	\$ 123.50	\$ 0.42	\$ 146
	2013	Commodity contracts for inventory hedging (short)	1,969	BBL	124.88	(0.15)	(305)
							\$ (159)
Non-Designated	2013	Commodity contracts (long)	38,792	BBL	\$ 73.58	\$ 0.88	\$ 33,977
	2013	Commodity contracts (short)	28,789	BBL	88.44	(0.87)	(25,070)
	2014	Commodity contracts (long)	892	BBL	78.21	3.10	2,765
	2014	Commodity contracts (short)	870	BBL	77.22	(3.10)	(2,693)
	2015	Commodity contracts (long)	26	BBL	115.68	0.58	15
	2015	Commodity contracts (short)	32	BBL	113.77		
	2013	Foreign currency contracts (long)	22,007	AUD	1.04	0.01	130
	2013	Foreign currency contracts (short)	32,427	AUD	1.03	(0.01)	(190)
	2013	Foreign currency contracts (long)	412	BRL	2.02	0.01	5
	2013	Foreign currency contracts (long)	71,669	CAD	1.01	(0.01)	(1,036)
	2013	Foreign currency contracts (short)	79,647	CAD	1.01	0.01	843
	2013	Foreign currency contracts (long)	2,598,733	CLP	474.79	0.00	22
	2013	Foreign currency contracts (short)	1,163,807	CLP	479.85	(0.00)	(37)
	2013	Foreign currency contracts (long)	48,270,679	COP	1,800.41	(0.00)	(475)
	2013	Foreign currency contracts (short)	42,162,424	COP	1,804.60	0.00	361
	2013	Foreign currency contracts (long)	39,638	DKK	5.68	(0.00)	(141)
	2013	Foreign currency contracts (short)	25,010	DKK	5.72	0.00	53
	2013	Foreign currency contracts (long)	17,069	EUR	0.76	(0.03)	(463)
	2013	Foreign currency contracts (short)	34,160	EUR	0.76	0.03	943
	2013	Foreign currency contracts (long)	136,493	GBP	0.64	(0.04)	(4,982)
	2013	Foreign currency contracts (short)	193,282	GBP	0.64	0.04	8,060
	2013	Foreign currency contracts (short)	111,367	INR	54.73	(0.00)	(4)
	2013	Foreign currency contracts (long)	110,038	JPY	84.51	(0.00)	(32)
	2013	Foreign currency contracts (short)	210,921	JPY	86.79	0.00	166
	2013	Foreign currency contracts (long)	1,586,573	MXN	12.75	0.00	3,919
	2013	Foreign currency contracts (short)	1,471,020	MXN	12.78	(0.00)	(3,450)
	2013	Foreign currency contracts (long)	14,700	NOK	5.67	(0.01)	(92)
	2013	Foreign currency contracts (short)	16,367	NOK	5.66	0.01	103
	2013	Foreign currency contracts (long)	3,856	PLN	3.22	(0.01)	(25)
	2013	Foreign currency contracts (short)	9,160	PLN	3.17	0.01	76
	2013	Foreign currency contracts (short)	8,533	RON	3.42	(0.00)	(5)
	2013	Foreign currency contracts (long)	27,737	SGD	1.23	(0.00)	(76)
2013	Foreign currency contracts (short)	26,490	SGD	1.24	0.00	121	
2013	Foreign currency contracts (short)	30,264	ZAR	9.12	0.00	15	
2014	Foreign currency contracts (long)	250	GBP	0.62	(0.10)	(24)	
2014	Foreign currency contracts (short)	4,290	GBP	0.64	0.06	274	
							\$ 13,053

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The following table presents information about our derivative instruments measured at fair value and their locations on the consolidated balance sheets (in thousands):

Balance Sheet Location		As of	
		March 31, 2013	December 31, 2012
Derivative assets:			
Derivatives designated as hedging instruments			
Commodity contracts	Other current assets	\$ 39	\$ 991
Commodity contracts	Accrued expenses and other current liabilities	2,067	
Foreign currency contracts	Other current assets	58	148
		2,164	1,139
Derivatives not designated as hedging instruments			
Commodity contracts	Other current assets	34,577	67,533
Commodity contracts	Identifiable intangible and other non-current assets	1,906	1,423
Commodity contracts	Accrued expenses and other current liabilities	46,744	5,776
Commodity contracts	Other long-term liabilities		46
Foreign currency contracts	Other current assets	14,105	741
Foreign currency contracts	Identifiable intangible and other non-current assets	104	
Foreign currency contracts	Accrued expenses and other current liabilities	2,530	1,545
		99,966	77,064
		\$ 102,130	\$ 78,203
Derivative liabilities:			
Derivatives designated as hedging instruments			
Commodity contracts	Other current assets	\$ 14	\$ 2,284
Commodity contracts	Accrued expenses and other current liabilities	2,250	
		2,264	2,284
Derivatives not designated as hedging instruments			
Commodity contracts	Other current assets	10,406	41,410
Commodity contracts	Identifiable intangible and other non-current assets	265	47
Commodity contracts	Accrued expenses and other current liabilities	62,541	20,927
Commodity contracts	Other long-term liabilities	1,022	1,034
Foreign currency contracts	Other current assets	9,395	595
Foreign currency contracts	Identifiable intangible and other non-current assets	24	
Foreign currency contracts	Accrued expenses and other current liabilities	3,261	3,151
Foreign currency contracts	Other long-term liabilities		99
		86,914	67,263
		\$ 89,178	\$ 69,547

The following table presents the effect and financial statement location of our derivative instruments and related hedged items in fair value hedging relationships on our consolidated statements of income and comprehensive income (in thousands):

Derivative Instruments	Location	Realized and Unrealized Gain (Loss)		Hedged Items	Location	Realized and Unrealized Gain (Loss)	
		2013	2012			2013	2012

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Three months ended March 31,

	Revenue	\$	\$	Firm 265 commitments	Revenue	\$	\$	(201)
Commodity contracts	Cost of			Firm	Cost of			
Commodity contracts	revenue			(1,417) commitments	revenue			739
Commodity contracts	Cost of			Inventories	Cost of			
	revenue	5,079		(26,329)	revenue	893		29,428
		\$ 5,079	\$	(27,481)		\$ 893	\$	29,966

There were no gains or losses for the three months ended March 31, 2013 and 2012 that were excluded from the assessment of the effectiveness of our fair value hedges.

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The following table presents the effect and financial statement location of our derivative instruments in cash flow hedging relationships on our accumulated other comprehensive income and consolidated statements of income and comprehensive income (in thousands):

Derivative Instruments	Amount of Loss Recognized in Accumulated Other Comprehensive Income (Effective Portion)		Location of Realized Gain (Effective Portion)	Amount of Gain Reclassified from Accumulated Other Comprehensive Income (Effective Portion)	
	2013	2012		2013	2012
Three months ended March 31,					
Foreign currency contracts	\$	(51)	\$	Other income, net	\$ 39

In the event forecasted cash outflows are less than the hedged amounts, a portion or all of the gains or losses recorded in accumulated other comprehensive income are reclassified to the consolidated statements of income and comprehensive income. As of March 31, 2013, the maximum amount that could be reclassified to the consolidated statements of income and comprehensive income for the next twelve months is not significant.

The following table presents the effect and financial statement location of our derivative instruments not designated as hedging instruments on our consolidated statements of income and comprehensive income (in thousands):

Derivatives	Location	Realized and Unrealized Gain (Loss)	
		2013	2012
Three months ended March 31,			
Commodity contracts	Revenue	\$ 5,395	\$ (223)
Commodity contracts	Cost of revenue	(293)	7,021
Foreign currency contracts	Revenue	2,668	(1,552)
Foreign currency contracts	Other income, net	3,479	(1,662)
		\$ 11,249	\$ 3,584

We enter into derivative instrument contracts which may require us to periodically post collateral. Certain of these derivative contracts contain clauses that are similar to credit-risk-related contingent features, including material adverse change, general adequate assurance and internal credit review clauses that may require additional collateral to be posted and/or settlement of the instruments in the event an aforementioned clause is triggered. The triggering events are not a quantifiable measure; rather they are based on good faith and reasonable determination by the counterparty that the triggers have occurred. The net liability position for such contracts, the collateral posted and the amount of assets required to be posted and/or to settle the positions should a contingent feature be triggered is not significant as of March 31, 2013.

3. Interest Income, Expense and Other Financing Costs

The following table provides additional information about our interest expense and other financing costs, net, for the periods presented (in thousands):

	For the Three Months ended March 31,			
	2013		2012	
Interest income	\$	424	\$	272
Interest expense and other financing costs		(4,083)		(4,933)
	\$	(3,659)	\$	(4,661)

Table of Contents**4. Other Comprehensive Income and Accumulated Other Comprehensive Loss**

Our other comprehensive income, consisting of foreign currency translation adjustments related to our subsidiaries that have a functional currency other than the U.S. dollar and cash flow hedges, was as follows (in thousands):

	Foreign Currency Translation Adjustments		Cash Flow Hedges		Total
Balance as of December 31, 2012	\$ (16,130)	\$	112	\$	(16,018)
Other comprehensive income (loss)	1,109		(69)		1,040
Balance as of March 31, 2013	\$ (15,021)	\$	43	\$	(14,978)

The foreign currency translation adjustment gains for the three months ended March 31, 2013 were primarily due to the strengthening of the Brazilian Real as compared to the U.S. dollar.

Additional information relating to our cash flow hedges for the periods presented is included in Note 2 - Derivatives.

5. Income Taxes

Our income tax provision for the periods presented and the respective effective income tax rates for such periods are as follows (in thousands, except for income tax rates):

	For the Three Months ended March 31,			
	2013		2012	
Income tax provision	\$	12,291	\$	6,615
Effective income tax rate		19.4%		12.0%

Our provision for income taxes for each of the three-month periods ended March 31, 2013 and 2012 were calculated based on the estimated annual effective income tax rate for the full 2013 and 2012 fiscal years. The provision for income taxes for the three-month period ended March 31, 2012 includes an adjustment for an income tax benefit of \$3.3 million for a discrete item related to a change in estimate in an uncertain income tax position. The actual effective income tax rate for the full 2013 fiscal year may be materially different as a result of differences between estimated versus actual results and the geographic tax jurisdictions in which the results are earned.

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In March 2013, we received final approval that we were awarded an additional five year special income tax concession in Singapore beginning January 1, 2013. The special income tax concession is conditional upon our meeting certain employment and investment thresholds which, if not met in accordance with our agreement, may eliminate the benefit beginning with the first year in which the conditions are not satisfied.

Table of Contents**6. Earnings per Common Share**

The following table sets forth the computation of basic and diluted earnings per common share for the periods presented (in thousands, except per share amounts):

	For the Three Months ended March 31,	
	2013	2012
Numerator:		
Net income attributable to World Fuel	\$ 48,725	\$ 46,415
Denominator:		
Weighted average common shares for basic earnings per common share	71,288	70,998
Effect of dilutive securities	711	776
Weighted average common shares for diluted earnings per common share	71,999	71,774

<i>(dollars in thousands)</i>	For the six months ended		For the period from Inception to December 31, 2010	
	June 30, 2011			
Country	Amount of rental revenue	% of total	Amount of rental revenue	% of total
France	\$ 28,535	22.2%	\$ 8,598	15.1%
Germany	\$ 15,561	12.1%	\$ 15,153	26.5%
China	\$ 15,488	12.0%	\$ 6,091	10.7%

The following table sets forth the revenue attributable to individual airlines representing at least 10% of our rental of flight equipment revenue for the six months ended June 30, 2011 and the period from inception to

December 31, 2010,
based on each
airline's principal
place of business.

	For the six months ended June 30, 2011		For the period from Inception to December 31, 2010	
<i>(dollars in thousands)</i>	Amount of rental revenue	% of total	Amount of rental revenue	% of total
Customer(1)				
Air France	\$ 20,589	16.0%	\$ 8,598	15.1%
Air Berlin	\$ 15,561	12.1%	\$ 15,153	26.5%

(1) A customer is an
airline with its
own operating
certificate.

Our business and growth strategies

We believe that we entered the aircraft leasing industry at an opportune time, as both airlines use of net operating leases and the demand for air travel are expected to grow in the near future, consistent with a trend of growth in air travel over the last 40 years, as forecasted by AVITAS.

Accordingly, we are pursuing the following business and growth strategies:

Capitalize on attractive market opportunities to grow our modern fleet of aircraft. We plan to continue acquiring aircraft and expect that a significant portion of these acquisitions will be subject to existing or new leases that produce immediate positive cash flows. We seek aircraft that produce attractive returns on equity while maintaining diversified lease portfolio characteristics in terms of aircraft type, aircraft age, lease term and geographic location of our lessees. We intend to continue to take advantage of the current economic environment to make opportunistic purchases of aircraft and aircraft portfolios. We plan to expand our fleet with a mix of narrowbody and widebody commercial aircraft that we expect to have long useful lives and that are currently in widespread use by airlines, with a greater focus on acquiring

narrowbody aircraft. Based on our ongoing discussions with airlines, we believe narrowbody and certain widebody aircraft will continue to experience strong global airline demand. We have also entered into commitments to purchase select fuel-efficient regional jets and turboprop aircraft, such as the Embraer E175/E190 and ATR 72-600 aircraft types. We believe market demand for these types of aircraft will grow as they are well suited for direct service between smaller and medium-sized cities and between such cities and major hub cities.

Continue to develop and grow our long-standing relationships and cultivate new relationships. We believe our management team's experience in the aircraft leasing industry provides us immediate access to key decision makers at airframe and engine

manufacturers and
major airlines
around the world,
thereby enabling us
to make prompt
acquisitions of new

aircraft, enter into new leases, and anticipate airlines' longer-term needs so as to tailor our fleet and leases to their specific needs. Additionally, we believe our relationships with airframe and engine manufacturers allow us to influence their airframe and engine designs to better meet the needs of our airline customers. In our view, the aircraft leasing industry continues to be relationship-driven, and airframe and engine manufacturers and our airline customers will place a high value on the expertise and experience of our management team. This will help us develop new relationships, while we use our long-standing contacts to grow our business. We believe these relationships will help to establish us as a leader in the aircraft leasing industry over time.

Emphasize marketing in high-growth areas of the world. As our portfolio grows, we anticipate that a growing percentage of our aircraft will be located in Asia, the Pacific Rim, Latin America, the Middle East and Eastern Europe, although we will continue to enter into select leasing transactions in North America and Western Europe. We expect aircraft demand to increase in emerging markets over the next several years, as forecasted by AVITAS. We believe a developing infrastructure supporting direct air travel to more destinations within emerging market regions, combined with economic and population growth, an expected increase in the number of low-cost carriers, expansion of existing low-cost carriers, deregulation in air travel, and a significant increase in such areas' middle class populations, will lead to growth in passenger air travel in these regions.

Enter into strategic ventures. We may, on occasion, enter into strategic ventures with third parties in order to take advantage of favorable financing or other opportunities, to share capital and/or operating risk, and/or to earn fleet management fees. Given our broad experience in acquiring, leasing, financing and managing aircraft, we believe that third parties seeking to invest in the aircraft leasing industry will view us as an attractive partner. Other than one arrangement whereby we manage one aircraft owned by a third party that is leased to one of our customers, we currently do not participate in, or have any binding commitments to enter into, any strategic ventures with any third parties.

Actively manage our lease portfolio to optimize returns and minimize risk through diversification. In actively managing our aircraft portfolio, we seek to optimize returns and minimize risks by appropriately and prudently diversifying the types of aircraft we acquire, maintaining a low average fleet age, spreading out over a number of years the termination dates for our leases, achieving geographic diversification, and minimizing our exposure to customer concentration. Our acquisition of desirable aircraft types with a low average fleet age helps to maximize the mobility of our assets across global markets, which allows us to achieve a high rate of lease placements on attractive lease terms. Through the implementation of our diversification strategies, we believe that we are in a position to reduce our exposure to industry fluctuations over a particular period of time, economic fluctuations in a particular regional market, changes in customer preferences for particular aircraft, and the credit risk posed by a particular customer.

Our financing strategies

In addition to our business and growth strategies described above, the successful implementation of our financing strategies is critical to the success and growth of our business.

As we grow our business, we envision funding our aircraft purchases through multiple sources, including the \$1.3 billion of gross cash proceeds we raised in our prior private placement of Common Stock, the \$922.9 million of gross cash proceeds we raised in our initial public offering,

expected proceeds from any exercise of outstanding warrants, future earnings and cash flow from operations, existing debt facilities, potential future debt financing and government-sponsored export guaranty and lending programs. We intend to employ multiple debt and equity strategies to attain financial flexibility to fund our aircraft purchases on the best terms available.

In May 2010, we entered into the Warehouse Facility to finance the acquisition of aircraft. The Warehouse Facility was subsequently modified by an amendment that became effective on April 21, 2011. This credit facility, as amended, provides us with secured financing of up to \$1.25 billion, modified from the original facility size of \$1.5 billion. We are able to draw on this facility, as amended, during an availability period that ends in June 2013. Prior to the amendment of the Warehouse Facility, the Warehouse Facility accrued interest during the availability period based on LIBOR plus 3.25% on drawn balances and at a fixed rate of 1.00% on undrawn balances. Following the amendment, the Warehouse Facility accrues interest during the availability period based on LIBOR plus 2.50% on drawn balances and at a fixed rate of 0.75% on undrawn balances. The outstanding drawn balance at the end of the availability period may be converted at our option to an amortizing, four-year term loan with an increasing interest rate over the term period.

We were required to pledge \$200.0 million in aircraft collateral as a precondition to borrowing under the Warehouse Facility. As of June 30, 2011, we had borrowed \$709.3 million under the Warehouse Facility and pledged a total of 28 aircraft as collateral with a net book value of \$1.2 billion. As of June 30, 2011, we have also pledged \$67.5 million in cash collateral and lessee deposits. We intend to continue to utilize the Warehouse Facility to finance aircraft acquisitions in 2011, as this facility provides us with ample liquidity to make opportunistic acquisitions of aircraft on short notice.

In addition, we fund some aircraft purchases through secured term financings and unsecured term and revolving credit facilities. As of June 30, 2011, we had outstanding loan balances, excluding drawings under the Warehouse Facility, of \$503.4 million in secured term debt and \$170.9 million in unsecured term financing, and had \$313.0 million in available but undrawn revolving unsecured credit facilities. We will also use cash on hand to purchase aircraft and may use such acquired aircraft to secure new debt financing. Over time, we expect to access the public debt capital markets, subject to market conditions.

In an effort to sustain our long-term financial health and limit our exposure to unforeseen dislocations in the capital markets, we intend to maintain a debt-to-equity ratio (excluding deferred tax liabilities for calculation purposes) generally within a range of 2-to-1 to 3-to-1. Due to the seasonality of aircraft deliveries, we expect this ratio to fluctuate within that range during the course of a typical fiscal year, although on occasion we may fall outside this range. In addition, we may from time to time enter into interest rate hedging arrangements to limit our exposure to increases in interest rates on our floating-rate debt.

We believe that the implementation of our financing strategies will help us maintain a prudent amount of leverage, while also maintaining financial flexibility to seize attractive market opportunities.

Our competitive strengths

We believe that the following strengths assist us in executing our business and growth strategies and provide us with an advantage over many of our competitors:

Highly experienced management team with diversified aviation and technical experience. Our senior management team, with an average of over 23 years of experience in the aviation industry, has significant experience in all aspects of the aviation and aircraft leasing industries, including the implementation of innovative lease structures, strategic planning, risk diversification, fleet restructuring, aircraft purchasing and financing strategies, and general transactional capabilities. We have separate Sales, Marketing and Commercial Affairs; Finance and Accounting; Legal; Commercial Contracts; Aircraft Procurement and Specifications; and Technical Asset Management departments that are involved in our leasing, sales and purchasing business. Our Technical Asset Management department has in-depth knowledge of aircraft, engines, avionics and the various regulations governing the maintenance of aircraft. This department monitors the fleet while on lease to our airline customers, handles the transfer of the aircraft from one operator to the next and monitors operator compliance with its technical and maintenance obligations under our leases.

Available deployable capital to capture attractive market opportunities. With the net proceeds from our initial public offering, cash on hand, the financing available under the Warehouse Facility and multiple unsecured lines of credit, we have significant purchasing power that we can quickly deploy to acquire additional aircraft. In addition, we may supplement our access to capital with debt guaranteed by government agencies such as Ex-Im Bank and the ECAs and loans from BNDES for qualifying aircraft purchases and other debt financing arrangements. Our access to capital provides us with the flexibility to complete attractive aircraft purchases.

Strong aircraft delivery pipeline. Through our strategic and opportunistic approaches to acquiring aircraft and our strong relationship with airframe manufacturers, as of June 30, 2011, we have entered into binding and non-binding purchase commitments to acquire 234 new aircraft over the next ten years. We

believe that our access to this strong aircraft delivery pipeline over this period gives us the ability to provide airline customers with a comprehensive, multi-year solution to their aircraft leasing and fleet needs. This ability represents a significant competitive advantage in developing, renewing and expanding customer relationships as we have new aircraft available for delivery during periods far earlier than most of our airline customers can obtain new aircraft directly from airframe and engine manufacturers.

Young, modern and efficient aircraft fleet. Our aircraft portfolio primarily consists of modern, fuel-efficient narrowbody aircraft. As of June 30, 2011, the weighted average age of the aircraft in our current portfolio was 3.6 years. We believe we have one of the world's youngest operating lease portfolios. Younger aircraft are more desirable than older aircraft because of their fuel efficiency, lower maintenance costs, and longer remaining useful lives. Furthermore, younger aircraft are more likely to be in compliance with newer environmental standards or are more easily brought up to environmental compliance without costly modifications. We believe our aircraft, and the additional aircraft that we will acquire, are in high demand among our airline customers and are readily deployable to various markets throughout the world. We expect that our fleet of young, high-demand aircraft will enable us to provide stable and growing cash flows to our stockholders over the long term.

Long-standing relationships with a global, diversified customer base. Our management team is well-known in the aviation industry and we are able to benefit from the long-standing relationships that Messrs. Udvar-Házy and Plueger and other key members of management have with more than 200 airlines in over 70 countries.

Strong manufacturer relationships. The supply of commercial passenger aircraft is dominated by a few airframe manufacturers, including Boeing, Airbus, ATR, Embraer and Bombardier. Through our management team's active and long-standing participation in the aviation industry, we have developed strategic relationships with many of the manufacturers and suppliers of aircraft and aircraft parts, which enables us to leverage competitive acquisition and delivery terms and to influence new aircraft design.

Our management team's and our board of directors' significant investment in us aligns the interests of management and our board with those of our other stockholders. Members of our management team (and their families or affiliates) and members of our board of directors have invested an aggregate of approximately \$91 million in shares of our Class A Common Stock. We believe that our management team's and our board of directors' significant combined ownership stake in our Class A Common Stock, along with additional equity incentive grants, closely aligns our management team's and our board of directors' interests with those of our other stockholders.

Despite these competitive strengths, we face a high degree of risk that could adversely affect our financial results and growth prospects, including risks related to our liquidity plans, our ability to purchase, finance, lease and re-lease our aircraft profitably, interest rates, supply and demand cycles in the aviation industry, the financial strength of our lessees, macroeconomic conditions and emerging market conditions. See the section titled "Risk factors."

Business model

We use our management team's extensive experience in the aircraft leasing industry and relationships with airline customers and manufacturers to maintain and further grow relationships with both suppliers of aircraft and current and potential lessees. Our Sales,

Marketing and Commercial Affairs; Finance and Accounting; Legal; Commercial Contracts; Aircraft Procurement and Specifications; and Technical Asset Management departments source and manage our aircraft through close relationships with airline customers and manufacturers.

Our business model emphasizes a relationship-based approach to identify potential aircraft acquisitions, perform technical reviews of the relevant maintenance records, carefully pair aircraft with appropriate lessees, structure leases to address our airline customers' needs, and monitor our aircraft and our lessees throughout the lease terms. We believe we can execute this business model at each critical juncture along the aircraft lifecycle of acquiring, inspecting, leasing, monitoring and re-leasing or disposing of an aircraft in a competitively advantageous manner that will enable us to execute our business strategy and drive profitability.

Aircraft acquisition strategy

After determining the needs of our lessees or prospective airline customers, we evaluate each potential acquisition to determine if it supports our primary objective of generating profits while maintaining desired fleet characteristics. Our rigorous due diligence process takes into account:

- the needs of our airline customers at the time of acquisition and their anticipated needs at the end of typical leasing cycles;

- an aircraft's fit within our diversified fleet based on its type, price, age, market value, specifications and configuration, condition and maintenance history, operating efficiency and potential for future redeployment;

- an aircraft model's reliability, long-term utility for airline customers, and appeal to a large segment of the industry;

- jurisdiction of the lessee or potential lessee; and

- legal and tax implications.

For used aircraft, we perform detailed technical reviews of both the physical aircraft and its maintenance history to minimize our risk of acquiring an aircraft with defects or other service issues. In the case of new aircraft, we work directly with the manufacturers to outfit and configure the aircraft with our airline customers' needs in mind. Our inspection of new aircraft is focused on ensuring that our customers' required specifications and modifications have been met.

We pursue acquisitions of additional aircraft through our relationships with aircraft operators, manufacturers, financial institutions, private investors and third-party lessors. We may also acquire aircraft for lease directly from manufacturers in the secondary market or pursuant to sale-leaseback transactions with aircraft operators. For new aircraft deliveries, we will often separately source many components, including seats, safety equipment, avionics, galleys, cabin finishes, engines and other equipment, from the same providers used by aircraft manufacturers at a lower cost. Manufacturers such as Boeing and Airbus will install this buyer furnished equipment in our aircraft during the final assembly process at their facilities. Through this use of our purchasing strategy, we are better able to modify the aircraft to meet our customer's configuration requirements and enhance lease and residual values.

Leasing process

Our management team identifies all prospective lessees based upon industry knowledge and long-standing industry relationships. We seek to meet the specific needs of our airline customers

by working closely with potential lessees and, where appropriate, developing innovative lease structures specifically tailored to address those needs. While we structure aircraft leases with our airline customers' needs in mind, we, nevertheless, anticipate that most of our leases will share some common characteristics, including the following:

most of our leases will be for fixed terms, although, where mutually beneficial, we may provide for purchase options or termination or extension rights;

most of our leases will require monthly payment in advance;

most of our leases will generally provide that the lessee's payment obligations are absolute and unconditional;

our lessees will typically be required to make payment without deduction on account of any amounts that we may owe to the lessee or any claims that the lessee may have against us;

most of our leases will also require lessees to gross up lease payments to cover tax withholdings or other tax obligations, other than withholdings that arise out of transfers of the aircraft to or by us or due to our corporate structure; and

our leases will also generally require that our lessees indemnify us for certain other tax liabilities relating to the leases and the aircraft, including, in most cases, value-added tax and stamp duties.

We may, in connection with the lease of used aircraft, agree to contribute specific additional amounts to the cost of certain first major overhauls or modifications, which usually reflect the usage of the aircraft prior to the commencement of the lease, and which are covered by the prior operator's usage fees. We may be obligated under the leases to make reimbursements to lessees for expenses incurred for certain planned major maintenance. We also, on occasion, may contribute towards aircraft modifications (e.g., winglets and new interiors).

The lessee is responsible for compliance with applicable laws and regulations with respect to the aircraft. We require our lessees to comply with the standards of either the U.S. Federal Aviation Administration (FAA) or its equivalent in foreign jurisdictions. Generally, we receive a cash deposit as security for the lessee's performance of obligations under the lease and the condition of the aircraft upon return. In addition, most leases contain extensive provisions regarding our remedies and rights in the event of a default by a lessee. The lessee generally is required to continue to make lease payments under all circumstances, including periods during which the aircraft is not in operation due to maintenance or grounding.

Some foreign countries have currency and exchange laws regulating the international transfer of currencies. When necessary, we require, as a condition to any foreign transaction, that the lessee or purchaser in a foreign country obtains the necessary approvals of the appropriate government agency, finance ministry or central bank for the remittance of all funds contractually owed in U.S. dollars. We attempt to minimize our currency and exchange risks by negotiating the designated payment currency in our leases to be U.S. dollars, although, where appropriate, we may agree to leases with payments denominated in other currencies. All guarantees obtained to support various lease agreements are denominated for payment in the same currency as the lease.

To meet the needs of certain of our airline customers, a relatively small number of our leases may designate the payment currency to be Euros. As the Euro to U.S. dollar exchange rate fluctuates, airlines' interest in entering into Euro-denominated lease agreements will change. After we agree to the rental payment currency with an airline, the negotiated currency typically remains for the term of the

lease. We occasionally may enter into contracts to mitigate our foreign currency risk, but we expect that the economic risk arising from foreign currency denominated leases will be immaterial to us.

Management obtains and reviews relevant business materials from all prospective lessees and purchasers before entering into a lease or extending credit. Under certain circumstances, the lessee may be required to obtain guarantees or other financial support from an acceptable financial institution or other third parties. During the life of the lease, situations may lead us to restructure leases with our lessees. When we repossess an aircraft leased in a foreign country, we generally expect to export the aircraft from the lessee's jurisdiction. In some very limited situations, the lessees may not fully cooperate in returning the aircraft. In those cases, we will take legal action in the appropriate jurisdictions, a process that we expect would ultimately delay the return and export of the aircraft. In addition, in connection with the repossession of an aircraft, we may be required to pay outstanding mechanics' liens, airport charges, and navigation fees and other amounts secured by liens on the repossessed aircraft. These charges could relate to other aircraft that we do not own but were operated by the lessee.

Monitoring

During the term of a lease, we monitor both the maintenance of the aircraft and the operating performance and the financial health of the lessee. Our net operating leases generally require the lessee to pay for maintenance, insurance, taxes and all other aircraft operating expenses during the lease term. We closely monitor each leased aircraft to ensure all routine maintenance requirements are timely performed. Where an aircraft requires major, non-routine maintenance, we often are closely involved in overseeing the maintenance and partnering with the lessee while the work is performed to ensure all governmental and/or manufacturer standards are met.

We also closely follow the operating and financial performance of our lessees so that we can identify early on those lessees that may be experiencing operating and financial difficulties. This assists us in assessing the lessee's ability to fulfill its obligations under the lease for the remainder of the term and, where appropriate, restructure the lease prior to the lessee's insolvency or the initiation of bankruptcy or similar proceedings, at which time we would have less control over, and would most likely incur greater costs in connection with, the restructuring of the lease or the repossession of the aircraft. To accomplish this objective, we maintain a high level of communication with the lessee and closely and frequently evaluate the state of the market in which the lessee operates, including the impact of changes in passenger air travel and preferences, new government regulations, regional catastrophes and other unforeseen shocks to the relevant market.

Re-leasing or disposition of aircraft

Our lease agreements are generally structured to require lessees to notify us nine to twelve months in advance of the lease's expiration if a lessee desires to renew or extend the lease. Requiring lessees to provide us with such advance notice provides our management team with an extended period of time to consider a broad set of alternatives with respect to the aircraft, including assessing general market and competitive conditions and preparing to re-lease or sell the aircraft. If a lessee fails to provide us with notice, the lease will automatically expire at the end of the term, and the lessee will be required to return the aircraft pursuant to the conditions in the lease. Our leases contain detailed provisions regarding the required condition of the aircraft and its components upon redelivery at the end of the lease term.

Insurance

We require our lessees to carry those types of insurance that are customary in the air transportation industry, including comprehensive liability insurance, aircraft all-risk hull insurance and war-risk insurance covering risks such as hijacking, terrorism (but excluding coverage for weapons of mass destruction and nuclear events), confiscation, expropriation, seizure and nationalization. We generally require a certificate of insurance from the lessee's insurance broker prior to delivery of an aircraft. Generally, all certificates of insurance contain a breach of warranty endorsement so that our interests are not prejudiced by any act or omission of the lessee. Lease agreements generally require hull and liability limits to be in U.S. dollars, which are shown on the certificate of insurance.

Insurance premiums are to be paid by the lessee, with coverage acknowledged by the broker or carrier. The territorial coverage, in each case, should be suitable for the lessee's area of operations. We generally require that the certificates of insurance contain, among other provisions, a provision prohibiting cancellation or material change without at least 30 days' advance written notice to the insurance broker (who would be obligated to give us prompt notice), except in the case of hull war insurance policies, which customarily only provide seven days' advance written notice for cancellation and may be subject to shorter notice under certain market conditions. Furthermore, the insurance is primary and not contributory, and we require that all insurance carriers be required to waive rights of subrogation against us.

The stipulated loss value schedule under aircraft hull insurance policies is on an agreed-value basis acceptable to us and usually exceeds the book value of the aircraft. In cases where we believe that the agreed value stated in the lease is not sufficient, we make arrangements to cover such deficiency, which would include the purchase of additional Total Loss Only coverage for the deficiency.

Aircraft hull policies generally contain standard clauses covering aircraft engines. The lessee is required to pay all deductibles. Furthermore, the hull war policies generally contain full war risk endorsements, including, but not limited to, confiscation (where available), seizure, hijacking and similar forms of retention or terrorist acts.

The comprehensive liability insurance listed on certificates of insurance generally include provisions for bodily injury, property damage, passenger liability, cargo liability and such other provisions reasonably necessary in commercial passenger and cargo airline operations. We expect that such certificates of insurance list combined comprehensive single liability limits of not less than \$500.0 million for Airbus and Boeing aircraft and \$200.0 million for Embraer, ATR and Bombardier aircraft. As a result of the terrorist attacks on September 11, 2001, the insurance market unilaterally imposed a sublimit on each operator's policy for third-party war risk liability in the amount of \$50.0 million. We require each lessee to purchase higher limits of third-party war risk liability or obtain an indemnity from its respective government.

In late 2005, the international aviation insurance market unilaterally introduced exclusions for physical damage to aircraft hulls caused by dirty bombs, bio-hazardous materials and electromagnetic pulsing. Exclusions for the same type of perils could be introduced into liability policies.

Separately, we purchase contingent liability insurance and contingent hull insurance on all aircraft in our fleet and maintain other insurance covering the specific needs of our business operations. We believe our insurance is adequate both as to coverages and amounts.

We cannot assure stockholders that our lessees will be adequately insured against all risks, that lessees will at all times comply with their obligations to maintain insurance, that any particular

claim will be paid, or that lessees will be able to obtain adequate insurance coverage at commercially reasonable rates in the future.

We maintain key man life insurance policies on Messrs. Udvar-Házy and Plueger. Each policy is in the amount of \$2.0 million, with the proceeds payable to us and permitted to be used for general corporate purposes.

Competition

The leasing, remarketing and sale of aircraft is highly competitive. We face competition from aircraft manufacturers, banks, financial institutions, other leasing companies, aircraft brokers and airlines. Competition for leasing transactions is based on a number of factors, including delivery dates, lease rates, terms of lease, other lease provisions, aircraft condition and the availability in the marketplace of the types of aircraft required to meet the needs of airline customers. We believe we are a strong competitor in all of these areas.

Government regulation

The air transportation industry is highly regulated. We do not operate aircraft, and thus may not be directly subject to many industry laws and regulations, such as regulations of the U.S. Department of State (the DOS), the U.S. Department of Transportation, or their counterpart organizations in foreign countries regarding the operation of aircraft for public transportation of passengers and property. As discussed below, however, we are subject to government regulation in a number of respects. In addition, our lessees are subject to extensive regulation under the laws of the jurisdictions in which they are registered or operate. These laws govern, among other things, the registration, operation, maintenance and condition of the aircraft.

We are required to register, and have registered, the aircraft which we acquire and lease to U.S. carriers and to a number of foreign carriers where, by agreement, the aircraft are to be registered in the United States, with the FAA, or in other countries, with such countries' aviation authorities as applicable. Each aircraft registered to fly must have a Certificate of Airworthiness, which is a certificate demonstrating the aircraft's compliance with applicable government rules and regulations and that the aircraft is considered airworthy, or a ferry flight permit, which is an authorization to operate an aircraft on a specific route. Our lessees are obligated to maintain the Certificates of Airworthiness for the aircraft they lease and, to our knowledge, all of our lessees have complied with this requirement. When an aircraft is not on lease, we maintain the certificate or obtain a certificate in a new jurisdiction.

Our involvement with the civil aviation authorities of foreign jurisdictions consists largely of requests to register and deregister our aircraft on those countries' registries.

We are also subject to the regulatory authority of the DOS and the U.S. Department of Commerce (the DOC) to the extent such authority relates to the export of aircraft for lease and sale to foreign entities and the export of parts to be installed on our aircraft. In some cases, we are required to obtain export licenses for parts installed in aircraft exported to foreign countries.

The DOC and the U.S. Department of the Treasury (through its Office of Foreign Assets Control) impose restrictions on the operation of U.S.-made goods, such as aircraft and engines, in sanctioned countries, as well as on the ability of U.S. companies to conduct business with entities in those countries.

The U.S. Patriot Act of 2001 (the Patriot Act) prohibits financial transactions by U.S. persons, including U.S. individuals, entities and charitable organizations, with individuals and organizations designated as terrorists and terrorist supporters by the U.S. Secretary of State or the U.S. Secretary of the Treasury. We comply with the provisions of the Patriot Act and closely monitor our activities with foreign entities.

A bureau of the U.S. Department of Homeland Security, U.S. Customs and Border Protection, enforces regulations related to the import of aircraft into the United States for maintenance or lease and the importation of parts into the United States for installation. We monitor our imports for compliance with U.S. Customs and Border Protection regulations.

The U.S. Bureau of Export Enforcement enforces regulations related to the export of aircraft to other jurisdictions and the export of parts for installation in other jurisdictions. We monitor our exports for compliance with the U.S. Bureau of Export Enforcement regulations.

Jurisdictions in which aircraft are registered as well as jurisdictions in which they operate may impose regulations relating to noise and emission standards. In addition, most countries aviation laws require aircraft to be maintained under an approved maintenance program with defined procedures and intervals for inspection, maintenance and repair. To the extent that aircraft are not subject to a lease or a lessee is not in compliance, we are required to comply with such requirements, possibly at our own expense.

We believe we are in compliance in all material respects with all applicable governmental regulations.

Employees

As of June 30, 2011, we had 41 full-time employees. None of our employees are represented by a union or collective bargaining agreements. We believe our relationship with our employees to be positive, which is a key component of our operating strategy. We strive to maintain excellent employee relations. We provide certain employee benefits, including retirement, health, life, disability and accident insurance plans.

Facilities

We lease our principal executive office at 2000 Avenue of the Stars, Suite 1000N, Los Angeles, California 90067. We do not own any real estate.

Legal proceedings

From time to time, we may be involved in litigation and claims incidental to the conduct of our business in the ordinary course. Our industry is also subject to scrutiny by government regulators, which could result in enforcement proceedings or litigation related to regulatory compliance matters. We are not presently a party to any enforcement proceedings, litigation related to regulatory compliance matters, or any other type of litigation matters. We maintain insurance policies in amounts and with the coverage and deductibles we believe are adequate, based on the nature and risks of our business, historical experience and industry standards.

Initial Public Offering

In April 2011, we completed an initial public offering of our Class A Common Stock in which we sold an aggregate of 34,825,470 shares of Class A Common Stock, including 4,542,450 shares of Class A Common Stock sold to the underwriters pursuant to an over-allotment option. J.P. Morgan Securities LLC and Credit Suisse Securities (USA) LLC acted as joint book-running managers of the initial public offering and as representatives of the other

book-runners and co-managers. The shares in the initial public offering were sold at the initial public offering price of \$26.50, less underwriting discounts and commissions of \$1.4575 per share. After deducting the underwriting discounts and commissions and offering expenses payable by us, we received net proceeds of approximately \$868.6 million. We intend to use the net proceeds of our initial public offering to fund the acquisition of commercial aircraft and for general corporate purposes.

Management

Our executive officers and directors

Set forth below is information concerning our current executive officers and directors as of June 30, 2011, except for their ages which are as of August 22, 2011. The business address of all of our executive officers and directors is 2000 Avenue of the Stars, Suite 1000N, Los Angeles, California 90067.

Name	Age	Position
Steven F. Udvar-Házy	65	Chairman and Chief Executive Officer
John L. Plueger	57	President, Chief Operating Officer and Director
Grant A. Levy	48	Executive Vice President, General Counsel and Secretary
Marc H. Baer	46	Executive Vice President, Marketing
Alex A. Khatibi	50	Executive Vice President
Jie Chen	47	Executive Vice President and Managing Director of Asia
James C. Clarke	53	Senior Vice President and Chief Financial Officer
Gregory B. Willis	32	Vice President, Finance, and Chief Accounting Officer
John D. Poerschke	49	Senior Vice President of Aircraft Procurement and Specifications
John G. Danhaki	55	Director
Matthew J. Hart	59	Director
Robert A. Milton	51	Director
Michel M.R.G. Péretié	57	Director
Antony P. Ressler	50	Director
Wilbur L. Ross, Jr.	73	Director
Ian M. Saines	49	Director
Dr. Ronald D. Sugar	63	Director

Backgrounds of our current executive officers and directors

Set forth below is information concerning our current executive officers and directors identified above.

Steven F. Udvar-Házy has served as our Chairman and Chief Executive Officer since our launch in February 2010. Mr. Udvar-Házy brings more than 40 years of aviation industry experience to us, the last 37 of which were with International Lease Finance Corporation (ILFC). In 1973, Mr. Udvar-Házy co-founded the aircraft leasing business that became ILFC. As Chairman and Chief Executive Officer, Mr. Udvar-Házy led ILFC from its inception in 1973, through its initial public offering in 1983 and subsequent sale to American International Group, Inc. for \$1.3 billion in 1990, and ultimately to its becoming the largest aircraft leasing company (by fleet value) in the world, with a fleet of over 1,000 jet aircraft as of December 31, 2009. Under Mr. Udvar-Házy's leadership as Chairman and Chief Executive Officer, ILFC was able to increase its profitability. Even during the recent challenging economic environment, ILFC's income before tax increased from \$1.1 billion in 2008 to \$1.4 billion in 2009, the last year of his tenure as Chief Executive Officer. Mr. Udvar-Házy retired from ILFC in February 2010 with a view to exploring other opportunities in the aviation industry. For the past 24 years, Mr. Udvar-Házy has been a

member of the board of directors of Skywest, Inc. and currently serves as that board's lead independent director. Mr. Udvar-Házy is an FAA Airline Transport Pilot with type ratings on multiple jet aircraft and has over 30 years of experience flying jet aircraft. He received a Bachelor of Arts degree in economics from the University of California, Los Angeles, and has been awarded several honorary doctorate degrees.

John L. Plueger has served as our President and Chief Operating Officer since March 2010 and as one of our directors since April 2010. Mr. Plueger brings more than 23 years of aviation industry and aircraft leasing experience to us, all of which were with us and at ILFC. Mr. Plueger was elected to ILFC's board of directors in January 2002 and most recently served as ILFC's acting Chief Executive Officer from February 2010 to March 2010. As ILFC's President and Chief Operating Officer since 2002, Mr. Plueger was responsible for organizing ILFC's worldwide sales and marketing efforts, maintaining its relationships with the major airframe and engine manufacturers, and overseeing all corporate support for those activities. Mr. Plueger also had primary responsibility for implementation of ILFC's leasing business in Asia. Mr. Plueger's professional experience also includes testifying before the U.S. House of Representatives as an aircraft leasing industry expert witness as well as responding to European Commission formal inquiries concerning aerospace industry related mergers and acquisitions. Mr. Plueger is a Certified Public Accountant and is an FAA Airline Transport Pilot with type ratings on multiple jet aircraft and single-/multi-engine and instrument instructor ratings. He received a Bachelor of Arts degree from the University of California, Los Angeles and is a Certified Director from the UCLA Anderson Graduate School of Management's Corporate Director Certification Program. Mr. Plueger is a member of the board of directors of the Smithsonian National Air and Space Museum, and also serves on the board of directors of the Wings Club and several other charitable boards.

Grant A. Levy has served as our Executive Vice President, General Counsel and Secretary since April 2010. Mr. Levy brings more than 18 years of aviation industry experience to us, all of which were with us and at ILFC in various positions in the Legal and Marketing Departments. Mr. Levy most recently served as ILFC's Senior Vice President in the Marketing Department from 2002 until his departure in April 2010. While in the Marketing Department at ILFC, Mr. Levy led its sales team, handled its lease relationships with over 30 airlines in Europe, North America and New Zealand and arranged for ILFC to provide residual value guaranties. Prior to joining the Marketing Department, Mr. Levy was a senior member of ILFC's Legal Department where he led the negotiation of lease, sales, residual value guaranty, fleet management and other transactions. Mr. Levy received his Bachelor of Arts degree from Pomona College and his Juris Doctor (cum laude) from Boston College Law School.

Marc H. Baer has served as our Executive Vice President, Marketing since April 2010. Mr. Baer brings more than 13 years of aviation industry experience to us, all of which were with us and at ILFC in the Legal and Marketing Departments. Mr. Baer most recently served as a Senior Vice President of ILFC from April 2007 until his departure in April 2010. While in the Legal Department at ILFC, Mr. Baer led the legal negotiations in a wide range of transactions, including lease agreements, sales and residual value guarantees. Beginning in September 2002, Mr. Baer began working full time in ILFC's Marketing Department, where he was responsible for developing relationships and negotiating transactions with over 25 airlines, including Virgin Atlantic Airways Ltd., Air Seychelles and Air France, ILFC's largest customer with over 60 aircraft. While at ILFC, Mr. Baer managed a portfolio of more than 125 aircraft and was responsible for closing the industry's first operating lease for the new 787 aircraft from Boeing. Mr. Baer is bilingual and has dual French-American citizenship. He holds a Bachelor of Arts degree from Stanford University and a Juris Doctor from Loyola Law School.

Alex A. Khatibi has served as our Executive Vice President since April 2010. Mr. Khatibi brings more than 23 years of aviation industry experience to us, the last 14 of which were with ILFC. Mr. Khatibi was Managing Director of ILFC's Middle East business and managed a portfolio of global lessees including the Middle East, Greece, Poland, Hungary, Brazil, Italy, Netherlands, Germany, United Kingdom and Russia/CIS. Within these regions, Mr. Khatibi was responsible for developing and evaluating emerging markets, leading lease negotiations and planning and executing aircraft placement strategies. Mr. Khatibi began his employment in ILFC's Technical Department in September 1995 and was responsible for the technical aspects of operating/finance lease agreements. Prior to joining ILFC, Mr. Khatibi held Engineering and Technical management positions at Continental Airlines. Mr. Khatibi is a graduate of Embry-Riddle Aeronautical University where he received a Bachelor of Science degree in Engineering and completed Technical Management studies. Mr. Khatibi also holds an FAA Airframe & Powerplant license, certified to approve aircraft airworthiness and return to service.

Jie Chen has served as our Executive Vice President and Managing Director of Asia since August 2010. Mr. Chen brings more than 19 years of aviation industry experience to us, the last 18 of which were with ILFC in various positions in the Sales and Marketing Department. Mr. Chen joined ILFC in 1992 as a Director of Marketing, Asia and he most recently served as ILFC's Senior Vice President and Managing Director, Asia from 2002 until his departure in July 2010. While in the Sales and Marketing Department at ILFC, Mr. Chen oversaw the expansion of ILFC's leasing business in Asia from 5% to 30% of ILFC's total worldwide revenue. Mr. Chen was also responsible for developing new leasing markets in China, Vietnam, Malaysia, Thailand, Taiwan, Japan and Macau. Under Mr. Chen's leadership, ILFC's leasing business in Asia grew to 30% of total profits for ILFC. Prior to joining ILFC, Mr. Chen was a project manager in the leasing division at China International Trust & Investment Corporation. He holds a Bachelor of Arts degree from the Renmin University of China and a Master Degree of Science in management from the State University of New York.

James C. Clarke has served as our Senior Vice President and Chief Financial Officer since April 2010. Mr. Clarke has more than 23 years of experience in asset finance and leasing, structured finance for the airline sector and airline operating experience as Chief Financial Officer. From 2008 to 2010, Mr. Clarke served as founding partner of Three Capital Partners, LLC, an aviation advisory and asset-management firm. From September 2005 to August 2008, Mr. Clarke served as managing director at SkyWorks Capital, LLC, a firm providing transaction and advisory services on asset-based financings, financial restructurings and debt and equity offerings to global aviation clients. He held Chief Financial Officer positions at both Aloha Airlines, Inc. and Air Wisconsin Airlines Corporation, with broad management responsibilities for financial accounting and external reporting and all financing activities. Mr. Clarke was a key member of restructuring efforts at Aloha Airlines, Inc. during its first Chapter 11 bankruptcy proceedings. He also led the structured-debt, enhanced equipment trust certificate effort at Merrill Lynch & Co., Inc. He was the Senior Vice President, Risk Management for GE Capital Aviation Services, and a Vice President at its predecessor company, GPA Group PLC, with transactional responsibility for U.S. and Japanese tax-structured financings. Mr. Clarke began his career in aviation in the treasury function at both American Airlines, Inc. and United Airlines, Inc., as a staff specialist in corporate finance. He received his Bachelor of Arts degree from Stanford University, Juris Doctor from IIT Chicago-Kent College of Law and Master of Business Administration from the University of Chicago Graduate School of Business.

Gregory B. Willis has served as our Vice President, Finance, and Chief Accounting Officer since March 2010. Mr. Willis brings more than three years of aviation industry experience to us. From

2007 to 2010, Mr. Willis served as the Director of Accounting Policy at ILFC. Prior to ILFC, Mr. Willis served as the Vice President of Alternative Investments at Mellon Financial Corporation from 2005 to 2007, where he was responsible for administering the accounting and tax functions for private equity and distressed debt funds. Mr. Willis began his career as an auditor for PricewaterhouseCoopers LLP, where he spent more than five years in various audit-related roles in their financial services practice, including as an audit manager. Mr. Willis is a Certified Public Accountant, licensed in the state of California, and is a member of the American Institute of Certified Public Accountants. Mr. Willis received a Bachelor of Arts degree from the University of California at Davis.

John D. Poerschke has served as our Senior Vice President of Aircraft Procurement and Specifications since March 2010. Mr. Poerschke brings more than 24 years of aviation industry experience to us, the last 15 years of which were at ILFC. While at ILFC, Mr. Poerschke managed both the development of the technical aircraft configurations and procurement of the buyer furnished equipment for many of ILFC's Boeing and Airbus aircraft. Mr. Poerschke brings an extensive network of aviation supplier relationships with him to us. Prior to joining ILFC, Mr. Poerschke held jobs of increasing management responsibility in the engineering, fleet planning and procurement departments of Continental Airlines, Inc., US Airways Group Inc. and Boeing. Mr. Poerschke received a Bachelor of Science degree from the University of Southern California and he is a FAA-rated pilot.

John G. Danhagl has served as one of our directors since May 2010. He is a Managing Partner at Leonard Green & Partners, L.P., which he joined in 1995. Prior to joining Leonard Green & Partners, L.P., Mr. Danhagl was a Managing Director in the Los Angeles office of Donaldson, Lufkin & Jenrette Securities Corporation (DLJ), which he joined in 1990, and where he worked extensively with Leonard Green & Partners, L.P. as its lead investment banker. Prior to joining DLJ, Mr. Danhagl was a Vice President in corporate finance at Drexel Burnham Lambert Incorporated from 1985 to 1990. Mr. Danhagl presently serves on the board of directors of Arden Group, Inc., HITS, Inc., IMS Health, Inc., J. Crew Group, Inc., Leslie's Poolmart, Inc., Lextron, Inc., The Neiman Marcus Group, Inc., Petco Animal Supplies, Inc. and The Tire Rack, Inc. He has previously served on the board of directors of AsianMedia Group, LLC, Big 5 Sporting Goods Corporation, Communications and Power Industries, Inc., Diamond Triumph Auto Glass, Inc., Liberty Group Publishing, Inc., MEMC Electronic Materials, Inc., Phoenix Scientific, Inc., Rite Aid Corporation, Sagittarius Brands, Inc. and VCA Antech, Inc. Mr. Danhagl graduated from the University of California at Berkeley in 1980 and received a Master of Business Administration from Harvard Business School in 1985.

Matthew J. Hart has served as one of our directors since May 2010. Mr. Hart served as President and Chief Operating Officer of Hilton Hotels Corporation from May 2004 until the buyout of Hilton by the Blackstone Group in October 2007. Mr. Hart also served as Executive Vice President and Chief Financial Officer of Hilton from 1996 to 2004. Prior to joining Hilton, Mr. Hart served as the Senior Vice President and Treasurer of The Walt Disney Company, Executive Vice President and Chief Financial Officer for Host Marriott Corp., Senior Vice President and Treasurer for Marriott Corporation and Vice President, Corporate Lending, for Bankers Trust Company. Mr. Hart received his Bachelor of Arts in Economics and Sociology from Vanderbilt University in 1974 and earned a Master of Business Administration in Finance and Marketing from Columbia University in 1976. Mr. Hart currently serves on the board of directors of US Airways and Great American Group, Inc. and is the Chairman of Heal the Bay, a non-profit organization.

Robert A. Milton has served as one of our directors since April 2010. Mr. Milton is our lead independent director. Mr. Milton has been the Chairman, President and Chief Executive Officer

of ACE Aviation Holdings, Inc. (ACE) since 2004. ACE was the parent holding company under which the reorganized Air Canada and separate legal entities such as Aeroplan LP and Air Canada Jazz were held. Mr. Milton was also the Chairman of Air Canada until December 2007. He held the position of President and Chief Executive Officer of Air Canada from August 1999 until December 2004. From 2003 to 2004, Mr. Milton led Air Canada's restructuring which has positioned the airline to compete effectively in the new airline environment. Prior to joining Air Canada, Mr. Milton was a founding partner in Air Eagle Holdings Inc. and an independent commercial aviation consultant to British Aerospace Limited. He started his career at Air Canada in 1992 on a consulting basis and assumed increasingly responsible positions in cargo operations, scheduling, product design, advertising, inflight service and marketing until his appointment as Executive Vice President and Chief Operating Officer in 1996. Mr. Milton served as Chair of the International Air Transport Association's Board of Governors from 2005 to 2006. He is one of the past Chairmen of the Georgia Tech Advisory Board and currently serves as a Trustee of the Georgia Tech Foundation. Mr. Milton received his Bachelor of Science degree in Industrial Management from the Georgia Institute of Technology in 1983.

Michel M.R.G. Péretié has served as one of our directors since June 2010. Mr. Péretié was appointed Chief Executive Officer of Société Générale Corporate & Investment Banking in 2008. Mr. Péretié began his career at Banque Paribas in 1980 where he created and developed its derivatives group (equity, fixed income, foreign exchange). In 1996, he became Global Head of Equity Derivatives, Swaps, Credit Derivatives and FX based in London. In 1999, he was named Global Head of Fixed Income of the newly formed BNP-Paribas. He joined Bear Stearns in 2000 as Senior Managing Director and Head of Fixed Income and Derivatives for Europe and Asia. In 2004, he was appointed Chairman of Bear Stearns International and became CEO of Bear Stearns for Europe and Asia in 2006. He served as a member of the Board of Bear Stearns & Co. from January 2007 to June 2008. Mr. Péretié graduated from the Institute of Business Administration of Sorbonne University, Paris.

Antony P. Ressler has served as one of our directors since May 2010. Mr. Ressler co-founded Ares Management LLC in 1997, a global investment management firm with a focus on alternative assets (i.e., leveraged loans, high yield bonds, distressed debt, private/mezzanine debt and private equity) managed through a variety of funds and investment vehicles which, as of December 31, 2010, had approximately \$39 billion of committed capital under management. Ares Management LLC has approximately 350 employees and is based in Los Angeles with offices across the United States, Europe and Asia. Mr. Ressler also co-founded Apollo Management, L.P. in 1990, a private investment firm based in New York. Prior to 1990, Mr. Ressler served as a Senior Vice President in the High Yield Bond Department of Drexel Burnham Lambert Incorporated, with responsibility for the New Issue/Syndicate Desk. Mr. Ressler also serves on the board of directors of Ares Capital Corporation, a publicly traded business development company and on the boards of private companies owned or controlled by Ares Management LLC or its affiliated funds. In the non-profit sector, Mr. Ressler serves as a member of the Board of Trustees of the Cedars-Sinai Medical Center, the Center for Early Education and the Los Angeles County Museum of Art and as the Chairman of the Alliance for College-Ready Public Schools, a high-performing group of 16 charter high schools and middle schools based in Los Angeles. Mr. Ressler is also one of the founding members of the board of the Painted Turtle Camp, a southern California based organization (affiliated with Paul Newman's Hole in the Wall Association). Mr. Ressler received his Bachelor of Science degree in Foreign Service from Georgetown University's School of Foreign Service and received his Master of Business Administration from Columbia University's Graduate School of Business.

Wilbur L. Ross, Jr. has served as one of our directors since November 2010. Mr. Ross is the Chairman and Chief Executive Officer of WL Ross & Co. LLC, a merchant banking firm, a position he has held since April 2000. Mr. Ross is also the managing member of the general partner of WL Ross Group, L.P., which in turn is the managing member of the general partner of WLR Recovery Fund L.P., WLR Recovery Fund II L.P., WLR Recovery Fund III L.P., WLR Recovery Fund IV L.P., Asia Recovery Fund L.P., Asia Recovery Co-Investment Fund L.P., Absolute Recovery Hedge Fund L.P., India Asset Recovery Fund and Japan Real Estate Recovery Fund, the Chairman of the Investment Committee of the Taiyo Fund and the Chairman of Invesco Private Capital, each of which is a private investment fund. Mr. Ross is also Chairman of International Coal Group, Inc., International Textile Group, Inc., a global, diversified textile provider that produces automotive safety, apparel, government uniform, technical and specialty textiles, Nano-Tex, Inc., a fabric innovations company located in the United States, IPE-Ross Management Ltd., an investment partnership investing in middle market European buyouts, and International Auto Components Group SL, a joint venture company with interests in automotive interior plastics. Mr. Ross is also an executive officer of Invesco Private Equity, American Home Mortgage Services, Inc. and Plascar Participacoes SA. Mr. Ross is a board member of ArcelorMittal N.V., Assured Guaranty Ltd., a provider of financial guaranty and credit enhancement products, Compagnie Européenne de Wagons SARL in Luxembourg, Insuratex, Ltd., an insurance company in Bermuda, Plascar Participacoes SA, Phoenix International Insurance Company, The Greenbrier Companies, a supplier of transportation equipment and services to the railroad industry, IAC Acquisition Corporation Limited, IAC Group SARL, and Masters Capital Nanotechnology Fund. Mr. Ross is also a member of the Business Roundtable. Previously, Mr. Ross served as the Executive Managing Director at Rothschild Inc., an investment banking firm, from October 1974 to March 2000. Mr. Ross was previously a director of Mittal Steel Co. N.V. from April 2005 to June 2006, a director of International Steel Group from February 2002 to April 2005, a director of Montpelier RE Holdings Ltd. from 2006 to March 2010, and a director of Syms Corp. from 2000 through 2007. Mr. Ross was also formerly Chairman of the Smithsonian Institution National Board and currently is a board member of Whitney Museum of American Art, the Japan Society, and the Yale University School of Management, the Harvard Business School Club of New York, the Palm Beach Civic Association, the Palm Beach Preservation Foundation and the Partnership for New York City. He holds an A.B. from Yale University and an M.B.A., with distinction, from Harvard University.

Ian M. Saines has served as one of our directors since June 2010. Mr. Saines is Group Executive of the Institutional Banking and Markets division of Commonwealth Bank, which he joined in 2004. He is responsible for managing Commonwealth Bank's relationships with major corporate, institutional and government clients and providing a full range of capital raising, transactional and risk management products and services. Prior to joining Commonwealth Bank, Mr. Saines was a Management Committee member of Zurich Capital Markets Asia, the investment banking arm of the Zurich Financial Services Group. Between 1985 and 1999, Mr. Saines held various leadership positions at Bankers Trust Australia Limited and headed the investment bank's Global Metals and Mining Industry Group. Prior to joining Bankers Trust Australia Limited, Mr. Saines was employed by the Reserve Bank of Australia. Mr. Saines was formerly a board member of Father Chris Riley's Youth Off The Streets, a not-for-profit organization providing support to chronically homeless and abused youth in Australian society. He is currently a director of the Australian Financial Markets Association. Mr. Saines is a Fellow of the Australian Institute of Company Directors, and a Certified Finance and Treasury Professional. Mr. Saines has a first class honours degree in economics from the University of New South Wales.

Dr. Ronald D. Sugar has served as one of our directors since April 2010. Dr. Sugar is Chairman Emeritus of Northrop Grumman Corporation. He served as Chairman of the Board and Chief

Executive Officer from 2003 until his retirement in 2010. During Dr. Sugar's tenure, Northrop Grumman grew to become the nation's second largest defense contractor with 125,000 employees and \$35 billion annual revenue. Prior to joining Northrop Grumman, Dr. Sugar held executive positions in the aerospace, defense, and automotive industries, including Chief Financial Officer of TRW Inc., Executive Vice President of TRW Automotive Electronics, President and Chief Operating Officer of TRW Aerospace, and President, Chief Operating Officer and Director of Litton Industries. In 2001, he became President and Chief Operating Officer of Northrop following its acquisition of Litton. He is a director of Amgen Inc., Apple Inc. and Chevron Corporation, a trustee of the University of Southern California, a Director of the Los Angeles Philharmonic, a visitor of the UCLA Anderson School of Management, a Director of the World Affairs Council of Los Angeles, a National Trustee of the Boys and Girls Clubs of America, a past Chairman of the Aerospace Industries Association, and a member of the National Academy of Engineering. Dr. Sugar received a Bachelor of Science degree in Engineering (summa cum laude) from the University of California, Los Angeles, where he also received the master's and doctorate degrees in the same field, and was subsequently honored as UCLA Alumnus of the Year.

Board of directors

Our board of directors is composed of ten members. Our directors serve until their successors are duly elected and qualified at the stockholders' annual meeting each year. There is no cumulative voting in the election of directors. Certain information regarding our directors is set forth below.

There are no family relationships among any of our directors or executive officers.

Director independence

Pursuant to the listing standards of the NYSE, a director employed by us cannot be deemed to be an independent director, and each other director will qualify as independent, only if our board of directors affirmatively determines that he has no material relationship with us, either directly or as a partner, stockholder or officer of an organization that has a relationship with us. Ownership of a significant amount of our stock, by itself, does not constitute a material relationship. Accordingly, our board of directors has affirmatively determined that each of Messrs. Danhaki, Hart, Milton, Péretié, Ressler, Ross and Saines and Dr. Sugar is independent in accordance with the rules of the NYSE. Mr. Milton is our lead independent director.

Committees of the board

Our board of directors has three standing committees: an audit committee, a compensation committee and a nominating and corporate governance committee. Each of these committees is comprised solely of independent directors under the NYSE listing standards.

Audit committee

Our audit committee consists of Messrs. Hart, Milton and Ross. Mr. Hart is the Chairman of the audit committee.

Our audit committee's duties include, but are not limited to, monitoring (1) the integrity of the financial statements of the Company, (2) the independent auditor's qualifications and independence, (3) the performance of our internal audit function and independent auditors, (4) our compliance with legal and regulatory requirements and (5) our overall risk profile.

Our audit committee must at all times be composed exclusively of independent directors who are financially literate as defined under the NYSE listing standards. The audit committee must have at least one member who has past

employment experience in finance or accounting,

requisite professional certification in accounting or other comparable experience or background that results in the individual's financial sophistication, and who qualifies as an audit committee financial expert, as defined under the rules and regulations of the SEC.

Nominating and corporate governance committee

Our nominating and corporate governance committee consists of Messrs. Milton and Hart and Dr. Sugar. Mr. Milton is the Chairman of the nominating and corporate governance committee.

Our nominating and corporate governance committee monitors the implementation of sound corporate governance principles and practices and will, among other things: (1) identify individuals believed to be qualified to become a member of our board of directors and select or recommend candidates for all directorships to be filled, (2) annually review and recommend changes, as appropriate, to our corporate governance guidelines and (3) oversee the evaluation of our board of directors. Our nominating and corporate governance committee also reviews and approves all related party transactions in accordance with our policies with respect to such matters.

Compensation committee

Our compensation committee consists of Dr. Sugar and Messrs. Danhaki and Ressler. Dr. Sugar is the Chairman of the compensation committee.

Our compensation committee has overall responsibility for approving and evaluating all of our compensation plans, policies and programs as they affect the executive officers, including the Chief Executive Officer, as well as overseeing the evaluation of management and succession planning for executive officer positions.

Compensation committee interlocks and insider participation

None of the members of our compensation committee has at any time been one of our officers or employees. None of our executive officers serves, or in the past year has served, as a member of the board of directors or the compensation committee of any entity that has one or more executive officers who serve on our board of directors or compensation committee.

Corporate governance policies and code of conduct

Code of business conduct and ethics

Our board of directors has adopted a Code of Business Conduct and Ethics that applies to all of our directors, employees and officers. Among other things, the Code of Business Conduct and Ethics is intended to ensure fair and accurate financial reporting, to promote ethical conduct and compliance with applicable laws and regulations, to provide guidance with respect to the handling of ethical issues, to foster a culture of honesty and accountability and to deter wrongdoing. It also requires disclosure to us of any situation, transaction or relationship that may give rise to any actual or potential conflict of interest. Such conflicts must be avoided unless approved by our nominating and corporate governance committee. The Code of Business Conduct and Ethics prohibits our employees, officers and directors from taking, or directing a third party to take, a business opportunity that is discovered through the use of our property. A

copy of our Code of Business Conduct and Ethics is available on our website at www.airleasecorp.com.

Corporate governance guidelines

Our board of directors has adopted Corporate Governance Guidelines to assist the board in the exercise of its duties and responsibilities and to serve the best interests of the Company and its stockholders. The Guidelines are intended to serve as a flexible framework for the conduct of the board's business and not as a set of legally binding obligations. The Guidelines describe the board of directors' responsibilities, the qualification criteria for serving on our board, and standards for the conduct of board meetings and establishing and maintaining committees of the board. The Guidelines also confirm that the directors will have full and free access to officers and employees of the Company and have authority to retain independent advisors as necessary and appropriate in carrying out their activities. In addition, the Guidelines establish frameworks for director compensation, director orientation and continuing education, and an annual evaluation of the board and its committees and of the Guidelines. Finally, the Guidelines charge the compensation committee with oversight of management evaluation and succession and detail the Company's policies regarding confidentiality and communications between our board and the press and media on matters pertaining to the Company. Our Corporate Governance Guidelines are available on our website at www.airleasecorp.com.

Audit and non-audit services pre-approval policy

Our audit committee has approved and adopted an Audit and Non-Audit Services Pre-Approval Policy which sets forth the procedures and conditions pursuant to which services to be performed by our independent auditor are to be pre-approved. The policy provides that the audit committee will annually consider for approval, and approve as it deems appropriate and consistent with the policy and applicable law, a schedule listing proposed engagements and specified audit and non-audit services expected to be provided by the independent auditor commencing during the upcoming year. As stated in the policy, in determining whether to pre-approve services, the audit committee may consider, among other factors: (i) whether the services are consistent with applicable rules on auditor independence; (ii) whether the independent auditor is best positioned to provide the services in an effective and efficient manner, taking into consideration its familiarity with our business, people, culture, accounting systems, risk profile and other factors; and (iii) whether the services might enhance our ability to manage or control risk or improve audit quality. Under the policy, the audit committee may delegate preapproval authority to one or more of its members. The policy contemplates that our Chief Financial Officer, or his designee, will provide a quarterly report to the audit committee listing services performed by and fees paid to the independent auditor during the current fiscal year and the previous quarter, including a reconciliation of the actual fees of the independent auditors compared to the budget for such services as approved by the audit committee.

Insider trading policy

Our board of directors has adopted an Insider Trading Policy that applies to all of our directors, officers and employees. The Insider Trading Policy prohibits a participant from buying or selling shares of capital stock when he or she has material nonpublic information. Material nonpublic information generally means information that is not generally known or available to the public

and that a reasonable investor would consider important in making an investment decision to buy, hold, or sell securities. Anyone who fails to comply with the Insider Trading Policy will be subject to appropriate disciplinary action, up to and including termination of employment.

Whistleblower policy

Our board of directors has adopted a Whistleblower Policy. The Whistleblower Policy is intended to encourage our directors, officers and employees to further our goal of fostering a culture of legal and ethical compliance. The policy sets forth procedures for (i) raising questions and concerns about potential misconduct, including potential violations of law, regulation or our policies, questionable or unethical accounting, internal accounting controls or auditing matters and (ii) reporting potential misconduct, unless supplanted by other applicable law. The policy strictly prohibits anyone from taking or threatening disciplinary or other retaliatory action, including discharge, demotion, suspension, harassment or any other discrimination, against an individual for, in good faith, raising questions or concerns about, or reporting, potential misconduct, including a potential violation of the law, regulation, or our policies. The policy also includes procedures for maintaining the confidentiality of information communicated under the policy.

Executive compensation

Compensation discussion and analysis

Executive summary

Our Company's executive compensation program has been designed to attract the most talented executives in the aircraft leasing business to join us in our start-up venture, and to reward these individuals for the successful launch of our business. The compensation committee believes that the program has been very successful in accomplishing these objectives. The combination of a highly competitive base salary and bonus, equity incentive awards, and the potential for even greater rewards as a stockholder, has helped us assemble a formidable management team and focus them on growing the value of our Company over the long term. We believe having an experienced and motivated senior management team is essential to the success of our Company and provides us and our stockholders with an important competitive advantage.

The following section contains a discussion of the objectives and elements of our executive compensation program in 2010, as well as information regarding the compensation of our Named Executive Officers, who are our principal executive officer, Mr. Udvar-Házy, our three other most highly compensated executive officers who were serving as executive officers at the end of 2010, Messrs. Plueger, Levy and Chen, and our principal financial officer, Mr. Clarke.

Compensation program overview and objectives

Our Company was launched in February 2010. Our executive compensation program is designed to address some of the unique challenges associated with being a young company that requires a small number of extraordinary and talented individuals with industry experience to manage and lead an asset-intensive business. The primary objective of our executive compensation program is to attract, retain and motivate the highest caliber executives in the aircraft leasing industry by offering a comprehensive compensation program that is attractive enough to entice successful senior executives to work for a company with a limited operating history. This compensation program includes fixed compensation elements that are very competitive in the marketplace, combined with performance-based elements that are designed to reward our Named Executive Officers for achieving results that derive value for our stockholders.

Our Company does not benchmark our compensation program against that of other companies because we operate within an industry with a small number of competitors and few that would be suitable as comparative companies. Most of our competitors are private or foreign companies or are captive subsidiaries of public companies, and are therefore unsuitable as benchmarks for compensation design for our Company. Rather, we utilize the collective knowledge and experience of our board members and our senior executives, some of whom are pioneers in our industry, as well as the advice of an independent compensation consultant, to make appropriate determinations regarding compensation. Furthermore, as a young company, we believe it is important to make compensation decisions based on our own short-term and long-term goals. Instead of making decisions based on how our Company's compensation practices compare to those of our peers, we consider the amount and form of compensation that will best enable us to attract and retain the most talented executives and to focus them on the growth and long-term success of our business.

This Compensation discussion and analysis should be read together with the compensation tables that follow, which disclose the compensation awarded to, earned by or paid to the Named Executive Officers in or with respect to 2010.

How we determine compensation

Role of the Compensation Committee. The compensation committee, which is currently comprised of Dr. Ronald D. Sugar, who serves as Chairman of the committee, and Messrs. John G. Danhaki and Antony P. Ressler, oversees the design, administration and evaluation of our overall executive compensation program. The compensation committee also approves the total compensation for each Named Executive Officer. Each member of the compensation committee must be an independent, non-employee director, as those terms are defined in SEC, NYSE and IRS rules. Among other things, the compensation committee will at least annually:

Review and adjust each Named Executive Officer's compensation in order to ensure an appropriate mix of cash and equity, and an appropriate balance of fixed and at-risk compensation, in light of, among other factors, each individual's particular role and responsibilities, personal motivations, stock ownership exposure and wealth accumulation.

Approve specific performance targets and individual goals for each Named Executive Officer with respect to the at-risk portions of his compensation.

Consult with the compensation committee's independent consultant to help ensure that the total compensation paid to each Named Executive Officer is appropriate in light of our Company's compensation objectives, tax and accounting considerations and compensation best practices.

Approve incentive award payouts based on performance actually achieved.

Approve bonus payments based on after-the-fact evaluations of Company and individual performance. We regard retrospective evaluation as appropriate for our current compensation program because, as a young company, we have a limited ability to forecast performance, we need to consider qualitative milestones as we grow, and for purposes of 2010 bonuses, we lacked appropriate baselines to support performance benchmarking. Commencing with bonuses for 2011, our Company and the compensation committee plan to apply quantitative factors as well as qualitative milestones in the determination of bonus payments.

Role of Management. The compensation committee recommends to the independent directors of the board for their approval, and without management input, the overall compensation of our Chairman and Chief Executive Officer. In addition, the committee determines the overall compensation of our President and Chief Operating Officer with input from our Chief Executive Officer. Finally, the committee determines the overall compensation of our other Named Executive Officers with input from our Chief Executive Officer and Chief Operating Officer. None of our Named Executive Officers is present when his compensation is discussed by the compensation committee. Our management administers all compensation and benefits programs, subject to the oversight of the compensation committee. This delegation to management is strictly limited to implementation of the programs, and does not include any discretion to make material decisions regarding the overall executive compensation program.

Role of Independent Consultant. The compensation committee has engaged Exequity as an independent consultant to provide advice with respect to compensation decisions for our Company's executive officers. The independent consultant assists in evaluating our

compensation objectives, obtaining market information, and designing various aspects of our compensation program. The independent consultant attends meetings of the compensation committee by invitation, and compensation committee members have direct access to the independent consultant without management involvement. The compensation committee has the sole authority to hire and fire the independent consultant. In order to help ensure impartiality and objectivity, the compensation committee requires that the independent consultant provide services only to the committee and not to management, absent compensation committee approval. The compensation committee has not approved the consultant's engagement in any separate work for our management or employees.

Risk Management. We believe that the best way to ensure personal commitment to our Company's long-term goals is to ensure that our Named Executive Officers and other employees' financial rewards as stockholders will, over the long term, far outweigh any cash compensation they earn as employees. In this regard, the interests of our Named Executive Officers and our stockholders are strongly aligned. Our Named Executive Officers as a group beneficially own 6.23% of our Company's Common Stock, and each Named Executive Officer has made a meaningful personal investment in our Company's stock.

In addition, our executive compensation program has been designed to discourage executives from taking unnecessary risks that could threaten the long-term interests of our young company. As described in more detail below, a significant portion of our Company's incentive-based compensation is tied to an increase in our Company's book value, and not to metrics that may encourage risk-taking behavior focused on short-term results. Similarly, we have mitigated potential risk by subjecting all of our equity-based awards to time-based vesting conditions and most of our restricted stock units (RSUs) to performance-based vesting conditions, and by capping incentive opportunities such as annual bonuses. We also believe that our executives' significant equity ownership in our Company aligns their long-term interests with those of our stockholders.

Our board of directors has adopted stock ownership guidelines for our executive officers at the level of Executive Vice President or higher. Our Chief Executive Officer is required to own Class A Common Stock equivalents with an aggregate market value equal to six times his annual rate of salary, our Chief Operating Officer is required to own Class A Common Stock equivalents with an aggregate market value equal to three times his annual rate of salary, and each of our other executive officers subject to these guidelines is required to own Class A Common Stock equivalents with an aggregate market value equal to at least his annual rate of salary. Class A Common Stock equivalents are shares of Class A Common Stock owned personally by an executive officer and shares of Class A Common Stock underlying unvested RSUs that are subject to time-vesting only. Each executive officer subject to these guidelines has five years from the time he becomes subject to the guidelines to achieve the required level of ownership. The market value of the Class A Common Stock equivalents will be determined in accordance with a reasonable methodology established from time to time by our compensation committee.

Employment Agreements. Due to the importance of their services to, and their leadership of, our Company, we have entered into employment agreements with our Chairman and Chief Executive Officer, Mr. Udvar-Házy, and our President and Chief Operating Officer, Mr. Plueger, which are described below under Employment agreements and arrangements and potential payments upon termination or change in control. We have no current plans to enter into employment agreements with any of our other Named Executive Officers.

Elements of the executive compensation program

Base Salary. Base salary is the main fixed component of our executive compensation program, and it is aimed primarily at attracting and retaining the best possible executive talent. The relative levels of base salary for our Named Executive Officers are based on the particular responsibilities and expectations associated with each executive's position. The base salaries of Messrs. Udvar-Házy and Plueger are determined in accordance with their employment agreements, and the base salaries of the other Named Executive Officers are determined by the compensation committee, with the input of Messrs. Udvar-Házy and Plueger and taking into consideration the objectives and philosophies of our overall executive compensation program.

Annual Bonus. Our Company provides annual bonus opportunities in order to foster executive accountability and reward executives for achieving business goals. The compensation committee makes bonus determinations based primarily on several subjective factors, including (i) the particular executive's specific roles, responsibilities and performance, (ii) the overall business environment, (iii) our Company's performance and (iv) competitive considerations in the market for comparable opportunities. In determining annual bonuses for 2010, the compensation committee considered the totality of the mix of the foregoing subjective factors for each Named Executive Officer, and in particular, placed a heavy emphasis on each particular executive's role in the successful launch of our Company, our equity- and debt-raising activities, and the purchase and leasing of our initial portfolio of aircraft. In light of our Company's recent launch, however, the compensation committee did not consider financial performance targets for our Company as a factor when determining 2010 annual bonuses. The compensation committee plans to consider quantitative as well as qualitative milestones of Company performance, in addition to individual performance factors, in the determination of bonus payments commencing with 2011 bonuses.

Under his employment agreement, Mr. Udvar-Házy's target annual bonus amount is equal to 100% of his base salary actually paid, with a maximum bonus equal to 200% of his base salary actually paid. The amount of Mr. Udvar-Házy's annual bonus is determined on the basis of our Company's attainment of objective financial performance metrics, or a combination of our Company's attainment of such financial performance metrics and Mr. Udvar-Házy's attainment of individual objectives, in each case as determined and approved by the compensation committee. In 2010, Mr. Udvar-Házy was entitled to a guaranteed bonus of no less than \$1.6 million. Mr. Plueger's target annual bonus amount under his employment agreement is equal to 80% of his base salary actually paid, with a maximum bonus equal to 120% of his base salary actually paid. Mr. Levy was eligible for an annual bonus based on a target opportunity of \$700,000. Messrs. Chen and Clarke were eligible for annual bonuses based on target and maximum opportunities of 100% and 50%, respectively, of each executive's respective base salary. In most cases, the compensation committee retains the discretion to reduce the amount of each executive's annual bonus, even if his maximum opportunity has been achieved.

For 2010, our compensation committee awarded Messrs. Plueger, Levy, Chen and Clarke annual bonuses of \$1.25 million, \$700,000, \$750,000, and \$120,000, respectively. Our compensation committee recommended, and our board of directors approved, an annual bonus of \$1.8 million for Mr. Udvar-Házy with respect to 2010. The compensation committee determined the annual bonuses for our Named Executive Officers on February 15, 2011. By that date, our compensation committee (with respect to Mr. Udvar-Házy) and our management (with respect to all other Named Executive Officers) had had an opportunity to review the achievements of the Company

for the period from our inception through December 31, 2010, and to formulate recommendations for the annual bonuses for these Named Executive Officers.

Retention Bonuses. Most of our Named Executive Officers are eligible for retention incentives that vest upon completion of three years' service with our Company and are forfeited if the executive's employment is terminated prior to vesting. The purpose of these bonuses is to promote stability among our leadership team during our critical start-up period. Each of Messrs. Udvar-Házy, Plueger, and Chen is eligible for a retention bonus equal to 10% of his then current base salary. Mr. Levy is eligible for a retention bonus equal to \$85,000.

Amended and Restated Deferred Bonus Plan. The purpose of our Amended and Restated Deferred Bonus Plan is to provide retention incentives that are time-vested and based on amounts already earned, thereby providing a balance against our retention incentives that are tied to uncertain, future performance. Under the plan, our employees have an opportunity to receive a cash bonus in an amount equal to a percentage of the aggregate amount of base salary and cash bonus compensation paid in a particular year. The deferred bonus will generally vest upon the second anniversary of the end of the year with respect to which the award was made, provided that the employee is still employed by us on a full-time basis on that date, and will be paid as soon as practicable thereafter. Once vested, the deferred bonus is not subject to reduction by our compensation committee. Messrs. Udvar-Házy and Plueger are each eligible to participate in our Amended and Restated Deferred Bonus Plan, and in accordance with their employment agreements, will receive a bonus equal to 9.0% of the aggregate amount of his base salary and bonus compensation paid in a particular calendar year. Bonuses for our other Named Executive Officers and employees will be determined annually by the Chairman and Chief Executive Officer and the President and Chief Operating Officer as administrators under the plan, in accordance with the terms of the plan and a schedule approved by the compensation committee or board of directors. Awards to the Chairman and Chief Executive Officer and the President and Chief Operating Officer are administered by our compensation committee or board of directors. In accordance with their employment agreements, Messrs. Udvar-Házy and Plueger each received a deferred bonus of 9.0% with respect to 2010, while Messrs. Levy, Chen and Clarke received deferred bonuses of 8.5%, 8.5% and 7.0%, respectively, for 2010.

Long-Term Incentive Awards. Consistent with our executive compensation objectives, the compensation committee believes that an important aspect of attracting and retaining exceptionally talented executives and aligning their interests with those of our stockholders is to provide equity-based incentive compensation. In approving the initial grants of equity incentives to our employees, our board of directors and compensation committee considered an overall value for each executive officer, and sought to establish a mix of approximately 50% RSUs and 50% options to purchase shares of our Class A Common Stock. The compensation committee believes this mix creates a balanced incentive because the RSUs provide the executives with additional stock ownership, which aligns the long-term interests of our senior executives and stockholders, while the options provide them with an incentive to achieve performance that leads to appreciation in our stock price. All awards have been made under our Amended and Restated Air Lease Corporation 2010 Equity Incentive Plan (the "2010 ALC Equity Incentive Plan").

The RSUs are subject to time vesting and performance conditions. The RSUs generally vest in four equal installments over a four-year period, but only if there have been specified increases in our Company's per share book value, as determined in accordance with GAAP. The cumulative

required increase in value is 2.00% in the first year, 5.06% in the second year, 9.26% in the third year and 13.63% in the fourth year. If a specified cumulative increase is attained in years two, three or four, any unvested installments from prior years will also vest.

Messrs. Udvar-Házy, Plueger and Chen received equity awards as described below under *Specific Purpose Awards*. Mr. Levy received 150,000 RSUs and 150,000 options to purchase shares of our Class A Common Stock at an exercise price of \$20 per share, and Mr. Clarke received 15,000 RSUs and 15,000 options to purchase shares of our Class A Common Stock at an exercise price of \$20 per share.

Our Company's book value is considered to be an appropriate performance metric because it relates directly to our goal of encouraging long-term growth that benefits the stockholders' equity in our Company. In addition, other typical performance measures like revenues and earnings were not appropriate at the time that we made our equity incentive grants, as it is difficult for a young company to provide meaningful forecasts of these measures to serve as baselines for measuring performance.

The options to purchase shares of Class A Common Stock are generally subject to ratable time vesting over three years. The exercise price of the options is determined by the compensation committee, but may never be less than the fair market value of our Class A Common Stock on the date of grant. The compensation committee believes that the options are inherently performance-based because they have no intrinsic value on the date of grant and will only deliver meaningful value when stockholders also realize value.

Specific Purpose Awards. In June and July 2010, the Company completed a \$1.3 billion private placement of its Common Stock. In order to provide Messrs. Udvar-Házy and Plueger with an additional incentive to complete this transaction, our board of directors agreed to grant them RSUs and options to acquire additional shares of Class A Common Stock at an exercise price of \$20 per share. The number of RSUs and the number of shares subject to the options were determined based on an escalating scale that incentivized Messrs. Udvar-Házy and Plueger to help raise the largest amount of capital possible from the offering. In accordance with the scale, Mr. Udvar-Házy was entitled to receive 1,812,402 RSUs and options to purchase 1,812,402 shares of Class A Common Stock, while Mr. Plueger was entitled to receive 735,586 RSUs and options to purchase 735,586 shares of Class A Common Stock. Mr. Udvar-Házy instead received an aggregate of 1,750,426 RSUs and options to purchase 1,751,352 shares of Class A Common Stock, while Mr. Plueger received an aggregate of 710,431 RSUs and options to purchase 710,806 shares of Class A Common Stock. Messrs. Udvar-Házy and Plueger waived the additional RSUs and options to which they were entitled in order to permit certain grants of RSUs and options to Mr. Chen. As an additional incentive in connection with the equity offering described above, Mr. Udvar-Házy also earned a \$500,000 success bonus.

Consistent with the philosophy of rewarding our executives for achieving specific business objectives, each of Messrs. Udvar-Házy, Plueger, Chen and Clarke were eligible for and received a cash bonus equal to 10% of his then current annual base salary, and Mr. Levy was eligible for and received a cash bonus of \$70,000, upon completion of our initial public offering.

We regard Mr. Chen as playing a key role in the potential expansion of our business in the Asian market. In recognition of the importance of the Asian market to our business and his role relative to that market, the compensation committee approved Mr. Chen's eligibility for a cash signing bonus in the amount of \$1.3 million, half of which vested and was paid on July 15, 2011 and the other half of which will vest and be payable on July 15, 2012, as well as a performance bonus of \$80,000, which vested and was paid in July 2011, and additional performance bonuses of \$250,000, \$370,000 and \$450,000, which will vest and be payable in July 2012, July 2013 and July 2014, based upon the achievement of performance targets to be established by our Chief Executive Officer and approved by the compensation committee. Mr. Chen's performance target for the performance bonus paid in July 2011 required the lease placement of a specified number of aircraft in the Asian market. This performance target is a key component of our long-term strategic plan for the Asian market. The specific performance target reflected a confidential composite set of internal fleet development, revenue and profit targets.

In addition, in August 2010 and April 2011, the Company made grants of performance-based RSUs and options to purchase shares of Class A Common Stock to Mr. Chen. These grants aggregate to 300,000 RSUs and 300,000 options. Taken together, these RSUs and options are subject to the same time vesting (in the case of the RSUs and options) and performance conditions (in the case of the RSUs) as are applicable to the corresponding awards made to the other Named Executive Officers described above. The 150,000 options granted in August 2010 have an exercise price of \$20 per share and vested 66-2/3% on June 30, 2011 and vest 33-1/3% on June 30, 2012. The 150,000 options granted in April 2011 have an exercise price of \$28.80 per share and vest 33-1/3% on June 30, 2012 and 66-2/3% on June 30, 2013. Due to the higher exercise price of the 150,000 options granted to Mr. Chen in April 2011 as compared with the corresponding options granted to the other Named Executive Officers, Mr. Chen was also granted in April 2011 an additional 45,833 RSUs that have no performance conditions but that are subject to the same time vesting as Mr. Chen's 150,000 options granted on the same date.

Retirement Programs. We maintain a 401(k) savings plan for our employees and, under the terms of the plan, will make matching contributions in amounts equal to 116% of up to 6% of the contributions made by each of Messrs. Udvar-Házy, Plueger, Levy and Chen and matching contributions in amounts equal to 331/3% of up to 6% of the contributions made by Mr. Clarke. No matching contributions were made for the Named Executive Officers for 2010.

Benefits and Perquisites. Our Named Executive Officers generally receive the same healthcare benefits as our other employees. Mr. Udvar-Házy has additional benefits under his employment agreement, including our payment of premiums for a \$5.0 million term life insurance policy payable to his beneficiaries. Similarly, we pay Mr. Plueger's premiums for a \$2.0 million term life insurance policy payable to his beneficiaries. In addition, we pay the premiums for Messrs. Udvar-Házy, Plueger, Levy, Chen and Clarke under our group term life insurance program, in which all of our employees participate.

Severance and change in control provisions

Messrs. Udvar-Házy and Plueger are each entitled to certain payments and benefits if his employment is terminated in certain circumstances, as set forth in their employment agreements. The details of these provisions are discussed in the section titled "Employment agreements and arrangements and potential payments upon termination or change in control." The compensation committee believes that providing our senior executive officers with income protection in the event of an involuntary termination is appropriate as it is an important aspect

of attracting highly talented executives, avoids costly and potentially protracted separation negotiations and mitigates the risks our executives face in leaving their positions to join our Company. Each of Messrs. Udvar-Házy and Plueger is subject to noncompetition and nonsolicitation restrictions while employed by our Company and nonsolicitation restrictions for one year following his termination. Each of them is also subject to an ongoing confidentiality obligation.

As described below under Amended and Restated Air Lease Corporation 2010 Equity Incentive Plan Change in control, under the terms of our plan, all outstanding options shall become fully exercisable and vested upon the occurrence of a change in control, as defined under the plan, and our compensation committee may determine the level of achievement with respect to any performance-based RSUs through the date of the change in control.

Tax considerations

Section 162(m) of the U.S. Internal Revenue Code of 1986, as amended (the Code), generally disallows a federal income tax deduction for public companies for compensation in excess of \$1.0 million paid for any fiscal year to the chief executive officer and the three other most highly compensated executive officers (other than the chief financial officer) unless the compensation qualifies as performance-based. Because we are a newly public company, however, compensation paid under the plans and agreements described in this prospectus will generally be exempt from the application of Section 162(m) for the period (the 162(m) Transition Period) ending with the first meeting of stockholders to elect directors after the close of the third calendar year following the year in which our contemplated initial public offering occurs. To the extent Section 162(m) does apply to any compensation paid by our Company, depending on the relevant circumstances at the time, the compensation committee may determine to award compensation that may not be deductible. In making this determination, the compensation committee balances the purposes and needs of our executive compensation program against potential tax cost.

Section 409A of the Code imposes an excise tax on the recipient of certain non-qualified deferred compensation. The compensation committee attempts to structure all executive compensation to comply with, or be exempt from, Section 409A.

Executive compensation tables**Summary compensation table**

The following table summarizes compensation paid to or earned by our Named Executive Officers during the fiscal year ended December 31, 2010. Our Named Executive Officers are our principal executive officer, Mr. Udvar-Házy; our three other most highly compensated executive officers, Messrs. Plueger, Levy and Chen, as determined by their total compensation set forth in the table below; and our principal financial officer, Mr. Clarke.

Name and principal position	Year	Salary (\$)	Bonus \$(1)	Stock awards* \$(2)	Option awards* \$(2)	All other compensation \$(3)	Total (\$)
Steven F. Udvar-Házy <i>Chairman and Chief Executive Officer</i>	2010	\$ 1,622,727	\$ 2,300,000	\$ 35,008,520	\$ 18,807,128	\$ 29,682	\$ 57,768,057
John L. Plueger <i>President and Chief Operating Officer</i>	2010	\$ 1,125,000	\$ 1,250,000	\$ 14,208,620	\$ 7,600,283	\$ 5,861	\$ 24,189,764
Grant A. Levy <i>Executive Vice President, General Counsel and Secretary</i>	2010	\$ 506,439	\$ 700,000	\$ 3,000,000	\$ 1,236,530	\$ 3,262	\$ 5,446,231
Jie Chen <i>Executive Vice President and Managing Director of Asia</i>	2010	\$ 343,750	\$ 750,000	\$ 3,000,000	\$ 1,116,204	\$ 1,817	\$ 5,211,771
James C. Clarke <i>Senior Vice President and Chief Financial Officer</i>	2010	\$ 149,352	\$ 120,000	\$ 300,000	\$ 123,653	\$ 62,563	\$ 755,568

* Stock awards consist of RSUs relating to shares of our Class A Common Stock. Option awards are options to purchase our Class A Common Stock.

(1) *Bonus*: The amount for Mr. Udvar-Házy represents his annual bonus for 2010, and a \$500,000 success bonus, described above under Compensation discussion and analysis Elements of the executive compensation program *Specific Purpose Awards*. All other figures represent annual bonuses for 2010.

(2) *Stock Awards and Option Awards:* These amounts represent the aggregate grant date fair value of awards of RSUs and options to purchase shares of our Class A Common Stock granted to our Named Executive Officers in 2010, computed in accordance with GAAP. Assumptions used in the calculations of these amounts, which do not correspond to the actual value that may be realized by the Named Executive Officer, are included in Note 12 Equity Based Compensation to the financial statements included in this prospectus.

(3) *All Other Compensation:* The amounts shown in this column reflect the following items:

Premium Payments: In 2010, we paid premiums on term life insurance policies for Messrs. Udvar-Házy, Plueger, Levy, Chen and Clarke, in the aggregate amounts of \$29,682, \$5,861, \$3,262, \$1,817, and \$2,563, respectively.

Relocation Assistance: In connection with Mr. Clarke's hiring and relocation from Connecticut to Los Angeles, California, we paid Mr. Clarke an allowance of \$60,000 for certain relocation and transitional costs.

Grants of plan-based awards

The following table sets forth information concerning grants of plan-based awards made to our Named Executive Officers during the fiscal year ended December 31, 2010.

Name	Grant date(s) (1)	Type of award	Estimated	Exercise	Grant date
			future payouts under equity incentive plan awards (#)	or base price of option awards (\$/sh)(2)	fair value of stock and option awards (\$)(3)
Mr. Udvar-Házy	6/4/2010	Options	1,750,000	\$ 20.00	\$ 18,795,960
	6/4/2010	RSUs	1,750,000		\$ 35,000,000
	8/11/2010	Options	1,352	\$ 20.00	\$ 11,168
	8/11/2010	RSUs	426		\$ 8,520
Mr. Plueger	6/4/2010	Options	700,000	\$ 20.00	\$ 7,518,384
	6/4/2010	RSUs	700,000		\$ 14,000,000
	8/11/2010	Options	10,806	\$ 20.00	\$ 81,899
	8/11/2010	RSUs	10,431		\$ 208,620
Mr. Levy	7/14/2010	Options	150,000	\$ 20.00	\$ 1,236,530
	7/14/2010	RSUs	150,000		\$ 3,000,000
Mr. Chen	8/11/2010	Options	150,000	\$ 20.00	\$ 1,116,204
	8/11/2010	RSUs	150,000		\$ 3,000,000
Mr. Clarke	7/14/2010	Options	15,000	\$ 20.00	\$ 123,653
	7/14/2010	RSUs	15,000		\$ 300,000

(1) *Grant Date:* The grant date for each award is the effective date of grant approved by the compensation committee of our board of directors.

(2) *Exercise or base price of option awards:* The exercise price for each award is equal to the fair market value of our Class A Common Stock as of the date of grant, as determined by our board of directors and our compensation committee.

- (3) *Grant date fair value of stock and option awards:* The grant date fair value for each award is computed in accordance with GAAP. Assumptions used in the calculations of these amounts, which do not correspond to the actual value that may be realized by the Named Executive Officers, are included in Note 12 Equity Based Compensation to the financial statements included in this prospectus.

Outstanding equity awards at fiscal year-end

The following table sets forth information concerning option awards and stock awards for our Named Executive Officers outstanding as of the end of the fiscal year ended December 31, 2010.

Name	Grant date	Option awards*			Stock awards* Equity	
		Equity incentive plan awards: number of securities underlying unexercised options (#)(1)	Option exercise price (\$)	Option expiration date	Equity incentive plan awards: number of unearned shares, units or other rights that have not vested (#)(2)	incentive plan awards: market value or payout value of unearned shares, units or other rights that have not vested \$(3)
Mr. Udvar-Házy	6/4/2010	1,750,000	\$ 20.00	6/4/2020		
	6/4/2010				1,750,000	\$ 35,000,000
	8/11/2010	1,352	\$ 20.00	8/11/2020		
	8/11/2010				426	\$ 8,520
Mr. Plueger	6/4/2010	700,000	\$ 20.00	6/4/2020		
	6/4/2010				700,000	\$ 14,000,000
	8/11/2010	10,806	\$ 20.00	8/11/2020		
	8/11/2010				10,431	\$ 208,620
Mr. Levy	7/14/2010	150,000	\$ 20.00	7/14/2020		
	7/14/2010				150,000	\$ 3,000,000
Mr. Chen	8/11/2010	150,000	\$ 20.00	8/11/2020		
	8/11/2010				150,000	\$ 3,000,000
Mr. Clarke	7/14/2010	15,000	\$ 20.00	7/14/2020		
	7/14/2010				15,000	\$ 300,000

* Shares underlying the Option Awards and Stock Awards are shares of Class A Common Stock.

(1) *Number of securities underlying unexercised unearned options:* Option Awards under our 2010 ALC Equity Incentive Plan generally vest in equal installments over a three-year period. The options granted to Messrs. Udvar-Házy and Plueger on June 4, 2010 vest in equal installments on each of June 4, 2011, June 4, 2012 and June 4, 2013. All of the options granted to Messrs. Levy and Clarke and the options granted to Messrs. Udvar-Házy and Plueger on August 11, 2010 vest in equal installments on June 30, 2011, June 30, 2012 and June 30, 2013. The options granted to Mr. Chen vest 662/3% on June 30, 2011 and 331/3% on June 30, 2012.

(2) *Number of unearned shares, units or other rights that have not vested:* The RSUs granted to Messrs. Udvar-Házy, Plueger, Levy and Clarke vest in cumulative installments as follows:

The first tranche of 25% will vest on June 30, 2011, provided that our Company has attained at least 2% growth in book value per share over the book value as of June 30, 2010, as determined in accordance with GAAP;

The second tranche of 25% will vest, and any unvested portion of the first tranche will vest, on June 30, 2012, provided that our Company has attained at least 5.06% growth in book value per share over the book value as of June 30, 2010;

The third tranche of 25% will vest, and any unvested portion of the first and second tranches will vest, on June 30, 2013, provided that our Company has attained at least 9.26% growth in book value per share over the book value as of June 30, 2010; and

The fourth tranche of 25% will vest, and any unvested portion of the first, second and third tranches will vest, on June 30, 2014, or on any date thereafter up to and including June 30, 2015, provided that our Company has attained at least 13.63% growth in book value per share over the book value as of June 30, 2010.

The RSUs granted to Mr. Chen vest as follows:

The first tranche of 50% will vest on June 30, 2011, provided that our Company has attained at least 2% growth in book value per share over the book value as of June 30, 2010, as determined in accordance with GAAP;

The second tranche of 50% will vest, and any unvested portion of the first tranche will vest, on June 30, 2012, provided that our Company has attained at least 5.06% growth in book value per share over the book value as of June 30, 2010;

Any unvested portion of the first and second tranches will vest on June 30, 2013, provided that our Company has attained at least 9.26% growth in book value per share over book value as of June 30, 2010; and

Any unvested portion of the first and second tranches will vest on June 30, 2014, or any date thereafter up to and including June 30, 2015, provided that our Company has attained at least 13.63% growth in book value per share over the book value as of June 30, 2010.

- (3) *Market Value of Unearned Shares, Units or Other Rights That Have Not Vested:* The market value shown is based on the price of our Class A Common Stock on the relevant date of grant, which was \$20.00 per share.

Employment agreements and arrangements and potential payments upon termination or change in control

The discussion below summarizes the terms of employment for our Named Executive Officers. As described in the discussion and tables below, Messrs. Udvar-Házy's and Plueger's employment agreements and certain of our employee benefits plans, including our 2010 ALC Equity Incentive Plan and our Named Executive Officers' award agreements under the plan, provide for payments and other benefits to our Named Executive Officers if their employment with us is terminated under certain circumstances or if we experience a change in control.

Employment agreements and arrangements

Employment Agreement with Mr. Udvar-Házy. The employment agreement between our Company and Mr. Udvar-Házy is effective as of February 5, 2010 and was amended as of August 11, 2010. The agreement has a term through June 30, 2013. Mr. Udvar-Házy's base salary is \$1.8 million, subject to potential annual increases at the discretion of our compensation committee. As described above under Compensation discussion and analysis Elements of the executive compensation program, he is eligible for annual and other bonuses, has additional benefits (including our payment of premiums for a \$5.0 million term life insurance policy payable to his beneficiaries and employer matching contributions for our 401(k) savings plan), and was entitled to certain equity awards. Mr. Udvar-Házy is subject to noncompetition and nonsolicitation restrictions while employed by us and nonsolicitation restrictions for one year following a termination of his employment. He is also subject to an ongoing confidentiality obligation.

If Mr. Udvar-Házy's employment is terminated by us without cause or by him for good reason, as defined in his employment agreement, he will be entitled to receive: (i) accrued but unpaid salary and benefits, expense reimbursement, and any earned but unpaid annual bonus with respect to the last calendar year completed during his employment, (ii) a prorated annual bonus and accelerated vesting and payment of a deferred bonus under our Amended and Restated Deferred Bonus Plan, with respect to the calendar year in which such termination occurs, (iii) salary continuation, continued payment of the target annual bonus amount, continued health coverage, and continued payment by us of the premiums for his term life insurance policy, until the later of June 30, 2013 and the second anniversary of the date of such termination, and (iv) accelerated vesting and payment of any unpaid deferred bonuses under our Amended and Restated Deferred Bonus Plan attributable to years prior to the year of such termination. In addition, upon such a termination, Mr. Udvar-Házy's options shall fully vest and the time-vesting of his RSUs shall accelerate in full. However, the RSUs would remain subject to any performance-based vesting conditions to the extent not achieved prior to such termination, and, for this purpose, would remain outstanding until the end of the applicable performance period. The amounts and benefits described in clauses (ii), (iii) and (iv) of this paragraph will be

subject to Mr. Udvar-Házy's execution of a release of claims against our Company and certain related parties, and the amounts and benefits described in clauses (iii) and (iv) will be subject to his compliance with his confidentiality and nonsolicitation covenants.

If Mr. Udvar-Házy's employment is terminated due to disability or death, he, his estate or his beneficiaries will be entitled to receive the compensation described in clauses (i), (ii) and (iv) of the preceding paragraph. In addition, upon such a termination, Mr. Udvar-Házy's options shall fully vest and the time-vesting of his RSUs shall accelerate in full. However, the RSUs would remain subject to any performance-based vesting conditions to the extent not achieved prior to such termination, and, for this purpose, would remain outstanding until the end of the applicable performance period.

If Mr. Udvar-Házy's employment is terminated for cause, or he terminates his employment without good reason, he will receive accrued but unpaid salary and benefits, expense reimbursement, and any earned but unpaid annual bonus with respect to the last calendar year completed during his employment. Any options or RSUs not vested as of the date of termination will be forfeited.

Mr. Udvar-Házy will have no obligation to mitigate damages in the event of a termination of his employment, and no payments under his employment agreement will be subject to offset in the event that he does mitigate.

Employment Agreement with Mr. Plueger. The employment agreement between our Company and Mr. Plueger was effective as of March 29, 2010 and was amended as of August 11, 2010. The agreement has a term through June 30, 2013. Mr. Plueger's base salary is \$1.5 million, subject to potential annual increases at the discretion of our compensation committee. As described above under "Compensation discussion and analysis" Elements of the executive compensation program, he is eligible for annual and other bonuses, has additional benefits (including our payment of premiums for a \$2.0 million term life insurance policy payable to his beneficiaries and employer matching contributions for our 401(k) savings plan), and was entitled to certain equity awards. Mr. Plueger is subject to noncompetition and nonsolicitation restrictions while employed by us and nonsolicitation restrictions for one year following a termination of his employment. He is also subject to an ongoing confidentiality obligation. The terms of Mr. Plueger's employment agreement relating to a termination of his employment are substantially similar to the terms of the employment agreement with Mr. Udvar-Házy described above.

Cause is generally defined in each of Messrs. Udvar-Házy's and Plueger's employment agreements as (i) conviction of, or a plea of guilty or nolo contendere to, a felony, a crime of moral turpitude, dishonesty, breach of trust or unethical business conduct, or any crime involving our Company; (ii) engagement during the performance of his duties, or otherwise to the detriment of our Company, in willful misconduct, willful or gross neglect, fraud, misappropriation, or embezzlement; (iii) repeated failure to adhere to the directions of the board of directors, to adhere to our Company's policies and practices or to devote substantially all of his business time and efforts to our Company; (iv) willful failure to substantially perform his duties properly assigned to him (other than any such failure resulting from his disability); (v) breach of any of the confidentiality, noncompetition, and nonsolicitation covenants in his employment agreement; and (vi) breach in any material respect of the terms and provisions of his employment agreement. Each of Messrs. Udvar-Házy's and Plueger's employment agreements provides him with notice and a 30-day cure period in the event of a termination of his employment pursuant to clause (iii), (iv), (v) or (vi), and if cured, the event or condition at issue

will not constitute cause. Good reason under each employment agreement includes the material reduction of the executive's authority, duties and responsibilities, or the assignment to him of duties materially inconsistent with his position or positions with our Company, a reduction in his annual salary, or the relocation of his office more than 35 miles from the principal offices of our Company. The executive must provide us with notice and a 30-day cure period, and if cured, the event or condition at issue will not constitute good reason.

Employment Terms for Mr. Levy. Mr. Levy's base salary for 2010 was \$700,000, and has been increased to \$750,000 for 2011 by our compensation committee, consistent with prior discussions between the Company and Mr. Levy that occurred at or around the commencement of Mr. Levy's employment. As described above under Compensation discussion and analysis Elements of the executive compensation program, Mr. Levy is eligible for annual and other bonuses, as well certain benefits.

Employment Terms for Mr. Chen. Mr. Chen's base salary for 2010 was \$750,000, subject to a 10% increase for 2011 and, in the discretion of our compensation committee, potential annual increases of up to 10% thereafter for satisfactory performance. Our compensation committee has increased Mr. Chen's base salary by 10% to \$825,000 for 2011, in accordance with the previously scheduled increase in his base salary. As described above under

Compensation discussion and analysis Elements of the executive compensation program, Mr. Chen is eligible for annual and other bonuses, as well as certain benefits.

Employment Terms for Mr. Clarke. Mr. Clarke's base salary was at an annual rate of \$210,000 from April 16, 2010 through October 16, 2010, and \$240,000 from October 17, 2010 through April 16, 2011, is \$270,000 from April 17, 2011 through October 17, 2011, and will be at rates thereafter in the discretion of our compensation committee. Mr. Clarke is eligible for, and has been awarded, a 2010 bonus equal to 50% of his base salary on December 31, 2010, payable upon the issuance of our audited financial statements for the period ending December 31, 2010. Thereafter, his annual bonuses are at the discretion of our compensation committee. As described above under Compensation discussion and analysis Elements of the executive compensation program, Mr. Clarke is also eligible for other bonuses and certain benefits. We provided Mr. Clarke with an allowance of \$60,000 in connection with his relocation to Los Angeles, California.

Employment Termination and Change in Control Provisions under Named Executive Officers Equity Award Agreements. Under the terms of their equity award agreements, each of Messrs. Levy, Chen and Clarke will forfeit any unvested RSUs if his employment with our Company is terminated for any reason. Each will forfeit all of his options if his employment is terminated for cause, as defined under our 2010 ALC Equity Incentive Plan. In the event of a termination due to death or disability (as defined under our plan), each of Messrs. Levy's, Chen's and Clarke's options will vest in full. In the event of a termination for any reason other than death, disability or cause, each Named Executive Officer will forfeit any unvested options. Under the terms of our 2010 ALC Equity Incentive Plan and except as otherwise provided by our compensation committee, all outstanding options shall become fully exercisable and vested, and all time-vesting RSUs shall vest, upon the occurrence of a change in control, as defined under the plan. With respect to performance-based RSUs, our compensation committee may exercise its discretion to provide that all incomplete performance periods in effect on the date of the change in control shall end on such date, determine the extent to which performance goals with respect to each such performance period have been met, and cause to be paid to each Named Executive Officer

partial or full awards with respect to performance goals for each such performance period, based on the committee's determination of the degree of attainment of such goals.

Employment Termination Provisions for Named Executive Officers' Deferred Bonus Awards. Pursuant to the terms of his award agreement, the vesting of the deferred bonus granted to each of Messrs. Levy, Chen and Clarke under our Amended and Restated Deferred Bonus Plan will accelerate, and payment will be made as soon as practicable thereafter, if his employment terminates due to death or disability. The vesting of deferred bonuses granted to Messrs. Udvar-Házy and Plueger will accelerate, and such bonuses will be paid, upon certain terminations of their employment, as described above in *Employment Agreement with Mr. Udvar-Házy* and *Employment Agreement with Mr. Plueger*.

Non-Binding Severance Guidelines. On February 15, 2011, our compensation committee reviewed and approved non-binding guidelines concerning severance and other benefits in the event of an involuntary termination of employment, or a termination without cause or for good reason following a change in control of our Company. The guidelines cover officers at the level of Vice President and higher other than Messrs. Udvar-Házy and Plueger, and address potential cash severance, accelerated vesting and payment of certain bonuses, and other potential benefits that may be granted in the committee's discretion. The guidelines suggest as severance a multiple of an eligible officer's base salary and target bonus in the case of a termination of employment without cause or for good reason within 24 months following a change in control, and a multiple of an eligible officer's base salary and the average of the officer's three most recent annual bonuses in the case of a termination of employment without cause other than following a change in control. For executive vice presidents, these multiples are 2x and 1x, respectively, while for senior vice presidents and vice presidents, these multiples are 1x and 0.5x, respectively. In addition, with respect to a termination without cause or for good reason following a change in control, the guidelines indicate that an officer would be eligible for payment of a prorated annual target bonus, acceleration and payment in full of his initial three-year retention bonus, and acceleration and payment in full of his bonus under the Amended and Restated Deferred Bonus Plan. With respect to a termination without cause other than following a change in control, an officer would forfeit his annual bonus and deferred bonus, but the guidelines suggest that an officer may receive a prorated payout of his initial three-year retention bonus.

Potential payments upon termination or change in control

The following tables describe and quantify payments and benefits to which our Named Executive Officers would have been entitled under various employment termination and change-in-control scenarios, assuming they occurred on December 31, 2010. Certain of the amounts identified below are only estimates. Some amounts in the tables and footnotes have been rounded up to the nearest whole number.

Regardless of the termination scenario, each of our Named Executive Officers will receive earned but unpaid base salary through the date of termination of his employment.

Post-employment and change in control payments Mr. Udvar-Házy

Executive payments and benefits upon termination	Voluntary termination without good reason/ involuntary termination for cause	Involuntary termination without cause/for good reason	Termination due to death or disability	Change in control without a termination of employment
Compensation severance	\$ 1,800,000(a)	\$ 9,900,000(b)	\$ 1,800,000(a)	\$
Amended and restated deferred bonus plan	\$	\$ 191,045(c)	\$ 191,045(c)	\$
Acceleration of equity awards				
RSUs	\$	\$	\$	\$ (d)
Options	\$	\$ 18,807,128	\$ 18,807,128	\$ 18,807,128
Benefits and perquisites				
Term life insurance	\$	\$ 127,177(e)	\$ (f)	\$
Benefits	\$	\$ 106,288(g)	\$	\$
Total	\$ 1,800,000	\$ 29,131,638	\$ 20,798,173	\$ 18,807,128

(a) Represents the amount of Mr. Udvar-Házy's annual bonus for 2010.

(b) Represents the aggregate of Mr. Udvar-Házy's annual bonus for 2010, salary continuation at an annual rate of \$1.8 million, and payments in 2011 and 2012 of amounts equal to the target annual bonus.

(c) Represents 9.0% of the sum of Mr. Udvar-Házy's actual salary paid and success bonus paid of \$500,000.

(d) Assumes that the compensation committee does not treat performance conditions for RSUs as met in the event that a change in control occurs on December 31, 2010.

(e) Represents the premium payments on the group term and supplementary life insurance policies for Mr. Udvar-Házy that the Company would continue to pay.

(f) The total amount payable under the group term and supplementary life insurance policies for Mr. Udvar-Házy is \$5.3 million.

(g) Represents health, dental and vision insurance premiums that would be paid by the Company for continued coverage, based on rates as of December 31, 2010.

Post-employment and change in control payments Mr. Plueger

Executive payments and benefits upon termination	Voluntary termination without good reason/ involuntary termination for cause	Involuntary termination without cause/for good reason	Termination due to death or disability	Change in control without a termination of employment
Compensation severance	\$ 1,250,000(a)	\$ 7,400,000(b)	\$ 1,250,000(a)	\$
Amended and restated deferred bonus plan	\$	\$ 101,250(c)	\$ 101,250(c)	\$
Acceleration of equity awards				
RSUs	\$	\$	\$	\$ (d)
Options	\$	\$ 7,600,283	\$ 7,600,283	\$ 7,600,283
Benefits and perquisites				
Term life insurance	\$	\$ 29,215(e)	\$ (f)	\$
Benefits	\$	\$ 84,088(g)	\$	\$
Total	\$ 1,250,000	\$ 15,214,836	\$ 8,951,533	\$ 7,600,283

(a) Represents the amount of Mr. Plueger's annual bonus for 2010.

- (b) Represents the aggregate of Mr. Plueger's annual bonus for 2010, salary continuation at an annual rate of \$1.5 million through June 30, 2013, and payments in 2011 and 2012 of amounts equal to the target annual bonus.
- (c) Represents 9.0% of Mr. Plueger's actual salary paid for 2010.
- (d) Assumes that the compensation committee does not treat performance conditions for RSUs as met in the event that a change in control occurs on December 31, 2010.
- (e) Represents the premium payments on the group term and supplementary life insurance policies for Mr. Plueger that the Company would continue to pay.
- (f) The total amount payable under the group term and supplementary life insurance policies for Mr. Plueger is \$2.3 million.
- (g) Represents health, dental and vision insurance premiums that would be paid by the Company for continued coverage, based on rates as of December 31, 2010.

Post-employment and change in control payments Mr. Levy

Executive payments and benefits upon termination	Voluntary termination without good reason/ involuntary termination for cause	Involuntary termination without cause/for good reason	Termination due to death or disability	Change in control without a termination of employment
Compensation severance	\$	\$	\$	\$
Amended and restated deferred bonus plan	\$	\$	\$ 43,047(a)	\$
Acceleration of vesting of equity awards				
RSUs	\$	\$	\$	\$ (b)
Options	\$	\$	\$ 1,236,530	\$ 1,236,530
Benefits and perquisites				
Term life insurance	\$	\$	\$ (c)	\$
Benefits	\$	\$	\$	\$
Total	\$	\$	\$ 1,279,577	\$ 1,236,530

- (a) Represents 8.5% of Mr. Levy's actual salary paid for 2010.

- (b) Assumes that the compensation committee does not treat performance conditions for RSUs as met in the event of a change in control on December 31, 2010.
- (c) The total amount payable under the group term life insurance policy for Mr. Levy is \$300,000.

Post-employment and change in control payments Mr. Chen

Executive payments and benefits upon termination	Voluntary termination without good reason/ involuntary termination for cause	Involuntary termination without cause/for good reason	Termination due to death or disability	Change in control without a termination of employment
Compensation severance	\$	\$	\$	\$
Amended and restated deferred bonus plan	\$	\$	\$ 29,219(a)	\$
Acceleration of vesting of equity awards				
RSUs	\$	\$	\$	\$ (b)
Options	\$	\$	\$ 1,116,204	\$ 1,116,204
Benefits and perquisites				
Term life insurance	\$	\$	\$ (c)	\$
Benefits	\$	\$	\$	\$
Total	\$	\$	\$ 1,145,423	\$ 1,116,204

(a) Represents 8.5% of Mr. Chen's actual salary paid for 2010.

(b) Assumes that the compensation committee does not treat performance conditions for RSUs as met in the event of a change in control on December 31, 2010.

(c) The total amount payable under the group term life insurance policy for Mr. Chen is \$300,000.

Post-employment and change in control payments Mr. Clarke

Executive payments and benefits upon termination	Voluntary termination without good reason/ involuntary termination for cause	Involuntary termination without cause/for	Termination due to death or disability	Change in control without a termination of employment
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Compensation severance	\$	\$	\$	\$
Amended and restated deferred bonus plan	\$	\$	\$ 10,455(a)	\$
Acceleration of vesting of equity awards				
RSUs	\$	\$	\$	\$ (b)
Options	\$	\$	\$ 123,653	\$ 123,653
Benefits and perquisites				
Term life insurance	\$	\$	\$ (c)	\$
Benefits	\$	\$	\$	\$
Total	\$	\$	\$ 134,108	\$ 123,653

(a) Represents 7.0% of Mr. Clarke's actual salary paid for 2010.

(b) Assumes that the compensation committee does not treat performance conditions for RSUs as met in the event of a change in control on December 31, 2010.

(c) The total amount payable under the group term life insurance policy for Mr. Clarke is \$300,000.

Director compensation

Our board of directors sets non-employee director compensation based on recommendations from the compensation committee. Messrs. Udvar-Házy and Plueger do not receive separate compensation for their service on our board of directors, nor will any of our other officers who may serve as directors in the future.

With respect to 2010, we provided the non-employee members of our board with an annual retainer in the amount of \$100,000 payable in quarterly installments. In addition, the chairs of our compensation committee and nominating and corporate governance committee each received an additional annual retainer of \$10,000. The chair of our audit committee received an additional annual retainer of \$15,000. Each director also received \$1,500 per board or committee meeting attended in person and \$750 per board or committee meeting attended telephonically. The differences between the various committee chair retainers reflected the board's judgment of each committee's respective workload. We reimbursed directors for travel and lodging expenses incurred in connection with their attendance at meetings. As a matter of policy, each director could elect to have his or her retainer paid in cash or shares of our Common Stock, or a combination thereof. However, to date we have paid our directors in cash only, in part because of capacity constraints under our 2010 ALC Equity Incentive Plan.

In 2011, we will pay our non-employee directors an annual cash retainer in the amount of \$80,000. In addition, the chairs of our compensation committee and nominating and corporate governance committee each will receive an additional annual retainer of \$20,000, while the other members of our compensation committee and nominating and corporate governance committee each will receive an additional annual retainer of \$10,000. The chair of our audit committee will receive an additional annual retainer of \$35,000, while the other members of the audit committee each will receive an additional annual retainer of \$15,000. Our lead independent director will receive an additional annual retainer at a rate of \$25,000 prorated from January through August 2011 and at a rate of \$50,000 prorated from September through December 2011. Finally, each current non-employee director and each non-employee director who joins our board in the future has received or will receive an initial grant of RSUs to be settled in shares of Class A Common Stock. Our current non-employee directors received their initial grants upon the consummation of our initial public offering, and the number of RSUs awarded equaled \$120,000, divided by the initial public offering price. The aggregate value of initial awards of RSUs to non-employee directors who join our board in the future will equal \$120,000, based on the closing price of our Class A Common Stock on the date of grant. Following such initial grants, each non-employee director will receive an annual award of RSUs to be settled in shares of Class A Common Stock with an aggregate value equal to \$80,000, based on the closing price of our Class A Common Stock on the date of grant. All RSUs awarded to our non-employee directors will vest in full on the first anniversary of the grant date, and if the board service of such a director terminates for any reason, the RSUs will vest on a daily prorated basis according to the number of days between the grant date and the termination of service, divided by 365.

Our board of directors has adopted stock ownership guidelines for all non-employee directors. Each non-employee director has five years from the time he becomes subject to these guidelines to achieve ownership of Class A Common Stock equivalents with an aggregate market value equal to three times the amount of the then current cash retainer fee for service on our board of directors. For a non-employee director, Class A Common Stock equivalents are shares of Class A Common Stock personally owned by the director, and shares of Class A Common Stock underlying vested RSUs awarded to a director and unvested RSUs awarded to a director that are subject to time-based vesting only. The market value of the Class A Common Stock equivalents

shall be determined in accordance with a reasonable methodology established from time to time by our compensation committee.

Director compensation

The following table sets forth compensation paid to or earned by the individuals who served as non-employee directors of our Company during the fiscal year ended December 31, 2010.

Name	Fees earned or paid in cash (\$)(1)
Mr. Danhaki	\$ 83,250
Mr. Hart	\$ 95,250
Mr. Milton	\$ 100,583
Mr. Péretié	\$ 51,500
Mr. Ressler	\$ 83,250
Mr. Ross	\$ 26,500
Mr. Saines	\$ 79,500
Dr. Sugar	\$ 92,250

(1) *Fees Earned or Paid in Cash*: The amount shown for each non-employee director is comprised of his annual retainer fees, committee and/or chairmanship fees, and meeting fees.

Amended and Restated Air Lease Corporation 2010 Equity Incentive Plan

Introduction

Our 2010 ALC Equity Incentive Plan authorizes the grant of nonqualified and incentive stock options, stock appreciation rights (SARs), restricted stock awards, RSUs and other awards that may be settled in or based upon our Class A Common Stock.

The purpose of the 2010 ALC Equity Incentive Plan is to give us a competitive advantage in attracting, retaining and motivating officers, employees, directors and consultants and to provide a means whereby officers, employees, directors and/or consultants can acquire and maintain ownership of our Class A Common Stock or be paid incentive compensation measured by reference to the value of our Class A Common Stock, thereby strengthening their commitment to our short-term and long-term goals and objectives and those of our affiliates and promoting an identity of interest between our stockholders and these persons.

Description

Set forth below is a summary of certain important features included in the 2010 ALC Equity Incentive Plan. This summary is qualified in its entirety by the actual 2010 ALC Equity Incentive Plan.

Plan term

The 2010 ALC Equity Incentive Plan became effective on June 4, 2010, was amended and restated on February 15, 2011, and will expire on June 4, 2020.

Administration

The 2010 ALC Equity Incentive Plan is administered by the compensation committee or such other committee of the board of directors as the board of directors may from time to time designate (the Committee). Among other responsibilities, the Committee has the authority to select individuals to whom awards may be granted, to determine the type of award as well as the number of shares of Class A Common Stock to be covered by each award, and to determine the terms and conditions of any such awards, including the applicable vesting schedule, performance conditions and whether the award will be paid in cash or settled in shares. Subject to applicable law, the Committee may allocate all or any portion of its responsibilities and powers to any one or more of its members and may delegate all or any part of its responsibilities and powers to any person or persons selected by it.

Eligibility

Current directors, employees (including executive officers) and/or consultants to us and any of our subsidiaries and affiliates, or any prospective employee or consultant are eligible to participate in the 2010 ALC Equity Incentive Plan.

Shares subject to the plan

We have reserved such number of shares of our Class A Common Stock under the 2010 ALC Equity Incentive Plan so that the number of shares of our Class A Common Stock available under the 2010 ALC Equity Incentive Plan is equal to the sum of (i) 10% of any class of common stock issued by us pursuant to an exemption under the Securities Act of 1933, as amended (the Securities Act), until we consummate an initial public offering of any class of our common stock, excluding any issuances to our management prior to the initial date of adoption of the 2010 ALC Equity Incentive Plan and (ii) 5% of any class of common stock issued by us pursuant to an initial public offering of any class of our common stock. The maximum number of shares of Class A Common Stock that may be granted pursuant to awards of restricted stock, RSUs, stock bonuses, or incentive bonuses under the 2010 ALC Equity Incentive Plan is 5% of the aggregate number of shares of any class of our common stock issued pursuant to the issuances described in clause (i) and clause (ii) of the preceding sentence.

Section 162(m), described above under Compensation discussion and analysis Tax considerations, will generally not apply to compensation paid under the plans and agreements described in this prospectus during the 162(m) Transition Period, and also does not apply to awards that constitute qualified performance-based compensation. However, once the 162(m) Transition Period ends, certain share and cash limits will apply to awards under the 2010 ALC Equity Incentive Plan. The 2010 ALC Equity Incentive Plan is structured to comply with the requirements of Section 162(m) as in effect on the date hereof so that, subject to satisfying the Section 162(m) stockholder approval requirement, awards that are intended to constitute qualified performance-based compensation should be treated as qualified performance-based compensation for purposes of Section 162(m).

The shares of Class A Common Stock subject to grant under the 2010 ALC Equity Incentive Plan are to be made available from authorized but unissued shares, from treasury shares, from shares purchased on the open market or by private purchase, or a combination of any of the foregoing. To the extent that any award is forfeited, or any option or SAR terminates, expires or lapses without being exercised, or any award is settled for cash, the shares of Class A Common

Stock subject to such awards not delivered as a result thereof will again be available for awards under the 2010 ALC Equity Incentive Plan. If the exercise price of any option and/or the tax withholding obligations relating to any award are satisfied by delivering shares of Class A Common Stock (by either actual delivery or by attestation), only the number of shares of Class A Common Stock issued net of the shares of Class A Common Stock delivered or attested to will be deemed delivered for purposes of the limits in the 2010 ALC Equity Incentive Plan. To the extent any shares of Class A Common Stock subject to an award are withheld to satisfy the exercise price (in the case of an option) and/or the tax withholding obligations relating to such award, such shares of Class A Common Stock will not generally be deemed to have been delivered for purposes of the limits set forth in the 2010 ALC Equity Incentive Plan.

In the event of certain extraordinary corporate transactions or events affecting us, the Committee or the board of directors shall make such substitutions or adjustments as it deems appropriate and equitable to (1) the aggregate number and kind of shares or other securities reserved for issuance and delivery under the 2010 ALC Equity Incentive Plan, (2) the various maximum limitations set forth in the 2010 ALC Equity Incentive Plan, (3) the number and kind of shares or other securities subject to outstanding awards and (4) the exercise price of outstanding options and SARs. In the case of corporate transactions such as a merger or consolidation, such adjustments may include the cancellation of outstanding awards in exchange for cash or other property or the substitution of other property for the shares subject to outstanding awards.

Types of awards

As indicated above, several types of awards can be made under the 2010 ALC Equity Incentive Plan. A summary of these awards is set forth below.

Stock Options and Stock Appreciation Rights. A stock option is a contractual right to purchase shares at a future date at a specified exercise price, while a SAR is a contractual right to receive, in cash or shares, an amount equal to the appreciation of one share of our Class A Common Stock following the grant date. Stock options granted under the 2010 ALC Equity Incentive Plan may either be incentive stock options, which are intended to qualify for favorable treatment to the recipient under U.S. federal tax law, or nonqualified stock options, which do not qualify for this favorable tax treatment. SARs granted under the 2010 ALC Equity Incentive Plan may either be tandem SARs, which are granted in conjunction with an option, or free-standing SARs, which are not granted in tandem with a stock option. A tandem SAR may be granted on the grant date of the related option, will be exercisable only to the extent that the related option is exercisable and will have the same exercise price as the related option. A tandem SAR will terminate or be forfeited upon the exercise or forfeiture of the related option and the related option will terminate or be forfeited upon the exercise or forfeiture of the tandem SAR.

Each grant of stock options or SARs under the 2010 ALC Equity Incentive Plan will be evidenced by an award agreement that specifies the exercise price, the duration of the award, the number of shares to which the award pertains, vesting schedule and such additional limitations, terms and conditions as the Committee may determine, including, in the case of stock options, whether the options are intended to be incentive stock options or nonqualified stock options. The 2010 ALC Equity Incentive Plan provides that the exercise price of options and SARs will be determined by the Committee, but may not be less than 100% of the fair market value of the stock underlying the options or SARs on the date of grant. Award holders may pay the exercise price in cash or, if approved by the Committee, in Class A Common Stock (valued at its fair

market value on the date of exercise) or a combination thereof, or by cashless exercise through a broker or by withholding shares otherwise receivable on exercise. The term of options and SARs will be determined by the Committee, but may not exceed ten years from the date of grant. The Committee will determine the vesting and exercise schedule of options and SARs, and the extent to which they will be exercisable after the award holder's services with the Company terminate.

Restricted Stock. Restricted stock is an award of shares of our Class A Common Stock that are subject to restrictions on transfer and a substantial risk of forfeiture. Restricted stock may be granted under the 2010 ALC Equity Incentive Plan with such restrictions as the Committee may designate. The Committee may provide at the time of grant that the vesting of restricted stock will be contingent upon the achievement of specified performance goals and/or continued service. The terms and conditions of restricted stock awards (including any applicable performance goals) need not be the same with respect to each participant. During the restriction period, the Committee may require that the stock certificates evidencing restricted shares be held by the Company. Except for these restrictions and any others imposed by the Committee, upon the grant of restricted stock under the 2010 ALC Equity Incentive Plan, the recipient will have the rights of a stockholder with respect to the restricted stock, including the right to vote the restricted stock; however, whether and to what extent the recipient will be entitled to receive cash or stock dividends paid or made with respect to the restricted shares of Class A Common Stock and whether any such dividends will be automatically deferred and/or reinvested in additional restricted stock and held subject to the vesting of the underlying restricted stock, will be set forth in the particular participant's award agreement.

Restricted Stock Units. RSUs represent a contractual right to receive the value of a share of our Class A Common Stock (in either cash or shares) at a future date, subject to specified vesting and other restrictions. The Committee may grant RSUs payable in cash or shares of Class A Common Stock, conditioned upon continued service and/or the attainment of performance goals determined by the Committee. The terms and conditions of RSU awards granted under the 2010 ALC Equity Incentive Plan (including any applicable performance goals) need not be the same with respect to each participant.

Stock-Bonus Awards. The Committee may grant unrestricted shares of our Class A Common Stock, or other awards denominated in our Class A Common Stock, alone or in tandem with other awards, in such amounts and subject to such terms and conditions as the Committee determines from time to time in its sole discretion as, or in payment of, a bonus, or to provide incentives or recognize special achievements or contributions.

Performance Awards. Under the 2010 ALC Equity Incentive Plan, the Committee may determine that the grant, vesting or settlement of an award granted under the plan may be subject to the attainment of one or more specified performance goals. In addition, the 2010 ALC Equity Incentive Plan authorizes the Committee to make awards of restricted stock or RSUs or stock bonus awards that are conditioned on the satisfaction of pre-established performance criteria.

Termination of employment

The impact of a termination of employment on an outstanding award granted under the 2010 ALC Equity Incentive Plan, if any, will be set forth in the applicable award agreement or an individual's employment, consulting or similar agreement with the Company.

Change in control

The 2010 ALC Equity Incentive Plan provides that, unless otherwise set forth in an award agreement, in the event of a change in control (as defined in the 2010 ALC Equity Incentive Plan), any restricted stock that was forfeitable prior to such change in control will become nonforfeitable, RSUs will be considered earned and payable in full and any restrictions thereon will lapse, any unexercised option or SAR, whether or not exercisable on the date of such change in control, will become fully exercisable and may be exercised in whole or in part, and the Committee may determine the level of achievement with respect to any performance-based awards through the date of the change in control. The Committee may make additional adjustments and/or settlements of outstanding awards upon a change in control, including cancelling any awards for cash upon at least ten days' advance notice to affected participants.

Under the terms of the plan, a change in control generally means the first to occur of the following: (i) an acquisition by any person or group of beneficial ownership of 35% or more, on a fully diluted basis, of the outstanding shares of common stock or the combined voting power of the then outstanding voting securities of the Company entitled to vote generally in the election of directors, excluding any acquisition that complies with clauses (A), (B), and (C) of this paragraph and certain other acquisitions; (ii) individuals who were members of our board of directors on June 4, 2010, and directors whose election or nomination for election was approved by a vote of at least two-thirds of such incumbent directors cease to constitute at least a majority of our board; (iii) a complete dissolution or liquidation of the Company; or (iv) the consummation of a merger, consolidation, statutory share exchange, a sale or other disposition of all or substantially all of the assets of the Company or similar form of corporate transaction that requires the approval of our stockholders, unless immediately following any such transaction, (A) the majority of the total voting power of the surviving company (or parent corporation with voting power to elect a majority of the directors of the surviving company) is represented by the outstanding voting securities of our Company that were outstanding before the transaction and held by the holders thereof in substantially the same proportion as before the transaction, (B) no person or group becomes the beneficial owner, directly or indirectly, of 35% or more of the total voting power of the parent company or, absent a parent company, the surviving company, and (C) at least two-thirds of the directors of the parent company (or surviving company) following such transaction were members of our board at the time of the board approval for such transaction.

Transferability

Awards under the 2010 ALC Equity Incentive Plan are generally not transferable except by will or the laws of descent and distribution or as otherwise expressly permitted by the Committee including, if so permitted, pursuant to a transfer to the participant's family members or to a charitable organization, whether directly or indirectly or by means of a trust or partnership or otherwise.

Amendment and discontinuance

The 2010 ALC Equity Incentive Plan may be amended, altered, suspended, discontinued or terminated by the Board, but no amendment, alteration, suspension, discontinuation or termination may be made if it would materially impair the rights of a participant (or his or her beneficiary) without the participant's (or beneficiary's) consent, except for any such amendment made to comply with law. The 2010 ALC Equity Incentive Plan may not be amended, altered,

suspended, discontinued or terminated without stockholder approval to the extent such approval is required to comply with any tax or regulatory requirement applicable to the 2010 ALC Equity Incentive Plan.

Federal income tax consequences

The following discussion is intended only as a brief summary of the federal income tax rules that are generally relevant to awards that may be granted under the 2010 ALC Equity Incentive Plan, based upon the U.S. federal tax laws currently in effect. The laws governing the tax aspects of awards are highly technical and such laws are subject to change. The discussion is general in nature and does not take into account a number of considerations which may apply in light of the circumstances of a particular participant under the 2010 ALC Equity Incentive Plan. The income tax consequences under applicable foreign, state or local tax laws may not be the same as under U.S. federal income tax laws. Participants in the 2010 ALC Equity Incentive Plan are strongly urged to consult their own tax advisors regarding the federal, state, local, foreign and other tax consequences to them of participating in the 2010 ALC Equity Incentive Plan.

Nonqualified options and SARs

Upon the grant of a nonqualified option or SAR, assuming the exercise price is at least equal to the fair market value of a share of Class A Common Stock on the date of grant, the award holder will not recognize any taxable income and the Company will not be entitled to a deduction. Upon the exercise of an option or SAR, the excess of the fair market value of the shares acquired on the exercise of the option or SAR over the exercise price or the cash paid in settlement of the SAR (the spread) will constitute compensation taxable to the award holder as ordinary income. The Company, in computing its U.S. federal income tax, will generally be entitled to a deduction in an amount equal to the compensation taxable to the optionee, subject to the limitations of Section 162(m) of the Code to the extent applicable.

Incentive stock options

An optionee will not recognize taxable income on the grant or exercise of an incentive stock option. However, the spread at exercise will constitute an item includible in alternative minimum taxable income, and, thereby, may subject the optionee to the alternative minimum tax. Such alternative minimum tax may be payable even though the optionee receives no cash upon the exercise of the incentive stock option with which to pay such tax.

Upon the disposition of shares of stock acquired pursuant to the exercise of an incentive stock option, after the later of (i) two years from the date of grant of the incentive stock option or (ii) one year after the transfer of the shares to the optionee (the ISO Holding Period), the optionee will recognize long-term capital gain or loss, as the case may be, measured by the difference between the stock's selling price and the exercise price. The Company is not entitled to any tax deduction by reason of the grant or exercise of an incentive stock option, or by reason of a disposition of stock received upon exercise of an incentive stock option if the ISO Holding Period is satisfied. Different rules apply if the optionee disposes of the shares of stock acquired pursuant to the exercise of an incentive stock option before the expiration of the ISO Holding Period.

Restricted stock

A grantee who is awarded restricted stock will not recognize any taxable income for federal income tax purposes in the year of the award, provided that the shares of Class A Common Stock are subject to restrictions (that is, the restricted stock is nontransferable and subject to a substantial risk of forfeiture). However, the grantee may elect under Section 83(b) of the Code to recognize compensation income in the year of the award in an amount equal to the fair market value of the Class A Common Stock on the date of the award (less the purchase price, if any), determined without regard to the restrictions. If the grantee does not make such a Section 83(b) election, the fair market value of the Class A Common Stock on the date the restrictions lapse (less the purchase price, if any) will be treated as compensation income to the grantee and will be taxable in the year the restrictions lapse, and dividends paid while the Class A Common Stock is subject to restrictions will be subject to withholding taxes. If we comply with applicable reporting requirements and with the restrictions of Section 162(m) of the Code, if applicable, we will be entitled to a business expense deduction in the same amount and generally at the same time as the grantee recognizes ordinary income.

Restricted stock units

There are no immediate tax consequences of receiving an award of RSUs. A grantee who is awarded RSUs will be required to recognize ordinary income in an amount equal to the fair market value of shares issued to such grantee at the end of the restriction period or, if later, the payment date. If we comply with applicable reporting requirements and with the restrictions of Section 162(m) of the Code, if applicable, we will be entitled to a business expense deduction in the same amount and generally at the same time as the grantee recognizes ordinary income.

Unrestricted stock

Participants who are awarded unrestricted Class A Common Stock will be required to recognize ordinary income in an amount equal to the fair market value of the shares of Class A Common Stock on the date of the award, reduced by the amount, if any, paid for such shares. If we comply with applicable reporting requirements and with the restrictions of Section 162(m) of the Code, if applicable, we will be entitled to a business expense deduction in the same amount and generally at the same time as the grantee recognizes ordinary income.

Principal stockholders

The following table sets forth information as of June 30, 2011 regarding the beneficial ownership of our Common Stock by:

each person known by us to beneficially own more than five percent of our Common Stock;

each of our named executive officers;

each of our directors; and

all of our executive officers and directors as a group.

Beneficial ownership for the purposes of the following table is determined in accordance with the rules and regulations of the SEC. These rules generally provide that a person is the beneficial owner of securities if they have or share the power to vote or direct the voting thereof, or to dispose or direct the disposition thereof, or have the right to acquire such powers within 60 days.

In computing the percentage ownership of a person, shares of our Common Stock subject to warrants or options held by that person are deemed to be outstanding if they are exercisable within 60 days of June 30, 2011. The shares subject to such warrants or options are not deemed to be outstanding for the purpose of computing the percentage ownership of any other person. All percentages in the following table are based on a total of 98,885,131 shares of our Class A Common Stock and 1,829,339 shares of our Class B Non-Voting Common Stock outstanding as of June 30, 2011. The address of each person named in the table below, unless otherwise indicated, is c/o Air Lease Corporation, 2000 Avenue of the Stars, Suite 1000N, Los Angeles, California 90067.

Name of beneficial owner	Class A Common Stock		Class B Non-Voting Common Stock		Warrants to purchase shares of	Total %
	Number of shares beneficially owned(1)	%	Number of shares beneficially owned(1)	%	Common Stock	
Greater than 5% Stockholders						
Ares Management LLC(2)	6,944,444	7.02%		0.00%		6.90%
Commonwealth Bank of Australia(3)	6,970,653	7.05%		0.00%	268,125	7.17%
Genefinance S.A.(4)	3,170,661	3.21%	1,829,339	100.00%	214,500	5.17%
Leonard Green & Partners, L.P.(5)	6,944,444	7.02%		0.00%		6.90%
Steven F. Udvar-Házy(6)	5,401,522	5.43%		0.00%		5.33%

* Represents beneficial ownership of less than 1%.

- (1) Excludes warrants, which are exercisable for Class A Common Stock or Class B Non-Voting Common Stock. These warrants are listed in a separate column.
- (2) Consists of 5,555,556 shares of Class A Common Stock held by Ares Corporate Opportunities Fund III, L.P. (ACOF III), 724,947 shares of Class A Common Stock held by Ares Special Situations Fund, L.P. (ASSF) and 663,941 shares of Class A Common Stock held by Ares Special Situations Fund I-B, L.P. (ASSF I-B). The general partner of ACOF III is ACOF Management III, L.P. (ACOF Management) and the general partner of ACOF Management is ACOF Operating Manager III, LLC (ACOF Operating Manager). The general partner of ASSF and ASSF I-B is ASSF Management, L.P. (ASSF Management) and the general partner of ASSF Management is ASSF Operating Manager, LLC (ASSF Operating Manager). Each of ACOF Management, ACOF Operating Manager, ASSF Management and ASSF Operating Manager are directly or indirectly controlled by Ares Management LLC (Ares Management), which, in turn, is indirectly controlled by Ares Partners Management Company LLC (Ares Parent, and together with Ares Management, ACOF III, ACOF Management, ACOF Operating Manager, ASSF, ASSF I-B, ASSF Management and ASSF Operating Manager, the Ares Entities). Ares Parent is managed by an executive committee comprised of Mr. Ressler, Michael Arougheti, David Kaplan, Greg Margolies and Bennett Rosenthal. Each of the Ares Entities (other than ACOF III, ASSF and ASSF I-B, with respect to the shares held directly by ACOF III, ASSF and ASSF I-B, respectively) and the members of the executive committee and the partners, members and managers of the Ares Entities expressly disclaims beneficial ownership of these shares of Class A Common Stock. The address of each Ares Entity is 2000 Avenue of the Stars, 12th Floor, Los Angeles, California 90067.
- (3) Commonwealth Bank of Australia is the direct beneficial owner of 6,250,000 shares of Class A Common Stock and one warrant to purchase up to 268,125 shares of Common Stock. Commonwealth Bank of Australia also may be deemed to be the beneficial owner of 720,653 shares of Class A Common Stock purchased for the accounts of certain clients of First State Investment Management (UK) Limited (FSIM) and its direct, wholly-owned subsidiary, First State Investments International Limited (FSII), both of which are indirect, wholly-owned subsidiaries of Commonwealth Bank of Australia. FSIM and FSII may be deemed to be the beneficial owners of the shares held in the accounts of their respective clients by virtue of their voting and investment control over such shares in their capacity as investment advisers to such clients. Mr. Saines does not directly hold any shares or warrants in the Company. As Group Executive of the Institutional Banking and Markets Division of Commonwealth Bank of Australia, Mr. Saines may be deemed to be the beneficial owner of some or all of the foregoing shares; however, Mr. Saines disclaims beneficial ownership of these shares of Class A Common Stock and the warrant, except to the extent of his pecuniary interest therein. The address of Commonwealth Bank of Australia is Level 21, 201 Sussex Street, Sydney, Australia NSW 2000.
- (4) Consists of 3,170,661 shares of Class A Common Stock, 1,829,339 shares of Class B Non-Voting Common Stock and one warrant to purchase 214,500 shares of Common Stock all held by Genefinance S.A. Genefinance S.A. is a wholly-owned subsidiary of Société Générale S.A. Société Générale S.A. may be deemed to have shared voting and investment power with respect to these shares of Common Stock and the warrant held by Genefinance S.A. Mr. Péretié does not directly hold any shares or warrants in the Company. As a member of an executive committee of Société Générale S.A., Mr. Péretié may be deemed to be the beneficial owner of the shares of Common Stock and the warrant held by Genefinance S.A. Mr. Péretié disclaims beneficial ownership of these shares of Common Stock and the warrant, except to the extent of his pecuniary interest therein. The address for Genefinance S.A. and Société Générale S.A. is 29 Boulevard Haussmann, 75009 Paris, France.
- (5) Consists of 5,341,979 shares of Class A Common Stock held by Green Equity Investors V, L.P. (GEI V) and 1,602,465 shares of Class A Common Stock held by Green Equity Investors Side V, L.P. (GEI Side V). GEI Capital V, LLC (the general partner of GEI V and GEI Side V), Green V Holdings, LLC (a limited partner of

GEI V), Leonard Green & Partners, L.P. (an affiliate of GEI Capital V, LLC) and LGP Management, Inc. (the general partner of Leonard Green & Partners, L.P.) all may be deemed to have shared voting and investment power with respect to the shares of Class A Common Stock beneficially owned by GEI V and GEI Side V. As such they may be deemed to have shared beneficial ownership of such shares of Common Stock. Each of Mr. Danhaki, the other managers of GEI Capital V, LLC, GEI Capital V, LLC, Green V Holdings, LLC, Leonard Green & Partners, L.P. and LGP Management, Inc. disclaims beneficial ownership of the shares of Class A Common Stock reported herein, except to the extent of their pecuniary interest therein. The address for each of GEI V, GEI Side V, GEI Capital V, LLC, Green V Holdings, LLC, Leonard Green & Partners, L.P. and LGP Management, Inc. is 11111 Santa Monica Boulevard, Suite 2000, Los Angeles, California 90025.

- (6) Consists of 253,333 shares of Class A Common Stock held directly by Mr. Udvar-Házy; 278,889 shares of Class A Common Stock held directly by Air Intercontinental, Inc.; 101,667 shares of Class A Common Stock held directly by Ocean Equities, Inc.; 35,925 shares of Class A Common Stock held directly by Emerald Financial LLC; 2,700,000 and 1,044,225 shares of Class A Common Stock held directly by two trusts, respectively, of which Mr. Udvar-Házy is the trustee and has sole voting and investment power; 300,000 shares of Class A Common Stock held directly by AL Investors I, LLC; 103,700 shares of Class A Common Stock held directly in the aggregate by Mr. Udvar-Házy's wife and children; and 583,783 options to purchase Class A Common Stock held directly by Mr. Udvar-Házy that are exercisable within 60 days of June 30, 2011. Mr. Udvar-Házy has sole voting and investment power with respect to the shares held by Air Intercontinental, Inc., of which he is the sole stockholder and one of three directors. The remaining directors, Christine L. Udvar-Házy, his wife, and Steven C. Udvar-Házy, his son, disclaim beneficial ownership of the shares held by Air Intercontinental, Inc., except to the extent of their respective pecuniary interests therein. Mr. Udvar-Házy has sole voting and investment power with respect to the shares held by Ocean Equities, Inc. A trust of which Mr. Udvar-Házy is the trustee is the sole stockholder of Ocean Equities, Inc., and Mr. Udvar-Házy is one of the three directors. The remaining directors, Mrs. Udvar-Házy and Mr. S. C. Udvar-Házy, disclaim beneficial ownership of the shares held by Ocean Equities, Inc., except to the extent of their respective pecuniary interests therein. Mr. Udvar-Házy shares voting and investment power with respect to the shares of Class A Common Stock held by Emerald Financial LLC. A trust of which he is trustee controls a majority of the membership interests in Emerald Financial LLC; in addition, Mr. Udvar-Házy is one of three managers of Emerald Financial LLC, together with Mrs. Udvar-Házy and Karissa K. Udvar-Házy. Mrs. Udvar-Házy and Ms. Udvar-Házy disclaim beneficial ownership of the shares held by Emerald Financial LLC, except to the extent of their respective pecuniary interests therein. Mr. Udvar-Házy has shared voting and investment power over the shares held by AL Investors I, LLC. The members of AL Investors I, LLC are AL 1 Management, LLC, AL Investment Group LLC, and Biscayne 4400 AL, LLC. AL 1 Management, LLC and AL Investment Group LLC each has the power to designate a co-manager of AL Investors I, LLC, and has designated itself as such. Mr. Udvar-Házy is the sole member and manager of AL 1 Management, LLC. Mr. Udvar-Házy disclaims beneficial ownership of the shares held directly by his wife and children, except to the extent of his pecuniary interest therein.

- (7) Consists of 101,147 shares of Class A Common Stock held by Mr. Plueger; 278,334 shares of Class A Common Stock held by a trust of which Mr. Plueger is a co-trustee; 1,000 shares of Class A Common Stock held directly in the aggregate by Mr. Plueger's children; and 236,935 options to purchase Class A Common Stock held directly by Mr. Plueger that are exercisable within 60 days of June 30, 2011. Mr. Plueger disclaims beneficial ownership of the shares held directly by his children, except to the extent of his pecuniary interest therein.
- (8) Consists of 3,788 shares of Class A Common Stock held by Mr. Clarke; 2,250 shares of Class A Common Stock held by RBC Capital Markets, LLC for the benefit of James C. Clarke, of which Mr. Clarke is the sole owner and beneficiary; and 5,000 options to purchase Class A Common Stock held directly by Mr. Clarke that are exercisable within 60 days of June 30, 2011.
- (9) Mr. Ressler is a Senior Partner in the Private Equity Group of Ares Management and a member of Ares Parent, both of which indirectly control ACOF III, ASSF and ASSF I-B (collectively, the Ares Funds). Mr. Ressler expressly disclaims beneficial ownership of the shares of Class A Common Stock held by the Ares Funds. The address of Mr. Ressler is c/o Ares Management LLC, 2000 Avenue of the Stars, 12th Floor, Los Angeles, California 90067.
- (10) Consists of 4,233,000 shares of Class A Common Stock held by WLR Recovery Fund IV, L.P. and 17,000 shares of Class A Common Stock held by WLR IV Parallel ESC, L.P. Mr. Ross is the Chairman and CEO of WL Ross & Company LLC and the managing member of El Vedado LLC, the general partner of WL Ross Group, L.P., which is in turn the managing member of WLR Recovery Associates IV LLC, which is the general partner of WLR Recovery Fund IV, L.P. Invesco Private Capital, Inc. is the managing member of Invesco WLR IV Associates LLC, which is in turn the general partner of WLR IV Parallel ESC, L.P. Invesco WLR IV Associates LLC and WLR Recovery Associates IV LLC have agreed to make investments for WLR IV Parallel ESC, L.P. on a pro rata basis in parallel with WLR Recovery Fund IV, L.P. Invesco WLR IV Associates LLC, Invesco Private Capital, Inc., WLR Recovery Associates IV LLC, WL Ross Group, L.P., El Vedado LLC and Mr. Ross may be deemed to share voting and dispositive power over the shares of Class A Common Stock held by WLR Recovery Fund IV, L.P. and WLR IV Parallel ESC, L.P. Mr. Ross disclaims beneficial ownership over these shares of Class A Common Stock, except to the extent of his pecuniary interest therein. The address for WL Ross Group, L.P. is 1166 Avenue of the Americas, New York, New York 10036.
- (11) Consists of 50,000 shares of Class A Common Stock held by a trust of which Dr. Sugar is a co-trustee.
- (12) Consists of 102,700 shares of Class A Common Stock held by Mr. Levy; 50,000 options to purchase Class A Common Stock held by Mr. Levy that are exercisable within 60 days of June 30, 2011; and 1,500 shares of Class A Common Stock held directly in the aggregate by Mr. Levy's children. Mr. Levy disclaims beneficial ownership of the shares held directly by his children, except to the extent of his pecuniary interest therein.
- (13) Consists of 46,302 shares of Class A Common Stock held by Mr. Chen; and 100,000 options to purchase Class A Common Stock held by Mr. Chen that are exercisable within 60 days of June 30, 2011.
- (14) Includes 1,082,384 options to purchase Class A Common Stock held in the aggregate by the executive officers of the Company that are exercisable within 60 days of June 30, 2011.

Selling stockholders

This prospectus covers shares sold in private placements of Common Stock in 2010. Some of the shares sold in our private placements were sold directly to accredited investors as defined by Rule 501(a) under the Securities Act pursuant to an exemption from registration under Section 4(2) of the Securities Act and Rule 506 of Regulation D thereunder, between February 5, 2010 and April 20, 2010 and in June and July 2010. In addition, we sold shares of our Common Stock to FBR Capital Markets & Co., who acted as initial purchaser and placement agent in our private placement in June and July 2010. FBR Capital Markets & Co. sold shares it purchased from us in transactions exempt from the registration requirements of the Securities Act to persons reasonably believed to be qualified institutional buyers as defined by Rule 144A under the Securities Act or to non-U.S. persons pursuant to Regulation S under the Securities Act. The selling stockholders who purchased shares from FBR Capital Markets & Co. and their transferees, pledgees, donees, assignees, or successors, may from time to time offer and sell under this prospectus any or all of the shares listed opposite each of their names below.

The following tables set forth information, as of May 1, 2011, with respect to the selling stockholders named in this prospectus, including the number and percentage of the shares of Common Stock beneficially owned by the selling stockholders and the number of shares of Common Stock that the selling stockholders may offer from time to time pursuant to this prospectus.

Beneficial ownership for the purposes of the following tables is determined in accordance with the rules and regulations of the SEC. These rules generally provide that a person is the beneficial owner of securities if they have or share the power to vote or direct the voting thereof, or to dispose or direct the disposition thereof, or have the right to acquire such powers within 60 days.

Except as noted below or in Certain relationships and related party transactions, none of the selling stockholders named in this prospectus has, or since our inception has had, any position, office or other material relationship with us or any of our affiliates. Each selling stockholder named in the tables below has sole voting and investment power with respect to all of the shares of Common Stock shown as beneficially owned by such person, except as otherwise set forth in the notes to the tables.

The tables below have been prepared based upon the information furnished to us by the selling stockholders as of May 1, 2011. Until June 7, 2011, the selling stockholders were subject to a lock-up prohibiting their direct or indirect sale, transfer or other disposition of our Common Stock or securities convertible into or exchangeable or exercisable for shares of our Common Stock. Commencing on June 8, 2011, selling stockholders other than stockholders who are our directors, officers and certain entities affiliated with our directors were no longer subject to the foregoing lock-up. Our directors, officers and certain entities affiliated with our directors remain subject to lock-up arrangements with the underwriters of the initial public offering of our Class A Common Stock until October 15, 2011, subject to limited exceptions and limited extension. See Shares eligible for future sale Lock-up agreements. The selling stockholders named in this prospectus may have sold or transferred, including in transactions exempt from the registration requirements of the Securities Act, some or all of the shares listed in the following tables since the date as of which the information is presented in the following tables. We do not know which (if any) of the selling stockholders named below actually will offer to sell shares pursuant to this prospectus, or the number of shares that each of them will offer.

Any selling stockholder that is identified as a broker-dealer will be deemed to be an underwriter within the meaning of Section 2(11) of the Securities Act, unless such selling stockholder obtained the stock as compensation for services. In addition, any affiliate of a broker-dealer will be deemed to be an underwriter within the meaning of Section 2(11) of the Securities Act, unless such selling stockholder purchased in the ordinary course of business and, at the time of its purchase of the stock, did not have any agreements or understandings, directly or indirectly, with any person to distribute the stock. As a result, any profits on the sale of the Common Stock by selling stockholders who are deemed to be underwriters and any discounts, commissions or concessions received by any such broker-dealers who are deemed to be underwriters will be deemed to be underwriting discounts and commissions under the Securities Act. Selling stockholders who are deemed to be underwriters will be subject to the prospectus delivery requirements of the Securities Act and to certain statutory liabilities, including, but not limited to, those under Sections 11, 12 and 17 of the Securities Act and Rule 10b-5 under the Securities Exchange Act of 1934, as amended (the Exchange Act).

We have been advised that as noted below in the tables, some of the selling stockholders are broker-dealers or affiliates of broker-dealers. Except as noted below, we have been advised that each of such selling stockholders purchased our Common Stock in the ordinary course of business and that none of these selling stockholders had, at the time of purchase, any agreements or understandings, directly or indirectly, with any person to distribute the Common Stock.

In computing the percentage ownership of a person, shares of our Common Stock subject to warrants or options held by that person are deemed to be outstanding because they are exercisable within 60 days of May 1, 2011. The shares subject to warrants or options are not deemed to be outstanding for the purpose of computing the percentage ownership of any other person. All percentages in the following tables are based on a total of 98,389,280 shares of our Class A Common Stock and 1,829,339 shares of our Class B Non-Voting Common Stock outstanding as of May 1, 2011.

Information concerning the selling stockholders may change from time to time, and any changed information will be set forth in prospectus supplements or post-effective amendments, as may be appropriate.

Name of selling stockholder	Beneficial Ownership		Number of shares offered pursuant to this prospectus	Beneficial Ownership After Resale (93) Class A Common Stock Number of shares %	
	Before Resale Class A Common Stock			Number of shares	% of
	Number of shares	%			
8 Marzo 91 s.r.l. (1)	150,000	*	150,000		*
Air Intercontinental, Inc. (2)(83)	278,889	*	278,889		*
AL Investors I, LLC (3)(83)	300,000	*	300,000		*
Aletheia Insider Index I, L.P. (4)	27,430	*	27,430		*
Aletheia Insider Index II, L.P. (4)	40,070	*	40,070		*
Aletheia Research and Management, Inc. (4)	15,000	*	15,000		*
American Funds Insurance Series Growth Fund (5)()	4,183,448	4.25%	4,183,448		*
ANT Capital Ltd (6)	50,000	*	50,000		*
Ares Corporate Opportunities Fund III, L.P. (7)	5,555,556	5.65%	5,555,556		*
Ares Special Situations Fund, L.P. (7)	724,947	*	724,947		*
Ares Special Situations Fund I-B, L.P. (7)	663,941	*	663,941		*
Baer, Marc H. (8)	119,511	*	70,178	49,333	*
Barclays Bank PLC (9)	500,000	*	500,000		*
Barrow, James P.	75,000	*	50,000	25,000	*
Bernstein, Todd M. (10)()	500	*	500		*
BlackRock Corporate High Yield Fund III, Inc. (11)()	12,900	*	12,900		*
BlackRock Corporate High Yield Fund V, Inc. (11)()	19,100	*	19,100		*
BlackRock Funds II High Yield Bond Portfolio (11)()	118,000	*	118,000		*
Bombardier Inc. (12)	2,500,000	2.54%	2,500,000		*
Bowie, David Martin (13)()	500	*	500		*
Butte, Inc. (14)	250,000	*	250,000		*
Calm Waters Partnership (15)	50,000	*	50,000		*
Carol Cove Investments, LLC (16)	500,000	*	500,000		*
Champagne Capital SAS (17)	5,000	*	5,000		*
Charles M. Levy, a Professional Corporation Profit Sharing Plan (18)	37,500	*	37,500		*
Chiang, Edmund P. (19)()	2,500	*	2,500		*
Clarke, James C. (20)	8,528	*	2,528	6,000	*
COM Investments, LLC (21)	1,000,000	1.02%	1,000,000		*

Name of selling stockholder	Beneficial Ownership Before Resale		Number of shares offered pursuant to this prospectus	Beneficial Ownership After Resale (93)	
	Class A Common Stock Number of shares	%		Class A Common Stock Number of shares	%
Commonwealth Bank of Australia (22)()	7,218,125	7.32%	6,518,125	700,000	*
Courtenay-Evans, Georgina Fay	750	*	750		*
Credit Suisse Securities (USA) LLC (23)()	600,000	*	600,000		*
DBX Convertible Arbitrage 13 Fund (24)	113,600	*	113,600		*
DeMartino, Geoffrey F. (19)()	1,250	*	1,250		*
Eichler, Jr., Peter J., Trustee FBO Peter and Christy Eichler Family Trust UAD 1/23/07 (4)()	17,500	*	17,500		*
Emerald Financial LLC (25)(83)	35,925	*	35,925		*
Emerson, J. Steven IRA R/O II	87,000	*	87,000		*
Emerson, J. Steven Roth IRA	74,000	*	58,000	16,000	*
Emerson Partners (26)	29,500	*	25,000	4,500	*
Erdelji, Gerhard (27)()	1,000	*	1,000		*
Felman, David Samuel (19)()	1,250	*	1,250		*
Fidelity Advisor Series I: Fidelity Advisor Large Cap Fund (28)()	107,000	*	80,200	26,800	*
Fidelity Commonwealth Trust: Fidelity Large Cap Stock Fund (28)()	95,600	*	73,000	22,600	*
Fidelity Contrafund: Fidelity Advisor New Insights Fund (28)()	672,800	*	320,800	352,000	*
Fidelity Contrafund: Fidelity Contrafund (28)()	3,214,800	3.27%	1,624,500	1,590,300	1.62%
Fidelity Financial Trust: Fidelity Independence Fund (28)()	898,800	*	500,600	398,200	*
Fourth Avenue Capital Partners LP (29)	150,000	*	150,000		*
Freshford Master Fund, Ltd (30)	25,400	*	25,400		*
Freshford Partners, LP (31)	74,600	*	74,600		*
Galex Ltd, LP (32)	4,727	*	4,727		*
Genefinance S.A. (33)()	3,385,161	3.43%	3,385,161		*
Gommeren, Kristiaan Franciscus	50,000	*	50,000		*
Green Equity Investors V, L.P. (34)	5,341,979	5.43%	5,341,979		*
Green Equity Investors Side V, L.P. (34)	1,602,465	1.63%	1,602,465		*
Hart, Matthew J. (35)	10,000	*	10,000		*
Házy Family Community Trust 5/28/85 (36)(83)	2,700,000	2.74%	2,700,000		*
HighVista I Limited Partnership (37)	252,412	*	252,412		*
HighVista II Limited Partnership (37)	178,393	*	178,393		*
HighVista III, Ltd. (38)	60,753	*	60,753		*
HighVista V Limited Partnership (37)	8,442	*	8,442		*
Hill, Blake A. (39)()	3,000	*	3,000		*

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IAM Mini-Fund 21 Limited (24)	51,200	*	51,200	*
J. Ralph and Cheri B. Atkin Living Trust, dated Nov. 2, 1999 (40)	5,000	*	5,000	*
Jamal, Zul (19)()	2,500	*	2,500	*
KBW Financial Services Master Fund, Ltd. (41)()	325,000	*	325,000	*
Kemp, Arlynn T. Roth IRA	1,871	*	1,871	*
Kemp, Gregory A. Roth IRA	5,902	*	5,902	*
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Name of selling stockholder	Beneficial Ownership Before Resale		Number of shares offered pursuant to this prospectus	Beneficial Ownership After Resale (93) Class A Common Stock	
	Class A Common Stock			Number of shares	%
	Number of shares	%			
Khatibi, Alex A. (42)	119,511	*	70,178	49,333	*
Kiraz 1 Gayrimenkul Ve Yatirim Danismanligi Anonim Sirketi (43)	2,500,000	2.54%	2,500,000		*
Klein, Barak M. (19)()	2,000	*	2,000		*
Kobayashi, Ko (19)()	2,500	*	2,500		*
KORE Fixed Income Fund, Ltd (44)	125,000	*	125,000		*
Kournetas, Nicholas G. (19)()	6,250	*	6,250		*
LabMorgan Corporation (45)()	1,000,000	1.02%	1,000,000		*
LAC, LC (46)	12,500	*	12,500		*
Lai, Stanley Philip (19)()	1,250	*	1,250		*
Lee, Kiley Kim (19)()	1,250	*	1,250		*
Levy, Grant A. (47)	131,800	*	80,300	51,500	*
Levy Family Trust of 1997 f/b/o Lyda A. Levy, as her separate property (48)	12,500	*	12,500		*
Mahmoodzadegan-Gappy Trust (19)(49)()	5,000	*	5,000		*
Malta Hedge Fund, L.P. (50)	19,700	*	19,700		*
Malta Hedge Fund II, L.P. (50)	115,400	*	115,400		*
Malta Offshore, Ltd. (51)	39,300	*	39,300		*
Malta Partners, L.P. (50)	5,600	*	5,600		*
Matza, Robert	7,500	*	7,500		*
McCann, Daniel Anthony (13)(52)()	1,000	*	1,000		*
Miller Qualified Investments LLC (53)	12,500	*	12,500		*
Milton, Robert A. (35)	182,000	*	182,000		*
Moelis & Company LLC (54)()	54,000	*	54,000		*
Moran, Jeffrey J. & Terry F. JTWROS	75,000	*	75,000		*
Naggar, Joseph and Kate	5,000	*	5,000		*
Nomura Waterstone Market Neutral Fund (24)	11,500	*	11,500		*
Ocean Equities, Inc. (55)(83)	101,667	*	101,667		*
Pairstech Premium Fund (56)	20,000	*	15,000	5,000	*
Perrone, William	1,000	*	1,000		*
Plueger Family Trust (57)	278,334	*	278,334		*
Poerschke, John D. (58)	30,862	*	25,862	5,000	*
Pothier, David	5,000	*	5,000		*
PPM America Private Equity Fund III LP (59)()	1,500,000	1.52%	1,500,000		*
Prime Capital Master SPC - GOT WAT MAC Segregated Portfolio (24)	34,800	*	34,800		*
Putnam Variable Trust - Putnam VT Voyager Fund (60)()	34,828	*	34,828		*
Putnam Voyager Fund (60)()	140,172	*	140,172		*

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Quintessence Fund L.P. (61)	120,350	*	120,350	*
QVT Fund LP (61)	1,129,650	1.15%	1,129,650	*
R3 Capital Partners Master, L.P. (11)()	500,000	*	500,000	*
Rathbun, Joel Robert (19)()	1,500	*	1,500	*

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Name of selling stockholder	Beneficial Ownership		Number of shares offered pursuant to this prospectus	Beneficial Ownership After Resale (93)	
	Class A Common Stock			Class A Common Stock	
	Number of shares	%		Number of shares	%
Reicon Direct Investments 7, LLC (62)	25,000	*	25,000		*
Ricks Holdings, LLC (63)	50,000	*	50,000		*
RRRR Investments, LLC (64)	50,000	*	50,000		*
Samuelian Family Trust, Dated 11-2-07 (65)	25,000	*	25,000		*
Sasso Family Trust (91)()	1,250	*	1,250		*
Scott J. Seymour and Kathleen T. Goette Seymour Family Trust dated 18 Jan. 1995 (66)	17,500	*	10,000	7,500	*
Singer Associates (67)	2,500	*	2,500		*
SM ALC, LLC (68)	75,000	*	75,000		*
SOAM Azul I, LLC (69)	45,000	*	45,000		*
SOAM Capital Partners, L.P. (70)	200,000	*	200,000		*
Sorenson Capital Partners, L.P. (71)	720,025	*	720,025		*
Sorenson Capital Partners II, L.P. (72)	166,079	*	166,079		*
Steven F. Udvar-Házy Separate Property Trust (36)(83)	1,044,225	1.06%	1,043,125	1,100	*
Sugar Family Trust UAD 7/19/2001 (73)	50,000	*	50,000		*
Sunrise Partners Limited Partnership (74)()	291,495	*	250,000	41,495	*
Tatung Company of America, Inc. (75)	12,500	*	12,500		*
The Christopher Binyon Sarofim 1996 Trust (76)	75,000	*	75,000		*
The Cranley Trust (77)	250,000	*	250,000		*
The Moelis Family Trust (78)()	12,500	*	12,500		*
The Obsidian Master Fund (11)()	100,000	*	100,000		*
The Raich Trust dated September 17, 2001 (79)()	5,000	*	5,000		*
Tuckman, Adam	2,500	*	2,500		*
Udvar-Házy, Christine L. (80)(83)	52,500	*	51,000	1,500	*
Udvar-Házy, Courtney C. (81)(83)	10,300	*	10,000	300	*
Udvar-Házy, Karissa K. (81)(83)	12,800	*	12,500	300	*
Udvar-Házy, Steven C. (82)(83)	17,800	*	17,500	300	*
Udvar-Házy, Trenton S. (82)(83)	10,300	*	10,000	300	*
Variable Insurance Products Fund V: Asset Manager: Growth Portfolio (28)()	20,000	*	10,900	9,100	*
Variable Insurance Products Fund V: Asset Manager Portfolio (28)()	108,000	*	59,100	48,900	*
Wagner, Leon	12,500	*	12,500		*
Waterstone Market Neutral MAC 51 Ltd. (24)	148,900	*	148,900		*
Waterstone Market Neutral Master Fund Ltd. (24)	1,067,600	1.09%	1,067,600		*
Waterstone MF Fund, Ltd. (24)	197,400	*	197,400		*
West Rim Capital Investment Partners, L.P. (84)	21,335	*	21,335		*
West Rim Capital Investment Partners II, L.P. (85)	17,032	*	17,032		*
West Rim Capital Partners II, L.P. (86)	506,332	*	506,332		*

Name of selling stockholder	Beneficial Ownership Before Resale Class A Common Stock		Number of shares offered pursuant to this prospectus	Beneficial Ownership After Resale (93) Class A Common Stock	
	Number of shares	%		Number of shares	%
West Rim Capital Partners II-A, L.P. (86)	18,334	*	18,334		*
West Rim Capital Partners II-B, L.P. (86)	42,223	*	42,223		*
West Rim Capital Special Investors, LLC (87)	1,440	*	1,440		*
West Rim Capital Special Investors B, LLC (87)	7,200	*	7,200		*
Wetherington, Michael Joseph (88)()	3,500	*	3,500		*
Willis, Gregory B., II (89)	19,070	*	13,070	6,000	*
Winthrop, Jon R.	17,500	*	17,500		*
WLR IV Parallel ESC, L.P. (90)()	17,000	*	17,000		*
WLR Recovery Fund IV, L.P. (90)()	4,233,000	4.30%	4,233,000		*
Subtotal	62,724,889	63.75%	59,306,528	3,418,361	3.47%
<i>Other Selling Stockholders (92)</i>	2,504,339	2.55%	2,504,339		*
Total	65,229,228		61,810,867	3,418,361	3.47%

	Beneficial Ownership Before Resale Class B Non-Voting Common Stock		Number of shares offered pursuant to this prospectus	Beneficial Ownership After Resale (93) Class B Non-Voting Common Stock	
	Number of shares	%		Number of shares	%
Genefinance S.A. (33)	1,829,339	100.00%	1,829,339		*

* Less than 1.0%.

() Broker-dealer.

() Affiliate of broker-dealer.

- (1) Antonello Isabella, as the majority shareholder of this selling stockholder, has voting and investment power over the shares held by such stockholder.
- (2) Steven F. Udvar-Házy has sole voting and investment power with respect to the shares held by this selling stockholder, of which he is the sole stockholder and one of three directors. Mr. Udvar-Házy is the Chief Executive Officer and Chairman of the board of directors of the Company. The remaining directors, Christine L. Udvar-Házy and Steven C. Udvar-Házy, disclaim beneficial ownership of the shares held by the selling stockholder, except to the extent of their respective pecuniary interests therein.
- (3) Steven F. Udvar-Házy has shared voting and investment power over the shares held by this selling stockholder. Mr. Udvar-Házy is the Chief Executive Officer and Chairman of the board of directors of the Company. The members of the selling stockholder are AL 1 Management, LLC, AL Investment Group LLC, and Biscayne 4400 AL, LLC. AL 1 Management, LLC and AL Investment Group LLC each has the power to designate a co-manager of the selling stockholder, and has designated itself as such. Mr. Udvar-Házy is the sole member and manager of AL 1 Management, LLC.
- (4) Peter J. Eichler, Jr. has voting and investment power over the shares held by this selling stockholder.
- (5) This selling stockholder is an investment company registered under the Investment Company Act of 1940, as amended. Capital Research and Management Company (CRMC), an investment adviser registered under the Investment Advisers Act of 1940, as amended, is the investment adviser to this selling stockholder. CRMC provides investment advisory services to this stockholder through its division Capital World Investors (CWI). In that capacity, CWI may be deemed to be the beneficial

owner of the shares of Class A Common Stock held by this selling stockholder. CWI, however, disclaims such beneficial ownership. The selling stockholder has advised that Donnalisa Parks Barnum, Gregg E. Ireland, Gregory D. Johnson, Michael T. Kerr and Ronald B. Morrow, as portfolio counselors for the selling stockholder, are primarily responsible for the portfolio management of the selling stockholder.

- (6) Adam Said has voting and investment power over the shares held by this selling stockholder.
- (7) The general partner of Ares Corporate Opportunities Fund III, L.P. (ACOF III) is ACOF Management III, L.P. (ACOF Management) and the general partner of ACOF Management is ACOF Operating Manager III LLC (ACOF Operating Manager). The general partner of Ares Special Situations Fund, L.P. (ASSF) and Ares Special Situations Fund I-B, L.P. (ASSF I-B) is ASSF Management, L.P. (ASSF Management) and the general partner of ASSF Management is ASSF Operating Manager, LLC (ASSF Operating Manager). Each of ACOF Management, ACOF Operating Manager, ASSF Management, and ASSF Operating Manager are directly or indirectly controlled by Ares Management LLC (Ares Management), which in turn is indirectly controlled by Ares Partners Management Company LLC (Ares Parent, and together with Ares Management, ACOF III, ACOF Management, ACOF Operating Manager, ASSF, ASSF I-B, ASSF Management and ASSF Operating Manager, the Ares Entities). Ares Parent is managed by an executive committee comprised of Antony P. Ressler (a member of the board of directors of the Company), Michael Arougheti, David Kaplan, Greg Margolies, and Bennett Rosenthal. Each of the Ares Entities (other than ACOF III, ASSF and ASSF I-B, with respect to the shares held directly by ACOF III, ASSF and ASSF I-B, respectively) and the members of the executive committee and the partners, members and managers of the Ares Entities expressly disclaims beneficial ownership of these shares of Class A Common Stock.
- (8) Consists of 71,178 shares of Class A Common Stock and 48,333 options to purchase Class A Common Stock that are exercisable within 60 days of May 1, 2011. The selling stockholder is Executive Vice President, Marketing, of the Company.
- (9) Steve Stancarone, as Assistant Vice President of this selling stockholder, may be deemed to have voting and investment power over the shares held by such stockholder. Mr. Stancarone expressly disclaims beneficial ownership of such securities. Barclays Capital Inc., an affiliate of the selling stockholder, acted as an underwriter in our initial public offering of Class A Common Stock.

- (10) This selling stockholder is an employee of RBC Capital Markets and was an employee of FBR Capital Markets & Co. at the time he purchased his shares. RBC Capital Markets and FBR Capital Markets & Co. participated as underwriters in our initial public offering of Class A Common Stock. In addition, FBR Capital Markets & Co. acted as initial purchaser and placement agent in our private placement of Common Stock in June and July 2010. At the time of the purchase of the shares that may be sold pursuant to this prospectus, the selling stockholder represented that the stockholder was acquiring the shares for the stockholder's own account (and not for the account of others) for investment purposes and not with a view to, or for offer or sale in connection with, a distribution in violation of the Securities Act.
- (11) BlackRock, Inc. is the ultimate parent holding company of BlackRock Financial Management, Inc., which, as sub-advisor to BlackRock Corporate High Yield Fund III, Inc. and BlackRock Corporate High Yield Fund V, Inc. and as investment advisor to BlackRock Funds II High Yield Bond Portfolio and The Obsidian Master Fund, has voting and investment power over the securities held by such funds. In addition, BlackRock, Inc. is the ultimate parent holding company of BlackRock Investment Management, LLC, which, as investment manager to R3 Capital Partners Master, L.P., has voting and investment power over the securities held by such fund. On behalf of BlackRock Investment Management, LLC and BlackRock Financial Management, Inc., the respective investment manager or sub-advisor to the applicable referenced funds, Joshua Tarnow, as a Managing Director at BlackRock Investment Management, LLC and BlackRock Financial Management, Inc., has voting and investment power over the referenced securities held by such funds. Mr. Tarnow expressly disclaims beneficial ownership of all shares held by the referenced stockholder funds.
- (12) Janine Bombardier, J.R. Andre Bombardier, Claire Bombardier Beaudoin and Huguette Bombardier Fontaine together indirectly control, through holding companies, 79.09% of the outstanding Class A shares and 0.08% of the outstanding Class B subordinate shares, and 54.33% of all the voting rights attached to all of the issued and outstanding voting shares of this selling stockholder. In addition, Janine Bombardier and J.R. Andre Bombardier are each a director of this selling stockholder.
- (13) This selling stockholder is an employee of FBR Capital Markets & Co., a broker-dealer. FBR Capital Markets & Co. participated as an underwriter in our initial public offering of Class A Common Stock. In addition, FBR Capital Markets & Co. acted as initial purchaser and placement agent in our private placement of Common Stock in June and July 2010. At the time of the purchase of the shares that may be sold pursuant to this prospectus, the selling stockholder represented that the stockholder was acquiring the shares for the stockholder's own account (and not for the account of others) for investment purposes and not with a view to, or for offer or sale in connection with, a distribution in violation of the Securities Act. The selling stockholder has voting and investment power over his shares.

- (14) Joseph Kerrigan, as president of this selling stockholder, has voting and investment power over the shares held by such stockholder.
- (15) Richard S. Strong, as managing partner of this selling stockholder, has voting and investment power over the shares held by such stockholder.
- (16) Gabriel Brener and Alvaro Pascotto, as managers and owners of the managers and members of this selling stockholder, have voting and investment power over the shares held by such stockholder.
- (17) Gaetan Japy, as shareholder and president of this selling stockholder, has voting and investment power over the shares held by such stockholder.
- (18) Charles M. Levy and Lydia Levy share voting and investment power over the shares held by this selling stockholder.
- (19) This selling stockholder is an employee of Moelis & Company LLC, a broker-dealer. Moelis & Company LLC acted as our financial advisor in our private placement of Common Stock in June and July 2010. At the time of the purchase of the shares that may be sold pursuant to this prospectus, the selling stockholder represented that the stockholder was acquiring the shares for the stockholder's own account (and not for the account of others) for investment purposes and not with a view to, or for offer or sale in connection with, a distribution in violation of the Securities Act.
- (20) Consists of 1,278 shares of Class A Common Stock held directly by the selling stockholder; 2,250 shares of Class A Common Stock held by RBC Capital Markets, LLC for the benefit of the selling stockholder, of which such stockholder is the sole owner and beneficiary; and 5,000 options to purchase Class A Common Stock held directly by the selling stockholder that are exercisable within 60 days of May 1, 2011. The selling stockholder is Senior Vice President and Chief Financial Officer of the Company.
- (21) Craig O. McCau, as sole member of this selling stockholder, has voting and investment power over the shares held by such stockholder.

- (22) Commonwealth Bank of Australia is the direct beneficial owner of 6,250,000 shares of Class A Common Stock and one warrant to purchase up to 268,125 shares of Common Stock. The shares and percentages disclosed for Commonwealth Bank of Australia in the tables above assume that the foregoing warrant is exercised for 268,125 shares of Class A Common Stock, although such warrant is exercisable for shares of either Class A Common Stock or Class B Non-Voting Common Stock. Commonwealth Bank of Australia also may be deemed to be the beneficial owner of 700,000 shares of Class A Common Stock purchased for the accounts of certain clients of First State Investment Management (UK) Limited (FSIM) and its direct, wholly-owned subsidiary, First State Investments International Limited (FSII), both of which are indirect, wholly-owned subsidiaries of Commonwealth Bank of Australia. FSIM and FSII may be deemed to be the beneficial owners of the shares held in the accounts of their respective clients by virtue of their voting and investment control over such shares in their capacity as investment advisers to such clients. ASB Group Investments Limited, an indirect, wholly-owned subsidiary of Commonwealth Bank of Australia, is the trustee of one such account and may also be deemed to be the beneficial owner of 895 of those 700,000 shares of Class A Common Stock. Ian M. Saines, a member of the board of directors of the Company, may be deemed to be the beneficial owner of some or all of the foregoing shares and the warrant in his capacity as Group Executive of the Institutional Banking and Markets Division of Commonwealth Bank of Australia; however, Mr. Saines disclaims beneficial ownership of these shares of Class A Common Stock, the warrant and the shares underlying the warrant, except to the extent of his pecuniary interest therein. Mr. Saines does not have voting and investment power over the shares of Class A Common Stock and the warrant. Ralph Norris, as Chief Executive Officer of Commonwealth Bank of Australia, may be deemed to have voting and investment power over the shares of Class A Common Stock and the warrant held directly by Commonwealth Bank of Australia. Habib Subjally, as head of Global Equities at Colonial First State Global Asset Management, part of the Wealth Management Division of Commonwealth Bank of Australia, has voting and investment power over the shares purchased for the accounts of certain clients of FSIM and FSII.
- (23) This selling stockholder acted as joint book-running manager of our initial public offering of Class A Common Stock. David Hermer, a managing director of the selling stockholder, has voting and investment power over the shares held by such stockholder.
- (24) Shawn Bergerson, as chief executive officer of this selling stockholder, has voting and investment power over the shares held by such stockholder.
- (25) Steven F. Udvar-Házy shares voting and investment power with respect to the shares of Class A Common Stock held by this selling stockholder. Mr. Udvar-Házy is the Chief Executive Officer and Chairman of the board of directors of the Company. A trust of which he is trustee controls a majority of the membership interests in the selling stockholder; in addition, Mr. Udvar-Házy is one of three managers of the selling stockholder, together with Christine L. Udvar-Házy and Karissa K. Udvar-Házy. Mrs. Udvar-Házy and Ms.

Udvar-Házy disclaim beneficial ownership of the shares held by the selling stockholder, except to the extent of their respective pecuniary interests therein.

- (26) J. Steven Emerson has voting and investment power over the shares held by this selling stockholder.
- (27) This selling stockholder is an employee of Roth Capital Partners, a broker-dealer. At the time of the purchase of the shares that may be sold pursuant to this prospectus, the selling stockholder represented that the stockholder was acquiring the shares for the stockholder's own account (and not for the account of others) for investment purposes and not with a view to, or for offer or sale in connection with, a distribution in violation of the Securities Act. The selling stockholder purchased the shares for investment purposes.
- (28) This selling stockholder is an investment company registered under Section 8 of the Investment Company Act of 1940 (the "Fund"), and advised by Fidelity Management & Research Company ("Fidelity"), 82 Devonshire Street, Boston, Massachusetts, 02109, a wholly owned subsidiary of FMR LLC and an investment adviser registered under Section 203 of the Investment Advisers Act of 1940. Edward C. Johnson 3d and FMR LLC, through its control of Fidelity and the Fund, each has sole power to dispose of the securities owned by the Fund. Members of the family of Edward C. Johnson 3d, Chairman of FMR LLC, are the predominant owners, directly or through trusts, of Series B voting common shares of FMR LLC, representing 49% of the voting power of FMR LLC. The Johnson family group and all other Series B shareholders have entered into a shareholders' voting agreement under which all Series B voting common shares will be voted in accordance with the majority vote of Series B voting common shares. Accordingly, through their ownership of voting common shares and the execution of the shareholders' voting agreement, members of the Johnson family may be deemed, under

the Investment Company Act of 1940, to form a controlling group with respect to FMR LLC. Neither FMR LLC nor Edward C. Johnson 3d, Chairman of FMR LLC, has the sole power to vote or direct the voting of the shares owned directly by the Fund, which power resides with the Fund's Board of Trustees. Matthew Fruhan, as an employee of Fidelity and the current portfolio manager for each of Fidelity Advisor Series I: Fidelity Advisor Large Cap Fund and Fidelity Commonwealth Trust: Fidelity Large Cap Stock Fund, has investment discretion with respect to each of such fund's assets. William Danoff, as an employee of Fidelity and the current portfolio manager for each of Fidelity Contrafund: Fidelity Advisor New Insights Fund and Fidelity Contrafund: Fidelity Contrafund, has investment discretion with respect to each of such fund's assets. Robert Bertelson, as an employee of Fidelity and the current portfolio manager for Fidelity Financial Trust: Fidelity Independence Fund, has investment discretion with respect to such fund's assets. Geoff Stein and Robert Bertelson, as employees of Fidelity and the current portfolio managers for Variable Insurance Products Fund V: Asset Manager: Growth Portfolio and Variable Insurance Products Fund V: Asset Manager Portfolio, have investment discretion with respect to each of such fund's assets.

- (29) Fourth Avenue Capital Partners GP LLC is the general partner of this selling stockholder and, as such, Fourth Avenue Capital Partners GP LLC may be deemed to beneficially own the shares held by the selling stockholder. This selling stockholder has advised that Daniel Gold, Nicholas Brumm, Tracy Fu, and Arthur Chu, as managing members of Fourth Avenue Capital Partners GP LLC, have voting and investment power over the shares held by the selling stockholder.
- (30) Michael Doheny, as director of this selling stockholder, has voting and investment power over the shares held by the selling stockholder.
- (31) Michael Doheny, as managing member of this selling stockholder's general partner, has voting and investment power over the shares held by such stockholder.
- (32) Gregory A. Kemp is manager of GAK Management LLC, this selling stockholder's general partner, and as such, Mr. Kemp has voting and investment power over the shares held by such stockholder.
- (33) Genefinance S.A. holds 3,170,661 shares of Class A Common Stock, 1,829,339 shares of Class B Non-Voting Common Stock and one warrant to purchase 214,500 shares of Common Stock. The shares and percentages disclosed for Genefinance S.A. in the tables above assume that the foregoing warrant is exercised for 214,500 shares of Class A Common Stock, although such warrant is exercisable for shares of either Class A Common Stock

or Class B Non-Voting Common Stock. Subject to Genefinance S.A.'s internal approval procedures, Arnaud Jacquemin and Denis Devers, as employees of Société Générale S.A. and directors of Genefinance S.A., exercise voting and investment power over the shares of Common Stock, the warrant and the shares of Common Stock underlying the warrant held by Genefinance S.A. These individuals disclaim beneficial ownership of such securities except to the extent of any pecuniary interest therein. Genefinance S.A. is a wholly owned subsidiary of Société Générale S.A., and Société Générale S.A. may therefore be deemed to have shared investment power and voting power with respect to these shares of Common Stock, the warrant and the shares of Common Stock underlying the warrant. Michel Péretié, a member of the board of directors of the Company, may be deemed to be the beneficial owner of these shares of Common Stock, the warrant, and the shares of Common Stock underlying the warrant in his capacity as a member of the executive committee of Société Générale S.A.; however, Mr. Péretié disclaims beneficial ownership of these shares of Common Stock, the warrant, and the shares underlying the warrant, except to the extent of his pecuniary interest therein. The selling stockholder is an affiliate of SG Americas Securities, LLC, which participated as an underwriter in our initial public offering of Class A Common Stock.

- (34) Voting and investment power with respect to the shares of Class A Common Stock offered for sale pursuant to this prospectus by Green Equity Investors V, L.P. and Green Equity Investors Side V, L.P. may be deemed to be shared by their general partner GEI Capital V, LLC, Green V Holdings, LLC (a limited partner of GEI Capital V, LLC), Leonard Green & Partners, L.P. (an affiliate of GEI Capital V, LLC), and LGP Management, Inc. (the general partner of Leonard Green & Partners, L.P.), each of which disclaims beneficial ownership of such shares except to the extent of its pecuniary interest therein. Each of John G. Danhagl, Peter J. Nolan, Jonathan D. Sokoloff, Jonathan A. Seiffer, John M. Baumer, Timothy J. Flynn, James D. Halper, Michael J. Connolly, Todd M. Purdy, and Michael S. Solomon may also be deemed to share voting and investment power with respect to such shares due to their respective positions with LGP Management, Inc., and each of them disclaims beneficial ownership of such shares except to the extent of his pecuniary interest therein. John G. Danhagl is also a member of the board of directors of the Company.
- (35) This selling stockholder is a member of the board of directors of the Company.
- (36) Steven F. Udvar-Házy is the trustee of this selling stockholder and has sole voting and investment power over the shares held by such stockholder. Mr. Udvar-Házy is the Chief Executive Officer and Chairman of the board of directors of the Company.
- (37) The sole general partner of this selling stockholder (the Fund) is HighVista GP Limited Partnership (the GP). The GP has both voting and investment discretion for the assets of the Fund, including its holdings in the Company. The GP has delegated voting and investment discretion for the Fund's assets to HighVista Strategies LLC. The stockholder has further advised that Dan Jick and Brian Chu, as members of High Vista Strategies LLC, have voting and investment power over the shares held by the selling stockholder.

- (38) This selling stockholder (the Fund) has entered into an investment advisory agreement with HighVista Strategies LLC. Under that agreement, HighVista Strategies LLC may exercise voting and investment discretion on behalf of the Fund, including over its holdings in the Company. The stockholder has further advised that Dan Jick and Brian Chu, as members of HighVista Strategies LLC, have voting and investment power over the shares held by the selling stockholder.
- (39) This selling stockholder is an employee of FBR Capital Markets International Ltd., which is an affiliate of FBR Capital Markets & Co. FBR Capital Markets & Co. participated as an underwriter in our initial public offering of Class A Common Stock. In addition, FBR Capital Markets & Co. acted as initial purchaser and placement agent in our private placement of Common Stock in June and July 2010. At the time of the purchase of the shares that may be sold pursuant to this prospectus, the selling stockholder represented that the stockholder was acquiring the shares for the stockholder's own account (and not for the account of others) for investment purposes and not with a view to, or for offer or sale in connection with, a distribution in violation of the Securities Act. The selling stockholder has voting and investment power over his shares.
- (40) J. Ralph Atkin and Cheri B. Atkin, as trustees of this selling stockholder, have voting and investment power over the shares held by such stockholder.
- (41) KBW Asset Management, Inc., investment manager for this selling stockholder, controls voting and disposition of the shares held by such stockholder.
- (42) Consists of 71,178 shares of Class A Common Stock and 48,333 options to purchase Class A Common Stock that are exercisable within 60 days of May 1, 2011. The selling stockholder is an Executive Vice President of the Company.
- (43) Esas Holding is the majority shareholder of this selling stockholder. Şevket Sabancı, Zerin Sabancı, Emine Kamışlı, Ali İsmail Sabancı, Can Köseoğlu, and Kazım Köseoğlu are direct and/or, by reason of their interests in Esas Holding, indirect equity holders in the selling stockholder. Emine Kamışlı is also Chairman of the selling stockholder.
- (44) Voting and investment power over the shares held by this selling stockholder are shared by such stockholder and J. Gary Kosinski, investment advisor to the selling stockholder. However, Mr. Kosinski disclaims beneficial ownership of such shares.
- (45) Luis Valdich, Cristina Kim, and Jing Wang, each of whom is a director of this selling stockholder, have voting and investment power over the shares held by such stockholder. J. P. Morgan Securities LLC, an affiliate of this selling stockholder, acted as joint book-running manager of our initial public offering of Class A Common Stock.

- (46) Ron Lindorf, the manager of this selling stockholder, has voting and investment power over the shares held by such stockholder.
- (47) Consists of 80,300 shares of Class A Common Stock held by the selling stockholder; 50,000 options to purchase Class A Common Stock held by the selling stockholder that are exercisable within 60 days of May 1, 2011; and 1,500 shares of Class A Common Stock held directly in the aggregate by the selling stockholder's children. The selling stockholder disclaims beneficial ownership of the shares held directly by his children, except to the extent of his pecuniary interest therein. The selling stockholder is Executive Vice President, General Counsel and Secretary of the Company.
- (48) Charles Levy and Lydia A. Levy, as trustees of this selling stockholder, have voting and investment power over the shares held by the stockholder.
- (49) Navid Mahmoodzadegan, as trustee of this selling stockholder, has voting and investment power over the shares held by such stockholder. Mr. Mahmoodzadegan is a partner of Moelis & Company LLC, a broker-dealer. Moelis & Company LLC acted as our financial advisor in our private placement of Common Stock in June and July 2010.
- (50) Sandler O'Neill Asset Management, LLC (SOAM), by reason of its position as management company for this selling stockholder, may be deemed to beneficially own the shares of Class A Common Stock owned by the selling stockholder. SOAM Holdings, LLC (Holdings), by reason of its position as general partner of the selling stockholder, may be deemed to beneficially own the shares of Class A Common Stock owned by such stockholder. Terry Maltese, by reason of his position as managing member of SOAM and Holdings, may be deemed to beneficially own the shares of Class A Common Stock owned by the selling stockholder. However, Mr. Maltese disclaims beneficial ownership of the shares of Class A Common Stock held by the selling stockholder, except for his pecuniary interest therein. Mr. Maltese has voting and investment power over the shares held by the selling stockholder.
- (51) Sandler O'Neill Asset Management, LLC (SOAM), by reason of its position as investment manager for this selling stockholder, may be deemed to beneficially own the

shares of Class A Common Stock owned by the selling stockholder. Terry Maltese, by reason of his position as managing member of SOAM, may be deemed to beneficially own the shares of Class A Common Stock owned by the selling stockholder. However, Mr. Maltese disclaims beneficial ownership of the shares of Class A Common Stock owned by the selling stockholder, except for his pecuniary interest therein. Mr. Maltese has voting and investment power over the shares held by the selling stockholder.

- (52) This selling stockholder is a Managing Director of FBR Capital Markets & Co., a broker-dealer.
- (53) Mark J. Miller, as Chief Executive Officer and member of this selling stockholder, has voting and investment power over the shares held by such stockholder.
- (54) Kenneth Moelis is the managing member of Moelis & Company Manager LLC, which indirectly controls this selling stockholder, and as such, Mr. Moelis has voting and investment power over the shares held by such stockholder. The selling stockholder acted as our financial advisor in our private placement of Common Stock in June and July 2010.
- (55) Steven F. Udvar-Házy has sole voting and investment power with respect to the shares held by this selling stockholder. Mr. Udvar-Házy is the Chief Executive Officer and Chairman of the board of directors of the Company. A trust of which Mr. Udvar-Házy is the trustee is the sole stockholder of the selling stockholder, and Mr. Udvar-Házy is one of the three directors. The remaining directors, Christine L. Udvar-Házy and Steven C. Udvar-Házy, disclaim beneficial ownership of the shares held by the selling stockholder, except to the extent of their respective pecuniary interests therein.
- (56) Linda Garbarino is Chief Financial Officer of Pairstech Capital Management, the investment manager of this selling stockholder, and as such, Ms. Garbarino has voting and investment power over the shares held by such stockholder.

- (57) John L. Plueger and Celeste J. Lesperance, as trustees of this selling stockholder, have voting and investment power over the shares held by such stockholder. Mr. Plueger is President and Chief Operating Officer of the Company, as well as a member of the board of directors of the Company. As of May 1, 2011, Mr. Plueger was deemed to beneficially own, in addition to these shares, 236,935 options to purchase Class A Common Stock that are exercisable within 60 days of May 1, 2011, and an aggregate of 1,000 shares of Class A Common Stock owned by his sons. Mr. Plueger disclaims beneficial ownership of the shares owned by his sons, except to the extent of his pecuniary interest therein.
- (58) Consists of 25,862 shares of Class A Common Stock and 5,000 options to purchase Class A Common Stock that are exercisable within 60 days of May 1, 2011. The selling stockholder is Senior Vice President of Aircraft Procurement and Specifications of the Company.
- (59) PPM America Capital Partners III, LLC (the General Partner) is the general partner of this selling stockholder and may be deemed to be a beneficial owner of the shares held by the stockholder. Bruce D. Gorchow, as President and Member of the General Partner, and Scott D. Rooth, as Executive Partner and Member of the General Partner, have voting and investment power over the shares held by the selling stockholder.
- (60) This selling stockholder's account is managed by Putnam Investment Management, LLC, which, through a series of holding companies, is owned by Great-West Lifeco Inc., a publicly traded company.
- (61) QVT Financial LP is the investment manager of this selling stockholder and has voting and investment control over the securities held by the selling stockholder. QVT Financial GP LLC is the general partner of QVT Financial LP and as such has complete discretion in the management and control of the business affairs of QVT Financial LP. QVT Associates GP LLC is the general partner of the selling stockholder and has voting and investment control over the securities held by the selling stockholder. Accordingly, each of QVT Financial LP, QVT Financial GP LLC and QVT Associates GP LLC may be deemed to beneficially own the securities held by the selling stockholder. The managing members of QVT Associates GP LLC and QVT Financial GP LLC are Daniel Gold, Nicholas Brumm, Arthur Chu and Tracy Fu; these managing members have voting and investment power over the shares held by the selling stockholder. Each of Daniel Gold, Nicholas Brumm, Arthur Chu and Tracy Fu disclaims beneficial ownership of the shares held by the selling stockholder.
- (62) Managing Directors Theodore J. Davies and Reid T. Funston have voting and investment power over the shares held by the selling stockholder.

- (63) Nathan Ricks, as manager of this selling stockholder, has voting and investment power over the shares held by such stockholder.
- (64) John E. McCaw Jr., as managing member of this selling stockholder, has voting and investment power over the shares held by such stockholder.
- (65) Stephen E. Samuelian, as trustee of this selling stockholder, has voting and investment power over the shares held by such stockholder.
- (66) Scott J. Seymour and Kathleen T. Goette Seymour, as trustees for this selling stockholder, have voting and investment power over the shares held by such stockholder.
- (67) Linda Singer, Juliette Singer, Lauren Goldfarb and Stuart Singer own the interests in this selling stockholder and as such have voting and investment power over the shares held by such stockholder.
- (68) Robert S. Feidelson, as manager of this selling stockholder, has voting and investment power over the shares held by such stockholder.
- (69) Terry Maltese, by reason of his position as managing member of this selling stockholder, may be deemed to beneficially own the shares of Class A Common Stock owned by such stockholder. However, Mr. Maltese disclaims beneficial ownership of such shares except for his pecuniary interest therein. Mr. Maltese has voting and investment power over the shares held by the selling stockholder.
- (70) SOAM Ventures, LLC is the management company for this selling stockholder and is an affiliate of Sandler O'Neill Asset Management, LLC (SOAM). As such, SOAM may be deemed to beneficially own the shares of Class A Common Stock owned by this selling stockholder. SOAM Venture Holdings, LLC (Ventures), by reason of its position as general partner of the selling stockholder, may be deemed to beneficially own the shares of Class A Common Stock owned by such stockholder. Terry Maltese, by

reason of his position as managing member of SOAM and Ventures, may be deemed to beneficially own the shares of Class A Common Stock owned by the selling stockholder. However, Mr. Maltese disclaims beneficial ownership of the shares of Class A Common Stock held by the selling stockholder except for his pecuniary interest therein. Mr. Maltese has voting and investment power over the shares held by the selling stockholder.

- (71) Sorenson Partners, LLC is the general partner of this selling stockholder, and West Rim Capital I, LLC is the managing member of Sorenson Partners, LLC. As managers of West Rim Capital I, LLC, Fraser Bullock, Ronald Mika and Tim Layton have voting and investment power over the shares held by the selling stockholder.
- (72) West Rim Capital Associates II, L.P. is the general partner of this selling stockholder. As limited partners of West Rim Capital Associates II, LP, Fraser Bullock, Ronald Mika, Tim Layton, Matthew Lehman, Luke Sorenson and Curtis Toone have voting and investment power over the shares held by the selling stockholder.
- (73) Ronald D. Sugar and Valerie S. Sugar are trustees of this selling stockholder and as such have voting and investment power over the shares held by such stockholder. Dr. Sugar is a member of the board of directors of the Company.
- (74) S. Donald Sussman, as the president of this selling stockholder's general partner, and Gary Kosinski, as investment adviser to the selling stockholder, share voting and investment power with respect to the shares held by such stockholder and included in this prospectus. Mr. Sussman shares voting and investment power over other shares of the Company held by the selling stockholder with another investment advisor. Messrs. Sussman and Kosinski disclaim beneficial ownership of the shares held by the selling stockholder.
- (75) Andrew Sun, as President, Chief Operating Officer, and Director of this selling stockholder, has voting and investment power over the shares held by such stockholder.

- (76) Barbara P. Robinson and Christopher B. Sarofim, as trustees of this selling stockholder, have voting and investment power over the shares held by such stockholder. Mr. Sarofim is the sole beneficiary of the stockholder.
- (77) Alberto Beeck, as investment advisor to this selling stockholder, has voting and investment power over the shares held by such stockholder.
- (78) Kenneth Moelis and Julie Moelis, as trustees of this selling stockholder, have voting and investment power over the shares held by such stockholder. Mr. Moelis is Chief Executive Officer of Moelis & Company LLC, a broker-dealer. Moelis & Company LLC acted as our financial advisor in our private placement of Common Stock in June and July 2010. At the time of the purchase of the shares that may be sold pursuant to this prospectus, the selling stockholder represented that the stockholder was acquiring the shares for the stockholder's own account (and not for the account of others) for investment purposes and not with a view to, or for offer or sale in connection with, a distribution in violation of the Securities Act.
- (79) Jeffrey Raich and Robin Raich, as trustees of this selling stockholder, have voting and investment power over the shares held by such stockholder. Mr. Raich is an employee of Moelis & Company LLC, a broker-dealer. Moelis & Company LLC acted as our financial advisor in our private placement of Common Stock in June and July 2010. At the time of the purchase of the shares that may be sold pursuant to this prospectus, the selling stockholder represented that the stockholder was acquiring the shares for the stockholder's own account (and not for the account of others) for investment purposes and not with a view to, or for offer or sale in connection with, a distribution in violation of the Securities Act.
- (80) Steven F. Udvar-Házy, the Chief Executive Officer and Chairman of the board of directors of the Company, may be deemed to beneficially own the shares of Class A Common Stock held directly by the selling stockholder, his wife. However, Mr. Udvar-Házy disclaims beneficial ownership of the shares held directly by the selling stockholder, except to the extent of his pecuniary interest therein.
- (81) Steven F. Udvar-Házy, the Chief Executive Officer and Chairman of the board of directors of the Company, may be deemed to beneficially own the shares of Class A Common Stock held directly by the selling stockholder, his daughter. However, Mr. Udvar-Házy disclaims beneficial ownership of the shares held directly by the selling stockholder, except to the extent of his pecuniary interest therein.
- (82) Steven F. Udvar-Házy, the Chief Executive Officer and Chairman of the board of directors of the Company, may be deemed to beneficially own the shares of Class A Common Stock held directly by the selling stockholder, his son. However, Mr. Udvar-Házy disclaims beneficial ownership of the shares held directly by the selling stockholder, except to the extent of his pecuniary interest therein.

(83) Steven F. Udvar-Házy, the Chief Executive Officer and Chairman of the board of directors of the Company, may be deemed to beneficially own an aggregate of 5,148,189 shares of Class A Common Stock, representing approximately 5.20% of the outstanding shares of Class A Common Stock of the Company. These 5,148,189 shares consist of 278,889 shares of Class A Common Stock held directly by Air Intercontinental, Inc.; 101,667 shares of Class A Common Stock held directly by Ocean Equities, Inc.; 35,925 shares of Class A Common Stock held directly by Emerald Financial LLC; 2,700,000 and 1,044,225 shares of Class A Common Stock held directly by two trusts, respectively, of which Mr. Udvar-Házy is the trustee and has sole voting and investment power; 583,783 options to purchase Class A Common Stock that are exercisable within 60 days of May 1, 2011; 300,000 shares of Class A Common Stock held directly by AL Investors I, LLC; and 103,700 shares of Class A Common Stock held directly in the aggregate by Mr. Udvar-Házy's wife and children. Mr. Udvar-Házy has sole voting and investment power with respect to the shares held by Air Intercontinental, Inc., of which he is the sole stockholder and one of three directors. The remaining directors, Christine L. Udvar-Házy, his wife, and Steven C. Udvar-Házy, his son, disclaim beneficial ownership of the shares held by Air Intercontinental, Inc., except to the extent of their respective pecuniary interests therein. Mr. Udvar-Házy has sole voting and investment power with respect to the shares held by Ocean Equities, Inc. A trust of which Mr. Udvar-Házy is the trustee is the sole stockholder of Ocean Equities, Inc., and Mr. Udvar-Házy is one of the three directors. The remaining directors, Mrs. Udvar-Házy and Mr. S. C. Udvar-Házy, disclaim beneficial ownership of the shares held by Ocean Equities, Inc., except to the extent of their respective pecuniary interests therein. Mr. Udvar-Házy shares voting and investment power with respect to the shares of Class A Common Stock held by Emerald Financial LLC. A trust of which he is trustee controls a majority of the membership interests in Emerald Financial LLC; in addition, Mr. Udvar-Házy is one of three managers of Emerald Financial LLC, together with Mrs. Udvar-Házy and Karissa K. Udvar-Házy. Mrs. Udvar-Házy and Ms. Udvar-Házy disclaim beneficial ownership of the shares held by Emerald Financial LLC, except to the extent of their respective pecuniary interests therein. Mr. Udvar-Házy has shared voting and investment power over the shares held by AL Investors I, LLC. The members of AL Investors I, LLC are AL 1 Management, LLC, AL Investment Group LLC, and Biscayne

4400 AL, LLC. AL 1 Management, LLC and AL Investment Group LLC each has the power to designate a co-manager of AL Investors 1, LLC, and has designated itself as such. Mr. Udvar-Házy is the sole member and manager of AL 1 Management, LLC. Mr. Udvar-Házy disclaims beneficial ownership of the shares held directly by his wife and children, except to the extent of his pecuniary interest therein. An aggregate of 4,560,606 shares of Class A Common Stock that may be deemed to be beneficially owned by Mr. Udvar-Házy are being included in this prospectus. As suming that all such shares are sold, Mr. Udvar-Házy may be deemed to beneficially own approximately 1.0% of the outstanding shares of Class A Common Stock of the Company following this offering.

- (84) West Rim Capital I, LLC is the general partner of this selling stockholder. As managers of West Rim Capital I, LLC, Fraser Bullock, Ronald Mika, and Tim Layton have voting and investment power over the shares held by the selling stockholder.
- (85) West Rim Capital Advisors, L.P. is the general partner of this selling stockholder. As limited partners of West Rim Capital Advisors, L.P., Fraser Bullock, Ronald Mika, Tim Layton, Matthew Lehman, Luke Sorenson and Curtis Toone have voting and investment power over the shares held by the selling stockholder.
- (86) West Rim Capital Associates II, L.P. is the general partner of this selling stockholder. As limited partners of West Rim Capital Associates II, LP, Fraser Bullock, Ronald Mika, Tim Layton, Matthew Lehman, Luke Sorenson and Curtis Toone have voting and investment power over the shares held by the selling stockholder.
- (87) West Rim Capital I, LLC is the manager of this selling stockholder. As managers of West Rim Capital I, LLC, Fraser Bullock, Ronald Mika, and Tim Layton have voting and investment power over the shares held by the selling stockholder.
- (88) This selling stockholder has represented that he is an employee of BHMS, which is affiliated with broker-dealers registered with FINRA and the SEC. The selling stockholder's spouse, Kristin Wetherington, is Chief Executive Officer and an indirect minority owner of Capital Institutional Services, a broker-dealer registered with FINRA and the SEC. At the time of the purchase of the shares that may be sold pursuant to this prospectus, the selling stockholder represented that the stockholder was acquiring the shares for the stockholder's own account (and not for the account of others) for investment purposes and not with a view to, or for offer or sale in connection with, a distribution in violation of the Securities Act.

- (89) Consists of 14,070 shares of Class A Common Stock and 5,000 options to purchase Class A Common Stock that are exercisable within 60 days of May 1, 2011. The selling stockholder is Vice President, Finance, and Chief Accounting Officer of the Company.
- (90) Wilbur L. Ross, Jr., a member of the board of directors of the Company, is the Chairman and CEO of WL Ross & Company LLC and the managing member of El Vedado LLC, the general partner of WL Ross Group, L.P., which is in turn the managing member of WLR Recovery Associates IV LLC, which is the general partner of WLR Recovery Fund IV, L.P. Invesco Private Capital, Inc. is the managing member of Invesco WLR IV Associates LLC, which is in turn the general partner of WLR IV Parallel ESC, L.P. Invesco WLR IV Associates LLC and WLR Recovery Associates IV LLC have agreed to make investments for WLR IV Parallel ESC, L.P. on a pro rata basis in parallel with WLR Recovery Fund IV, L.P. Invesco WLR IV Associates LLC, Invesco Private Capital, Inc., WLR Recovery Associates IV LLC, WL Ross Group, L.P., El Vedado LLC and Mr. Ross may be deemed to share voting and dispositive power over the shares of Class A Common Stock held by WLR Recovery Fund IV, L.P. and WLR IV Parallel ESC, L.P. Mr. Ross disclaims beneficial ownership over these shares of Class A Common Stock, except to the extent of his pecuniary interest therein.
- (91) Felix Augusto Sasso, as trustee of this selling stockholder, has voting and investment power over the shares held by such stockholder. Mr. Sasso is an employee of Moelis & Company LLC, a broker-dealer that acted as financial advisor to the Company in connection with our private placement of Common Stock in June and July 2010. At the time of the purchase of the shares that may be sold pursuant to this prospectus, the selling stockholder represented that the stockholder was acquiring the shares for the stockholder's own account (and not for the account of others) for investment purposes and not with a view to, or for offer or sale in connection with, a distribution in violation of the Securities Act.
- (92) The selling stockholders with respect to these shares, which include 1,829,339 shares of Class A Common Stock to be issued upon conversion of the Class B Non-Voting Common Stock currently held by Genefinance S.A., have not yet been identified. We will file a post-effective amendment to the registration statement of which this prospectus forms a part, or will supplement this prospectus, as may be appropriate, to identify the selling stockholders of these shares prior to the sale of such shares pursuant to this prospectus.
- (93) Assumes that each named selling stockholder sells all of the shares of our Common Stock it is offering for sale under this prospectus and neither acquires nor disposes of any other shares, or right to purchase other shares of our Common Stock subsequent to the date as of which we obtained information regarding its holdings. Because the selling stockholders are not obligated to sell all or any portion of the shares of our Common Stock shown as offered by them, we cannot estimate the actual number of shares (or the actual percentage of the class) of our Common Stock that will be held by any selling stockholder upon completion of the offering.

Certain relationships and related party transactions

Set forth below are certain transactions that have occurred since our launch in February 2010 to which we have been a party, in which the amount involved exceeded \$120,000, and in which our directors, executive officers, beneficial owners of more than five percent of our Common Stock, or persons or entities affiliated with them, had a direct or indirect material interest. While we did not have a formal review and approval policy for related party transactions at the time of the loan transactions and the sale of Common Stock and warrants described in this section, each such transaction was reviewed and approved by our board of directors. The servicing agreement described in this section was reviewed and approved by our nominating and corporate governance committee.

Loans from certain members of our management team, board of directors and beneficial holders

Convertible Notes. The following members of our management and board of directors (or their respective families or affiliates) and funds managed by certain beneficial owners of more than five percent of our Common Stock made loans to us on May 7, 2010 totaling approximately \$60.0 million:

Management/board member/beneficial holder	Amount of loan
Ares Corporate Opportunities Fund III, L.P.	\$ 20,000,000
Ares Special Situations Fund, L.P.	\$ 2,609,811
Ares Special Situations Fund I-B, L.P.	\$ 2,390,189
Green Equity Investors V, L.P.	\$ 19,231,125
Green Equity Investors Side V, L.P.	\$ 5,768,875
Steven F. Udvar-Házy	\$ 8,976,258
John L. Plueger	\$ 510,012
Robert A. Milton	\$ 360,000
Other Members of Management and the Board of Directors	\$ 153,738

These loans were evidenced by unsecured senior convertible notes, which bore interest at the rate of 6.0% per annum, payable quarterly in cash (Convertible Notes). By their terms, the Convertible Notes were automatically cancelled concurrently with the completion of the private placement of Common Stock in June 2010 as consideration for the purchase of our Common Stock at a price equal to \$18.00 per share.

Loan from Mr. Udvar-Házy. We and Mr. Udvar-Házy entered into an unlimited revolving loan agreement, dated as of March 22, 2010 and amended on April 6, 2010 and April 19, 2010 (the Loan Agreement), under which Mr. Udvar-Házy agreed to loan funds to us on an ongoing basis. The principal amount of the loans accrued interest at an annual rate of three-month LIBOR plus 3.5%, compounding quarterly. Pursuant to the terms of the Loan Agreement, the loan matured upon the completion of our private placement of Common Stock in June 2010, and we repaid the outstanding balance of \$50,336 on June 4, 2010.

Loans from Air Intercontinental, Inc. Air Intercontinental, Inc., a California corporation (AII), is controlled by Mr. Udvar-Házy. In February 2010, AII paid a deposit of \$250,000 to Airbus for two aircraft on our behalf. The outstanding principal amount accrued interest at an annual rate of

3.0%, compounding quarterly. Pursuant to the terms of the non-negotiable promissory note evidencing this indebtedness, all principal and accrued but unpaid interest was due upon the earlier of February 2011 and the completion of our private placement of Common Stock in June 2010. Accordingly, we repaid this loan on June 4, 2010.

On April 9, 2010, AII extended a loan of \$2.0 million to us. The loan accrued interest at an annual rate equal to the three-month LIBOR, determined on a quarterly basis, plus 3.5%. Pursuant to the terms of the promissory note agreement, this \$2.0 million loan was cancelled in exchange for the issuance of 100,000 shares of our Common Stock upon the completion of our private placement of Common Stock in June 2010.

Sale of Common Stock and warrants

On May 7, 2010, we entered into stock purchase agreements with funds managed by each of Leonard Green & Partners, L.P. and Ares Management LLC whereby such funds agreed to invest an aggregate of \$250 million in our Common Stock at the lesser of (i) \$18.00 per share and (ii) 90% of the offering price per share upon the completion of our private placement of Common Stock on or before December 31, 2010. On June 4, 2010, the funds managed by Leonard Green & Partners, L.P. and Ares Management LLC purchased \$250 million of our Common Stock at \$18.00 per share.

On June 4, 2010, we issued a warrant to purchase 214,500 shares of our Common Stock to Société Générale S.A. and a warrant to purchase 268,125 shares of our Common Stock to Commonwealth Bank of Australia as consideration for their commitments to purchase \$100 million and \$125 million, respectively, of our Common Stock in connection with the private placement of our Common Stock. The warrants have a seven-year term and an exercise price of \$20.00 per share. Société Générale S.A. subsequently transferred its warrant to Genefinance S.A., a wholly-owned subsidiary of Société Générale S.A.

Servicing agreement

On March 9, 2011, we entered into a Servicing Agreement with Commonwealth Bank of Australia and its indirect, wholly-owned subsidiary, SAFE No3 Pty Limited (SAFE). Commonwealth Bank of Australia beneficially owns more than 5% of our Common Stock. Pursuant to the Servicing Agreement, we agreed to arrange the acquisition of a commercial jet aircraft on SAFE's behalf, to manage the lease of the aircraft to a third party and subsequent lessees, and if requested by SAFE, to remarket the aircraft for subsequent leases or for sale. In connection with this transaction, Commonwealth Bank of Australia paid us fees for acquiring the aircraft and for collecting the first rent payment under the lease, and will pay us a percentage of the contracted rent and the rent actually paid by the lessee each month. We may earn up to an aggregate of approximately \$650,000 in fees under the Servicing Agreement in connection with the acquisition of the aircraft and management of the current lease.

Underwriting of initial public offering

We recently completed our initial public offering of 34,825,470 shares of Class A Common Stock, which generated \$922.9 million in gross cash proceeds. In connection with our initial public offering, we entered into an underwriting agreement on April 18, 2011 with the members of the underwriting syndicate. SG Americas Securities, LLC, a member of the syndicate, is affiliated with Genefinance S.A., which beneficially owns more than 5% of our Common Stock. SG Americas Securities, LLC received approximately \$824,142 in underwriting fees and selling concessions for its participation in our initial public offering. The terms of the underwriting agreement were negotiated by the Company with J. P. Morgan Securities LLC and Credit Suisse Securities (USA) LLC, who acted as joint book-running managers and as the representatives of the other members of the underwriting syndicate.

Policies and procedures for related party transactions

Pursuant to its charter, our nominating and corporate governance committee reviews and approves all related party transactions. Our Code of Business Conduct and Ethics sets forth our formal policy regarding conflicts of interest. A copy of our Code of Business Conduct and Ethics is available on our website at www.airleasecorp.com.

Description of capital stock

The following summary is a description of our capital stock and provisions of our restated certificate of incorporation and amended and restated bylaws. This information does not purport to be complete and is subject to, and qualified in its entirety by reference to, the terms of our restated certificate of incorporation and amended and restated bylaws, copies of which have been filed with the SEC as exhibits to our registration statement of which this prospectus forms a part, and the provisions of applicable Delaware law.

General

Our restated certificate of incorporation authorizes us to issue 500,000,000 shares of Class A Common Stock, \$0.01 par value per share, 10,000,000 shares of Class B Non-Voting Common Stock, \$0.01 par value per share, and 50,000,000 shares of preferred stock, \$0.01 par value per share, the rights and preferences of which may be established from time to time by our board of directors. The 2010 ALC Equity Incentive Plan has reserved shares of our Class A Common Stock for issuance to our employees, which amount will be no more than the sum of (i) 10% of any class of common stock issued by us pursuant to an exemption under the Securities Act, until we consummate an initial public offering of any class of our common stock, excluding any issuances to our management prior to the initial date of adoption of the 2010 ALC Equity Incentive Plan and (ii) 5% of any class of common stock issued by us pursuant to an initial public offering of any class of our common stock.

As of June 30, 2011, there were 98,885,131 shares of Class A Common Stock outstanding, held by approximately 139 stockholders of record, 1,829,339 shares of Class B Non-Voting Common Stock outstanding, held by one stockholder of record, and no shares of preferred stock outstanding.

Common Stock

Our restated certificate of incorporation provides that, except with respect to voting rights and conversion rights, the Class A Common Stock and Class B Non-Voting Common Stock shall be treated equally and identically.

Except as otherwise required by law, as otherwise described in this paragraph or as otherwise provided in any certificate of designation for any series of preferred stock, the holders of Class A Common Stock possess all voting power for the election of our directors and all other matters requiring stockholder action, except with respect to amendments to our restated certificate of incorporation that alter or change the powers, preferences, rights or other terms of any outstanding preferred stock if the holders of such affected series of preferred stock are entitled to vote on such an amendment. Holders of our Class A Common Stock are entitled to one vote for each share held and will not have cumulative voting rights in connection with the election of directors. Accordingly, holders of a majority of the shares of Class A Common Stock entitled to vote in any election of directors are able to elect all of the directors standing for election. Holders of Class B Non-Voting Common Stock are not entitled to any vote, other than with respect to amendments to the terms of the Class B Non-Voting Common Stock that would significantly and adversely affect the rights or preferences of the Class B Non-Voting Common Stock, including, without limitation with respect to the convertibility thereof.

Except as otherwise provided by law, our restated certificate of incorporation or our amended and restated bylaws, all matters to be voted on by our stockholders require approval by a majority of the shares present in person or by proxy at a meeting of stockholders and entitled to vote on the subject matter. Any stockholder wishing to propose for election as director someone who is not proposed by our board will be required to give notice of the intention to propose the person for election, in compliance with the advance notice provisions of our amended and restated bylaws. Our amended and restated bylaws provide that such stockholder nominees shall be elected by a plurality of the votes cast at any meeting of stockholders.

Under the United States Bank Holding Company Act of 1956, as amended, Société Générale S.A. may not hold 5.0% or more of the aggregate voting control of our capital stock and, accordingly, Société Générale S.A. and its affiliates currently hold 3.21% of our Class A Common Stock and the balance of their interests is held in Class B Non-Voting Common Stock.

Each share of Class B Non-Voting Common Stock is convertible into a share of Class A Common Stock at the option of the holder, *provided*, that each share of Class B Non-Voting Common Stock will only become convertible at the time it is transferred to a third party unaffiliated with Société Générale S.A.

Any amendment to the terms of the Class A Common Stock shall apply equally to the Class B Non-Voting Common Stock and the Class B Non-Voting Common Stock shall have all of the same rights as the Class A Common Stock, except as to voting and convertibility, and shall be treated equally in all respects with the Class A Common Stock, including, without limitation, with respect to dividends.

Subject to any preferential rights of any then outstanding preferred stock, holders of Common Stock are entitled to receive any dividends that may be declared by our board of directors out of legally available funds. We have no current plans to declare or pay any dividends to our stockholders.

In the event of our liquidation, dissolution or winding up, holders of Common Stock will be entitled to receive proportionately any of our assets remaining after the payment of liabilities and any preferential rights of the holders of our then outstanding preferred stock.

Except as described in this prospectus, holders of Common Stock will have no preemptive, subscription, redemption or conversion rights. The outstanding shares of Common Stock are validly issued and fully paid. The rights, preferences and privileges of holders of Common Stock will be subject to those of the holders of any shares of our preferred stock we may issue in the future.

Preferred stock

Our restated certificate of incorporation authorizes our board of directors to issue and to designate the terms of one or more classes or series of preferred stock. The rights with respect to a class or series of preferred stock may be greater than the rights attached to our Common Stock. It is not possible to state the actual effect of the issuance of any shares of our preferred stock on the rights of holders of our Common Stock until our board of directors determines the specific rights attached to that class or series of preferred stock.

Warrants

On June 4, 2010, we issued warrants to purchase up to 214,500 shares and up to 268,125 shares of our Common Stock to Société Générale S.A. and Commonwealth Bank of Australia, respectively. The warrants are exercisable at a price of \$20.00 per share until June 4, 2017. The exercise price and the number of shares issuable upon exercise of the warrants are subject to adjustment from time to time to maintain the value of the warrants in the event of certain changes to our capital structure. The shares issuable upon exercise of the warrants have been granted registration rights. See [Registration rights](#) below. Société Générale S.A. subsequently transferred its warrant to Genefinance S.A., a wholly-owned subsidiary of Société Générale S.A.

Registration rights

Pursuant to the Registration Rights Agreement, dated June 4, 2010, by and between our Company and FBR Capital Markets & Co. (the [Registration Rights Agreement](#)), the holders of 65,369,649 shares of Common Stock currently outstanding and 482,625 shares of Common Stock issuable upon exercise of the warrants held by Genefinance S.A. and Commonwealth Bank of Australia, have the following rights:

On or before April 30, 2011, we were required to file with the SEC, at our expense, a shelf registration statement providing for the resale of any registrable shares from time to time by the holders of such shares. This prospectus is part of the shelf registration statement that we filed in accordance with our obligations under the Registration Rights Agreement.

In accordance with our amended and restated bylaws, we are required to call a special meeting of stockholders if the shelf registration statement has not been declared effective by the SEC, and none of the registrable shares have been listed for trading on a nationally recognized securities exchange, by the 180th day after (and not including the day of) the filing of such shelf registration statement. The purpose of the meeting is to consider and vote on the removal of our directors then in office and to elect the successors of any directors so removed unless the holders of two-thirds of the registrable shares waive such requirement.

We will use our commercially reasonable efforts to cause the shelf registration statement to become effective under the Securities Act as soon as practicable after filing and to remain effective until the earliest to occur of:

- such time as all of the registrable shares covered by the shelf registration statement have been sold in accordance with such shelf registration statement;

- such time as all registrable shares are eligible for sale without any volume or manner of sale restrictions or compliance by us with any current public information requirements pursuant to Rule 144 (or any successor or analogous rule) under the Securities Act and are listed for trading on a national securities exchange; and

- the first anniversary of the effective date of the registration statement, assuming that the registrable shares can be sold under Rule 144 without limitation as to manner of sale or volume restrictions.

Certain anti-takeover provisions of Delaware law and our restated certificate of incorporation and amended and restated bylaws

Special meeting of stockholders

Our restated certificate of incorporation and our amended and restated bylaws provide that special meetings of our stockholders may be called only by the Chairman of the board of directors, by our Chief Executive Officer or by a majority vote of our entire board of directors.

No stockholder action by written consent

Our restated certificate of incorporation and our amended and restated bylaws prohibit stockholder action by written consent.

Advance notice requirements for stockholder proposals and director nominations

Our amended and restated bylaws provide that stockholders seeking to bring business before our annual meeting of stockholders, or to nominate candidates for election as directors at our annual meeting of stockholders, must provide timely notice of their intent in writing. To be timely, a stockholder's notice must be delivered to our principal executive offices not less than 90 days nor more than 120 days prior to the meeting. For the first annual meeting of stockholders after the completion of our initial public offering, a stockholder's notice shall be timely if delivered to our principal executive offices not later than the 90th day prior to the scheduled date of the annual meeting of stockholders or the 10th day following the day on which a public announcement of the date of our annual meeting of stockholders is first made by us. Our amended and restated bylaws also specify certain requirements as to the form and content of a stockholder's notice. These provisions may preclude our stockholders from bringing matters before our annual meeting of stockholders or from making nominations for directors at our annual meeting of stockholders.

Stockholder-initiated bylaw amendments

Our amended and restated bylaws may be adopted, amended, altered or repealed by stockholders only upon approval of at least two-thirds of the voting power of all the then outstanding shares of the Common Stock. Additionally, our restated certificate of incorporation provides that our amended and restated bylaws may be adopted, amended or repealed by the board of directors by a majority vote.

Authorized but unissued shares

Our authorized but unissued shares of Common Stock are available for future issuances without stockholder approval and could be utilized for a variety of corporate purposes, including future offerings to raise additional capital, acquisitions and employee benefit plans. The existence of authorized but unissued and unreserved Common Stock could render more difficult or discourage an attempt to obtain control of us by means of a proxy contest, tender offer, merger or otherwise.

Supermajority voting

The vote of the holders of not less than 66²/₃% of the votes entitled to be cast is required to adopt any amendment to our restated certificate of incorporation or amended and restated bylaws as well as to remove a director from office; except that the affirmative vote of the holders of only a majority of the voting power of all issued and outstanding Common Stock shall be required to remove a director or directors if such vote occurs at a special meeting of the stockholders called specifically to consider the removal of members of the board of directors in connection with the express remedies under the Registration Rights Agreement. The foregoing provisions may discourage attempts by others to acquire control of us without negotiation with our board of directors. This enhances our board of directors ability to attempt to promote the interests of all of our stockholders. However, to the extent that these provisions make us a less attractive takeover candidate, they may not always be in our best interests or in the best interests of our stockholders.

Section 203 of the Delaware General Corporation Law

We have not opted out of Section 203 of the Delaware General Corporation Law. Subject to certain exceptions, Section 203 of the Delaware General Corporation Law prohibits a public Delaware corporation from engaging in a business combination (as defined in such section) with an interested stockholder (defined generally as any person who beneficially owns 15% or more of the outstanding voting stock of such corporation or any person affiliated with such person) for a period of three years following the time that such stockholder became an interested stockholder, unless (i) prior to such time the board of directors of such corporation approved either the business combination or the transaction that resulted in the stockholder becoming an interested stockholder; (ii) upon consummation of the transaction that resulted in the stockholder becoming an interested stockholder, the interested stockholder owned at least 85% of the voting stock of such corporation outstanding at the time the transaction commenced (excluding for purposes of determining the voting stock of such corporation outstanding (but not the outstanding voting stock owned by the interested stockholder) those shares owned (A) by persons who are directors and also officers of such corporation and (B) by employee stock plans in which employee participants do not have the right to determine confidentially whether shares held subject to the plan will be tendered in a tender or exchange offer); or (iii) on or subsequent to such time the business combination is approved by the board of directors of such corporation and authorized at a meeting of stockholders by the affirmative vote of at least two-thirds of the outstanding voting stock of such corporation not owned by the interested stockholder.

Forum selection clause in amended and restated bylaws

On February 15, 2011, our board of directors approved an amendment and restatement of our bylaws to provide that, unless we consent in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware shall be the sole and exclusive forum for (i) any derivative action or proceeding brought on our behalf, (ii) any action asserting a claim of breach of a fiduciary duty owed by any director, officer or other employee of the Company to the Company or its stockholders, (iii) any action asserting a claim arising pursuant to any provision of the Delaware General Corporation Law or our restated certificate of incorporation or bylaws, or (iv) any other action asserting a claim governed by the internal affairs doctrine. Our amended and restated bylaws further provide that any person or entity purchasing or

otherwise acquiring any interest in shares of our capital stock shall be deemed to have notice of and to have consented to the provisions described above.

Limitation on liability and indemnification of directors and officers

Our restated certificate of incorporation and amended and restated bylaws provide that our directors and officers will be indemnified by us to the fullest extent authorized by Delaware law as it currently exists or may in the future be amended, against all expenses and liabilities reasonably incurred in connection with their service for or on our behalf. In addition, our restated certificate of incorporation provides that our directors will not be personally liable for monetary damages to us or our stockholders for breaches of their fiduciary duty as directors.

In addition to the indemnification provided by our restated certificate of incorporation and amended and restated bylaws, we have entered into agreements to indemnify our directors and executive officers. These agreements, among other things and subject to certain standards to be met, require us to indemnify these directors and officers for certain expenses, including attorneys' fees, judgments, fines and settlement amounts incurred by any such person in any action or proceeding, including any action by or in our right, arising out of that person's services as a director or officer of us or any of our subsidiaries or any other company or enterprise to which the person provides services at our request. These agreements also require us to advance expenses to these officers and directors for defending any such action or proceeding, subject to an undertaking to repay such amounts if it is ultimately determined that such director or officer was not entitled to be indemnified for such expenses.

Stock exchange listing symbol

Our Class A Common Stock is listed on the NYSE under the symbol **AL**. Our Class B Non-Voting Common Stock is not currently listed on any national securities exchange or market system.

Transfer agent and registrar

We have appointed American Stock Transfer and Trust Company as the transfer agent and registrar for the Common Stock.

Shares eligible for future sale

As of June 30, 2011, we had outstanding 98,885,131 shares of our Class A Common Stock and 1,829,339 shares of our Class B Non-Voting Common Stock. Of those shares, 34,825,470 shares of our Class A Common Stock were sold in our initial public offering and are freely tradable, subject to the restrictions discussed below. Of the remaining shares of our outstanding Common Stock, 59,498,903 shares of our Class A Common Stock and 1,829,339 shares of our Class B Non-Voting Common Stock are covered by this shelf registration and will be immediately eligible for future sale in the public market, subject to the restrictions discussed below. In addition, 1,829,339 shares of Class A Common Stock issuable upon conversion of the Class B Non-Voting Common Stock and 482,625 shares of Class A Common Stock that may be issuable upon conversion of outstanding warrants are covered by this shelf registration statement and, once issued, will be immediately eligible for future sale in the public market, subject to the restrictions discussed below. Future sales of substantial amounts of our Class A Common Stock in the public market, or the perception that such sales may occur, could adversely affect the prevailing market price of our Class A Common Stock.

Shares of our Common Stock not sold in our initial public offering or pursuant to this shelf registration are restricted securities within the meaning of Rule 144. Restricted securities may be sold in the public market only if they are registered under the Securities Act or are sold pursuant to an exemption from registration such as Rule 144, which is summarized below.

Rule 144

In general, under Rule 144 as currently in effect, a person (or persons whose shares are aggregated) who is not deemed to have been an affiliate of ours at any time during the 90 days preceding a sale, and who has beneficially owned restricted securities within the meaning of Rule 144 for at least six months (including any period of consecutive ownership of preceding non-affiliated holders) would be entitled to sell those shares, subject only to the availability of current public information about us. A non-affiliated person who has beneficially owned restricted securities within the meaning of Rule 144 for at least one year would be entitled to sell those shares without restriction.

In general, under Rule 144 as currently in effect, our affiliates or persons selling shares of our Class A Common Stock on behalf of our affiliates are entitled to sell upon expiration of the lock-up agreements described below, within any three-month period, a number of shares that does not exceed the greater of:

1% of the total number of shares of our Class A Common Stock then outstanding, which equals 988,851 shares as of June 30, 2011; and

the average weekly trading volume of our Class A Common Stock on the NYSE during the four calendar weeks preceding the date on which notice of the sale is filed with the SEC.

Sales under Rule 144 by our affiliates or persons selling shares on behalf of our affiliates are also subject to certain manner of sale provisions and notice requirements and to the availability of current public information about us.

Lock-up agreements

Our directors, executive officers, and our stockholders affiliated with our directors have agreed, subject to limited exceptions, not (1) to offer, pledge, 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 or dispose of, directly or

indirectly, any shares of Common Stock or any securities convertible into or exercisable or exchangeable for Common Stock, or publicly disclose the intention to make any such offer, sale, pledge or disposition, (2) to enter into any swap or other agreement that transfers, in whole or in part, any of the economic consequences of

ownership of shares of Common Stock or such other securities, or (3) to make any demand for or exercise any right with respect to the registration of any shares of Common Stock or any security convertible into or exercisable or exchangeable for Common Stock for a period of 180 days after the date of the prospectus for our initial public offering, without the prior written consent of J.P. Morgan Securities LLC and Credit Suisse Securities (USA) LLC on behalf of the underwriters.

Certain of our directors, in their capacities as directors, and certain of our executive officers agreed with FBR Capital Markets & Co. (FBR) that they will not, without the prior written consent of FBR and subject to limited exceptions, (1) offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant for the sale of, lend or otherwise dispose of or transfer, directly or indirectly, any of our equity securities or any securities convertible into or exercisable or exchangeable for our equity securities, or (2) enter into any swap or other arrangement that transfers to another, in whole or in part, directly or indirectly, any of the economic consequences of ownership of any of our equity securities, during the period beginning on June 1, 2010 and ending on the earlier of (a) the second anniversary of the completion of our private placement of Common Stock for which FBR acted as initial purchaser and placement agent and (b) the date that is not less than 180 days after the earlier to occur of the effective date of the registration statement of our initial public offering or the effective date of this shelf registration statement that we have filed under the terms of the Registration Rights Agreement. See Description of capital stock Registration rights.

Certain of our officers entered into lock-up agreements with us on terms substantially similar to the terms of the lock-up agreements with FBR described above.

Material U.S. federal income tax considerations for non-U.S. holders

The following is a general discussion of material U.S. federal income tax considerations with respect to the ownership and disposition of shares of our Common Stock applicable to non-U.S. holders who acquire such shares in this offering and hold such shares as a capital asset (generally, property held for investment). For purposes of this discussion, a non-U.S. holder means a beneficial owner of our Common Stock (other than an entity or arrangement that is treated as a partnership for U.S. federal income tax purposes) that is not, for U.S. federal income tax purposes, any of the following:

a citizen or resident of the United States;

a corporation created or organized in the United States or under the laws of the United States, any state thereof or the District of Columbia;

an estate, the income of which is includible in gross income for U.S. federal income tax purposes regardless of its source; or

a trust if (a) a court within the United States is able to exercise primary supervision over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust or (b) such trust has made a valid election to be treated as a U.S. person for U.S. federal income tax purposes.

A non-U.S. holder generally does not include an individual who is present in the United States for 183 days or more in the taxable year of disposition (even if that individual is not otherwise a resident of the United States for U.S. federal income tax purposes). Such an individual is urged to consult his or her own tax advisor regarding the U.S. federal income tax consequences of the sale, exchange or other disposition of Common Stock.

This discussion is based on current provisions of the Code, Treasury regulations promulgated thereunder, judicial opinions, published positions of the Internal Revenue Service (IRS), and other applicable authorities, all of which are subject to change (possibly with retroactive effect). This discussion does not address all aspects of U.S. federal income taxation that may be important to a particular non-U.S. holder in light of that non-U.S. holder's individual circumstances, nor does it address any aspects of U.S. federal estate and gift, state, local or non-U.S. taxes. This discussion may not apply, in whole or in part, to particular non-U.S. holders in light of their individual circumstances or to holders subject to special treatment under the U.S. federal income tax laws (such as insurance companies, tax-exempt organizations, financial institutions, brokers or dealers in securities, controlled foreign corporations, passive foreign investment companies, non-U.S. holders that hold our Common Stock as part of a straddle, hedge, conversion transaction or other integrated investment, and certain U.S. expatriates).

If a partnership (or other entity or arrangement treated as a partnership for U.S. federal income tax purposes) holds our Common Stock, the tax treatment of a partner will generally depend on the status of the partner and the activities of the partnership. Partners of a partnership holding our Common Stock should consult their tax advisor as to the particular U.S. federal income tax consequences applicable to them.

THIS SUMMARY IS NOT INTENDED TO CONSTITUTE A COMPLETE DESCRIPTION OF ALL TAX CONSEQUENCES FOR NON-U.S. HOLDERS RELATING TO THE OWNERSHIP AND DISPOSITION OF OUR COMMON STOCK. PROSPECTIVE HOLDERS OF OUR COMMON STOCK SHOULD CONSULT WITH THEIR TAX ADVISORS REGARDING THE TAX CONSEQUENCES TO THEM (INCLUDING THE

APPLICATION AND EFFECT OF ANY STATE, LOCAL, FOREIGN INCOME AND OTHER TAX LAWS) OF THE OWNERSHIP AND DISPOSITION OF OUR COMMON STOCK.

Dividends

As discussed in the section titled "Dividend policy," we have no current plans to declare or pay any dividends to our stockholders. In general, any distributions that we do make to a non-U.S. holder with respect to its shares of our Common Stock will be subject to U.S. withholding tax at a rate of 30% of the gross amount, unless the non-U.S. holder is eligible for a reduced rate of withholding tax under an applicable tax treaty and the non-U.S. holder provides proper certification of its eligibility for such reduced rate. A distribution will constitute a dividend for U.S. federal income tax purposes to the extent of our current or accumulated earnings and profits as determined for U.S. federal income tax purposes. Any distribution not constituting a dividend will be treated first as reducing the adjusted basis in the non-U.S. holder's shares of our Common Stock and, to the extent it exceeds the adjusted basis in the non-U.S. holder's shares of our Common Stock, as gain from the sale or exchange of such stock. If the tax withheld from a non-U.S. holder exceeds the holder's U.S. federal income tax liability, the non-U.S. holder may be entitled to obtain a refund or credit of any excess amounts withheld by filing an appropriate claim for such refund or credit with the IRS.

Distributions we pay to a non-U.S. holder that are effectively connected with its conduct of a trade or business within the United States (and, if a tax treaty applies, are attributable to a U.S. permanent establishment) will not be subject to U.S. withholding tax, as described above, if the non-U.S. holder complies with applicable certification and disclosure requirements. Instead, the amount of any distribution constituting a dividend generally will be subject to U.S. federal income tax on a net income basis, in the same manner as if the non-U.S. holder were a resident of the United States. Certain certification and disclosure requirements must be complied with in order for income effectively connected with a trade or business within the United States to be exempt from withholding. Dividends received by a foreign corporation that are effectively connected with its conduct of a trade or business within the United States may be subject to an additional branch profits tax at a rate of 30% (or such lower rate as may be specified by an applicable tax treaty).

Gain on sale or other disposition of Common Stock

In general, a non-U.S. holder will not be subject to U.S. federal income tax on any gain realized upon the sale or other disposition of the non-U.S. holder's shares of our Common Stock unless:

the gain is effectively connected with a trade or business carried on by the non-U.S. holder within the United States (and, if required by an applicable tax treaty, is attributable to a U.S. permanent establishment of such non-U.S. holder); or

we are or have been a U.S. real property holding corporation, which we refer to as a "USRPHC," for U.S. federal income tax purposes at any time within the shorter of the five-year period preceding such disposition or such non-U.S. holder's holding period of our Common Stock and either (a) our Common Stock was not regularly traded on an established securities market at any time during the calendar year in which the disposition occurs, or (b) the non-U.S. holder owns or owned (actually or constructively) more than five percent of the total fair market value of shares of our Common Stock at any time during the five-year period preceding the date of disposition. We are not, and do not anticipate that we will become, a USRPHC for United States federal income tax purposes.

Gain that is effectively connected with the conduct of a trade or business in the United States (or so treated) generally will be subject to U.S. federal income tax, net of certain deductions, at regular U.S. federal income tax rates, subject to a treaty providing otherwise. If the

non-U.S. holder is a foreign corporation, the branch profits tax described above also may apply to such effectively connected gain.

Backup withholding, information reporting and other reporting requirements

We must report annually to the IRS and to each non-U.S. holder the amount of dividends paid to, and the tax withheld with respect to, each non-U.S. holder. These reporting requirements apply regardless of whether withholding was reduced or eliminated by an applicable tax treaty. Copies of this information reporting may also be made available under the provisions of a specific tax treaty or agreement with the tax authorities in the country in which the non-U.S. holder resides or is established.

A non-U.S. holder will generally be subject to backup withholding for dividends on our Common Stock paid to such holder unless such holder certifies under penalties of perjury (usually on an IRS Form W-8BEN) that, among other things, it is a non-U.S. holder (and the payor does not have actual knowledge or reason to know that such holder is a U.S. person as defined under the Code).

Information reporting and backup withholding generally are not required with respect to the amount of any proceeds from the sale or other disposition of our Common Stock by a non-U.S. holder outside the United States through a foreign office of a foreign broker that does not have certain specified connections to the United States. However, if a non-U.S. holder sells or otherwise disposes of its shares of our Common Stock through a U.S. broker or the U.S. offices of a foreign broker, the broker will generally be required to report to the IRS the amount of proceeds paid to the non-U.S. holder and also backup withhold on that amount unless such non-U.S. holder provides appropriate certification (usually on an IRS W-8BEN) to the broker of its status as a non-U.S. person or otherwise establishes an exemption (and the payor does not have actual knowledge or reason to know that such holder is a U.S. person as defined under the Code).

Backup withholding is not an additional income tax. Any amounts withheld under the backup withholding rules from a payment to a non-U.S. holder generally can be credited against the non-U.S. holder's U.S. federal income tax liability, if any, or refunded, provided that the required information is furnished to the IRS in a timely manner. Non-U.S. holders should consult their tax advisors regarding the application of the information reporting and backup withholding rules to them.

New legislation relating to foreign accounts

Newly enacted legislation may impose withholding taxes on certain types of payments made to foreign financial institutions and certain other non-U.S. entities after December 31, 2012. The legislation imposes a 30% withholding tax on dividends on, or gross proceeds from the sale or other disposition of, our Common Stock paid to a foreign financial institution unless the foreign financial institution enters into an agreement with the U.S. Treasury to, among other things, undertake to identify accounts held by certain U.S. persons or U.S.-owned foreign entities, annually report certain information about such accounts, and withhold 30% on payments to account holders whose actions prevent it from complying with these reporting and other requirements. In addition, the legislation imposes a 30% withholding tax on the same types of payments to a foreign non-financial entity unless the entity certifies that it does not have any substantial U.S. owners or furnishes identifying information regarding each substantial U.S. owner. Prospective investors should consult their tax advisors regarding this legislation.

Plan of distribution

We are registering the Common Stock covered by this prospectus to permit selling stockholders to sell these shares from time to time after the date of this prospectus. We will not receive any of the proceeds from the sale of the Common Stock offered by this prospectus. The aggregate proceeds to the selling stockholders from the sale of the Common Stock will be the purchase price of the Common Stock less any discounts and commissions. A selling stockholder reserves the right to accept and, together with their agents, to reject, any proposed purchases of Common Stock to be made directly or through agents.

The Common Stock offered by this prospectus may be sold from time to time to purchasers:

directly by the selling stockholders and their successors, which includes their donees, pledgees or transferees or their successors-in-interest; or

through underwriters, broker-dealers or agents, who may receive compensation in the form of discounts, commissions or agent's commissions from the selling stockholders or the purchasers of the Common Stock. These discounts, concessions or commissions may be in excess of those customary in the types of transactions involved.

To our knowledge, there are currently no plans, arrangements or understandings between any selling stockholders and any underwriter, broker-dealer or agent regarding the sale of the Common Stock by the selling stockholders.

Upon being notified by a selling stockholder that any material arrangement has been entered into with an underwriter, broker, dealer or agent regarding the sale of the Common Stock covered by this prospectus, a revised prospectus or prospectus supplement, if required, will be distributed which will set forth the aggregate amount and the terms of the offering, including the name or names of any underwriters, dealers or agents, any discounts, commissions and other items constituting compensation from the selling stockholders, and any discounts, commissions or concessions allowed or reallocated or paid to dealers. The prospectus supplement and, if necessary, a post-effective amendment to the registration statement of which this prospectus forms a part, will be filed with the SEC to reflect the disclosure of additional information with respect to the distribution of the Common Stock.

The selling stockholders and any underwriters, broker-dealers or agents who participate in the sale or distribution of the Common Stock may be deemed to be underwriters within the meaning of the Securities Act, unless such selling stockholder obtained the stock as compensation for services. The selling stockholders identified as registered broker-dealers in the selling stockholders table in the section titled *Selling Stockholders* are deemed to be underwriters. As a result, any profits on the sale of the Common Stock by such selling stockholders and any discounts, commissions or concessions received by any such broker-dealer or agents may be deemed to be underwriting discounts and commissions under the Securities Act. Selling stockholders who are deemed to be underwriters within the meaning of Section 2(11) of the Securities Act will be subject to prospectus delivery requirements of the Securities Act and to certain statutory liabilities, including, but not limited to, those under Sections 11, 12 and 17 of the Securities Act and Rule 10b-5 under the Exchange Act.

We will make copies of this prospectus available to the selling stockholders. Further, we have informed the selling stockholders of the need for delivery of copies of this prospectus to purchasers at or prior to the time of any sale of the shares hereby.

The Class A Common Stock may be sold in one or more transactions at:

fixed prices;

prevailing market prices at the time of sale;

prices related to such prevailing market prices;

varying prices determined at the time of sale; or

negotiated prices.

These sales may be effected in one or more of the following transactions:

on any national securities exchange or quotation system on which the Class A Common Stock may be listed or quoted at the time of the sale;

in the over-the-counter market;

in privately negotiated transactions;

by pledge to secure debts or other obligations;

in put or call transactions;

in underwritten offerings;

through purchases by a broker or dealer as principal and resale by such broker or dealer for its own account pursuant to this prospectus;

in ordinary brokerage transactions and transactions in which the broker solicits purchasers;

in exchange distributions and/or secondary distributions;

in any other transactions other than on such exchanges or services or in the over-the-counter market;

through the writing of options (including the issuance by the selling stockholders of derivative securities), whether the options or such other derivative securities are listed on an options exchange or otherwise;

through the settlement of short sales made after the effectiveness of the registration statement of which this prospectus is a part; or

through any combination of the foregoing.

These transactions may include block transactions or crosses. Crosses are transactions in which the same broker acts as an agent on both sides of the trade.

In connection with the sales of the Class A Common Stock, the selling stockholders may enter into hedging transactions (but may not engage in any short selling activities prior to the effectiveness of the registration statement of which this prospectus is a part) with broker-dealers or other financial institutions which in turn may:

engage in short sales of the Class A Common Stock in the course of hedging their positions;

sell the Class A Common Stock short and deliver the Class A Common Stock to close out short positions;

loan or pledge the Class A Common Stock to broker-dealers or other financial institutions that in turn may sell the Class A Common Stock;

enter into option or other transactions with broker-dealers or other financial institutions that require the delivery to the broker-dealer or other financial institution of the Class A Common Stock, which the broker-dealer or other financial institution may resell under the prospectus; or

enter into transactions in which a broker-dealer purchases as a principal for resale for its own account or through other types of transactions.

It is impracticable at this time to state the price to the public of the Class B Non-Voting Common Stock. There is currently no trading market for the Class B Non-Voting Common Stock, and we therefore expect that shares of the Class B Non-Voting Common Stock would be sold at a privately negotiated price in a private transaction. We treat the Class A Common Stock and the Class B Non-Voting Common Stock equally and identically, except with respect to voting rights and conversion rights. In addition, each share of Class B Non-Voting Common Stock is convertible into a share of Class A Common Stock at the option of the holder, provided that each share of Class B Non-Voting Common Stock will only become convertible at the time it is transferred to a third party unaffiliated with Société Générale S.A. We therefore anticipate that the privately negotiated price for any sale of the Class B Non-Voting Common Stock would be based, entirely or at least in part, upon the market price of the Class A Common Stock. There can be no assurance that any selling stockholder will sell any or all of the Common Stock under this prospectus. Further, we cannot assure you that any such selling stockholder will not transfer, devise or gift the Common Stock by other means not described in this prospectus. In addition, any Common Stock covered by this prospectus that qualifies for sale

under Rule 144 or Rule 144A of the Securities Act may be sold under Rule 144 or Rule 144A rather than under this prospectus. The Common Stock covered by this prospectus may also be sold to non-U.S. persons outside the U.S. in accordance with Regulation S under the Securities Act rather than under this prospectus. The Common Stock may be sold in some states only through registered or licensed brokers or dealers. In addition, in some states the Common Stock may not be sold unless an exemption from registration or qualification is available and complied with or it has been registered or qualified for sale.

The selling stockholders and any other person participating in the sale of the Common Stock will be subject to the Exchange Act. The Exchange Act rules include, without limitation, Regulation M, which may limit the timing of purchases and sales of any of the Common Stock by the selling stockholders and any other such person. In addition, Regulation M may restrict the ability of any person engaged in the distribution of the Common Stock to engage in market-making activities with respect to the particular Common Stock being distributed. This may affect the marketability of the Common Stock and the ability of any person or entity to engage in market-making activities with respect to the Common Stock.

We have agreed to indemnify each selling stockholder and any underwriter for such selling stockholder (as determined in the Securities Act) against specified liabilities, including liabilities under the Securities Act. The selling stockholders have agreed to indemnify us against specified liabilities, including liabilities under the Securities Act. We have agreed to pay substantially all of the expenses incidental to the registration, offering and sale of the Common Stock to the public, including the payment of federal securities law and state blue sky registration fees and the reasonable fees and disbursements of one counsel for the selling stockholders, except that we will not bear any brokers or underwriters' discounts and commissions, fees and expenses of counsel to underwriters or brokers, transfer taxes or transfer fees relating to the sale of shares of our Common Stock.

In compliance with the guidelines of the Financial Industry Regulatory Authority (FINRA), the maximum amount of all compensation to be received by any FINRA member or independent broker-dealer may not exceed 8% of the sale of any securities offered pursuant to this prospectus.

CUSIP Number

The Committee on Uniform Securities Identification Procedures assigns a unique number, known as a CUSIP number, to a class or issue of securities in which all of the securities have similar rights. Upon issuance, the shares of our Class A Common Stock covered by this prospectus included shares with three different CUSIP numbers, depending upon whether the sale of shares to the selling stockholder was conducted (a) by us under Section 4(2) of the Securities Act and Rule 506 of Regulation D under the Securities Act, (b) by the initial purchaser under Rule 144A under the Securities Act, or (c) by the initial purchaser under Regulation S under the Securities Act. Prior to any registered resale, all of the securities covered by this prospectus are restricted securities under Rule 144 and their designated CUSIP numbers refer to such restricted status.

Any sales of Class A Common Stock pursuant to this prospectus must be settled with shares bearing our general (not necessarily restricted) CUSIP number for our Class A Common Stock. A selling stockholder of Class A Common Stock named in this prospectus may obtain shares bearing our general Class A Common Stock CUSIP number for settlement purposes by presenting the shares to be sold (with a restricted CUSIP), together with a letter of representations from their broker/dealer, to our transfer agent, American Stock Transfer & Trust Company. The process of obtaining such shares might take a number of business days. SEC rules generally require trades in the secondary market to settle in three business days, unless the parties to any such trade expressly agree otherwise. Accordingly, a selling stockholder who holds securities with a restricted CUSIP at the time of the trade might wish to specify an alternate settlement cycle at the time of any such trade to provide sufficient time to obtain the shares with an unrestricted CUSIP in order to prevent a failed settlement.

Legal matters

The validity of the Common Stock offered hereby will be passed upon for us by Munger, Tolles & Olson LLP, Los Angeles, California.

Experts

The consolidated financial statements of Air Lease Corporation and its subsidiaries as of December 31, 2010, and for the period from inception to December 31, 2010, have been included herein in reliance upon the report of KPMG LLP, independent registered public accounting firm, appearing elsewhere herein, and upon the authority of said firm as experts in accounting and auditing.

We have obtained statistical and other information about the airline industry and the airline leasing industry set forth in this prospectus, including all information under the section titled Overview of the aircraft leasing industry and all estimates about future airline industry and airline leasing industry growth appearing elsewhere in this prospectus, from AVITAS, and we have included such information in reliance upon the authority of AVITAS as an expert in statistical and other analysis of the airline industry.

Where you can find additional information

We have filed a registration statement, of which this prospectus is a part and which includes exhibits, schedules and amendments filed with this registration statement, on Form S-1 with the SEC relating to this offering of our Common Stock. This prospectus does not contain all of the information in the registration statement and the exhibits included with the registration statement. References in this prospectus to any of our contracts, agreements or other documents are not necessarily complete, and you should refer to the exhibits attached to the registration statement for copies of the actual contracts, agreements or documents. You may read and copy the registration statement, the related exhibits and other material we file with the SEC at the SEC's public reference room in Washington, D.C. at 100 F Street, Room 1580, N.E., Washington, D.C. 20549. You can also request copies of those documents, upon payment of prescribed fees, by writing to the SEC. Please call the SEC at 1-800-SEC-0330 for further information on the operation of the public reference rooms. Our SEC filings are also available to the public from the SEC's website at www.sec.gov.

We are subject to the informational requirements of the Exchange Act, and, in accordance with the Exchange Act, file reports, proxy and information statements, and other information with the SEC. Such annual, quarterly and current reports, proxy and information statements and other information, can be inspected and copied at the locations set forth above and certain reports and other information are available free of charge on our website at www.airleasecorp.com.

AIR LEASE CORPORATION AND SUBSIDIARIES

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AIR LEASE CORPORATION AND SUBSIDIARIES
Consolidated Balance Sheets
(Unaudited)

See Notes to Consolidated Financial Statements

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AIR LEASE CORPORATION AND SUBSIDIARIES
Consolidated Statements of Operations
(Unaudited)

<i>(in thousands, except share data)</i>	For the three months ended		For the six months ended	For the period from
	2011	June 30, 2010	June 30, 2011	Inception to June 30, 2010
Revenues				
Rental of flight equipment	\$ 74,004	\$ 1,235	\$ 128,616	\$ 1,235
Interest and other	340	474	943	474
Total revenues	74,344	1,709	129,559	1,709
Expenses				
Interest	10,090	1,838	19,150	1,838
Amortization of deferred debt issue costs	2,336	875	4,664	875
Extinguishment of debt	3,349		3,349	
Amortization of convertible debt discounts		35,798		35,798
Interest expense	15,775	38,511	27,163	38,511
Depreciation of flight equipment	24,644	327	42,774	327
Selling, general and administrative	11,284	5,759	21,149	6,236
Stock-based compensation	11,753	2,255	22,660	2,255
Total expenses	63,456	46,852	113,746	47,329
Income (loss) before taxes	10,888	(45,143)	15,813	(45,620)
Income tax (expense) benefit	(3,865)	4,002	(5,614)	4,002
Net income (loss)	\$ 7,023	\$ (41,141)	\$ 10,199	\$ (41,618)
Net income (loss) attributable to common shareholders per share				
Net income (loss)				
Basic	\$ 0.08	\$ (2.37)	\$ 0.13	\$ (4.17)
Diluted	\$ 0.08	\$ (2.37)	\$ 0.13	\$ (4.17)
Weighted-average shares outstanding				
Basic	91,039,329	17,394,121	78,287,085	9,981,375
Diluted	91,163,657	17,394,121	78,408,463	9,981,375

See Notes to Consolidated Financial Statements

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AIR LEASE CORPORATION AND SUBSIDIARIES
Consolidated Statement of Shareholders' Equity
(Unaudited)

	Preferred Stock	Class A		Class B Non-Voting		Paid-in Capital	Accumulated Deficit	Total
		Shares	Amount	Shares	Amount			
<i>(in thousands, except share data)</i>								
Balance at December 31, 2010	\$	63,563,810	\$ 636	1,829,339	\$ 18	\$ 1,276,321	\$ (52,040)	\$ 1,224,935
Class A Common Stock issuance		34,825,470	348			868,206		868,554
Issuance of restricted stock units, net		495,851						
Stock based compensation						22,660		22,660
Net income							10,199	10,199
Balance at June 30, 2011	\$	98,885,131	\$ 984	1,829,339	\$ 18	\$ 2,167,187	\$ (41,841)	\$ 2,126,348

See Notes to Consolidated Financial Statements

AIR LEASE CORPORATION AND SUBSIDIARIES
Consolidated Statement of Cash Flows
(Unaudited)

<i>(dollars in thousands)</i>	For the six months ended June 30, 2011	For the period from Inception to June 30, 2010
Operating Activities		
Net income (loss)	\$ 10,199	\$ (41,618)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation of flight equipment	42,774	327
Stock-based compensation	22,660	2,255
Deferred taxes	5,614	(4,002)
Amortization of deferred debt issue costs	4,664	875
Extinguishment of debt	3,349	
Amortization of convertible debt discounts		35,798
Changes in operating assets and liabilities:		
Lease receivables and other assets	(16,327)	(1,199)
Accrued interest and other payables	6,932	7,424
Rentals received in advance	7,167	2,159
Net cash provided by operating activities	87,032	2,019
Investing Activities		
Acquisition of flight equipment under operating lease	(1,177,551)	(319,585)
Payments for deposits on flight equipment purchases	(169,143)	(15,850)
Acquisition of furnishings, equipment and other assets	(24,629)	(166)
Net cash used in investing activities	(1,371,323)	(335,601)
Financing Activities		
Issuance of common stock and warrants	868,554	1,059,707
Issuance of convertible notes		60,000
Proceeds from debt financings	945,750	29,300
Payments in reduction of debt financings	(474,161)	(4,300)
Restricted cash	(20,186)	(16,394)
Debt issue costs	(9,565)	(47,006)
Changes in security deposits and maintenance reserves on flight equipment leases	90,116	9,136
Net cash provided by financing activities	1,400,508	1,090,443

Net increase in cash	116,217	756,861
Cash at beginning of period	328,821	
Cash at end of period	\$ 445,038	\$ 756,861

Supplemental Disclosure of Cash Flow Information

Cash paid during the period for interest, including capitalized interest of \$4,214 at June 30, 2011 and capitalized interest of \$66 at June 30, 2010	\$ 22,801	\$ 294
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Supplemental Disclosure of Noncash Activities

Deposits on flight equipment purchases applied to acquisition of flight equipment under operating leases	\$ 33,408	\$ 250
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See Notes to Consolidated Financial Statements

AIR LEASE CORPORATION AND SUBSIDIARIES

Notes to Consolidated Financial Statements

June 30, 2011

(Unaudited)

1. Company Background and Overview

Organization

Air Lease Corporation (the Company, ALC, we, our or us) was incorporated in the State of Delaware and licensed to operate in the State of California. We commenced operations in February 2010 and elected a fiscal year end of December 31. The Company is principally engaged in the leasing of commercial aircraft to airlines throughout the world. We supplement our leasing revenues by providing fleet management and remarketing services to third parties. We typically provide many of the same services that we perform for our fleet, including leasing, re-leasing, lease management and sales services for which we charge a fee, with the objective of assisting our clients to maximize lease or sale revenues.

Initial Public Offering

On April 25, 2011, we completed an initial public offering of our Class A Common Stock and listing of our shares on the New York Stock Exchange (NYSE) under the symbol AL . The offering was upsized by 20% and the underwriters exercised their over-allotment option in full, resulting in the sale of an aggregate of 34,825,470 shares of Class A Common Stock. We received gross proceeds of \$922.9 million.

Shelf Registration Statement

In accordance with its obligations under the Registration Rights Agreement, dated June 4, 2010, by and between our Company and FBR Capital Markets & Co, the Company filed with the Securities and Exchange Commission a shelf registration statement through a Registration Statement on Form S-1 (File No. 333-173817). Once effective it is anticipated that the shelf registration statement will provide for the resale of the following registrable shares:

(i) 61,810,867 shares of Class A Common Stock, including up to 482,625 shares of Class A Common Stock issuable upon exercise of outstanding warrants and up to 1,829,339 shares of Class A Common Stock issuable upon conversion of outstanding Class B Non-Voting Common Stock, and (ii) 1,829,339 shares of Class B Non-Voting Common Stock.

2. Basis of Preparation

The Company consolidates financial statements of all entities in which we have a controlling financial interest, including the account of any Variable Interest Entity in which we have a controlling financial interest and for which we are determined to be the primary beneficiary. Certain prior year amounts have been reclassified to conform to the 2011 presentation. The accompanying Consolidated Financial Statements have been prepared in accordance with Generally Accepted Accounting Principles in the United States of America (GAAP) for interim financial information and in accordance with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by GAAP for complete financial statements. All material intercompany balances are eliminated in consolidation.

The accompanying unaudited consolidated financial statements include all adjustments, including normally recurring adjustments, necessary to present fairly the Company's financial position, results of operations and cash flows at June 30, 2011, and for all periods presented. The results of operations for the three- and six-months ended June 30, 2011, are not necessarily indicative of the operating results expected for the year ending December 31, 2011. These financial statements should be read in conjunction with the financial statements and related notes included in the Company's final prospectus filed with the Securities and Exchange Commission on April 19, 2011 pursuant to Rule 424(b) under the Securities Act of 1933 (Rule 424(b)) in connection with our public offering.

AIR LEASE CORPORATION AND SUBSIDIARIES
Notes to Consolidated Financial Statements
June 30, 2011
(Unaudited)

3. Debt Financing

The Company's consolidated debt as of June 30, 2011 and December 31, 2010 are summarized below:

<i>(dollars in thousands)</i>	June 30, 2011	December 31, 2010
Warehouse facility	\$ 709,252	\$ 554,915
Secured term financing	503,419	223,981
Unsecured financing	170,899	133,085
Total	\$ 1,383,570	\$ 911,981

The Company's secured obligations as of June 30, 2011 and December 31, 2010 are summarized below:

<i>(dollars in thousands)</i>	June 30, 2011	December 31, 2010
Non-recourse	\$ 740,242	\$ 573,222
With recourse	472,429	205,674
Total	\$ 1,212,671	\$ 778,896
Number of aircraft pledged as collateral	40	29
Net book value of aircraft pledged as collateral	\$ 1,939,832	\$ 1,266,762

a. Warehouse Facility

On April 1, 2011, the Company executed an amendment to the Company's non-recourse, revolving credit facility (the Warehouse Facility) that took effect on April 21, 2011. This facility, as amended, provides us with financing of up to \$1.25 billion, modified from the original facility size of \$1.5 billion. We are able to draw on this facility, as amended, during an availability period that ends in June 2013. Prior to the amendment of the Warehouse Facility, the Warehouse Facility accrued interest during the availability period based on LIBOR plus 3.25% on drawn balances and at a rate of 1.00% on undrawn balances. Following the amendment, the Warehouse Facility accrues interest during the availability period based on LIBOR plus 2.50% on drawn balances and 0.75% on undrawn balances. Pursuant to the amendment, the advance level under the facility was increased from 65.0% of the appraised value of the pledged aircraft and 50.0% of the pledged cash to 70.0% of the appraised value of the pledged aircraft and 50.0% of the pledged cash. The outstanding drawn balance at the end of the availability period may be converted at our option to an amortizing, four-year term loan with an interest rate of LIBOR plus 3.25% for the initial three years of the term and margin step-ups during the remaining year that increase the interest to LIBOR plus 4.75%. As a result of amending the Warehouse Facility, we recorded an extinguishment of debt charge of \$3.3 million from the write-off of deferred debt issue costs when the amendment became effective on April 21, 2011.

During the second quarter of 2011, the Company drew \$104.9 million under the Warehouse Facility and incrementally pledged \$163.1 million in aircraft collateral. As of June 30, 2011, the Company had borrowed \$709.3 million under the Warehouse Facility and pledged 28 aircraft as collateral with a net book value of

\$1.2 billion. As of December 31, 2010, the Company had borrowed \$554.9 million under the Warehouse Facility and pledged 23 aircraft as collateral with a net book value of \$930.0 million. The Company had pledged cash collateral and lessee deposits of \$67.5 million and \$48.3 million at June 30, 2011 and December 31, 2010, respectively.

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AIR LEASE CORPORATION AND SUBSIDIARIES
Notes to Consolidated Financial Statements
June 30, 2011
(Unaudited)

b. Secured Term Financing

During the second quarter of 2011, two of our wholly-owned subsidiaries entered into two separate secured term facilities, with recourse to the Company, aggregating \$82.8 million. The two facilities consisted of a three-year \$20.3 million facility at a floating rate of LIBOR plus 2.75% and a \$62.5 million facility with an eight-year \$56.0 million tranche at a rate of LIBOR plus 2.99% and a two-year \$6.5 million tranche at a rate of LIBOR plus 2.10%. In connection with these facilities, the Company pledged \$129.0 million in aircraft collateral.

The outstanding balance on our secured term facilities was \$503.4 million and \$224.0 million at June 30, 2011 and December 31, 2010, respectively.

c. Unsecured Financing

During the second quarter of 2011, the Company issued \$120.0 million in senior unsecured notes in a private placement to institutional investors. The notes have a five-year term and a coupon of 5.0%. In addition, we entered into two five-year and one three-year unsecured term facilities totaling \$17.0 million with interest rates ranging from 3.0% to 4.0%.

We ended the second quarter of 2011 with a total of nine unsecured term facilities. The total amount outstanding under our unsecured term facilities was \$170.9 million and \$13.1 million as of June 30, 2011 and December 31, 2010, respectively.

In addition, we increased the capacity of one of our existing three-year revolving unsecured credit facilities from \$25.0 million to \$30.0 million. The Company ended the second quarter of 2011 with a total of 12 bilateral revolving unsecured credit facilities aggregating \$313.0 million, each with a borrowing rate of LIBOR plus 2.00%. We did not have any amounts outstanding under our bilateral revolving unsecured credit facilities as of June 30, 2011 compared to \$120.0 million outstanding as of December 31, 2010.

d. Maturities

Maturities of debt outstanding as of June 30, 2011 are as follows:

(dollars in thousands)

Years ending December 31,	
2011	\$ 35,063
2012	71,637
2013	204,764
2014	220,973
2015	228,611
Thereafter	622,522
Total	\$ 1,383,570⁽¹⁾

- (1) As of June 30, 2011, the Company had \$709.3 million of debt outstanding under the Warehouse Facility which will come due beginning in June 2013. The outstanding drawn balance at the end of the availability period may be converted at the Company's option to an amortizing, four-year term loan with an increasing interest rate and has been presented as if such option were exercised in the maturity schedule, above.

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4. Commitments and Contingencies**a. Aircraft Acquisition**

As of June 30, 2011, we had commitments to acquire a total of 234 new and nine used aircraft for delivery as follows:

Aircraft Type	2011 ⁽¹⁾	2012	2013	2014	2015	Thereafter	Total
Airbus A319-100	1						1
Airbus A320/321-200	5	10	13	12	7		47
Airbus A320/321 NEO ⁽²⁾⁽³⁾						50	50
Airbus A330-200/300	6	6					12
Boeing 737-700	2						2
Boeing 737-800 ⁽²⁾	2	3	12	12	14	37	80
Boeing 767-300ER	2						2
Boeing 777-300ER ⁽³⁾				2	3		5
Boeing 787-9 ⁽³⁾						4	4
Embraer E175/190	11	19					30
ATR 72-600	2	8					10
Total	31	46	25	26	24	91	243

(1) Of the 31 aircraft that we will acquire in the remainder of 2011, the following nine aircraft will be used aircraft: the A319-100, one A320-200, one A330-200, both 737-700s, both 737-800s and both 767-300ERs.

(2) We have cancellation rights with respect to 14 of the Airbus A320/321 NEO aircraft and four of the Boeing 737-800 aircraft.

(3) As of June 30, 2011, the Airbus A320/321 NEO aircraft, the Boeing 777-300ER aircraft and the Boeing 787-9 aircraft were subject to non-binding memoranda of understanding for the purchase of these aircraft.

Commitments for the acquisition of these aircraft at an estimated aggregate purchase price (including adjustments for inflation) of approximately \$11.9 billion at June 30, 2011 are as follows:

(dollars in thousands)

Years ending December 31,	
2011	\$ 1,289,930
2012	1,817,592
2013	1,210,000
2014	1,408,662
2015	1,381,692
Thereafter	4,756,915
Total	\$ 11,864,791

We have made non-refundable deposits on the aircraft for which we have commitments to purchase of \$319.1 million and \$183.4 million as of June 30, 2011 and December 31, 2010, respectively. If we are unable to satisfy our purchase commitments we may be forced to forfeit our deposits. Further, we would be exposed to breach of contract claims by our lessees and manufacturers.

AIR LEASE CORPORATION AND SUBSIDIARIES
Notes to Consolidated Financial Statements
June 30, 2011
(Unaudited)

b. Office Lease

The Company's lease for office space provides for step rentals over the term of the lease. Those rentals are considered in the evaluation of recording rent expense on a straight-line basis over the term of the lease. Tenant improvement allowances received from the lessor are deferred and amortized in selling, general and administrative expenses against rent expense. Commitments for minimum rentals under the non-cancelable lease term at June 30, 2011 are as follows:

(dollars in thousands)

Years ending December 31,	
2011	\$
2012	1,441
2013	2,325
2014	2,395
2015	2,467
Thereafter	23,241
Total	\$ 31,869

5. Net Earnings Per Share

Basic net earnings per share is computed by dividing net income (loss) by the weighted average number of common shares outstanding for the period. Diluted earnings per share reflects the potential dilution that would occur if securities or other contracts to issue common stock were exercised or converted into common stock; however, potential common equivalent shares are excluded if the effect of including these shares would be anti-dilutive. The Company's two classes of common stock, Class A and Class B Non-Voting, have equal rights to dividends and income, and therefore, basic and diluted earnings per share are the same for each class of common stock.

Diluted net earnings per share takes into account the potential conversion of stock options, restricted stock units and warrants using the treasury stock method. For the three months ended June 30, 2011 and 2010, the Company excluded 3,375,908 and 2,450,000 shares related to stock options which are potentially dilutive securities from the computation of diluted earnings per share because including these shares would be anti-dilutive. For the six months ended June 30, 2011 and the period from inception to June 30, 2010, the Company excluded 3,375,908 and 2,450,000 shares related to stock options which are potentially dilutive securities from the computation of diluted earnings per share because including these shares would be anti-dilutive. In addition, the Company excluded 2,613,989 and 2,450,000 shares related to restricted stock units for which the performance metric had yet to be achieved as of June 30, 2011 and 2010, respectively.

The following table sets forth the reconciliation of basic and diluted net income (loss) per share:

For the three months ended June 30,	For the six months ended	For the period from
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<i>(in thousands, except share data)</i>	2011	2010	June 30, 2011	Inception to June 30, 2010
Numerator:				
Net income (loss) available to common shareholders basic and diluted EPS	\$ 7,023	\$ (41,141)	\$ 10,199	\$ (41,618)
Denominator:				
Basic earnings per share weighted average common shares	91,039,329	17,394,121	78,287,085	9,981,375
Effect of dilutive securities	124,328		121,378	
Diluted earnings per share weighted average common shares	91,163,657	17,394,121	78,408,463	9,981,375
Net income (loss) per share:				
Basic	\$ 0.08	\$ (2.37)	\$ 0.13	\$ (4.17)
Diluted	\$ 0.08	\$ (2.37)	\$ 0.13	\$ (4.17)

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AIR LEASE CORPORATION AND SUBSIDIARIES
Notes to Consolidated Financial Statements
June 30, 2011
(Unaudited)

6. Fair Value Measurements

a. Assets and Liabilities Measured at Fair Value on a Recurring and Non-recurring Basis

The Company had no assets or liabilities which are measured at fair value on a recurring or non-recurring basis as of June 30, 2011 or December 31, 2010.

b. Fair Value of Financial Instruments

The carrying value reported on the balance sheet for cash and cash equivalents, restricted cash and other payables approximates their fair value.

The fair value of debt financing is estimated based on the quoted market prices for the same or similar issues, or on the current rates offered to the Company for debt of the same remaining maturities. The estimated fair value of debt financing as of June 30, 2011 was \$1,396.7 million compared to a book value of \$1,383.6 million. The estimated fair value of debt financing as of December 31, 2010 was \$931.2 million compared to a book value of \$912.0 million.

7. Equity Based Compensation

In accordance with the Amended and Restated Air Lease Corporation 2010 Equity Incentive Plan (the Plan), the maximum number of shares of Common Stock that may be issued under the Plan, including in settlement of Stock Options (Stock Options) and Restricted Stock Units (RSUs), is approximately 8,193,088 shares as of June 30, 2011. From inception of the Plan through June 30, 2011, the Company had granted 3,375,908 Stock Options and 3,457,964 RSUs.

The Company recorded \$11.8 million and \$2.3 million of stock-based compensation expense for the three months ended June 30, 2011 and 2010, respectively. Stock-based compensation expense for the six months ended June 30, 2011 and the period from inception to June 30, 2010, totaled \$22.7 million and \$2.3 million, respectively.

a. Stock Options

The Company uses the Black-Scholes option pricing model to determine the fair value of stock options. The fair value of stock-based payment awards on the date of grant is determined by an option-pricing model using a number of complex and subjective variables. These variables include expected stock price volatility over the term of the awards, actual and projected employee stock option exercise behaviors, a risk-free interest rate and expected dividends.

Estimated volatility of the Company's common stock for new grants is determined by using historical volatility of the Company's peer group. Due to our limited operating history, there is no historical exercise data to provide a reasonable basis which the Company can use to estimate expected terms. Accordingly, the Company uses the simplified method as permitted under Staff Accounting Bulletin No. 110. The risk-free interest rate used in the option valuation model is derived from U.S. Treasury zero-coupon issues with remaining terms similar to the expected term on the options. The Company does not anticipate paying any cash dividends in the foreseeable future and therefore uses an assumed dividend yield of zero in the option valuation model. In accordance with ASC Topic 718, Compensation - Stock Compensation, the Company estimates forfeitures at the time of grant and revises those estimates in subsequent periods if actual forfeitures differ from those estimates. The average assumptions used to value stock-based payments are as follows:

	For the three months ended	For the six months ended June 30, 2011	For the period from Inception to June 30, 2010
	2011	June 30, 2010	June 30, 2010
Dividend yield	None	None	None
	5.9	6.0	5.9
Expected term	years	years	years
Risk-free interest rate	2.4%	2.5%	2.4%
Volatility	50.2%	55.1%	50.2%
Forfeiture rate	0.0%	0.0%	0.0%

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AIR LEASE CORPORATION AND SUBSIDIARIES
Notes to Consolidated Financial Statements
June 30, 2011
(Unaudited)

A summary of Stock Option activity in accordance with the Plan as of June 30, 2011 and 2010, and changes for the six-month period and the period from inception then ended follows:

	Shares	Exercise price	Remaining contractual term (in years)	Aggregate intrinsic value (in thousands)
Options outstanding at inception				
Granted	2,450,000	\$ 20.00	9.9	
Exercised				
Cancelled				
Options outstanding at June 30, 2010	2,450,000	\$ 20.00	9.9	
Options exercisable at June 30, 2010				
Options outstanding at January 1, 2011	3,225,908	\$ 20.00	9.5	\$ 1,612
Granted	150,000	28.80	9.8	
Exercised				
Cancelled				
Options outstanding at June 30, 2011	3,375,908	\$ 20.39	9.0	\$ 13,839
Options exercisable at June 30, 2011	1,125,292	\$ 20.00	9.0	\$ 4,828

The Company recorded \$3.0 million and \$0.6 million of stock-based compensation expense related to employee Stock Options for the three months ended June 30, 2011 and 2010, respectively. Stock-based compensation expense related to employee Stock Options for the six months ended June 30, 2011 and the period from inception to June 30, 2010, totaled \$5.8 million and \$0.6 million, respectively.

b. Restricted Stock Unit Plan

The following is a summary of activity relating to RSUs:

	For the three months ended June 30, 2011	For the three months ended June 30, 2010	For the six months ended June 30, 2011	For the period from Inception to June 30, 2010
Beginning restricted stock units	3,225,907		3,225,907	
Shares awarded	232,057	2,450,000	232,057	2,450,000

Shares vested	(843,975)		(843,975)	
Shares forfeited				
Ending restricted stock units	2,613,989	2,450,000	2,613,989	2,450,000

At June 30, 2011, the outstanding RSUs are expected to vest as follows: 2012 895,477; 2013 874,530; 2014 843,982. The Company recorded \$8.7 million and \$1.7 million of stock-based compensation expense related to RSUs for the three months ended June 30, 2011 and 2010, respectively. Stock-based compensation expense related to RSUs for the six months ended June 30, 2011 and the period from inception to June 30, 2010, totaled \$16.9 million and \$1.7 million, respectively.

As of June 30, 2011, there was \$59.4 million of unrecognized compensation cost, adjusted for estimated forfeitures, related to unvested stock-based payments granted to employees. Total unrecognized compensation cost will be adjusted for future changes in estimated forfeitures and is expected to be recognized over a weighted average remaining period of 2.6 years.

8. Subsequent Events

During July 2011, one of our wholly-owned subsidiaries entered into a twelve-year \$70.9 million secured term facility, with recourse to the Company, at a floating rate of LIBOR plus 1.50%. In addition, the Company entered into two separate fixed-rate amortizing unsecured facilities including a five-year \$5.0 million facility with an interest rate of 3.85% and a three-year \$35.0 million facility with an interest rate of 3.25%.

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Report of Independent Registered Public Accounting Firm

The Board of Directors and Shareholders
Air Lease Corporation:

We have audited the accompanying consolidated balance sheet of Air Lease Corporation and subsidiaries as of December 31, 2010, and the related consolidated statements of operations, shareholders' equity and cash flows for the period from inception to December 31, 2010. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Air Lease Corporation and subsidiaries as of December 31, 2010, and the results of their operations and their cash flows for the period from inception to December 31, 2010, in conformity with U.S. generally accepted accounting principles.

/s/ KPMG LLP

San Francisco, California
February 21, 2011, except for Note 13, as to which the date is June 30, 2011

AIR LEASE CORPORATION AND SUBSIDIARIES**Consolidated Balance Sheet**

(In thousands, except share data)	December 31, 2010
Assets	
Cash and cash equivalents	\$ 328,821
Restricted cash	48,676
Flight equipment subject to operating leases	1,649,071
Less accumulated depreciation	(19,262)
	1,629,809
Deposits on flight equipment purchases	183,367
Deferred debt issue costs less accumulated amortization of \$4,754	46,422
Deferred taxes	8,875
Other assets	30,312
Total assets	\$ 2,276,282
Liabilities and Shareholders Equity	
Accrued interest and other payables	\$ 22,054
Debt financing	911,981
Security deposits and maintenance reserves on flight equipment leases	109,274
Rentals received in advance	8,038
Total liabilities	1,051,347
Shareholders Equity	
Preferred Stock, \$0.01 par value; 50,000,000 shares authorized no shares issued or outstanding	
Class A Common Stock, \$0.01 par value; 500,000,000 shares authorized 63,563,810 shares issued and outstanding	636
Class B Non-Voting Common Stock, \$0.01 par value; 10,000,000 shares authorized 1,829,339 shares issued and outstanding	18
Paid-in capital	1,276,321
Accumulated deficit	(52,040)
Total shareholders equity	1,224,935
Total liabilities and shareholders equity	\$ 2,276,282

See Notes to Consolidated Financial Statements

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AIR LEASE CORPORATION AND SUBSIDIARIES**Consolidated Statement of Operations**

(In thousands, except share data)	For the period from Inception to December 31, 2010	
Revenues		
Rental of flight equipment	\$	57,075
Interest and other		1,291
Total revenues		58,366
Expenses		
Interest		11,062
Amortization of deferred debt issuance cost		4,883
Amortization of convertible debt discounts		35,798
Interest expense		51,743
Depreciation of flight equipment		19,262
Selling, general and administrative		24,232
Stock-based compensation		24,044
Total expenses		119,281
Loss before taxes		(60,915)
Income tax benefit		8,875
Net loss	\$	(52,040)
Net loss attributable to common shareholders per share		
Net loss		
Basic	\$	(1.32)
Diluted	\$	(1.32)
Weighted-average shares outstanding		
Basic		39,511,045
Diluted		39,511,045

See Notes to Consolidated Financial Statements

AIR LEASE CORPORATION AND SUBSIDIARIES**Consolidated Statement of Shareholders' Equity
For the period from Inception to December 31, 2010**

Thousands, except share data	Preferred Stock Shares	Preferred Stock Amount	Class A Common Stock		Class B Non-Voting Common Stock		Paid-in Capital	Accumulated Deficit	Total
			Shares	Amount	Shares	Amount			
Balance at inception		\$		\$		\$	\$	\$	\$
Class A Common Stock issuance			55,750,972	558			1,026,082		1,026,082
Class B Non-Voting Common Stock issuance					6,308,844	63	124,852		124,852
Class B conversion to Class A			4,479,505	45	(4,479,505)	(45)			
Exercise of warrants							5,578		5,578
Conversion of convertible notes			3,333,333	33			59,967		59,967
Convertible debt discounts							35,798		35,798
Share-based compensation							24,044		24,044
(Loss)								(52,040)	(52,040)
Balance at December 31, 2010		\$	63,563,810	\$ 636	1,829,339	\$ 18	\$ 1,276,321	\$ (52,040)	\$ 1,224,014

See Notes to Consolidated Financial Statements

AIR LEASE CORPORATION AND SUBSIDIARIES**Consolidated Statement of Cash Flows**

(dollars in thousands)	For the period from Inception to December 31, 2010
Operating Activities	
Net loss	\$ (52,040)
Adjustments to reconcile net loss to net cash provided by operating activities:	
Depreciation of flight equipment	19,262
Stock-based compensation	24,044
Deferred taxes	(8,875)
Amortization of deferred debt issue costs	4,883
Amortization of convertible debt discounts	35,798
Changes in operating assets and liabilities:	
Lease receivables and other assets	(8,040)
Accrued interest and other payables	22,054
Rentals received in advance	8,038
Net cash provided by operating activities	45,124
Investing Activities	
Acquisition of flight equipment under operating lease	(1,649,071)
Payments for deposits on flight equipment purchases	(183,367)
Acquisition of furnishings, equipment and other assets	(22,272)
Net cash used in investing activities	(1,854,710)
Financing Activities	
Issuance of common stock and warrants	1,157,133
Issuance of convertible notes	60,000
Proceeds from debt financings	916,921
Payments in reduction of debt financings	(4,940)
Restricted cash	(48,676)
Debt issue costs	(51,305)
Changes in security deposits and maintenance reserves on flight equipment leases	109,274
Net cash provided by financing activities	2,138,407
Net increase in cash	328,821
Cash at inception	
Cash at end of period	\$ 328,821

Supplemental Disclosure of Cash Flow Information

Cash paid during the period for interest, excluding capitalized interest of \$1,769	\$	12,723
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Supplemental Disclosure of Noncash Activities

Conversion of convertible notes to Class A Common Stock	\$	60,000
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See Notes to Consolidated Financial Statements

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Air Lease Corporation and Subsidiaries

Notes to Consolidated Financial Statements

December 31, 2010

1. Summary of Significant Accounting Policies

a. Organization

Air Lease Corporation (the Company, ALC, we, our or us) was incorporated in the State of Delaware and licensed to operate in the State of California. We commenced operations in February 2010 and elected a fiscal year end of December 31. The Company is principally engaged in the leasing of commercial aircraft to airlines throughout the world. We plan to supplement our leasing revenues by providing fleet management and remarketing services to third parties. We will typically provide many of the same services that we perform for our fleet, including leasing, re-leasing, lease management and sales services for which we will charge a fee, with the objective of assisting our clients to maximize lease or sale revenues.

b. Principles of Consolidation

The Company will consolidate financial statements of all entities in which we have a controlling financial interest, including the account of any Variable Interest Entity in which we have a controlling financial interest and for which we are thus the primary beneficiary. All material intercompany balances are eliminated in consolidation.

c. Rental of Flight Equipment

The Company leases flight equipment principally under operating leases and reports rental income ratably over the life of each lease. Rentals received, but unearned, under the lease agreements are recorded in Rentals received in advance on the Company's Consolidated Balance Sheet until earned. The difference between the rental income recorded and the cash received under the provisions of the lease is included in Lease receivables, as a component of Other assets on the Company's Consolidated Balance Sheet. An allowance for doubtful accounts will be recognized for past-due rentals based on management's assessment of collectability. Management will monitor all lessees with past due lease payments and discuss relevant operational and financial issues facing those lessees with its marketing executives in order to determine an appropriate allowance for doubtful accounts. In addition, if collection is not reasonably assured, the Company will not recognize rental income for amounts due under the Company's lease contracts and will recognize revenue for such lessees on a cash basis. As of December 31, 2010, the Company had no such allowance, and no leases were on a cash basis.

All of the Company's lease agreements are triple net leases whereby the lessee is responsible for all taxes, insurance, and aircraft maintenance. In the future, we may incur repair and maintenance expenses for off-lease aircraft. We recognize overhaul expense in our Consolidated Statement of Operations for all such expenditures. In many operating lease contracts, the lessee is obligated to make periodic payments of supplemental maintenance rent, which is calculated with reference to the utilization of the airframe, engines and other major life-limited components during the lease. In these leases, we will make a payment to the lessee to compensate the lessee for the cost of the actual major maintenance incurred, up to the maximum of the amount of supplemental maintenance rental payments made by the lessee.

during the lease term. These payments are made upon the lessee's presentation of invoices evidencing the completion of such qualifying major maintenance. The Company records as rental revenue, the portion of supplemental maintenance rent that is virtually certain will not be reimbursed to the lessee. Supplemental maintenance rental payments which we may be required to reimburse to the lessee are reflected in our overhaul reserve liability, as a component of Security deposits and overhaul reserves on flight equipment leases in our Consolidated Balance Sheet.

Lessee-specific modifications are expected to be capitalized as initial direct costs and amortized over the term of the lease into rental revenue in our Consolidated Statement of Operations.

d. Initial Direct Costs

The Company records as period costs those internal and other costs incurred in connection with identifying, negotiating and delivering aircraft to the Company's lessees. Amounts paid by us to lessees, or other parties, in connection with the lease transactions are capitalized and amortized as a reduction to lease revenue over the lease term.

e. Cash and Cash Equivalents

The Company considers cash and cash equivalents to be cash on hand and highly liquid investments with original maturity dates of 90 days or less.

f. Restricted Cash

Restricted cash consists of pledged security deposits, maintenance reserves, and rental payments related to secured aircraft financing arrangements.

g. Flight Equipment

Flight equipment under operating lease is stated at cost less accumulated depreciation. Purchases, major additions and modifications, and interest on deposits during the construction phase are capitalized. The Company generally depreciates passenger aircraft on a straight-line basis over a 25-year life from the date of manufacture to a 15% residual value. Changes in the assumption of useful lives or residual values for aircraft could have a significant impact on the Company's results of operations and financial condition.

At the time flight equipment is retired or sold, the cost and accumulated depreciation are removed from the related accounts and the difference, net of proceeds, is recorded as a gain or loss on our Consolidated Statement of Operations.

Management evaluates on a quarterly basis the need to perform an impairment test whenever facts or circumstances indicate a potential impairment has occurred. An assessment is performed whenever events or changes in circumstances indicate that the carrying amount of an aircraft may not be recoverable. Recoverability of an aircraft's carrying amount is measured by comparing the carrying amount of the aircraft to future undiscounted net cash flows expected to be generated by the aircraft. The undiscounted cash flows consist of cash flows from currently contracted leases, future projected lease rates and estimated residual or scrap values for each aircraft. We develop assumptions used in the recoverability analysis based on our knowledge of active lease contracts, current and future expectations of the global demand for a particular aircraft type, and historical experience in the aircraft leasing market and aviation

industry, as well as information received from third-party industry sources. The factors considered in estimating the undiscounted cash flows are affected by changes in future periods due to changes in contracted lease rates, economic conditions, technology and airline demand for a particular aircraft type. In the event that an aircraft does not meet the recoverability test, the aircraft will be recorded at fair value in accordance with the Company's Fair Value Policy, resulting in an impairment charge. Our Fair Value Policy is described below under Fair Value Measurements. As of December 31, 2010, no impairment charges have been incurred to date.

h. Capitalized Interest

The Company may borrow funds to finance deposits on flight equipment purchases. The Company capitalizes interest expense on such borrowings. The capitalized amount is calculated using our composite borrowing rate and is recorded as an increase to the cost of the flight equipment on our Consolidated Balance Sheet.

i. Fair Value Measurements

Fair value is the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Company measures the fair value of certain assets on a non-recurring basis, principally our flight equipment, when Generally Accepted Accounting Principles (GAAP) requires the application of fair value, including events or changes in circumstances that indicate that the carrying amounts of assets may not be recoverable.

The Company records flight equipment at fair value when we determine the carrying value may not be recoverable. The Company principally uses the income approach to measure the fair value of flight equipment. The income approach is based on the present value of cash flows from contractual lease agreements and projected future lease payments, including contingent rentals, net of expenses, which extend to the end of the aircraft's economic life in its highest and best use configuration, as well as a disposition value based on expectations of market participants. These valuations are considered Level 3 valuations, as the valuations contain significant non-observable inputs.

j. Income Taxes

The Company uses the asset and liability method of accounting for income taxes. Under the asset and liability method, deferred income taxes are recognized for the tax consequences of temporary differences by applying enacted statutory tax rates applicable to future years to differences between the financial statement carrying amounts and the tax bases of existing assets and liabilities. The effect on deferred taxes of a change in the tax rates is recognized in income in the period that includes the enactment date. The Company records a valuation allowance for deferred tax assets when the probability of realization of the full value of the asset is less than 50%. The Company recognizes the impact of a tax position, if that position is more than 50% likely to be sustained on audit, based on the technical merits of the position. Recognized income tax positions are measured at the largest amount that is greater than 50% likely to be realized. Changes in recognition or measurement are reflected in the period in which the change in judgment occurs.

The Company recognizes interest and penalties for uncertain tax positions in income tax expense.

k. Deferred Costs

The Company incurs debt issue costs in connection with debt financings. Those costs are deferred and amortized over the life of the specific loan using the effective interest method and charged to interest expense. The Company also incurs costs in connection with equity offerings. Such costs are deferred until the equity offering is completed and either netted against the equity raised, or expensed if the equity offering is abandoned.

l. Stock-based Compensation

Stock-based compensation cost is measured at the grant date based on the fair value of the award. The Company recognizes compensation costs for shares that are expected to vest, on a straight-line basis, over the requisite service period of the award.

m. Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

2. Debt Financing

The Company's consolidated debt as of December 31, 2010 is summarized below:

(dollars in thousands)	December 31, 2010
Warehouse credit facility	\$ 554,915
Secured term debt financing	223,981
Unsecured financing	133,085
Total	\$ 911,981

a. Warehouse Facility

On May 26, 2010, a wholly-owned subsidiary of the Company entered into a revolving credit facility to finance the acquisition of aircraft. This facility provides the Company with access to \$1.5 billion from a bank syndicate (the Warehouse Facility). The Company is able to draw on this facility during the initial two-year availability period. The Warehouse Facility accrues interest during the initial two-year period based on LIBOR plus 3.25% on drawn balances and at a fixed rate of 1.00% on un-drawn balances. The outstanding drawn balance at the end of the initial two-year period may be converted at our option to an amortizing, four-year term loan with an interest rate of LIBOR plus 4.25% for the initial three years of the term and margin step-ups during the remaining year that increase the interest rate to LIBOR plus 5.25%.

Based on the terms of the Warehouse Facility Agreement, the Company has pledged \$200.0 million in aircraft collateral as a precondition to borrowing under the Warehouse Facility. As of December 31, 2010, the Company has borrowed \$554.9 million under the Warehouse Facility and pledged 23 aircraft as collateral with a net book value of \$930.0 million. In addition, the Company was required to pledge cash collateral, which accretes to \$75.0 million over the revolving period of the Warehouse Facility. As of December 31, 2010, the Company had pledged \$48.3 million in cash collateral and lessee deposits.

b. Secured Financing

The Company funds some aircraft purchases through secured bilateral term financings. Wholly-owned subsidiaries of the Company will borrow through secured bank facilities to purchase an aircraft. The aircraft are then leased by the wholly-owned subsidiaries to airlines. The Company may guarantee the obligations of the wholly-owned subsidiaries under the loan agreements. The loans may be secured by a pledge of the shares of the subsidiary, the aircraft, the lease receivables, security deposits, maintenance reserves or a combination thereof.

During the period from inception to December 31, 2010, six of our wholly-owned subsidiaries entered into six secured term facilities with terms ranging from 4.6 to 7.0 years, yielding \$226.2 million, with interest rates ranging from LIBOR plus 2.55% to LIBOR plus 3.00%, and pledged \$336.8 million in aircraft collateral under these facilities. As of December 31, 2010, the outstanding balance on these facilities was \$224.0 million. The Company has guaranteed \$205.7 million of the obligations outstanding under these facilities as of December 31, 2010.

c. Seller Financing

On July 9, 2010, a wholly-owned subsidiary of the Company borrowed \$1.3 million of unsecured seller-financing through a sale-leaseback transaction to purchase an aircraft. The aircraft was leased by the wholly-owned subsidiary to the seller. The loan accrues interest based on a rate of 3.00%. The loan partially amortizes over the lease term and matures in 2012. At December 31, 2010, the outstanding loan balance was \$1.1 million.

d. Unsecured Credit Facilities

The Company funds some aircraft purchases through unsecured term financings. During the period from inception to December 31, 2010, we entered into nine unsecured two-year and three-year revolving credit facilities, aggregating \$240.0 million. The facilities accrue interest during the term based on the election of the Company at each individual funding date. The Company is permitted to elect a LIBOR based loan plus 2.00% or the higher of (i) Prime or (ii) 2.00%. The Company is obligated to pay 0.25% to 0.50% on the unused portion of the facilities. As of December 31, 2010, we had drawn \$120.0 million across all our unsecured revolving credit facility agreements. All of our unsecured revolving credit facilities bear interest at LIBOR plus 2.00%. As of December 31, 2010, the Company maintained \$26.0 million in compensating balances with the lenders under these facility agreements.

Finally, we entered into a \$12.0 million, five-year term unsecured facility at a fixed rate of 3.90%. This facility was fully drawn as of December 31, 2010.

e. Shareholder Promissory Note

In February 2010, the Company borrowed \$250,000 under a promissory note agreement with an entity controlled by the Company's Chairman and CEO. Interest due under the promissory note was at an annual rate of 3.00%, compounded quarterly. This note matured on June 4, 2010, upon the successful offering of the Company's common stock pursuant to Rule 144A, Regulation S, and Regulation D of the Securities Act of 1933, as amended.

f. Shareholder Revolving Loan

In March 2010, the Company's Chairman and CEO entered into an unlimited revolving credit agreement with the Company. Interest due under the revolving loan was based on LIBOR plus 3.50%, compounded quarterly, on the outstanding balance of the loan. There were no fees for any un-drawn balance. The Shareholder Revolving Loan matured on June 4, 2010, upon the successful offering of the Company's common stock pursuant to Rule 144A, Regulation S, and Regulation D of the Securities Act of 1933, as amended. At maturity the outstanding loan balance was \$50,336.

g. Underwriter Promissory Note

In April 2010, the Company borrowed \$2.0 million under a promissory note agreement with the Company's underwriter for our June 2010 equity offering. Interest due under the promissory note was based on LIBOR plus 3.50%, compounded annually. This note matured on June 4, 2010, upon the successful offering of the Company's common stock pursuant to Rule 144A, Regulation S, and Regulation D of the Securities Act of 1933, as amended.

h. Shareholder Promissory Note

In April 2010, the Company borrowed \$2.0 million under a promissory note agreement with an entity controlled by the Company's Chairman and CEO. Interest due under the promissory note was based on LIBOR plus 3.50%, compounded annually. This note matured on June 4, 2010, upon the successful offering of the Company's common stock pursuant to Rule 144A, Regulation S, and Regulation D of the Securities Act of 1933, as amended.

i. Convertible Notes

On May 7, 2010, two investors (the Early Investors) agreed to lend the Company \$50.0 million, and certain members of the Company's management (and their respective families or affiliates) and Board of Directors agreed to lend the Company \$10.0 million, pursuant to convertible promissory note agreements. Interest accrued under the notes at an annual rate of 6.00% and was payable quarterly in cash. The notes were automatically converted on June 4, 2010, in satisfaction of the lenders' obligations to purchase shares of the Company's common stock at a price equal to \$18.00 per share, in connection with the successful offering of the Company's common stock pursuant to Rule 144A, Regulation S, and Regulation D of the Securities Act of 1933, as amended.

On May 7, 2010, the Early Investors contingently committed to purchase \$250.0 million of the Company's common stock at the lesser of (i) \$18.00 per share and (ii) 90% of the offering price per share upon the completion of the Company's common stock offering pursuant to Rule 144A, Regulation S, and Regulation D of the Securities Act of 1933, as amended, prior to December 31, 2010, including \$50.0 million of the Company's common stock that would be acquired upon conversion of the convertible promissory notes. On June 4, 2010, the Early Investors purchased \$250.0 million of the Company's common stock at a price equal to \$18.00 per share upon the completion of the Company's common stock offering, including \$50.0 million of the Company's common stock that was acquired upon conversion of the convertible promissory notes.

The Early Investors simultaneously entered into a convertible note agreement and a contingent stock purchase agreement. The Company allocated the proceeds received between the convertible note and the stock purchase agreement based on their relative fair value at issuance. An independent appraiser determined that the relative aggregate fair value of the

convertible notes and stock purchase agreement was \$35.4 million and \$14.6 million, respectively. Consequently the Company recorded a \$14.6 million discount at the issuance of the convertible notes, with an offsetting increase to Paid-in capital on the Company's Consolidated Balance Sheet. The Company fully amortized this debt discount into Interest expense on the Consolidated Statement of Operations upon the conversion of the notes.

The Company evaluated the conversion option within the convertible notes to determine whether the conversion price was beneficial to the note holders. For the convertible notes issued to the Early Investors, management measured the intrinsic value in the conversion option based on the proceeds allocated to the convertible debt after proceeds were allocated to the contingent stock purchase agreement. As a result, the Company determined that the beneficial conversion features within the convertible notes was \$21.2 million. The Company recorded the beneficial conversion feature as a discount at the issuance of the convertible notes, with an offsetting increase to Paid-in capital on the Company's Consolidated Balance Sheet. The Company fully amortized this debt discount into Interest expense on the Consolidated Statement of Operations upon the conversion of the notes.

j. Maturities

Maturities of debt outstanding at December 31, 2010 are as follows:

(dollars in thousands)

Years ending December 31,

2011	\$ 29,605
2012	128,494
2013	192,007
2014	129,457
2015	145,435
Thereafter	286,983
Total	\$ 911,981(1)

- (1) As of December 31, 2010 the Company had \$554.9 million of debt outstanding under the Warehouse Facility which will come due beginning in May 2012. The outstanding drawn balance at the end of the initial two-year period of the Warehouse Facility may be converted at the Company's option to an amortizing, four-year term loan with an increasing interest rate.

As of December 31, 2010 the Company was restricted from making dividend payments under the most restrictive provisions of our debt agreements, as we are in a net loss position for the period from inception to December 31, 2010. In addition, the Company had no plans to make dividend payments as of December 31, 2010.

3. Shareholders Equity

As of December 31, 2010, the Company had authorized 500,000,000 shares of Class A Common Stock, \$0.01 par value per share, of which 63,563,810 shares were issued and outstanding. As of December 31, 2010, the Company had

authorized 10,000,000 shares of Class B Non-Voting Common Stock, \$0.01 par value per share, of which 1,829,339 shares were issued and outstanding. The rights and obligations of the holders of Class A and Class B Non-Voting Common Stock are identical, except with respect to voting rights and conversion rights. The

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holders of Class A Common Stock possess all voting power, and are not convertible into Class B Non-Voting Common Stock.

Each share of Class B Non-Voting Common Stock is convertible into one share of Class A Common Stock at the option of the holder, and is automatically converted at the time it is transferred to a third party unaffiliated with such initial holder, subject to the transfer restrictions.

As of December 31, 2010 the Company authorized 50,000,000 shares of preferred stock, \$0.01 par value per share, of which no shares were issued or outstanding.

On June 4, 2010, the Company issued 482,625 warrants to two institutional investors (the Committed Investors). The warrants have a seven-year term and an exercise price of \$20 per share. The Company uses the Black-Scholes option pricing model to determine the fair value of warrants. The fair value of warrants was calculated on the date of grant by an option-pricing model using a number of complex and subjective variables. These variables include expected stock price volatility over the term of the warrant, projected exercise behavior, a risk-free interest rate and expected dividends. The warrants have a fair value at the grant date of \$5.6 million. The warrants are classified as an equity instrument and the proceeds from the issuance of common stock to the Committed Investors was split between the warrants and the stock based on fair value of the warrants and recorded as an increase to Paid-in capital on the Consolidated Balance Sheet.

4. Rental Income

At December 31, 2010 minimum future rentals on non-cancelable operating leases of flight equipment, which have been delivered as of December 31, 2010, are as follows:

(dollars in thousands)

Years ending December 31,	
2011	\$ 197,870
2012	176,545
2013	153,650
2014	138,601
2015	118,142
Thereafter	289,000
Total	\$ 1,073,808

Through December 31, 2010, the Company earned \$3.6 million in contingent rentals based on our lessees usage of the aircraft.

The following table shows the scheduled lease terminations (for the minimum non-cancelable period which does not include lease extension options contractually available to our lessees) by aircraft type for our operating lease portfolio at December 31, 2010:

Aircraft Type	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	Total
Airbus A319-100	1		3		1	1	1						7
Airbus A320-200		2	2		1	1	1				1		8
Airbus A321-200						1	1						2
Airbus A330-200						1						1	2
Boeing B737-700	1	1				1			1		1		5
Boeing B737-800	1	1	3	1	4	1	3						14
Boeing B777-300ER								1			1		2
Total	3	4	8	1	6	6	6	1	1	1	3	1	40

5. Concentration of Risk

a. Geographical and Credit Risks

As of December 31, 2010, all of the Company's revenues were generated by leasing flight equipment to foreign and domestic airlines, and currently the Company leases aircraft to 25 lessees.

As of December 31, 2010, we have entered into aircraft acquisition, lease and future lease commitments with airlines in Australia, Brazil, Canada, China, France, Germany, India, Indonesia, Ireland, Italy, Japan, Kazakhstan, Kenya, Malaysia, Mexico, the Netherlands, New Zealand, Norway, Russia, South Africa, South Korea, Spain, Sri Lanka, Trinidad & Tobago, Turkey, United Arab Emirates, United States and Vietnam.

During the period from inception to December 31, 2010 the Company had two customers that accounted for greater than 10% of rental of flight equipment revenues as follows:

	December 31, 2010
Air Berlin	26.5%
Air France	15.1%

As of December 31, 2010, accounts receivable balances from Air Berlin and Air France were insignificant.

As our portfolio grows, we anticipate that a growing percentage of our aircraft will be located in the Asia/Pacific, Central America and South America and Middle East regions. The table below

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illustrates in terms of net book value the regions where our aircraft are operated as of December 31, 2010 and illustrates that most of our aircraft are operated internationally.

	December 31, 2010
Europe	42.3%
Asia/Pacific	26.1
Central America, South America and Mexico	10.0
U.S. and Canada	15.6
Middle East	6.0
Total	100.0%

b. Currency Risk

The Company attempts to minimize currency and exchange risks by entering into aircraft purchase agreements and a majority of lease agreements and debt agreements with U.S. dollars as the designated payment currency.

6. Income Taxes

The provision for income taxes consists of the following:

(dollars in thousands)	For the Period from Inception to December 31, 2010	
Current:		
Federal	\$	
State		
Deferred:		
Federal		(8,547)
State		(328)
Income tax benefit	\$	(8,875)

Differences between the provision for income taxes and income taxes at the statutory federal income tax rate are as follows:

(dollars in thousands)	Amount	For the Period from Inception to December 31, 2010 Percent
Income taxes at statutory federal rate	\$ (21,320)	(35.0)%
State income taxes, net of federal income tax effect	(213)	(0.4)
Nondeductible interest convertible note	12,529	20.6
Other	129	0.2
	\$ (8,875)	(14.6)%

The Company's net deferred tax assets are as follows:

ASSETS (LIABILITIES)	
Equity compensation	\$ 8,616
Net operating losses	5,726
Rents received in advance	2,920
Accrued bonus	2,575
Other	489
Aircraft depreciation	(11,451)
Total assets	\$ 8,875

At December 31, 2010, the Company has net operating loss carry-forwards (NOLs) for federal and state income tax purposes of \$15.7 million, which are available to offset future taxable income in future periods.

The Company has not recorded a deferred tax valuation allowance as of December 31, 2010 as realization of the deferred tax asset is considered more likely than not. There was no change in the valuation allowance during the period from inception to December 31, 2010. In order to fully realize the deferred tax asset the Company would need to generate taxable income of \$25.4 million. In assessing the realizability of the deferred tax assets management considered whether future taxable income will be sufficient during the periods in which those temporary differences are deductible or before NOLs expire. Management considers the scheduled reversal of deferred tax liabilities, projected taxable income and tax planning strategies in making this assessment. Management anticipates the timing differences on aircraft depreciation will reverse and be available for offsetting the reversal of deferred tax assets. The Company was formed in February 2010 and has incurred losses before tax during the period from inception to December 31, 2010 of \$60.9 million. This loss included a charge of \$35.8 million for the amortization of convertible debt discounts which is not deductible for tax purposes. In addition to budgets and long range forecasts which are dependent on future events management considered projected taxable income from aircraft leases in place at December 31, 2010. By projecting out future revenue and related costs from existing, executed contracts management concluded there was sufficient future income not subject to the risks of future aircraft purchases, related financing and new leases that deferred tax assets will more likely than not be realized.

As of December 31, 2010, the Company has not recorded any liability for unrecognized tax benefits.

The Company files income tax returns in the U.S. federal jurisdiction and various states. The Company is subject to examinations by the major tax jurisdictions for the 2010 tax year.

7. Commitments and Contingencies

a. Aircraft Acquisition

As of December 31, 2010, we have commitments to acquire a total of 148 new and used aircraft through 2017 for delivery as follows:

Aircraft Type	2011	2012	2013	2014	2015	2016	2017	Total
A320/321-200	10	9	13	12	7			51
A330-200/300	2	4						6
B737-800(1)	5	3	12	12	12	12	9	65
B777-300ER	1							1
E190	4	8	3					15
ATR 72-600	2	8						10
Total	24	32	28	24	19	12	9	148

(1) Four of the five Boeing B737-800s that we will acquire in 2011 will be used aircraft.

Commitments for the acquisition of these aircraft at an estimated aggregate purchase price (including adjustments for inflation) of approximately \$6.2 billion at December 31, 2010 are as follows:

(dollars in thousands)

Years ending December 31,	
2011	\$ 1,172,086
2012	1,259,316
2013	1,089,748
2014	1,057,055
2015	818,378
Thereafter	791,475
Total	\$ 6,188,058

As of December 31, 2010, we had made non-refundable deposits of \$183.4 million on the aircraft which we have committed to purchase. If we are unable to satisfy our purchase commitments we may be forced to forfeit our

deposits. Further, we would be exposed to potential breach of contract claims by our lessees and manufacturers.

b. Office Lease

As of December 31, 2010, the Company modified its existing operating lease for office space and office equipment extending through 2024. The lease provides for step rentals over the term, and those rentals are considered in the evaluation of recording rent expense on a straight-line basis over the term of the lease. Tenant improvement allowances received from the lessor are deferred and amortized in selling, general and administrative expenses against rent

expense. Commitments for minimum rentals under the non-cancelable lease term at December 31, 2010 are as follows:

(dollars in thousands)

Years ending December 31,

2011	\$ 217
2012	1,441
2013	2,325
2014	2,395
2015	2,467
Thereafter	23,389
Total	\$ 32,234

8. Net Loss Per Share

Basic net loss per share is computed by dividing net income by the weighted average number of common shares outstanding for the period. Diluted earnings per share reflects the potential dilution that would occur if securities or other contracts to issue common stock were exercised or converted into common stock; however, potential common equivalent shares are excluded if their effect is anti-dilutive. The Company's two classes of common stock, Class A and Class B Non-Voting, have equal rights to dividends and income and thus basic and diluted earnings per share are the same for each class.

Diluted net loss per share takes into account the potential conversion of the convertible notes using the if-converted method and the treasury stock method for stock options, restricted stock units and warrants. For the period from inception to December 31, 2010, the Company excluded 206,749 shares related to these potentially dilutive securities from the computation of diluted earnings per share because they were anti-dilutive.

The following table sets forth the reconciliation of basic and diluted net loss per share for the period from inception to December 31, 2010:

(In thousands, except share data)	For the period from Inception to December 31, 2010
Numerator:	
Net loss available to common shareholders - basic and diluted EPS	\$ (52,040)
Denominator:	
Weighted average common shares outstanding - basic and diluted EPS	39,511,045

Net loss per share:

Basic	\$	(1.32)
Diluted	\$	(1.32)

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9. Interest

The following table shows the components of interest for the period from inception to December 31, 2010:

		For the period from Inception to December 31, 2010
Interest on borrowings	\$	12,831
Less capitalized interest		(1,769)
Interest		11,062
Amortization of deferred debt issuance cost		4,883
Amortization of convertible debt discounts		35,798
Interest expense	\$	51,743

10. Fair Value Measurements**a. Assets and Liabilities Measured at Fair Value on a Recurring Basis**

The Company has no assets or liabilities which are measured at fair value on a recurring basis as of December 31, 2010.

b. Assets and Liabilities Measured at Fair Value on a Non-recurring Basis

The Company measures the fair value of flight equipment on a non-recurring basis, when GAAP requires the application of fair value, including events or changes in circumstances that indicate that the carrying amounts of assets may not be recoverable. The Company principally uses the income approach to measure the fair value of these assets and liabilities when appropriate, as described below:

Flight Equipment

The Company records flight equipment at fair value when we determine the carrying value may not be recoverable. The fair value is measured using an income approach based on the present value of cash flows from contractual lease agreements and projected future lease payments, including contingent rentals, net of expenses, which extend to the end of the flight equipment's economic life in its highest and best use configuration, as well as a disposition value, based on expectations of market participants.

The Company has no assets or liabilities that were measured at fair value on a non-recurring basis as of December 31, 2010.

11. Fair Value of Financial Instruments

The carrying value reported on the balance sheet for cash and cash equivalents, restricted cash and other payables approximates their fair value.

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The fair value of debt financing is estimated based on the quoted market prices for the same or similar issues, or on the current rates offered to the Company for debt of the same remaining maturities. The estimated fair value of debt financing as of December 31, 2010 was \$931.2 million compared to a book value of \$912.0 million.

12. Equity Based Compensation

In accordance with the Company's 2010 Equity Incentive Plan ("Plan"), the amount of Stock Options ("Stock Options") and Restricted Stock Units ("RSUs") authorized under the Plan is dependent on the total number of shares sold in the offering of the Company's common stock pursuant to Rule 144A of the Securities Act of 1933, as amended. As of December 31, 2010, under the Plan, the Company was authorized to grant 3,225,908 Stock Options and 3,225,907 RSUs. As of December 31, 2010, the Company granted 3,225,908 Stock Options and 3,225,907 RSUs.

a. Incentive Stock Options

The Company uses the Black-Scholes option pricing model to determine the fair value of stock options. The fair value of stock-based payment awards on the date of grant is determined by an option-pricing model using a number of complex and subjective variables. These variables include expected stock price volatility over the term of the awards, actual and projected employee stock option exercise behaviors, a risk-free interest rate and expected dividends. The Stock Options vest ratably over a three-year period and have a 10-year term. The options are exercisable at \$20 per share.

Estimated volatility of the Company's common stock for new grants is determined by using historical volatility of the Company's peer group. Due to our limited operating history, there is no historical exercise data to provide a reasonable basis which the Company can use to estimate expected terms. Accordingly, the Company uses the simplified method as permitted under Staff Accounting Bulletin No. 110. The risk-free interest rate used in the option valuation model is derived from U.S. Treasury zero-coupon issues with remaining terms similar to the expected term on the options. The Company does not anticipate paying any cash dividends in the foreseeable future and therefore uses an assumed dividend yield of zero in the option valuation model. In accordance with ASC Topic 718, Compensation - Stock Compensation, the Company estimates forfeitures at the time of grant and revises those estimates in subsequent periods if actual forfeitures differ from those estimates. The average assumptions used to value stock-based payments are as follows:

Dividend yield	0.0%
Expected term	6.0 years
Risk-free interest rate	2.3%
Volatility	52.7%
Forfeiture rate	0.4%

Activity under the Company's stock option plan is as follows:

	Shares	Exercise Price	Remaining Contractual Term (in years)	Aggregate Intrinsic Value (in thousands)
Options outstanding at inception				
Granted	3,225,908	\$ 20.00		\$
Exercised				
Cancelled				
Options outstanding as of December 31, 2010	3,225,908	\$ 20.00	9.5	\$
Options exercisable at December 31, 2010				

b. Restricted Stock Unit Plan

The Company determines the fair value of its restricted stock awards is equal to the value of the underlying shares at the date of grant. The Company granted 3,225,907 RSUs as of December 31, 2010. The RSUs vest ratably on a four-year schedule subject to a performance measure.

The grant date fair value of stock-based awards was as follows:

(dollars in thousands)	June 4, 2010	July 14, 2010	August 4, 2010	August 11, 2010	Total
Options	\$ 26,314	\$ 4,998	\$ 61	\$ 1,209	\$ 32,582
RSU	49,000	11,847	150	3,217	64,214
Total	\$ 75,314	\$ 16,845	\$ 211	\$ 4,426	\$ 96,796

As of December 31, 2010, there was \$72.8 million of unrecognized compensation cost, adjusted for estimated forfeitures, related to unvested stock-based payments granted to employees. Total unrecognized compensation cost will be adjusted for future changes in estimated forfeitures and is expected to be recognized over a weighted average

period of 3.5 years. The Company recorded \$24.0 million, in stock compensation expense from continuing operations for the period from inception through December 31, 2010.

As of December 31, 2010 no stock options were exercisable.

13. Subsequent Events

During the first quarter of 2011, four of our wholly-owned subsidiaries entered into four separate secured term facilities aggregating \$218.5 million. The four facilities consisted of a six-year \$26.0 million facility at a fixed rate of 4.89%, a six-year \$92.0 million facility at a fixed rate of 4.57%, an eight-year \$14.5 million facility at a fixed rate of 4.58% and an eight-year \$86.0 million facility with a \$40.0 million tranche at a fixed rate of 4.34% and a \$46.0 million tranche at a floating rate of LIBOR plus 2.35%. In connection with these facilities, the Company pledged \$328.6 million in aircraft collateral. Additionally, we entered into three bilateral revolving unsecured credit facilities aggregating \$63.0 million, each with a borrowing rate of LIBOR plus 2.00%, and increased the capacity of one existing three-year revolving unsecured credit facility from \$25.0 million to \$30.0 million. We also entered into three fixed-rate

amortizing unsecured facilities aggregating \$24.0 million, which consisted of a four-year \$6.0 million facility at 4.15%, a five-year \$12.0 million facility at 4.05% and a five-year \$6.0 million facility at 3.95%. Finally, during the first quarter of 2011, the Company drew a net \$49.5 million under the Warehouse Facility and incrementally pledged \$86.3 million in aircraft collateral. As of March 31, 2011, we had borrowed approximately \$604.4 million under the Warehouse Facility.

On April 1, 2011, the Company executed an amendment to the Warehouse Facility that took effect in April 2011. This facility, as amended, provides us with financing of up to \$1.25 billion, modified from the original facility size of \$1.5 billion. We are able to draw on this facility, as amended, during an availability period that ends in June 2013. Prior to the amendment of the Warehouse Facility, the Warehouse Facility accrued interest during the availability period based on LIBOR plus 3.25% on drawn balances and at a fixed rate of 1.00% on undrawn balances. Following the amendment, the Warehouse Facility accrues interest during the availability period based on LIBOR plus 2.50% on drawn balances and at a fixed rate of 0.75% on undrawn balances. Pursuant to the amendment, the advance level under the facility was increased from 65.0% of the appraised value of the aircraft pledged and 50.0% of the cash pledged to the Warehouse Facility to 70.0% of the appraised value of the aircraft pledged and 50.0% of the cash pledged to the Warehouse Facility. The outstanding drawn balance at the end of the availability period may be converted at our option to an amortizing, four-year term loan with an interest rate of LIBOR plus 3.25% for the initial three years of the term and margin step-ups during the remaining year that increase the interest to LIBOR plus 4.75%. As a result of amending the Warehouse Facility, we will record an extinguishment of debt charge of up to \$4.7 million from the write-off of deferred debt issuance costs when the amendment became effective in April 2011.

In April 2011, we completed an initial public offering of our Class A Common Stock in which we sold an aggregate of 34,825,470 shares of Class A Common Stock. The shares in the initial public offering were sold at the price of \$26.50, less underwriting discounts and commissions of \$1.4575 per share. After deducting the underwriting discounts and commissions and offering expenses, the Company received net proceeds of approximately \$868.1 million.

During the second quarter of 2011, we entered into commitments to acquire up to 24 additional aircraft from Airbus, Boeing and Embraer for an estimated aggregate purchase price (including adjustment for anticipated inflation) of approximately \$1.0 billion. Deliveries of the additional aircraft are scheduled to commence in 2012 and to continue through 2018. From Airbus, we agreed to purchase one additional Airbus A321 aircraft. From Boeing, we agreed to purchase an additional 18 Boeing 737-800 aircraft and have cancellation rights with respect to four of the additional 18 Boeing 737-800 aircraft. From Embraer, we agreed to purchase an additional five Embraer E190 aircraft.

In June 2011, the Company issued \$120 million in senior unsecured notes in a private placement to institutional investors. The notes have a five-year term and a coupon of 5.0%.

61,810,867 shares of Class A Common Stock
1,829,339 shares of Class B Non-Voting Common Stock
Prospectus

, 2011

We and the selling stockholders have not authorized anyone to provide any information other than that contained or incorporated by reference in this prospectus or in any free writing prospectus prepared by or on behalf of us or the selling stockholders or to which we or the selling stockholders have referred you. We and the selling stockholders take no responsibility for, and can provide no assurance as to the reliability of, any other information that others may give you. The selling stockholders are offering to sell, and seeking offers to buy, Common Stock only in jurisdictions where offers and sales are permitted. The information contained in this prospectus is accurate only as of the date of this prospectus, regardless of the time of delivery of this prospectus or of any sale of our Common Stock.

No action is being taken in any jurisdiction outside the United States to permit a public offering of our Common Stock or possession or distribution of this prospectus in that jurisdiction. Persons who come into possession of this prospectus in jurisdictions outside the United States are required to inform themselves about and to observe any restrictions as to this offering and the distribution of this prospectus applicable to that jurisdiction.

Until , 2011, all dealers that buy, sell or trade in our Common Stock, whether or not participating in this offering, may be required to deliver a prospectus. This is in addition to the dealers obligation to deliver a prospectus when acting as underwriters and with respect to their unsold allotments or subscriptions.

Part II
Information not required in prospectus

Item 13. *Other expenses of issuance and distribution*

The following table sets forth estimates of the costs and expenses paid or to be paid by the registrant in connection with the sale of the Common Stock being registered hereby:

	Amount
SEC registration fee	\$ 221,277
FINRA filing fee	75,500
Printing expenses	10,000
Legal fees and expenses	400,000
Accounting fees and expenses	10,000
Miscellaneous	8,223
 Total	 \$ 725,000

Item 14. *Indemnification of directors and officers*

Section 102(b)(7) of the Delaware General Corporation Law (DGCL) allows a corporation to provide in its certificate of incorporation that a director of the corporation will not be personally liable to the corporation or its stockholders for monetary damages for breach of fiduciary duty as a director, except where the director breached the duty of loyalty, failed to act in good faith, engaged in intentional misconduct or knowingly violated a law, authorized the payment of a dividend or approved a stock repurchase in violation of Delaware corporate law or obtained an improper personal benefit.

Our restated certificate of incorporation provides for this limitation of liability.

Section 145 of the DGCL provides that a corporation may indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding whether civil, criminal, administrative or investigative (other than an action by or in the right of the corporation by reason of the fact that he is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise) against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. Section 145 further provides that a corporation similarly may indemnify any such person serving in any such capacity who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the corporation to procure a judgment in its favor by reason of the fact that he is or was a director, officer, employee or agent of the corporation

or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees) actually and reasonably incurred in connection with the defense or settlement of such action or suit if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the corporation and except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable to the corporation unless and only to the extent that the Delaware Court of Chancery or such other court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all of the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which the Delaware Court of Chancery or such other court shall deem proper.

Our amended and restated bylaws provide for the indemnification of officers and directors of our Company consistent with Section 145 of the DGCL.

The indemnification rights set forth above are not exclusive of any other right which an indemnified person may have or hereafter acquire under any statute, provision of our restated certificate of incorporation, our amended and restated bylaws, agreement, vote of stockholders or directors or otherwise. We also entered into indemnification agreements with our directors that generally provide for mandatory indemnification to the fullest extent permitted by law.

Delaware law also provides that a corporation may purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation or other entity, against any liability asserted against and incurred by such person, whether or not the corporation would have the power to indemnify such person against such liability. We maintain, at our expense, an insurance policy that insures our officers and directors, subject to customary exclusions and deductions, against specified liabilities that may be incurred in those capacities.

Item 15. *Recent sales of unregistered securities*

Since February 5, 2010, the registrant has sold the following securities without registration under the Securities Act of 1933, as amended (the "Act"):

1. From February 5, 2010 through April 20, 2010, the registrant issued and sold to certain employees an aggregate of 875,000 shares of Class A Common Stock for an aggregate purchase price of \$1.75 million in cash.
2. On June 4, 2010, the registrant issued and sold to funds managed by each of Leonard Green & Partners, L.P. and Ares Management LLC an aggregate of 13,888,888 shares of Class A Common Stock for an aggregate purchase price of \$250 million, \$200 million of which was paid in cash and \$50 million of which was represented by cancellation of senior convertible notes issued by the registrant to such persons on May 7, 2010.
3. On June 4, 2010, the registrant issued and sold to certain members of its management (and their family members and affiliates) and members of its board of directors an

aggregate of 555,556 shares of Class A Common Stock for an aggregate purchase price of \$10 million, which was represented by cancellation of senior convertible notes issued by the registrant to such persons on May 7, 2010.

4. From June 4, 2010 through July 13, 2010, the registrant issued and sold to institutional and individual investors an aggregate of 50,050,205 shares of Common Stock for an aggregate purchase price of \$1 billion in cash.

5. On June 4, 2010, the registrant issued a warrant to purchase 214,500 shares of Common Stock and a warrant to purchase 268,125 shares of Common Stock to Société Générale S.A. and Commonwealth Bank of Australia, respectively, at an exercise price of \$20.00 per share.

6. From June 4, 2010 through August 11, 2010, the registrant granted to certain employees options to purchase an aggregate of 3,223,658 shares of Class A Common Stock at an exercise price of \$20.00 per share and restricted stock units with respect to an aggregate of 3,222,357 shares of Class A Common Stock under its Air Lease Corporation 2010 Equity Incentive Plan.

7. On June 17, 2010, the registrant issued to Commonwealth Bank of Australia 3,779,442 shares of Class A Common Stock in exchange for the surrender by Commonwealth Bank of Australia of the same number of shares of Class B Non-Voting Common Stock.

8. On July 14, 2010, the registrant granted to certain employees options to purchase an aggregate of 2,250 shares of Class A Common Stock at an exercise price of \$20.00 per share and restricted stock units with respect to an aggregate of 3,550 shares of Class A Common Stock under its Air Lease Corporation 2010 Equity Incentive Plan.

9. From July 16, 2010 through July 26, 2010, the registrant issued and sold to certain employees an aggregate of 23,500 shares of Class A Common Stock for an aggregate purchase price of \$470,000 in cash.

10. On July 22, 2010, the registrant issued to Société Générale S.A. 700,083 shares of Class A Common Stock in exchange for the surrender by Société Générale S.A. of the same number of shares of Class B Non-Voting Common Stock.

11. On April 25, 2011, the registrant granted to Jie Chen, Executive Vice President and Managing Director, Asia, time-vesting restricted stock units with respect 45,833 shares of Class A Common Stock, performance-based restricted stock units with respect to 150,000 shares of Class A Common Stock, and options to purchase 150,000 shares of Class A Common Stock at an exercise price of \$28.80 per share, under the Amended and Restated Air Lease Corporation 2010 Equity Incentive Plan.

12. On April 25, 2011, the registrant granted to its non-employee directors restricted stock units with respect to 36,224 shares of Class A Common Stock, under the Amended and Restated Air Lease Corporation 2010 Equity Incentive Plan.

13. On June 6, 2011, the registrant issued to certain institutional investors \$120 million in aggregate principal amount of senior unsecured notes with a 5% coupon for a five-year term.

The transactions described above in Items 1 3, 6, 9 and 13 were effected without registration under the Act in reliance on the exemptions from registration provided pursuant to Section 4(2) of the Act and Rule 506 of Regulation D thereunder relating to transactions not involving any public offering. The recipients of the securities in each such transaction represented their intention to acquire the securities for investment only and not with a view to or for offer or sale in connection with any distribution thereof. The recipients of such securities also represented that they were accredited investors within the meaning of Rule 501 of Regulation D promulgated under the Act, or the registrant

otherwise received assurance of their status as accredited investors. Appropriate legends were affixed to share certificates, and/or investors were informed of the limitations on resale of the Class A Common Stock through the use of appropriate disclosure and contractual representations. J.P. Morgan Securities LLC acted as agent for the Company in the transaction described in Item 13. The transactions described in Items 11-12 were effected without registration under the Act in reliance on the exemption from registration pursuant to Section 4(2) of the Act.

The transactions described in Items 4 and 5 were effected without registration under the Act in reliance on the exemptions from registration pursuant to Rule 144A, Rule 506 of Regulation D, and Regulation S promulgated under the Act, with FBR Capital Markets & Co. (formerly Friedman Billings Ramsey & Co., Inc.) acting as initial purchaser and placement agent. A portion of the securities were sold directly by the registrant to accredited investors in transactions exempt from registration under Section 4(2) of the Act and Rule 506 of Regulation D thereunder relating to sales not involving any public offering. The remainder of the securities were sold to the initial purchaser who resold the shares to persons it reasonably believed were qualified institutional buyers (as defined by Rule 144A under the Act) or to non-U.S. persons (as defined under Regulation S of

the Act). The securities were sold only to investors that the registrant believed were qualified institutional buyers, accredited investors and/or non-U.S. persons. Additionally, none of these sales were made by any form of general solicitation or general advertising. Finally, the registrant took reasonable precautions to ensure that all of the purchasers were purchasing shares for their own account and were informed of the limitations on resale of the securities through the use of appropriate disclosure and contractual representations that were obtained from the purchasers. For its role as initial purchaser and placement agent, FBR Capital Markets & Co., generally received an initial purchaser's discount or placement fee equal to \$1.05 per share (or 5.25% of the per share consideration), except with respect to 10 million shares for which it received an initial purchaser's discount or placement fee of \$0.20 per share (or 1.00% of the per share consideration) and 3,912,500 shares with respect to which it did not receive an initial purchaser's discount or fee. Following the closing of the transactions described in Items 4 and 5, FBR Capital Markets & Co. reimbursed to the registrant an amount equal to 1.15% of the gross proceeds received from such offering.

The transactions described in Items 7 and 10 were effected without registration under the Act in reliance on either Section 3(a)(9) of the Act as an exchange by the registrant with an existing security holder where no commission or other remuneration was paid or given directly or indirectly for soliciting such exchange, or the exemption from registration provided under Section 4(2) of the Act as a transaction not involving a public offering.

The transactions described above in Item 8 were effected without registration under the Act in reliance on the exemption from registration provided pursuant to either or both of Section 4(2) of the Act or Rule 701 thereunder, as transactions pursuant to compensatory benefit plans and contracts relating to compensation.

Item 16. Exhibits and financial statement schedules

A. Exhibits

Exhibit

No.	Description
3.1*	Restated Certificate of Incorporation of Air Lease Corporation
3.2*	Amended and Restated Bylaws of Air Lease Corporation
4.1*	Form of Specimen Stock Certificate
4.2*	Registration Rights Agreement, dated as of June 4, 2010, between Air Lease Corporation and FBR Capital Markets & Co., as the initial purchaser/placement agent
5.1	Opinion of Munger, Tolles & Olson LLP
10.1*	Warehouse Loan Agreement, dated as of May 26, 2010, among ALC Warehouse Borrower, LLC, as Borrower, the Lenders from time to time party hereto, and Credit Suisse AG, New York Branch, as Agent
10.2*	Pledge and Security Agreement, dated as of May 26, 2010, among Air Lease Corporation, as Parent, ALC Warehouse Borrower, LLC, as Borrower, the subsidiaries of the Borrower from time to time party hereto, Deutsche Bank Trust Company Americas, as Collateral Agent, and Credit Suisse AG, New York Branch, as Agent
10.3*	Amended and Restated Air Lease Corporation 2010 Equity Incentive Plan
10.4*	Form of Restricted Stock Unit Award Agreement
10.5*	Form of Option Award Agreement
10.6	Warrant No. 3 to purchase 214,500 shares of Common Stock, dated August 25, 2010 (in replacement of Warrant No. 1 to purchase 214,500 shares of Common Stock, dated June 4, 2010)
10.7*	Warrant No. 2 to purchase 268,125 shares of Common Stock, dated June 4, 2010

Exhibit No.	Description
10.8*	Employment Agreement, dated as of February 5, 2010, by and between Air Lease Corporation and Steven F. Udvar-Házy
10.9*	Amendment to Employment Agreement, dated as of August 11, 2010, by and between Air Lease Corporation and Steven F. Udvar-Házy
10.10*	Employment Agreement, dated as of March 29, 2010, by and between Air Lease Corporation and John L. Plueger
10.11*	Amendment to Employment Agreement, dated as of August 11, 2010, by and between Air Lease Corporation and John L. Plueger
10.12*	Form of Indemnification Agreement with directors and officers
10.13*	A320 Family Purchase Agreement, dated July 19, 2010, by and between Air Lease Corporation and Airbus S.A.S.
10.14*	A330-200 Purchase Agreement, dated September 2, 2010, by and between Air Lease Corporation and Airbus S.A.S.
10.15*	Purchase Agreement Number PA-03524, dated as of September 30, 2010, by and between Air Lease Corporation and The Boeing Company
10.16*	Purchase Agreement, dated October 5, 2010, by and between Air Lease Corporation and Embraer Empresa Brasileira de Aeronáutica S.A.
10.17*	Amended and Restated Deferred Bonus Plan
10.18*	Form of Grant Notice for Non-Employee Director Restricted Stock Units
10.19*	Amendment N° 1 to the A320 Family Purchase Agreement, dated December 1, 2010, by and between Air Lease Corporation and Airbus S.A.S.
10.20*	Amendment N° 2 to the A320 Family Purchase Agreement, dated December 1, 2010, by and between Air Lease Corporation and Airbus S.A.S.
10.21*	Amendment N° 1 to the A330-200 Purchase Agreement, dated December 1, 2010, by and between Air Lease Corporation and Airbus S.A.S.
10.22*	Amendment N° 2 to the A330-200 Purchase Agreement, dated January 6, 2011, by and between Air Lease Corporation and Airbus S.A.S.
10.23*	Amendment N° 3 to the A330-200 Purchase Agreement, dated January 14, 2011, by and between Air Lease Corporation and Airbus S.A.S.
10.24*	Amendment N° 4 to the A330-200 Purchase Agreement, dated February 11, 2011, by and between Air Lease Corporation and Airbus S.A.S.
10.25*	Amendment No. 1 to the Purchase Agreement COM0188-10, dated January 4, 2011, by and between Air Lease Corporation and Embraer S.A. (f/k/a Embraer Empresa Brasileira de Aeronáutica S.A.)
10.26*	Amendment No. 2 to the Purchase Agreement COM0188-10, dated February 11, 2011, by and between Air Lease Corporation and Embraer S.A. (f/k/a Embraer Empresa Brasileira de Aeronáutica S.A.)
10.27*	Aircraft Sale and Purchase Agreement, dated November 5, 2010, by and among Air Lease Corporation, the other purchasers listed in Schedule 1 thereto and the sellers listed in Schedule 1 thereto
10.28*	Amendment No. 4 to the Purchase Agreement COM0188-10, dated March 21, 2011, by and between Air Lease Corporation and Embraer S.A. (f/k/a Embraer Empresa Brasileira de Aeronáutica S.A.)
10.29*	Amendment No. 5 to the Purchase Agreement COM0188-10, dated March 21, 2011, by and between Air Lease Corporation and Embraer S.A. (f/k/a Embraer Empresa Brasileira de

- Aeronáutica S.A.)
10.30* Amendment No. 3 to the Purchase Agreement COM0188-10, dated February 28, 2011, by and between Air Lease Corporation and Embraer S.A. (f/k/a Embraer Empresa Brasileira de Aeronáutica S.A.)

Exhibit

No.	Description
10.31*	First Amendment to Warehouse Loan Agreement, dated as of April 1, 2011, among ALC Warehouse Borrower, LLC, as Borrower, the Lenders from time to time party hereto, and Credit Suisse AG, New York Branch, as Agent
10.32	Supplemental Agreement No. 1 to Purchase Agreement Number PA-03524, dated as of June 30, 2011, by and between Air Lease Corporation and The Boeing Company
10.33	Purchase Agreement PA-03658, dated August 5, 2011, by and between Air Lease Corporation and The Boeing Company
21.1	List of Subsidiaries of Air Lease Corporation
23.1	Consent of KPMG LLP
23.2	Consent of Munger, Tolles & Olson LLP (included in Exhibit 5.1)
23.3	Consent of AVITAS, Inc.
24.1	Power of Attorney

* Incorporated by reference to the exhibit of the same number filed with the Registrant's Registration Statement on Form S-1 (File No. 333-171734) for our initial public offering.

** To be filed by amendment.

The registrant has omitted confidential portions of the referenced exhibit and filed such confidential portions separately with the Securities and Exchange Commission pursuant to a request for confidential treatment under Rule 406 promulgated under the Securities Act of 1933, as amended.

Previously filed.

B. Financial Statement Schedules

All financial statement schedules are omitted because they are not applicable or the information is included in the financial statements or related notes.

Item 17. Undertakings

(a) Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

(b) The undersigned registrant hereby undertakes:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:

(i) To include any prospectus required by Section 10(a)(3) of the Securities Act of 1933, as amended;

(ii) To reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the Commission pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than a 20 percent change in the maximum aggregate offering price set forth in the Calculation of Registration Fee table in the effective registration statement; and

(iii) To include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement.

(2) That, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial *bona fide* offering thereof.

(3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

(4) That, for the purpose of determining liability under the Securities Act of 1933 to any purchaser, each prospectus filed pursuant to Rule 424(b) as part of a registration statement relating to an offering, other than registration statements relying on Rule 430B or other than prospectuses filed in reliance on Rule 430A, shall be deemed to be part of and included in the registration statement as of the date it is first used after effectiveness. *Provided, however*, that no statement made in a registration statement or prospectus that is part of the registration statement or made in a document incorporated or deemed incorporated by reference into the registration statement or prospectus that is part of the registration statement will, as to a purchaser with a time of contract of sale prior to such first use, supersede or modify any statement that was made in the registration statement or prospectus that was part of the registration statement or made in any such document immediately prior to such date of first use.

Signatures

Pursuant to the requirements of the Securities Act of 1933, as amended, the registrant has duly caused this Amendment No. 4 to the Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the city of Los Angeles, state of California, on August 22, 2011.

AIR LEASE CORPORATION

By: /s/ John L. Plueger

Name: John L. Plueger
 Title: President & Chief Operating
 Officer

Power of Attorney

Pursuant to the requirements of the Securities Act of 1933, as amended, this Amendment No. 4 to the Registration Statement has been signed by the following persons in the capacities and on the dates indicated.

Signature	Title	Date
/s/ Steven F. Udvar-Házy Steven F. Udvar-Házy	Principal Executive Officer	August 22, 2011
/s/ James C. Clarke James C. Clarke	Principal Financial Officer	August 22, 2011
/s/ Gregory B. Willis Gregory B. Willis	Principal Accounting Officer	August 22, 2011
/s/ Steven F. Udvar-Házy Steven F. Udvar-Házy	Director	August 22, 2011
/s/ John L. Plueger John L. Plueger	Director	August 22, 2011
* John G. Danhaki	Director	August 22, 2011
* Matthew J. Hart	Director	August 22, 2011
* Robert A. Milton	Director	August 22, 2011

*	Director	August 22, 2011
Michel M.R.G. Péretié		
*	Director	August 22, 2011
Antony P. Ressler		
*	Director	August 22, 2011
Wilbur L. Ross, Jr.		

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Signature

Title

Date

*

Director

II-8

August 22, 2011

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The registrant has omitted confidential portions of the referenced exhibit and filed such confidential portions separately with the Securities and Exchange Commission pursuant to a request for confidential treatment under Rule 406 promulgated under the Securities Act of 1933, as amended.

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