

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 for the quarterly period ended March 31, 2006

Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 for the transition period from _____ to _____

Commission File Number 000-51916

ICON Leasing Fund Eleven, LLC

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation or organization)

20-1979428

(IRS Employer Identification Number)

100 Fifth Avenue, 4th Floor, New York, New York

(Address of principal executive offices)

10011-1505

(Zip code)

(212) 418-4700

Registrant's telephone number, including area code

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act. Large accelerated filer Accelerated filer Non-accelerated filer

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

Number of outstanding limited liability company shares of the registrant on May 1, 2006 is 168,063.

ICON Leasing Fund Eleven, LLC
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PART I – FINANCIAL INFORMATION

Item 1. Condensed Consolidated Financial Statements

ICONLeasing Fund Eleven, LLC
(A Delaware Limited Liability Company)
Condensed Consolidated Balance Sheets

ASSETS

	(Unaudited) March 31, 2006	December 31, 2005
Cash and cash equivalents	\$ 58,983,196	\$ 71,449,920
Investments in finance leases:		
Minimum rents receivable	45,633,312	-
Estimated unguaranteed residual values	3,660,241	-
Initial direct costs, net	1,146,225	-
Unearned income	<u>(4,954,343)</u>	<u>-</u>
Net investments in finance leases	<u>45,485,435</u>	<u>-</u>
Investments in operating leases:		
Equipment, at cost	96,958,879	-
Accumulated depreciation	<u>(3,362,941)</u>	<u>-</u>
Net investments in operating leases	<u>93,595,938</u>	<u>-</u>
Restricted cash	1,313,185	909,185
Equipment held for sale or lease	26,141,278	-
Investments in joint ventures	9,782,836	16,084,960
Rents receivable, net of allowance for doubtful accounts	3,977,712	-
Miscellaneous receivables	4,544,463	-
Other assets, net	<u>1,944,129</u>	<u>3,257,636</u>
 Total assets	 <u>\$ 245,768,172</u>	 <u>\$ 91,701,701</u>

See accompanying notes to condensed consolidated financial statements.

ICON Leasing Fund Eleven, LLC
(A Delaware Limited Liability Company)
Condensed Consolidated Balance Sheets

LIABILITIES AND MEMBERS' EQUITY

	(Unaudited) March 31, <u>2006</u>	December 31, <u>2005</u>
Notes payable - non-recourse	\$ 80,400,174	\$ -
Accounts payable and other liabilities	7,437,949	844,058
Deferred rental income	5,543,801	-
Leasing payables	12,394,638	-
Due to Manager and affiliates, net	823,509	602,377
Minority interest	<u>9,742,684</u>	<u>-</u>
 Total liabilities	 <u>116,342,755</u>	 <u>1,446,435</u>
 Commitments and contingencies		
 Members' equity:		
Manager (one share outstanding, \$1,000 per share original issue price)	(48,986)	(28,876)
Additional Members (152,999 and 107,099 shares outstanding, \$1,000 per share original issue price)	128,945,928	90,318,028
Accumulated other comprehensive income (loss)	<u>528,475</u>	<u>(33,886)</u>
 Total members' equity	 <u>129,425,417</u>	 <u>90,255,266</u>
 Total liabilities and members' equity	 <u>\$ 245,768,172</u>	 <u>\$ 91,701,701</u>

See accompanying notes to condensed consolidated financial statements.

ICON Leasing Fund Eleven, LLC
(A Delaware Limited Liability Company)
Condensed Consolidated Statement of Operations
Three Months Ended March 31, 2006
(Unaudited)

Revenue:	
Rental income	\$ 3,819,796
Finance income	397,133
Income from investments in joint ventures	263,110
Net gain on sales of equipment	103,972
Interest and other income	<u>754,007</u>
 Total revenue	 <u>5,338,018</u>
Expenses:	
Depreciation	3,067,753
Interest	344,531
Bad debt expense	70,015
Management Fees - Manager	172,513
Administrative expense reimbursements - Manager and affiliates	910,553
General and administrative	131,846
Amortization	<u>24,479</u>
 Total expenses	 <u>4,721,690</u>
 Net income	 <u>\$ 616,328</u>
Net income allocable to:	
Additional Members	\$ 610,165
Manager	<u>6,163</u>
	<u>\$ 616,328</u>
 Weighted average number of additional member shares outstanding	 <u>128,818</u>
 Net income per weighted average additional member share	 <u>\$ 4.74</u>

See accompanying notes to condensed consolidated financial statements.

ICON Leasing Fund Eleven, LLC
 (A Delaware Limited Liability Company)
 Condensed Consolidated Statement of Changes in Members' Equity
 Three Months Ended March 31, 2006
 (Unaudited)

	<u>Additional Member Shares</u>	<u>Additional Members</u>	<u>Managing Member</u>	<u>Accumulated Other Comprehensive (Loss) Income</u>	<u>Total</u>
Balance, January 1, 2006	107,099	\$ 90,318,028	\$ (28,876)	\$ (33,886)	\$ 90,255,266
Proceeds from issuance of additional members shares	45,900	45,900,371	-	-	45,900,371
Sales and offering expenses	-	(5,277,323)	-	-	(5,277,323)
Cash distributions to members	-	(2,605,313)	(26,273)	-	(2,631,586)
Change in valuation of warrants held by investee	-	-	-	1,188,119	1,188,119
Foreign exchange translation adjustments of investee	-	-	-	(625,758)	(625,758)
Net income	-	610,165	6,163	-	616,328
Balance, March 31, 2006	<u>152,999</u>	<u>\$ 128,945,928</u>	<u>\$ (48,986)</u>	<u>\$ 528,475</u>	<u>\$ 129,425,417</u>

See accompanying notes to condensed consolidated financial statements.

ICON Leasing Fund Eleven, LLC
(A Delaware Limited Liability Company)
Condensed Consolidated Statement of Cash Flows
Three Months Ended March 31, 2006
(Unaudited)

Cash flows from operating activities:	
Net income	\$ 616,328
Adjustments to reconcile net income to net cash provided by operating activities:	
Rental income paid directly to lenders by lessees	(260,665)
Interest expense on non-recourse financing paid directly to lenders by lessees	34,040
Finance income paid directly to lenders by lessees	(19,838)
Depreciation and amortization	3,092,232
Bad debt expense	70,015
Income from investment in joint ventures	(263,110)
Net gain on sales of equipment	(103,972)
Changes in operating assets and liabilities:	
Collection of principal - non-financed receivables	540,008
Rents receivable	1,372,103
Other assets, net	(1,192,981)
Accounts payable and accrued expenses	5,021,223
Due to Manager and affiliates, net	<u>(206,146)</u>
Net cash provided by operating activities	<u>8,699,237</u>
Cash flows from investing activities:	
Investments in leased assets	(56,484,185)
Proceeds from sales of equipment	706,003
Restricted cash deposits	(404,000)
Cash acquired in investment in joint venture	1,602
Investments in joint ventures	(4,599,984)
Distributions received from joint ventures	<u>135,080</u>
Net cash used in investing activities	<u>(60,645,484)</u>
Cash flows from financing activities:	
Proceeds from notes payable - non-recourse	4,063,618
Repayments of notes payable - non-recourse	(1,929,519)
Issuance of additional member shares, net of sales and offering expenses paid	40,623,048
Due to Manager and affiliates, net	81,000
Cash distributions to members	<u>(2,631,586)</u>
Net cash provided by financing activities	<u>40,206,561</u>
Effects of exchange rates on cash and cash equivalents	<u>(727,038)</u>
Net decrease in cash and cash equivalents	(12,466,724)
Cash and cash equivalents, beginning of the period	<u>71,449,920</u>
Cash and cash equivalents, end of the period	<u>\$ 58,983,196</u>

See accompanying notes to condensed consolidated financial statements.

ICON Leasing Fund Eleven, LLC
(A Delaware Limited Liability Company)
Condensed Consolidated Statements of Cash Flows
Three Months Ended March 31, 2006
(Unaudited)

Supplemental disclosure of cash flow information:

Cash paid during the period for interest	<u>\$ 310,491</u>
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Supplemental disclosure of non-cash investing and financing activities:

Non-cash portion of equipment purchased through non-recourse debt	<u>\$ 82,576,156</u>
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Principal and interest paid on non-recourse notes payable directly to lenders by lessees	<u>\$ 506,959</u>
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Transfer from other assets to investments in leased assets	<u>\$ 2,828,287</u>
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See accompanying notes to condensed consolidated financial statements.

ICON Leasing Fund Eleven, LLC
(A Delaware Limited Liability Company)
Notes To Condensed Consolidated Financial Statements
March 31, 2006
(Unaudited)

(1) Basis of Presentation and Consolidation

The accompanying condensed consolidated financial statements of ICON Leasing Fund Eleven, LLC (the "LLC") have been prepared in accordance with accounting principles generally accepted in the United States of America for interim financial information and pursuant to the rules and regulations of the Securities and Exchange Commission for Form 10-Q. Accordingly, they do not include all of the information and footnotes required by accounting principles generally accepted in the United States of America for complete financial statements. In the opinion of the Manager, all adjustments (consisting only of normal recurring accruals) considered necessary for a fair presentation have been included. These condensed consolidated financial statements should be read together with the consolidated financial statements and notes included in the LLC's 2005 Annual Report on Form 10-K. The results for the interim period are not necessarily indicative of the results for the full year.

The condensed consolidated financial statements include the accounts of the LLC and its majority owned subsidiaries. All intercompany accounts and transactions have been eliminated in consolidation.

The LLC accounts for its noncontrolling interests in joint ventures where the LLC has influence on financial and operational matters, generally greater than 5% and less than 50% ownership interest, under the equity method of accounting. In such cases, the LLC's original investments are recorded at cost and adjusted for its share of earnings, losses and distributions. The LLC accounts for investments in joint ventures where the LLC has virtually no influence over financial and operational matters using the cost method of accounting. In such cases, the LLC's original investments are recorded at cost and reduced for distributions. All of the LLC's investments in joint ventures are subject to its impairment review policies.

In joint ventures where the LLC's ownership interest is majority owned, minority interest represents the minority owner's proportionate share of its equity in the joint venture. The minority interest is adjusted for the minority owner's share of the earnings, losses and distributions of the joint venture.

(2) Organization

The LLC was formed on December 2, 2004 as a Delaware limited liability company and commenced operations on May 6, 2005 when the LLC admitted its first additional members. The LLC is engaged in one business segment, the business of purchasing equipment and leasing it to third-party end users. The LLC will continue until December 31, 2024, unless terminated sooner.

The Manager of the LLC is ICON Capital Corp. (the "Manager"), a Connecticut corporation. The Manager manages and controls the LLC's business affairs, including, but not limited to, the equipment leases and financing transactions under the terms of the Limited Liability Company Agreement with the LLC (the "LLC Agreement"). Additionally, the Manager has a 1% ownership interest in the LLC.

The LLC is currently in its offering period, which began in April 2005 and is anticipated to end during April 2007. The initial capitalization of the LLC was \$2,000 on December 17, 2004, which consisted of \$1,000 from the Manager and \$1,000 for a single share from an officer of the Manager. The LLC subsequently refunded the \$1,000 for the share to the officer of the Manager.

ICON Leasing Fund Eleven, LLC
(A Delaware Limited Liability Company)
Notes To Condensed Consolidated Financial Statements
March 31, 2006
(Unaudited)

(2) Organization - continued

The LLC originally intended to offer up to \$200,000,000 of capital to members. On March 8, 2006, the LLC commenced a consent solicitation of its members to amend and restate the LLC Agreement in order to increase the maximum offering amount from up to \$200,000,000 to up to \$375,000,000. The consent solicitation was completed on April 21, 2006 with the requisite consents received from its members, and the LLC executed the Amended and Restated LLC Agreement (the "Amended LLC Agreement"). The LLC filed a new registration statement for up to an additional \$175,000,000 of member shares with the Securities and Exchange Commission on May 2, 2006.

The LLC had its initial closing on May 6, 2005 (Commencement of Operations) with the initial sale of member shares. Through December 31, 2005, the LLC sold 107,099 member shares, representing \$107,098,773 of capital contributions. From January 1, 2006 through March 31, 2006, the LLC sold an additional 45,900 member shares, representing \$45,900,371 of capital contributions. Beginning with the Commencement of Operations, the LLC has been paying sales commissions incurred to third parties and various fees to the Manager and ICON Securities Corp., a wholly-owned subsidiary of the Manager. These sales commissions and fees paid to the Manager and its affiliate are recorded as a reduction to the LLC's equity.

Members' capital accounts are increased for their initial capital contribution plus their proportionate share of losses and distributions. Profits, losses, cash distributions and liquidation proceeds are allocated 99% to the additional members and 1% to the Manager until each additional member has received cash distributions and liquidation proceeds sufficient to reduce their adjusted capital contribution account to zero and received, in addition, other distributions and allocations which would provide an 8% per annum cumulative return on their outstanding adjusted capital contribution account. After such time, the distributions will be allocated 90% to the additional members and 10% to the Manager.

(3) Summary of Significant Accounting Policies

Investment in Operating Leases

Investments in operating leases are stated at cost less accumulated depreciation. Depreciation is being provided using the straight-line method over the term of the related equipment lease to its estimated residual value at lease end. Upon the final disposition of the equipment, the cost and related accumulated depreciation are removed from the accounts and the resulting gain or loss is reflected in the consolidated statement of operations.

Equipment Held for Sale or Lease

Equipment held for sale or lease includes equipment recently purchased on behalf of a lessee for which the lease term has not yet commenced, as well as equipment previously leased to end users which has been returned to the LLC following lease expiration. Equipment held for sale or lease is recorded at the lower of cost or estimated fair market value, less anticipated costs to sell.

ICON Leasing Fund Eleven, LLC
(A Delaware Limited Liability Company)
Notes To Condensed Consolidated Financial Statements
March 31, 2006
(Unaudited)

(3) Summary of Significant Accounting Policies - continued

Revenue Recognition

The LLC leases equipment to third parties, which may be classified as either finance leases or operating leases, as determined based upon the terms of each lease. Initial direct costs are capitalized and amortized over the term of the related lease for finance leases. For operating leases, the initial direct costs are included as a component of the cost of the equipment and depreciated.

For finance leases, the LLC records, at lease inception, the total minimum lease payments receivable from the lessee, the estimated unguaranteed residual value of the equipment at lease termination, the initial direct costs related to the lease and the related unearned income. Unearned income represents the difference between the sum of the minimum lease payments receivable plus the estimated unguaranteed residual value minus the cost of the leased equipment. Unearned income is recognized as finance income over the term of the lease using the effective interest rate method.

Revenues from operating leases are recognized on a straight line basis over the lives of the related leases. Billed and uncollected operating lease receivables are included in rents receivable. Deferred income is the difference between the timing of the cash payments and the income recognized on a straight line basis.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the Manager to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant estimates primarily include the allowance for doubtful accounts and unguaranteed residual values. Actual results could differ from those estimates.

(4) Joint Ventures

The joint venture described below is consolidated by the LLC.

ICON Global Crossing, LLC

On November 17, 2005, the LLC, along with two of its affiliates, ICON Income Fund Eight A L.P. and ICON Income Fund Ten, LLC ("Fund Ten"), formed ICON Global Crossing, LLC ("ICON Global Crossing"), with original ownership interests of 44%, 12% and 44%, respectively. The total capital contributions made to ICON Global Crossing were \$17,397,940, of which the LLC's share was \$7,695,494. ICON Global Crossing purchased state-of-the-art telecommunications equipment on lease to Global Crossing Telecommunications, Inc. ("Global Crossing"). On March 31, 2006, the LLC made an additional capital contribution to ICON Global Crossing of \$7,733,176, which changed the ownership interests to approximately 61.4%, 8.0% and 30.6%, respectively. Accordingly, the LLC consolidated the balance sheet of ICON Global Crossing at March 31, 2006 and will consolidate its results of operations beginning April 1, 2006.

ICON Leasing Fund Eleven, LLC
(A Delaware Limited Liability Company)
Notes To Condensed Consolidated Financial Statements
March 31, 2006
(Unaudited)

(4) Joint Ventures - continued

During February and March 2006, ICON Global Crossing purchased approximately \$22,113,000 of equipment (including approximately \$157,000 in legal fees) on lease to Global Crossing and during April 2006 purchased approximately \$3,165,000 of additional equipment on lease with Global Crossing. The base lease term for the equipment purchased is for 48 months beginning on April 1, 2006.

The two joint ventures described below are not consolidated by the LLC and are accounted for under the equity method.

ICON AEROTV, LLC

On December 22, 2005, the LLC and Fund Ten formed ICON AEROTV, LLC (“AEROTV LLC”), and each contributed approximately \$2,776,000 for a 50% ownership interest. During February 2006, AEROTV LLC purchased approximately \$794,000 of equipment on lease to AeroTV Ltd. with a lease term that expires on November 30, 2007. During March 2006, AEROTV LLC purchased approximately \$192,000 of additional equipment on lease to AeroTV Ltd. with a lease term that expires on June 30, 2008. AeroTV Ltd., which is based in the United Kingdom, is a provider of on board digital audio/visual systems for airlines, rail and coach operators. At March 31, 2006 the LLC paid \$83,630 in acquisition fees, which were capitalized to other assets and will be amortized over the corresponding lease terms.

ICON EAM, LLC

On November 9, 2005, the LLC and Fund Ten formed ICON EAM, LLC (“EAM LLC”), and each contributed approximately \$5,618,000 in cash for a 50% ownership interest. EAM LLC will purchase industrial gas meters and accompanying data gathering equipment, which will be subject to a lease with EAM Assets Ltd. (“Assets Ltd.”) which expires in 2013. Assets Ltd. is a meter asset manager whose business is maintaining industrial gas meters in the United Kingdom. At March 31, 2006, the cash contributions were held in an escrow account pending the equipment purchase.

On March 9, 2006, in accordance with the lease agreement with Assets Ltd., the shareholders of Energy Asset Management plc, the parent company of Assets Ltd., approved the issuance of warrants to EAM LLC to acquire 7,403,051 shares of Energy Asset Management plc’s stock. On March 9, 2006, the Manager had estimated the value of the warrants to be zero since, among other things, Energy Asset Management plc was privately held with no current market for its shares. Energy Asset Management plc subsequently completed a reverse-merger with a United Kingdom public company. The warrants are exercisable for five years after issuance and have a strike price of £1.50. EAM LLC has classified these warrants as available for sale securities and any unrealized gains and losses during the period are reflected in other comprehensive income, which is a component of members’ equity of EAM LLC. Realized gains and losses during the year are reflected in the statement of operations. At March 31, 2006, the Manager has determined, based upon the Black-Scholes Option Pricing Model, that the fair value of these warrants is approximately \$2,375,000. The assumptions used for the Black-Scholes Option Pricing Model were as follows: strike price £1.50, share price £1.35, estimated holding period of two years, a volatility of 25.0%, and the risk free interest rate of 5.0%. At March 31, 2006, the LLC recorded approximately \$1,188,000, which represents its proportionate fair value of the warrants, which is included in investments in joint ventures and members’ equity in the accompanying condensed consolidated balance sheets.

ICON Leasing Fund Eleven, LLC
(A Delaware Limited Liability Company)
Notes To Condensed Consolidated Financial Statements
March 31, 2006
(Unaudited)

(5) Acquisition of Leasing Portfolio

On January 12, 2006, the Board of Directors of Clearlink Capital Corporation (“Clearlink”), a Canadian corporation, approved the sale to the Manager and ICON Canada, Inc., an affiliate of the Manager, of approximately 1,100 equipment leases (the “Leasing Portfolio”) and other assets and the assumption of various liabilities. The sale was effective March 1, 2006.

Simultaneously with the sale, the LLC acquired the Leasing Portfolio from the Manager and ICON Canada, Inc. for approximately \$144,591,000 (CAD \$166,000,000), which included a cash payment of approximately \$49,361,000 and the assumption of non-recourse debt and other assets and liabilities related to the Leasing Portfolio of approximately \$95,230,000. The Manager was paid an acquisition fee of approximately \$4,400,000 in connection with this transaction.

The Leasing Portfolio is comprised primarily of information technology and technology-related equipment leased in both the United States of America (approximately 20 separate lessees) and Canada (approximately 90 separate lessees). Any other types of equipment in the Leasing Portfolio are considered immaterial to these consolidated financial statements. The Leasing Portfolio had an average remaining lease term of approximately 18 months at acquisition. At March 31, 2006, the Leasing Portfolio consisted of approximately 360 finance leases with approximately 90 lessees and approximately 750 operating leases with approximately 40 lessees.

The LLC’s results of operations include the activities of the Leasing Portfolio from March 1, 2006.

Non-cancelable annual minimum rents receivable due from the finance leases in the Leasing Portfolio are as follows at March 31, 2006:

Year Ending <u>March 31,</u>	
2007	\$ 20,468,523
2008	14,279,128
2009	8,207,552
2010	2,223,501
2011	367,618
Thereafter	<u>86,990</u>
	<u>\$ 45,633,312</u>

Non-cancelable annual minimum rents receivable due from the operating leases in the Leasing Portfolio are as follows at March 31, 2006:

ICON Leasing Fund Eleven, LLC
(A Delaware Limited Liability Company)
Notes To Condensed Consolidated Financial Statements
March 31, 2006
(Unaudited)

(5) Acquisition of Leasing Portfolio - continued

Year Ending <u>March 31,</u>	
2007	\$ 32,511,017
2008	17,576,503
2009	4,352,332
2010	462,733
2011	<u>25,461</u>
	<u>\$ 54,928,046</u>

As part of the Leasing Portfolio acquisition, the LLC accrued a Canadian provincial tax of approximately \$4,544,000 and at March 31, 2006, the LLC recorded a receivable of approximately \$4,544,000, which is included in miscellaneous receivables on the condensed consolidated balance sheet. The LLC was refunded this amount during May 2006.

As part of the Leasing Portfolio, the LLC acquired approximately \$26,141,000 of equipment held for sale or lease. Of this amount, approximately \$19,674,000 relates to one lease which was acquired effective April 1, 2006 and is classified as a finance lease. The LLC will be receiving annual rental payments on this lease of approximately \$2,200,000 through August 31, 2015. Additionally, the LLC assumed liabilities related to this lease of approximately \$12,395,000, which is included in leasing payables in the accompanying condensed consolidated balance sheet. These liabilities will be paid in equal monthly installments of approximately \$111,000 through August 2015.

The LLC also has non-recourse debt which was assumed as part of the Leasing Portfolio acquisition. The non-recourse debt accrues interest at rates ranging from 4.75% per year to 8.05% per year and matures at various dates through January 2012. A significant portion of the Leasing Portfolio is financed with non-recourse debt. The rental payments received from the lessees generally match the repayment terms of the related non-recourse debt and the leased equipment is generally pledged as collateral against the non-recourse debt. The outstanding balance of the non-recourse debt at March 31, 2006 was \$80,400,174, of which \$41,523,060 will be repaid in Canadian dollars.

The aggregate maturities of non-recourse debt consist of the following at March 31, 2006:

Year Ending <u>March 31,</u>	
2007	\$ 42,046,163
2008	25,195,340
2009	9,354,267
2010	2,484,463
2011	1,250,601
Thereafter	<u>69,340</u>
	<u>\$ 80,400,174</u>

ICON Leasing Fund Eleven, LLC
(A Delaware Limited Liability Company)
Notes To Condensed Consolidated Financial Statements
March 31, 2006
(Unaudited)

(6) Accounts Payable and Other Liabilities

At March 31, 2006, the LLC had approximately \$7,438,000 of accounts payable and other liabilities, which included approximately \$1,745,000 of trade payables, approximately \$1,149,000 of professional fees incurred in connection with the acquisition of the Leasing Portfolio and approximately \$4,544,000 accrued for Canadian provincial tax, which was paid during April 2006.

(7) Revolving Loan Facility

On August 31, 2005, the LLC, together with certain of its affiliates (entities sponsored and organized by the Manager), ICON Income Fund Eight B L.P., ICON Income Fund Nine, LLC, and Fund Ten (collectively, the "Borrowers") entered into a Commercial Loan Agreement (the "Agreement"), with California Bank & Trust (the "Lender"). The Agreement provides for a revolving line of credit of up to \$17,000,000 pursuant to a senior secured revolving loan facility (the "Facility") which is secured by certain collateral of the Borrowers, as defined in the Agreement. Each of the Borrowers is jointly and severally liable for all amounts borrowed under the Facility.

In accordance with the terms and conditions of the Agreement, the Borrowers are required to comply with certain financial covenants, including, a minimum debt coverage ratio, a tangible net worth covenant, a leverage ratio and a minimum liquidity covenant. The Borrowers are in compliance with these covenants at March 31, 2006. The Agreement prohibits the Borrowers from declaring or paying any distributions to investors if such a payment would cause the Borrowers to become non-compliant with the financial covenants in the Agreement.

In addition, on August 31, 2005, the Borrowers entered into a Contribution Agreement (the "Contribution Agreement"), pursuant to which the Borrowers have agreed to certain restrictions on the amounts and terms of their respective borrowings under the Facility in order to minimize the risk that a Borrower would be unable to repay its portion of the outstanding obligations under the Facility at any time. These restrictions include, but are not limited to, borrowing in excess of the lesser of (a) an amount each Borrower could reasonably expect to repay in one year from its projected cash flow, or (b) the greater of (i) the borrowing base, as defined in the Agreement, as applied to such Borrowers and (ii) 50% of the net worth of such Borrower. The Contribution Agreement also provides that, in the event a Borrower pays an amount under the Contribution Agreement in excess of its share of the total obligations under the Facility, whether by reason of an event of default or otherwise, the other Borrowers will immediately make a contribution payment to such Borrower and in such amount that the aggregate amount paid by each Borrower reflects its allocable share of the aggregate obligations under the Facility. The Borrowers' obligations to each other under the Contribution Agreement are collateralized by a subordinate lien on the assets of each Borrower.

Under the terms of the Agreement, the Borrowers are required to maintain a cash reserve with the Lender representing 20% of all outstanding advances plus all pending advances. The LLC has established an interest bearing cash account with the Lender totaling \$1,313,185 at March 31, 2006, which satisfies the Lender's cash reserve requirement for all of the Borrowers.

At March 31, 2006, aggregate borrowings by all Borrowers under the Facility amounted to \$6,565,927, of which the LLC currently has no amount outstanding.

ICON Leasing Fund Eleven, LLC
 (A Delaware Limited Liability Company)
 Notes To Condensed Consolidated Financial Statements
 March 31, 2006
 (Unaudited)

(8) Comprehensive Income

Comprehensive income consists of the following:

	Three Months Ended March 31, 2006
Net income	\$ 616,328
Other comprehensive income (loss):	
Change in valuation of warrants held by investee	1,188,119
Foreign currency translation adjustment	(625,758)
Comprehensive income	\$ 1,178,689

(9) Transactions with Related Parties

The LLC has entered into certain agreements with its Manager and ICON Securities Corp., a wholly-owned subsidiary of the Manager, whereby the LLC pays certain fees and reimbursements to these parties. The Manager is entitled to receive 3.5% on capital raised up to \$50,000,000, 2.5% of capital raised between \$50,000,001 to \$100,000,000 and 1.5% of capital raised over \$100,000,000. ICON Securities Corp. is entitled to receive a 2% underwriting fee from the gross proceeds from sales of shares to the additional members.

In accordance with the terms of these agreements, the LLC pays or paid the Manager (i) management fees ranging from 1% to 7% based on a percentage of the rentals recognized either directly by the LLC or through its joint ventures and (ii) acquisition fees, through the end of the operating period, of 3% of the gross value of the LLC's acquisition transactions. In addition, the Manager is reimbursed for administrative expenses incurred in connection with the LLC's operations. The Manager has assigned its rights and obligations to provide the LLC with administrative services and collect reimbursement for those services relating to the Leasing Portfolio to a Canadian affiliate, ICON Funding, ULC, pursuant to a management agreement between the Manager and ICON Funding, ULC.

The Manager performs certain services relating to the management of the LLC's equipment leasing activities. Such services include the collection of lease payments from the lessees of the equipment, re-leasing services in connection with equipment which is off-lease, inspections of the equipment, liaison with and general supervision of lessees to assure that the equipment is being properly operated and maintained, monitoring performance by the lessees of their obligations under the leases and the payment of operating expenses.

Administrative expense reimbursements are costs incurred by the Manager or its affiliates and are necessary to the LLC's operations. These costs include the Manager's and affiliates legal, accounting, investor relations and operations personnel, as well as, professional fees and other costs that are charged to the LLC based upon the percentage of time such personnel dedicate to the LLC. Excluded are salary and related costs, travel expenses and other administrative costs incurred by individuals with a controlling interest in the Manager.

ICON Leasing Fund Eleven, LLC
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Notes To Condensed Consolidated Financial Statements
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(Unaudited)

(9) Transactions with Related Parties - continued

The Manager also has a 1% interest in the LLC's profits, losses and distributions. The LLC paid distributions to the Manager of \$26,273 for the three months ended March 31, 2006. Additionally, the Manager's interest in the LLC's net income for the three months ended March 31, 2006 was \$6,163.

Fees and other expenses paid or accrued by the LLC to the Manager or its affiliates for the three months ended March 31, 2006, were as follows:

Entity	Capacity	Description	Amount
ICON Capital Corp.	Manager	Organization and offering expenses (1)	\$ 688,506
ICON Securities Corp.	Managing broker-dealer	Underwriting fees (1)	\$ 918,007
ICON Capital Corp.	Manager	Acquisition fees (2)	\$ 1,313,428
ICON Capital Corp.	Manager	Management fees (3)	\$ 172,513
ICON Capital Corp. and affiliate	Manager	Administrative fees (3)	\$ 910,553

(1) Amount charged directly to members' equity.

(2) Amount capitalized and amortized to operations.

(3) Amount charged directly to operations.

At March 31, 2006, the LLC had a net payable due to its Manager and affiliates of \$823,509. The Manager was due \$774,734, which consisted of \$56,012 of organization and offering expenses, \$372,444 of accrued administrative expense reimbursements and \$346,278 of acquisition fees. ICON Securities Corp. was due \$74,683 for underwriting fees. Additionally, the LLC had a receivable of \$23,299 due from ICON Funding, ULC relating to the purchase of the Leasing Portfolio.

From April 1, 2006 through May 15, 2006, the LLC has raised an additional \$22,724,498 of capital contributions. During this time period, the LLC has paid or accrued underwriting fees to ICON Securities Corp. of \$454,490 and organizational and offering expenses to the Manager of \$340,868.

(10) Lease Program

The LLC has a program (the "Program"), in which lessees may participate, that streamlines the process of ordering, accepting and leasing equipment under the lessee's Master Lease Agreement. The Program allows lessees to periodically and systematically order equipment either directly from the manufacturer or from the LLC, which acts as a reseller and procures equipment for the lessee, to meet their current equipment requirements without having to negotiate a new lease agreement with the LLC. In order to participate in the Program, lessees must meet certain credit requirements, as defined in the form agreement governing the terms of the Program (the "Program Agreement"), and may not be in default under the Program Agreement or the Master Lease Agreement.

ICON Leasing Fund Eleven, LLC
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Notes To Condensed Consolidated Financial Statements
March 31, 2006
(Unaudited)

(10) Lease Program - continued

In advance of each calendar quarter, the LLC notifies the Program participants of the estimated cost of new equipment purchases available for that participant during the coming quarter as well as the monthly rental payment that will be applied to each piece of equipment purchased. While the amount of equipment actually purchased rarely meets the pre-approved amount, it is an indicator of the amount of business that the LLC anticipates entering into with these lessees in the upcoming quarter. At March 31, 2006, the LLC had approved approximately \$24,737,000 for equipment purchases with lease terms beginning in April 1, 2006 through June 1, 2006, of which approximately \$10,645,000 was for U.S. lessees and approximately \$14,092,000 was for Canadian lessees. The LLC has also subsequently approved approximately \$11,461,000 for equipment purchases with lease terms beginning in July 1, 2006 through August 1, 2006, of which approximately \$4,650,000 was for U.S. lessees and approximately \$6,811,000 was for Canadian lessees.

(11) Geographic Information

Geographic information for revenue, based on the country of origin, and long-lived assets, which include finance leases and operating leases, net of accumulated depreciation, are as follows at March 31, 2006:

	<u>United</u> <u>States</u>	<u>Canada</u>	<u>Total</u>
Revenue:			
Rental income	\$ 1,854,470	\$ 1,965,326	\$ 3,819,796
Finance income	<u>232,578</u>	<u>164,555</u>	<u>397,133</u>
	<u>\$ 2,087,048</u>	<u>\$ 2,129,881</u>	<u>\$ 4,216,929</u>
Long-lived assets:			
Investments in finance leases:			
Minimum rents receivable	\$ 21,958,835	\$ 23,674,477	\$ 45,633,312
Estimated unguaranteed residual values	809,579	2,850,662	3,660,241
Initial direct costs, net	465,776	680,449	1,146,225
Unearned income	<u>(2,099,584)</u>	<u>(2,854,759)</u>	<u>(4,954,343)</u>
	<u>\$ 21,134,606</u>	<u>\$ 24,350,829</u>	<u>\$ 45,485,435</u>
Investments in operating leases, net	<u>\$ 53,503,962</u>	<u>\$ 40,091,976</u>	<u>\$ 93,595,938</u>
Equipment held for sale or lease	<u>\$ 4,272,025</u>	<u>\$ 21,869,253</u>	<u>\$ 26,141,278</u>

ICON Leasing Fund Eleven, LLC
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March 31, 2006
(Unaudited)

(12) Recent Accounting Pronouncements

The Manager does not believe that any recently issued, but not yet effective accounting pronouncements, if currently adopted, would have a material effect on the accompanying condensed consolidated financial statements.

Item 2. Manager's Discussion and Analysis of Financial Condition and Results of Operation

The following is a discussion of our results of operations and current financial position. This discussion should be read in conjunction with our unaudited condensed consolidated financial statements and related notes included elsewhere in this report, Part II, Item 1A. Risk Factors and the audited financial statements and related notes included in our Annual Report on Form 10-K for the year ended December 31, 2005.

As used in this Quarterly Report on Form 10-Q, references to "we," "us," "our" or similar terms include ICON Leasing Fund Eleven, LLC and its consolidated subsidiaries.

Forward-Looking Statements

Certain statements within this Quarterly Report on Form 10-Q may constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 ("PSLRA"). These statements are being made pursuant to the PSLRA, with the intention of obtaining the benefits of the "safe harbor" provisions of the PSLRA, and, other than as required by law, we assume no obligation to update or supplement such statements. Forward-looking statements are those that do not relate solely to historical fact. They include, but are not limited to, any statement that may predict, forecast, indicate or imply future results, performance, achievements or events. You can identify these statements by the use of words such as "may," "will," "could," "anticipate," "believe," "estimate," "expects," "intend," "predict" or "project" and variations of these words or comparable words or phrases of similar meaning. These forward-looking statements reflect our current beliefs and expectations with respect to future events and are based on assumptions and are subject to risks and uncertainties and other factors outside our control that may cause actual results to differ materially from those projected.

Overview

We are an equipment leasing business formed on December 2, 2004. We began active operations on May 6, 2005. We primarily engage in the business of purchasing equipment and leasing it to third party end users and, to a lesser degree, acquiring ownership rights to items of leased equipment at lease expiration. Some of our equipment leases will be acquired for cash and are expected to provide current cash flow, which we refer to as "income" leases. The majority of the purchase price of our other equipment leases will be financed, so these leases will generate little or no current cash flow because substantially all of the rental payments received from a lessee will be paid to a lender. For these "growth" leases, we anticipate that the future value of the leased equipment will exceed the cash portion of the purchase price paid for the equipment.

We expect to invest most of the net proceeds from our offering in items of equipment that will be subject to a lease. After the net offering proceeds have been invested, it is anticipated that additional investments will be made with the cash generated from our initial investments to the extent that cash is not needed for expenses, reserves and distributions to members. The investment in additional equipment in this manner is called "reinvestment." We anticipate purchasing equipment from time to time for the next six years. This time frame is called the "operating period," which we may extend, at our discretion, up to an additional three years. After the operating period, we will then sell our assets in the ordinary course of business during a time frame called the "liquidation period."

At March 31, 2006, our current portfolio, which we hold either directly or through joint venture investments with affiliates and others, consists primarily of the following equipment subject to lease:

Information Technology and Technology-Related Equipment:

- We own approximately 1,100 equipment leases with predominantly large, investment grade lessees which are comprised mainly of information technology and technology-related equipment, including personal computers and client/server equipment.

Telecommunications Equipment:

- We have a 61.4% ownership interest in ICON Global Crossing, LLC (“ICON Global Crossing”), an entity also managed by our Manager, which purchased from various vendors state-of-the-art telecommunications equipment which is then leased to Global Crossing Telecommunications, Inc.

Industrial Gas Meters:

- We have a 50.0% ownership interest in ICON EAM LLC, which purchased industrial gas meters and accompanying data gathering equipment that will then be subject to lease with EAM Assets Ltd., a meter asset manager that is responsible for maintaining industrial gas meters in the United Kingdom.

Digital Audio/Visual Entertainment Systems:

- We have a 50.0% ownership interest in ICON AEROTV LLC, which purchased digital audio/visual entertainment systems which will then be subject to a lease with AeroTV Ltd., a provider of on board digital audio/visual systems for airlines, rail and coach operators in the United Kingdom.

New Accounting Pronouncements

Our Manager does not believe that any recently issued, but not yet effective, accounting pronouncements, if currently adopted, would have a material effect on the accompanying condensed consolidated financial statements.

Results of Operations for the Three Months Ended March 31, 2006 (the “2006 Quarter”)

We commenced operations on May 6, 2005 and are currently raising equity. From commencement of operations through March 31, 2006, we have raised total equity of \$152,999,135. We recently filed a registration statement with the Securities and Exchange Commission to increase our original offering from up to \$200,000,000 to up to \$375,000,000 of shares. With the net proceeds from our offering, we anticipate acquiring both income leases and growth leases. As our leases expire, we may sell the equipment and reinvest the proceeds in additional equipment leases or re-lease the equipment. We anticipate incurring both gains and losses on the sales of equipment during our operating period. Additionally, we expect to see our rental income and finance income increase, as well as related expenses such as depreciation and amortization expense and interest expense. We anticipate that the fees we pay our Manager to operate and manage our business portfolio will increase during this period as our Manager will be spending a greater portion of its time managing our portfolio. Since we only commenced our operations on May 6, 2005, we cannot provide comparative results of operations.

Total revenue for the 2006 Quarter was approximately \$5,338,000 and was comprised of rental income of approximately \$3,820,000, finance income of approximately \$397,000, income from investments in joint ventures of approximately \$263,000, a net gain on sales of equipment of approximately \$104,000 and interest and other income of approximately \$754,000, of which approximately \$578,000 was interest income and approximately \$176,000 was foreign currency

transaction gains. Our revenue was derived primarily from our acquisition of approximately 1,100 leases effective March 1, 2006.

Total expenses for the 2006 Quarter were approximately \$4,722,000 and were comprised of depreciation and amortization of approximately \$3,092,000, interest of approximately \$345,000, bad debt expense of approximately \$70,000, management fees – Manager of approximately \$173,000, administrative expense reimbursements - Manager of approximately \$911,000 and general and administrative expenses of approximately \$132,000.

Net Income

As a result of the foregoing factors, the net income for the 2006 Quarter was \$616,328. The net income per weighted average number of additional members' shares outstanding for the 2006 Quarter was \$4.74.

Liquidity and Capital Resources

Sources and Uses of Cash

At March 31, 2006, we had cash and cash equivalents of \$58,983,196. Our main source of cash is from financing activities, primarily the sale of our additional member shares. Our main use of cash is for investing activities, particularly investments in leased assets.

We are currently in our offering period and during the 2006 Quarter we sold 45,900 additional member shares, representing approximately \$45,900,000 of capital contributions. We paid and accrued various selling expenses of approximately \$5,277,000, which provided us with net proceeds from the sale of our member shares of approximately \$40,623,000.

Beginning with the commencement of operations, we have been paying sales commissions to third parties, and various fees to the Manager and ICON Securities Corp., its affiliate. These sales commissions and fees paid to the Manager and its affiliate are recorded as a reduction of our equity.

During the 2006 Quarter, we paid and accrued sales commissions to unrelated third parties and paid and accrued various fees to our Manager and its affiliate. During this time period, we paid and accrued sales commissions of \$3,670,810 to unrelated third parties, paid and accrued \$918,007 to ICON Securities Corp., an affiliate of our Manager, who receives or is entitled to receive, a 2% underwriting fee from the gross proceeds from sales of all shares to the additional members and we paid and accrued \$688,506 to our Manager, who is entitled to receive a fee for organizational and offering expenses. Of these amounts, \$74,683 in underwriting fees and \$56,012 for organizational and offering fees have been accrued as of March 31, 2006.

At May 15, 2006, we have sold an additional 22,725 membership interests representing \$22,724,498 of capital contributions. From May 6, 2005 through May 15, 2006, we have admitted 4,644 Additional Members.

Our other significant sources of cash were from proceeds of non-recourse notes payable of approximately \$4,064,000 and from net operating activities of approximately \$8,699,000.

Our main use of cash during the 2006 Quarter was for investing and financing activities. We paid approximately \$56,484,000 for equipment subject to lease related to the acquisition of the Leasing Portfolio. We also repaid approximately \$1,930,000 of non-recourse debt and paid distributions to members of approximately \$2,632,000.

Financings and Borrowings

On August 31, 2005, we, together with certain of our affiliates, ICON Income Fund Eight B L.P., ICON Income Fund Nine, LLC, and Fund Ten (collectively, the "Borrowers") entered into a Commercial Loan Agreement (the "Agreement"), with California Bank & Trust (the "Lender"). The Agreement provides for a revolving line of credit of up to \$17,000,000 pursuant to a senior secured revolving loan facility (the "Facility") which is secured by certain collateral of the Borrowers, as defined in the Agreement. Each of the Borrowers is jointly and severally liable for all amounts borrowed under the Facility. Amounts available under the Facility are subject to a borrowing base that is determined, subject to certain limitations, based on the present value of the future receivables under certain lease agreements in which the Borrowers have a beneficial interest. The interest rate on any advances made under the Facility is the Lender's prime rate plus 0.25% per year (which was 8% at March 31, 2006). In accordance with the Agreement, the Borrowers may elect to have up to five separate advances under the Facility each made at the rate at which United States dollar deposits can be acquired by the Lender in the London Interbank Eurocurrency Market, plus 2.75% per year. The Facility expires on August 31, 2007, unless renewed by the Borrowers for an additional one year term, in the sole discretion of the Lender.

As part of the Agreement, the Borrowers are required to comply with certain financial covenants, including, a minimum debt coverage ratio, a tangible net worth covenant, a leverage ratio and a minimum liquidity covenant. The Borrowers are in compliance with these covenants at March 31, 2006. The Agreement prohibits the Borrowers from declaring or paying any distributions to investors if such a payment would cause the Borrowers to become non-compliant with the financial covenants in the Agreement.

In addition, on August 31, 2005, the Borrowers entered into a Contribution Agreement (the "Contribution Agreement"), pursuant to which the Borrowers have agreed to certain restrictions on the amounts and terms of their respective borrowings under the Facility in order to minimize the risk that a Borrower would be unable to repay its portion of the outstanding obligations under the Facility at any time. These restrictions include, but are not limited to, borrowing in excess of the lesser of (a) an amount each Borrower could reasonably expect to repay in one year from its projected cash flow, or (b) the greater of (i) the borrowing base, as defined in the Agreement, as applied to such Borrowers and (ii) 50% of the net worth of such Borrower. The Contribution Agreement also provides that, in the event a Borrower pays an amount under the Contribution Agreement in excess of its share of the total obligations under the Facility, whether by reason of an event of default or otherwise, the other Borrowers will immediately make a contribution payment to such Borrower and in such amount that the aggregate amount paid by each Borrower reflects its allocable share of the aggregate obligations under the Facility. The Borrowers' obligations to each other under the Contribution Agreement are collateralized by a subordinate lien on the assets of each Borrower.

Under the terms of the Agreement, the Borrowers are required to maintain a cash reserve with the Lender representing 20% of all outstanding advances plus all pending advances. We have established an interest bearing cash account with the Lender totaling \$1,313,185 at March 31, 2006, which satisfies the Lender's cash reserve requirement for all the Borrowers.

At March 31, 2006, aggregate borrowings by all Borrowers under the Facility amounted to \$6,565,927, of which we currently have no amount outstanding.

Our Manager believes that with the cash we have currently available, cash being generated from our leases, cash distributions from our joint ventures and proceeds from equipment sales, we have sufficient cash to continue our operations into the foreseeable future. However, our ability to generate cash in the future is subject to general economic, financial, competitive, regulatory and other factors that affect our lessees' businesses that are beyond our control.

Distributions

We began to pay monthly distributions to our members starting with the first month after the additional members' admission and will continue to pay such distributions until the termination of the operating period. We paid distributions to our additional members of \$2,605,313 for the 2006 Quarter. We paid distributions to our Manager of \$26,273 for the 2006 Quarter.

Commitments

We have a program (the "Program"), in which lessees may participate, that streamlines the process of ordering, accepting and leasing equipment under the lessee's Master Lease Agreement. The Program allows lessees to periodically and systematically order equipment either directly from the manufacturer or from us, acting as a reseller and procuring equipment for the lessee, to meet their current equipment requirements without having to negotiate a new lease agreement with us. In order to participate in the Program, lessees must meet certain credit requirements, as defined in the form agreement governing the terms of the Program (the "Program Agreement"), and may not be in default under the Program Agreement or the Master Lease Agreement. In advance of each calendar quarter, we notify the Program participants of the estimated cost of new equipment purchases available for that participant during the coming quarter as well as the monthly rental payment that will be applied to each piece of equipment purchased. While the amount of equipment actually purchased rarely meets the pre-approved amount, it is an indicator of the amount of business that we anticipate entering into with these lessees in the upcoming quarter. At March 31, 2006, we approved approximately \$24,737,000 for equipment purchases with lease terms beginning in April 1, 2006 through June 1, 2006, of which approximately \$10,645,000 was for U.S. lessees and approximately \$14,092,000 was for Canadian lessees. We also subsequently approved approximately \$11,461,000 for equipment purchases with lease terms beginning in July 1, 2006 through August 1, 2006, of which approximately \$4,650,000 was for U.S. lessees and approximately \$6,811,000 was for Canadian lessees.

Item 3. Qualitative and Quantitative Disclosures About Market Risk

We, like most other companies, are exposed to certain market risks, which include changes in interest rates and the demand for equipment (and the related residuals) owned by us. We believe that our exposure to other market risks, including foreign currency exchange rate risk, commodity risk and equity price risk, are insignificant, at this time, to both our financial position and our results of operations. There are no other material changes to the disclosure related to these items since the filing of our Annual Report on Form 10-K for the year ended December 31, 2005.

Item 4. Controls and Procedures

Evaluation of disclosure controls and procedures

In connection with the preparation of this Quarterly Report on Form 10-Q for the period ended March 31, 2006, as well as the financial statements for the period ended March 31, 2006 for our Manager and our affiliates, our Manager carried out an evaluation, under the supervision and with the participation of the management of our Manager, including its Chief Executive Officer and the Principal Financial and Accounting Officer, of the effectiveness of the design and operation of our Manager's disclosure controls and procedures as of the end of the period covered by this report pursuant to the Securities Exchange Act of 1934 (the "Exchange Act"). Based on the foregoing evaluation, except as noted below, the Chief Executive Officer and the Principal Financial and Accounting Officer concluded that our Manager's disclosure controls and procedures were effective.

Although this Quarterly Report on Form 10-Q has not been filed within the time period provided under the Exchange Act, we believe that our disclosure controls and procedures are still effective. This Quarterly Report on Form 10-Q was not timely filed because of the complexities involved, including cross-border accounting issues, in the integration of the Leasing Portfolio acquisition.

While evaluating our Manager's disclosure controls and procedures, our Manager recognized that greater internal controls were needed to aid in a more efficient closing of our and our affiliates financial statements, thereby requiring our Manager to hire additional skilled accounting staff to support the senior vice president of accounting hired by our Manager at the end of the third quarter of 2004. In addition, our Manager hired two additional accounting staff members during 2005 who are certified public accountants and experienced with public reporting entities. Our Manager will continue to evaluate its disclosure controls and procedures to determine their effectiveness and adequacy and will take the steps necessary, in our Manager's opinion, to ensure the adequacy of our Manager's disclosure controls and procedures.

In designing and evaluating our Manager's disclosure controls and procedures, our Manager recognized that disclosure controls and procedures, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the disclosure controls and procedures are met. Our Manager's disclosure controls and procedures have been designed to meet reasonable assurance standards. Disclosure controls and procedures cannot detect or prevent all error and fraud. Some inherent limitations in disclosure controls and procedures include costs of implementation, faulty decision-making, simple error and mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of the controls. The design of any system of controls is based, in part, upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all anticipated and unanticipated future conditions. Over time, controls may become inadequate because of changes in conditions, or the degree of compliance with established policies or procedures.

Our Manager's Chief Executive Officer and Principal Financial and Accounting Officer have determined that no weakness in disclosure controls and procedures had any material effect on the accuracy and completeness of our financial reporting and disclosure included in this report.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings

In the ordinary course of conducting our business, there may be certain claims, suits and complaints filed against us. In the opinion of management, the outcome of such matters, if any, will not have a material impact on our consolidated financial position or results of operations. No material legal proceedings are currently pending or threatened, to our knowledge, against us or against any of our assets.

Item 1A. Risk Factors

Other than with respect to the risk factor below, there have been no material changes from the risk factors disclosed in "Item 1A. Risk Factors" of our Annual Report on Form 10-K for the year ended December 31, 2005. The risk factor presented below should be read in conjunction with the risk factors and information disclosed in our Annual Report on Form 10-K.

Because we will borrow to purchase equipment, losses as a result of lessee defaults may be greater than if debt were not incurred. Restrictions imposed by the terms of our indebtedness may limit our financial flexibility.

Although we expect to acquire some of our investments for cash, we are likely to borrow a substantial portion of the purchase price of our equipment investments and there is no limit to the amount of debt that may be incurred when purchasing equipment. While we believe the use of leverage will result in us being able to make more acquisitions and that each acquisition will have fewer dollars at risk than if leverage were not utilized, there can be no assurance that the benefits of greater size and diversification of the portfolio will offset the heightened risk of loss in an individual lease transaction using leverage. With respect to our non-recourse borrowings, a lessee default could

force us to make debt service payments so as to protect our investment in equipment and prevent us from being subject to repossession.

We together with certain of our affiliates (entities sponsored and organized by our Manager), ICON Income Fund Eight B L.P., ICON Income Fund Nine, LLC and ICON Income Fund Ten, LLC, are party to an Agreement with California Bank & Trust. The terms of our Agreement could restrict us from paying distributions to investors if such payments would cause us not to be in compliance with our financial covenants. See “Item 2. Manager’s Discussion and Analysis of Financial Condition and Results of Operations – Liquidity and Capital Resources.”

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

See “Item 2. Manager’s Discussion and Analysis of Financial Condition and Results of Operations – Liquidity and Capital Resources” for a description of the use of proceeds from our offering.

Item 3. Defaults Upon Senior Securities

Not applicable.

Item 4. Submission of Matters to a Vote of Security Holders

On March 8, 2006, we commenced a consent solicitation of our members to amend and restate our Limited Liability Company Agreement (the “LLC Agreement”) in order to increase the maximum offering amount from up to \$200,000,000 to up to \$375,000,000. The consent solicitation was completed on April 21, 2006 with the requisite consents received from our members, and we executed the Amended LLC Agreement. Of the 137,686.95 shares of limited liability company shares that were issued and outstanding as of the record date of March 3, 2006, 70,956.212 shares voted in favor, 1,562.790 shares voted against, and 2,922.199 shares abstained to the amendments to the LLC Agreement.

Item 5. Other Information

Not applicable.

Item 6. Exhibits

4.1 ICON Leasing Fund Eleven, LLC Amended and Restated Limited Liability Company Agreement.*

31.1 Section 302 Certification of Chairman and Chief Executive Officer.

31.2 Section 302 Certification of Executive Vice President and Principal Financial and Accounting Officer.

32.1 Certification of Chairman and Chief Executive Officer pursuant to 18 U.S.C. §1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

32.2 Certification of Executive Vice President and Principal Financial and Accounting Officer pursuant to 18 U.S.C. §1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

- Incorporated by reference as Exhibit 4.1 to our Registration Statement on Form S-1 (File No. 333-133730) filed May 2, 2006.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the LLC has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

ICON Leasing Fund Eleven, LLC File No. 000-51916 (Registrant) by its Manager, ICON Capital Corp.

Date: June 14, 2006

/s/ Beaufort J.B. Clarke

Beaufort J.B. Clarke

Chairman, Chief Executive Officer and Director

(Principal Executive Officer)

Date: June 14, 2006

/s/ Thomas W. Martin

Thomas W. Martin

Chief Operating Officer and Chief Financial Officer

(Principal Financial and Accounting Officer)

Exhibit 31.1

Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. §1350)

I, Beaufort J.B. Clarke, certify that:

1. I have reviewed this quarterly report on Form 10-Q of ICON Leasing Fund Eleven, LLC;
2. Based on my knowledge, this report does not contain any untrue statements of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and we have:
 - a. designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by this report based on such evaluation; and
 - c. disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the board of directors of the Corporate Manager (or persons performing the equivalent function):
 - a. all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: June 14, 2006

/s/ Beaufort J.B. Clarke

Beaufort J. B. Clarke
Chairman and Chief Executive Officer
ICON Capital Corp.
Manager of ICON Leasing Fund Eleven, LLC

Exhibit 31.2

Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. §1350)

I, Thomas W. Martin, certify that:

1. I have reviewed this quarterly report on Form 10-Q of ICON Leasing Fund Eleven, LLC;
2. Based on my knowledge, this report does not contain any untrue statements of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and we have:
 - a. designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by this report based on such evaluation; and
 - c. disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the board of directors of the Corporate Manager (or persons performing the equivalent function):
 - a. all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: June 14, 2006

/s/ Thomas W. Martin

Thomas W. Martin
Chief Operating Officer and Chief Financial Officer
(Principal Financial and Accounting Officer)
ICON Capital Corp.
Manager of ICON Leasing Fund Eleven, LLC

Exhibit 32.1

Certification Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. §1350)

I, Beaufort J.B. Clarke, Chairman and Chief Executive Officer of ICON Capital Corp., the Manager of the Registrant, in connection with the Quarterly Report of ICON Leasing Fund Eleven, LLC (the "LLC") on Form 10-Q for the period ended March 31, 2006, as filed with the Securities and Exchange Commission on the date hereof (the "Quarterly Report") certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge:

1. The Quarterly Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. §78m); and
2. The information contained in the Quarterly Report fairly presents, in all material respects, the financial condition and results of operations of the LLC.

Dated: June 14, 2006

/s/ Beaufort J.B. Clarke

Beaufort J.B. Clarke

Chairman and Chief Executive Officer

ICON Capital Corp.

Manager of ICON Leasing Fund Eleven, LLC

Exhibit 32.2

Certification Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. §1350)

I, Thomas W. Martin, Chief Operating Officer and Chief Financial Officer (Principal Financial and Accounting Officer) of ICON Capital Corp., the Manager of the Registrant, in connection with the Quarterly Report of ICON Leasing Fund Eleven, LLC (the "LLC") on Form 10-Q for the period ended March 31, 2006, as filed with the Securities and Exchange Commission on the date hereof (the "Quarterly Report") certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge:

1. The Quarterly Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. §78m); and
2. The information contained in the Quarterly Report fairly presents, in all material respects, the financial condition and results of operations of the LLC.

Dated: *June 14, 2006*

/s/ Thomas W. Martin

Thomas W. Martin
Chief Operating Officer and Chief Financial Officer
(Principal Financial and Accounting Officer)
ICON Capital Corp.
Manager of ICON Leasing Fund Eleven, LLC