

Elasis Leasing IV Limited

Directors' report and financial statements

Year ended March 31, 2011

Registered number 3059249

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Elasis Leasing IV Limited

Directors' report and financial statements

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Elasis Leasing IV Limited

Directors and other information

Directors	R M Dantzic (U K) I M Smith (U K) B T Hayden
Registered office	201 Bishopsgate London EC2M 3AF England
Secretaries	Mawlaw Secretaries (Resigned 1 November 2010) TMF Corporate Administrative Services Limited (Appointed 1 November 2010) AerCap Financial Services (Ireland) Limited
Independent auditor	KPMG Chartered Accountants 1 Harbourmaster Place IFSC Dublin 1
Principal bankers	Deutsche Bank
Solicitors	McCann FitzGerald Solicitors Sir John Rogerson's Quay IFSC Dublin 2
Definitions	
"the Company"	Elasis Leasing IV Limited
"Airplanes Group"	Airplanes Limited and Airplanes US Trust and their respective subsidiary undertakings
"AerCap "	AerCap Ireland Limited and its subsidiary undertakings
"GECAS"	GE Commercial Aviation Services Limited

Elasis Leasing IV Limited

Directors' report

The directors herewith submit their report together with the audited financial statements of the Company for the year ended March 31, 2011. The directors intend to continue to develop the activities of the Company.

Principal activities, business review and future developments

The Company's activities include the sale, procurement and leasing of aircraft together with associated support services. The calendar year 2010 proved to be difficult for most carriers in the face of high average fuel prices, geopolitical conditions and effects of volcanic ash. In addition 2011 is proving to be extremely difficult for most carriers with continuing high oil prices, the effects of earthquakes and tsunamis and increased hostility in the Middle East and North African regions. The aviation industry remains sensitive to changes in global demand and this impacts lease rates and aircraft availability.

Structure and financing

The Company is an aircraft leasing subsidiary of Airplanes Group, a special purpose vehicle, established to acquire certain aircraft and related assets from AerCap (formerly debis AirFinance Limited) on March 28, 1996. Airplanes Group financed the acquisition of these assets from AerCap through the issue of five classes of notes. All of the four most senior classes of notes (the "A, B, C and D Notes") were sold in a \$4,048 million global underwritten public offering. AerCap subscribed for substantially all of the fifth class of notes (the "E Notes"). In March 1998, Airplanes Group successfully completed a refinancing of \$2,437 million A and B Notes. On November 20, 1998 AerCap transferred its holding of the E Notes to GE Capital Corporation.

The Company is financed primarily by advances from Airplanes Limited, its ultimate holding company, and is jointly and severally liable for all obligations of the other companies within the Airplanes Group, which have also borrowed from Airplanes Limited (Note 8).

The going concern basis of preparation is dependant on membership of the Airplanes Group and intragroup funding arrangements upon which the future operation of the Company is dependant. A number of factors have had a significant adverse effect on the aircraft industry in general and on Airplanes Group which has resulted in reductions in aircraft values and lease rates. These conditions have affected Airplanes Group's ability to make scheduled principal and interest payments on the various classes of notes.

Principal risks and uncertainties

The directors have identified a number of risks facing the Company and have undertaken the following approach to deal with the relevant risks:

- i) Asset and credit risk – The Company leases aircraft on operating lease and bears i) the asset risk in respect of the deterioration in the underlying value of the aircraft and ii) the credit risk of the airline during the life of the lease. The directors look to mitigate these risks by collecting maintenance reserves and/or collecting security deposits where appropriate, and where possible either extending the lease term on the aircraft or remarketing the aircraft.
- ii) Technical, maintenance and environmental risks – The lessee undertakes responsibility for ensuring that the aircraft complies with current environmental, technical and maintenance regulations and statutory obligations as applicable. Under the servicing agreement, GECAS agreed to monitor these risks.

Elasis Leasing IV Limited

Directors' report *(continued)*

Principal risks and uncertainties *(continued)*

- iii) Public liability risk – The lessee is responsible for ensuring that the aircraft has adequate insurance cover. Under the service agreement, GECAS agreed to monitor the lessees to ensure they remain compliant servicing.

Management

The Company's assets are managed by GECAS under a servicing agreement between Airplanes Group and GECAS. AerCap provides both administrative agency and cash management services to Airplanes Group.

Financial results

Details of the result of the year and the movement in reserves are set out in the Profit and loss account on page 10 of the financial statements.

The profit after tax for the financial year amounted to \$10,000 *(2010 \$10,000)*

Dividends

The directors have not proposed a dividend for the current year *(2010 \$Nil)*

Directors and secretary

In accordance with the Articles of Association, the directors are not required to retire by rotation.

Interest of directors and secretary

The directors and secretaries of the Company who held office at March 31, 2011 had no interests in the shares in the Company or group companies at March 31, 2011 and March 31, 2010.

No director has or has had any interest in any transaction which is or was unusual in its nature or conditions or significant to the business of the Company or of Airplanes Group within the year.

Post balance sheet events

There were no significant events affecting the Company since the end of the financial year.

Disclosure of information to auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Elasis Leasing IV Limited

Directors' report *(continued)*

Independent auditor

In accordance with Section 485 of the Companies Act 2006, the auditor, KPMG Chartered Accountants will continue in office

On behalf of the board


R M Dantzic
Director

June 10, 2011

Elasis Leasing IV Limited

Statement of directors' responsibilities in respect of the directors' report and financial statements

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with UK Accounting Standards.

The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.


In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that its financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Under applicable law the directors are also responsible for preparing a Directors' Report that complies with that law.

On behalf of the board



R M Dantzie
Director

June 10, 2011



KPMG
Chartered Accountants
90 South Mall
Cork
Ireland

Independent auditor's report to the members of Elasis Leasing IV Limited

We have audited the financial statements of Elasis Leasing IV Limited for the year ended March 31, 2011 which comprise the Profit and Loss Account, the Balance Sheet, Statement of accounting policies and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom accounting standards (UK Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 5, the directors are responsible for preparing the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). These standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at March 31, 2011 and of its profit for the year then ended,
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.



KPMG
Chartered Accountants
90 South Mall
Cork
Ireland

Independent auditor's report to the members of Elasis Leasing IV Limited *(continued)*

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report is consistent with the financial statements

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit

Barrie O'Connell (Senior Statutory Auditor)
For and on behalf of KPMG, Statutory Auditor
1 Harbourmaster Place
IFSC
Dublin 1

10 June, 2011

Elasis Leasing IV Limited

Statement of accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements

Basis of preparation

The accounting policies followed in the preparation of the accompanying financial statements are in conformity with generally accepted accounting principles and comply with financial reporting standards of the Accounting Standards Board in the United Kingdom

The financial statements are prepared on the going concern basis, under the historical cost convention and are stated in US dollars which is the principal operating currency of the Company and of the aviation industry

The going concern basis of preparation is dependant on membership of Airplanes Group and intragroup funding arrangements upon which the future operation of the Company is dependant. A number of factors have had a significant adverse effect on the aircraft industry in general and on Airplanes Group which has resulted in reductions in aircraft values and lease rates. These conditions have affected Airplanes Group's ability to make scheduled principal and interest payments on the various classes of notes.

Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the directors of the Company to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. While the directors of the Company believe that the estimates and related assumptions used in the preparation of these financial statements are appropriate, actual results could differ from those estimates.

Revenue recognition

Revenue from aircraft on operating lease is recognised as income as it accrues over the period of the lease.

Taxation

Corporation tax is provided based on the results for the year.

Foreign currency translation

The financial statements are expressed in US dollars.

Transactions denominated in foreign currencies are recorded in US dollars at the exchange rates ruling at the dates of the transactions. Monetary assets and liabilities are translated at the balance sheet date.

Profits and losses arising from foreign currency translation and on settlement of amounts receivable and payable in other currencies are dealt with in the profit and loss account.

Elasis Leasing IV Limited

Statement of accounting policies *(continued)*

Statement of cash flows

A statement of cash flows has not been prepared under Financial Reporting Standard No 1 (revised) as the Company is a subsidiary of Airplanes Holdings Limited, a Company incorporated in Ireland, which is itself preparing consolidated financial statements which are publicly available

Elasis Leasing IV Limited

Profit and loss account for the year ended March 31, 2011

	<i>Note</i>	2011 \$000	2010 \$000
Turnover - continuing operations	<i>1</i>	5,878	8,685
Cost of sales	<i>2</i>	(5,868)	(8,675)
		<hr/>	<hr/>
Gross profit		10	10
Administration and selling expenses	<i>2</i>	-	-
		<hr/>	<hr/>
Profit on ordinary activities before taxation			
- continuing operations		10	10
Tax on profit on ordinary activities	<i>3</i>	-	-
		<hr/>	<hr/>
Profit for the financial year	<i>7</i>	10	10
		<hr/>	<hr/>

The Company had no recognised gains or losses in the financial year or the preceding financial year other than those dealt with in the profit and loss account

The accompanying notes are an integral part of the financial statements

On behalf of the board



R M Dantzie
Director

Elasis Leasing IV Limited

Balance sheet
at March 31, 2011

	<i>Note</i>	2011 \$000	2010 \$000
Current assets			
Debtors	4	900	434
		<hr/>	<hr/>
Total assets		900	434
		<hr/>	<hr/>
Capital and reserves			
Called up share capital	6	-	-
Profit and loss account	7	(16)	(26)
		<hr/>	<hr/>
Shareholders' deficit - equity	9	(16)	(26)
Creditors			
Amounts falling due within one year	5	131	219
Amounts falling due after one year	5	785	241
		<hr/>	<hr/>
Total liabilities		900	434
		<hr/>	<hr/>

The accompanying notes are an integral part of the financial statements

On behalf of the board


R M Dantzic
Director

Elasis Leasing IV Limited

Notes

forming part of the financial statements

1 Turnover

Turnover represents leasing income from aircraft and related assets leased in Europe

2 Profit for the financial year

The profit for the financial year has been arrived at after (crediting)/charging the following items

	2011 \$000	2010 \$000
<i>In turnover</i>		
Operating lease rental income	(5,878)	(8,685)
	<hr/>	<hr/>
<i>In cost of sales</i>		
Lease in costs	5,871	8,675
Interest Income	(3)	-
	<hr/>	<hr/>
<i>In administration and selling expenses</i>		
Auditor's remuneration (including expenses)	-	-
	<hr/>	<hr/>
Directors' fees	-	-
	<hr/>	<hr/>

In the years ended March 2011 and 2010 auditor's remuneration and directors' fees were borne by Airplanes Holdings Limited

3 Tax on profit on ordinary activities

	2011 \$000	2010 \$000
U K Corporation tax on profits for the period	-	-
	<hr/>	<hr/>
Profit on ordinary activities before tax	10	10
	<hr/>	<hr/>
Tax on ordinary activities	-	-
	<hr/>	<hr/>

Elasis Leasing IV Limited

Notes (continued)

4 Debtors: (All due within one year)	2011	2010
	\$000	\$000
Trade debtors		
Amounts due from group companies		
- Airplanes Holdings Limited	900	434
	900	434
Trade debtors at March 31, 2011 are stated net of provisions of \$Nil (2010 \$Nil)		
5 Creditors	2011	2010
	\$000	\$000
Amounts falling due within one year		
Accruals and deferred income	131	219
Amounts falling due after one year		
Amounts due to group companies		
- Airplanes Holdings Limited	785	241
Each Company in the Airplanes Group has guaranteed all obligations of the Company (see note 8)		
6 Share capital	2011	2010
	GBP£	GBP£
Authorised		
100 ordinary shares of GBP£1 each	100	100
Allotted, called up and fully paid		
1 ordinary share of GBP£1 each	1	1
7 Profit and loss account	2011	2010
	\$000	\$000
Profit and loss account at beginning of year	(26)	(36)
Profit for financial year	10	10
Profit and loss account at end of year	(16)	(26)

Elasis Leasing IV Limited

Notes (continued)

8 Commitments and contingent liabilities

Joint and several liability

The Company is jointly and severally liable with all other borrowers for all obligations of such other borrowers under a loan facility entered into with Airplanes Limited in 1996 pursuant to which funding has been provided to the Company. The total obligations of the other companies within Airplanes Group in respect of debt outstanding under such loan facility at March 31, 2011 were \$1,288 million (2010 \$1,432 million)

The Company is also a lender under a loan facility entered into in 1996 with other companies in the Airplanes Group in favour of Airplanes Holdings Limited as borrower. Under such loan facility all companies acting as lenders are jointly and severally liable to make advances to Airplanes Holdings Limited and for any other amounts payable by the lenders under the loan facility.

Foreign taxation

The international character of the Company's operations may expose the Company to taxation in certain countries. The position is kept under continuous review and provision is made for known liabilities where it is probable that such liabilities will crystallise.

9 Reconciliation of movements in shareholders' funds	2011	2010
	\$000	\$000
Total recognised profit for the financial year	10	10
Shareholders' funds at beginning of year	(26)	(36)
	<hr/>	<hr/>
Shareholders' funds at end of year	(16)	(26)
	<hr/>	<hr/>

10 Related party transactions

The Company has availed of the exemption under Financial Reporting Standard No. 8 not to disclose details of all transactions within the Airplanes Group. Details of the availability of the group consolidated financial statements are given in Note 13.

11 Staff costs and numbers

The Company had no employees at March 31, 2011 and March 31, 2010.

12 Capital commitments

Elasis Leasing IV Limited did not have any material contractual commitments for capital expenditure at March 31, 2011.

Elasis Leasing IV Limited

Notes *(continued)*

13 Group membership

The Company is a subsidiary of Airplanes Holdings Limited, a company incorporated and operating in the Republic of Ireland. Airplanes Holdings Limited is a 95% subsidiary of Airplanes Limited, a company incorporated in Jersey. The financial statements reflect the effect of these relationships.

The largest group in which the results of the Company are consolidated is that headed by Airplanes Limited and the consolidated financial statements may be obtained from the registered office of Airplanes Limited at 22 Grenville Street, St. Helier, Jersey.

The smallest group in which the results of the Company are consolidated is that headed by Airplanes Holdings Limited and those consolidated financial statements are filed in the Companies Office, Parnell Square, Dublin 1, Ireland.

14 Post balance sheet events

There were no significant events affecting the Company since the end of the financial year.

15 Approval of the financial statements

The financial statements were approved by the board of directors on June 10, 2011.