Erickson Air-Crane Inc
Form S-1/A
January 30, 2012

As filed with the Securities and Exchange Commission on January 30, 2012

Registration No. 333-166752

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

AMENDMENT NO. 9
TO

FORM S-1

REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

ERICKSON AIR-CRANE INCORPORATED

(Exact name of registrant as specified in its charter)

Delaware	**3720**	**93-1307561**
(State or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification Number)

5550 SW Macadam Avenue, Suite 200
Portland, Oregon 97239
(503) 505-5800
(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

Charles Ryan
Chief Financial Officer
Erickson Air-Crane Incorporated
5550 SW Macadam Avenue, Suite 200
Portland, Oregon 97239
(503) 505-5800
(Name, address, including zip code, and telephone number, including area code, of agent for service)

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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. o

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. o

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. o

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. o

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 definitions of "large accelerated filer," "accelerated filer," and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

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

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Amount to be Registered(1)	Proposed Maximum Aggregate Offering Price per Share	Proposed Maximum Aggregate Offering Price(1)(2)	Amount of Registration Fee
Common Stock, $0.0001 par value	6,152,500	$15.00	$92,287,500	$7,328.65(3)

(1) Includes shares of common stock that the underwriters have the option to purchase to cover the overallotment.

(2) Estimated solely for purposes of determining the registration fee in accordance with Rule 457(a) under the Securities Act of 1933, as amended.

(3) $5,347.50 of the registration fee was previously paid on May 12, 2010.

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.

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SUBJECT TO COMPLETION, DATED JANUARY 30, 2012
PRELIMINARY PROSPECTUS

Erickson Air-Crane Incorporated
5,350,000 Shares
Common Stock
$ per share

This is Erickson Air-Crane Incorporated's initial public offering. We are selling 5,350,000 shares of our common stock.

We expect the public offering price to be between $13.00 and $15.00 per share. Currently, no public market exists for the shares. We have applied to list our common stock on The NASDAQ Global Market under the symbol "EAC."

Investing in our common stock involves risks. See "Risk Factors" beginning on page 17 of this prospectus.

	Per Share	Total
Public offering price	$	$
Underwriting discount	$	$
Proceeds, before expenses, to us	$	$

The selling stockholders named in this prospectus have granted the underwriters an option to purchase up to an additional 802,500 shares of our common stock at the public offering price, less the underwriting discounts and commissions, to cover overallotments, if any, within 30 days from the date of this prospectus. We will not receive any proceeds from the sale of shares by the selling stockholders, if any; however, we will pay all expenses on behalf of the selling stockholders in connection with this offering other than the underwriting discounts and commissions payable by the selling stockholders.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The underwriters expect to deliver the shares on or about , 2012.

Stifel Nicolaus Weisel

Oppenheimer & Co.

Lazard Capital Markets

D.A. Davidson & Co.

Wedbush Securities

The date of this prospectus is , 2012.

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Neither we, the underwriters, nor the selling stockholders have authorized anyone to provide any information or to make any representations other than those contained in this prospectus or in any free writing prospectuses we have prepared. You should not rely on any information other than the information contained in this prospectus and in any free writing prospectus that we prepare. Neither we, the underwriters, nor the selling stockholders take any responsibility for, nor can provide any assurance as to the reliability of, any other information that others may give you. This prospectus is an offer to sell only the shares of common stock offered hereby, but only under circumstances and in jurisdictions where it is lawful to do so. The information contained in this prospectus is current only as of its date.

Erickson Air-Crane Incorporated, our logo, and other trademarks mentioned in this prospectus are the property of their respective owners.

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EXPLANATORY NOTE REGARDING RECAPITALIZATION

In connection with this offering, we will amend and restate our certificate of incorporation to reclassify our Series A Redeemable Preferred Stock and our Class A Common Stock into an aggregate of 5,357,715 shares of our common stock. Unless otherwise noted, the information in this prospectus gives effect to our recapitalization and the amendment and restatement of our certificate of incorporation. We also intend to adopt a 2012 Long-Term Incentive Plan under which we intend to issue restricted stock units ("RSUs") concurrently with the closing of this offering. See "Capitalization" and "Executive Compensation 2012 Long-Term Incentive Plan" for additional information.

PROSPECTUS SUMMARY

This summary highlights information contained elsewhere in this prospectus and does not contain all of the information that you should consider in making your investment decision. Before investing in our common stock, you should carefully read this entire prospectus, including our consolidated financial statements and the related notes included in this prospectus and the information set forth under the headings "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations."

In this prospectus, unless otherwise indicated or the context otherwise requires, references to "we," "us," "our," the "Company," and "Erickson" refer to Erickson Air-Crane Incorporated and its subsidiaries on a consolidated basis.

Our Company

We specialize in the operation and manufacture of the Erickson S-64 Aircrane ("Aircrane"), a versatile and powerful heavy-lift helicopter. The Aircrane has a lift capacity of up to 25,000 pounds and is the only commercial aircraft built specifically as a flying crane without a fuselage for internal loads. The Aircrane is also the only commercial heavy-lift helicopter with a rear load-facing cockpit, combining an unobstructed view and complete aircraft control for precision lift and load placement capabilities.

We own and operate a fleet of 17 Aircranes, which we use to support a wide variety of government and commercial customers worldwide across a broad range of aerial services, including firefighting, timber harvesting, infrastructure construction, and crewing. We refer to this segment of our business as Aerial Services. We also manufacture Aircranes and related components for sale to government and commercial customers and provide aftermarket support and maintenance, repair, and overhaul services for the Aircrane and other aircraft. We refer to this segment of our business as Aircraft Manufacturing and Maintenance, Repair, and Overhaul ("Manufacturing / MRO"). As part of our Manufacturing / MRO segment, we also offer cost per hour ("CPH") contracts pursuant to which we provide components and expendable supplies for a customer's aircraft at a fixed cost per flight hour. We believe CPH contracts help our customers better predict and manage their maintenance costs. In 2010, our Aerial Services and Manufacturing / MRO segments generated revenues of $105.7 million and $12.5 million, respectively. For the nine months ended September 30, 2011, our Aerial Services and Manufacturing / MRO segments generated revenues of $111.2 million and $10.8 million, respectively. In 2010, we had a net loss attributable to Erickson Air-Crane of $8.3 million, and in the nine months ended September 30, 2011, we had net income attributable to Erickson Air-Crane of $7.3 million.

We own the Type and Production Certificates for the Aircrane, granting us exclusive design, manufacturing, and related rights for the aircraft and original equipment manufacturer ("OEM") components. We invest in new technologies and proprietary solutions with a goal of increasing our market share and entering new markets. We have made more than 350 design improvements to the Aircrane since acquiring the Type Certificate and we have developed Aircrane accessories that enhance our aerial operations, such as our firefighting tank system and snorkel, timber "heli harvester," and anti-rotation device and hoist.

We have manufactured 33 Aircranes for our own fleet and for our customers in several countries worldwide. To date, we have sold and delivered nine Aircranes, including our first sale to a commercial customer in 2009 (subject to the purchaser's right to resell the aircraft to us on July 31, 2013, which was an important term to the purchaser when the sale agreement was negotiated).

We believe we are the only fully integrated developer, manufacturer, operator, and provider of aftermarket parts and services for a precision heavy-lift helicopter platform, and that there are significant growth opportunities for our business. For example, we believe population growth and deconcentration, which increases the size and breadth of communities that must be protected from wildfires, will lead to increased government spending on rapid response, heavy-lift firefighting solutions such as the Aircrane.

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See "Business Competition" and "The Commercial Heavy-Lift Helicopter Industry Commercial Heavy-Lift Helicopter Markets." There is, however, no guarantee that growth will occur in the markets we serve or that we will be able to take advantage of growth opportunities. See "Risk Factors."

We target long-term contract opportunities and had a total backlog of $213.8 million as of December 31, 2011, of which $106.0 million was from signed contracts and $107.8 million was from anticipated exercises of customer extension options, as compared to a total backlog of $298.7 million as of December 31, 2010, of which $167.7 million was from signed contracts and $131.0 milion was from anticipated exercises of customer extension options. We define long-term contracts as contracts of six months or more, to distinguish them from our contracts related to a specific task for a customer, which are generally short-term engagements. We include anticipated exercises of customer extension options in our backlog when our prior operating history, including past exercises of extension options by such customers and the other circumstances specific to the particular contract, causes us to conclude that the exercise of such extension option is likely. We expect that approximately $135.9 million of the backlog will not be filled in 2012. See "Business Backlog" for a discussion of how we define and calculate backlog. See "Risk Factors Risks Related to Our Business Some of our backlog may be deferred or may not be realized." See also " Our Competitive Strengths Valuable Long-Term Customer Relationships and Contracts" for a description of some of our long-term customer relationships.

Our Aerial Services operations are seasonal and tend to peak in June through October and tend to be at a low point in January through April. As a result of this seasonality, we have historically generated higher revenue in our third quarter as compared to other quarters, and received the majority of our cash in the second half of the calendar year. We had cash used in operations of $8.4 million for the year ended December 31, 2010 and $14.4 million for the nine months ended September 30, 2011. We believe that our cash flows from operations, together with cash on hand and the availability of our credit facilities, will provide us with sufficient liquidity to operate our business for the foreseeable future. However, there is no guarantee that we will have sufficient liquidity, and our significant debt service obligations could adversely affect our financial condition and impair our ability to grow and operate our business and comply with the financial covenants under our Credit Agreement in 2012. See "Risk Factors Risks Relating to Our Business Our indebtedness and significant debt service obligations could adversely affect our financial condition and impair our ability to grow and operate our business and we might not comply with the financial covenants under our Credit Agreement in 2012." See also " Our Strategy Increase Our Aircrane Sales" and " Risks Related to Our Business."

We are headquartered at 5550 SW Macadam Avenue, Suite 200, Portland, Oregon 97239, our phone number is (503) 505-5800, and our website address is www.ericksonaircrane.com. The information on, or accessible through, our website is not a part of this prospectus and should not be relied upon in determining whether to make an investment decision. We have production, maintenance, and logistics facilities in Central Point, Oregon. We currently maintain a year-round international presence with operations in Canada, Italy, Malaysia, and Peru, and an operating presence in Australia and Greece.

We employ approximately 700 employees of whom approximately 500 are located in Oregon, primarily at our Central Point facilities and Portland headquarters. We employ approximately 100 pilots. We deploy crews, including pilots and maintenance personnel, on-site globally where we deploy our Aircranes.

Our Competitive Strengths

We believe we have certain competitive advantages in the heavy-lift helicopter market that further our ability to execute on our strategy.

Versatile Heavy-Lift Helicopter Solutions. The versatility and high payload capacity of the Aircrane, its proprietary mission-specific accessories, and the skill of our pilots and crews make the Aircrane an attractive solution for a wide variety of aerial services. We believe our fleet of 17 owned and operating Aircranes is the largest commercial fleet of helicopters in the world capable of carrying loads of up to

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25,000 pounds and that our role as the manufacturer of the Aircrane, combined with our scale, service readiness, and comprehensive global support network, provides us with a leadership position in the heavy-lift helicopter industry. See "Business Competition."

Vertically Integrated Business Model. We offer a full spectrum of heavy-lift helicopter solutions, including the design, engineering, development, manufacturing, and testing of the Aircrane, as well as Aerial Services and MRO services. We believe our integrated business model reduces our costs, diversifies our revenue stream, and results in better products and services through close collaboration between our product engineers and our operations personnel.

Established International Presence. During our history, we have operated in 18 countries across five continents. Global operations allow us to maximize the use of our fleet for seasonal aerial services and position us to capitalize on opportunities in a broad range of geographies. We currently maintain a year-round international presence in Canada, Italy, Malaysia, and Peru, and an operating presence in Australia and Greece. Global operations expose us to risks, such as currency fluctuations, different regulatory and legal environments, and risks of financial, political, and other instability related to the countries in which we operate. See "Risk Factors Risks Related to Our Business Our business is subject to risks associated with international operations, including operations in emerging markets."

Proprietary Technologies and Continuous Innovation. We have made more than 350 design improvements to the Aircrane and have developed a variety of innovative accessories for our Aerial Services, including a 2,650 gallon firefighting tank and snorkel refill system, a "heli harvester" for aerial timber harvesting, and an anti-rotation device and hoist that facilitates precision heavy load placement. We continuously explore ways to deliver innovative solutions to our customers and to potential customers in new markets.

Valuable Long-Term Customer Relationships and Contracts. We believe that our established relationships with customers, some of whom have been customers for more than 20 years, allow us to effectively compete for and win new projects and contract renewals. Our long-term relationships help provide us with visibility with respect to our revenue, aircraft utilization, and scheduled usage patterns. We increased our backlog as of December 31, 2011 by $180.8 million to $213.8 million compared to September 26, 2007, the date of the acquisition of the Company by a group of private equity investors. We had $298.7 million of backlog at December 31, 2010, of which $167.7 million was from signed contracts and $131.0 million was from anticipated exercises of customer extension options. We derived approximately 76% of our 2010 revenues and approximately 80% of our revenues for the nine months ended September 30, 2011 from long-term contracts. We define a long-term contract to be a contract with a duration of six months or more. See "Business Backlog" for a discussion of how we define and calculate backlog. See also "Risk Factors Risks Related to Our Business Some of our backlog may be deferred or may not be realized."

In 2010, we received 61.5% of our revenues from our largest customers, including the U.S. Forest Service, the Italian Ministry of Civil Protection, the Hellenic Fire Brigade, and Samling Global. For the nine months ended September 30, 2011, these same customers accounted for 57.2% of our revenues. For the years ended December 31, 2008, 2009, and 2010 and the nine months ended September 30, 2011, 12.4%, 16.6%, 24.4%, and 31.1% of our revenues, respectively, and 9.0%, 7.3%, 9.0%, and 15.9% of our accounts receivable at the end of such periods, respectively, were attributable to our contract with the U.S. Forest Service. For the years ended December 31, 2008, 2009, and 2010 and the nine months ended September 30, 2011, 20.5%, 13.6%, 13.8%, and 10.8% of our revenues, respectively, and 8.5%, 6.2%, 10.5%, and 28.7% of our accounts receivable at the end of such periods, respectively, were attributable to our contract with the Italian Ministry of Civil Protection. For the years ended December 31, 2008, 2009, and 2010 and the nine months ended September 30, 2011, 12.6%, 10.5%, 11.0%, and 9.1% of our revenues, respectively, and 38.5%, 25.9%, 16.2%, and 15.1% of our accounts receivable at the end of such periods, respectively, were attributable to services provided to the Hellenic Fire Brigade. For the years ended

December 31, 2008, 2009, and 2010 and the nine months ended September 30, 2011, 3.7%, 5.1%, 12.3%, and 6.2% of our revenues, respectively, and 3.6%, 2.3%, 1.3%, and 0.7% of our accounts receivable at the end of such periods, respectively, were attributable to our contract with Samling Global.

While the contracts with our largest customers have a term of six months or more, they may be subject to annual renewals or extensions, and there is no guarantee that the contracts will be renewed. For example, our contract with the Hellenic Fire Brigade calls for annual confirmation notices, which have historically been received from the customer in the period between January and June of the year in which the services are to be provided. The Hellenic Fire Brigade has been a continuous customer of ours for over ten years and has always provided such confirmation notices in the past. While we believe that the customer intends to confirm the contract for 2012, we have yet to receive such confirmation notice as of January 29, 2012 and there is no guarantee that the contract will be confirmed for 2012. Our contract with the Hellenic Fire Brigade runs through the end of 2013. As of December 31, 2011, $25.4 million of our backlog was attributable to the anticipated confirmation of such contract for both 2012 and 2013.

Experienced and Growth-Oriented Management Team. Within the last four years, we have added the six members of our senior management team, including our Chief Executive Officer ("CEO"), our Chief Financial Officer ("CFO"), our Senior Vice President of Global Sales and Marketing, our Vice President of Manufacturing and MRO, our Vice President of Aerial Services, and our Vice President, General Counsel, and Corporate Secretary. Our senior management team has an average of more than 20 years of experience in the aviation industry and rotorcraft sector. This professional aerospace team provides us with deep domain knowledge, extensive operational and manufacturing expertise, and strong customer and business relationships.

Our Strategy

Our goals are to strengthen our position in the competitive heavy-lift helicopter industry by continuing to provide innovative, value-added solutions to our customers, and to expand our aircraft and component sales and MRO services. We intend to focus on the following strategies to achieve these goals:

Maintain Position in Aerial Services and Expand into New Markets. We intend to leverage our global presence, our vertically integrated offerings, and our innovative technologies to expand our customer base and increase our fleet utilization in existing and new markets.

Firefighting. We intend to opportunistically enter European, Asian, and South American countries that have significant fire seasons. We expect the seasonal differences between these countries and those we currently serve will provide us with the opportunity to increase our global fleet utilization and provide more scale in each of our key target regions.

Timber harvesting. We intend to opportunistically enter new markets in South America and Asia where abundant high-value timber resources present significant growth potential for our heavy-lift solutions. In addition, we expect to continue to capitalize on the growing desire for sustainable timber harvesting practices, as we have done in North America and Malaysia. Specifically, we have been able to secure Aerial Services contracts in the United States, Canada, and Malaysia supporting customers who do not clear cut timber (which allows for easier access by road) and instead use sustainable timber harvesting practices that require extraction of heavy timber loads from sites that may not be accessible by ground transportation.

Infrastructure construction. We believe that infrastructure construction represents a large market with growth potential for us. In particular, we believe that electrical grid development and modernization, oil and gas pipeline construction, wind turbine construction, and other alternative energy projects represent our most significant growth opportunities in this sector.

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Emergency response. We have developed and continue to expand a comprehensive emergency response marketing effort to provide advanced global aerial solutions in support of disaster recovery, hazard mitigation, and infrastructure restoration.

Crewing. We have experienced strong demand for crewing services from customers who have purchased our Aircranes and we expect this trend to continue as the global installed base of Aircranes expands.

Increase Our Aircrane Sales. We have not sold an Aircrane since 2009, but have manufactured two Aircranes which are substantially complete and ready to sell. These two Aircranes are currently held in inventory and are not part of our fleet of 17 Aircranes that we operate for our customers. We intend to increase sales of the Aircrane to existing and new customers. In addition to generating profits upon sale, we expect an increase in the installed base of Aircranes to augment demand for our crewing services, OEM components, and MRO and other aftermarket services. We have established a sales team that is focused on expanding Aircrane sales and has significantly increased our sales pipeline activities. However, such sales are subject to considerable uncertainties. For example, in September 2010, we entered into an aircraft purchase agreement for the purchase of one Aircrane with Aliar Aircrane Servicos Especializados Ltda that was subject to a financing condition. The condition was not satisfied and the agreement terminated. In December 2010, we entered into a non-binding memorandum of understanding with Wan Yu Industries Groups, Limited for the purchase of five Aircranes that was subject to a condition that the customer pay a non-refundable deposit by the end of January 2011. The deposit with respect to such potential Aircrane sales was not received and therefore the arrangement terminated. On August 1, 2011, we entered into an Aircraft Lease and Purchase Option Agreement with HRT Netherlands B.V. ("HRT"), a subsidiary of HRT Participações em Petróleo S.A., a Brazilian oil and gas exploration company. HRT declined to exercise its option to purchase the Aircrane pursuant to such agreement and the lease expired January 15, 2012. The failure of HRT to exercise its purchase option or the failure by us to otherwise sell an Aircrane increases the risk that we may fail to comply with the financial covenants under our Credit Agreement in 2012. See "Risk Factors Risks Related to Our Business Cancellations, reductions or delays in customer orders, delays in delivery of Aircranes, or customer breaches of purchase agreements may adversely affect our results of operations and our ability to comply with covenants under our Credit Agreement" and "Management's Discussion and Analysis of Financial Condition and Results of Operations Trends and Uncertainties Affecting Our Business." In addition, a sale of one of the 17 Aircranes that is part of our fleet would reduce the number of Aircranes available to provide Aerial Services. If we consummate such a sale, we may not always have the ability to maintain our desired level of Aerial Services operations with a reduced fleet, and our results of operations could be adversely affected. See "Risk Factors Risks Related to Our Business Our Aerial Services revenues depend on the availability and size of our Aircrane fleet."

Expand Our MRO and Aftermarket Solutions. We intend to leverage the expertise of our highly trained engineers and maintenance support personnel to extend our MRO capabilities across aircraft platforms similar to the Aircrane. We have entered into a service and supply agreement with Bell Helicopter Textron Inc. ("Bell") pursuant to which we will manufacture and sell certain commercial aircraft parts and components to Bell. We believe that we are also well-positioned to provide similar services for other aircraft, directly or in partnership with OEMs.

Maintain a Focus on Long-Term Customer Relationships and Contracts. We intend to focus on developing long-term relationships with key customers through reliable performance and a strong commitment to safety and service. This focus has resulted in an increase in our backlog and we believe it has given us a competitive advantage in competing for new contracts and renewals of existing contracts.

Maintain a Continued Focus on Research and Development. We are dedicated to continuous innovation and significant research and development projects. Our operations have benefited from innovations such as our fire tank and snorkels, anti-rotation device and hoist, hydraulic grapple, and a redesigned automated flight control system. We have several new product applications and aircraft accessories under

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development, including composite main rotor blades, and a universal multipurpose container for cargo transportation. See "Business Research and Development."

Selectively Pursue Acquisitions of Businesses and Complementary Aircraft. We intend to continue to opportunistically evaluate the acquisition of businesses and aircraft that could complement and enhance our Aerial Services capabilities and service offerings and increase our access to customers and our penetration of new and existing markets.

There is no guarantee that we will be able to execute on our strategies, and, even if we successfully execute on our strategies, there is no guarantee that our strategies will strengthen our position in the heavy-lift helicopter industry. Our ability to execute on our strategies is subject to risks and uncertainties described in "Risk Factors."

Changes to Our Company Since Our 2007 Acquisition

Our Company was acquired by a group of private equity investors in September 2007. Our new stockholders have taken several steps to improve our business and financial position and improve our focus on implementing our strategies.

Management. We have added strong professional aerospace managers to our management team, adding six members of our senior management team, including our CEO and CFO, our Senior Vice President of Global Sales and Marketing, our Vice President of Manufacturing and MRO, our Vice President of Aerial Services, and our Vice President, General Counsel, and Corporate Secretary. This management team has extensive experience in the helicopter services and aerospace manufacturing sectors and has brought significant improvements to our operations.

Focus on Long-Term Relationships and Contracts. We have focused on building a diverse range of long-term relationships and obtaining long-term contracts. We have increased our backlog as of December 31, 2011 by $180.8 million to $213.8 million compared to September 26, 2007, the date of the acquisition of the Company by a group of private equity investors. We derived approximately 76% of our 2010 revenues and approximately 80% of our revenues for the nine months ended September 30, 2011 from long-term contracts. We define a long-term contract to be a contract with a duration of six months or more. See "Business Backlog" for discussion of how we define and calculate backlog. See also "Risk Factors Risks Related to Our Business Some of our backlog may be deferred or may not be realized."

Increased MRO Focus. We have begun to leverage our expertise with the Aircrane and the military version of the Aircrane, known as the CH-54, to offer MRO services to customers with similar aircraft platforms who need their aircraft components repaired or overhauled by a certified facility.

Oil and Gas Pipeline Construction. We have begun penetrating the oil and gas pipeline construction services market. We have recently entered into a three-year services contract with an oil and gas exploration company in Peru. See " Recent Developments Recent Business Updates."

Increased Effort to Expand Aircrane Sales. Our sales group is dedicated to expanding Aircrane sales, and has significantly increased our sales pipeline activities. We may enter into agreements providing options to potential customers on future aircraft deliveries, which options only become binding obligations on us if non-refundable deposits are paid. The options allow us to engage potential customers in the sale process. However, there is no assurance that any options will be exercised or any conditional sales will be completed. See " Our Strategy Increase Our Aircrane Sales" above and "Risk Factors Risks Related to Our Business Cancellations, reductions or delays in customer orders, delays in delivery of Aircranes, or customer breaches of purchase agreements may adversely affect our results of operations and our ability to comply with covenants under our Credit Agreement."

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Improved Standards for Safety and Quality. We have implemented specific, company-wide safety and quality processes to further enhance our safety and quality culture and now exceed several recommended Federal Aviation Administration ("FAA") standards.

Recent Developments

Estimated Financial Data

Set forth below are certain preliminary estimates of our consolidated operating results for the quarter and year ended December 31, 2011. These preliminary estimates are subject to completion of our financial closing procedures for the year ended December 31, 2011 and have been prepared on the basis of currently available information by, and are the responsibility of, our management. Our independent registered public accounting firm has not audited or reviewed these preliminary estimates. These preliminary estimates are not a comprehensive statement of our financial results for the quarter and year ended December 31, 2011. Our actual results may differ materially from these estimates due to the completion of our financial closing procedures, final adjustments, and other developments that may arise between now and the time the financial results for this period are finalized.

Our total net revenues for the quarter ended December 31, 2011 are preliminarily estimated to be between $30.0 million and $32.0 million, an increase of between $4.8 million and $6.8 million, or 19.1% and 27.0%, from our total net revenues of $25.2 million for the quarter ended December 31, 2010. Our total net revenues for the year ended December 31, 2011 are preliminarily estimated to be between $152.0 million and $154.0 million, an increase of between $33.8 million and $35.8 million, or 28.6% and 30.3%, from our total net revenues of $118.2 million for the year ended December 31, 2010. The preliminarily estimated increase in total net revenues is primarily attributable to increased Aerial Services revenues, reflecting increased flight hours and new contracts in 2011 compared to 2010.

Our operating loss for the quarter ended December 31, 2011 is preliminarily estimated to be between $1.3 million and $2.3 million, a decrease of between $2.8 million and $1.8 million, or 68.3% and 43.9%, from our operating loss of $4.1 million for the quarter ended December 31, 2010. Our operating income for the year ended December 31, 2011 is preliminarily estimated to be between $17.8 million and $18.8 million, an increase of between $16.1 million and $17.1 million, or an approximate tenfold increase, from our operating income of $1.7 million for the year ended December 31, 2010. The preliminarily estimated increase in operating income is primarily attributable to increased revenues and gross profit from our Aerial Services business.

We have provided ranges for the preliminary estimates set forth above because our financial closing procedures for the year ended December 31, 2011 are not complete. As a result, our final total net revenues and operating income (loss) may vary from our preliminary estimates. We expect that our final total net revenues and operating income (loss) will be within the estimated ranges set forth above, but it is possible that they will not be within these ranges. We have estimated our total net revenues based primarily on daily and hourly revenue estimates for the contracts in the quarter ending December 31, 2011, and we have estimated our operating income (loss) based primarily on our revenue estimates taking into account estimated cost of revenues and operating expenses. We expect to complete our internal financial closing procedures for the year ended December 31, 2011 in February 2012. We expect to be in compliance with the financial covenants under our Credit Agreement at December 31, 2011.

Recent Business Updates

Since September 30, 2011, a number of developments have occurred that may have a material impact on our business:

Repsol Transaction. In October 2011, we entered into a three-year helicopter services agreement with Repsol Exploración Perú S.A. ("Repsol"), a Peruvian subsidiary of a Spanish oil and gas exploration company that is developing natural gas resources in Peru. Under the terms of the agreement, we are providing helicopter services to Repsol in connection with Repsol's construction of a natural gas pipeline in Peru. The agreement with Repsol represents a material portion of our total backlog. See "Risk Factors Risks Related to Our Business Some of our backlog may be deferred or may not be realized." The total amount expected to be paid to us pursuant to this agreement is approximately $30 million.

November 2011 Restructuring. On November 2, 2011, we completed a company restructuring which included a reduction-in-force of 119 employees. The restructuring was needed to realign our operating expenses to ensure that we remain competitive in the markets we serve. However, as a result of the reduction-in-force, we may experience longer aircraft delivery lead times for future customers who wish to purchase Aircranes, which may delay the timing of our aircraft sales revenues in the future. In the event that we experience significantly increased customer demand to purchase our Aircranes, we anticipate being able to meet such demand by rapidly expanding our manufacturing capacity and related resources. However, such expansion may require us to incur significant financial costs.

U.S. Forest Service Contract Award. In December 2011, the U.S. Department of Agriculture awarded us a National Exclusive Use Large Fire Support Helicopter Services contract with the U.S. Forest Service. The contract has a one-year term with a customer option for three one-year extensions. The contract comprises seven awards for a total contract award of approximately $24 million annually. The agreement with the U.S. Forest Service represents a material portion of our backlog. See "Risk Factors Risks Related to Our Business Some of our backlog may be deferred or may not be realized."

Helifor Transaction. In January 2012, we and our Canadian subsidiary, Canadian Air-Crane Limited, entered into a one-year aircraft services agreement with Columbia Helicopters, Inc. ("Columbia Helicopters"), a U.S. heavy-lift helicopter operator, and Helifor Canada Corporation ("Helifor"), a Canadian heavy-lift helicopter operator. Under the terms of the agreement, we will provide aviation services in the United States and Canada as of January 15, 2012 to Columbia Helicopters and Helifor. The total amount expected to be paid to us pursuant to this agreement is approximately $7.6 million.

Western Transaction. In January 2012, our Canadian subsidiary, Canadian Air-Crane Limited, entered into a one-year aircraft services agreement with Western Forest Products Inc. ("Western"), a Canadian forest products and timberlands management company. Under the terms of the agreement, we will provide aviation services in Canada as of February 1, 2012 to Western. The total amount expected to be paid to us pursuant to this agreement is approximately C$13.6 million.

Risks Related to Our Business

Our business is subject to numerous risks and uncertainties of which you should be aware and that you should carefully consider before investing in shares of our common stock. These risks are more fully discussed in the section entitled "Risk Factors" following this prospectus summary and include but are not limited to the following:

- Our helicopter operations involve significant risks, which may result in hazards that may not be covered by our insurance or may increase the cost of our insurance.

- Failure to maintain our safety record would seriously harm our ability to attract new customers and maintain our existing customers, and would increase our insurance costs.

- Our indebtedness and significant debt service obligations could adversely affect our financial condition and impair our ability to grow and operate our business and we might not comply with the financial covenants under our Credit Agreement in 2012.

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If our business does not perform as expected, including if we generate less than anticipated revenue from our Aerial Services operations or encounter significant unexpected costs, we may fail to comply with the financial covenants under our Credit Agreement in 2012.

We were not in compliance with certain financial covenants under our Credit Agreement as of December 31, 2010 and March 31, 2011, and subsequent amendments to our Credit Agreement waived such non-compliance. We cannot assure you that, if we fail to comply with the financial covenants under our Credit Agreement, our lenders will agree to waive any non-compliance.

If we are unable to recover any portion of the amount subject to our claim related to certain contracts with the U.S. Forest Service, we may incur a charge to write-off such portion, and there is a risk that any such write-off may adversely affect our ability to comply with the financial covenants under our Credit Agreement in 2012. See "Business Legal Proceedings Pending Proceedings U.S. Forest Service Claim."

Although we intend to use the proceeds of this offering to pay down indebtedness under our revolving credit facility and to pay off our unsecured subordinated promissory notes (which have a 20% annual interest rate that is payable in kind by increasing the principal of the notes) in order to increase the likelihood of our compliance with the financial covenants under our Credit Agreement and to improve our ability to refinance our senior credit facilities, there will remain uncertainties regarding our ability to comply with our financial covenants in 2012 and 2013 and achieve such refinancing.

We have significant payment obligations due in 2013 as a result of the maturity of our senior credit facilities and the possible exercise by one of our significant customers of a put option that would, if exercised, require us to repurchase the Aircrane we sold to such customer. Our ability to finance such repurchase may depend on our ability to refinance our senior credit facilities.

Some of our backlog may be deferred or may not be realized.

Cancellations, reductions or delays in customer orders, delays in delivery of Aircranes, or customer breaches of purchase agreements may adversely affect our results of operations and our ability to comply with covenants under our Credit Agreement.

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THE OFFERING

Common stock offered by Erickson Air-Crane Incorporated	5,350,000 shares
Common stock to be outstanding after this offering	10,707,715 shares
Common stock subject to overallotment option granted by selling stockholders	802,500 shares (these shares will only be sold, in full or in part, if the underwriters exercise their overallotment option to purchase additional shares)
Use of proceeds	We estimate that we will receive net proceeds from the sale of shares of common stock in this offering of approximately $67.9 million, assuming an initial public offering price of $14.00 per share, the midpoint of the sale price range set forth on the cover of this prospectus, after deducting underwriting discounts and commissions and estimated offering expenses. We intend to use the proceeds of this offering as follows: approximately $45.4 million to pay down indebtedness under our revolving credit facility, as reduced by any additional amount used to pay off accrued interest on our unsecured subordinated promissory notes incurred since September 30, 2011, which will increase the amounts available for future borrowing and will, in our view, increase the likelihood of our compliance with the financial covenants under our Credit Agreement on an ongoing basis and improve our ability to refinance our senior credit facilities; approximately $22.5 million to pay off our unsecured subordinated promissory notes and such additional amounts as necessary to pay off interest accrued on such notes since September 30, 2011; and the remaining net proceeds, if any, for general corporate and working capital purposes. As of September 30, 2011, our total indebtedness, excluding letters of credit, was $125.0 million, consisting of $45.6 million borrowed under our revolving credit facility, $56.9 million borrowed under our term loan facility and $22.5 million borrowed under our unsecured subordinated promissory notes. At September 30, 2011, we had maximum availability for borrowings under our revolving credit facility of approximately $21.8 million. We issued unsecured subordinated promissory notes with an original value of $19.5 million and a 20% annual interest rate that is payable in kind by increasing the principal amount of the notes. As of September 30, 2011, the principal amount outstanding under the notes is $22.5 million, including $3 million in paid-in-kind interest. We issued the notes to provide for additional borrowing capacity under our revolving credit facility, recognizing that the proceeds of this offering are intended to be used to pay off the remaining amounts owed under the unsecured subordinated promissory notes. Under the terms of our revolving credit facility, we are prevented from paying down principal on the unsecured subordinated promissory notes unless such payments are made with the proceeds of this offering.

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	We will not receive any of the proceeds from the sale of shares by the selling stockholders. However, we will pay all expenses on behalf of the selling stockholders in connection with this offering other than the underwriting discounts and commissions payable in connection with the sales of shares of our common stock by the selling stockholders. See "Use of Proceeds" for additional information.
Proposed NASDAQ Global Market symbol	"EAC"
Risk factors	See "Risk Factors" and the other information included in this prospectus for a discussion of factors you should carefully consider before investing in shares of our common stock.

The number of shares of common stock to be outstanding after this offering is based on our shares outstanding as of the date of this prospectus, which gives effect to the completion of our recapitalization described in "Explanatory Note Regarding Recapitalization."

Unless we indicate otherwise, all information in this prospectus excludes:

- 465,888 shares of common stock reserved for issuance under our 2012 Long-Term Incentive Plan, which we intend to adopt prior to the closing of this offering, which includes the following RSUs that we intend to issue concurrently with the closing of this offering: (1) 289,390 RSUs to certain members of our management; and (2) an estimated 5,424 RSUs to our independent directors; and

- the shares of common stock to be sold by the selling stockholders if the underwriters exercise their overallotment option.

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SUMMARY CONSOLIDATED FINANCIAL AND OTHER DATA

The following tables set forth our summary consolidated financial and other data. We derived our summary consolidated financial and other data as of December 31, 2009 and 2010, and for the years ended December 31, 2008, 2009, and 2010 from our audited consolidated financial statements and notes thereto, which are included elsewhere in this prospectus. The balance sheet data as of December 31, 2008 has been derived from our audited consolidated financial statements which are not included in this prospectus.

We derived our summary consolidated financial and other data as of September 30, 2011 and for the nine months ended September 30, 2010 and 2011 from our unaudited condensed consolidated financial statements and notes thereto, which are included elsewhere in this prospectus. These unaudited condensed consolidated financial statements have been prepared on the same basis as the audited consolidated financial statements and, in the opinion of our management, include all adjustments, consisting only of normal recurring adjustments, necessary for a fair presentation of the information set forth herein. Interim financial results are not necessarily indicative of results that may be expected for the full fiscal year or any future reporting period.

Our summary consolidated financial and other data are not necessarily indicative of our future performance. The data provided in this table are only a summary and do not include all of the data contained in our financial statements. Accordingly, this table should be read in conjunction with, and is qualified in its entirety by, our consolidated financial statements and related notes contained elsewhere in this prospectus and the sections of this prospectus entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Capitalization."

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(In thousands, except share and per share amounts)	Year Ended December 31, 2008	Year Ended December 31, 2009	Year Ended December 31, 2010	Nine Months Ended September 30, 2010	Nine Months Ended September 30, 2011
Consolidated Statement of Operations Data:					
Net revenues:					
Aerial services	$ 136,548	$ 113,603	$ 105,747	$ 82,358	$ 111,235
Manufacturing / MRO[(1)]	5,376	36,019	12,493	10,682	10,819
Total net revenues	141,924	149,622	118,240	93,040	122,054
Cost of revenues:					
Aerial Services	96,750	76,855	81,353	61,433	75,275
Manufacturing / MRO	5,019	21,272	7,651	6,047	8,394
Total cost of revenues	101,769	98,127	89,004	67,480	83,669
Gross profit	40,155	51,495	29,236	25,560	38,385
Operating expenses:					
General and administrative	14,010	14,877	14,105	9,717	9,534
Research and development	7,024	6,889	6,400	5,398	3,223
Selling and marketing	1,984	5,115	6,987	4,630	5,469
Total operating expenses	23,018	26,881	27,492	19,745	18,226
Operating income (loss)	17,137	24,614	1,744	5,815	20,159
Other income (expense):					
Interest income	305	157	14	19	24
Interest expense	(7,070)	(6,163)	(4,879)	(3,410)	(6,580)
Loss on early extinguishment of debt[(2)]			(2,265)	(2,265)	
Other income (expense)[(3)]	5,962	(987)	(6,193)	5,507	890
Total other income (expense)	(803)	(6,993)	(13,323)	(149)	(5,666)
Net income (loss) before income taxes and noncontrolling interest	16,334	17,621	(11,579)	5,666	14,493
Income tax expense (benefit)	6,000	5,330	(3,544)	3,360	6,596
Net income (loss)	10,334	12,291	(8,035)	2,306	7,897
Less: Net (income) loss related to noncontrolling interest	(230)	(239)	(216)	(322)	(603)
Net income (loss) attributable to Erickson Air-Crane Incorporated	10,104	12,052	(8,251)	1,984	7,294
Dividends on Series A Redeemable Preferred Stock[(4)]	5,877	6,806	7,925	5,818	6,729
Net income (loss) attributable to common stockholders	4,227	5,246	(16,176)	(3,834)	565
Net income (loss)	10,334	12,291	(8,035)	2,306	7,897
Other comprehensive income (loss):					
Foreign currency translation adjustment	(540)	571	45	(135)	(329)
Comprehensive income (loss)	$ 9,794	$ 12,862	$ (7,990)	$ 2,171	$ 7,568
Pro forma earnings (loss) per share (unaudited):[(5)]					
Basic	$ 1.89	$ 2.25	$ (1.54)	$ 0.37	$ 1.36
Diluted	$ 1.79	$ 2.13	$ (1.54)	$ 0.35	$ 1.29
Pro forma weighted average shares outstanding (unaudited):[(5)]					
Basic	5,357,715	5,357,715	5,357,715	5,357,715	5,357,715
Diluted	5,652,529	5,652,529	5,357,715	5,652,529	5,652,529

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(In thousands)	As of December 31, 2008	As of December 31, 2009	As of December 31, 2010	As of September 30, 2011
Consolidated Balance Sheet Data:				
Cash and cash equivalents	$ 2,303	$ 3,536	$ 1,928	$ 3,056
Aircranes, property, plant and equipment, net	46,998	44,829	52,515	57,314
Working capital[(6)]	4,773	6,702	5,538	24,320
Total assets	168,369	178,967	203,703	239,154
Total debt[(2)]	86,208	80,546	93,894	124,966
Series A Redeemable Preferred Stock[(7)]	42,279	49,085	57,010	63,739
Stockholders' equity:				
Common stock	1	1	1	1
Total stockholders' equity (deficit)	(4,454)	485	(15,598)	(15,013)

(In thousands)	Year Ended December 31, 2008	Year Ended December 31, 2009	Year Ended December 31, 2010	Nine Months Ended September 30, 2010	Nine Months Ended September 30, 2011
Consolidated Statement of Cash Flow Data:					
Net cash provided by (used in):					
Operating activities	$ (8,717)	$ 9,900	$ (8,430)	$ (6,982)	$ (14,416)
Investing activities	546	(2,667)	(5,017)	(3,125)	(12,105)
Financing activities	2,111	(5,662)	11,057	6,291	28,216

(In thousands, except percentages)	Year Ended December 31, 2008	Year Ended December 31, 2009	Year Ended December 31, 2010	Nine Months Ended September 30, 2010	Nine Months Ended September 30, 2011
Other Financial Data:					
Gross margin %	28.3%	34.4%	24.7%	27.5%	31.4%
Operating margin %	12.1%	16.5%	1.5%	6.3%	16.5%
EBITDA (unaudited)[(8)]	$ 27,537	$ 28,742	$ (1,482)	$ 12,749	$ 26,600
Bank EBITDA (unaudited)[(9)]	$ 23,048	$ 31,496	$ 11,859	$ 12,815	$ 26,764

(1) Net revenues from Manufacturing / MRO reflect the sale of zero Aircranes in 2008, one Aircrane in 2009, zero Aircranes in 2010, and zero Aircranes in the nine months ended September 30, 2011.

(2) Debt is comprised of amounts outstanding under our credit facilities and our unsecured subordinated promissory notes. In June 2010, we replaced our revolving credit facility and our term loan with a new credit facility. As a result of the refinancing, we expensed $2.3 million, including the unamortized portion of the previously deferred financing costs and early termination fees. See "Management's Discussion and Analysis of Financial Condition and Results of Operations Description of Indebtedness."

(3) Other income (expense) for the year ended December 31, 2008 includes a $4.3 million net gain related to an insurance settlement with respect to an Aircrane accident; and for the 2010 period includes a net gain related to an Aircrane accident in Malaysia of $6.3 million, after accounting for insurance proceeds, and $10.0 million in litigation settlement expenses.

(4) Dividends on Series A Redeemable Preferred Stock represent non-cash accruals. No cash dividends have been paid or will be paid to holders of Series A Redeemable Preferred Stock. The Series A Redeemable Preferred Stock and the Class A common stock will be converted into 5,357,715 shares of

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a single class of common stock in connection with this offering. See "Explanatory Note Regarding Recapitalization."

(5) Pro forma amounts give effect to our recapitalization in connection with this offering, including the reclassification of Series A Redeemable Preferred Stock and Class A Common Stock as common stock. The pro forma weighted diluted share amounts also include 294,814 shares of common stock related to RSUs that we intend to issue concurrently with the closing of this offering under our 2012 Long-Term Incentive Plan (except for the year ended December 31, 2010 because the effect of including these shares would be anti-dilutive). See "Explanatory Note Regarding Recapitalization" and "Executive Compensation 2012 Long-Term Incentive Plan."

(6) Working capital is calculated as our current assets less our current liabilities.

(7) Represents Series A Redeemable Preferred Stock which will be converted into common stock in connection with this offering. See "Explanatory Note Regarding Recapitalization" and note 3 above.

(8) We define EBITDA as net income (loss) before interest expense, net, provision for (benefit from) income taxes, and depreciation and amortization.

To provide investors with additional information regarding our financial results, we have disclosed in the table below and elsewhere in this prospectus EBITDA, a non-GAAP financial measure. We have provided a reconciliation below of EBITDA to net income (loss), the most directly comparable GAAP financial measure. EBITDA is not a financial measurement prepared in accordance with GAAP and should not be considered as an alternative to revenue, net income (loss) as a measure of operating performance or to cash flows from operating activities as a measure of liquidity or any other measure of financial performance presented in accordance with GAAP. We present EBITDA because we believe it is an important measure of our operating performance and provides more comparability between our historical results by taking into account our capital structure including (i) changes in our asset base (depreciation and amortization) from acquisitions and from capital expenditures, and (ii) changes in interest expense and amortization of financing costs. Because not all companies use identical calculations, our presentation of EBITDA may not be comparable to similarly titled measures of other companies.

The following table presents a reconciliation of net income (loss) to EBITDA for each of the periods indicated:

(In thousands)	Year Ended December 31, 2008	Year Ended December 31, 2009	Year Ended December 31, 2010	Nine Months Ended September 30, 2010	Nine Months Ended September 30, 2011
EBITDA Reconciliation:					
Net income (loss) attributable to Erickson Air-Crane Incorporated	$ 10,104	$ 12,052	$ (8,251)	$ 1,984	$ 7,294
Interest expense, net	6,765	6,006	4,865	3,391	6,556
Tax expense (benefit)	6,000	5,330	(3,544)	3,360	6,596
Depreciation	3,863	4,378	4,745	3,462	5,601
Amortization of debt issuance costs	805	976	703	552	553
EBITDA	$ 27,537	$ 28,742	$ (1,482)	$ 12,749	$ 26,600

(9) We use an adjusted EBITDA ("Bank EBITDA") to monitor compliance with various financial covenants under the credit agreement dated June 24, 2010, by and among us, Wells Fargo Bank, National Association, Wells Fargo Securities, LLC, Keybank National Association and Bank of the

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West (as amended, the "Credit Agreement") and in connection with measuring performance for management incentive compensation. In addition to adjusting net income (loss) to exclude interest expense, net, provision for (benefit from) income taxes, and depreciation and amortization, Bank EBITDA also adjusts net income by excluding non-cash mark-to-market foreign exchange gains (losses), specified litigation expenses up to a maximum of $2.0 million for any 12-month period, certain management fees, gains from sale of equipment, non-cash charges arising from awards to employees relating to equity interests, non-cash charges relating to financings, initial public offering-related non-capitalized expenses up to a maximum of $2.0 million, certain fourth quarter 2010 charges up to $11.6 million and other unusual, extraordinary, non-recurring, non-cash costs. For each calculation of Bank EBITDA made as of the end of the quarters ending June, September, and December, 2011 and March, 2012, Bank EBITDA also includes an amount equal to the $10.0 million in new unsecured subordinated promissory notes dated June 30, 2011 and any additional subordinated debt issued in connection with an equity cure under the Credit Agreement. Such amounts have been excluded from this table for presentation purposes. Bank EBITDA also assists us in monitoring our ability to undertake key investing and financing functions such as making investments and incurring additional indebtedness, which may be prohibited by the covenants under our credit facilities unless we comply with certain financial ratios and tests. Bank EBITDA, as presented herein, is a supplemental measure of our performance that is not required by or presented in accordance with GAAP. Bank EBITDA is not a measurement of our financial performance under GAAP and should not be considered as an alternative to revenue, net income (loss), cash flow, or any other performance measure derived in accordance with GAAP. Our presentation of Bank EBITDA may not be comparable to similarly titled measures of other companies. See "Management's Discussion and Analysis of Financial Condition and Results of Operations Description of Indebtedness Bank EBITDA."

The following table presents a reconciliation of EBITDA to Bank EBITDA for the periods indicated:

(In thousands)	Year Ended December 31, 2008	Year Ended December 31, 2009	Year Ended December 31, 2010	Nine Months Ended September 30, 2010	Nine Months Ended September 30, 2011
Bank EBITDA Reconciliation:					
EBITDA	$ 27,537	$ 28,742	$ (1,482)	$ 12,749	$ 26,600
Non-cash unrealized mark-to-market foreign exchange gains (losses)	(1,071)	992	905	82	(1,461)
Interest related to tax contingencies	680	500	495	371	270
Management fees[(1)]	500	500	165	165	
Loss on early extinguishment of debt			2,265	2,265	
Litigation expense		1,430	2,000	1,360	1,360
Legal settlements and other			11,600		
Other (gains) losses	(4,598)[(2)]	(668)	(4,089)[(3)]	(4,177)[(3)]	(5)
Bank EBITDA	$ 23,048	$ 31,496	$ 11,859	$ 12,815	$ 26,764[(4)]

(1) Fees paid to a previous stockholder pursuant to a management agreement that terminated in 2010.

(2) Includes a $4.3 million net adjustment related to an Aircrane accident in 2008.

(3)

Includes a $4.2 million net adjustment related to an Aircrane accident in 2010.

(4) As part of the amendments to the Credit Agreement on June 30, 2011, the new unsecured subordinated promissory notes are included, with limitation, as an addition to Bank EBITDA. Such amounts have been excluded from this table for presentation purposes.

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RISK FACTORS

Investing in our common stock involves a high degree of risk. You should carefully consider the risks described below and the other information in this prospectus before making a decision to invest in our common stock. If the events described below actually occur, our business, operating results, or financial condition could be materially adversely affected. In those cases, the trading price of our common stock could decline and you may lose all or part of your investment.

Risks Related to Our Business

Our helicopter operations involve significant risks, which may result in hazards that may not be covered by our insurance or may increase the cost of our insurance.

The operation of helicopters inherently involves a high degree of risk. Hazards such as aircraft accidents, mechanical failures, collisions, fire, and adverse weather may result in loss of life, serious injury to employees and other persons, damage to property, losses of equipment and revenues, and suspension or reduction of operations. The aerial services we provide and the missions we fly, which include firefighting and timber harvesting in confined spaces, can be hazardous. Since 2003, we have experienced an average of 6.7 incidents per 1,000 flight hours and 0.07 accidents per 1,000 flight hours. An "incident" is an occurrence, other than an accident, which affects or could affect the safety of operations; an "accident" is an occurrence associated with the operation of an aircraft, which takes place between the time any person boards the aircraft with the intention of flight and all such persons have disembarked, and in which any person suffers death or serious injury, or in which the aircraft receives substantial damage. Since 2003, we had seven accidents that resulted in the loss or hangar rebuild of aircraft, injuries to pilots and crew, and four fatalities, including an accident in June 2010 that resulted in the loss of an aircraft and the death of a pilot. In addition, we ship our helicopters to various locations, which exposes them to risks, including risks relating to piracy and inclement weather, when in transit.

We maintain hull and liability insurance on our aircraft, which insures us against physical loss of, or damage to, our aircraft and against certain legal liabilities to others. In addition, we carry war risk, expropriation, confiscation, and nationalization insurance for our aircraft involved in international operations. In some instances, we are covered by indemnity agreements from our customers in lieu of, or in addition to, our insurance. In addition, we maintain product liability insurance for aircraft and aircraft components we manufacture. We do not currently maintain business interruption insurance, which would cover the loss of revenue during extended periods, such as those that occur during unscheduled extended maintenance or due to damage to aircraft from accidents. In addition, our insurance will not cover any losses incurred pursuant to any performance provisions under agreements with our customers.

Our insurance and indemnification arrangements may not cover all potential losses and are subject to deductibles, retentions, coverage limits, and coverage exceptions and, as a result, severe casualty losses or the expropriation or confiscation of significant assets could materially and adversely affect our financial condition or results of operations. The insured value of one of our aircraft is typically lower than its replacement cost, and our aircraft are not insured for loss of use. The occurrence of an event that is not fully covered by insurance could have a material adverse impact on our financial condition, results of operations, and cash flows. The loss of an aircraft, which we believe would take us approximately six months to replace, could negatively impact our operations.

Failure to maintain our safety record would seriously harm our ability to attract new customers and maintain our existing customers, and would increase our insurance costs.

A favorable safety record is one of the primary factors a customer reviews in selecting an aviation provider. If we fail to maintain our safety and reliability record, our ability to attract new customers and maintain our current customers will be materially and adversely affected. In addition, safety violations could lead to increased regulatory scrutiny; increase our insurance rates, which is a significant operating

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cost; or increase the difficulty of maintaining our existing insurance coverage in the future, which would adversely affect our operations. Because of the inherent risks in our helicopter operations, no safety program can guarantee accidents will not occur. Since 2003, we have experienced an average of 6.7 incidents per 1,000 flight hours and 0.07 accidents per 1,000 flight hours. An "incident" is an occurrence, other than an accident, which affects or could affect the safety of operations; an "accident" is an occurrence associated with the operation of an aircraft, which takes place between the time any person boards the aircraft with the intention of flight and all such persons have disembarked, and in which any person suffers death or serious injury, or in which the aircraft receives substantial damage. Since June 2003, we had seven accidents that resulted in the loss or hangar rebuild of aircraft, injuries to pilots and crew, and four fatalities, including an accident in June 2010 that resulted in the loss of an aircraft and the death of a pilot.

Our indebtedness and significant debt service obligations could adversely affect our financial condition and impair our ability to grow and operate our business and we might not comply with the financial covenants under our Credit Agreement in 2012.

We are a highly leveraged company and, as a result, have significant debt service obligations. As of September 30, 2011, our total indebtedness, excluding letters of credit, was $125.0 million, consisting of $45.6 million borrowed under our revolving credit facility, $56.9 million borrowed under our term loan facility and $22.5 million borrowed under unsecured subordinated promissory notes. At September 30, 2011, we had maximum availability for borrowings under our revolving credit facility of approximately $21.8 million.

Our substantial indebtedness could have significant negative consequences to us that you should consider. For example, it could:

- require us to dedicate a substantial portion of our cash flow from operations to pay principal of, and interest on, our indebtedness, thereby reducing the availability of our cash flow to fund working capital, capital expenditures, or other general corporate purposes, or to carry out other aspects of our business plan;
- increase our vulnerability to general adverse economic and industry conditions and limit our ability to withstand competitive pressures;
- adversely affect our financial condition and impair our ability to grow and operate our business;
- limit our flexibility in planning for, or reacting to, changes in our business and future business opportunities;
- place us at a competitive disadvantage compared to our competitors that have less debt; and
- limit our ability to obtain additional financing for working capital, capital expenditures, and other aspects of our business plan.

Our ability to meet our debt obligations and other expenses will depend on our future performance, which will be affected by financial, business, economic, regulatory, and other factors, many of which we are unable to control. See "Management's Discussion and Analysis of Financial Condition and Results of Operations Trends and Uncertainties Affecting Our Business Credit Agreement Compliance and Refinancing Costs."

We were not in compliance with certain financial covenants under our Credit Agreement as of December 31, 2010 and March 31, 2011, and subsequent amendments to our Credit Agreement waived such non-compliance. We cannot assure you that, if we fail to comply with the financial covenants under our Credit Agreement, our lenders will agree to waive any non-compliance. We amended the Credit Agreement effective December 31, 2010. An initial amendment removed the requirement to comply with existing financial covenants as of December 31, 2010, added a net income covenant calculation for fiscal

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2010, and adjusted certain amounts related to the determination of Bank EBITDA and tangible net worth. In addition, the interest rate matrix was modified to add an additional pricing tier. Subsequent amendments waived our non-compliance with certain requirements and financial covenants under the Credit Agreement for both the fourth quarter of 2010 and the first quarter of 2011, and modified the financial covenants for future periods. These amendments modified the interest rate matrix and adjusted our financial reporting requirements. In connection with these amendments we issued new unsecured subordinated promissory notes in the amount of $10.0 million to ZM Private Equity Fund I, L.P. and ZM Private Equity Fund II, L.P., which were funded on June 30, 2011. We were in compliance with our Credit Agreement covenants at June 30, 2011 and September 30, 2011 and we expect to be in compliance with these covenants at December 31, 2011. See "Management's Discussion and Analysis of Financial Condition and Results of Operations Description of Indebtedness." If our business does not perform as expected, including if we generate less than anticipated revenue from our Aerial Services operations or encounter significant unexpected costs, we may fail to comply with the financial covenants under our Credit Agreement in 2012. In addition, we have significant payment obligations due in 2013 as a result of the maturity of our senior credit facilities and the possible exercise by one of our significant customers of a put option that would, if exercised, require us to repurchase the Aircrane we sold to the customer. Our ability to finance such repurchase may depend on our ability to refinance our senior credit facilities. These significant payments, if required, could adversely affect our ability to refinance our debt or obtain additional financing to grow or operate our business.

Our indebtedness under our senior credit facilities is secured by liens on substantially all of our assets, including our interests in our subsidiaries, against which our lenders could proceed if we default on our obligations. When our term loan and revolving loan come due in 2013, we will likely need to enter into new financing arrangements to repay those loans. We may be unable to obtain financing on favorable terms or at all, which could adversely affect our business, financial condition, and results of operations. For more information on our indebtedness, please see our financial statements included elsewhere in this prospectus and our description of indebtedness in "Management's Discussion and Analysis of Financial Condition and Results of Operations Description of Indebtedness."

Cancellations, reductions or delays in customer orders, delays in delivery of Aircranes, or customer breaches of purchase agreements may adversely affect our results of operations and our ability to comply with covenants under our Credit Agreement.

Operating results in our Manufacturing / MRO segment are affected by many factors, including the timing of orders from large customers and the timing of expenditures to manufacture parts and purchase inventory in anticipation of future sales of products and services. The sale of Aircranes has a material effect on our financial results, and Aircrane sales have been a dominant factor in fluctuations in our year-over-year results.

As we have expanded internationally and sought to make Aircrane sales in the difficult economic environment in the last few years, several potential customers have defaulted or not completed anticipated Aircrane sales. In September 2010, we entered into an Aircrane purchase agreement with a potential Brazilian purchaser which required staged payments beginning in September 2010 based on set conditions, but was subject to financing being arranged by the purchaser. Although we substantially completed the Aircrane for delivery, no payments were made by the purchaser and we terminated the agreement in December 2010. Subsequently, we have entered into non-binding letters of intent for several Aircrane sales that have not resulted in sales as the potential customers could not obtain financing or did not make required deposits. Accordingly, we have incurred significant costs in building Aircranes for sale but have been unable to sell any in 2010 or 2011. In the past, failures to make sales of an Aircrane have resulted in financial performance below our expectations, and we have obtained waivers from our lenders and have amended our Credit Agreement in order to comply with our financial and reporting covenants.

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On August 1, 2011, we entered into an Aircraft Lease and Purchase Option Agreement with HRT, a subsidiary of a Brazilian oil and gas exploration company, which agreement was amended on October 11, 2011. HRT declined to exercise its option to purchase the Aircrane pursuant to such agreement and the lease expired January 15, 2012. The failure of HRT to exercise its purchase option or the failure by us to otherwise sell an Aircrane increases the risk that we may fail to comply with the financial covenants under our Credit Agreement in 2012.

Our failure to timely collect our receivables could adversely affect our cash flows and results of operations and our compliance with the financial covenants under our Credit Agreement.

We provide services to our customers for which we are customarily not paid in advance. We rely on the creditworthiness of our customers to collect on our receivables in a timely manner after we have billed for services previously provided. While we generally provide services pursuant to a written contract which determines the terms and conditions of payment to us by our customers, occasionally customers may dispute a bill and delay, contest, or not pay our receivable. For example, we have historically received approximately $12 million of revenue each year from our contract with the Hellenic Fire Brigade. During 2011, we received an advance payment of approximately 50% pursuant to our contact with the Hellenic Fire Brigade, with the remaining balance expected to be paid in early 2012. The current economic crisis in Greece may have an unfavorable impact on our ability to receive future payments from the Hellenic Fire Brigade in a timely manner, including the remaining payment for 2011. In addition, we are currently in a dispute with our largest customer, the U.S. Forest Service, regarding a claim of $2.8 million related to costs incurred in 2008 under our contracts with the U.S. Forest Service that we were not able to mitigate. While we believe we are entitled to the amount in question, we may not recover such amount. If we are unable to recover any portion of this amount, we may incur a charge to write-off such portion, and there is a risk that any such write-off may adversely affect our ability to comply with the financial covenants under our Credit Agreement in 2012. See "Business Legal Proceedings U.S. Forest Service Claim."

We make estimates in accounting for revenues and costs, and any changes in these estimates may significantly impact our earnings.

We historically have sold Aircranes under long-term contracts with our customers. We have historically, including in the periods presented in this prospectus, recognized revenues on Aircrane sales when the aircraft is delivered to a customer. We expect to account for Aircrane sales using the percentage of completion method of accounting when all of the requirements are met. Revenue on contracts using the percentage of completion method is recognized as work progresses toward completion and is based on estimates, including estimated labor hours. See "Management's Discussion and Analysis of Financial Condition and Results of Operations Critical Accounting Policies and Estimates Revenue Recognition."

Our Aircranes are normally manufactured under long-term construction contracts, and we expect to recognize revenues for Aircrane sales over several fiscal periods. Changes in estimates affecting sales, costs, and profits are recognized in the period in which the change becomes known using the cumulative catch-up method of accounting, resulting in the cumulative effect of changes reflected in the period. A significant change in an estimate on one or more contracts could have a material effect on our results of operations.

We also offer cost per hour contracts to customers under which we provide components and expendable supplies for a customer's aircraft at a fixed cost per flight hour. If actual costs vary materially from our estimates, our operating results could be materially and adversely affected.

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The helicopter services business is highly competitive.

Each of our segments faces significant competition. We compete for most of our work with other helicopter operators and, for some operations, with fixed-wing operators and ground-based alternatives. Many of our contracts are awarded after competitive bidding, and competition for those contracts is generally intense. The principal aspects of competition are safety, price, reliability, availability, and service.

We have several major competitors and numerous small competitors operating in our aerial services markets. In the firefighting market, we compete heavily with both helicopter and fixed-wing operators. Our competitors may at times undercut our prices, especially if they are at risk of having too many idle aircraft. In the timber harvesting market, we compete with other heavy-lift helicopter operators, medium-lift helicopter operators, and ground-based solutions. The cyclical supply/demand for timber may at times drive down commodity prices, which in turn can make lower cost/productivity solutions more attractive. A competitor could develop, or acquire (including from the military) and adapt, an aircraft with heavy-lift capability that directly competes with one of our aircraft and diminishes its competitive advantages; while we are not aware of current development of a competitive aircraft or any competitor's plan to acquire and convert a military helicopter to civilian uses that would compete with our services, such a development could adversely affect our results of operations. The conversion of a military aircraft for civilian use would take time and expense and would typically be subject to an extended FAA approval process, which mitigates the short-term risk to our business of such a conversion.

In the manufacturing and MRO market, our competitors may have more extensive or more specialized engineering, manufacturing, and marketing capabilities than we do in some areas. In addition, some of our largest customers could develop the capability to manufacture products or provide services similar to products that we manufacture or services that we provide. This could result in these customers supplying their own products or services and competing directly with us for sales of these products or services, all of which could significantly reduce our revenues. Furthermore, we are facing increased international competition and cross-border consolidation of competition.

We cannot assure you that we will be able to compete successfully against our current or future competitors or that the competitive pressures we face will not result in reduced revenues and market share. If we are unable to adjust our costs relative to our pricing, our profitability will suffer. In addition, some of our competitors may have greater financial and other resources than we do, and may therefore be able to react to market conditions and compete more effectively than we do.

Factors beyond our control, including weather and seasonal fluctuations, may reduce aircraft flight hours, which would affect our revenues and operations.

A significant portion of our operating revenue is dependent on actual flight hours, and a substantial portion of our direct costs is fixed. Flight hours could be negatively impacted by factors beyond our control and fluctuate depending on cyclical weather-related and seasonal limitations, which would affect our revenues and operations. These factors include:

- poor weather conditions;
- unexpected maintenance or repairs; and
- unexpectedly calm fire seasons.

From November through February, heavy snow in North America and significant rainfall in Asia Pacific can impede timber harvesting operations. Our aircraft are not currently equipped to fly at night, reinforcing the seasonality of our business with more activity in the Northern Hemisphere during the summer months and less activity during the winter months. Also, firefighting activity is dependent on fires in dry conditions during summer months. In addition, there is variability in the number and extent of fires from year to year, and these patterns are not predictable.

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The missions that we fly can be flown safely only if weather conditions permit. Poor visibility, high winds, and heavy precipitation can restrict the operation of helicopters and significantly reduce our flight hours. Reduced flight hours can have a material adverse effect on our business, financial condition, and results of operations. We budget for our operations based on historical weather information, but worse than expected weather could materially affect our results of operations.

We depend on a small number of large customers for a significant portion of our revenues.

We expect to derive a significant amount of our revenue from a small number of major customers, including the U.S. Forest Service, the Hellenic Fire Brigade, the Italian Ministry of Civil Protection, and Samling Global. Approximately 61.5% of our 2010 revenues were attributable to these customers. Approximately 57.2% of revenues for the nine months ended September 30, 2011 were attributable to these customers. In particular, for the years ended December 31, 2008, 2009, and 2010 and the nine months ended September 30, 2011, 12.4%, 16.6%, 24.4%, and 31.1% of our revenues, respectively, and 9.0%, 7.3%, 9.0%, and 15.9% of our accounts receivable at the end of such periods, respectively, were attributable to our contract with the U.S. Forest Service. For the years ended December 31, 2008, 2009, and 2010 and the nine months ended September 30, 2011, 20.5%, 13.6%, 13.8%, and 10.8% of our revenues, respectively, and 8.5%, 6.2%, 10.5%, and 28.7% of our accounts receivable at the end of such periods, respectively, were attributable to our contract with the Italian Ministry of Civil Protection. For the years ended December 31, 2008, 2009, and 2010 and the nine months ended September 30, 2011, 12.6%, 10.5%, 11.0%, and 9.1% of our revenues, respectively, and 38.5%, 25.9%, 16.2%, and 15.1% of our accounts receivable at the end of such periods, respectively, were attributable to services provided to the Hellenic Fire Brigade. For the years ended December 31, 2008, 2009, and 2010 and the nine months ended September 30, 2011, 3.7%, 5.1%, 12.3%, and 6.2% of our revenues, respectively, and 3.6%, 2.3%, 1.3%, and 0.7% of our accounts receivable at the end of such periods, respectively, were attributable to our contract with Samling Global.

Several of our largest customers are governmental agencies or entities that may be subject to budget or other financial constraints. The economies of Greece and Italy in particular have been adversely affected by global financial pressures. We may suffer delays in payment, payment defaults or termination of contracts of governmental agencies or entities as a result of such financial difficulties, which would adversely affect our results of operations and may adversely affect our ability to comply with the financial covenants under our Credit Agreement in 2012. Some of our customer contracts, including those with the U.S. Forest Service and the Australia Fire Service, include "call when needed" provisions, and therefore the precise amounts we will ultimately earn under these agreements are not known. Contracts with the majority of our significant customers are multi-year contracts; however, these contracts are periodically up for renewal or rebid. Renewal, or a successful rebid, is not guaranteed. Should we lose one of our significant customers, we cannot assure you that we will be able to offset the loss with revenues from new or other existing customers. Reduced revenues would have a material adverse effect on our business and operations. If one or more of these customers is disproportionately impacted by factors that affect its ability to pay us or to enter into new contracts, including general economic factors, our operations could be materially and adversely affected.

In the past, several of our larger contracts have not been renewed for reasons unrelated to our performance, such as the financial condition of our customers or their decision to move the services we provided to them in-house. For example, in 2007 we were not awarded any long-term contracts by the U.S. Forest Service. Accordingly, we cannot assure you that in any given year we will be able to generate similar revenues from our customers as we did in the previous year. Our current contract with the U.S. Forest Service ends at the end of 2012 and, though the contract provides a customer option for three one-year extensions, there is no guarantee that these options will be exercised.

Some of our backlog may be deferred or may not be realized.

Backlog represents the amount of revenue that we expect to derive from signed contracts, including oral contracts that have been subsequently memorialized in writing, or anticipated exercises of customer extension options. Our backlog includes contracts with a duration of six months or more. As of December 31, 2011, we had approximately $213.8 million of backlog, of which $106.0 million was from signed contracts and $107.8 million was from anticipated exercises of customer extension options. We expect that approximately $135.9 million of the backlog will not be filled in 2012. As of December 31, 2010, we had $298.7 million of backlog, of which $167.7 million was from signed contracts and $131.0 million was from anticipated exercises of customer extension options. We include anticipated exercises of customer extension options in our backlog when our prior operating history, including past exercises of extension options by such customers and the other circumstances specific to the particular contract, causes us to conclude that the exercise of such extension option is likely. For example, our contract with the Hellenic Fire Brigade calls for annual confirmation notices, which have historically been received from the customer in the period between January and June of the year in which the services are to be provided. The Hellenic Fire Brigade has been a continuous customer of ours for over ten years and has always provided such confirmation notices in the past. While we believe that the customer intends to confirm the contract for 2012, we have yet to receive such confirmation notice as of January 29, 2012 and there is no guarantee that the contract will be confirmed for 2012. Our contract with the Hellenic Fire Brigade runs through the end of 2013. As of December 31, 2011, $25.4 million of our backlog was attributable to the anticipated confirmation of such contract for both 2012 and 2013.

For contracts that include a guaranteed number of hours, the value of the guaranteed hours is included in backlog. For cost per hour contracts, which depend on hours flown by our customers, we calculate the contribution to backlog based on contracted minimum hours. When a binding aircraft sale contract has been signed with a customer, the purchase price of the aircraft not included in current revenues is included in backlog. When we sign a contract giving a potential purchaser an option to purchase an aircraft which only becomes binding on a non-refundable payment of a material option fee, we do not include the purchase price of the aircraft in backlog until the non-refundable payment has been made and the contract is a binding purchase contract. A customer may default on a purchase contract that has become binding, and we may not be able to convert sales contract backlog into revenue. We calculate the contribution to backlog for some timber harvesting contracts based on our estimate of the cubic meters of high grade timber we expect to deliver under the contract based on our experience. As a result, our estimates of backlog for some of our timber harvesting contracts could be affected by variables beyond our control and may not be entirely realized, if at all.

In addition, given the nature of our customers and our industry, there is a risk that our backlog may not be fully realized in the future. For example, the terms of contracts with the U.S. Government, such as our contract with the U.S. Forest Service, generally permit the U.S. Government to terminate the contract, partially or completely, without cause, at the end of each annual period of the contract. Our contracts with other customers may contain similar provisions. A large portion of our operating expenses are relatively fixed and cancellations, reductions or delays in orders by a customer could have a material adverse effect on our business, financial condition and results of operations. Any unexpected termination of a significant government contract could have a material adverse effect on our results of operations. Failure to realize sales from our existing or future backlog would negatively impact our financial results.

Some of our arrangements with customers are short-term, ad hoc, or "call when needed." As a result, we cannot assure you that we will be able to continue to generate similar revenues from these arrangements.

We generate a large portion of our revenues from arrangements with customers with terms of less than six months, *ad hoc* arrangements, and "call when needed" contracts. In 2010 and the nine months ended September 30, 2011, for example, approximately 24% and 20% of our revenues, respectively, were derived from such arrangements. There is a risk that customers may not continue to seek the same level of services

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from us as they have in the past or that they will not renew these arrangements or terminate them at short notice. Under "call when needed" contracts, we pre-negotiate rates for providing services that customers may request that we perform (but which we are not typically obligated to perform) depending on their needs. The rates we charge for these contingent services are higher than the rates under stand-by arrangements, and we attempt to schedule our aircraft to maximize our revenue from these types of contracts. The ultimate value we derive from such contracts is subject to factors beyond our control, such as the severity and duration of fire seasons. In the past, several of our larger contracts have not been renewed for reasons unrelated to our performance, such as the financial condition of our customers or their decision to move the services we provided to them in-house. For example, in 2007 we were not awarded any long-term contracts by the U.S. Forest Service. Accordingly, we cannot assure you that in any given year we will be able to generate similar revenues from our customers as we did in the previous year. Our current contract with the U.S. Forest Service ends at the end of 2012 and, though the contract provides a customer option for three one-year extensions, there is no guarantee that these options will be exercised.

Our Aerial Services revenues depend on the availability and size of our Aircrane fleet.

We currently have 17 Aircranes that we employ in providing Aerial Services. An accident could make an Aircrane unavailable to us temporarily or permanently. A sale of an Aircrane that is part of our fleet would also reduce the number of Aircranes available to provide Aerial Services. We have one completed Aircrane held for sale and one substantially completed Aircrane held for sale. Although we have entered into several non-binding agreements and the binding Aircraft Lease and Purchase Option Agreement with HRT, HRT did not exercise its purchase option thereunder and allowed its lease to expire, and we have not sold an Aircrane since 2009. The Aircrane that was subject to the Aircraft Lease and Purchase Option Agreement with HRT was one of the 17 Aircranes in our Aerial Services fleet. Potential customers may prefer, due to cost or other reasons, to purchase a used Aircrane, and we could accommodate such preference by selling one of the Aircranes in our fleet. The purchase price of a used Aircrane is generally lower than the purchase price of a new or remanufactured Aircrane. Although we would expect to be able to maintain the level of our operations through more efficient scheduling of our fleet or by allocating Aircranes held for sale to Aerial Services operations if we sell an Aircrane from our fleet, we may not always have the ability to maintain our desired level of Aerial Services operations with a reduced fleet and our results of operations could be adversely affected.

Aircrane production rates could change.

The market for Aircranes is variable and we have historically manufactured a limited number of Aircranes in any year. Production rate reductions could cause us to incur disruption and other costs, which could reduce our profitability. Higher orders for Aircranes could lead to production rate increases in order to meet customers' delivery schedules. If customer demand increases significantly, we anticipate being able to meet such demand by rapidly expanding our manufacturing capacity and related resources. While we believe our manufacturing operations are scalable, we may encounter difficulties in any period during which we seek to expand our manufacturing capacity and related resources. Moreover, such expansion may require us to incur significant financial costs. Failure to successfully implement any production rate changes could lead to extended delivery commitments, and depending on the length of any delay in meeting delivery commitments, additional costs and customers rescheduling their deliveries or terminating their related contract with us.

Foreign, domestic, federal, and local government spending and mission priorities may change in a manner that materially and adversely affects our future revenues and limits our growth prospects.

Our business depends upon continued government expenditures on programs that we support. These expenditures have not remained constant over time. For example, the overall U.S. Forest Service budget

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declined for periods of time in the late 1980s and the early 1990s, resulting in a slowing of new program starts, program delays, and program cancellations. These reductions caused many Forest Service related government contractors to experience declining revenues, increased pressure on operating margins, and, in some cases, net losses. While spending authorizations for Forest Service programs by the U.S. Government have increased in recent years, future levels of expenditures, mission priorities, and authorizations for these programs may decrease, remain constant, or shift to program areas in which we do not currently provide services. Current foreign and domestic government spending levels on programs that we support may not be sustainable as a result of changes in government leadership, policies, or priorities. In addition, the economies of Greece and Italy in particular have been adversely affected by global financial pressures. Additionally, our business, prospects, financial condition, or operating results could be materially harmed by the following:

- budgetary constraints affecting government spending generally, or specific departments or agencies in particular, and changes in fiscal policies or available funding;
- changes in government programs or requirements;
- realignment of funds to changed government priorities;
- government shutdowns (such as that which occurred during the U.S. Government's 1996 fiscal year) and other potential delays in government appropriations processes;
- delays in the payment of our invoices by government authorities;
- adoption of new laws or regulations; and
- general economic conditions.

These or other factors could cause government agencies and departments to reduce their purchases under contracts, exercise their right to terminate contracts, or not exercise options to renew contracts, any of which could cause us to lose revenue. A significant decline in overall government spending or a shift in expenditures away from agencies or programs that we support could cause a material decline in our revenues and harm our financial results.

Product liability and product warranty risks could adversely affect our operating results.

We produce, repair, and overhaul complex aircraft and critical parts for aircraft. Failure of our aircraft or parts could give rise to substantial product liability and other damage claims. We maintain insurance to address this risk, but our insurance coverage may not be adequate for some claims and there is no guarantee that insurance will continue to be available on terms acceptable to us, if at all.

Additionally, aircraft and parts we manufacture for sale are subject to strict contractually established specifications using complex manufacturing processes. If we fail to meet the contractual requirements for a part, we may be subject to warranty costs to repair or replace the part itself and additional costs related to the investigation and inspection of non-complying parts. These costs are generally not insured. For example, in June 2011 we encountered an issue associated with an accessory failure on a customer's Aircrane that resulted in warranty cost to us of approximately $0.9 million in excess of amounts previously accrued.

We establish warranty reserves that represent our estimate of the costs we expect to incur to fulfill our warranty requirements. We base our estimate for warranty reserves based on our historical experience and other assumptions. If actual results materially differ from these estimates, our results of operations could be materially affected.

Because we own the S-64 Type Certificate, we are obligated to issue directives to operators of our aircraft and to identify defects or required replacements to our aircraft. We could be liable to operators of

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our aircraft if we fail to fulfill our obligation to issue directives, even if our aircraft or components of our aircraft are no longer under warranty.

Our failure to attract and retain qualified personnel could adversely affect us.

Our pilots and maintenance and manufacturing personnel are highly trained and qualified. Our ability to attract and retain qualified pilots, mechanics, and other highly trained personnel will be an important factor in determining our future success. Our aircraft, and the aerial services we provide, require pilots with high levels of flight experience. The market for these experienced and highly trained personnel is extremely competitive. Accordingly, we cannot assure you that we will be successful in our efforts to attract and retain such persons. Some of our pilots and mechanics, and those of our competitors, are members of the U.S. military reserves and could be called to active duty. If significant numbers of such persons were called to active duty, it would reduce the supply of such workers, possibly curtailing our operations and likely increasing our labor costs. Because of our small size relative to many of our competitors, we may be unable to attract qualified personnel as easily as our competitors.

The loss of key managers could negatively affect our business.

We are dependent upon a number of key managers, including our CEO, Udo Rieder, our CFO, Charles Ryan, our Vice President of Aerial Services, H.E. "Mac" McClaren, our Senior Vice President of Global Sales and Marketing, David Valaer, and our Vice President of Manufacturing and MRO, David Ford. We have employment agreements with each of these key executive officers and intend to encourage their retention, in part, through the award of time-vesting equity grants. See "Executive Compensation Employment Agreements." If we were to lose the services of one or more of our key team members, our operations could be materially impacted. We do not maintain key person insurance on any team member.

The outcome of litigation in which we may be named as a defendant and of government inquiries and investigations involving our business is unpredictable, and an adverse decision in any such matter could result in significant monetary payments and have a material adverse affect on our financial position and results of operations.

We may be a defendant in future litigation matters. These claims may divert financial and management resources that would otherwise be used to benefit our operations. We cannot assure you that the results of these matters will be favorable to us. An adverse resolution of any of these lawsuits could have a material adverse affect on our financial position and results of operations. In addition, we are sometimes subject to government inquiries and investigations of our business due to, among other things, our business relationships with the U.S. Government, the heavily regulated nature of our industry, and, in the case of environmental proceedings, our ownership of certain property. Any such inquiry or investigation could potentially result in an adverse ruling against us, which could result in significant monetary payments (including possible environmental remediation costs) and a material adverse effect on our financial position and operating results. See "Business Legal Proceedings."

We are subject to FAA regulation and similar international regulation, and our failure to comply with these regulations, or the adoption of any new laws, policies, or regulations, may have a material adverse effect on our business.

The aerial services business is heavily regulated by governmental entities in the United States and in other countries in which we operate. We operate in the United States under laws and regulations administered by the Department of Transportation, principally through the FAA. The FAA promulgates rules relating to the general operation of our aircraft, the process by which our aircraft are maintained, the components and systems that are installed in our aircraft, the qualification of our flight crews and maintenance personnel, and the specialized operations that we undertake, including the carrying of loads and the use of various chemicals. We are regularly inspected by FAA personnel to ensure compliance. Compliance with these rules is complex and costly, and the failure to comply could result in the imposition of fines, the grounding of our aircraft, or other consequences detrimental to our operations and operating results. Our operations in other countries are similarly regulated under equivalent local laws and regulations.

Our aircraft manufacturing and MRO operations are also subject to regulation by the FAA and other governmental authorities. The FAA promulgates regulations applicable to the design and manufacture of aircraft and aircraft systems and components. It also sets and enforces standards for the repair of aircraft, systems, and components and for the qualification of personnel performing such functions. It regularly conducts inspections to ensure compliance and has the power to impose fines or other penalties for non-compliance or to shut down non-compliant operations. Our manufacturing and MRO operations are also subject to complex environmental, safety, and other regulations. Failure to comply with applicable regulations could result in the imposition of fines or other penalties or in the shutting down of our operations, which could impair our ability to fulfill our contracts or otherwise negatively impact our reputation for safety and dependability.

The FAA approves major changes in aircraft design such as fuel control systems or new rotor blades. Such approvals take time, require investment, and are not assured. Similar regulatory bodies in other countries may accept FAA certification or may impose their own individual requirements. The failure to obtain FAA or other required approval for such changes, or the imposition of unanticipated restrictions as a condition of approval, could increase our production costs or reduce the effectiveness of the system in question and could render our development effort less valuable or, in an extreme case, worthless.

The laws and regulations affecting our business are subject to change at any time and, because we operate under numerous jurisdictions, we are particularly exposed to the possibility of such changes. Any change in laws or regulations applicable to our business could restrict our operations, increase our costs, or have other effects detrimental to our results of operations or competitive position.

Our business is affected by federal rules, regulations, and orders applicable to government contractors, and the award of government contracts may be challenged.

Some of our services are sold under U.S. or foreign government contracts or subcontracts. Consequently, we are directly and indirectly subject to various federal rules, regulations and orders applicable to government contractors. From time to time, we are also subject to government inquiries and investigations of our business practices due to our participation in government programs. These inquiries and investigations are costly and consume internal resources. Violation of applicable government rules and regulations could result in civil liability, the cancellation or suspension of existing contracts, or the ineligibility for future contracts or subcontracts funded in whole or in part with federal funds, any of which could have a material adverse effect on our business.

Governmental contracts typically require a competitive bid process, and the award of a contract may be subject to challenge by bid participants. For example, a competitor challenged the U.S. Forest Service contract we were awarded in 2008. As a result, we provided services to the U.S. Forest Service without a contract for a period of time, pending resolution of the challenge. See "Business Legal Proceedings" for additional information.

Claims against us by governmental agencies or other parties related to environmental matters could adversely affect us.

In the late 1990s, environmental damage that resulted from hazardous substances at our Central Point, Oregon facility was identified. It was determined that the contamination migrated beyond the property boundary at our facility and impacted off-site water supply wells. A remediation was completed in the late 1990s. Based on the testing of the site in recent years, the contamination levels have been decreasing, though the remediation cannot be guaranteed. We are continuing to participate in monitoring and testing the remediation of the site and we incur ongoing costs for this monitoring and testing. We did not incur any remediation expense in 2010 or in the nine months ended September 30, 2011.

Our obligations in respect of such contamination are subject to an indemnification agreement with a former owner of the Company. Under this agreement, our potential total liability in respect of remediation costs is capped at $0.5 million, of which we have already paid $0.4 million, with a total remaining liability of $0.1 million. Although the agreement caps our total potential liability, the creditworthiness of the indemnitor is uncertain. If the indemnitor fails to honor the terms of the indemnification agreement, it is possible that we would have to bear the entire cost of the remediation, monitoring and testing. Although our costs during the past two years have not been significant and we do not expect material costs in the future, if the indemnifying party does not meet its obligations we could have additional expenses and the exact amounts are unknown. If a previously unidentified or new source of contamination or pollution is detected, however, the costs could increase substantially. In addition, it is possible that government agencies or other parties could bring a claim against us resulting from the contamination and that defending and resolving such claims could adversely affect our financial condition and results of operations.

Environmental and other regulation and liability may increase our costs and adversely affect us.

We are subject to a variety of laws and regulations, including environmental and health and safety regulations. Because our operations are inherently hazardous, compliance with these regulations is challenging and requires constant attention and focus. We are subject to federal, state, and foreign environmental laws and regulations concerning, among other things, water discharges, air emissions, hazardous material and waste management, and environmental cleanup. Environmental laws and regulations continue to evolve, and we may become subject to increasingly stringent environmental standards in the future, particularly under air quality and water quality laws and standards related to climate change issues, such as reporting greenhouse gas emissions. We are required to comply with environmental laws and with the terms and conditions of multiple environmental permits. Our failure to comply with these regulations could subject us to fines and other penalties administered by the agencies responsible for environmental and safety compliance or by the FAA or other aviation-related agencies.

The occurrence of events for which the risk is allocated to us under our contracts could negatively impact our results of operations.

Many of our contracts are fixed price contracts which could subject us to losses if we have cost overruns. Under these contracts, we typically are responsible for normal maintenance, repair, and fuel costs. In addition, some of our Aerial Services contracts have performance penalty provisions, subjecting us to the risk of unexpected down time caused by mechanical failures or otherwise, which could cause our net income to suffer. Risks associated with estimating our costs and revenues are exacerbated for long-term contracts, which include most of our material contracts.

Our contracts to manufacture aircraft and major overhauls or components typically contain penalty provisions that require us to make payments to customers, or provide interim aerial services to them at no cost, if we are unable to timely deliver aircraft or components. Such contracts may also include a repurchase obligation by us if certain performance or other criteria are not met.

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We may be required to provide components or services to owners or operators of the S-64 or the CH-54, which could limit our operational flexibility and divert resources from more productive uses.

Because we own the S-64 Type Certificate, we may be required to supply components or provide MRO services to customers who own or operate the S-64 or the CH-54, the military version of the S-64. This could limit our operational flexibility, divert resources from more productive uses, and adversely affect our ability to execute on our growth plans.

Our dependence on a small number of manufacturers for some of our aircraft components and the costs associated with the purchase or manufacture of new components pose significant risks to our business.

We rely on approximately 120 supplier business units or locations for significant or critical components. A small number of manufacturers make some of the key components for our aircraft, and in some instances there is only a single manufacturer, although other manufacturers could be used if necessary for all of our components. If these manufacturers experience production delays, or if the cost of components increases, our operations could suffer. If a manufacturer ceases production of a required component, we could incur significant costs in purchasing the right to manufacture those components or in developing and certifying a suitable replacement, and in manufacturing those components.

Many key components and parts on the Aircrane have not been manufactured since originally introduced. A significant portion of our inventory was acquired in bulk on the surplus market. For some aviation components, our operating cost includes the overhaul and repair of these components but does not include the purchase of a new component. It may be difficult to locate a supplier willing to manufacture replacement components at a reasonable cost or at all. As we exhaust our inventory, the purchase of any new components, or the manufacture by us of new components, could materially increase our operating cost or delay our operations; we routinely monitor levels of out-of-production parts and design and certify replacement parts to mitigate this risk.

Our reliance on the Aircrane could harm our business and financial results if technical difficulties specific to the Aircrane occur.

We exclusively fly and manufacture Aircranes and related components. If the Aircrane encounters technical or other difficulties, it may be grounded or lose value and we may be unable to sell the aircraft or parts or provide aerial services on favorable terms or at all. The inability to sell or contract out the Aircrane would virtually eliminate our ability to operate.

If we are unable to continue to develop new technologies and to protect existing technologies, we may be unable to execute on our growth and development plans.

Our success has resulted in part from our development of new applications for our aircraft, such as our fire tank and snorkel for firefighting services, and we believe our growth will continue to depend on the development of new products or applications. Competitors may develop similar applications for their aircraft, which would increase our competition in providing aerial services. In addition, our growth strategy depends, in part, on our ability to develop new products and applications. A number of factors, including FAA certifications, could result in our being unable to capitalize on the development costs for such products or applications. For example, we have devoted significant resources to our program to develop composite-material main rotor blades. If they are not certified by the FAA, we will be unable to recover our research and development costs and will need to expend additional resources to develop an alternative blade.

Not all of our products and applications have been, or may be, patented or otherwise legally protected. If we are not able to adequately protect the inventions and intellectual property we have developed, in the U.S. and in foreign countries, we may face increased competition from those who duplicate our products, and our results of operations and growth opportunities could suffer.

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Failure to adequately protect our intellectual property rights could adversely affect our operations.

We rely upon intellectual property law, trade secret protection, and confidentiality and license agreements with our employees, clients, consultants, partners, and others to protect our intellectual property rights. Any of these parties may breach these agreements and we may not have adequate remedies for any specific breach. In addition, our competitors may independently develop equivalent knowledge, methods, and know-how, and we would not be able to prevent their use. To the extent that employees, partners, and consultants use intellectual property owned by others in their work for us, disputes may arise as to the rights in the related or resulting know-how and inventions. If any of our trade secrets, know-how, or other technologies were to be disclosed to or independently developed by a competitor, our business, financial condition, and results of operations could be materially adversely affected.

We may have to engage in litigation to defend our trademarks, trade secrets, and other intellectual property rights. Even if we are successful, such litigation could result in substantial costs and be a distraction to management. If we are not successful in such litigation, we may lose valuable intellectual property rights.

Any of our patents may be challenged, invalidated, circumvented, or rendered unenforceable. Our patents may be subject to reexamination proceedings affecting their scope. We cannot assure you that we will be successful should one or more of our patents be challenged for any reason. If our patent claims are rendered invalid or unenforceable, or narrowed in scope, the patent coverage afforded our products could be impaired, which could significantly impede our ability to market our products, negatively affect our competitive position, and harm our business and operating results.

Further, we are a party to licenses that grant us rights to intellectual property, including trade secrets, that is necessary or useful to our business. One or more of our licensors may allege that we have breached our license agreement with them, and accordingly seek to terminate our license. If successful, this could result in our loss of the right to use the licensed intellectual property, which could adversely affect our ability to commercialize our technologies, products, or services, as well as harm our competitive business position and our business prospects.

Success within our Maintenance, Repair, and Overhaul business is dependent upon fleet utilization and continued outsourcing by helicopter operating companies.

We currently conduct MRO services at facilities in Central Point, Oregon. Revenues at these facilities fluctuate based on demand for maintenance which, in turn, is driven by the number of helicopters operating and the extent of outsourcing of maintenance activities by helicopter operating and OEM companies. If the number of helicopters operating globally declines or outsourcing of maintenance and OEM activities declines, our results of operations and financial condition could be adversely affected.

Our business is subject to risks associated with international operations, including operations in emerging markets.

We purchase products from and supply products to businesses located outside of the United States. We also have significant operations outside the United States. For the year ended December 31, 2010 and the nine months ended September 30, 2011, approximately 62.5% and 55.9%, respectively, of our total revenues were attributable to operations in non-U.S. countries. A number of risks inherent in international operations could have a material adverse effect on our international operations and, consequently, on our results of operations, including:

- the uncertain ability of select non-U.S. customers to finance purchases and our inability as a result of lesser transparency in certain jurisdictions to evaluate the credit of potential customers accurately;

- currency fluctuations, which can reduce our revenues for transactions denominated in non-U.S. currency or make our services relatively more expensive if denominated in U.S. currency;

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- difficulties in staffing and managing multi-national operations;
- political and financial instability in several of the countries in which we operate, including Greece and Italy;
- significant receivables from international customers, including customers in Greece and Italy;
- risks associated with transporting our aircraft, including risks associated with piracy and adverse weather;
- fluctuations in the costs associated with transporting our aircraft, pilots, and crews, which are significant operating costs for us;
- limitations on our ability to enforce legal rights and remedies;
- uncertainties regarding required approvals or legal structures necessary to operate aircraft or provide our products and services in a given jurisdiction;
- restrictions on the repatriation of funds from our foreign operations;
- changes in regulatory structures or trade policies;
- tariff and tax regulations;
- ensuring compliance with the Foreign Corrupt Practices Act;
- difficulties in obtaining export and import licenses; and
- the risk of government-financed competition.

Part of our growth strategy is to enter new markets, including emerging market countries such as China and in South America. Emerging market countries have less developed economies that are more vulnerable to economic and political problems and may experience significant fluctuations in gross domestic product, interest rates, and currency exchange rates, as well as civil disturbances, government instability, nationalization and expropriation of private assets, and the imposition of taxes or other charges by government authorities. The occurrence of any of these events and the resulting economic instability that may arise could adversely affect our operations in those countries, or the ability of our customers in those countries to meet their obligations. As a result, customers that operate in emerging market countries may be more likely to default than customers that operate in developed countries. In addition, legal systems in emerging market countries may be less developed, which could make it more difficult for us to enforce our legal rights in those countries. In particular, we have focused on expanding our presences in developing markets such as China and Malaysia, and the laws and regulations governing aviation sales and services may require approvals that are uncertain and enforcement of joint venture or other contractual relationships may be uncertain. For these and other reasons, our growth plans may be materially and adversely affected by adverse economic and political developments in emerging market countries.

If our employees unionize, our expenses could increase and our results of operations would suffer.

Except for statutory protections for our 11 Italian pilots, none of our employees work under collective bargaining, union, or similar agreements. Unionization efforts have been made from time to time within our industry, with varying degrees of success. If our employees unionize, our expenses could increase and our results of operations would suffer.

The cost of fuel is a major operating expense, and fuel shortages and fluctuations in the price of fuel could adversely affect our operations.

Our aerial operations depend on the use of jet fuel. Fuel costs have historically been subject to wide price fluctuations, and fuel availability is subject to shortage and is affected by demand for heating oil, gasoline, and other petroleum products. Fuel shortages and increases in the price of fuel, or decreases in the price of fuel when we have entered into hedging agreements, could adversely affect our operations.

We may not realize the anticipated benefits of acquisitions, joint ventures, strategic alliances, or divestitures.

As part of our business strategy, we may acquire businesses or specific assets, form joint ventures or strategic alliances, and divest operations. Whether we realize the anticipated benefits from these transactions depends, in part, upon the integration between the businesses or assets involved; the performance of the underlying products, capabilities, or technologies; and the management of the transacted operations. We have had limited experience with such integrations. Accordingly, our financial results could be adversely affected by unanticipated performance issues, transaction-related charges, amortization of expenses related to intangibles, charges for impairment of long-term assets, credit guarantees, partner performance, and indemnifications. Consolidations of joint ventures could also impact our results of operations or financial position. Divestitures may result in continued financial involvement in the divested businesses, such as through guarantees or other financial arrangements, following the transaction. Nonperformance by those divested businesses could affect our future financial results.

We may be unable to access public or private debt markets to fund our operations and contractual commitments at competitive rates, on commercially reasonable terms, or in sufficient amounts.

We depend, in part, upon borrowings under our credit facilities to fund our operations and contractual commitments. If we were called upon to fund all outstanding commitments, we may not have sufficient funds to do so. A number of factors could cause us to incur increased borrowing costs and to have greater difficulty accessing public and private markets for debt. These factors include general economic conditions, disruptions or declines in the global capital markets, and our financial performance, outlook, or credit ratings. An adverse change in any or all of these factors may materially adversely affect our ability to fund our operations and contractual or financing commitments.

Our senior credit facilities require us, among other obligations, to comply with four significant financial covenants on a quarterly basis, including:

- a minimum tangible net worth amount;
- a minimum fixed charge coverage ratio;
- a maximum leverage ratio; and
- for certain periods in 2011, a minimum net income.

If our business does not perform as expected, including if we generate less than anticipated revenue from our Aerial Services operations or encounter significant unexpected costs, we may fail to comply with the financial covenants under our Credit Agreement in 2012. If we do not comply with our financial covenants and we do not obtain a waiver or amendment, our lenders may accelerate payment of all amounts outstanding which would immediately become due and payable, together with accrued interest. Any default may require us to seek additional capital or modifications to our credit facilities, which may not be available or which may be costly. Additionally, our suppliers may require us to pay cash in advance or obtain letters of credit as a condition to selling us their products and services. Any of these risks and uncertainties could have a material adverse effect on our financial position, results of operations or cash flow.

In addition, a significant customer holds the right to exercise a put option that would, if exercised, require us to repurchase on July 31, 2013 the Aircrane we sold to the customer in 2009. The put option was an important term to the purchaser when the sale agreement was negotiated. The exercise price would be the fair market value of the Aircrane, determined by independent appraisers at the time of exercise. The fair market value of the Aircrane at July 31, 2013 will be highly dependent upon the hours of usage and the

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customer use profile for the Aircrane, which makes it difficult to estimate a fair value at this time. However, management believes an anticipated range of fair value, based upon our experience and industry knowledge, may be approximately between $10.0 million and $18.0 million. Because our existing credit facility terminates on June 24, 2013, our ability to finance the repurchase of this Aircrane may depend on our ability to obtain new financing.

Our expected growth and new obligations as a public company will require us to add additional personnel, infrastructure, and internal systems with which we have limited experience.

Our management is continuing to implement enhancements to a number of our internal systems, including inventory administration, human resources, and internal controls. We believe that these enhancements will be necessary to support our expected growth as well as our new status as a public company. Following the closing of this offering, we will be subject to various requirements of the SEC and NASDAQ, including record keeping, financial reporting, and corporate governance rules and regulations. Our management team has limited experience in managing a public company. In addition, historically, we have not had some of the internal systems typically found in a public company. Implementing new systems and procedures is always challenging, and we are subject to the risk that our new systems will not function as anticipated or that we will initially fail to understand or properly administer them. Our business could be adversely affected if our internal infrastructure is inadequate to ensure compliance with federal, state, and local laws and regulations.

Our business is subject to laws limiting ownership or control of aircraft companies, which may increase our costs and adversely affect us.

Most of the countries in which we operate have laws requiring local ownership or control, or both, of certain kinds of companies that operate aircraft. We use various strategies to comply with these laws, including the formation of local subsidiaries that we do not wholly own and partnerships with local companies. FAA regulations may require that at least 75% of our voting securities be owned or controlled by United States citizens. The existence of these laws may restrict our operations; reduce our profit from, or control of, some foreign operations; or restrict the market for our securities.

Our production may be interrupted due to equipment failures or other events affecting our factories.

Our manufacturing and testing processes depend on sophisticated and high-value equipment. Unexpected failures of this equipment could result in production delays, revenue loss, and significant repair costs. In addition, our factories rely on the availability of electrical power and natural gas, transportation for raw materials and finished product, and employee access to our workplace that are subject to interruption in the event of severe weather conditions or other natural or manmade events. While we maintain backup resources to the extent practicable, a severe or prolonged equipment outage or other interruptive event affecting areas where we have significant manufacturing operations may result in loss of manufacturing days or in shipping delays which could have a material adverse effect on our business.

General economic conditions and recent market events may expose us to new risks.

Recent events in the financial markets and the economic downturn have contributed to severe volatility in the securities markets, a severe liquidity crisis in the global financial markets, and unprecedented government intervention. These conditions have affected our results of operations and may continue to affect them. In such an environment, significant additional risks may exist for us. The recent instability in the financial markets has led the U.S. Government to take a number of unprecedented actions designed to support certain financial and other institutions and segments of the financial market that have experienced extreme volatility, and in some cases, a lack of liquidity. There can be no assurance that this intervention will improve market conditions, that such conditions will not continue to deteriorate, or that further

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government intervention will or will not occur. For example, recently, general market volatility has been exacerbated by uncertainty about sovereign debt and the fear that countries such as Greece and Italy may default on their governments' financial obligations. If economic conditions continue or worsen, we face risks that may include:

- declines in revenues and profitability from reduced or delayed orders by our customers, in particular with respect to infrastructure construction projects which may be delayed or cancelled;
- supply problems associated with any financial constraints faced by our suppliers;
- reductions in credit availability to us or in general;
- increases in corporate tax rates to finance government spending programs; and
- reductions in spending by governmental entities for services such as infrastructure construction and firefighting.

The economic downturn and continued credit crisis and related turmoil in the global financial system may have an adverse impact on our business and our financial conditions. We cannot predict our ability to obtain financing due to the current credit crisis, and this could limit our ability to fund our future growth and operations. In addition, the creditworthiness of some of our customers may be affected, which may affect our ability to collect on our accounts receivable from such customers.

Risks Related to this Offering

Our stock price may be volatile, and you may not be able to resell your shares at or above the initial offering price.

There has been no public market for shares of our common stock. An active trading market for our shares may not develop or be sustained following the closing of this offering. The initial public offering price of our shares will be determined by negotiations between us and the representative of the underwriters. Our common stock may trade at a lower price upon the closing of this offering.

The stock market has experienced significant price and volume fluctuations. After the offering, the market price for our shares may fluctuate significantly in response to a number of factors, some of which are beyond our control, including:

- quarterly or annual variations in our operating results;
- changes in financial estimates by securities analysts;
- additions or departures of our key personnel;
- the adoption of new laws or regulations that apply to our business; and
- sales of shares of our common stock in the public markets.

Fluctuations or decreases in the trading price of our common stock may adversely affect your ability to trade your shares. In the past, following periods of volatility in the market price of a company's securities, securities class action litigation has often been instituted. A securities class action suit against us could result in substantial costs and divert management's attention and resources that would otherwise be used to benefit the future performance of our operations. Such litigation expense may not be covered by insurance.

Within 180 days of the date of this offering, the outstanding shares of our common stock will become eligible for sale in the public market, which could cause the price of our common stock to decline.

Our officers, our directors, and all of our stockholders have agreed with the representative of the underwriters not to sell or otherwise dispose of any of their shares for a period of 180 days after the date of this offering. When these lock-up agreements expire, the 5,357,715 outstanding shares held by our stockholders and approximately 294,814 shares underlying equity awards held by certain of our employees will become eligible for sale, in some cases subject only to the volume, manner of sale, and notice requirements of Rule 144 of the Securities Act of 1933, as amended (the "Securities Act"). Some of our stockholders have the right to require that we register their shares for public sale. See "Shares Eligible for Future Sale Registration Rights." Sales of a substantial number of these shares in the public market after this offering, or the perception that these sales could occur, could cause the market price of our common stock to decline. In addition, the sale of these shares could impair our ability to raise capital through the sale of additional equity securities. See "Shares Eligible for Future Sale" for further discussion of the shares that will be freely tradable within 180 days after the date of this offering.

Existing stockholders will exert significant influence over us after the closing of this offering. Their interests may not coincide with yours, and they may make decisions with which you may disagree.

After this offering, entities affiliated with ZM Equity Partners, LLC will own approximately 50% of our outstanding common stock, and two of our directors are managing directors of Centre Lane Partners LLC, an affiliate of ZM Equity Partners. As a result, these stockholders, acting individually or together, could exert significant influence over all matters requiring stockholder approval, including the election of directors and approval of significant corporate transactions. These stockholders may take action by written consent without a meeting of stockholders until the Trigger Date. In addition, this concentration of ownership may delay or prevent a change in control of our Company and make some transactions more difficult or impossible without the support of these stockholders. The interests of these stockholders may not always coincide with our interests as a company or the interest of other stockholders. Accordingly, these stockholders could cause us to enter into transactions or agreements that you would not approve or make decisions with which you may disagree.

As a new investor, you will experience immediate and substantial dilution in net tangible book value.

Investors purchasing shares of our common stock in this offering will pay more for their shares than the amount paid by stockholders who acquired shares before this offering. If you purchase common stock in this offering, you will incur immediate dilution in pro forma net tangible book value of approximately $3.11 per share. See "Dilution."

If securities or industry analysts do not publish research or publish inaccurate or unfavorable research about our business, our stock price and trading volume could decline.

The trading market for our common stock will depend in part on the research and reports that we expect securities or industry analysts to publish about us or our business. If one or more of the analysts who cover us downgrade our stock or publish inaccurate or unfavorable research about our business, our stock price would likely decline. If one or more of these analysts cease coverage of us or fail to publish reports on us regularly, demand for our stock could decrease, which might cause our stock price and trading volume to decline.

Our management will continue to have broad discretion over the use of the proceeds we received in the offering and might not apply the proceeds in ways that increase the value of your investment.

Our management will continue to have broad discretion to use the net proceeds we receive from the offering. We expect to use the net proceeds from the offering to pay down indebtedness under our revolving credit facility, to pay off our unsecured subordinated promissory notes, and, to the extent that there are any excess proceeds after the debt pay-down, for working capital and other general corporate purposes. Our management retains the discretion, however, to use the proceeds differently if events we do not anticipate arise. Our management might not apply the net proceeds from the offering in ways that increase the value of our common stock. Until we use the net proceeds from the offering, we plan to invest them in short-term, investment-grade, interest-bearing securities, and these investments may not yield a favorable rate of return. If we do not invest or apply the net proceeds from the offering in ways that enhance stockholder value, we may fail to achieve expected financial results, which could cause our stock price to decline.

Provisions in our charter documents and Delaware law could discourage takeover attempts and lead to management entrenchment.

Our second amended and restated certificate of incorporation and bylaws contain provisions that could have the effect of delaying or preventing changes in control or changes in our management without the consent of our board of directors. These provisions include:

- a classified board of directors with three-year staggered terms, which may delay the ability of stockholders to change the membership of a majority of our board of directors;
- no cumulative voting in the election of directors, which limits the ability of minority stockholders to elect director candidates;
- the exclusive right of our board of directors to elect a director to fill a vacancy created by the expansion of the board of directors or the resignation, death, or removal of a director, which prevents stockholders from being able to fill vacancies on our board of directors;
- the ability of our board of directors to determine to issue shares of preferred stock and to determine the price and other terms of those shares, including preferences and voting rights, without stockholder approval, which could be used to significantly dilute the ownership of a hostile acquirer;
- from and after such date that ZM EAC LLC, ZM Private Equity Fund I, L.P., or ZM Private Equity Fund II, L.P., their affiliates, or any express assignee or designee of ZM EAC LLC, ZM Private Equity Fund I, L.P., or ZM Private Equity Fund II, L.P., and such assignees or designee's affiliates cease to own, in the aggregate, at least 30% of the outstanding shares of our common stock (the "Trigger Date"), a prohibition on stockholder action by written consent, which forces stockholder action to be taken at an annual or special meeting of our stockholders;
- the requirement that a special meeting of stockholders may be called only by the chairman of our board of directors or our board of directors, which may delay the ability of our stockholders to force consideration of a proposal or to take action, including the removal of directors; and
- advance notice procedures that stockholders must comply with in order to nominate candidates to our board of directors or to propose matters to be acted upon at a stockholders' meeting, which may discourage or deter a potential acquirer from conducting a solicitation of proxies to elect the acquirer's own slate of directors or from otherwise attempting to obtain control of us.

We are also subject to certain anti-takeover provisions under Delaware law. Under Delaware law, a corporation may not, in general, engage in a business combination with any holder of 15% or more of its capital stock unless the holder has held the stock for three years or, among other things, our board of directors has approved the transaction.

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SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS AND INDUSTRY DATA

This prospectus includes forward-looking statements. In some instances, you can identify forward-looking statements by the words such as "believe," "may," "estimate," "continue," "anticipate," "intend," "plan," "expect," "predict," "potential," and similar expressions, as they relate to us, our business, and our management. We have based these forward-looking statements largely on our current expectations and projections about future events and financial trends affecting the financial condition of our business. Forward-looking statements should not be read as a guarantee of future performance or results, and will not necessarily be accurate indications of the times at, or by, which such performance or results will be achieved. Forward-looking statements are based on information available at the time those statements are made and/or management's good-faith belief as of that time with respect to future events, and are subject to risks and uncertainties that could cause actual performance or results to differ materially from those expressed in or suggested by the forward-looking statements. Important factors that could cause such differences include, but are not limited to:

- our safety record and any related impact on our reputation;
- our ability to comply with our debt obligations;
- the effects of increased competition in our business;
- our ability to accurately forecast revenues, convert our backlog into revenues, and appropriately plan our expenses;
- the impact of worldwide economic conditions, including the resulting effect on governmental budgets and capital investments by governmental and private entities;
- changes in government regulation affecting our business;
- the attraction and retention of qualified employees and key personnel;
- our ability to effectively manage our growth;
- our ability to keep pace with changes in technology and our competitors;
- our ability to successfully enter new markets, manage our international expansion, and expand and diversify our customer base;
- our ability to expand and market our manufacturing and MRO services;
- our ability to market our aerial services in new geographic areas and markets;
- our ability to successfully manage any future acquisitions of businesses, solutions, or technologies;

- the success of our marketing efforts;
- the impact of fluctuations in currency exchange rates; and
- other risk factors included under "Risk Factors" in this prospectus.

The factors listed above are not exhaustive and new factors may emerge or changes to the foregoing factors may occur that could impact our business. In light of these risks and uncertainties, the forward-looking events and circumstances discussed in this prospectus may not occur and actual results could differ materially from those anticipated or implied in the forward-looking statements.

Forward-looking statements speak only as of the date of this prospectus. You should not put undue reliance on any forward-looking statements. We assume no obligation to update forward-looking statements to reflect actual results, changes in assumptions, or changes in other factors affecting forward-looking information, except to the extent required by applicable laws. If we update one or more forward-looking statements, no inference should be drawn that we will make additional updates with respect to those or other forward-looking statements.

Information contained in this prospectus concerning our industry and the markets in which we operate, including our general expectations, our market position, and market size estimates and forecasts, is based on market research, industry publications, publicly available information, assumptions that we have made that are based on such data and other similar sources, and on our knowledge of the markets in which we operate. We believe that such industry and market information is generally reliable. Although we have not independently verified any third-party information included in the industry and market information, we make our business decisions on the basis of this and other third-party information and we believe the presented information is accurate. Third-party publications generally state that they have obtained information from sources believed to be reliable but do not guarantee its accuracy and completeness. We are not funded by or otherwise affiliated with, and we did not fund, any of the sources we cite. In addition, industry and market estimates and projections are based on a number of assumptions and subject to risks and uncertainties, including those described in "Risk Factors" and elsewhere in this prospectus. If any one or more of the underlying assumptions turn out to be incorrect, actual results may differ materially from the estimates and projections. For example, the estimated future demand for sawlogs in the United States and Canada may not grow at the rate projected by market data, or at all. You are cautioned not to give undue weight to such estimates and projections.

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USE OF PROCEEDS

We estimate that we will receive net proceeds from the sale of shares of common stock in this offering of approximately $67.9 million, assuming an initial public offering price of $14.00 per share, after deducting underwriting discounts and commissions and estimated offering expenses. We intend to use the net proceeds of this offering as follows:

- approximately $45.4 million to pay down indebtedness under our revolving credit facility, as reduced by any additional amount used to pay off accrued interest on our unsecured subordinated promissory notes incurred since September 30, 2011, which will increase the amounts available for future borrowing under this facility and will, in our view, increase the likelihood of our compliance with the financial covenants under our Credit Agreement on an ongoing basis and improve our ability to refinance our senior credit facilities;

- approximately $22.5 million to pay off our unsecured subordinated promissory notes and such additional amounts as necessary to pay off interest accrued on such notes since September 30, 2011; and

- the remaining net proceeds, if any, for general corporate and working capital purposes.

As of September 30, 2011, our total indebtedness, excluding letters of credit, was $125.0 million, consisting of $45.6 million borrowed under our revolving credit facility, $56.9 million borrowed under our term loan facility and $22.5 million borrowed under our unsecured subordinated promissory notes. At September 30, 2011, we had maximum availability for borrowings under our revolving credit facility of approximately $21.8 million. We issued unsecured subordinated promissory notes with an original value of $19.5 million and a 20% annual interest rate that is payable in kind by increasing the principal amount of the notes. As of September 30, 2011, the principal amount outstanding under the notes, including $3 million in paid-in-kind interest, was $22.5 million. We issued the notes to provide for additional borrowing capacity under our revolving credit facility, recognizing that the proceeds of this offering were intended to be used to pay off the remaining amounts owed under the unsecured subordinated promissory notes. Under the terms of our revolving credit facility, we are prevented from paying down principal on the unsecured subordinated promissory notes unless such payments are made with the proceeds of this offering.

At September 30, 2011, the interest rate on borrowings under our revolving credit facility, which terminates on June 24, 2013, was 3.90%, which was calculated based on the prime rate as quoted by Wells Fargo. As of September 30, 2011, there was $45.6 million outstanding under our revolving credit facility, not including letters of credit. Amounts under our revolving credit facility were borrowed within the prior year and used to refinance our prior senior debt and second lien debt and for general working capital purposes. At September 30, 2011, the interest rate under our unsecured subordinated promissory notes was 20.0%, which is payable in kind by increasing the principal amount of such notes and is payable quarterly, and the outstanding principal balance under the notes was $22.5 million, of which $10.9 million mature on June 30, 2015 and $11.6 million mature on June 30, 2016. For a description of the terms of our revolving credit facility and unsecured subordinated promissory notes see "Management's Discussion and Analysis of Financial Condition and Results of Operations Description of Indebtedness."

Pending use for general corporate purposes, we intend to invest the net proceeds in short-term, investment-grade, interest-bearing securities. See "Management's Discussion and Analysis of Financial Condition and Results of Operations Liquidity and Capital Resources" for additional information regarding our sources and uses of capital.

We will not receive any of the proceeds from the sale of shares by the selling stockholders. Pursuant to a registration rights agreement, we are obligated to pay all expenses of the selling stockholders in connection with this offering except for underwriting discounts and commissions which will be paid by the selling stockholders. See "Principal and Selling Stockholders" and "Description of Capital Stock Registration Rights."

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DIVIDEND POLICY

We have never declared or paid, and do not anticipate declaring or paying, any cash dividends on our common stock. Instead, we currently anticipate that we will retain all of our future earnings, if any, to fund the operation and expansion of our business and to use as working capital and for other general corporate purposes. Any future determination as to the declaration and payment of dividends, if any, will be at the discretion of our board of directors and will depend on then existing conditions, including our financial condition, operating results, contractual restrictions, capital requirements, business prospects, and other factors our board of directors may deem relevant. Our existing credit facility limits our ability to declare and pay dividends.

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CAPITALIZATION

The table below sets forth our cash and cash equivalents and our capitalization on a consolidated basis as of September 30, 2011:

- on an actual basis;
- on a pro forma basis after giving effect to the completion of our recapitalization, as discussed under "Explanatory Note Regarding Recapitalization"; and
- on a pro forma as adjusted basis after giving effect to the sale of 5,350,000 shares of our common stock offered by us in this offering (at an estimated initial public offering price of $14.00 per share, the midpoint of the sale price range set forth on the cover of this prospectus) less the underwriting discount and estimated offering expenses, and the use of proceeds received by us from this offering as discussed under "Use of Proceeds."

You should read the following table in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our consolidated financial statements and the related notes included elsewhere in this prospectus.

	As of September 30, 2011		
	Actual	**Pro Forma[1]**	**Pro Forma As Adjusted**
(In thousands)			
Cash and cash equivalents	$ 3,056	$ 3,056	$ 3,056
Debt:			
Revolving credit facility	45,634	45,634	184
Term debt	56,875	56,875	56,875
Unsecured subordinated promissory notes	22,457	22,457	
Series A Redeemable Preferred Stock, $0.0001 par value: 70,000 shares authorized, 34,999.5 shares issued and outstanding	63,739		
Stockholders' equity:			
Common stock, $0.0001 par value			
Class A: 2,000 shares authorized, 1,000 shares issued and outstanding	1		
Class B: 3,000 shares authorized, no shares issued and outstanding			
Preferred stock, $0.0001 par value: 10,000,000 shares authorized, no shares issued and outstanding			
Common stock, $0.0001 par value: 110,000,000 shares authorized, 5,357,715 shares issued and outstanding, pro forma; 10,707,715 shares issued and outstanding, pro forma as adjusted		1	1
Additional paid-in capital		63,739	131,646
Accumulated earnings (deficit)	(16,142)	(16,142)	(16,142)
Accumulated other comprehensive income	(11)	(11)	(11)
Noncontrolling interest	1,139	1,139	1,139
Total stockholders' equity (deficit)	(15,013)	48,726	116,633
Total capitalization	$ 176,748	$ 176,748	176,748

(1) See "Explanatory Note Regarding Recapitalization."

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DILUTION

If you invest in our common stock, your interest will be diluted to the extent of the difference between the public offering price per share of our common stock and the pro forma net tangible book value per share of our common stock after this offering. Dilution results from the fact that the public offering price per share of our common stock is substantially in excess of net tangible book value per share attributable to existing stockholders for the presently outstanding stock. We calculate net tangible book value per share by dividing our net tangible book value, which equals total assets less intangible assets and total liabilities, by the number of shares outstanding.

The discussion and tables below are based on 1,000 shares of our Class A common stock outstanding as of September 30, 2011 and also reflect the issuance of shares of common stock in the recapitalization. On this basis, our net tangible book value at September 30, 2011 was $48.7 million, or $9.09 pro forma per share, based upon 5,357,715 shares outstanding.

After giving effect to the sale of 5,350,000 shares of common stock in this offering at a price of $14.00 per share, the midpoint of the sale price range set forth on the cover of this prospectus, and after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us, our pro forma net tangible book value as of September 30, 2011 would have been approximately $116.6 million, or $10.89 per share. This represents an immediate increase in net tangible book value of $1.80 per share to existing stockholders, and an immediate dilution in net tangible book value of $3.11 per share to new investors, or approximately 22% of the offering price of $14.00 per share. The following table illustrates this dilution on a per share basis:

Assumed initial public offering price per share		$ 14.00
Net tangible book value per share as of September 30, 2011		$ 9.09
Increase in net tangible book value per share attributable to new investors	$ 1.80	
Pro forma net tangible book value per share of common stock after this offering		$ 10.89
Dilution per share to new investors		$ 3.11

The following table shows on a pro forma basis at September 30, 2011, after giving effect to the total cash consideration paid to us, the average price per share paid by existing stockholders and by new investors in this offering before deducting estimated underwriting discounts and estimated offering expenses payable by us.

	Shares Purchased		Total Consideration		Average Price Per Share
	Number	%	Amount	%	
Existing stockholders	5,357,715	50	93,103,000	55.4	$ 17.38
New investors	5,350,000	50	74,900,000	44.6	$ 14.00
Total	10,707,715	100%	168,003,000	100%	$ 15.69

The above table excludes 465,888 shares of common stock reserved for issuance under our 2012 Long-Term Incentive Plan, which we intend to adopt prior to the closing of this offering, which includes the following RSUs that we intend to issue concurrently with the closing of this offering: (1) 289,390 RSUs to certain members of our management; and (2) an estimated 5,424 RSUs to our independent directors. Each RSU entitles the holder to receive one share of our common stock. See "Executive Compensation Elements of Compensation Long-Term Equity Incentives."

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SELECTED CONSOLIDATED FINANCIAL AND OTHER DATA

The following tables set forth our selected consolidated financial and other data. We derived our selected consolidated financial and other data as of December 31, 2009, and 2010, and for the years ended December 31, 2008, 2009 and 2010 from our audited consolidated financial statements and notes thereto, which are included elsewhere in this prospectus. The balance sheet data as of December 31, 2008 has been derived from our audited consolidated financial statements which are not included in this prospectus.

We derived our selected consolidated financial and other data as of September 30, 2011 and for the nine months ended September 30, 2010 and 2011 from our unaudited condensed consolidated financial statements and notes thereto, which are included elsewhere in the prospectus. These unaudited condensed consolidated financial statements have been prepared on the same basis as the audited consolidated financial statements and, in the opinion of our management, include all adjustments, consisting only of normal recurring adjustments, necessary for a fair presentation of the information set forth herein. Interim financial results are not necessarily indicative of results that may be expected for the full fiscal year or any future reporting period.

Our Company was acquired on September 27, 2007. Although we continued as the same legal entity following the acquisition, in the table below we refer to periods ended on or prior to September 26, 2007 as "predecessor" periods. The predecessor period balance sheets reflect the historical accounting basis in our assets and liabilities, and the balance sheets subsequent to September 27, 2007 reflect the new basis in our assets and liabilities resulting from the acquisition, which altered the book value of our aircraft, property, plant and equipment, and aircraft support parts and has impacted our operating costs compared to the predecessor periods.

We derived our selected consolidated financial and other data of the predecessor as of December 31, 2006 and for the period from January 1, 2007 through September 26, 2007, and for us as of December 31, 2007 and 2008 and for the period from September 27, 2007 through December 31, 2007 from audited consolidated financial statements and notes thereto, which are not included in this prospectus.

Our selected consolidated financial and other data are not necessarily indicative of our future performance. The data provided in this table are only a summary and do not include all of the data contained in our financial statements. Accordingly, this table should be read in conjunction with, and is qualified in its entirety by, our consolidated financial statements and related notes contained elsewhere in this prospectus and the sections of this prospectus entitled, "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Capitalization."

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(In thousands, except share and per share amounts)	Predecessor[1] Year Ended December 31, 2006	Predecessor[1] Period from January 1, 2007 through September 26, 2007	Successor Period from September 27, 2007 through December 31, 2007	Successor Year Ended December 31, 2008	Successor Year Ended December 31, 2009	Successor Year Ended December 31, 2010	Successor Nine Months Ended September 30, 2010	Successor Nine Months Ended September 30, 2011
Consolidated Statement of Operations Data:								
Net revenues:								
Aerial services		$ 126,355	$ 25,524	$ 136,548	$ 113,603	$ 105,747	$ 82,358	$ 111,235
Manufacturing / MRO[2]		35,872	17,823	5,376	36,019	12,493	10,682	10,819
Total net revenues	$ 189,948	$ 162,227	$ 43,347	$ 141,924	$ 149,622	118,240	93,040	122,054
Cost of revenues:								
Aerial services		80,715	19,722	96,750	76,855	81,353	61,433	75,275
Manufacturing / MRO		24,360	13,065	5,019	21,272	7,651	6,047	8,394
Total cost of revenues	135,333	105,075	32,787	101,769	98,127	89,004	67,480	83,669
Gross profit	54,615	57,152	10,560	40,155	51,495	29,236	25,560	38,385
Operating expenses:								
General and administrative		12,711	4,211	14,010	14,877	14,105	9,717	9,534
Research and development		10,290	3,328	7,024	6,889	6,400	5,398	3,223
Selling and marketing		1,140	354	1,984	5,115	6,987	4,630	5,469
Total operating expenses	26,750	24,141	7,893	23,018	26,881	27,492	19,745	18,226
Operating income (loss)	27,865	33,011	2,667	17,137	24,614	1,744	5,815	20,159
Other income (expense):								
Interest income	594	205	95	305	157	14	19	24
Interest expense	(4,286)	(3,395)	(2,307)	(7,070)	(6,163)	(4,879)	(3,410)	(6,580)
Loss on early extinguishment of debt						(2,265)	(2,265)	
Other income (expense)[3]	1,662	(1,207)	(12,906)	5,962	(987)	(6,193)	5,507	890
Total other income (expense)	(2,030)	(4,397)	(15,118)	(803)	(6,993)	(13,323)	(149)	(5,666)
Net income (loss) before income taxes and noncontrolling interest	25,835	28,614	(12,451)	16,334	17,621	(11,579)	5,666	14,493
Income tax expense (benefit)	6,100	10,000	(4,500)	6,000	5,330	(3,544)	3,360	6,596
Net income (loss)	19,735	18,614	(7,951)	10,334	12,291	(8,035)	2,306	7,897
Less: Net (income) loss related to noncontrolling interest	(257)	(473)	232	(230)	(239)	(216)	(322)	(603)
Net income (loss) attributable to Erickson Air-Crane Incorporated	19,478	18,141	(7,719)	10,104	12,052	(8,251)	1,984	7,294
Dividends on Series A Redeemable Preferred Stock[4]			1,403	5,877	6,806	7,925	5,818	6,729
Net income (loss) attributable to common stockholders	$ 19,478	$ 18,141	$ (9,122)	$ 4,227	$ 5,246	$ (16,176)	$ (3,834)	$ 565
Net income (loss)	19,735	18,614	(7,951)	10,334	12,291	(8,035)	2,306	7,897
Other comprehensive income (loss):								
Foreign currency translation adjustment	(17)	614	98	(540)	571	45	(135)	(329)
Comprehensive income (loss)	$ 19,718	$ 19,228	$ (7,853)	$ 9,794	$ 12,862	$ (7,990)	$ 2,171	7,568
Earnings (loss) per share attributable to common stockholders								
Basic	$ 9,739.00	$ 9,070.50	$ (9,122.00)	$ 4,227.00	$ 5,246.00	$ (16,176.47)	$ 2,305.69	$ 7,897.45

Diluted	$ 9,739.00	$ 9,070.50	$ (9,122.00)	$ 4,227.00	$ 5,246.00	$ (16,176.47)	$ 2,305.69	$ 7,897.45
Weighted average shares outstanding								
Basic	2,000	2,000	1,000	1,000	1,000	1,000	1,000	1,000
Diluted	2,000	2,000	1,000	1,000	1,000	1,000	1,000	1,000
Pro forma earnings (loss) per share (unaudited):(5)								
Basic	$ 3.64	$ 3.39	$ (1.44)	$ 1.89	$ 2.25	$ (1.54)	$ 0.37	$ 1.36
Diluted	$ 3.45	$ 3.21	$ (1.44)	$ 1.79	$ 2.13	$ (1.54)	$ 0.35	$ 1.29
Pro forma weighted average shares outstanding (unaudited):(5)								
Basic	5,357,715	5,357,715	5,357,715	5,357,715	5,357,715	5,357,715	5,357,715	5,357,715
Diluted	5,652,529	5,652,529	5,357,715	5,652,529	5,652,529	5,357,715	5,652,529	5,652,529

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(In thousands)	Predecessor(1) As of December 31, 2006	Successor As of December 31, 2007	As of December 31, 2008	As of December 31, 2009	As of December 31, 2010	As of September 30, 2011
Consolidated Balance Sheet Data:						
Cash and cash equivalents	$ 8,946	$ 9,675	$ 2,303	$ 3,536	$ 1,928	$ 3,056
Aircranes, property, plant and equipment, net	43,707	46,804	46,998	44,829	52,515	57,314
Working capital(6)	7,625	5,359	4,773	6,702	5,538	24,320
Total assets	198,335	162,740	168,369	178,967	203,703	239,154
Total debt(7)	44,181	84,097	86,208	80,546	93,894	124,966
Series A Redeemable Preferred Stock(8)		36,402	42,279	49,085	57,010	63,739
Stockholders' equity:						
Common stock	2,000	1	1	1	1	1
Total stockholders' equity (deficit)	96,353	(8,008)	(4,454)	485	(15,598)	(15,013)

(In thousands)	Predecessor(1) Year Ended December 31, 2006	Period from January 1, 2007 through September 26, 2007	Successor Period from September 27, 2007 through December 31, 2007	Year Ended December 31, 2008	Year Ended December 31, 2009	Year Ended December 31, 2010	Nine Months Ended September 30, 2010	Nine Months Ended September 30, 2011
Consolidated Statement of Cash Flow Data:								
Net cash provided by (used in):								
Operating activities	$ (10,638)	$ (3,966)	$ 24,818	$ (8,717)	$ 9,900	$ (8,430)	$ (6,982)	$ (14,416)
Investing activities	(7,766)	667	(91,970)	546	(2,667)	(5,017)	(3,125)	(12,105)
Financing activities	17,680	1,152	69,737	2,111	(5,662)	11,057	6,291	28,216

(1) The year ended December 31, 2006, and the period from January 1, 2007 through September 26, 2007 do not include the effect of fair value purchase accounting adjustments resulting from our acquisition on September 27, 2007. See "Management's Discussion and Analysis of Financial Condition and Results of Operations Trends and Uncertainties Affecting Our Business."

(2) Net revenues from Manufacturing / MRO reflect the sale of three Aircranes in 2006, three Aircranes in 2007, zero Aircranes in 2008, one Aircrane in 2009, zero Aircranes in 2010, and zero Aircranes in the nine months ended September 30, 2011.

(3) Other income (expense) for the period ended December 31, 2007 includes $12.5 million in litigation settlement expenses; for the year ended December 31, 2008 includes a $4.3 million gain related to an insurance settlement with respect to an Aircrane accident; and for the 2010 period includes $10.0 million in litigation settlement expenses and a net gain related to an aircraft accident in Malaysia of $6.3 million, after accounting for insurance proceeds.

(4) Dividends on Series A Redeemable Preferred Stock are non-cash accruals. No dividends have been paid or will be paid to holders of Series A Redeemable Preferred Stock. The Series A Redeemable Preferred Stock and the Class A Common Stock will be converted into 5,357,715 shares of a single class of common stock in connection with this offering. See "Explanatory Note Regarding Recapitalization."

(5) Pro forma amounts give effect to our recapitalization in connection with this offering, including the reclassification of Series A Redeemable Preferred Stock and Class A Common Stock as common stock. The pro forma weighted diluted share amounts also include 294,814 shares of common stock related to RSUs that we intend to issue concurrently with the closing of this offering under our 2012 Long-Term Incentive Plan (except for the period September 27, 2007 through December 31, 2007 and the year ended December 31, 2010 because the effect of including these shares would be anti-dilutive). See "Explanatory Note Regarding Recapitalization" and "Executive Compensation 2012 Long-Term Incentive Plan."

(6)

Working capital (deficit) is calculated as our current assets less our current liabilities.

(7) Debt is comprised of amounts drawn under our revolving credit facility, our term loan, and our unsecured subordinated promissory notes. In June 2010, we replaced our revolving credit facility and our term loan with a new credit facility. As a result of the refinancing, we expensed $2.3 million, including the unamortized portion of the previously deferred financing costs, and early termination fees. See "Management's Discussion and Analysis of Financial Condition and Results of Operations Description of Indebtedness."

(8) Represents Series A Redeemable Preferred Stock which will be converted into common stock in connection with this offering. See "Explanatory Note Regarding Recapitalization" and note 4 above.

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MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion and analysis of our financial condition and results of our operations together with our financial statements and the related notes to those statements included in this prospectus. In addition to historical financial information, this discussion contains forward-looking statements reflecting our current plans, estimates, beliefs, and expectations that involve risks and uncertainties. As a result of many important factors, particularly those set forth under "Risk Factors" and "Special Note Regarding Forward-Looking Statements and Industry Data" in this prospectus, our actual results and the timing of events may differ materially from those anticipated in these forward-looking statements.

Overview of the Business

We specialize in the operation and manufacture of the Aircrane, a versatile and powerful heavy-lift helicopter. The Aircrane has a lift capacity of up to 25,000 pounds. and is the only commercial aircraft built specifically as a flying crane without a fuselage for internal load. The Aircrane is also the only commercial heavy-lift helicopter with a rear load-facing cockpit, combining an unobstructed view and complete aircraft control for precision lift and load placement capabilities. We own and operate a fleet of 17 Aircranes which we use to support a wide variety of government and commercial customers worldwide across a broad range of critical aerial services including firefighting, timber harvesting, infrastructure construction, and crewing. We refer to this segment of our business as Aerial Services. We also manufacture Aircranes and related components for sale to government and commercial customers and provide aftermarket support and maintenance, repair and overhaul services for the Aircrane and other aircraft. We refer to this segment of our business as Aircraft Manufacturing and Maintenance, Repair, and Overhaul ("Manufacturing / MRO") segment. In 2010, our Aerial Services and Manufacturing / MRO segments generated revenues of $105.7 million and $12.5 million, respectively. For the nine months ended September 30, 2011, our Aerial Services and Manufacturing / MRO segments generated revenues of $111.2 million and $10.8 million, respectively. In 2010, we had a net loss attributable to Erickson Air-Crane of $8.3 million, and in the nine months ended September 30, 2011, we had net income attributable to Erickson Air-Crane of $7.3 million.

In our Aerial Services segment, our engineering staff has developed enhanced mission-specific capabilities and modifications for the Aircrane that allow us to compete effectively and contribute to our market share. We typically lease our Aircranes to customers and provide associated crewing and maintenance services. Our pilots and mechanics are technical specialists with years of training. One of our offerings is to provide crewing for aircraft we have sold to various customers.

Through our Manufacturing / MRO segment we manufacture Aircranes from existing airframes, manufacture new components on a contract basis, and provide customers with FAA- and European Aviation Safety Agency-certified MRO services in our AS9100 certified facility. AS9100 is a widely adopted and standardized quality management system for the aerospace industry. We also offer cost per hour ("CPH") contracts pursuant to which we provide components and expendable supplies for a customer's aircraft at a fixed cost per flight hour. We believe CPH contracts help our customers better predict and manage their maintenance costs.

We manage our business using key operating indicators to measure our performance, balancing short-term results and strategic priorities.

Sales and Marketing

To maintain and strengthen our position in the Aerial Services market, we monitor revenue flight hours and aggregate revenues from firefighting, timber harvesting, construction and crewing contracts, and compare these against budgeted and forecasted targets to measure performance. We monitor our sales pipeline for each of these services, and maintain a master fleet schedule and attempt to maximize Aircrane utilization and revenues by minimizing our "white space," or Aircrane idle time.

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To continue to build and develop our Manufacturing / MRO business, we focus on our aircraft sales pipeline, including the quality of our prospects, and on the number of bids and win-rate associated with bids for MRO and component manufacturing opportunities. We compare revenues against budgeted and forecasted targets to measure performance.

Operations and Safety

A key operating measure used by management in evaluating each of our business segments is gross profit, which is revenues less cost of revenues. Our most significant cost of revenues are material (including raw materials and plant labor and overhead including related employee benefits), fuel, and labor. We closely monitor material costs and fuel costs measured on a per-flight-hour basis. We also measure the costs of crewing (our pilots and field mechanics) and related expenses such as travel and local contract-related expenses, and compare these metrics against budgeted and forecasted targets to measure performance. We target all contracts to have positive gross profit; however, due to the seasonality of our business, we often have unabsorbed costs in the first quarter and the fourth quarter which could lead to negative reported gross profit in these quarters.

We evaluate key corporate projects and research and development projects based on projected returns on investment. We monitor implementation and development schedules and costs and compare performance to budgeted amounts.

Safety is critical to the operation of our business, and we measure a variety of safety metrics including detail by ground and aerial operations and by mechanical and human factor related causes. We measure all metrics for both the current period and long-term trending, both in absolute terms and on a per-flight-hour basis.

Financial and Overall Performance

We measure overall business performance according to five critical metrics: EBITDA, Bank EBITDA (see " Bank EBITDA"), revenue growth, net income, and free cash flow.

Our key liquidity measures include revolver availability, receivables aging, capital investments, and bank covenant compliance.

We annually prepare a five-year strategic plan encompassing expected results of operations and key growth opportunities. Our strategic planning process results in a complete set of forecasted financial statements, a critical action plan to achieve our strategic goals, and specific performance goals and measurements.

Our Operating Revenue

Aerial Services. Our Aerial Services revenue is derived primarily from contracts with government and commercial customers who use our services for firefighting, timber harvesting, infrastructure construction projects, and crewing services. Many of our contracts for Aerial Services are multi-year, and these contracts provide the majority of our current revenue backlog.

Firefighting Contracts. We generally charge a daily standby fee for the contract period with an additional rate for hours flown; some contracts include a minimum number of hours to be flown before the hourly rate is charged. We have both domestic and international contracts, which may be exclusive-use or call-when-needed in nature. Exclusive-use contracts denote that we are obligated to provide, and our customer is obligated to take and pay for, the use of our services. Call-when-needed contracts are contracts with pre-negotiated terms under which we may elect to provide services if requested.

Timber Harvesting Contracts. We generally operate on either an hourly rate structure or a per cubic meter of high grade timber delivered basis. We serve a variety of private customers in North America and Asia.

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Infrastructure Construction Contracts. Our infrastructure construction operations vary from short-term construction jobs (generally one to five days in duration) to longer-term jobs (several months in duration) within the construction, energy transmission, and energy generation industries.

Crewing Services. For customers who purchase an Aircrane but lack qualified operating personnel, we offer pilots and field maintenance crews on annual or multi-year contracts. We have contracts in place for crewing five of the nine aircraft we have sold since 2002.

Manufacturing / MRO. Our Manufacturing / MRO revenue is derived from the sale of Aircranes, from the sale of aircraft components, and from providing MRO and CPH services to various customers.

Aircrane Sales. In our Central Point, Oregon facility we have the capability to remanufacture Aircranes on existing S-64 and CH-54 airframes. Customers who identify a year-round or otherwise critical application for an Aircrane may find it advantageous to own an Aircrane rather than leasing our fleet's services. We have sold nine Aircranes since 2002.

Component Part Sales. We have an ongoing revenue stream from customers who own or operate either Aircranes or the military version, CH-54s and require parts support for their helicopters. We are also pursuing aftermarket opportunities to develop component parts for other aircraft.

MRO Services. Similar to component part sales, we have an ongoing revenue stream from customers who own or operate Aircranes, CH-54s, or other aircraft and need their aircraft components repaired or overhauled by a certified facility.

CPH Services. For customers who desire better predictability and stability in their aircraft operating costs, we offer contracts in which we provide components and expendable supplies at a fixed cost per flight hour.

Our Operating Expenses

Cost of Revenues. Our cost of revenues consists of purchased materials; consumed inventory; plant labor and overhead; aviation fuel; aircraft insurance; contract specific expenses associated with operating in various geographies; shipping costs for transporting our Aircranes; depreciation and amortization of our Aircranes, plant, property, and equipment; and pilot and field mechanic wages, benefits, and other related costs.

Selling and Marketing. Our selling and marketing expenses consist primarily of compensation, benefits, and travel related costs for sales and marketing employees and fees paid to contractors and consultants. Also included are expenses for trade shows, customer demonstrations, and public relations and other promotional and marketing activities, as well as cost of bad debts.

Research and Development. Our research and development expenses consist primarily of wages, benefits, and travel costs for our engineering employees and fees paid to contractors and consultants. Also included are expenses for materials needed to support research and development efforts and expenses associated with testing and certification.

General and Administrative. Our general and administrative expenses consist primarily of wages, benefits, and travel costs for general and administrative employees and fees paid to contractors and consultants in executive, finance, accounting, information technology, human resources, and legal roles, including employees in our foreign subsidiaries involved in these activities. Also included are expenses for legal, accounting, and other professional services and bank fees.

Other Income (Expense), Net. Our other income (expense) consists primarily of the interest paid on outstanding indebtedness, realized/unrealized foreign exchange gains and losses, amortization of debt issuance costs, and interest related to tax contingencies, as well as certain other charges and income, such as legal settlements, gain and loss on the disposal of equipment, amortization and write-off of deferred financing fees, and insurance settlements. With regard to foreign exchange gains and losses, our operations in foreign countries are partially self-hedged, with the majority of our European, Canadian, Australian and

Asian contracts having both revenues and local expenses paid in the local currency; in addition, some of our contracts provide for rate adjustments based on changes in currency exchange rates. For currency exposure that is not self-hedged, we sometimes enter into forward contracts to reduce our currency risk.

Trends and Uncertainties Affecting Our Business

Effect of 2007 Acquisition. Our Company was acquired on September 27, 2007, in which the buyers acquired 100% of our outstanding common stock for $93.1 million, which amount included direct acquisition costs of $3.4 million. The acquisition was accounted for as a purchase in accordance with the Financial Accounting Standard Board's Accounting Standards Codification No. 805, Business Combinations. As a result, we allocated the purchase price to the assets acquired and the liabilities assumed at the date of the acquisition based on their estimated fair value as of the closing date. As a result of this adjustment, the cost of revenues in each of the successor periods included in this prospectus reflects the lower carrying value of our aircraft support parts that we have sold or used in our maintenance, repair, and overhaul operations. The aggregate effect of the purchase accounting adjustment with respect to our inventory was approximately $28.0 million from the date of acquisition through September 30, 2011. Based on our past experience and historical inventory usage patterns, we expect to largely realize the benefit of the approximately $20.0 million remaining fair value purchase accounting adjustment to aircraft support parts over the next five years as we sell and use our legacy inventory. Our legacy inventory consists of aircraft parts and components purchased over multiple years for which there is no liquid market; therefore, there is no guarantee that we will be able to purchase new inventory at the carrying values of our legacy inventory currently reflected on our balance sheet.

Aircrane Sales. A sale of an Aircrane has a material effect on our financial results, and Aircrane sales have been a dominant factor in fluctuations in our year-over-year results. Although we have focused our sales and marketing efforts on increasing Aircrane sales, sales are not guaranteed in a particular financial period or at all. In the six years comprising 2006 to 2011, we sold three, three, zero, one, zero, and zero Aircrane(s), respectively. Since 2002, we have sold and delivered nine Aircranes. One of our significant customers holds the right to exercise a put option that would, if exercised, require us to repurchase on July 31, 2013 the Aircrane we sold to the customer in 2009. The exercise price would be the fair market value of the Aircrane, determined by independent appraisers at the time of exercise. The fair market value of the Aircrane at July 31, 2013 will be highly dependent upon the hours of usage and the customer use profile for the Aircrane, which makes it difficult to estimate a fair value at this time. However, management believes an anticipated range of fair value, based upon our experience and industry knowledge, should be approximately between $10.0 million and $18.0 million. Because our existing credit facility terminates on June 24, 2013, our ability to finance this purchase may depend on our ability to obtain new financing in the ordinary course of our business. If the put option is exercised, the customer must provide six months' advance notice, and we would anticipate funding the purchase through our credit facilities, if available, or by improving our cash flow position by adjusting inventory levels and build plans. None of our other aircraft sale agreements have included a put option. We agreed to provide a put option in our 2009 sale agreement based on that customer's unique circumstances. Inclusion of the put option was important to the customer when the sale agreement was negotiated.

We currently have 17 Aircranes that we employ in providing Aerial Services. We have one completed Aircrane held for sale and one substantially completed Aircrane held for sale. Although we have entered into several non-binding agreements and the binding Aircraft Lease and Purchase Option Agreement with HRT, HRT did not exercise its purchase option thereunder and allowed its lease to expire, and we have not sold an Aircrane since 2009. The Aircrane that was subject to the Aircraft Lease and Purchase Option Agreement with HRT was one of the 17 Aircranes in our Aerial Services fleet. The failure of HRT to exercise its purchase option or the failure by us to otherwise sell an Aircrane increases the risk that we may fail to comply with the financial covenants under our Credit Agreement in 2012. To effect a sale, we could sell one of our 17 Aircranes used for Aerial Services. Although we would expect to be able to maintain the level of our operations through more efficient scheduling of our fleet or by allocating Aircranes held for

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sale to Aerial Services operations if we consummate such a sale, we may not always have the ability to maintain our desired level of Aerial Services operations with a reduced fleet, which could reduce our ability to generate Aerial Services revenues.

Historically, we have recognized revenues on Aircrane sales when the Aircrane was delivered to a customer, because management did not believe it was able to accurately estimate the percentage of completion of an Aircrane during manufacturing. In light of revisions to our cost tracking and estimating processes, we expect to recognize revenue for our long-term construction contracts in the future using the percentage of completion method, when all required criteria are met. With respect to the one completed Aircrane and the one substantially completed Aircrane included in Aircrane and support parts in process at September 30, 2011, we have not recognized any revenue on either Aircrane since neither Aircrane is under a purchase agreement and therefore the criteria for using the percentage of completion method of accounting have not been met. Revenue on contracts using the percentage of completion method is based on estimates, including estimated labor hours. See " Critical Accounting Policies and Estimates Revenue Recognition Manufacturing / MRO." Because the percentage of completion method requires management estimates of aggregate contract costs, changes in estimates between periods could affect our anticipated earnings. See "Risk Factors Risks Related to Our Business We make estimates in accounting for revenues and costs, and any changes in these estimates may significantly impact our earnings."

Credit Agreement Compliance and Refinancing Costs. We are subject to financial covenants under our Credit Agreement, including a leverage ratio test based on maximum Funded Indebtedness (excluding subordinated debt) to Bank EBITDA, a minimum fixed charge coverage ratio, a minimum tangible net worth test, and, for certain periods in 2011, a minimum net income. See " Description of Indebtedness Senior Credit Facilities." We were not in compliance with certain financial covenants under our Credit Agreement as of December 31, 2010 and March 31, 2011, and subsequent amendments to our Credit Agreement waived such non-compliance. We were in compliance with our financial covenants at June 30, 2011 and September 30, 2011 and we expect to be in compliance with such financial covenants at December 31, 2011. Our ability to comply with the financial covenants under our Credit Agreement in 2012 and 2013 is subject to various risks and uncertainties, and may be adversely affected by any of the following:

- if our business does not perform as expected, including if we generate less than anticipated revenue from our Aerial Services operations or encounter significant unexpected costs;
- if we do not sell an Aircrane;
- if we incur a charge to write-off any unrecoverable portion of the amount subject to our claim related to certain contracts with the U.S. Forest Service; or
- if we fail to timely collect our receivables, including our receivable from the Hellenic Fire Brigade.

For a discussion of these and other risks, see "Risk Factors" generally, including "Risk Factors Risks Related to Our Business Our indebtedness and significant debt service obligations could adversely affect our financial condition and impair our ability to grow and operate our business and we may not comply with the financial covenants under our Credit Agreement in 2012." If we fail to comply with the financial covenants under our Credit Agreement, we may incur additional costs that might adversely affect our financial condition, results of operations and cash flows. Such costs might include costs related to obtaining a waiver of any such non-compliance from our lenders. We cannot assure you that our lenders will agree to waive any such non-compliance.

Although we intend to use the proceeds of this offering to pay down indebtedness under our revolving credit facility and to pay off our unsecured subordinated promissory notes (which have a 20% annual interest rate that is payable in kind by increasing the principal amount of the notes) in order to increase the likelihood of our compliance with the financial covenants under our Credit Agreement and to improve our

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ability to refinance our senior credit facilities, there will remain uncertainties regarding our ability to comply with our financial covenants in 2012 and 2013 and achieve such refinancing.

The senior credit facilities under our Credit Agreement mature on June 24, 2013. We intend to refinance our senior credit facilities with new credit facilities prior to such maturity. Such refinancing may cause us to incur significant costs, including costs related to the acceleration of amortizing debt issuance costs.

November 2011 Restructuring. On November 2, 2011, we completed a company restructuring which included a reduction-in-force of 119 employees. The restructuring was needed to realign our operating expenses to ensure that we remain competitive in the markets we serve. However, as a result of the reduction-in-force, we may experience longer aircraft delivery lead times for future customers who wish to purchase Aircranes, which may delay the timing of our aircraft sales revenues in the future. In the event that we experience significantly increased customer demand to purchase our Aircranes, we anticipate being able to meet such demand by rapidly expanding our manufacturing capacity and related resources. However, such expansion may require us to incur significant costs.

Seasonality. Our Aerial Services operations in any given location are heavily seasonal and depend on prevailing weather conditions. Our flight hours are substantially reduced in winter or monsoon seasons. The global deployment of our helicopters and crews helps to limit the effect of seasonality, but our Aerial Services operations tend to peak in June through October and to be at a low point in January through April. Due to the seasonality of our business, we often have unabsorbed costs in the first quarter and the fourth quarter which could lead to negative reported gross profit in these quarters.

Greek Economic Crisis. The Greek economy in particular has been adversely affected by global financial pressures. We have historically received approximately $12 million of revenue each year from our contract with the Hellenic Fire Brigade. During 2011, we received an advance payment of approximately 50% pursuant to our contact with the Hellenic Fire Brigade, with the remaining balance expected to be paid in early 2012. The current economic crisis in Greece may have an unfavorable impact on our ability to receive future payments from the Hellenic Fire Brigade, including the remaining payment for 2011, in a timely manner, as well as our ability to enter into new contracts with the Hellenic Fire Brigade. Our contract with the Hellenic Fire Brigade calls for annual confirmation notices, which have historically been received from the customer in the period between January and June of the year in which the services are to be provided. The Hellenic Fire Brigade has been a continuous customer of ours for over ten years and has always provided such confirmation notices in the past. While we believe that the customer intends to confirm the contract for 2012, we have yet to receive such confirmation notice as of January 29, 2012 and there is no guarantee that the contract will be confirmed for 2012.

Stock-based Compensation. Prior to the closing of this offering, we intend to adopt our 2012 Long-Term Incentive Plan and to commence granting equity awards thereunder. We expect increased operating expenses associated with stock-based compensation, which will be allocated and included primarily in general and administrative expenses and selling and marketing expenses. We expect substantially all of our stock-based compensation expense to be comprised of costs associated with equity incentive awards issued to employees. We will record the fair value of these equity-based awards and expense their cost ratably over related vesting periods, which we expect will generally be five years.

We intend to issue 294,814 RSUs concurrently with the closing of this offering, including: (1) 289,390 RSUs to certain members of our management; and (2) an estimated 5,424 RSUs to our independent directors. The value of each RSU will be the initial public offering price. Assuming issuance at a price of $14.00 per share, the midpoint of the sale price range set forth on the cover of this prospectus, we would expect to recognize stock-based compensation expense of approximately $2.5 million for the three months ending March 31, 2012 with an additional stock-based compensation expense of approximately $1.6 million that will be recognized over the remaining vesting period of such RSUs. In future periods, our stock-based compensation expense may increase materially if we issue additional stock-based awards to attract and retain employees.

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Results of Operations

Nine Months Ended September 30, 2011 Compared to Nine Months Ended September 30, 2010

The following table presents our consolidated operating results for the nine months ended September 30, 2011 compared to the nine months ended September 30, 2010:

(Dollars in thousands)	Nine Months Ended September 30, 2010	% of Revenues	Nine Months Ended September 30, 2011	% of Revenues	Change	% Change
Net revenues:						
Aerial Services	$ 82,358	88.5	$ 111,235	91.1	$ 28,877	35.1
Manufacturing / MRO	10,682	11.5	10,819	8.9	137	1.3
Total revenues	93,040	100.0	122,054	100.0	29,014	31.2
Cost of revenues:						
Aerial Services	61,433	74.6	75,275	67.7	13,842	22.5
Manufacturing / MRO	6,047	56.6	8,394	77.6	2,347	38.8
Total cost of revenues	67,480	72.5	83,669	68.6	16,189	24.0
Gross profit						
Aerial Services	20,925	25.4	35,960	32.3	15,035	71.9
Manufacturing / MRO	4,635	43.4	2,425	22.4	(2,210)	(47.7)
Total gross profit	25,560	27.5	38,385	31.4	12,825	50.2
Operating expenses:						
General and administrative	9,717	10.4	9,534	7.8	(183)	(1.9)
Research and development	5,398	5.8	3,223	2.6	(2,175)	(40.3)
Selling and marketing	4,630	5.0	5,469	4.5	839	18.1
Total operating expenses	19,745	21.2	18,226	14.9	(1,519)	(7.7)
Income (loss) from operations	5,815	6.3	20,159	16.5	14,344	246.7
Other income (expense), net:						
Interest expense, net	(3,391)	(3.6)	(6,556)	(5.4)	(3,165)	93.3
Loss on early extinguishment of debt	(2,265)	(2.4)			2,265	100.0
Other income (expense), net	5,507	5.9	890	0.7	(4,617)	(83.8)
Total other income (expense)	(149)	(0.2)	(5,666)	(4.6)	(5,517)	3702.7
Net income (loss) before income taxes and noncontrolling interest	5,666	6.1	14,493	11.9	8,827	155.8
Income tax expense (benefit)	3,360	3.6	6,596	5.4	3,236	96.3
Net income (loss)	2,306	2.5	7,897	6.5	5,591	242.5
Less: Net (income) loss related to noncontrolling interest	(322)	(0.3)	(603)	(0.5)	(281)	87.3
Net income (loss) attributable to Erickson Air-Crane Incorporated	1,984	2.1	7,294	6.0	5,310	267.6
Dividends on Series A Redeemable Preferred Stock	5,818	6.3	6,729	5.5	911	15.7
Net income (loss) attributable to common stockholders	$ (3,834)	(4.1)	$ 565	0.5	$ 4,399	(114.7)

Revenues

Consolidated revenue increased by $29.0 million, or 31.2%, to $122.1 million in the 2011 period from $93.0 million in the 2010 period. The increase in revenues was attributable to a $28.9 million increase in

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Aerial Services revenues and a $0.1 million increase in Manufacturing / MRO revenues compared to the same period in 2010.

(Dollars in thousands)	Nine Months Ended September 30, 2010	% of Revenues	Nine Months Ended September 30, 2011	% of Revenues	Change	% Change
Net revenues:						
Aerial Services	$ 82,358	88.5	$ 111,235	91.1	$ 28,877	35.1
Manufacturing / MRO	10,682	11.5	10,819	8.9	137	1.3
Total revenues	$ 93,040	100.0	$ 122,054	100.0	$ 29,014	31.2

Aerial Services. Aerial Services revenue increased by $28.9 million, or 35.1%, to $111.2 million in the 2011 period from $82.4 million in the 2010 period. This increase was due in part to a 47.2% increase in revenue flight hours for Aerial Services during the 2011 period to 8,611 hours from 5,849 hours in the 2010 period.

The following are our revenue and revenue flight hours by type of service for the nine months ended September 30, 2011 and 2010:

(Dollars in thousands)	Nine Months Ended September 30, 2010	Nine Months Ended September 30, 2011	Change	% Change
Aerial Services Revenue:				
Firefighting	$ 44,973	$ 61,840	$ 16,867	37.5
Timber Harvesting	21,624	25,565	3,941	18.2
Infrastructure Construction	4,443	8,338	3,895	87.7
Crewing	11,318	15,492	4,174	36.9
Total Aerial Services revenue	$ 82,358	$ 111,235	$ 28,877	35.1

	Nine Months Ended September 30, 2010	Nine Months Ended September 30, 2011	Change	% Change
Aerial Services Revenue Flight Hours:				
Firefighting	1,692	2,992	1,300	76.8
Timber Harvesting	3,015	3,671	656	21.8
Infrastructure Construction	268	624	356	132.8
Crewing	874	1,324	450	51.5
Total Aerial Services revenue flight hours	5,849	8,611	2,762	47.2

Firefighting revenue increased by $16.9 million, or 37.5%, to $61.8 million in the 2011 period from $45.0 million in the 2010 period. This increase was largely due to increases in firefighting revenues in North America of $14.8 million and in Australia of $3.2 million in the 2011 period compared to the 2010 period, partially offset by a $1.1 million decrease in firefighting revenues in Greece. In the 2011 period, both the United States and Canada experienced active fire seasons which resulted in higher demand for our services as compared to the 2010 period. In Australia the increase in revenues was primarily due to contract extensions.

Timber Harvesting revenue increased by $3.9 million, or 18.2%, to $25.6 million in the 2011 period from $21.6 million in the 2010 period. This increase was primarily due to revenues from a new Canadian customer in the 2011 period.

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Infrastructure Construction revenue increased by $3.9 million, or 87.7%, to $8.3 million in the 2011 period from $4.4 million in the 2010 period. This increase was primarily due to longer duration jobs in North America, and new customers in South America and Asia.

Crewing revenue increased by $4.2 million, or 36.9%, to $15.5 million in the 2011 period from $11.3 million in the 2010 period. This increase was due to the mid-year 2010 start of the contract with a North American customer and to higher flight hours in Italy.

Manufacturing / MRO. Manufacturing / MRO revenue increased by $0.1 million to $10.8 million in the 2011 period from $10.7 million in the 2010 period.

Gross Profit

Consolidated gross profit increased by $12.8 million, or 50.2%, to $38.4 million in the 2011 period from $25.6 million in the 2010 period. The increase was attributable to an increase in Aerial Services gross profit of $15.0 million, partially offset by a decrease in gross profit from Manufacturing / MRO of $2.2 million in the 2011 period.

(Dollars in thousands)	Nine Months Ended September 30, 2010	% of Related Revenues	Nine Months Ended September 30, 2011	% of Related Revenues	Change	% Change
Gross profit						
Aerial Services	$ 20,925	25.4	$ 35,960	32.3	$ 15,035	71.9
Manufacturing / MRO	4,635	43.4	2,425	22.4	(2,210)	(47.7)
Total gross profit	$ 25,560	27.5	$ 38,385	31.4	$ 12,825	50.2

Aerial Services. Aerial Services gross profit increased by $15.0 million, or 71.9%, to $36.0 million in the 2011 period from $20.9 million in the 2010 period. Gross profit margin was 32.3% in the 2011 period compared to 25.4% in the 2010 period. The revenue increase of $28.9 million for the 2011 period compared to the 2010 period was the primary reason for the gross profit improvement; certain costs of Aerial Services revenues are fixed in nature, and the increase in flight hour revenues directly benefitted our operating margins and results and were partially offset by costs associated with increased maintenance performed in the 2011 period.

Manufacturing / MRO. Manufacturing / MRO gross profit decreased by $2.2 million, or 47.7%, to $2.4 million in the 2011 period compared to $4.6 million in the 2010 period, primarily due to higher plant costs, including scrap and unabsorbed plant costs due to lower plant activity levels, and to higher warranty costs associated with an accessory failure on a customer's Aircrane.

Operating Expenses

(Dollars in thousands)	Nine Months Ended September 30, 2010	% of Revenues	Nine Months Ended September 30, 2011	% of Revenues	Change	% Change
Operating expenses:						
General and administrative	$ 9,717	10.4	$ 9,534	7.8	$ (183)	(1.9)
Research and development	5,398	5.8	3,223	2.6	(2,175)	(40.3)
Selling and marketing	4,630	5.0	5,469	4.5	839	18.1
Total operating expenses	19,745	21.2	18,226	14.9	(1,519)	(7.7)
Income (loss) from operations	$ 5,815	6.3	$ 20,159	16.5	$ 14,344	246.7

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Operating expenses decreased by $1.5 million, or 7.7%, to $18.2 million in the 2011 period from $19.7 million in the 2010 period. The change was primarily due to a decrease in research and development expenses resulting from the completion of a major project during 2010, partially offset by investment in our sales and marketing functions, including the addition of key personnel.

Other Income (Expense), Net

(Dollars in thousands)	Nine Months Ended September 30, 2010	% of Revenues	Nine Months Ended September 30, 2011	% of Revenues	Change	% Change
Other income (expense), net:						
Interest expense, net	$ (3,391)	(3.6)	$ (6,556)	(5.4)	$ (3,165)	93.3
Loss on early extinguishment of debt	(2,265)	(2.4)			2,265	100.0
Other income (expense), net	5,507	5.9	890	0.7	(4,617)	(83.8)
Total other income (expense), net	$ (149)	(0.2)	$ (5,666)	(4.6)	$ (5,517)	3,702.7

Total other income (expense), net decreased by $5.5 million to $5.7 million of expense in the 2011 period from $0.1 million of expense in the 2010 period. Interest expense, net increased by $3.2 million, to $6.6 million in the 2011 period, from $3.4 million in the 2010 period, due to an increase in the effective interest rates on borrowings and an increase in our average outstanding borrowings. Loss on early extinguishment of debt included a $1.8 million write-off of debt issuance costs and early debt termination fees of $0.5 million in the 2010 period associated with signing our new Credit Agreement on June 30, 2010.

(In thousands)	Nine Months Ended September 30, 2010	Nine Months Ended September 30, 2011	Change
Other income (expense), net:			
Gain on involuntary conversions	$ 6,285	$	$ (6,285)
Unrealized foreign exchange gain (loss)	(82)	1,461	1,543
Realized foreign exchange gain (loss)	(76)	(403)	(327)
Gain (loss) on disposal of equipment	6	5	(1)
Amortization of debt issuance costs	(546)	(553)	(7)
Interest expense related to tax contingencies	(371)	(270)	101
Other income (expense), net	291	650	359
Other income (expense), net	$ 5,507	$ 890	$ (4,617)

Other income (expense), net decreased by $4.6 million, or 83.8%, to $0.9 million of income in the 2011 period from $5.5 million of income in the 2010 period. Other income (expense), net included a net gain of $6.3 million, after accounting for insurance proceeds, in the 2010 period associated with an aircraft accident; and a foreign exchange net gain of $1.1 million in the 2011 period compared to a foreign exchange net loss of $0.2 million in the 2010 period.

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Income Tax Expense (Benefit)

(Dollars in thousands)	Nine Months Ended September 30, 2010	% of Revenues	Nine Months Ended September 30, 2011	% of Revenues	Change	% Change
Net income (loss) before income taxes and noncontrolling interest	$ 5,666	6.1	$ 14,493	11.9	$ 8,827	155.8
Income tax expense (benefit)	3,360	3.6	6,596	5.4	3,236	96.3
Net income (loss)	$ 2,306	2.5	$ 7,897	6.5	$ 5,591	242.5

Income tax expense increased by $3.2 million, or 96.3% to $6.6 million in the 2011 period from $3.4 million in the 2010 period, primarily due to the increase in net income before taxes and noncontrolling interest. The effective tax rate in the 2011 period was 45.5% compared to 59.3% in the 2010 period, primarily due to a decrease in the 2011 period of foreign tax, as a percentage of taxable income.

Net Income (Loss) Attributable to Erickson Air-Crane Incorporated

(Dollars in thousands)	Nine Months Ended September 30, 2010	% of Revenues	Nine Months Ended September 30, 2011	% of Revenues	Change	% Change
Net income (loss)	$ 2,306	2.5	$ 7,897	6.5	$ 5,591	242.5
Less: Net (income) loss related to noncontrolling interest	(322)	(0.3)	(603)	(0.5)	(281)	87.3
Net income (loss) attributable to Erickson Air-Crane Incorporated	1,984	2.1	7,294	6.0	5,310	267.6
Dividends on Series A Redeemable Preferred Stock	5,818	6.3	6,729	5.5	911	15.7
Net income (loss) attributable to common stockholders	$ (3,834)	(4.1)	$ 565	0.5	$ 4,399	(114.7)

Net income (loss) attributable to Erickson Air-Crane Incorporated increased by $5.3 million, or 267.6%, to $7.3 million in the 2011 period from $2.0 million in the 2010 period, primarily due to the changes in revenues and expenses discussed above. Net income (loss) attributable to common stockholders increased by $4.4 million, or 114.7%, to an income of $0.6 million in the 2011 period from a loss of $3.8 million in the 2010 period after accounting for accrued dividends on our Series A Redeemable Preferred Stock.

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2010 Compared to 2009

The following table presents our consolidated operating results for the year ended December 31, 2010 compared to the year ended December 31, 2009:

(Dollars in thousands)	Year Ended December 31, 2009	% of Revenues	Year Ended December 31, 2010	% of Revenues	Change	% Change
Net revenues:						
Aerial Services	$ 113,603	75.9	$ 105,747	89.4	$ (7,856)	(6.9)
Manufacturing / MRO	36,019	24.1	12,493	10.6	(23,526)	(65.3)
Total revenues	149,622	100.0	118,240	100.0	(31,382)	(21.0)
Cost of revenues:						
Aerial Services	76,855	67.7	81,353	76.9	4,498	5.9
Manufacturing / MRO	21,272	59.1	7,651	61.2	(13,621)	(64.0)
Total cost of revenues	98,127	65.6	89,004	75.3	(9,123)	(9.3)
Gross profit						
Aerial Services	36,748	32.3	24,395	23.1	(12,353)	(33.6)
Manufacturing / MRO	14,747	40.9	4,841	38.7	(9,906)	(67.2)
Total gross profit	51,495	34.4	29,236	24.7	(22,259)	(43.2)
Operating expenses:						
General and administrative	14,877	9.9	14,105	11.9	(772)	(5.2)
Research and development	6,889	4.6	6,400	5.4	(489)	(7.1)
Selling and marketing	5,115	3.4	6,987	5.9	1,872	36.6
Total operating expenses	26,881	18.0	27,492	22.3	611	2.3
Income (loss) from operations	24,614	16.5	1,744	1.5	(22,870)	(92.9)
Other income (expense), net:						
Interest expense, net	(6,006)	(4.0)	(4,865)	(4.1)	1,141	(19.0)
Loss on early extinguishment of debt			(2,265)	(1.9)	(2,265)	(100.0)
Other income (expense), net	(987)	(0.7)	(6,193)	(5.2)	(5,206)	527.5
Total other income (expense)	(6,993)	(4.7)	(13,323)	(11.3)	(6,330)	90.5
Net income (loss) before income taxes and noncontrolling interest	17,621	11.8	(11,579)	(9.8)	(29,200)	(165.7)
Income tax expense (benefit)	5,330	3.6	(3,544)	(3.0)	(8,874)	(166.5)
Net income (loss)	12,291	8.2	(8,035)	(6.8)	(20,326)	(165.4)
Less: Net (income) loss related to noncontrolling interest	(239)	(0.2)	(216)	(0.2)	(23)	(9.6)
Net income (loss) attributable to Erickson Air-Crane Incorporated	12,052	8.1	(8,251)	(7.0)	(20,303)	(168.5)
Dividends on Series A Redeemable Preferred Stock	6,806	4.5	7,925	6.7	1,119	16.4
Net income (loss) attributable to common stockholders	$ 5,246	3.5	$ (16,176)	(13.7)	$ (21,422)	(408.3)

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Revenues

Consolidated revenue decreased by $31.4 million, or 21.0%, to $118.2 million in 2010 from $149.6 million in 2009. The decrease in revenues was attributable to a $7.9 million decrease in Aerial Services revenues and a $23.5 million decrease in Manufacturing / MRO revenues.

(Dollars in thousands)	Year Ended December 31, 2009	% of Revenues	Year Ended December 31, 2010	% of Revenues	Change	% Change
Net revenues:						
Aerial Services	$ 113,603	75.9	$ 105,747	89.4	$ (7,856)	(6.9)
Manufacturing / MRO	36,019	24.1	12,493	10.6	(23,526)	(65.3)
Total revenues	$ 149,622	100.0	$ 118,240	100.0	$ (31,382)	(21.0)

Aerial Services. Aerial Services revenue decreased by $7.9 million, or 6.9%, to $105.7 million in 2010 from $113.6 million in 2009. This decrease was due in part to a 10.8% decrease in revenue flight hours for Aerial Services during 2010 to 7,252 hours from 8,132 hours in 2009.