

Erickson Air-Crane Inc
Form S-1/A
June 21, 2010

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As filed with the Securities and Exchange Commission on June 21, 2010

Registration No. 333-166752

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
WASHINGTON, D.C. 20549

**AMENDMENT NO. 1
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
(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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**Approximate date of commencement of proposed sale to the public:
As soon as practicable after this Registration Statement becomes effective.**

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

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

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

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

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

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

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Proposed Maximum Aggregate Offering Price(1)(2)	Amount of Registration Fee
Common Stock, \$0.0001 par value	\$75,000,000	\$5,347.50(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(o) under the Securities Act of 1933, as amended.

(3) Previously paid.

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 state where the offer or sale is not permitted.

Subject to Completion,
Preliminary Prospectus dated June 21, 2010

PROSPECTUS

Shares

Erickson Air-Crane Incorporated

Common Stock

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

We expect the public offering price to be between \$ _____ and \$ _____ per share. Currently, no public market exists for the shares. We intend to apply 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 11 of this prospectus.

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

The selling stockholders named in this prospectus have granted the underwriters an option to purchase up to an additional _____ 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 the expenses on behalf of the selling stockholders in connection with the offering other than the underwriting discounts and commissions payable by the selling stockholders.

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

The underwriters expect to deliver the shares on or about _____, 2010.

BofA Merrill Lynch

Stifel Nicolaus

Gleacher & Company

BB&T Capital Markets

The date of this prospectus is _____, 2010.

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, and can provide no 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 2007 ACQUISITION AND
FINANCIAL STATEMENT PRESENTATION**

All of our issued and outstanding common stock was acquired in a merger transaction on September 27, 2007. Although we continued as the same legal entity following the acquisition, throughout this prospectus we refer to periods ended on or prior to September 26, 2007 as "predecessor" periods, or our "predecessor," and periods beginning on or after September 27, 2007 as "successor" periods, or our "successor." The predecessor period balance sheets reflect the historical accounting basis in our assets and liabilities, and the successor period balance sheets reflect the new basis in our assets and liabilities resulting from the acquisition.

Beginning September 27, 2007, the date of our acquisition, our operating results have been affected by fair value purchase accounting adjustments. These adjustments have altered the book value of our aircraft, property, plant and equipment, and aircraft support parts as of the acquisition date and have impacted our operating costs in each of the successor periods presented in this prospectus as compared to the predecessor periods. For example, in accordance with fair value accounting rules, on the acquisition date, we reduced the book value of our aircraft support parts by \$48 million. As a result of this adjustment, the cost of revenues in each of the successor periods presented in this prospectus reflects the lower carrying value of our aircraft support parts that have been sold or used by the company in its maintenance, repair, and overhaul operations. The aggregate effect of the purchase accounting adjustment with respect to our inventory was approximately \$18 million from the date of acquisition through December 31, 2009. Based on our past experience and historical inventory usage patterns, we expect to largely realize the benefit of the approximately \$30 million remaining fair value purchase accounting adjustment to aircraft support parts over the next five years as we sell and use our legacy inventory. Our legacy inventory consists of aircraft parts and components purchased over multiple years for which there is no liquid market; therefore, there is no guarantee that we will be able to purchase new inventory at the carrying values currently reflected on our balance sheet.

The consolidated results for the year ended December 31, 2007, which we refer to as "combined" in "Management's Discussion and Analysis of Financial Condition and Results of Operations 2008 Compared to 2007," were derived from the results for the 2007 predecessor period and the 2007 successor period. As a result of the application of fair value purchase accounting as of the acquisition date, the discussion of financial information for the combined period is not fully comparable on a period-by-period basis, particularly with respect to interest expense, depreciation and amortization, and costs associated with the sale of aircraft support parts. Although the combined data does not comply with generally accepted accounting principles in the United States (GAAP), or with Securities and Exchange Commission (SEC) rules for pro forma presentation, we discuss the combined financial data because we believe this data is useful when comparing our results to the applicable predecessor and successor periods.

EXPLANATORY NOTE REGARDING RECAPITALIZATION

In connection with this offering, we will amend and restate our certificate of incorporation to convert our Series A Redeemable Preferred Stock and our Class A Common Stock into an aggregate of 7,405,436 shares of a single class of 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 our 2010 Stock Incentive Plan under which we intend to issue restricted common stock or rights to receive stock to certain of our employees concurrent with the completion of this offering. See "Capitalization" and "Executive Compensation 2010 Stock 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 the terms "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, a versatile and powerful heavy-lift helicopter. The Aircrane is the only commercial helicopter with a rear-load facing cockpit, which allows for precision lift and load placement. Our fleet of 17 owned S-64s and our specialized pilots and crews provide various aerial services, including firefighting, timber harvesting, and infrastructure construction, to government and commercial customers throughout the world. We also manufacture S-64s and related components for sale and provide maintenance, repair, and overhaul (MRO) services for the S-64 and other aircraft. In 2009, our Aerial Services and Manufacturing / MRO segments generated revenues of \$113.6 million and \$36.0 million, respectively.

We own the Type and Production Certificates for the S-64, granting us exclusive design, manufacturing, and related rights for the aircraft and original equipment manufacturer (OEM) components. We continuously invest in new technologies and proprietary solutions with a goal of increasing our market share and entering new markets. We have made over 350 design improvements to the S-64 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. To date, we have sold nine Aircranes, including our first sale to a commercial customer in 2009. 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. See "Business Competition." We target long-term contract opportunities and had a total contract backlog of \$332.3 million as of May 31, 2010. See "Business Backlog" for a discussion of how we define and calculate backlog.

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. We have production, maintenance, and logistics facilities in Central Point, Oregon. We currently maintain a year-round international presence with subsidiaries in Canada, Italy, and Malaysia, and a seasonal operating presence in Australia and Greece.

Our Competitive Strengths

Versatile Heavy-Lift Helicopter Solutions. The versatility and high payload capacity of the S-64, its proprietary mission-specific accessories, and the skill of our pilots and crew, make the S-64 an attractive solution for a wide variety of aerial services. We believe our fleet of 17 owned S-64 Aircranes is the largest commercial fleet of helicopters in the world capable of carrying loads in excess of 20,000 lbs. We believe our role as the manufacturer of the S-64, 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."

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Vertically Integrated Business Model. We offer a full spectrum of heavy-lift helicopter solutions, including the design, engineering, development, manufacturing, and testing of the S-64 aircraft, as well as aerial services, crewing, MRO, and aftermarket support. 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 16 countries across four 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, and Malaysia, and a seasonal operating presence in Australia and Greece.

Proprietary Technologies and Continuous Innovation. We have made over 350 design improvements to the S-64 and have developed a variety of innovative accessories for aerial services, including a 2,650 gallon firefighting tank and snorkel refill systems, 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 focus on building long-term relationships with key customers, some of whom have been continuous customers for more than 20 years, through reliable performance and a strong commitment to safety and service. We believe that our established relationships 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.

Experienced and Growth-Oriented Management Team. Our senior management team is composed of six individuals, including two former U.S. military helicopter pilots, with an average of 28 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 senior management team is supported by 15 executive directors averaging more than 15 years of experience in the helicopter services and aerospace manufacturing industries.

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 components 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. We expect to opportunistically expand our aircraft fleet to support customer demand.

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

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

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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.

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 are developing 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 aircraft and we expect this trend to continue as the global installed base of S-64s expands.

Increase Our S-64 Aircraft Sales. Our goal is to increase sales of the S-64 to existing and new customers. In addition to generating profits upon sale, increasing the installed base of S-64s is expected to augment demand for our crewing services, OEM components, and MRO, and other aftermarket services. We recently established a sales team that is solely focused on expanding Aircrane sales.

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 S-64. We recently entered into a non-binding memorandum of understanding with Bell Helicopter Textron Inc. (Bell) to negotiate terms for the exclusive design, certification, manufacture, and delivery of an enhanced fuel system for Bell's 214 helicopter model, and we believe that we are also well-positioned to provide similar services for other aircraft, directly or in partnership with OEMs.

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, and hydraulic grapple. We have several new product applications and aircraft accessories under development, including a redesigned Automated Flight Control System, night vision cockpit instrumentation, an aerial vacuum lift device, composite main rotor blades, and a universal multi-purpose 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 service capabilities and service offerings and increase our access to customers and our penetration of new and existing markets.

Changes to Our Company Since Our 2007 Acquisition

Since our acquisition in 2007, we have added strong professional aerospace managers to our team and enhanced our business management systems.

Management. Within the last two years, we have added five of the six members of our senior management team, including our CEO and CFO, as well as Heads of Global Sales and Marketing, Aircraft Manufacturing and MRO, and Aerial Services. 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 contracts. We have focused on obtaining long-term contracts and increased our long-term backlog as of May 31, 2010 by \$299.3 million to \$332.3 million

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compared to September 26, 2007. We derived more than 50% of our 2009 revenues from long-term contracts, some of which extend beyond 2014.

Increased MRO focus. We have begun to leverage our expertise with the S-64 to offer MRO services across similar aircraft platforms.

Increased effort to expand Aircrane sales. We have a sales group dedicated solely to expanding Aircrane sales. The new group has significantly increased our sales pipeline activities. In 2009, under the leadership of our new Head of Global Sales and Marketing, we completed our first sale of an Aircrane to a commercial customer.

Improved standards for safety and quality. We have implemented specific, company-wide safety and quality processes to further enhance our safety and quality culture and now exceed several recommended FAA standards.

Recent Developments

In June 2010, we entered into a new four-year agreement to provide firefighting services in Greece to the Hellenic Fire Brigade. Also in June 2010, we entered into a new five-year agreement (with a potential five-year extension) with Asiatic Lumber Industries Sdn. Bhd. to harvest tropical timber from the Yayasan Sabah concession in Sabah, Malaysia. The estimated revenues we expect to derive from these agreements are included in our backlog. See "Business Backlog" and "Risk Factors We have a significant backlog that may be deferred or may not be entirely realized."

In June 2010, we entered into a non-binding memorandum of understanding with Bell Helicopter Textron Inc. (Bell) to negotiate terms for the exclusive design, certification, manufacture, and delivery of an enhanced fuel system for Bell's 214 helicopter model.

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THE OFFERING

Common stock offered by Erickson Air-Crane
 Incorporated
 Common stock to be outstanding after this
 offering
 Common stock subject to overallocation
 option granted by selling stockholders
 Use of proceeds

shares

shares

shares (these shares will only be sold, in full or in part, if the underwriters exercise their overallocation option to purchase additional shares)

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

approximately \$ million to manufacture S-64 Aircranes and related components;

approximately \$ million to pay down indebtedness under our revolving credit facility,

which will increase the amounts available for future borrowing; and

the remaining net proceeds for general corporate and working capital purposes, including possible acquisitions of additional aircraft or businesses to complement our aerial services and enhance our service offerings. We have had informal discussions about potential acquisitions of this nature but currently have no definitive agreements or understandings with respect to any of them.

We anticipate that the actual allocation of our resources to the above or other uses will depend on the needs and opportunities that our management perceives at the time of the allocation. For example, the amount allocated to the manufacture of S-64 Aircranes and related components represents management's current estimate based on its perceived needs and opportunities. The actual allocation of the net proceeds to this category may be greater or less than the amount currently estimated based on changes in our opportunities and requirements for aircraft and components, the availability and price of airframes and other components or for other reasons that management does not currently anticipate.

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

See "Use of Proceeds" for additional information.

Proposed NASDAQ Global Market symbol

EAC

Risk factors

See "Risk Factors" and the other information included in this prospectus for a discussion of factors you should carefully consider before investing in shares of our common stock.

The number of shares of common stock to be outstanding after this offering is based on our shares outstanding as of June 21, 2010, which gives effect to completion of our recapitalization described in "Explanatory Note Regarding Recapitalization."

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

643,951 shares of common stock reserved for issuance under our 2010 Stock Incentive Plan, which we intend to adopt prior to completing this offering, which includes the following shares of restricted stock, or rights to receive stock, that we intend to issue concurrently with this offering: (1) 423,924 shares to certain members of senior management; (2) an estimated 17,500 shares to a broad base of our employees based on years of service with the company; and (3) an estimated 7,500 shares to our independent directors. The estimated share amounts for employees and independent directors are based on the midpoint of the sale price range set forth on the cover of this prospectus. The actual number of shares to be awarded to employees and independent directors will be based on an aggregate dollar amount and will depend on the sale price of our common stock in this offering.

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, 2008 and 2009, for the period from January 1, 2007 through September 26, 2007, for the period from September 27, 2007 through December 31, 2007, and for the years ended December 31, 2008 and 2009 from our audited consolidated financial statements, which are included elsewhere in this prospectus.

Our consolidated balance sheet data as of March 31, 2010 and our consolidated statements of operations data and cash flows data for the three months ended March 31, 2009 and 2010 are derived from our unaudited condensed consolidated financial statements and notes thereto included elsewhere in the prospectus. Our consolidated balance sheet data as of March 31, 2009 are derived from our unaudited condensed consolidated financial statements not included in the prospectus. These unaudited condensed consolidated financial statements have been prepared on the same basis as the audited consolidated financial statements and, in the opinion of our management, include all adjustments, consisting only of normal recurring adjustments, necessary for a fair presentation of the information set forth herein. Interim financial results are not necessarily indicative of results that may be expected for the full fiscal year or any future reporting period.

Our 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)	Predecessor(1)		Successor			
	Period from January 1, 2007 through September 26, 2007	Period from September 27, 2007 through December 31, 2007	Year Ended December 31, 2008	Year Ended December 31, 2009	Three Months Ended March 31, 2009	Three Months Ended March 31, 2010
Consolidated Statement of Operations Data:						
Net revenues:						
Aerial services	\$ 126,355	\$ 25,524	\$ 136,548	\$ 113,603	\$ 19,174	\$ 14,808
Manufacturing / MRO	35,872	17,823	5,376	36,019	582	1,523
Total net revenues	162,227	43,347	141,924	149,622	19,756	16,331
Cost of revenues:						
Aerial Services	80,715	19,722	96,750	76,855	16,754	17,085
Manufacturing / MRO	24,360	13,065	5,019	21,272	627	941
Total cost of revenues	105,075	32,787	101,769	98,127	17,381	18,026
Gross profit	57,152	10,560	40,155	51,495	2,375	(1,695)
Operating expenses:						
General and administrative	12,711	4,211	14,010	14,877	3,235	3,860
Research and development	10,290	3,328	7,024	6,889	1,737	1,964
Selling and marketing	1,140	354	1,984	5,115	1,116	1,377
Total operating expenses	24,141	7,893	23,018	26,881	6,088	7,201
Operating income (loss)	33,011	2,667	17,137	24,614	(3,713)	(8,896)
Other income (expense):						
Interest income	205	95	305	157		
Interest expense	(3,395)					