Erickson Air-Crane Inc
Form S-1/A
April 04, 2012

As filed with the Securities and Exchange Commission on April 4, 2012

Registration No. 333-166752

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

AMENDMENT NO. 13
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	5,520,000	$9.00	$49,680,000	$5,693.33[(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 and $345.83 of the registration fee was previously paid on January 30, 2012.

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

SUBJECT TO COMPLETION, DATED APRIL 4, 2012
PRELIMINARY PROSPECTUS

Erickson Air-Crane Incorporated
4,800,000 Shares
Common Stock
$ per share

This is Erickson Air-Crane Incorporated's initial public offering. We are selling 4,800,000 shares of our common stock.

We expect the public offering price to be between $8.00 and $9.00 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	$	$

We have granted the underwriters an option to purchase up to an additional 720,000 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.

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 nor the underwriters 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 nor the underwriters 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 4,802,970 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.

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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, and in 2011, our Aerial Services and Manufacturing / MRO segments generated revenues of $138.6 million and $14.1 million, respectively. In 2010, we had a net loss attributable to Erickson Air-Crane of $8.3 million, and in 2011, we had net income attributable to Erickson Air-Crane of $15.9 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 $212.8 million as of February 29, 2012, of which $128.0 million was from signed contracts and $84.8 million was from anticipated exercises of customer extension options (including $54.3 million from multi-year annual customer extension options). We had a total backlog of $298.9 million as of February 28, 2011, of which $176.4 million was from signed contracts and $122.5 million was from anticipated exercises of customer extension options (including $22.6 million from multi-year annual customer extension options). No sales of Aircranes were associated with our backlog as of February 29, 2012 or February 28, 2011. 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 $123.8 million of the backlog will not be filled in 2012. See "Business Backlog" for a discussion of how we define and calculate backlog. There is no guarantee, however, that any customer will exercise its extension options or that any contracts will be renewed or extended. See "Risk Factors Risks Related to Our Business Some of our backlog may be deferred or may not be realized."

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 $20.7 million for the year ended December 31, 2011. Cash used in operations included an increase in inventory and work in process of approximately $26.7 million and $25.7 million for the years ended December 31, 2010 and 2011, respectively. A significant portion of this increase was attributable to the manufacture of two Aircranes during 2010 and 2011 that are currently held in inventory. We expect to have a significant decrease in the amount of cash used for inventory in 2012 as compared to the amounts used in 2010 and 2011 and, to a lesser extent, savings resulting from our reduction-in-force in November 2011. As a result, we believe that our cash flows from operations, together with cash on hand and the availability of our revolving credit facility, 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 in 2012 with the financial covenants under the credit agreement dated June 24, 2010 by and among us, Wells Fargo Bank, National Association ("Wells Fargo"), Keybank National Association, Bank of the West, Bank of America, N.A., and Union Bank, N.A. (as amended, the "Credit Agreement"). 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.

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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 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 February 29, 2012 by $179.8 million to $212.8 million compared to September 26, 2007, the date of the acquisition of the Company by a group of private equity investors. We had $298.9 million of backlog at February 28, 2011. No sales of Aircranes were associated with our backlog as of February 29, 2012 or February 28, 2011. We derived approximately 76% of our 2010 revenues and approximately 83% of our 2011 revenues 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. While our contracts with our largest customers have a term of six months or more, they may be subject to annual renewals or customer extension options, and there is no guarantee that such

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contracts will be renewed or extended. See also "Risk Factors Risks Related to Our Business Some of our backlog may be deferred or may not be realized."

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 Vice President and Chief Marketing Officer, 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.

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 that are ready for sale, one of which is complete and one of which is substantially complete. 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

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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, potential sales of Aircranes 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 purchaser financing condition. No payments were made by the purchaser 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 on 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 February 2012, we entered into a non-binding letter of intent with Türk Hava Kurumu ("THK"), a Turkish governmental aviation organization, pursuant to which THK expressed its intent to purchase one Aircrane on or prior to June 30, 2012. The terms of the binding purchase agreement remain subject to ongoing negotiations between us and THK, and we do not know when such negotiations will conclude. There can be no assurance that THK will purchase an Aircrane. See " Recent Developments." 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 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

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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 Vice President and Chief Marketing Officer, 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 February 29, 2012 by $179.8 million to $212.8 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 83% of our 2011 revenues 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.

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."

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 meet or exceed all recommended Federal Aviation Administration ("FAA") standards.

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Recent Developments

Since December 31, 2011, a number of developments have occurred that may have a material impact on our business:

Helifor Contract. 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 we expect to be paid pursuant to this agreement is approximately $7.6 million.

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

Samling Global Contract. In February 2012, our Malaysian subsidiary, Erickson Aircrane Malaysia Sdn. Bhd., entered into an amendment to our existing logging contract with Syarikat Samling Timber Sdn. Bhd. ("Samling Global") to extend the contract term to January 31, 2013. Pursuant to the amended contract, we began providing aerial timber harvesting services in Malaysia on February 1, 2012 to Samling Global. The total amount we expect to be paid pursuant to this agreement is approximately $11.2 million.

THK Letter of Intent. In February 2012, we entered into a non-binding letter of intent with THK, pursuant to which THK expressed its intent to purchase one Aircrane on or prior to June 30, 2012. The terms of a binding agreement remain subject to ongoing negotiations between us and THK, and we do not know when such negotiations will conclude. The letter of intent also provides that we will grant THK an option, expiring on December 31, 2013, to purchase three additional Aircranes. This option does not specify a purchase price or any other potential terms of purchase and will be subject to further negotiation of a binding agreement. There can be no assurance that THK will purchase an Aircrane. If THK elects to purchase an Aircrane, it may need to obtain financing, which it may not be able to obtain on terms acceptable to THK, if at all. 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."

U.S. Forest Service Claim. On February 1, 2012 the Civilian Board of Contract Appeals issued its final decision with respect to our claim against the U.S. Forest Service for recovery 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 as a result of a stop work order. The Civilian Board denied our claim in full. Accordingly, as of December 31, 2011, we reduced the receivable to zero. The write-off of this receivable increases the risk that we will be unable to comply with the financial covenants under our Credit Agreement in 2012. See "Business Legal Proceedings."

Hellenic Fire Brigade (Greece) Contract. Our contract with the Hellenic Fire Brigade calls for annual confirmation notices. On January 31, 2012, the Hellenic Fire Brigade notified us that it would not exercise its option to extend our existing contract for the 2012 fire season, which contract relates to the use of three Aircranes during the summer of 2012. The Hellenic Fire Brigade has not notified us whether it intends to exercise its option for the 2013 fire season. As a result of these developments, we are not currently providing services to the Hellenic Fire Brigade and our backlog has been reduced by approximately $25.4 million relating to services we had expected to provide to the Hellenic Fire

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Brigade in 2012 and 2013. See "Business Backlog" for a discussion of how we define and calculate backlog. We did not receive any advance payments under this contract for 2012.

Our agents and representatives in Greece have informed us that the Hellenic Fire Brigade has cancelled or not exercised its extension options in respect of all of its firefighting contracts for 2012 with us and all other aerial service providers. The NATO Maintenance and Supply Agency ("NAMSA"), which provides various logistics services for NATO nations, has posted on its website a request for proposal for Greek aerial firefighting services for the 2012 to 2014 firefighting seasons. We have registered as a NAMSA supplier and we expect to provide a response by late April to the request for proposal to compete for the requested aerial firefighting services to be provided by three heavy-lift helicopters in Greece for 2012 through 2014. The aircraft specifications for the requested services are similar to those relating to the previous tender by the Hellenic Fire Brigade in 2010 that we successfully won. The Hellenic Fire Brigade has been a continuous customer of ours for more than ten years through several successful re-tendering processes. There is no guarantee that our bid will be successful or that we will be able to satisfy tender specifications. If a Greek contract is awarded to us, there is no guarantee that our revenues and profit margins thereunder will be similar to those that we have received in connection with past contracts with the Hellenic Fire Brigade. If a Greek contract is not awarded to us and we are unable to redeploy the three Aircranes we have historically used to provide services in Greece in order to generate comparable revenues and operating earnings, we may fail to comply with the financial covenants under our Credit Agreement in 2012.

Account Receivable from Hellenic Fire Brigade. We have approximately $5.8 million in outstanding accounts receivable due from the Hellenic Fire Brigade that are currently past due. In February 2012, the Hellenic Fire Brigade informed our agents and representatives in Greece that, although funds for this receivable have been allocated for payment to us, under Greek law it cannot make the payment until a tax withholding issue is resolved. We are currently working with our agents and representatives in Greece, local tax advisors, and the Greek tax authorities to resolve this withholding tax issue. The timing of such payment is uncertain. See "Risk Factors Risks Related to Our Business 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."

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.

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

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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 depend on a small number of large customers for a significant portion of our revenues. In particular, for the years ended December 31, 2010 and 2011, 24.4% and 27.2% of our revenues, respectively, were attributable to our contract with the U.S. Forest Service, 13.8% and 15.9% of our revenues, respectively, were attributable to our contract with the Italian Ministry of Civil Protection, 11.0% and 8.4% of our revenues, respectively, were attributable to services provided to the Hellenic Fire Brigade, and 12.3% and 7.0% of our revenues, respectively, were attributable to our contract with Samling Global. For the years ended December 31, 2010 and 2011, 9.0% and 0% of our accounts receivable at the end of such periods, respectively, were attributable to our contract with the U.S. Forest Service, 10.5% and 18.9% of our accounts receivable at the end of such periods, respectively, were attributable to our contract with the Italian Ministry of Civil Protection, 16.2% and 21.6% of our accounts receivable at the end of such periods, respectively, were attributable to services provided to the Hellenic Fire Brigade, and 7.8% and 6.7% of our accounts receivable at the end of such periods, respectively, were attributable to our contract with Samling Global. Should we lose one of our major customers for any reason, we may be unable to identify new opportunities sufficient to avoid a reduction in our revenues and operating earnings, which would have a material adverse effect on our business and operations. In light of the ongoing European sovereign debt crisis, there are heightened risks associated with our future revenue attributable to, and our accounts receivable from, the Hellenic Fire Brigade and the Italian Ministry of Civil Protection. On January 31, 2012, the Hellenic Fire Brigade notified us that it would not exercise its option to extend our existing contract for the 2012 fire season. See " Recent Developments."

If we do not receive any portion of the receivable that we are owed by the Hellenic Fire Brigade, 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.

After this offering, entities affiliated with ZM Equity Partners, LLC will own approximately 50% of our outstanding common stock, and two of our directors will continue to be 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 the approval of significant corporate transactions. These stockholders may take action by written consent without a meeting of stockholders until 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"). Their interests may not coincide with yours, and they may make decisions with which you may disagree.

Although we intend to use the proceeds of this offering to pay down indebtedness under our revolving credit facility 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 on June 24, 2013 and the possible exercise by one of our significant customers of a put option that would, if exercised, require us to repurchase on July 31, 2013 the Aircrane we sold to such customer. Our ability to finance such repurchase may depend on our ability to refinance our senior credit facilities.

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If we are unable to repay or refinance our outstanding unsecured subordinated promissory notes at or prior to maturity in 2015 and 2016, our business, financial condition, and results of operations may be adversely affected. At maturity, the notes due in 2015 will have a principal amount outstanding, including accrued and unpaid interest, of $16.5 million, and the notes due in 2016 will have a principal amount outstanding, including accrued and unpaid interest, of $19.4 million. Our ability to repay or refinance these notes is restricted by our senior credit facilities and may be restricted by terms of any new credit facilities we may enter into 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.

In November 2011, we completed a company restructuring which included a reduction-in-force of 119 employees that affected both our Aerial Services and Manufacturing / MRO segments. 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.

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THE OFFERING

Common stock offered by Erickson Air-Crane Incorporated	4,800,000 shares
Common stock to be outstanding after this offering	9,602,970 shares
Common stock subject to overallotment option granted by Erickson Air-Crane Incorporated	720,000 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 $33.5 million, assuming an initial public offering price of $8.50 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 to pay down indebtedness under our revolving credit facility, which will increase the amounts available for future borrowing under our revolving credit 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. As of December 31, 2011, our total indebtedness, excluding letters of credit, was $130.6 million, consisting of $51.8 million borrowed under our revolving credit facility, $55.3 million borrowed under our term loan facility and $23.5 million borrowed under our unsecured subordinated promissory notes. At December 31, 2011, we had maximum availability for borrowings under our revolving credit facility of approximately $13.4 million. 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:

- 417,649 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) 252,935 RSUs to certain members of our management and (2) 4,864 RSUs to our independent directors; and

- the shares of common stock to be sold by us 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, 2010 and 2011 and for the years ended December 31, 2009, 2010, and 2011 from our audited consolidated financial statements and notes thereto, which are included elsewhere in this prospectus. The balance sheet data as of December 31, 2009 has been derived from our audited consolidated financial statements which are not included in this prospectus.

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, 2009	Year Ended December 31, 2010	Year Ended December 31, 2011
Consolidated Statement of Operations Data:			
Net revenues:			
Aerial services	$ 113,603	$ 105,747	$ 138,637
Manufacturing / MRO[1]	36,019	12,493	14,132
Total net revenues	149,622	118,240	152,769
Cost of revenues:			
Aerial Services	76,855	81,353	93,566
Manufacturing / MRO	21,272	7,651	13,730
Total cost of revenues	98,127	89,004	107,296
Gross profit	51,495	29,236	45,473
Operating expenses:			
General and administrative	14,877	14,105	13,023
Research and development	6,889	6,400	4,827
Selling and marketing	5,115	6,987	9,940
Restructuring charges			1,084
Total operating expenses	26,881	27,492	28,874
Operating income (loss)	24,614	1,744	16,599
Other income (expense):			
Interest income	157	14	7
Interest expense	(6,163)	(4,879)	(9,157)
Loss on early extinguishment of debt[2]		(2,265)	
Other income (expense)[3]	(987)	(6,193)	3,885
Total other income (expense)	(6,993)	(13,323)	(5,265)
Net income (loss) before income taxes and noncontrolling interest	17,621	(11,579)	11,334
Income tax expense (benefit)[4]	5,330	(3,544)	(4,926)
Net income (loss)	12,291	(8,035)	16,260
Less: Net (income) loss related to noncontrolling interest	(239)	(216)	(390)
Net income (loss) attributable to Erickson Air-Crane Incorporated	12,052	(8,251)	15,870
Dividends on Series A Redeemable Preferred Stock[5]	6,806	7,925	9,151
Net income (loss) attributable to common stockholders	5,246	(16,176)	6,719
Net income (loss)	12,291	(8,035)	16,260
Other comprehensive income (loss):			
Foreign currency translation adjustment	571	45	(402)
Comprehensive income (loss)	$ 12,862	$ (7,990)	15,858
Pro forma earnings (loss) per share (unaudited):[6]			
Basic	$ 2.51	$ (1.72)	3.30
Diluted	$ 2.38	$ (1.72)	3.14
Pro forma weighted average shares outstanding (unaudited):[6]			
Basic	4,802,970	4,802,970	4,802,970
Diluted	5,060,769	4,802,970	5,060,769

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(In thousands)	As of December 31, 2009	As of December 31, 2010	As of December 31, 2011
Consolidated Balance Sheet Data:			
Cash and cash equivalents	$ 3,536	$ 1,928	$ 268
Aircranes, property, plant and equipment, net	44,829	52,515	56,629
Working capital[7]	6,702	5,538	32,955
Total assets	178,967	203,703	233,911
Total debt[2]	80,546	93,894	130,570
Series A Redeemable Preferred Stock[8]	49,085	57,010	66,161
Stockholders' equity:			
Common stock	1	1	1
Total stockholders' equity (deficit)	485	(15,598)	(9,145)

(In thousands)	Year Ended December 31, 2009	Year Ended December 31, 2010	Year Ended December 31, 2011
Consolidated Statement of Cash Flow Data:			
Net cash provided by (used in):			
Operating activities	$ 9,900	$ (8,430)	$ (20,723)
Investing activities	(2,667)	(5,017)	(13,083)
Financing activities	(5,662)	11,057	32,759

(In thousands, except percentages)	Year Ended December 31, 2009	Year Ended December 31, 2010	Year Ended December 31, 2011
Other Financial Data:			
Gross margin %	34.4%	24.7%	29.8%
Operating margin %	16.5%	1.5%	10.9%
EBITDA (unaudited)[9]	$ 28,742	$ (1,482)	$ 28,269
Bank EBITDA (unaudited)[10]	$ 31,496	$ 11,859	$ 25,069

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

(2) Debt is comprised of amounts outstanding under our credit facilities and our unsecured subordinated promissory notes. In June 2010, we replaced our former revolving credit facility and our former 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, 2010 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. In 2011, we recognized income of $2.7 million associated with the reversal of interest expense from a tax settlement.

(4) Income tax expense (benefit) for the year ended December 31, 2011 includes a tax benefit of $9.5 million in connection with a tax settlement.

(5) 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 reclassified into 4,802,970 shares

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

(6) 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 257,799 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."

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

(8) Represents Series A Redeemable Preferred Stock which will be reclassified as common stock in connection with this offering. See "Explanatory Note Regarding Recapitalization" and note 5 above.

(9) 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 financial measure not prepared in accordance with accounting principles generally accepted in the United States ("GAAP"). 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, 2009**	**Year Ended December 31, 2010**	**Year Ended December 31, 2011**
EBITDA Reconciliation:			
Net income (loss) attributable to Erickson Air-Crane Incorporated	$ 12,052	$ (8,251)	$ 15,870
Interest expense, net	6,006	4,865	9,150
Tax expense (benefit)	5,330	(3,544)	(4,926)
Depreciation	4,378	4,745	7,300
Amortization of debt issuance costs	976	703	875
EBITDA	$ 28,742	$ (1,482)	$ 28,269

(10) We use an adjusted EBITDA ("Bank EBITDA") to monitor compliance with various financial covenants under our 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 unrealized mark-to-market foreign exchange

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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 ended June 30, September 30, and December 31, 2011 and that will be made as of the quarter ending March 31, 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 Agreement 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, 2009	Year Ended December 31, 2010	Year Ended December 31, 2011
Bank EBITDA Reconciliation:			
EBITDA	$ 28,269	$ (1,482)	$ 28,269
Non-cash unrealized mark-to-market foreign exchange gains (losses)	992	905	(1,819)
Interest related to tax contingencies	500	495	(2,745)
Management fees[1]	500	165	
Loss on early extinguishment of debt		2,265	
Litigation expense	1,430	2,000	1,390
Legal settlements and other		11,600	
Other (gains) losses	(668)	(4,089)[2]	(26)
Bank EBITDA	$ 31,496	$ 11,859	$ 25,069[3]

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

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

(3) As part of the amendments to the Credit Agreement on June 30, 2011, the $10.0 million in 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.

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 at least 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 cost; or increase the difficulty of maintaining our existing insurance coverage in the future, which would

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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 December 31, 2011, our total indebtedness, excluding letters of credit, was $130.6 million, consisting of $51.8 million borrowed under our revolving credit facility, $55.3 million borrowed under our term loan facility and $23.5 million borrowed under unsecured subordinated promissory notes. At December 31, 2011, we had maximum availability for borrowings under our revolving credit facility of approximately $13.4 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 profitability and results of operations, particularly if our interest expense increases due to an increase in our outstanding indebtedness or an increase in our borrowing costs;
- 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

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existing financial covenants as of December 31, 2010, added a net income covenant calculation for fiscal 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, September 30, 2011, and December 31, 2011 and we expect to be in compliance with these covenants at March 31, 2012. 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 on June 24, 2013 and the possible exercise by one of our significant customers of a put option that would, if exercised, require us to repurchase on July 31, 2013 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."

If we are unable to repay or refinance our outstanding unsecured subordinated promissory notes at or prior to maturity, our business, financial condition, and results of operations may be adversely affected.

As of December 31, 2011, the principal amount outstanding under our unsecured subordinated promissory notes (including accreted and unpaid interest) was $23.5 million, of which $11.4 million mature on June 30, 2015 and $12.1 million mature on June 30, 2016. Prior to the completion of this offering, the interest rate under our unsecured subordinated promissory notes was set at 20.0% per year, payable quarterly in arrears and payable in kind by increasing the principal amount of the notes. Upon completion of this offering, we will amend the terms of these notes so that the interest rate will be 10.0% per year, payable quarterly in arrears and payable in kind by increasing the principal amount of each note. Under the notes, no periodic payment of principal or interest in cash is required and we have the right to prepay all or any portion of the notes at any time prior to maturity without any prepayment premium or penalty. See "Management's Discussion and Analysis of Financial Condition and Results of Operations Description of Indebtedness Subordinated Notes."

At maturity, the notes due in 2015 will have a principal amount outstanding, including accrued and unpaid interest, of $16.5 million, and the notes due in 2016 will have a principal amount outstanding, including accrued and unpaid interest, of $19.4 million. At or prior to the maturity of the notes in 2015 and 2016, we will need to refinance the notes with additional indebtedness or repay them with cash from operations (which may include the sale of Aircranes) or the proceeds of future equity financings, none of which can be assured. 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.

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In addition, under the terms of our Credit Agreement, we are prevented from paying down principal on the unsecured subordinated promissory notes unless such payments are made with the proceeds of an equity offering in which we receive minimum net cash proceeds of $60.0 million. Our senior credit facilities mature on June 24, 2013. Prior to maturity, we intend to refinance our senior credit facilities with new credit facilities. In connection with any new credit facilities, we may be unable to negotiate more favorable terms to permit the repayment of our unsecured subordinated promissory notes, which could adversely affect our business, financial condition, and results of operations.

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. We have not sold an Aircrane since 2009, but have manufactured two Aircranes that are ready for sale, one of which is complete and one of which is substantially complete.

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 a purchaser financing condition. Although we substantially completed the Aircrane for delivery, no payments were made by the purchaser and the agreement terminated 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. 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, 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 on January 15, 2012. The failure of HRT to exercise its purchase option and 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. Accordingly, we have incurred significant costs in building Aircranes for sale but have been unable to sell any in 2010 or 2011.

In February 2012, we entered into a non-binding letter of intent with THK, pursuant to which THK expressed its intent to purchase one Aircrane on or prior to June 30, 2012. The terms of a binding agreement remain subject to ongoing negotiations between us and THK, and we do not know when such negotiations will conclude. The letter of intent also provides that we will grant THK an option, expiring on December 31, 2013, to purchase three additional Aircranes. This option does not specify a purchase price or any other potential terms of purchase and will be subject to further negotiation of a binding agreement. There can be no assurance that THK will purchase an Aircrane. If THK elects to purchase an Aircrane, it may need to obtain financing, which it may not be able to obtain on terms acceptable to THK, if at all.

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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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. For the years ended December 31, 2009, 2010, and 2011, 7.8%, 9.0%, and 0% of our accounts receivable at the end of such periods, respectively, were attributable to our contract with the U.S. Forest Service, 6.6%, 10.5%, and 18.9% of our accounts receivable at the end of such periods, respectively, were attributable to our contract with the Italian Ministry of Civil Protection, 27.8%, 16.2%, and 21.6% of our accounts receivable at the end of such periods, respectively, were attributable to services provided to the Hellenic Fire Brigade, and 2.5%, 7.8%, and 6.7% of our accounts receivable at the end of such periods, respectively, were attributable to our contract with Samling Global. 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 $13 million of revenue each year from our contract with the Hellenic Fire Brigade. During 2011, we received an advance payment of approximately 50% of 2011 revenue pursuant to our contact with the Hellenic Fire Brigade. The balance of approximately $5.8 million in accounts receivable is currently past due. In February 2012, the Hellenic Fire Brigade informed our agents and representatives in Greece that, although funds for this receivable have been allocated for payment to us, under Greek law it cannot make the payment until a tax withholding issue is resolved. We are currently working with our agents and representatives in Greece, local tax advisors, and the Greek tax authorities to resolve this withholding tax issue. The timing of such payment is uncertain. Although we believe the receivable to be fully collectible, in the event that it is not and we write-off this receivable, we may fail to comply with the financial covenants under our Credit Agreement in 2012.

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 CPH 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.

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.

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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: