



**LEASING FUND  
ELEVEN, LLC**

**PORTFOLIO OVERVIEW**

**SECOND QUARTER**

**2009**

Dear investor in ICON Leasing Fund Eleven, LLC:

We write to briefly summarize our activity for the second quarter of 2009. A more detailed analysis, which we encourage you to read, is contained in our Form 10-Q. Our Form 10-Q, as well as our other quarterly, annual and current reports are available in the Investor Relations section of our website, [www.iconcapital.com](http://www.iconcapital.com).

As of June 30, 2009, Fund Eleven was in its operating period. As of June 30, we had invested \$429,842,267<sup>1</sup> of capital, or 134.38% of capital available for investment, in approximately \$796,316,973<sup>2</sup> worth of business-essential equipment and corporate infrastructure. Further, our distribution coverage ratio<sup>3</sup> for the quarter was 102.55%. As of June 30, Fund Eleven maintained a leverage ratio of 0.61<sup>4</sup>. Fund Eleven collected approximately 99.05%<sup>5</sup> of all scheduled rent and loan receivables due for the quarter, with the uncollected receivables relating to our restructuring of an investment in Heuliez, a French automotive manufacturer that recently emerged from bankruptcy in French Commercial Court.

While we are pleased to report that we suffered no material defaults in the second quarter of 2009, our portfolio has not been completely spared from the current economic environment. In particular, we are closely monitoring our shipping investments given the state of the market for these assets and the continued unprecedented decline in charter rates and asset values. More specifically, our investments in certain container vessels that were purchased during a strong market will be challenged to achieve a return on investment given their age and the negative outlook for this asset class. On the other hand, our investments in other vessels, namely double-hulled tankers, should fare better since the prospects for recovery in this asset class are more positive.

In addition, on June 24, 2009, we terminated the four bareboat charters with affiliates of Top Ships, took an assignment of the current time charter for each vessel, terminated the existing loans, and entered into a new two year loan for each vessel. In consideration for the termination, we received termination fees consisting of (i) bareboat charter hire in the aggregate amount of \$4,093,440, (ii) a termination payment in the amount of \$8,500,000, (iii) a payment for repairs and surveys of the vessels in the amount of \$2,250,000, and (iv) an additional payment for expenses in the amount of \$1,000,000. In addition, Top Ships waived its right to collect the non-recourse loan obligations of \$10,000,000 that we owed in connection with the vessels. For a more detailed description, please refer to the portfolio overview section that follows this letter.

Since Fund Eleven is fully invested, we did not make any new investments in equipment during the second quarter of 2009.

We invite you to read through our portfolio overview on the pages that follow for a more detailed explanation of the above described investments. As always, thank you for entrusting ICON with your investment assets. We look forward to sharing future successes.

Sincerely,



Michael A. Reisner  
Co-President and Co-Chief Executive Officer



Mark Gatto  
Co-President and Co-Chief Executive Officer

<sup>1</sup> Pursuant to Fund Eleven's financials, prepared in accordance with US GAAP.

<sup>2</sup> Pursuant to Fund Eleven's financials, prepared in accordance with US GAAP.

<sup>3</sup> The ratio of inflows from investments divided by paid distributions.

<sup>4</sup> Pursuant to Fund Eleven's financials, prepared in accordance with US GAAP. Leverage ratio is defined as total liabilities divided by total equity.

<sup>5</sup> Collections as of August 16, 2009.

## ICON LEASING FUND ELEVEN, LLC

- Portfolio Overview Second Quarter 2009 -

We are pleased to present ICON Leasing Fund Eleven, LLC's (the "Fund") Portfolio Overview for the second quarter of 2009. References to "we," "us" and "our" are references to the Fund, references to the "Manager" are references to the manager of the Fund, ICON Capital Corp.

### **The Fund**

We raised \$365,198,690 commencing with our initial offering on April 21, 2005 through the closing of the offering on April 21, 2007.

During the second quarter of 2009, we continued in our operating period, during which time we continued to seek to finance equipment subject to lease or to structure financings secured primarily by equipment. Cash generated from these investments facilitates distributions to our members. Availability of cash to be used for reinvestment depends on the requirements for expenses, reserves and distributions to members.

Our operating period is anticipated to continue for a period of five years from the closing of the offering, unless extended at our Manager's sole discretion. Following our operating period, we will enter our liquidation period, during which time the leases and loans we own will mature or be sold in the ordinary course of business.

### **Portfolio Overview**

Our portfolio consists of investments that we have made directly, as well as those that we have made with our affiliates. As of June 30, 2009, our portfolio consisted primarily of the following investments.

- Equipment and machinery used by The Teal Jones Group and Teal Jones Lumber Services, Inc. (collectively, "Teal Jones") in their lumber processing operations in Canada and the United States. We, through two wholly-owned subsidiaries, entered into a lease financing arrangement with Teal Jones totaling approximately \$36,000,000 in November 2006. The equipment and machinery are being leased back to Teal Jones pursuant to an eighty-four month lease that is scheduled to expire in November 2013.
- ICON Northern Leasing, LLC, a joint venture among us, ICON Income Fund Ten, LLC ("Fund Ten") and ICON Leasing Fund Twelve, LLC ("Fund Twelve"), affiliates of our Manager, purchased four promissory notes (the "Notes") and received an assignment of the underlying Master Loan and Security Agreement, dated July 28, 2006. We, Fund Ten and Fund Twelve have ownership interests of 35%, 12.25% and 52.75%, respectively. The aggregate purchase price for the Notes was approximately \$31,573,000 and is secured by an underlying pool of leases for credit card machines. The Notes accrue interest at rates ranging from 7.97% to 8.40% per year and require monthly payments ranging from approximately \$183,000 to \$422,000. The Notes mature between October 15, 2010 and August 14, 2011 and require balloon payments at the end of each note ranging from approximately \$594,000 to \$1,255,000. Our share of the purchase price was approximately \$11,051,000.
- ICON Pliant, LLC ("ICON Pliant") acquired from and simultaneously leased back to Pliant Corporation ("Pliant") equipment that manufactures plastic films and flexible packaging for consumer products for a purchase price of \$12,115,000. We and Fund Twelve have ownership interests of 55% and 45% in ICON Pliant, respectively. The lease expires on September 30, 2013. On February 11, 2009, Pliant commenced a voluntary Chapter 11 proceeding in U.S. Bankruptcy Court to eliminate all of its high-yield debt. In connection with this action, Pliant submitted a financial restructuring plan to eliminate its debt as part of a pre-negotiated package with its high-yield creditors. ICON Pliant's lease is not currently subject to this proceeding. Pliant has indicated that it will continue to operate in a business-as-usual manner during the restructuring process, and to date has made all rent payments.
- Machining and metal working equipment subject to lease with W Forge Holdings, Inc. ("W Forge") and MW Scott, Inc. ("Scott", together with W Forge, collectively referred to as the "MW Group"), each of which is a wholly-owned subsidiary of MW Universal, Inc. ("MWU"). We acquired the equipment for the aggregate purchase price of approximately \$22,200,000. The equipment is subject to sixty month leases with the MW Group that commenced on January 1, 2008. In addition, we acquired the manufacturing assets of MW General, Inc. ("General") and AMI Manchester, LLC ("Manchester"), each of which is also a wholly-owned subsidiary of MWU, for purchase prices of \$400,000 and \$1,700,000, respectively. These assets are subject to leases that commenced on January 1, 2008 and will continue for a period of sixty months. On February 2, 2009, we, Fund Ten, Fund Twelve, and IEMC Corp., a subsidiary of our Manager, entered into an Amended Forbearance Agreement with MWU, W Forge, Scott, MW Gilco, LLC, General, Manchester and four other subsidiaries of MWU with respect to certain lease defaults. In consideration for

restructuring W Forge's lease payment schedule, we received, among other things, a \$200,000 arrangement fee payable at the conclusion of the lease term and warrants to purchase an additional 20% of the outstanding stock of W Forge, at an exercise price of \$.01 per share exercisable for a period of five years from the grant date.

- We, along with Fund Ten and ICON Income Fund Eight A L.P., an affiliate of our Manager, have ownership interests of 61.39%, 30.62% and 7.99%, respectively, in a joint venture that owns telecommunications equipment subject to a forty-eight month lease with Global Crossing Telecommunications, Inc. ("Global Crossing"). Our interest was acquired for approximately \$15,400,000. The lease is scheduled to expire on March 31, 2010. We also own a 13.26% interest in another joint venture with Fund Ten and ICON Income Fund Nine, LLC ("Fund Nine"), an affiliate of our Manager, who have interests of 72.34% and 14.40%, respectively, that owns telecommunications equipment subject to a forty-eight month lease with Global Crossing. That lease is scheduled to expire on October 31, 2010. Our wholly-owned subsidiary, ICON Global Crossing III, LLC, owns telecommunications equipment which was acquired for an aggregate purchase price of approximately \$26,080,000. The equipment is subject to eight leases with Global Crossing. Two of the leases are for forty-eight months, while the other six leases are for thirty-six months, all of which expire between December 2010 and September 2011. In addition, we formed a joint venture, ICON Global Crossing V, LLC ("ICON Global Crossing V"), with Fund Ten. We own a 55% interest in ICON Global Crossing V, which leases telecommunications equipment to Global Crossing. This equipment was purchased for approximately \$12,982,000 and is subject to a thirty-six month lease that expires on December 31, 2010.
- Auto parts manufacturing equipment leased to Heuliez SA ("HAS") and Heuliez Investissements SNC ("HISNC," together with HSA, collectively referred to as "Heuliez"). We, through our wholly-owned subsidiary, purchased the equipment for approximately \$11,994,000 and it is subject to a sixty month lease that is scheduled to expire on March 31, 2012. On April 15, 2009, Groupe Henri Heuliez, HSA and HISNC filed for "Redressement Judiciaire," a proceeding similar to Chapter 11 reorganization under the U.S. Bankruptcy Code. Heuliez subsequently filed for Redressement Judiciaire on June 10, 2009. Since the time of the Redressement Judiciaire filings, two government agencies agreed to provide Heuliez with financial support and a third party, Bernard Krief Consultants ("BKC"), has agreed to purchase Heuliez. On July 8, 2009, the French Commercial Court approved the sale of Heuliez to BKC, which approval included the transfer of our leases. Our Manager will continue to review and evaluate the situation and take such action as it deems necessary to preserve the projected economic return on our investment.
- Two Aframax 95,649 DWT (deadweight tonnage) product tankers, the Senang Spirit and the Sebarok Spirit, that are bareboat chartered to an affiliate of Teekay Corporation ("Teekay"). We, through two wholly-owned subsidiaries, purchased the Senang Spirit and the Sebarok Spirit for an aggregate purchase price of approximately \$88,000,000, comprised of approximately \$21,300,000 in cash and a non-recourse loan in the amount of approximately \$66,700,000. The sixty month bareboat charters with the affiliate of Teekay are scheduled to expire in April 2012.



(Above): M/T Sebarok Spirit

- ICON EAR, LLC ("ICON EAR") acquired and simultaneously leased back semiconductor manufacturing equipment to Equipment Acquisition Resources, Inc. ("EAR"). We paid approximately \$3,121,000 for our interest in the equipment. ICON EAR also acquired and simultaneously leased back to EAR semiconductor manufacturing equipment for a total purchase price of \$8,795,000. The equipment consists of silicone wafer slicers, dicers, backgrinders, lappers, and polishers that are designed to size microchips from embryo wafers. We and Fund Twelve have ownership interests of 45% and 55%, respectively, in ICON EAR. The leases commenced on July 1, 2008 and will continue for a period of sixty months. In addition, our wholly-owned subsidiary, ICON EAR II, LLC, acquired and simultaneously leased back semiconductor manufacturing equipment to EAR for a purchase price of approximately \$6,348,000. That lease commenced on July 1, 2008 and will continue for a period of sixty months.

- Four 3,300 TEU (twenty-foot equivalent units) container vessels, the ZIM Andaman Sea, the ZIM Hong Kong, the ZIM Israel and the ZIM Japan Sea, that are subject to bareboat charters with ZIM Integrated Shipping Services, Ltd. The bareboat charters for the ZIM Japan Sea and the ZIM Andaman Sea are each scheduled to expire in November 2010 and the bareboat charters for the ZIM Hong Kong and the ZIM Israel are each scheduled to expire in January 2011. The purchase price for the four vessels was approximately \$142,500,000, comprised of approximately \$35,876,000 in cash, a first priority non-recourse loan in the amount of approximately \$93,325,000, and a second priority non-recourse loan in the amount of approximately \$12,000,000.
- Four 45,720 – 47,094 DWT product carrying vessels, the M/T Doubtless, the M/T Faithful, the M/T Spotless and the M/T Vanguard. The original purchase price for the four vessels was approximately \$112,650,000, comprised of approximately \$22,650,000 in cash, a first priority non-recourse loan in the amount of approximately \$80,000,000, and a second priority non-recourse loan in the amount of approximately \$10,000,000. On June 24, 2009, our wholly-owned subsidiaries, ICON Doubtless, LLC, ICON Faithful, LLC, ICON Spotless, LLC and Isomar Marine Co. Ltd. (each, an “ICON Entity” and collectively, the “ICON Entities”), terminated their bareboat charters with subsidiaries of Top Ships, Inc. (“Top Ships”) for the vessels. Each ICON Entity took an assignment of the current time charter for its respective vessel. Simultaneously with the terminations and assignments, the loan to the ICON Entities for the vessels was terminated and a new two year loan was entered into in the aggregate amount of \$26,500,000. The interest rate on the loan was fixed at a rate of 7.62%. In addition, at closing, Top Ships, on behalf of the bareboat charterers, paid termination fees consisting of (i) bareboat charter hire in the aggregate amount of \$4,093,440, (ii) a termination payment in the amount of \$8,500,000, (iii) a payment for repairs and surveys of the vessels in the amount of \$2,250,000, and (iv) an additional payment for expenses in the amount of \$1,000,000. In addition, Top Ships waived its right to collect the non-recourse loan obligations of \$10,000,000 that were owed by the ICON Entities in connection with the vessels. The charters expire on various dates between January 2010 and May 2010.

### **Revolving Line of Credit**

We and ICON Income Fund Eight B, L.P., Fund Nine, Fund Ten and Fund Twelve, entities sponsored by our Manager (collectively, the “Borrowers”), are parties to a Commercial Loan Agreement, as amended (the “Loan Agreement”), with California Bank & Trust. The Loan Agreement provides for a revolving line of credit of up to \$30,000,000 pursuant to a senior secured revolving loan facility (the “Facility”), which is secured by all assets of the Borrowers not subject to a first priority lien. The interest rate at June 30, 2009 was 3.25%. Aggregate borrowings under the Facility amounted to \$10,330,000 at June 30, 2009, \$7,260,000 of which was attributable to the Fund.

On August 12, 2009, the Borrowers and ICON Equipment and Corporate Infrastructure Fund Fourteen, L.P. (“Fund Fourteen”) entered into a Loan Modification Agreement with California Bank & Trust. The changes to the Loan Agreement included an extension of the Facility from April 30, 2010 to June 30, 2011, the requirement that the interest rate on all current and future borrowings under the Facility will be not less than 4.0% per year, and the addition of Fund Fourteen as a permitted borrower under the Facility.

### **Transactions with Related Parties**

We have entered into certain agreements with our Manager and with ICON Securities Corp. (“ICON Securities”), a wholly-owned subsidiary of our Manager, whereby we pay certain fees and reimbursements to those parties. Our Manager was entitled to receive 3.5% on capital raised up to \$50,000,000, 2.5% of capital raised between \$50,000,001 and \$100,000,000 and 1.5% of capital raised over \$100,000,000. ICON Securities was entitled to receive a 2% underwriting fee from the gross proceeds from sales of shares to additional members.

In accordance with the terms of our limited liability company agreement, we pay or paid our Manager (i) management fees ranging from 1% to 7% based on the type of transaction and (ii) acquisition fees, through the end of the operating period, of 3% of the purchase price of our investments. The purchase price includes the cash paid, indebtedness incurred, assumed or to which our gross revenues from the investment are subject, or the value of the equipment secured by or subject to such investment, and the amount of the related acquisition fees on such investment, plus that portion of the expenses incurred by our Manager or any of its affiliates in making investments on an arm’s length basis with a view to transferring such investments to us, which is allocated to the investments in question in accordance with allocation procedures employed by our Manager or such affiliate from time to time and within generally accepted accounting principles. In addition, our Manager will be reimbursed for administrative expenses incurred in connection with our operations.

Our Manager performs certain services relating to the management of our equipment leasing and other financing activities. Such services include, but are not limited to, 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,

liaising with and general supervision of lessees and borrowers to ensure that the equipment is being properly operated and maintained, monitoring performance by the lessees of their obligations under the leases, loans and the payment of operating expenses.

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

Our Manager also has a 1% interest in our profits, losses, cash distributions and liquidation proceeds. We paid distributions to our Manager in the amounts of \$83,453 and \$166,916 for the three and six months ended June 30, 2009, respectively. Our Manager's interest in our net income for the three and six months ended June 30, 2009 was \$272,082 and \$297,419, respectively.

Fees and other expenses paid or accrued by us to our Manager or its affiliates for the three and six months ended June 30, 2009 and 2008 were as follows:

Entity	Capacity	Description	Three Months Ended June 30,		Six Months Ended June 30,	
			2009	2008	2009	2008
ICON Capital Corp.	Manager	Acquisition fees (1)	\$ -	\$ 753,150	\$ -	\$ 1,040,101
ICON Capital Corp.	Manager	Management fees (2)	1,037,758	1,367,798	2,015,688	3,179,186
ICON Capital Corp.	Manager	Administrative expense reimbursements (2)	736,270	1,041,373	1,285,474	2,609,883
Total fees paid to the Manager			<u>\$ 1,774,028</u>	<u>\$ 3,162,321</u>	<u>\$ 3,301,162</u>	<u>\$ 6,829,170</u>

(1) Capitalized and amortized to operations over the estimated service period in accordance with the Fund's accounting policies.

(2) Charged directly to operations.

At June 30, 2009, we had a payable due to our Manager and its affiliates of \$487,679 that consisted primarily of accruals due to our Manager for management fees and administrative expense reimbursements. Members may obtain a summary of administrative expense reimbursements upon request.

Your participation in the Fund is greatly appreciated and we look forward to sharing continued successes.

*We are committed to protecting the privacy of our investors in compliance with all applicable laws. Please be advised that, unless required by a regulatory authority such as the FINRA or ordered by a court of competent jurisdiction, we will not share any of your personally identifiable information with any third party.*

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

Assets

	<u>June 30,</u> <u>2009</u>	<u>December 31,</u> <u>2008</u>
Current assets:		
Cash and cash equivalents	\$ 3,832,875	\$ 7,670,929
Current portion of net investment in finance leases	9,482,860	7,576,361
Deferred time charter expense	4,950,314	-
Accounts receivable	3,818,893	1,787,007
Restricted cash	4,085,971	226,048
Other current assets	<u>2,437,084</u>	<u>1,205,725</u>
Total current assets	<u>28,607,997</u>	<u>18,466,070</u>
Non-current assets:		
Net investment in finance leases, less current portion	19,667,728	23,908,072
Leased equipment at cost (less accumulated depreciation of \$149,348,339 and \$120,637,537, respectively)	304,206,585	333,224,351
Mortgage note receivable	12,722,006	12,722,006
Investments in joint ventures	15,831,399	18,659,329
Deferred income taxes	621,770	206,101
Other non-current assets, net	<u>845,697</u>	<u>992,230</u>
Total non-current assets	<u>353,895,185</u>	<u>389,712,089</u>
Total Assets	<u>\$ 382,503,182</u>	<u>\$ 408,178,159</u>

Liabilities and Equity

Current liabilities:		
Current portion of non-recourse long-term debt	\$ 33,034,447	\$ 42,995,346
Derivative instruments	6,537,744	9,257,854
Revolving line of credit, recourse	7,260,000	5,000,000
Deferred revenue	3,108,315	4,494,922
Due to Manager and affiliates	487,679	288,802
Income taxes payable	59,817	188,665
Accrued expenses and other liabilities	<u>2,168,848</u>	<u>851,856</u>
Total current liabilities	<u>52,656,850</u>	<u>63,077,445</u>
Non-current liabilities:		
Non-recourse long-term debt, net of current portion	<u>91,572,424</u>	<u>120,454,287</u>
Total Liabilities	<u>144,229,274</u>	<u>183,531,732</u>
Commitments and contingencies		
Equity:		
Members' Equity:		
Additional members	230,335,860	217,496,668
Manager	(905,105)	(1,035,608)
Accumulated other comprehensive loss	<u>(3,495,466)</u>	<u>(6,275,279)</u>
Total Members' Equity	225,935,289	210,185,781
Noncontrolling Interests	<u>12,338,619</u>	<u>14,460,646</u>
Total Equity	<u>238,273,908</u>	<u>224,646,427</u>
Total Liabilities and Equity	<u>\$ 382,503,182</u>	<u>\$ 408,178,159</u>

ICON Leasing Fund Eleven, LLC  
(A Delaware Limited Liability Company)  
Consolidated Statements of Operations  
(unaudited)

	<u>Three Months Ended June 30,</u>		<u>Six Months Ended June 30,</u>	
	2009	2008	2009	2008
<b>Revenue:</b>				
Rental income	\$ 19,221,569	\$ 22,714,161	\$ 38,978,829	\$ 50,220,436
Time charter revenue	300,961	-	300,961	-
Finance income	663,448	1,318,469	1,378,597	3,229,508
Income from investments in joint ventures	608,264	1,315,520	1,286,296	1,393,985
Net gain on sales of new equipment	-	100,355	75,185	278,082
Net loss on sales of leased equipment	-	(493,336)	-	(720,385)
Net loss on sale of portfolio	-	(11,649,797)	-	(11,649,797)
Net gain on lease termination	26,138,416	-	26,138,416	-
Interest and other income	<u>845,382</u>	<u>762,364</u>	<u>1,645,027</u>	<u>1,520,610</u>
<b>Total revenue</b>	<u>47,778,040</u>	<u>14,067,736</u>	<u>69,803,311</u>	<u>44,272,439</u>
<b>Expenses:</b>				
Management fees - Manager	1,037,758	1,367,798	2,015,688	3,179,186
Administrative expense reimbursements - Manager	736,270	1,041,373	1,285,474	2,609,883
General and administrative	620,622	1,240,035	1,197,861	2,041,596
Vessel operating expense	313,865	-	313,865	-
Interest	2,698,045	2,779,456	5,326,473	6,796,094
Depreciation and amortization	15,209,329	16,974,589	29,012,767	37,379,712
(Gain) loss on financial instruments	<u>(27,765)</u>	<u>(1,303,652)</u>	<u>(21,983)</u>	<u>190,320</u>
<b>Total expenses</b>	<u>20,588,124</u>	<u>22,099,599</u>	<u>39,130,145</u>	<u>52,196,791</u>
<b>Income (loss) before income taxes</b>	<u>27,189,916</u>	<u>(8,031,863)</u>	<u>30,673,166</u>	<u>(7,924,352)</u>
<b>Benefit for income taxes</b>	<u>(513,734)</u>	<u>(3,072,525)</u>	<u>(125,618)</u>	<u>(3,044,854)</u>
<b>Net income (loss)</b>	27,703,650	(4,959,338)	30,798,784	(4,879,498)
<b>Less: Net income attributable to noncontrolling interests</b>	<u>495,436</u>	<u>428,034</u>	<u>1,056,895</u>	<u>876,448</u>
<b>Net income (loss) attributable to Fund Eleven</b>	<u>\$ 27,208,214</u>	<u>\$ (5,387,372)</u>	<u>\$ 29,741,889</u>	<u>\$ (5,755,946)</u>
<b>Net income (loss) attributable to Fund Eleven allocable to:</b>				
Additional Members	\$ 26,936,132	\$ (5,333,498)	\$ 29,444,470	\$ (5,698,387)
Manager	<u>272,082</u>	<u>(53,874)</u>	<u>297,419</u>	<u>(57,559)</u>
	<u>\$ 27,208,214</u>	<u>\$ (5,387,372)</u>	<u>\$ 29,741,889</u>	<u>\$ (5,755,946)</u>
<b>Weighted average number of additional shares of limited liability company interests outstanding</b>	<u>363,152</u>	<u>363,486</u>	<u>363,170</u>	<u>363,518</u>
<b>Net income (loss) attributable to Fund Eleven per weighted average additional share of limited liability company interests</b>	<u>\$ 74.17</u>	<u>\$ (14.67)</u>	<u>\$ 81.08</u>	<u>\$ (15.68)</u>

ICON Leasing Fund Eleven, LLC  
(A Delaware Limited Liability Company)  
Consolidated Statements of Changes in Equity  
(unaudited)

	Members' Equity						
	Additional Shares of Limited Liability Company Interests	Additional Members	Manager	Accumulated Other Comprehensive Loss	Total Members' Equity	Noncontrolling Interests	Total Equity
Balance, December 31, 2008	363,256	\$ 217,496,668	\$ (1,035,608)	\$ (6,275,279)	\$ 210,185,781	\$ 14,460,646	\$ 224,646,427
Comprehensive income:							
Net income	-	2,508,338	25,337	-	2,533,675	561,459	3,095,134
Change in valuation of derivative instruments	-	-	-	1,064,686	1,064,686	-	1,064,686
Currency translation adjustments	-	-	-	(761,706)	(761,706)	-	(761,706)
Total comprehensive income	-	-	-	302,980	2,836,655	561,459	3,398,114
Shares of limited liability company interests redeemed	(82)	(60,599)	-	-	(60,599)	-	(60,599)
Cash distributions to members and noncontrolling interests	-	(8,262,827)	(83,463)	-	(8,346,290)	(1,596,819)	(9,943,109)
Balance, March 31, 2009	363,174	211,681,580	(1,093,734)	(5,972,299)	204,615,547	13,425,286	218,040,833
Comprehensive income:							
Net income	-	26,936,132	272,082	-	27,208,214	495,436	27,703,650
Change in valuation of derivative instruments	-	-	-	1,783,051	1,783,051	-	1,783,051
Currency translation adjustments	-	-	-	693,782	693,782	-	693,782
Total comprehensive income	-	-	-	2,476,833	29,685,047	495,436	30,180,483
Shares of limited liability company interests redeemed	(27)	(20,048)	-	-	(20,048)	-	(20,048)
Cash distributions to members and noncontrolling interests	-	(8,261,804)	(83,453)	-	(8,345,257)	(1,582,103)	(9,927,360)
Balance, June 30, 2009	<u>363,147</u>	<u>\$ 230,335,860</u>	<u>\$ (905,105)</u>	<u>\$ (3,495,466)</u>	<u>\$ 225,935,289</u>	<u>\$ 12,338,619</u>	<u>\$ 238,273,908</u>

ICON Leasing Fund Eleven, LLC  
(A Delaware Limited Liability Company)  
Consolidated Statements of Cash Flows  
(unaudited)

	Six Months Ended June 30,	
	2009	2008
Cash flows from operating activities:		
Net income (loss)	\$ 30,798,784	\$ (4,879,498)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Rental income paid directly to lenders by lessees	(6,120,000)	(6,710,051)
Finance income	(1,378,597)	(3,229,508)
Income from investments in joint ventures	(1,286,296)	(1,393,985)
Net gain on sales of new equipment	-	(278,082)
Net (gain) loss on sales of leased equipment	(75,185)	720,385
Net gain on lease termination	(14,624,054)	-
Net loss on sale of portfolio	-	11,649,797
Depreciation and amortization	29,012,767	37,379,712
Amortization of deferred time charter expense	126,041	-
Interest expense on non-recourse financing paid directly to lenders by lessees	2,112,352	1,774,012
Interest expense from amortization of debt financing costs	149,384	186,422
(Gain) loss on financial instruments	(430,983)	193,378
Deferred tax benefit	(385,797)	(532,813)
Changes in operating assets and liabilities:		
Collection of finance leases	3,602,669	15,290,420
Accounts receivable	(2,023,275)	(2,005,122)
Other assets, net	(245,507)	(3,366,564)
Payables, deferred revenue and other current liabilities	(1,561,120)	(8,605,806)
Due to/from Manager and affiliates	229,033	638,007
Distributions from joint ventures	1,286,296	213,469
	<u>39,186,512</u>	<u>37,044,173</u>
Net cash provided by operating activities		
Cash flows from investing activities:		
Investments in equipment subject to lease	-	(27,923,361)
Proceeds from sales of new and leased equipment	580,832	7,315,211
Proceeds from sale of portfolio	-	7,588,206
Investment in financing facility	-	(164,822)
Investments in joint ventures	-	(4,056,373)
Change in restricted cash	(3,859,923)	447,294
Distributions received from joint ventures in excess of profits	2,827,930	398,017
	<u>(451,161)</u>	<u>(16,395,828)</u>
Net cash used in investing activities		
Cash flows from financing activities:		
Proceeds from non-recourse long-term debt	-	14,534,777
Repayments of non-recourse long-term debt	(24,850,000)	(35,468,853)
Proceeds from revolving line of credit, recourse	2,260,000	-
Repurchase of additional shares of limited liability company interests	(80,647)	(311,831)
Cash distributions to members	(16,691,547)	(16,708,369)
Distributions to noncontrolling interests	(3,178,922)	(2,515,072)
	<u>(42,541,116)</u>	<u>(40,469,348)</u>
Net cash used in financing activities		
Effects of exchange rates on cash and cash equivalents	(32,289)	44,866
Net decrease in cash and cash equivalents	(3,838,054)	(19,776,137)
Cash and cash equivalents, beginning of the period	7,670,929	42,339,549
Cash and cash equivalents, end of the period	<u>\$ 3,832,875</u>	<u>\$ 22,563,412</u>

ICON Leasing Fund Eleven, LLC  
(A Delaware Limited Liability Company)  
Consolidated Statements of Cash Flows  
(unaudited)

	<u>Six Months Ended June 30,</u>	
	<u>2009</u>	<u>2008</u>
Supplemental disclosure of cash flow information:		
Cash paid during the period for interest	<u>\$ 2,932,098</u>	<u>\$ 5,112,397</u>
Supplemental disclosure of non-cash investing and financing activities:		
Principal and interest paid on non-recourse long-term debt directly to lenders by lessees	<u>\$ 6,120,000</u>	<u>\$ 6,596,983</u>
Transfer of non-recourse debt in connection with the sale of a leasing portfolio	<u>\$ -</u>	<u>\$ 73,187,369</u>

**Forward-Looking Information** – Certain statements within this document 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,” “continue,” “further,” “plan,” “seek,” “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. We undertake no obligation to update publicly or review any forward-looking statement, whether as a result of new information, future developments or otherwise.

### **Additional Required Disclosure**

To fulfill our promises to you we are required to make the following disclosures when applicable:

A detailed financial report on SEC Form 10-Q or 10-K (whichever is applicable) is available to you. It is typically filed either 45 or 90 days after the end of a quarter or year, respectively. Usually this means a filing will occur on or around March 31, May 15, August 15, and November 15 of each year. It contains financial statements and detailed sources and uses of cash plus explanatory notes. You are always entitled to these reports. Please access them by:

- Visiting [www.iconcapital.com](http://www.iconcapital.com)

or

- Visiting [www.sec.gov](http://www.sec.gov)

or

- Writing us at: Angie Seenauth c/o ICON Capital Corp., 120 Fifth Avenue, 8<sup>th</sup> Floor, New York, NY 10011

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