

Erickson Air-Crane Inc  
Form S-1/A  
March 21, 2012

As filed with the Securities and Exchange Commission on March 21, 2012

Registration No. 333-166752

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

WASHINGTON, D.C. 20549

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**AMENDMENT NO. 11  
TO  
FORM S-1**

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

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**ERICKSON AIR-CRANE INCORPORATED**

(Exact name of registrant as specified in its charter)

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

**3720**  
(Primary Standard Industrial  
Classification Code Number)  
**5550 SW Macadam Avenue, Suite 200**  
**Portland, Oregon 97239**  
**(503) 505-5800**

**93-1307561**  
(I.R.S. Employer  
Identification Number)

(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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# Edgar Filing: Erickson Air-Crane Inc - Form S-1/A

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

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

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

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

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

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

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

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## CALCULATION OF REGISTRATION FEE

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

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

(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 \$1,981.15 of the registration fee was previously paid on January 30, 2012.

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**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. Neither we nor the selling stockholders may 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 MARCH 21, 2012  
PRELIMINARY PROSPECTUS

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

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

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

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

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

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

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*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.*

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

**Stifel Nicolaus Weisel**

**Oppenheimer & Co.**

**Lazard Capital Markets**

**D.A. Davidson & Co.**

**Wedbush Securities**

The date of this prospectus is \_\_\_\_\_, 2012.

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

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



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**EXPLANATORY NOTE REGARDING RECAPITALIZATION**

In connection with this offering, we will amend and restate our certificate of incorporation to reclassify our Series A Redeemable Preferred Stock and our Class A Common Stock into an aggregate of 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. See "Business Competition" and "The Commercial Heavy-Lift Helicopter Industry Commercial

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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](http://www.ericksonaircrane.com). The information on, or accessible through, our website is not a part of this prospectus and should not be relied upon in determining whether to make an investment decision. We have production, maintenance, and logistics facilities in Central Point, Oregon. We currently maintain a year-round international presence with operations in Canada, Italy, Malaysia, and Peru, and an operating presence in Australia and Greece.

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

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**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 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,

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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 Airplane Sales.* We have not sold an Airplane since 2009, but have manufactured two Airplanes that are ready for sale, one of which is complete and one of which is substantially complete. These two Airplanes are currently held in inventory and are not part of our fleet of 17 Airplanes that we operate for our customers. We intend to increase sales of the Airplane to existing and new customers. In addition to generating profits upon sale, we expect an increase in the installed base of Airplanes to augment demand for our crewing services, OEM components, and MRO and other aftermarket services. We have established a sales team that is focused on expanding Airplane sales and has significantly increased our sales pipeline activities. However, potential sales of Airplanes are subject to considerable uncertainties. For example, in September 2010, we entered into an aircraft purchase agreement for the purchase of one Airplane with Aliar Airplane Servicios 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 Airplanes that was subject to a condition that the customer pay a

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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 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."

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**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 Aircrafts, 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.

**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.





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**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 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

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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 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



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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 47% 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 and to pay off our unsecured subordinated promissory notes (which have a 20% annual interest rate that is payable in kind by increasing the principal amount of the notes) in order to increase the likelihood of our compliance with the financial covenants under our Credit Agreement and to improve our 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.

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	5,350,000 shares
Common stock to be outstanding after this offering	10,152,970 shares
Common stock subject to overallotment option granted by selling stockholders	802,500 shares (these shares will only be sold, in full or in part, if the underwriters exercise their overallotment option to purchase additional shares)
Use of proceeds	<p>We estimate that we will receive net proceeds from the sale of shares of common stock in this offering of approximately \$65.3 million, assuming an initial public offering price of \$14.00 per share, the midpoint of the sale price range set forth on the cover of this prospectus, after deducting underwriting discounts and commissions and estimated offering expenses. We intend to use the proceeds of this offering as follows:</p> <ul style="list-style-type: none"> <li>approximately \$41.8 million to pay down indebtedness under our revolving credit facility (as reduced by any additional amount we use to pay off interest that has accrued on our unsecured subordinated promissory notes since December 31, 2011), 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;</li> <li>approximately \$23.5 million to pay off our unsecured subordinated promissory notes in full and such additional amounts as necessary to pay off interest accrued on such notes since December 31, 2011; and</li> <li>the remaining net proceeds, if any, for general corporate and working capital purposes.</li> </ul> <p>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. We issued unsecured subordinated promissory notes with an original value of \$19.5 million and a 20% annual interest rate that is payable in kind by increasing the principal amount of the notes. As of December 31, 2011, the principal amount outstanding under the notes was \$23.5 million, including \$4.0 million in paid-in-kind interest. We issued the</p>

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notes to provide for additional borrowing capacity under our revolving credit facility, recognizing that the proceeds of this offering are intended to be used to pay off the remaining amounts owed under the unsecured subordinated promissory notes. Under the terms of our revolving credit facility, we are prevented from paying down principal on the unsecured subordinated promissory notes unless such payments are made with the proceeds of this offering.

We will not receive any of the proceeds from the sale of shares by the selling stockholders. However, we will pay all expenses on behalf of the selling stockholders in connection with this offering other than the underwriting discounts and commissions payable in connection with the sale of shares of our common stock by the selling stockholders.

See "Use of Proceeds" for additional information.

Proposed NASDAQ Global Market symbol  
Risk factors

"EAC"

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 the selling stockholders if the underwriters exercise their overallotment option.

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**SUMMARY CONSOLIDATED FINANCIAL AND OTHER DATA**

The following tables set forth our summary consolidated financial and other data. We derived our summary consolidated financial and other data as of December 31, 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
<b>Consolidated Statement of Operations Data:</b>			
Net revenues:			
Aerial services	\$ 113,603	\$ 105,747	\$ 138,637
Manufacturing / MRO <sup>(1)</sup>	36,019	12,493	14,132
<b>Total net revenues</b>	<b>149,622</b>	<b>118,240</b>	<b>152,769</b>
Cost of revenues:			