AIR LEASE CORP
Form 424B1
April 19, 2011

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Filed Pursuant to Rule 424(b)(1)
Registration No. 333-171734

Prospectus

30,283,020 shares

Class A Common Stock

This is an initial public offering by Air Lease Corporation of shares of its Class A Common Stock. Air Lease Corporation is selling 30,283,020 shares of Class A Common Stock. The initial public offering price is $26.50 per share.

We have been approved to list our Class A Common Stock on the New York Stock Exchange under the symbol AL.

	Per share	Total
Initial public offering price	$ 26.5000	$ 802,500,030.00
Underwriting discounts and commissions	$ 1.4575	$ 44,137,501.65
Proceeds to Air Lease Corporation, before expenses	$ 25.0425	$ 758,362,528.35

We have granted the underwriters an option for a period of 30 days from the date of this prospectus to purchase up to 4,542,450 additional shares of our Class A Common Stock at the initial public offering price, less underwriting discounts and commissions.

Investing in our Class A Common Stock involves a high degree of risk. See Risk factors beginning on page 15.

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

The underwriters expect to deliver the shares of our Class A Common Stock to investors on or about April 25, 2011.

J.P. Morgan **Credit Suisse**

Barclays Capital	**FBR Capital Markets**	**RBC Capital Markets**	**Wells Fargo Securities**

Macquarie Capital	**Scotia Capital**	**SOCIETE GENERALE**

April 18, 2011

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

Dealer prospectus delivery obligation

Until May 13, 2011, all dealers that buy, sell or trade in our Class A Common Stock, whether or not participating in this offering, may be required to deliver a prospectus. This is in addition to the dealers

obligation to deliver a prospectus when acting as underwriters and with respect to their unsold allotments or subscriptions.

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Industry and market data

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

Prospectus summary

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

Our company

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

As of March 15, 2011, we owned 46 aircraft of which nine are new aircraft and 37 are used aircraft. Our fleet is comprised of fuel-efficient and newer technology aircraft, consisting of narrowbody (single-aisle) aircraft, such as the Airbus A319/320/321 and the Boeing 737-700/800, and select widebody (twin-aisle) aircraft, such as the Airbus A330-200 and the Boeing 777-300ER. We manage lease revenues and take advantage of changes in market conditions by acquiring a balanced mix of aircraft types, both new and used. Our used aircraft are generally less than five years old. All of the aircraft we own were leased as of March 15, 2011. Additionally, as of March 15, 2011, we had entered into purchase commitments to acquire an additional 153 new aircraft through 2017 and ten used aircraft in 2011.

Through careful management and diversification of our leases and lessees by geography, lease term, and aircraft age and type, we mitigate the risks of owning and leasing aircraft. We believe that diversification of our leases and lessees reduces the risks associated with individual lessee defaults and adverse geopolitical and regional economic events. We manage lease expirations in our fleet portfolio over varying time periods in order to minimize periods of concentrated lease expirations and mitigate the risks associated with cyclical variations in the airline industry. We target to place new aircraft under leases with a minimum term of six years for narrowbody aircraft and nine years for widebody aircraft. As of March 15, 2011, the weighted average lease term remaining on our current leases was 6.1 years, and we leased the aircraft in our portfolio to 28 airlines in 17 countries.

We operate our business on a global basis, providing aircraft to airline customers in every major geographical region, including emerging and high-growth markets such as Asia, the Pacific Rim, Latin America, the Middle East and Eastern Europe. According to AVITAS, many of these emerging markets are experiencing increased demand for passenger airline travel and have lower market saturation than more mature markets such as North America and Western Europe. In addition, airlines in some of these emerging markets have fewer financing alternatives, enabling us to command relatively higher lease rates compared to more mature markets. With our well-established industry contacts and access to capital, we believe we will be able to continue successfully implementing our business strategy worldwide. As of March 15, 2011, we have entered into leases and future lease commitments with airlines in Australia, Brazil, Bulgaria, Canada, China, France, Germany, India, Indonesia, Ireland, Italy, Japan, Kazakhstan, Kenya, Malaysia, Mexico, Mongolia, the Netherlands, New Zealand, Norway, Russia, South Africa, South Korea, Spain, Sri Lanka, Trinidad & Tobago, Turkey, United Arab Emirates, United States and Vietnam.

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

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

Operations to date

Current fleet

As of March 15, 2011, our aircraft fleet consisted of 41 narrowbody aircraft and five widebody aircraft, and the weighted average age of our aircraft fleet was 3.5 years.

Aircraft purchase commitments

As of March 15, 2011, we had committed to acquire a total of 153 new aircraft and ten used aircraft at an estimated aggregate purchase price (including adjustment for anticipated inflation) of approximately $6.8 billion for delivery as shown below.

Aircraft type	**2011(1)**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**Total**
Airbus A320/321-200	7	9	13	12	7			48
Airbus A330-200/300	7	4						11
Boeing B737-800	5	3	12	12	12	12	9	65
Boeing B767-300ER	3							3
Boeing B777-300ER	1							1
Embraer E175/E190	11	14						25
ATR 72-600	2	8						10
Total	36	38	25	24	19	12	9	163

(1)

Of the 36 aircraft that we will acquire in 2011, the following ten aircraft will be used aircraft: one Airbus A320-200, all five Boeing B737-800s, all three Boeing B767-300ERs and the Boeing B777-300ER.

Our new aircraft are being purchased pursuant to binding purchase agreements with each of Airbus S.A.S. (Airbus), The Boeing Company (Boeing), Embraer S.A. (Embraer) and Avions de Transport Régional (ATR), or through sale-leaseback transactions with other airline customers. Under certain circumstances, we have the right to alter the mix of aircraft types that

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we ultimately acquire. We also have cancellation rights with respect to six of the Airbus A320/321 aircraft and six of the Boeing 737-800 aircraft.

As of March 15, 2011, we had future lease commitments for 35 out of 36 aircraft to be delivered in 2011, for 28 out of 38 aircraft to be delivered in 2012, for nine out of 25 aircraft to be delivered in 2013, and for one out of 24 aircraft to be delivered in 2014. Our future lease commitments for the 35 out of 36 aircraft to be delivered in 2011 are comprised of 31 binding leases and four non-binding letters of intent. Our future lease commitments for the 28 out of 38 aircraft to be delivered in 2012 are comprised of 18 binding leases and ten non-binding letters of intent. Our future lease commitments for the aircraft to be delivered in 2013 and 2014 are comprised of non-binding letters of intent. While we actively seek lease placements for the aircraft that are scheduled to be delivered through 2017, in making our lease placement decisions, we also take into consideration the anticipated growth in the aircraft leasing market and anticipated improvements in lease rates, which could lead us to determine that entering into particular lease arrangements at a later date would be more beneficial to us.

We had 46 aircraft in our fleet as of March 15, 2011 and anticipate growing our fleet to approximately 100 aircraft by the end of 2011. We intend to grow our fleet by purchasing the 36 aircraft for which we have purchase commitments in 2011 as well as acquiring 15 to 20 aircraft through additional purchases from aircraft manufacturers, other lessors and airlines.

Our business and growth strategies

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

Capitalize on attractive market opportunities to grow our modern fleet of aircraft. We plan to continue acquiring aircraft and expect that a significant portion of these acquisitions will be subject to existing or new leases that produce immediate positive cash flows. We seek aircraft that produce attractive returns on equity while maintaining diversified lease portfolio characteristics in terms of aircraft type, aircraft age, lease term and geographic location of our lessees. We intend to continue to take advantage of the current economic environment to make opportunistic purchases of aircraft and aircraft portfolios. We plan to expand our fleet with a mix of narrowbody and widebody commercial aircraft that we expect to have long useful lives and that are currently in widespread use by airlines, with a greater focus on acquiring narrowbody aircraft. Based on our ongoing discussions with airlines, we believe narrowbody and certain widebody aircraft will continue to experience strong global airline demand. We have also entered into commitments to purchase select fuel-efficient regional jets and turboprop aircraft, such as the Embraer E175/E190 and ATR 72-600 aircraft types. We believe market demand for these types of aircraft will grow as they are well suited for direct service between smaller and medium-sized cities and between such cities and major hub cities.

Continue to develop and grow our long-standing relationships and cultivate new relationships. We believe our management team s experience in the aircraft leasing industry provides us immediate access to key decision makers at airframe and engine manufacturers and major airlines around the world, thereby enabling us to make prompt acquisitions of new aircraft, enter into new leases, and anticipate airlines longer-term needs so as to tailor our fleet and leases to their specific needs. Additionally, we believe our relationships with airframe and

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

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

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

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

Our financing strategies

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

As we grow our business, we envision funding our aircraft purchases through multiple sources, including the $1.3 billion of cash we raised in our prior private placement of Class A Common Stock and Class B Non-Voting Common Stock (together, the Common Stock), expected proceeds from any exercise of outstanding warrants, cash raised in this offering and in potential

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future equity offerings, future earnings and cash flow from operations, existing debt facilities, potential future debt financing and government-sponsored export guaranty and lending programs. We intend to employ multiple debt and equity strategies to provide us with financial flexibility to fund our aircraft purchases on the best terms available.

In May 2010, we entered into a non-recourse, revolving credit facility to finance the acquisition of aircraft that was subsequently modified by an amendment that becomes effective in April 2011 (the Warehouse Facility). This credit facility, as amended, provides us with secured financing of up to $1.25 billion, modified from the original facility size of $1.5 billion. We are able to draw on this facility, as amended, during an availability period that ends in June 2013. In addition, the credit facility, as amended, reduces the original interest rate during the availability period from LIBOR plus 3.25% to LIBOR plus 2.50% on drawn balances and from 1.00% to 0.75% on undrawn balances. The outstanding drawn balance at the end of the availability period may be converted at our option to an amortizing, four-year term loan. As of December 31, 2010, we had borrowed $554.9 million under the Warehouse Facility. This facility provides us with ample liquidity to make opportunistic acquisitions of aircraft on short notice.

In addition, we fund some aircraft purchases through secured bilateral term financings and unsecured term and revolving credit facilities. As of December 31, 2010, we had outstanding loan balances, excluding drawings under the Warehouse Facility, of $224.0 million in secured term debt and $133.1 million in unsecured financing, and had $120.0 million in available but undrawn revolving unsecured credit facilities. We will also use cash on hand to purchase aircraft and may use such acquired aircraft to secure new debt financing. Over time, we expect to access the public debt capital markets, subject to market conditions.

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

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

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

Our competitive strengths

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

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

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

Strong aircraft delivery pipeline. Through our strategic and opportunistic approaches to acquiring aircraft and our strong relationship with airframe manufacturers, as of March 15, 2011, we entered into commitments to acquire 153 new aircraft over the next seven years. We believe that our access to this strong aircraft delivery pipeline over this period gives us the ability to provide airline customers with a comprehensive multi-year solution to their aircraft leasing and fleet needs. This ability represents a significant competitive advantage in developing, renewing and expanding customer relationships as we have new aircraft available for delivery during periods far earlier than most of our airline customers can obtain new aircraft directly from airframe and engine manufacturers.

Young, modern and efficient aircraft fleet. Our aircraft portfolio primarily consists of modern, fuel-efficient, narrowbody aircraft. As of March 15, 2011, the weighted average age of the aircraft in our current portfolio was 3.5 years. We believe we have one of the world s youngest operating lease portfolios. Younger aircraft are more desirable than older aircraft because of their fuel efficiency, lower maintenance costs, and longer remaining useful lives. Furthermore, younger aircraft are more likely to be in compliance with newer environmental standards or are more easily brought up to environmental compliance without costly modifications. We believe our aircraft, and the additional aircraft that we will acquire, are in high demand among our airline customers and are readily deployable to various markets throughout the world. We expect that our fleet of young, high-demand aircraft will enable us to provide stable and growing cash flows to our stockholders over the long term.

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

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

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Our management team s and our board of directors significant investment in us aligns the interests of management and our board with those of our other stockholders. Members of our management team (and their families or affiliates) and members of our board of directors invested an aggregate of approximately $90.5 million in shares of our Class A Common Stock. We believe that our management team s and our board of directors significant combined ownership stake in our Class A Common Stock, along with additional equity incentive grants, closely aligns our management team s and our board of directors interests with those of our other stockholders.

Overview of the aircraft leasing industry

Over the last 40 years, demand for air travel has consistently grown both in terms of the number of aircraft and passenger traffic. Today, air travel has penetrated most world regions, and the highest growth is now coming from emerging markets and economies such as Asia, Latin America and the Middle East. The long-term outlook for growth in the airline industry remains robust primarily due to increased passenger traffic, driven by growth in demand from these emerging markets. After suffering a decrease in air traffic during the financial crisis of 2008/2009, air traffic in 2010 increased approximately 7% over 2009 levels, according to AVITAS. Moreover, AVITAS forecasts that there will be more than 24,000 aircraft in service by 2015, which represents an increase of approximately 5,000 aircraft (or over 25%) compared with today s number of aircraft.

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

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

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

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Risks affecting us

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

- We are a recently organized corporation with a brief operating history and, therefore, we have limited historical operating data from which you can evaluate our future prospects.

- The success of our business will depend on our ability to identify high-quality commercial aircraft to acquire at reasonable prices.

- Failure to close our aircraft acquisition commitments could negatively impact our share price and financial results.

- Our business model depends on the continual leasing and re-leasing of our aircraft, and we may not be able to do so on favorable terms, if at all.

- Our credit facilities may limit our operational flexibility, our ability to effectively compete and our ability to grow our business as currently planned.

- We will need additional capital to finance our growth, and we may not be able to obtain it on terms acceptable to us, or at all, which may limit our ability to satisfy our commitments to acquire additional aircraft and to compete effectively in the commercial aircraft leasing market.

- Changes in interest rates may adversely affect our financial results.

- We have a high airline customer concentration, which makes us more vulnerable to the potential that defaults by one or more of our major airline customers would have a material adverse effect on our cash flow and earnings and our ability to meet our debt obligations.

- We may be indirectly subject to many of the economic and political risks associated with emerging markets, which could adversely affect our financial results and growth prospects.

- From time to time, the aircraft industry has experienced periods of oversupply during which lease rates and aircraft values have declined, and any future oversupply could materially adversely affect our financial results and growth prospects.

- Increases in fuel costs could materially adversely affect our lessees and by extension the demand for our aircraft.

- A deterioration in the financial condition of the airline industry would have an adverse impact on our ability to lease our aircraft and sustain our revenues.

Corporate information

Air Lease Corporation incorporated in Delaware and launched in February 2010. Our principal executive office is located at 2000 Avenue of the Stars, Suite 1000N, Los Angeles, California 90067. Our telephone number is (310) 553-0555 and our website is *www.airleasecorp.com*. Information included or referred to on, or otherwise accessible through, our website is not intended to form a part of or be incorporated by reference into this prospectus.

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The offering

Class A Common Stock offered by us	30,283,020 shares
Class A Common Stock subject to over-allotment option	4,542,450 shares
Class A Common Stock to be outstanding after this offering (assuming no exercise of the over-allotment option)	93,846,830 shares
Class B Non-Voting Common Stock to be outstanding after this offering	1,829,339 shares
Total Common Stock to be outstanding after this offering (assuming no exercise of the over-allotment option)	95,676,169 shares
Directed share program	At our request, the underwriters have reserved for sale at the initial public offering price up to 1% of the shares of Class A Common Stock offered hereby for officers, employees and certain other persons associated with us. We will offer these shares of Class A Common Stock to the extent permitted under applicable regulations in the United States. The number of shares of Class A Common Stock available for sale to the general public will be reduced to the extent such persons purchase such reserved shares. Any reserved shares of Class A Common Stock not so purchased will be offered by the underwriters to the general public on the same basis as the other shares offered hereby. See Underwriting.
Use of proceeds	We currently intend to use the net proceeds of this offering to fund the acquisition of commercial aircraft and for general corporate purposes. See Use of proceeds.
Dividend policy	We have no current plans to declare or pay any dividends on our Common Stock. See Dividend policy.
Voting rights	The holders of Class A Common Stock possess all voting power for the election of our directors and all other matters requiring stockholder action, except with respect to amendments to our restated certificate of incorporation that alter or change the powers, preferences, rights or other terms of any outstanding preferred stock if the holders of such affected series of preferred stock are entitled to vote on such an amendment.

	Holders of our Class A Common Stock are entitled to one vote for each share held and will not have cumulative voting rights in connection with the election of directors. Holders of Class B Non-Voting Common Stock are not entitled to any vote, other than with respect to amendments to the terms of the Class B Non-Voting Common Stock that would significantly and adversely affect the rights or preferences of the Class B Non-Voting Common Stock, including, without limitation, with respect to the convertibility thereof. See Description of capital stock.
New York Stock Exchange symbol	AL
Risk factors	See Risk factors for a discussion of certain factors you should consider before deciding to invest in our Class A Common Stock.

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

- 482,625 shares of Common Stock issuable upon the exercise of warrants outstanding as of December 31, 2010 at an exercise price of $20.00 per share;
- 3,225,908 shares of Class A Common Stock issuable upon the exercise of options outstanding as of December 31, 2010 at an exercise price of $20.00 per share; and
- 3,225,907 shares of Class A Common Stock issuable upon the vesting of restricted stock units outstanding as of December 31, 2010.

Unless otherwise noted, the information in this prospectus assumes no exercise by the underwriters of their option to purchase up to 4,542,450 additional shares of our Class A Common Stock to cover over-allotments, if any.

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Summary financial information and data

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

(in thousands, except share data)		For the period from Inception to December 31, 2010
Operating data:		
Rentals of flight equipment	$	57,075
Interest and other		1,291
Total revenues		58,366
Expenses		119,281
Loss before tax		(60,915)
Tax benefit		8,875
Net loss	$	(52,040)
Loss per share:		
Basic	$	(1.32)
Diluted	$	(1.32)
Weighted average shares outstanding		
Basic		39,511,045
Diluted		39,511,045
Other financial data (unaudited)		
Adjusted net income(1)	$	2,520
Adjusted EBITDA(2)	$	32,973
Balance sheet data:		
Flight equipment subject to operating leases (net of accumulated depreciation)	$	1,629,809
Total assets		2,276,282
Total debt		911,981
Total liabilities		1,051,347
Shareholders equity		1,224,935
Cash flow data:		
Net cash flows from:		
Operating activities	$	45,124
Investing activities		(1,854,710)
Financing activities		2,138,407
Other operating data:		
Aircraft lease portfolio at period end:		
Owned(3)		40

(1) Adjusted net income (defined as net income before stock-based compensation expense and non-cash interest expense, which includes the amortization of debt issuance costs and convertible debt discounts) is a measure of both operating performance and liquidity that is not defined by United States generally accepted accounting principles (GAAP) and should not be considered as an alternative to net income, income from operations or any other performance measures derived in accordance with GAAP. Adjusted net income is presented as a supplemental disclosure because management believes that it may be a useful performance measure that is used within our industry. We believe adjusted net income provides useful information on our earnings from ongoing operations, our ability to service our long-term debt and other fixed obligations, and our ability to fund our expected growth with internally generated funds. Set forth below is additional detail as to how

we use adjusted net income as a measure of both operating performance and liquidity, as well as a discussion of the limitations of adjusted net income as an analytical tool and a reconciliation of adjusted net income to our GAAP net loss and cash flow from operating activities.

Operating Performance: Management and our board of directors use adjusted net income in a number of ways to assess our consolidated financial and operating performance, and we believe this measure is helpful in identifying trends in our performance. We use adjusted net income as a measure of our consolidated operating performance exclusive of income and expenses that relate to the financing, income taxes, and capitalization of the business. Also, adjusted net income assists us in comparing our operating performance on a consistent basis as it removes the impact of our capital structure (primarily one-time amortization of convertible debt discounts) and stock-based compensation expense from our operating results. In addition, adjusted net income helps management identify controllable expenses and make decisions designed to help us meet our current financial goals and optimize our financial performance. Accordingly, we believe this metric measures our financial performance based on operational factors that we can influence in the short term, namely the cost structure and expenses of the organization.

Liquidity: In addition to the uses described above, management and our board of directors use adjusted net income as an indicator of the amount of cash flow we have available to service our debt obligations, and we believe this measure can serve the same purpose for our investors.