

AIR LEASE CORP  
Form S-1  
January 14, 2011

**Table of Contents**

As filed with the Securities and Exchange Commission on January 14, 2011  
Registration No. 333-

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

**Form S-1**

**REGISTRATION STATEMENT  
UNDER  
THE SECURITIES ACT OF 1933**

**AIR LEASE CORPORATION**

*(Exact name of registrant as specified in its charter)*

**Delaware**

*(State or other jurisdiction  
of incorporation or organization)*

**7359**

*(Primary Standard Industrial  
Classification Code Number)*

**27-1840403**

*(I.R.S. Employer  
Identification Number)*

**2000 Avenue of the Stars, Suite 600N  
Los Angeles, CA 90067  
(310) 553-0555**

*(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)*

**John L. Plueger  
President & Chief Operating Officer  
Air Lease Corporation  
2000 Avenue of the Stars, Suite 600N  
Los Angeles, CA 90067  
(310) 553-0555**

*(Name, address, including zip code, and telephone number, including area code, of agent for service)*

*Copies to:*

**Grant A. Levy**  
**Executive Vice President, General**  
**Counsel & Secretary**  
**Air Lease Corporation**  
**2000 Avenue of the Stars, Suite 600N**  
**Los Angeles, CA 90067**  
**(310) 553-0555**

**Robert B. Knauss, Esq.**  
**Mark H. Kim, Esq.**  
**Munger, Tolles & Olson LLP**  
**355 South Grand Avenue,**  
**35th Floor**  
**Los Angeles, CA 90071**  
**(213) 683-9100**

**Joseph A. Hall**  
**Davis Polk & Wardwell LLP**  
**450 Lexington Avenue**  
**New York, New York 10017**  
**(212) 450-4000**

**Approximate date of commencement of proposed sale to the public:** As soon as practicable after this Registration Statement becomes effective.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

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. (Check one):

Large accelerated filer       Accelerated filer       Non-accelerated filer       Smaller reporting company   
(Do not check if a smaller reporting company)

**CALCULATION OF REGISTRATION FEE**

<b>Title of Each Class of</b>	<b>Proposed Maximum</b>	<b>Amount of</b>
	<b>Aggregate Offering</b>	

<b>Securities to be Registered</b>	<b>Price(1)(2)</b>	<b>Registration Fee</b>
Class A Common Stock, par value \$0.01 per share	\$100,000,000	\$11,610

- (1) Estimated solely for the purpose of calculating the amount of the registration fee pursuant to Rule 457(o) under the Securities Act of 1933, as amended.
- (2) Includes shares of Class A Common Stock that the underwriters have the option to purchase from the registrant solely to cover over-allotments, if any.

**The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.**

---

**Table of Contents**

**The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.**

**Subject to Completion, dated January 14, 2011.**

**Prospectus**

*shares*

*Class A Common Stock*

This is an initial public offering by Air Lease Corporation of shares of its Class A Common Stock. Air Lease Corporation is selling \_\_\_\_\_ shares of Class A Common Stock. The estimated initial public offering price is between \$ \_\_\_\_\_ and \$ \_\_\_\_\_ per share.

We have applied to list our Class A Common Stock on \_\_\_\_\_ under the symbol \_\_\_\_\_.

	<b>Per share</b>	<b>Total</b>
Initial public offering price	\$ _____	\$ _____
Underwriting discounts and commissions	\$ _____	\$ _____
Proceeds to Air Lease Corporation, before expenses	\$ _____	\$ _____

We have granted the underwriters an option for a period of 30 days from the date of this prospectus to purchase up to \_\_\_\_\_ additional shares of our Class A Common Stock from us at the initial public offering price, less underwriting discounts and commissions.

**Investing in our Class A Common Stock involves a high degree of risk. See Risk factors beginning on page 12.**

**Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.**

The underwriters expect to deliver the shares of our Class A Common Stock to investors on or about \_\_\_\_\_, 2011.

**J.P. Morgan**

**Credit Suisse**

**FBR Capital Markets**

, 2011

---

**Table of contents**

	<b>Page</b>
<u>Industry and market data</u>	i
<u>Prospectus summary</u>	1
<u>Risk factors</u>	12
<u>Forward-looking statements</u>	39
<u>Use of proceeds</u>	40
<u>Dividend policy</u>	41
<u>Capitalization</u>	42
<u>Dilution</u>	43
<u>Selected financial data</u>	45
<u>Management's discussion and analysis of financial condition and results of operations</u>	47
<u>Overview of the aircraft leasing industry</u>	57
<u>Business</u>	70
<u>Management</u>	86
<u>Executive compensation</u>	95
<u>Principal stockholders</u>	118
<u>Certain relationships and related party transactions</u>	121
<u>Description of capital stock</u>	123
<u>Shares eligible for future sale</u>	129
<u>Certain U.S. federal income tax considerations for non-U.S. holders</u>	132
<u>Underwriting</u>	135
<u>Selling restrictions</u>	140
<u>Legal matters</u>	155
<u>Experts</u>	155
<u>Where you can find additional information</u>	155
<u>Index to financial statements</u>	F-1
<u>EX-3.1</u>	
<u>EX-3.2</u>	
<u>EX-4.2</u>	
<u>EX-10.1</u>	
<u>EX-10.2</u>	
<u>EX-10.6</u>	
<u>EX-10.7</u>	
<u>EX-10.8</u>	
<u>EX-10.9</u>	
<u>EX-10.10</u>	
<u>EX-10.11</u>	
<u>EX-21.1</u>	
<u>EX-23.1</u>	
<u>EX-23.3</u>	

**We 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 to which we have referred you. We take no responsibility for, and can provide no assurance as to the reliability of, any other information that others may give you. We are offering to sell, and seeking offers to buy, Class A 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 Class A Common Stock.

#### **Dealer prospectus delivery obligation**

Until \_\_\_\_\_, 2011, all dealers that buy, sell or trade in our Class A 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.

---



**Table of Contents**

**Industry and market data**

Market data and forecasts used in this prospectus have been obtained from independent industry sources and publications as well as from research reports prepared for other purposes, including, without limitation, data relating to the airline industry provided by AVITAS, Inc. ( AVITAS ), a full-service aviation consulting firm retained by us to provide aviation market and industry data for inclusion in this prospectus. We have not independently verified the data obtained from these sources, and we cannot assure you of the accuracy or completeness of the data. Forecasts and other forward-looking information obtained from these sources are subject to the same qualifications and the additional uncertainties regarding the other forward-looking statements in this prospectus.

**Table of Contents**

**Prospectus summary**

*This summary highlights information contained elsewhere in this prospectus. This summary sets forth the material terms of this offering but does not contain all of the information that you should consider before deciding to invest in our Class A Common Stock. You should read the entire prospectus carefully before making an investment decision, especially the risks of investing in our Class A Common Stock discussed in the section titled "Risk factors" and our financial statements and related notes appearing elsewhere in this prospectus. Unless the context otherwise requires, the terms "Company," "ALC," "we," "our" and "us" refer to Air Lease Corporation and its subsidiaries.*

**Our company**

Air Lease Corporation is an aircraft leasing company that was launched in February 2010 by aviation industry pioneer Steven F. Udvar-Házy. We are principally engaged in purchasing commercial aircraft which we, in turn, lease to airlines around the world to generate attractive returns on equity. We lease our aircraft to airlines pursuant to net operating leases that require the lessee to pay for maintenance, insurance, taxes and all other aircraft operating expenses during the lease term.

As of December 31, 2010, we owned 40 aircraft. Our fleet is comprised of fuel-efficient and newer technology aircraft, consisting of narrowbody (single-aisle) aircraft, such as the Airbus A319/320/321 and the Boeing 737-700/800, and select widebody (twin-aisle) aircraft, such as the Airbus A330-200 and the Boeing 777-300ER. We manage lease revenues and take advantage of changes in market conditions by acquiring a balanced mix of aircraft types, both new and used. Our used aircraft are generally less than five years old. All of the aircraft we own are leased or are subject to lease. Additionally, as of December 31, 2010, we have entered into purchase commitments to acquire an additional 144 new aircraft through 2017 and four used aircraft in 2011.

Through careful management and diversification of our leases and lessees by geography, lease term, and aircraft age and type, we mitigate the risks of owning and leasing aircraft. We believe that diversification of our leases and lessees reduces the risks associated with individual lessee defaults and adverse geopolitical and regional economic events. We manage lease expirations in our fleet portfolio over varying time periods in order to minimize periods of concentrated lease expirations and mitigate the risks associated with cyclical variations in the airline industry. Our leases typically have an average initial term of six years for narrowbody aircraft and nine years for widebody aircraft. As of December 31, 2010, the weighted average lease term remaining on our current leases was 5.6 years, and we leased the aircraft in our portfolio to 25 airlines in 15 countries.

We operate our business on a global basis, providing aircraft to airline customers in every major geographical region, including emerging and high-growth markets such as Asia, the Pacific Rim, Latin America, the Middle East and Eastern Europe. In general, many of these emerging markets are experiencing increased demand for passenger airline travel and have lower market saturation than more mature markets such as North America and Western Europe. In addition, airlines in some of these emerging markets have fewer financing alternatives, enabling us to command relatively higher lease rates compared to more mature markets. With our well-established industry contacts and access to capital, we believe we will be able to continue successfully implementing our business strategy worldwide. As of December 31, 2010, we have

**Table of Contents**

entered into leases and 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.

While our primary business is to own and lease aircraft, we also plan to provide fleet management and remarketing services to third parties for a fee. These services are similar to those we perform for our fleet, including leasing, re-leasing, lease management and sales services.

Air Lease Corporation is led by a highly experienced management team that includes Mr. Udvar-Házy, our Chairman and Chief Executive Officer, John L. Plueger, our President and Chief Operating Officer, Grant A. Levy, our Executive Vice President, General Counsel and Secretary, Marc H. Baer, our Executive Vice President, Marketing, Alex A. Khatibi, our Executive Vice President, Jie Chen, our Executive Vice President and Managing Director of Asia, James C. Clarke, our Senior Vice President and Chief Financial Officer, Gregory B. Willis, our Vice President, Finance, and Chief Accounting Officer, and John D. Poerschke, our Senior Vice President of Aircraft Specifications and Procurement. On average, our senior management team has over 23 years of experience in the aviation industry.

**Operations to date****Current fleet**

As of December 31, 2010, our aircraft fleet consisted of 36 narrowbody aircraft and four widebody aircraft, and the weighted average age of our aircraft was 3.8 years. We anticipate that our fleet will grow to approximately 100 aircraft by the end of 2011.

**Aircraft purchase commitments**

As of December 31, 2010, we had committed to acquire a total of 144 new aircraft and four used aircraft at an estimated aggregate purchase price (including adjustment for anticipated inflation) of approximately \$6.2 billion for delivery as shown below.

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

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

Our new aircraft are being purchased pursuant to binding purchase agreements with each of Airbus S.A.S. ( Airbus ), The Boeing Company ( Boeing ), Embraer S.A. ( Embraer ) and Avions de Transport Régional ( ATR ). Under certain circumstances, we have the right to alter the mix of aircraft types that we ultimately acquire. We also have cancellation rights with respect to six of the Airbus aircraft and six of the Boeing aircraft.

## **Table of Contents**

We have lease commitments (both binding and non-binding) for all 24 aircraft to be delivered in 2011 and for 16 out of 32 aircraft to be delivered in 2012. While we actively seek lease placements for the aircraft that are scheduled to be delivered through 2017, in making our lease placement decisions, we also take into consideration the anticipated growth in the aircraft leasing market and anticipated improvements in lease rates, which could lead us to determine that entering into particular lease arrangements at a later date would be more beneficial to us.

### **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. 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 take advantage of the current economic environment to make opportunistic purchases of aircraft and aircraft portfolios. We also plan to expand our fleet with a mix of additional 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. 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 Embraer E190 and ATR 72-600 aircraft. 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 decade as a result of both economic and population growth in such regions coupled with deregulation in air travel and improved infrastructure. We believe a developed infrastructure supporting direct air travel to more destinations within emerging market regions, combined with an expected increase in the number of low-cost carriers, the expansion of existing low-cost carriers

## **Table of Contents**

in these regions 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 opportunities or tax benefits, 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.

***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 cash we raised in our prior private placement of Class A Common Stock and Class B Non-Voting Common Stock (together, the Common Stock ), expected proceeds from any exercise of outstanding warrants, cash raised in this offering and in potential future equity offerings, 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 provide us with financial flexibility to fund our aircraft purchases on the best terms available.

In May 2010, we entered into a non-recourse revolving credit facility to finance the acquisition of aircraft (the Warehouse Facility ). This credit facility provides us with secured financing of up to \$1.5 billion from a syndicate of eight lenders. We are able to draw on this facility during an initial two-year availability period. 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. As of December 31, 2010, we had borrowed \$555.0 million under the Warehouse Facility. This facility provides us with ample liquidity to make opportunistic acquisitions of aircraft on short notice as we had an available balance of \$945.0 million as of December 31, 2010.

In addition, we fund some aircraft purchases through secured bilateral term financings and unsecured term and revolving credit facilities. As of December 31, 2010, we had outstanding loan balances, other than under the Warehouse Facility, of \$224.0 million in secured term debt and \$133.0 million in unsecured financing, and had \$120.0 million in available but undrawn revolving unsecured credit facilities. From time to time we will also use cash on hand to

## **Table of Contents**

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.

Furthermore, we are in the process of securing financing from government-sponsored export guaranty and lending programs offered by agencies such as the European Export Credit Agencies ( ECAs ), the Export-Import Bank of the United States ( Ex-Im Bank ) and *Seguradora Brasileira Crédito à Exportação S.A.* ( SBCE ) in conjunction with the Brazilian Development Bank ( BNDES ).

In an effort to sustain our long-term financial health and limit our exposure to unforeseen dislocations in the debt and financing 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 this 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 readily deploy to acquire additional aircraft quickly. In addition, we expect to 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 aircraft purchases at attractive times and values.

***Strong aircraft delivery pipeline.*** Through our strategic and opportunistic approach to acquiring aircraft and our strong relationship with airframe manufacturers, as of December 31, 2010, we

## **Table of Contents**

have been able to enter into commitments to acquire 144 new aircraft over the next six years. We believe that our access to this strong aircraft delivery pipeline over this period of time 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 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 December 31, 2010, the weighted average age of the aircraft in our current portfolio was 3.8 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 transport aircraft is dominated by a few airframe manufacturers, including Boeing, Airbus, ATR, Embraer and Bombardier Inc. ( 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 we leverage to obtain 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 invested an aggregate of approximately \$90.5 million in our Company. 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.

## **Overview of the aircraft leasing industry**

Over the last 40 years, demand for air travel has consistently grown both in terms of the number of aircraft and passenger traffic. Today, air travel has penetrated most world regions, and the highest growth is now coming from emerging markets and economies such as Asia, Latin America and the Middle East. The long-term outlook for growth in the airline industry remains robust due primarily to increased passenger traffic, driven by growth in demand from these emerging markets. After suffering a decrease in air traffic during the financial crisis of 2008/2009, air traffic in 2010 increased approximately 7% over 2009 levels. Moreover, AVITAS



## **Table of Contents**

forecasts that there will be more than 24,000 aircraft in service by 2015, which represents an increase of approximately 5,000 aircraft (or over 25%) compared with today's number of aircraft.

Due to the cost of aircraft acquisitions, aircraft financing complexities and the airlines' need for fleet flexibility, the role of operating lessors has expanded significantly over the last 20 years. In the late 1960s and early 1970s, airlines generally owned all of their aircraft, which were financed through loans that were collateralized by the aircraft themselves. At that time, airline fleets were typically small in size and limited to a few aircraft types. As airline fleets expanded and fixed costs for maintenance and ownership rapidly increased, airlines began to outsource the ownership of many of their airplanes through the adoption of aircraft leases. Aircraft leasing has grown steadily since the 1970s and, as of November 2010, aircraft operating leases now comprises approximately 35% of the more than 19,000 commercial jet aircraft fleet in service.

Leasing is attractive to nearly all airlines and is particularly attractive to start-up and low-cost carriers. Airlines have turned to the leasing structure for an increasing share of their financing requirements as operating leases provide fleet planning flexibility, relatively low capital investment and the avoidance of balance sheet residual value risk. An operating lease allows an airline to preserve capital that can be invested in other aspects of its operations. Furthermore, since operating lessors can provide airlines with different aircraft types with different capabilities, operating leases assist airlines in diversifying their fleets, which provides economic and product flexibility and helps to promote growth in new markets in different geographic regions.

The growth of commercial aircraft operating leases is expected to continue. Forecasts for aircraft deliveries over the next five years suggest that aircraft on lease may grow by more than 25%. Leasing companies will play an increasingly larger role in providing aircraft capacity as airlines grow their fleets and replace their existing fleets with newer, more fuel-efficient aircraft. Lessors who are adequately capitalized and are both nimble and flexible in their approach will be able to take advantage of both current and long-term aircraft leasing market opportunities.

## **Risks affecting us**

Investing in our Class A Common Stock involves a high degree of risk, 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. You should carefully consider all of the information set forth in this prospectus and, in particular, the information in the section titled "Risk factors," before deciding to invest in our Class A Common Stock.

## **Corporate information**

Air Lease Corporation incorporated in Delaware and launched in February 2010. Our principal executive office is located at 2000 Avenue of the Stars, Suite 600N, Los Angeles, California 90067. We expect to move into a larger office space in our current building in April 2011, at which time our principal executive office will be located at 2000 Avenue of the Stars, Suite 1000N, Los Angeles, California 90067. Our telephone number is (310) 553-0555 and our website is [www.airleasecorp.com](http://www.airleasecorp.com). Information included or referred to on, or otherwise accessible through, our website is not intended to form a part of or be incorporated by reference into this prospectus.

**Table of Contents**

**The offering**

**Class A Common Stock offered by us** shares

**Class A Common Stock subject to over-allotment option** shares

**Class A Common Stock to be outstanding after this offering (assuming no exercise of the over-allotment option)** shares

**Class B Non-Voting Common Stock to be outstanding after this offering** shares

**Total Common Stock to be outstanding after this offering (assuming no exercise of the over-allotment option)** shares

**Use of proceeds** We currently intend to use the net proceeds of this offering to fund the acquisition of commercial aircraft and for general corporate purposes. See Use of proceeds.

**Dividend policy** We have no current plans to declare or pay any dividends on our Common Stock. See Dividend policy.

**Voting rights** 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. 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. See Description of capital stock.

**Proposed symbol**

**Risk factors** See Risk factors for a discussion of certain factors you should consider before deciding to invest in our Class A Common Stock.



**Table of Contents**

The number of shares of our Common Stock to be outstanding following this offering is based on 65,393,149 shares of our Common Stock outstanding as of December 31, 2010 and excludes:

482,625 shares of Common Stock issuable upon the exercise of warrants outstanding as of December 31, 2010 at an exercise price of \$20.00 per share;

3,225,908 shares of Class A Common Stock issuable upon the exercise of options outstanding as of December 31, 2010 at an exercise price of \$20.00 per share; and

3,225,907 shares of Class A Common Stock issuable upon the vesting of restricted stock units outstanding as of December 31, 2010.

Unless otherwise noted, the information in this prospectus assumes no exercise by the underwriters of their option to purchase up to           additional shares of our Class A Common Stock to cover over-allotments, if any.

**Table of Contents****Summary financial information and data**

*The following tables set forth summary consolidated financial data for Air Lease Corporation. The historical results presented are not necessarily indicative of future results. The summary consolidated financial data set forth below should be read in conjunction with Management's discussion and analysis of financial condition and results of operations and the financial statements and related notes appearing elsewhere in this prospectus.*

<b>(in thousands, except share data)</b>	<b>For the period from inception to September 30, 2010</b>
<b>Operating data:</b>	
Rentals of flight equipment	\$ 20,345
Interest and other	1,116
Total revenues	21,461
Expenses	78,318
Loss before tax	(56,857)
Tax benefit	7,492
Net loss	(49,365)