

---

---

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, 2008

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, 4<sup>th</sup> 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, a non-accelerated filer, or smaller reporting company. See the definitions of "large accelerated filer", "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. Large accelerated filer  Accelerated filer  Non-accelerated filer  Smaller reporting company

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 April 30, 2008 is 363,468.

---

ICON Leasing Fund Eleven, LLC  
Table of Contents

	Page
<u>PART I - FINANCIAL INFORMATION</u>	
<u>Item 1. Condensed Consolidated Financial Statements</u>	
<u>Condensed Consolidated Balance Sheets</u>	1
<u>Condensed Consolidated Statements of Operations</u>	2
<u>Condensed Consolidated Statement of Changes in Members' Equity</u>	3
<u>Condensed Consolidated Statements of Cash Flows</u>	4
<u>Notes to Condensed Consolidated Financial Statements</u>	6
<u>Item 2. Manager's Discussion and Analysis of Financial Condition and Results of Operations</u>	18
<u>Item 3. Quantitative and Qualitative Disclosures About Market Risk</u>	28
<u>Item 4T. Controls and Procedures</u>	28
<u>PART II – OTHER INFORMATION</u>	
<u>Item 1. Legal Proceedings</u>	29
<u>Item 1A. Risk Factors</u>	29
<u>Item 2. Unregistered Sales of Equity Securities and Use of Proceeds</u>	29
<u>Item 3. Defaults Upon Senior Securities</u>	29
<u>Item 4. Submission of Matters to a Vote of Security Holders</u>	29
<u>Item 5. Other Information</u>	29
<u>Item 6. Exhibits</u>	30
<u>Signatures</u>	31

---

**PART I – FINANCIAL INFORMATION****Item 1. Condensed Consolidated Financial Statements**

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

Assets	March 31, 2008 (unaudited)	December 31, 2007
<b>Current assets</b>		
Cash and cash equivalents	\$ 28,983,543	\$ 42,339,549
Current portion of net investment in finance leases	10,013,758	10,442,124
Accounts receivable (net of allowance for doubtful accounts of \$72,516 and \$73,321, respectively)	7,023,007	4,087,034
Restricted cash	1,016,949	1,426,170
Equipment held for sale or lease, net	3,794,478	2,226,905
Prepaid expenses	2,815,876	2,991,302
Other current assets	759,813	651,516
<b>Total current assets</b>	<b>54,407,424</b>	<b>64,164,600</b>
<b>Non-current assets</b>		
Net investment in finance leases, less current portion	82,165,213	89,080,301
Leased equipment at cost, (less accumulated depreciation of \$119,531,303 and \$109,756,923 respectively)	397,842,998	417,738,629
Note receivable on financing facility, net	4,252,390	4,087,568
Mortgage note receivable	12,722,006	12,722,006
Investments in joint ventures	4,435,153	4,638,393
Deferred income taxes	1,001,724	963,595
Other non-current assets, net	2,307,845	2,356,913
<b>Total non-current assets</b>	<b>504,727,329</b>	<b>531,587,405</b>
<b>Total Assets</b>	<b>\$ 559,134,753</b>	<b>\$ 595,752,005</b>
<b>Liabilities and Members' Equity</b>		
<b>Current liabilities</b>		
Current portion of non-recourse long-term debt	\$ 67,889,098	\$ 79,084,120
Interest rate swap contracts	9,222,963	4,556,116
Deferred rental income	6,620,971	11,869,874
Current portion of leasing payables and other lease liabilities	2,925,712	5,253,451
Due to Manager and affiliates, net	567,436	296,476
Income taxes payable	274,016	139,310
Accrued expenses and other liabilities	2,606,128	3,995,256
<b>Total current liabilities</b>	<b>90,106,324</b>	<b>105,194,603</b>
<b>Non-current liabilities</b>		
Non-recourse long-term debt, net of current portion	198,888,539	206,410,288
Leasing payables and other lease liabilities, net of current portion	9,730,033	10,533,826
<b>Total non-current liabilities</b>	<b>208,618,572</b>	<b>216,944,114</b>
<b>Total Liabilities</b>	<b>298,724,896</b>	<b>322,138,717</b>
<b>Minority Interest</b>	<b>11,567,441</b>	<b>12,389,412</b>
<b>Commitments and contingencies (Note 13)</b>		
<b>Members' Equity</b>		
Managing Member	(730,652)	(643,560)
Additional Members	247,836,895	256,754,095
Accumulated other comprehensive income	1,736,173	5,113,341
<b>Total Members' Equity</b>	<b>248,842,416</b>	<b>261,223,876</b>
<b>Total Liabilities and Members' Equity</b>	<b>\$ 559,134,753</b>	<b>\$ 595,752,005</b>

See accompanying notes to condensed consolidated financial statements.

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

	Three Months Ended March 31,	
	2008	2007
<b>Revenue:</b>		
Rental income	\$ 27,506,275	\$ 22,818,090
Finance income	1,911,039	2,332,210
Income from investments in joint ventures	78,465	35,680
Net gain on sales of new equipment	177,727	189,256
Net (loss) gain on sales of leased equipment	(227,049)	82,761
Interest and other income	<u>758,246</u>	<u>1,415,572</u>
<b>Total revenue</b>	<u>30,204,703</u>	<u>26,873,569</u>
<b>Expenses:</b>		
Management fees - Manager	1,811,388	1,482,064
Administrative expense reimbursements - Manager	1,568,510	1,700,883
General and administrative	801,561	720,991
Interest	4,016,638	3,537,824
Depreciation and amortization	20,405,123	19,590,530
Loss on derivative instruments	<u>1,493,972</u>	<u>360,590</u>
<b>Total expenses</b>	<u>30,097,192</u>	<u>27,392,882</u>
<b>Income (loss) before minority interest</b>	<u>107,511</u>	<u>(519,313)</u>
Minority interest	<u>(448,414)</u>	<u>(261,333)</u>
<b>Loss before income taxes</b>	<u>(340,903)</u>	<u>(780,646)</u>
Provision for income taxes	<u>27,671</u>	<u>701,857</u>
<b>Net loss</b>	<u>\$ (368,574)</u>	<u>\$ (1,482,503)</u>
<b>Net loss allocable to:</b>		
Additional Members	\$ (364,888)	\$ (1,467,678)
Manager	<u>(3,686)</u>	<u>(14,825)</u>
	<u>\$ (368,574)</u>	<u>\$ (1,482,503)</u>
<b>Weighted average number of additional member shares outstanding</b>	<u>363,563</u>	<u>317,954</u>
<b>Net loss per weighted average additional member share outstanding</b>	<u>\$ (1.00)</u>	<u>\$ (4.62)</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

	Additional Member Shares	Additional Members	Manager	Accumulated Other Comprehensive Loss	Total Members' Equity
Balance, December 31, 2007	363,859	256,754,095	(643,560)	5,113,341	261,223,876
Net loss	-	(364,888)	(3,686)	-	(368,574)
Change in valuation of interest rate swap contracts	-	-	-	(3,253,516)	(3,253,516)
Foreign exchange translation adjustments	-	-	-	(123,652)	(123,652)
Comprehensive loss	-	-	-	-	(3,745,742)
Additional member shares redeemed	(355)	(280,039)	-	-	(280,039)
Cash distributions to members	-	(8,272,273)	(83,406)	-	(8,355,679)
Period ended March 31, 2008 (unaudited)	<u>363,504</u>	<u>\$ 247,836,895</u>	<u>\$ (730,652)</u>	<u>\$ 1,736,173</u>	<u>\$ 248,842,416</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  
(unaudited)

	Three Months Ended March 31,	
	2008	2007
Cash flows from operating activities:		
Net loss	\$ (368,574)	\$ (1,482,503)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Rental income paid directly to lenders by lessees	(3,502,983)	(737,536)
Finance income	(1,911,039)	(2,332,210)
Income from investments in joint ventures	(78,465)	(35,680)
Net loss (gain) on sales of new and leased equipment	49,322	(272,017)
Depreciation and amortization	20,405,123	19,590,530
Interest expense paid directly to lenders by lessees	964,405	72,156
Unrealized loss on derivative instruments	1,493,972	360,590
Minority interest	448,414	261,333
Deferred tax provision	(78,372)	-
Distributions to/from minority interest holders and joint ventures	(343,008)	(236,519)
Changes in operating assets and liabilities:		
Collection of minimum rents receivable	10,972,321	4,841,080
Rents receivable	(2,952,067)	(986,135)
Other assets, net	748,276	(1,292,823)
Payables, deferred rental income and other liabilities	(8,985,953)	(3,787,409)
Due to Manager and affiliates, net	(183,066)	206,755
<b>Net cash provided by operating activities</b>	<b>16,678,306</b>	<b>14,169,612</b>
Cash flows from investing activities:		
Investments in leased assets, net of cash received	(10,665,849)	(31,713,501)
Proceeds from sales of new and leased equipment	4,707,677	4,953,900
Investment in financing facility	(164,822)	-
Investment in mortgage note receivable	-	(661,743)
Proceeds from mortgage note receivable	-	568,797
Investments in joint ventures, net of cash acquired	-	(2,625)
Change in restricted cash	371,885	323,174
Distributions received from joint ventures in excess of profits	198,611	101,682
Other assets, net	-	(9,297,981)
<b>Net cash used in investing activities</b>	<b>(5,552,498)</b>	<b>(35,728,297)</b>
Cash flows from financing activities:		
Proceeds from notes payable - non-recourse	4,497,793	8,675,040
Repayments of notes payable - non-recourse	(18,858,036)	(18,937,753)
Issuance of additional member shares, net of sales and offering expenses paid	-	50,565,892
Redemption of additional member shares	(280,039)	(136,048)
Due to Manager and affiliates, net	-	(61,111)
Cash distributions to members	(8,355,679)	(6,902,472)
Distributions to minority interest holders in joint ventures	(821,971)	(445,600)
<b>Net cash (used in) provided by financing activities</b>	<b>(23,817,932)</b>	<b>32,757,948</b>
Effects of exchange rates on cash and cash equivalents	(663,882)	79,095
<b>Net (decrease) increase in cash and cash equivalents</b>	<b>(13,356,006)</b>	<b>11,278,358</b>
Cash and cash equivalents, beginning of the period	42,339,549	61,200,675
<b>Cash and cash equivalents, end of the period</b>	<b>\$ 28,983,543</b>	<b>\$ 72,479,033</b>

See accompanying notes to condensed consolidated financial statements.

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

	<u>Three Months Ended March 31,</u>	
	<u>2008</u>	<u>2007</u>
Supplemental disclosure of cash flow information:		
Cash paid during the period for interest	<u>\$ 3,136,701</u>	<u>\$ 3,826,258</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>\$ 3,832,626</u>	<u>\$ 1,096,371</u>

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, 2008  
(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 U.S. generally accepted accounting principles ("US GAAP") for interim financial information and pursuant to the rules and regulations of the Securities and Exchange Commission for Quarterly Reports on Form 10-Q. Accordingly, they do not include all of the information and footnotes required by US GAAP for complete financial statements. In the opinion of ICON Capital Corp. (the "Manager"), all adjustments 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 Annual Report on Form 10-K for the year ended December 31, 2007. 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 over financial and operational matters, generally 50% or less 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 any distributions received are recorded as revenue. All of the LLC's investments in joint ventures are subject to its impairment review policies.

In joint ventures where the LLC's interest is majority owned, the financial condition and results of operations of the joint venture are consolidated. 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. Additional Members represent all members other than the Manager. The LLC is engaged in one business segment, the business of purchasing equipment and leasing it to third-party end users, providing equipment and other financing, acquiring equipment subject to lease and, to a lesser extent, acquiring ownership rights to items of leased equipment at lease expiration. From time to time, the LLC also purchases equipment and sells it to its leasing customers. The LLC will continue until December 31, 2024, unless terminated sooner.

The Manager of the LLC was originally formed as a Connecticut corporation. Effective June 1, 2007 the Manager was reincorporated as a Delaware corporation. The Manager manages and controls the business affairs of the LLC, including, but not limited to, the equipment leases and financing transactions that the LLC enters into pursuant to the terms of the LLC's limited liability company agreement (the "LLC Agreement"). Additionally, the Manager has a 1% interest in the profits, losses, cash distributions and liquidation proceeds of the LLC.

ICON Leasing Fund Eleven, LLC  
(A Delaware Limited Liability Company)  
Notes to Condensed Consolidated Financial Statements  
March 31, 2008  
(unaudited)

(2) Organization - continued

The LLC's offering period ended on April 20, 2007 and its operating period commenced. The LLC invests most of the net proceeds from its offering in items of equipment that are subject to a lease. After the net offering proceeds are fully invested, additional investments will be made with the cash generated from the LLC's initial investments, to the extent that cash is not needed for expenses, reserves, or distributions to members. The investment in additional equipment in this manner is called "reinvestment." The LLC currently anticipates purchasing equipment from time to time until approximately April 2012, unless that date is extended for up to an additional three years, at the Manager's sole discretion. After the reinvestment period, the LLC will then sell its assets in the ordinary course of business, a time frame called the "liquidation period."

Members' capital accounts are increased for their initial capital contribution plus their proportionate share of earnings and decreased by 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 (a) received cash distributions and liquidation proceeds sufficient to reduce their adjusted capital contribution account to zero and (b) received, in addition, other distributions and allocations that would provide an 8% per year 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

Use of Estimates

The preparation of financial statements in conformity with US GAAP 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 condensed consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Significant estimates primarily include the determination of allowance for doubtful accounts, depreciation and amortization, impairment losses, estimated useful lives and residual values. Actual results could differ from those estimates.

Reclassifications

Certain reclassifications have been made to the accompanying condensed consolidated financial statements in prior periods to conform to the current period presentation.

Derivative Financial Instruments

In September 2006, the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standards ("SFAS") SFAS No. 157 ("SFAS No. 157"). SFAS No. 157 defines fair value, establishes a framework for measuring fair value in generally accepted accounting principles and establishes a hierarchy that categorizes and prioritizes the sources to be used to estimate fair value. SFAS No. 157 also expands financial statement disclosures about fair value measurements. On February 12, 2008, the FASB issued FASB Staff Position ("FSP") SFAS No. 157-2 ("FSP 157-2"), which delayed the effective date of SFAS No. 157 for one year, for all non-financial assets and non-financial liabilities, except those that are recognized or disclosed at fair value in the financial statements on a recurring basis (at least annually). On February 14, 2008, the FASB issued FSP No. 157-1, which amended SFAS No. 157 to exclude SFAS No. 13, "Accounting for Leases" and other accounting pronouncements that address fair value measurements of leases from the provisions of SFAS No. 157. SFAS No. 157 and FSP 157-2 are effective for the LLC's financial statements beginning January 1, 2008. The LLC adopted the provisions of SFAS No. 157 beginning January 1, 2008 for all financial assets and financial liabilities that are recognized at fair value.

ICON Leasing Fund Eleven, LLC  
(A Delaware Limited Liability Company)  
Notes to Condensed Consolidated Financial Statements  
March 31, 2008  
(unaudited)

(3) Summary of Significant Accounting Policies – continued

Additionally for all non-financial assets and non-financial liabilities that are recognized at fair value in the financial statements on a nonrecurring basis, the LLC has adopted the provisions of FSP 157-2 and delayed the effective date of SFAS No. 157 until January 1, 2009. The impact of partially adopting SFAS No. 157 effective January 1, 2008 is not material to the condensed consolidated financial statements.

SFAS No. 157 requires that assets and liabilities carried at fair value be classified and disclosed in one of the following three categories:

- Level 1: Quoted market prices available in active markets for identical assets or liabilities as of the reporting date.
- Level 2: Pricing inputs other than quoted prices in active markets included in Level 1, which are either directly or indirectly observable as of the reporting date.
- Level 3: Pricing inputs that are generally unobservable and may not be corroborated by market data.

Financial assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurements. The LLC's assessment of the significance of a particular input to the fair value measurements requires judgment, and may affect the valuation of the assets and liabilities being measured and their placement within the fair value hierarchy.

The following table summarizes the valuation of the LLC's material financial assets and liabilities measured at fair value on a recurring basis as of March 31, 2008:

	Level 1 <sup>(1)</sup>	Level 2 <sup>(2)</sup>	Level 3 <sup>(3)</sup>	Total
Assets:				
Warrants	\$ -	\$ 89,819	\$ -	\$ 89,819
Liabilities:				
Derivative Liability	\$ -	\$ 9,222,963	\$ -	\$ 9,222,963

<sup>(1)</sup> - quoted prices in active markets for identical assets or liabilities

<sup>(2)</sup> - observable inputs other than quoted prices in active markets for identical assets and liabilities

<sup>(3)</sup> - no observable pricing inputs in the market

ICON Leasing Fund Eleven, LLC  
(A Delaware Limited Liability Company)  
Notes to Condensed Consolidated Financial Statements  
March 31, 2008  
(unaudited)

(3) Summary of Significant Accounting Policies – continued

The LLC's derivative contracts, including interest rate swaps and warrants, are valued using models based on readily observable market parameters for all substantial terms of the LLC's derivative contracts and are classified within Level 2. As permitted by SFAS No. 157, the LLC uses market prices and pricing models for fair value measurements of its derivative instruments. The fair value of the warrants is recorded in other non-current assets and the derivative liabilities are recorded in interest rate swap contracts.

Recent Accounting Pronouncements

In February 2007, the FASB issued Statement of Financial Accounting Standards No. 159, "The Fair Value Option for Financial Assets and Financial Liabilities — including an Amendment of SFAS No. 115" ("SFAS No. 159"), which permits but does not require the LLC to measure financial instruments and certain other items at fair value. Unrealized gains and losses on items for which the fair value option has been elected are reported in earnings. The LLC did not elect to fair value any of its financial instruments under the provisions of SFAS No. 159.

In December 2007, the FASB issued SFAS No. 160, "Noncontrolling Interests in Consolidated Financial Statements—an Amendment of ARB No. 51" ("SFAS No. 160"). SFAS No. 160 establishes accounting and reporting standards for the noncontrolling interest in a subsidiary and for the retained interest and gain or loss when a subsidiary is deconsolidated. This statement is effective for financial statements issued for fiscal years beginning on or after December 15, 2008 with earlier adoption prohibited. The Manager is currently evaluating the impact of SFAS No. 160 on the LLC's consolidated financial statements.

On March 19, 2008, the FASB issued Statement of Financial Accounting Standards No. 161, "Disclosures about Derivative Instruments and Hedging Activities — an Amendment of SFAS No. 133" ("SFAS No. 161"). SFAS No. 161 enhances required disclosures regarding derivatives and hedging activities, including enhanced disclosures regarding how: (a) an entity uses derivative instruments; (b) derivative instruments and related hedged items are accounted for under SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities;" and (c) derivative instruments and related hedged items affect an entity's financial position, financial performance, and cash flows. SFAS No. 161 is effective for fiscal years and interim periods beginning after November 15, 2008 and therefore the LLC will be required to provide such disclosures beginning with the interim period ended March 31, 2009.

(4) Leasing Portfolio

On March 7, 2006, the LLC acquired substantially the entire equipment leasing portfolio (the "Leasing Portfolio") of Clearlink Capital Corporation ("Clearlink"), based in Mississauga, Ontario, Canada. At the time of the acquisition, the Leasing Portfolio consisted of approximately 1,100 equipment schedules originated by Clearlink with predominantly large, investment grade quality lessees and was comprised mainly of information technology and technology-related equipment, including personal computers and client/server equipment that perform business-related functions such as database inquiries. This equipment is leased primarily in the United States and Canada. The Leasing Portfolio had a weighted average remaining lease term of approximately 18 months at the time of acquisition.

For the three months ended March 31, 2008, the LLC purchased approximately \$9,401,000 of additional new equipment related to the Leasing Portfolio. The LLC paid or accrued an acquisition fee to the Manager of approximately \$282,000 relating to these transactions.

ICON Leasing Fund Eleven, LLC  
(A Delaware Limited Liability Company)  
Notes to Condensed Consolidated Financial Statements  
March 31, 2008  
(unaudited)

(5) Net Investments in Finance Leases

Net investments in finance leases consisted of the following:

	March 31, 2008 (unaudited)	December 31, 2007
Minimum rents receivable	\$ 96,702,538	\$ 104,858,623
Estimated residual values	7,245,459	7,440,417
Initial direct costs, net	2,121,394	2,583,319
Unearned income	(13,890,420)	(15,359,934)
	<u>92,178,971</u>	<u>99,522,425</u>
Less: Current portion of net investment in finance lease	<u>10,013,758</u>	<u>10,442,124</u>
Net investments in finance leases, less current portion	<u>\$ 82,165,213</u>	<u>\$ 89,080,301</u>

Information Technology Equipment

On December 20, 2007, the LLC, along with ICON Income Fund Ten, LLC (“Fund Ten”), an entity also managed by the Manager, formed ICON Global Crossing V, LLC (“ICON Global Crossing V”) with interests of 55% and 45%, respectively, to purchase telecommunications equipment from various vendors for approximately \$12,982,000 in cash. This equipment is subject to a lease with Global Crossing Telecommunications, Inc. (“Global Crossing”). The term of the lease is 36 months and the lease commenced on January 1, 2008. The total capital contributions made to ICON Global Crossing V as of December 31, 2007 were approximately \$12,982,000, of which the LLC’s share was approximately \$7,140,000. The LLC paid an acquisition fee to the Manager of approximately \$214,000 relating to this transaction.

(6) Leased Equipment at Cost

Leased equipment at cost consisted of the following:

	March 31, 2008 (unaudited)	December 31, 2007
Container vessels	\$ 142,500,324	\$ 142,500,324
Tanker vessels	115,097,430	115,097,430
Product tankers	90,798,632	90,798,632
Auto parts manufacturing equipment	14,701,846	13,705,284
Information Technology Equipment	42,686,715	42,686,715
Manufacturing equipment	25,064,743	25,064,743
Other	<u>86,524,611</u>	<u>97,642,424</u>
	<u>517,374,301</u>	<u>527,495,552</u>
Less: accumulated depreciation	<u>(119,531,303)</u>	<u>(109,756,923)</u>
	<u>\$ 397,842,998</u>	<u>\$ 417,738,629</u>

ICON Leasing Fund Eleven, LLC  
(A Delaware Limited Liability Company)  
Notes to Condensed Consolidated Financial Statements  
March 31, 2008  
(unaudited)

(6) Leased Equipment at Cost - continued

Depreciation expense was \$20,146,142 and \$19,456,410 for the three months ended March 31, 2008 and 2007, respectively.

Product Tankers

On April 11, 2007, the LLC, through its wholly-owned subsidiaries, ICON Senang, LLC and ICON Sebarok, LLC (the "Teekay Purchasers"), acquired two Aframax 95,649 DWT product tankers, the Senang Spirit and the Sebarok Spirit (collectively, the "Teekay Vessels"). The purchase price for the Teekay Vessels was approximately \$88,000,000, comprised of (i) a cash payment of approximately \$21,300,000 funded in the form of a capital contribution and (ii) borrowings of approximately \$66,700,000 of non-recourse debt under a secured loan agreement with Fortis Capital Corp. The LLC paid an acquisition fee to the Manager of approximately \$2,640,000 relating to this transaction. Simultaneously with the closing of the purchase of the Teekay Vessels, a bareboat charter was entered into by an affiliate of Teekay Corporation for a term of 60 months. The charter commenced on April 11, 2007.

MW Universal

On September 28, 2007, the LLC completed the acquisitions and simultaneously leased back all of the manufacturing assets of W Forge Holdings, Inc. ("W Forge"), MW Scott, Inc. ("Scott"), and MW Gilco, LLC ("Gilco"), wholly-owned subsidiaries of MW Universal, Inc. ("MWU"), for purchase prices of \$21,000,000, \$600,000 and \$600,000, respectively. The LLC paid acquisition fees to the manager for W Forge, Scott, and Gilco of approximately \$630,000, \$18,000 and \$18,000, respectively. Each of the leases commenced on January 1, 2008 and continue for a period of 60 months.

On December 10, 2007, the LLC completed the acquisitions and simultaneously leased back substantially all of the manufacturing assets of MW General, Inc. ("General"), and AMI Manchester, LLC ("AMI"), wholly-owned subsidiaries of MWU, for purchase prices of \$400,000 and \$1,700,000, respectively. The LLC paid acquisition fees to the Manager for General and AMI of approximately \$12,000 and \$51,000, respectively. Each of the leases commenced on January 1, 2008 and continues for a period of 60 months.

Simultaneously with the closing of the transactions for W Forge, Scott, Gilco, General and AMI, ICON Leasing Fund Twelve, LLC ("Fund Twelve") and Fund Ten, two entities also managed by the Manager (together, the "Participating Funds"), completed similar acquisitions with four other subsidiaries of MWU pursuant to which the respective funds purchased substantially all of the machining and metal working equipment of each subsidiary. Each subsidiary's obligations under its respective leases (including those of W Forge, Scott, Gilco, General and AMI) are cross-collateralized, cross-defaulted, and all subsidiaries' obligations are guaranteed by MWU. Each of the Participating Funds have also entered into a credit support agreement with the LLC, pursuant to which if losses are incurred by a Participating Fund with respect to any MWU subsidiary, those losses are shared among the Participating Funds proportionately based on the amount of capital invested.

Auto Parts Manufacturing Equipment

On March 30, 2007, the LLC, through its wholly-owned subsidiary, ICON French Equipment I, LLC ("ICON Heuliez"), entered into a purchase and sale agreement (the "Agreement") with Heuliez SA ("HSA") and Heuliez Investissements SNC ("Heuliez") to purchase certain auto parts manufacturing equipment from Heuliez. In connection with the Agreement, ICON Heuliez agreed to lease the equipment to HSA and Heuliez, respectively, for an initial term of 60 months. The purchase price for the equipment was approximately \$11,994,000 (€9,000,000) at March 30, 2007. The LLC incurred professional fees of approximately \$42,000 and paid an acquisition fee to the Manager of approximately \$360,000 relating to this transaction. These fees were capitalized as part of the acquisition cost of the equipment. The leases commenced on April 1, 2007.

ICON Leasing Fund Eleven, LLC  
(A Delaware Limited Liability Company)  
Notes to Condensed Consolidated Financial Statements  
March 31, 2008  
(unaudited)

(6) Leased Equipment at Cost - continued

On October 26, 2007, HSA, a lessee of ICON Heuliez, and Groupe Henri Heuliez, the guarantor of the leases with ICON Heuliez, filed for "procedure de sauvegarde", a procedure only available to a solvent company seeking to reorganize its business affairs under French law. ICON Heuliez's other lessee, Heuliez Investissements SNC, did not file for "procedure de sauvegarde". HSA has paid all amounts due under the lease through January 1, 2008. As of February 1, 2008 ICON Heuliez entered into an agreement with the administrator of the "procedure de sauvegarde" to accept reduced payments for the period beginning February 1, 2008 and ending July 31, 2008. Beginning August 1, 2008, full payments under the lease will resume. In addition, beginning August 1, 2008, Heuliez's monthly payments will be increased to include shortfall resulting from the reduced payments ICON Heuliez received between February 1, 2008 and July 31, 2008. The lease remains in full force and effect.

(7) Notes Receivable on Financing Facility, net

On August 13, 2007, the LLC, along with a consortium of other lenders entered into an equipment financing facility with Solyndra, Inc. ("Solyndra"), a privately held manufacturer of solar panels for the building of a new production facility. The financing facility matures on June 30, 2013 and is secured by the equipment as well as all other assets of Solyndra. The equipment consists of two fully automated manufacturing lines that combine glass tubes and thin film semiconductors to produce solar panels. The LLC will receive principal payments starting in October 2008. In the interim period, interest will be paid on a quarterly basis using a range of rates from 6.60% to 8.36%. In connection with the transaction, the LLC received warrants to purchase up to 40,290 shares of Solyndra common stock at an exercise price of \$4.96. The fair value of these warrants was approximately \$115,000 on the transaction date and has been reflected as a discount on the face amount of the notes receivable.

At March 31, 2008, the Manager has determined, based on the Black-Scholes option pricing model, that the aggregate fair value of the warrants is \$89,819. The assumptions used for the Black-Scholes option pricing model were as follows: Strike price \$4.96, share price \$2.23, expiration date of April 6, 2014, a volatility of 300%, and the risk free interest rate of 2.10%. The volatility percentage was determined by taking a sampling of six similar businesses from their initial public offering date to present and placing a percentage based on the performance of the share price of this sampling.

The financing facility is for a maximum amount of \$93,500,000, of which the LLC has committed to invest up to \$5,000,000. At March 31, 2008, the LLC had loaned approximately \$4,367,000. The LLC paid acquisition fees of approximately \$131,000 to the Manager in relation to this transaction.

ICON Leasing Fund Eleven, LLC  
(A Delaware Limited Liability Company)  
Notes to Condensed Consolidated Financial Statements  
March 31, 2008  
(unaudited)

(8) Investments in Joint Ventures

The joint ventures described below are not consolidated by the LLC.

ICON AEROTV, LLC

The LLC owns a 50% interest in ICON AeroTV, LLC ("ICON AeroTV"), whose sole purpose was owning equipment leased to AeroTV Ltd ("AeroTV"). In February 2007, AeroTV's customer, the largest scheduled bus line in Europe, terminated its service agreement with AeroTV. Shortly thereafter, AeroTV notified the Manager of its inability to pay certain rent owed to ICON AeroTV and subsequently filed for insolvency protection in the United Kingdom. In February 2007, ICON AeroTV sent a notice to AeroTV terminating the master lease agreement. Shortly thereafter certain facts came to light that gave the Manager serious concerns regarding the propriety of AeroTV's actions during and after the execution of the lease with AeroTV. On April 18, 2007, ICON AeroTV filed a lawsuit in the United Kingdom's High Court of Justice, Queen's Bench Division against AeroTV and one of its directors for fraud. ICON AeroTV obtained a default judgment against the AeroTV director, which was subsequently set aside. On April 17, 2008, the judgment was reinstated. At this time, it is not possible to determine ICON AeroTV's ability to collect the judgment.

ICON EAM, LLC

The LLC has a 50% interest in ICON EAM, LLC ("ICON EAM"), whose sole purpose is to lease gas meters and accompanying data gathering equipment to EAM Assets Ltd. ("EAM")

Information as to the results of operations of ICON EAM, LLC is summarized below:

	Three Months Ended March 31, 2008	Three Months Ended March 31, 2007
Net income	\$ -	\$ 97,390
LLC's share of net income	\$ -	\$ 48,695

ICON Global Crossing II

The LLC has a 13.3% interest in ICON Global Crossing II LLC ("ICON Global Crossing II"), whose sole purpose is to lease telecommunications equipment to Global Crossing Group.

Information as to the results of operations of ICON Global Crossing II is summarized below:

	Three Months Ended March 31, 2008	Three Months Ended March 31, 2007
Net income	\$ 300,276	\$ 187,132
LLC's share of net income	\$ 39,817	\$ 24,814

ICON Leasing Fund Eleven, LLC  
(A Delaware Limited Liability Company)  
Notes to Condensed Consolidated Financial Statements  
March 31, 2008  
(unaudited)

(9) Non-Recourse Long-Term Debt

*Containership Vessels*

On June 21, 2006, the LLC, through its wholly-owned subsidiaries ICON European Container, LLC and ICON European Container II, LLC, acquired four container vessels (collectively, the "ZIM Vessels"). The ZIM Vessels are owned by two Norwegian limited partnerships, European Container KS and European Container KS II (collectively, the "KS Companies").

In connection with the acquisition of the ZIM Vessels, the LLC assumed approximately \$93,325,000 of senior non-recourse debt. Pursuant to the terms of the loan agreement with HSH Nordbank AG ("HSH"), there are two separate portions to the senior non-recourse debt obligation. HSH has first priority security interest in the ZIM Vessels. The KS Companies are jointly and severally liable for the obligations under the loan agreement and the ZIM Vessels are cross-collateralized.

The portion of the senior non-recourse debt obligation relating to the acquisition of the M/V ZIM Japan and M/V Adaman Sea (f/k/a ZIM America) (collectively, "Portion I") matures on November 18, 2010 and accrues interest at the London Eurocurrency Market Offered Rate ("LIBOR") plus 1.25% per year. On November 18, 2010, a balloon payment of approximately \$11,250,000 is due. The LLC may, at its discretion, make periodic prepayments of the outstanding principal balance without penalty. On February 18, 2008, the LLC prepaid \$400,000 which was applied against the outstanding principal balance and reduced the balloon payment due on the maturity date.

The portion of the senior non-recourse debt obligation relating to the acquisition of the M/V ZIM Hong Kong and M/V ZIM Israel (collectively, "Portion II") matures on January 27, 2011 and accrues interest at LIBOR plus 1.25% per year. On January 27, 2011, a balloon payment of approximately \$14,000,000 is due. On February 4, 2008, the LLC prepaid \$300,000 which was applied against the outstanding principal balance and reduced the balloon payment due on the maturity date.

On April 24, 2008, the LLC amended the loan agreement with HSH changing the payment terms from quarterly payments to monthly payments. As a result of this amendment, Portion I has a balloon payment at November 18, 2010 of approximately \$7,300,000 and Portion II has a balloon payment at January 27, 2011 of approximately \$13,900,000.

As part of the acquisition of the ZIM Vessels, the LLC assumed three interest rate swap contracts. These interest rate swap contracts were established in order to fix the variable interest rates on the senior non-recourse debt obligation and minimize the LLC's risk for interest rate fluctuations. The interest rate swap contracts have a fixed interest rate of 4.16% for M/V ZIM Japan, 4.72% for M/V Adaman Sea (f/k/a ZIM America), and 4.74% for M/V ZIM Hong Kong and M/V ZIM Israel. At March 31, 2008, no hedge designation has been made by the LLC on these interest rate swaps for accounting purposes, therefore, the LLC recognized the periodic change in the fair value of the interest rate swap contracts through the statement of operations.

In conjunction with the amended loan agreement, the interest rate swap contracts have been adjusted to move with the reduction of the outstanding principle balance on a monthly basis. Furthermore, the swaps associated with M/V ZIM Japan and M/V Adaman Sea (f/k/a ZIM America) were combined into one swap with a fixed interest rate of 4.50%.

ICON Leasing Fund Eleven, LLC  
(A Delaware Limited Liability Company)  
Notes to Condensed Consolidated Financial Statements  
March 31, 2008  
(unaudited)

(9) Non-Recourse Long-Term Debt - continued

*Leasing Portfolio*

In connection with the acquisition of the Leasing Portfolio from Clearlink (See Note 4), the LLC incurred non-recourse debt obligations. In the ordinary course of operations, the LLC continually enters into non-recourse debt obligations in order to finance acquisitions relating to the Clearlink operations. For the three months ended March 31, 2008, the LLC incurred additional borrowings of approximately \$4,498,000. At March 31, 2008, the Leasing Portfolio's non-recourse debt obligations accrue interest at rates ranging from 4.30% to 8.09% per year and mature at various dates through September 2015. At March 31, 2008, the outstanding balance of the non-recourse debt obligations was approximately \$71,265,000.

(10) Revolving Line of Credit, Recourse

The LLC, along with ICON Income Fund Eight B, L.P., ICON Income Fund Nine, LLC, Fund Ten and Fund Twelve (entities sponsored and organized by the Manager - collectively, the "Borrowers") are parties to a Commercial Loan Agreement (the "Loan Agreement") with California Bank & Trust (the "Lender"). The Loan Agreement originally provided 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 all assets of the Borrowers not subject to a first priority lien, as defined in the Loan 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, on the present value of the future receivables under certain lease agreements in which the Borrowers have a beneficial interest.

The Facility was originally to expire on September 30, 2008 and established (i) the interest rate for advances under the Facility at the Lender's prime rate and (ii) the interest rate on the five separate advances that are permitted to be made under the Facility at which United States dollar deposits can be acquired by the Lender at *LIBOR* plus 2.5%. The interest rate at March 31, 2008 was 5.25%.

The Borrowers were in compliance with the covenants under the Loan Agreement at March 31, 2008.

Aggregate borrowings by all Borrowers under the Facility amounted to \$4,255,000 at March 31, 2008. The LLC had no borrowings outstanding under the Facility as of such date. The balance of \$4,255,000 relates to borrowings by Fund Eight B of \$1,255,000 and Fund Ten of \$3,000,000. Subsequent to March 31, 2008, Fund Ten repaid the outstanding \$3,000,000 balance.

On May 1, 2008, the Borrowers entered into a Loan Modification Agreement. The agreement increased the revolving line of credit up to \$30,000,000 and extended the expiration date to April 30, 2010. The Borrowers may request a one year extension to the revolving line of credit within 390 days of the expiration date, but the Lender has no obligation to extend. The quarterly commitment fee of 0.5% was reduced to 0.25% on unused commitments under the Facility.

(11) Income Tax

Certain of the LLC's direct and indirect wholly-owned subsidiaries are unlimited liability companies and are taxed as corporations under the laws of Canada. Other indirect wholly-owned subsidiaries are taxed as corporations in Barbados. For the 2008 Quarter, the provision (benefit) for income taxes was comprised of \$106,043 in current taxes and (\$78,372) in deferred taxes. The Company under the laws of Canada is subject to income tax examination from 2006 through 2007 periods.

ICON Leasing Fund Eleven, LLC  
(A Delaware Limited Liability Company)  
Notes to Condensed Consolidated Financial Statements  
March 31, 2008  
(unaudited)

(12) Transactions with Related Parties

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 that are necessary to the LLC's operations. These costs include the Manager's and its 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 salaries and related costs, travel expenses and other administrative costs incurred by individuals with a controlling interest in the Manager.

The Manager also has a 1% interest in the LLC's profits, losses, cash distributions and liquidation proceeds. The LLC paid distributions to the Manager of \$83,406 for the three months ended March 31, 2008. The Manager's interest in the LLC's net loss for the three months ended March 31, 2008 and 2007 was \$3,686 and \$14,825, respectively.

Fees and other expenses paid or accrued by the LLC to the Manager or its affiliates for the three months ended March 31, 2008 and 2007, are as follows:

Entity	Capacity	Description	Three Months Ended	
			March 31, 2008	2007
ICON Capital Corp.	Manager	Organization and offering expenses (1)	\$ -	\$ 857,037
ICON Securities Corp.	Managing broker-dealer	Underwriting fees (1)	-	1,142,716
ICON Capital Corp.	Manager	Acquisition fees (2)	286,951	2,822,907
ICON Capital Corp.	Manager	Management fees (3)	1,811,388	1,482,064
ICON Capital Corp. and affiliate	Manager	Administrative fees (3)	1,568,510	1,700,883
Total fees paid to the Manager and its affiliates			<u>\$ 3,666,849</u>	<u>\$ 8,005,607</u>

- (1) Charged directly to members' equity.
- (2) Capitalized and amortized to operations over the estimated service period in accordance with the LLC's accounting policies.
- (3) Charged directly to operations.

At March 31, 2008, the LLC had a net payable due to its Manager and affiliates that consisted primarily of accruals due to the Manager for acquisition fees, administrative expense reimbursements and management fees of \$567,436.

ICON Leasing Fund Eleven, LLC  
(A Delaware Limited Liability Company)  
Notes to Condensed Consolidated Financial Statements  
March 31, 2008  
(unaudited)

(13) Commitments and Contingencies and Off Balance Sheet Risk

On September 28, 2007 and December 10, 2007, the LLC completed the acquisitions and simultaneously leased back substantially all, of the machining and metal working equipment of W Forge, Scott, Gilco, General and AMI, a wholly-owned subsidiary of MWU. Simultaneously with the closing of the transactions with W Forge, Scott, Gilco, General and AMI, the Participating Funds completed similar acquisitions with four other subsidiaries of MWU pursuant to which the respective funds purchased substantially all of the machining and metal working equipment of each subsidiary. Each subsidiary's obligations under its respective leases (including those of W Forge, Scott, Gilco, General and AMI) are cross-collateralized and cross-defaulted, and all subsidiaries' obligations are guaranteed by MWU. Each of the Participating Funds has also entered into a credit support agreement with the LLC, pursuant to which if losses are incurred by a Participating Fund with respect to any MWU subsidiary, those losses are shared among the Participating Funds proportionately based on the amount of capital invested. The term of each credit support agreement matches that of the lease agreements. No amounts were accrued at March 31, 2008 and management cannot reasonably estimate at this time the maximum potential amounts that may become payable under the credit support agreement, if any.

The LLC has established 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 "Master Lease Agreement") for information-technology equipment. 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.

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.

(14) Subsequent Event

On April 24, 2008, ICON EAR II LLC, a wholly owned subsidiary of the LLC, completed the acquisition and leaseback of semiconductor manufacturing equipment from EAR for an initial acquisition price of \$6,347,500. The LLC will collect \$3,965 per day until the commencement of the base lease term, which is the earlier of June 30, 2008 or upon EAR meeting a specific threshold and will continue for 60 months.

Effective as of May 19, 2008, substantially all of the remaining assets in the Leasing Portfolio were sold to affiliates of U.S. Micro Corporation, an unaffiliated third party (the "Remaining Assets"). The purchase price for the Remaining Assets was \$19,000,000, and is subject to a number of post-closing adjustments.

## **Item 2. Manager's Discussion and Analysis of Financial Condition and Results of Operations**

The following is a discussion of our results of operations and current financial position. This discussion should be read together with our unaudited condensed consolidated financial statements and related notes included elsewhere in this Quarterly report, Part II, Item 1A. Risk Factors and the audited consolidated financial statements and related notes included in our Annual Report on Form 10-K for the year ended December 31, 2007.

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," "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.

### **Overview**

We operate as an equipment leasing program 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, equipment financing, acquiring equipment subject to lease and, to a lesser extent, 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 the lessees will be paid to lenders. 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 five years. This time frame is called the "operating period," which may be extended, at the discretion of our Manager, 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."

### ***Investment Portfolio and Significant Transactions***

At March 31, 2008, our portfolio, which we hold either directly or through joint venture investments with affiliates, consists primarily of the following equipment subject to lease:

#### ***Lumber Processing Equipment***

We own equipment, plant and machinery, which is subject to a lease with The Teal Jones Group and Teal Jones Lumber Services, Inc. (collectively, "Teal Jones"). The lease expires in November 2013.

#### ***Marine Vessels***

##### ***Containership Vessels***

On June 21, 2006, we acquired, through our wholly-owned subsidiaries ICON European Container, LLC ("EC I") and ICON European Container II, LLC ("EC II" and together with EC I, the "ZIM Purchasers"), four container vessels from Old Course Investments LLC ("Old Course"). The M/V Adaman Sea (f/k/a ZIM America) and the M/V ZIM Japan (both owned by EC I) are subject to bareboat charters that expire in November 2010. The M/V ZIM Hong Kong and the M/V ZIM Israel (both owned by EC II) are subject to bareboat charters that expire in January 2011. These vessels (collectively, the "ZIM Vessels") are subject to bareboat charters with ZIM Integrated Shipping Services Ltd. ("ZIM").

The purchase price for the ZIM Vessels was approximately \$142,500,000, comprised of (i) a cash payment of approximately \$35,900,000, (ii) the assumption of approximately \$93,300,000 of non-recourse indebtedness under a secured loan agreement with HSH Nordbank AG (the "HSH Loan Agreement"), (iii) the assumption of approximately \$12,000,000 of non-recourse indebtedness, secured by a second priority mortgage over the ZIM Vessels in favor of ZIM and (iv) less the acquisition of related assets of approximately \$3,300,000. The obligations under the HSH Loan Agreement are secured by a first priority mortgage over the ZIM Vessels. We incurred professional fees of approximately \$300,000 and paid to our Manager an acquisition fee of approximately \$4,200,000 relating to this transaction. These fees were capitalized as part of the acquisition cost of the ZIM Vessels.

##### ***Tanker Vessels***

On April 11, 2007, we acquired, through our wholly-owned subsidiaries, ICON Senang, LLC and ICON Sebarok, LLC, the Teekay Vessels. The purchase price for the Teekay Vessels was approximately \$88,000,000, comprised of (i) a cash payment of approximately \$21,300,000 funded in the form of a capital contribution and (ii) borrowings of approximately \$66,700,000 of non-recourse debt under a secured loan agreement with Fortis Capital Corp. We paid an acquisition fee to the Manager of approximately \$2,640,000 relating to this transaction. Simultaneously with the closing of the purchase of the Teekay Vessels, the Teekay Vessels were bareboat chartered back to an affiliate of Teekay Corporation for a term of 60 months. The charter commenced on April 11, 2007.

We own four product carrying vessels, the M/T Doubtless, the M/T Faithful, the M/T Spotless, and the M/T Vanguard, which are subject to bareboat charters with subsidiaries of Top Ships, Inc. ("Top Ships") that expire in February 2011.

#### ***Auto Parts Manufacturing Equipment***

On March 30, 2007, through our wholly-owned subsidiary, ICON French Equipment I, LLC ("ICON Heuliez"), we entered into a purchase and sale agreement (the "Agreement") with Heuliez SA ("HSA") and Heuliez Investissements SNC ("Heuliez") to purchase certain auto parts manufacturing equipment from Heuliez. In connection with the Agreement, ICON Heuliez agreed to lease back the equipment to HSA and Heuliez, respectively, for an initial term of 60 months. The purchase price for the equipment was approximately \$11,994,000 (€9,000,000) at March 30, 2007. We incurred professional fees of approximately \$42,000 and paid an acquisition fee to our Manager of approximately \$360,000 relating to this transaction. These fees were capitalized as part of the acquisition cost of the equipment. The leases commenced on April 1, 2007.

### *Information Technology and Technology-Related Equipment*

On March 7, 2006, we acquired substantially the entire equipment leasing portfolio (the "Leasing Portfolio") of Clearlink Capital Corporation ("Clearlink"), based in Mississauga, Ontario, Canada. The Leasing Portfolio, which was acquired effective as of March 1, 2006, was acquired by us from our Manager and ICON Canada, Inc., an affiliate of our Manager.

We assumed non-recourse debt as part of the Leasing Portfolio acquisition. The non-recourse debt accrues interest at rates ranging from 4.30% per year to 8.09% 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 for the non-recourse debt.

We added 45 new lease schedules for technology equipment in 2008, amounting to approximately \$9,245,503 in total equipment cost and approximately \$929,433 in residual value. The average term of these new lease schedules is 40 months.

From the date of acquisition of the Leasing Portfolio through March 31, 2008, we purchased approximately \$96,951,000 of additional equipment. At March 31, 2008, there were 946 leases in the Leasing Portfolio with an aggregate original equipment cost of approximately \$176,253,565.

### *Telecommunications Equipment*

We have a 61.4% interest in ICON Global Crossing, LLC ("ICON Global Crossing"), which purchased telecommunications equipment from various vendors and which was then leased to Global Crossing Telecommunications, Inc. ("Global Crossing"). The lease expires on March 31, 2010.

We have a 13.3% interest in ICON Global Crossing II, LLC ("ICON Global Crossing II"), which purchased telecommunications equipment from various vendors and which was then leased to Global Crossing. The lease expires on October 31, 2010.

We have a 100% interest in ICON Global Crossing III, LLC ("ICON Global Crossing III"), which purchased telecommunications equipment from various vendors and which was then leased to Global Crossing. The lease expires on January 1, 2011.

On December 20, 2007, we, along with ICON Income Fund Ten, LLC ("Fund Ten"), an entity also managed by our Manager, formed ICON Global Crossing V, LLC ("ICON Global Crossing V"), with interests of 55% and 45%, respectively, to purchase telecommunications equipment from various vendors for approximately \$12,982,000 in cash. This equipment is subject to a lease with Global Crossing. The term of the lease is 36 months and the lease commenced on January 1, 2008. The total capital contributions made to ICON Global Crossing V, as of December 31, 2007, were approximately \$12,982,000, of which our share was approximately \$7,140,000. We paid an acquisition fee to our Manager of approximately \$214,000 relating to this transaction.

### *Manufacturing Equipment*

On September 28, 2007, we completed the acquisitions and simultaneously leased back all of the manufacturing assets of W Forge Holdings, Inc. ("W Forge"), MW Scott, Inc. ("Scott"), and MW Gilco, LLC ("Gilco"), wholly-owned subsidiaries of MW Universal, Inc. ("MWU"), for purchase prices of \$21,000,000, \$600,000 and \$600,000, respectively. We paid acquisition fees for W Forge, Scott, and Gilco of approximately \$630,000, \$18,000 and \$18,000, respectively.

On December 10, 2007, we completed the acquisitions and simultaneously leased back substantially all of the manufacturing assets of MW General, Inc. (“General”), and AMI Manchester, LLC (“AMI”), wholly-owned subsidiaries of MWU, for purchase prices of \$400,000 and \$1,700,000, respectively. We paid acquisition fees to our Manager for General and AMI of approximately \$12,000 and \$51,000, respectively.

We have a 45% interest in ICON EAR, LLC (“ICON EAR”). ICON EAR owns certain semiconductor manufacturing equipment, which was purchased from and leased back to Equipment Acquisition Resources, Inc. (“EAR”).

#### *Financing Facility*

On August 13, 2007, we completed a participation investment in an equipment financing facility with Solyndra, Inc. (“Solyndra”), a privately held manufacturer of solar panels for the building of a new production facility. The financing facility matures on June 30, 2013 and is secured by the equipment as well as all other assets of Solyndra. The equipment is comprised of two fully automated manufacturing lines that combine glass tubes and thin film semiconductors to produce solar panels. Included as part of the consideration in the acquisition are warrants to purchase 40,290 shares of Solyndra common stock at an exercise price of \$4.96. The warrants expire on April 6, 2014.

#### *Digital Audio/Visual Entertainment Systems*

We own a 50% interest in ICON AeroTV, LLC (“ICON AeroTV”), whose sole purpose was owning equipment leased to AeroTV Ltd (“AeroTV”). On February 13, 2007, AeroTV’s customer, the largest scheduled bus line in Europe, terminated its service agreement with AeroTV. Shortly thereafter, AeroTV notified our Manager of its inability to pay certain rent owed to ICON AeroTV and subsequently filed for insolvency protection in the United Kingdom. In February 2007, ICON AeroTV sent a notice to AeroTV terminating the Master Lease Agreement. Shortly thereafter, certain facts came to light that gave our Manager serious concerns regarding the propriety of AeroTV’s actions during and after the execution of the lease with AeroTV. On April 18, 2007, ICON AeroTV filed a lawsuit in the United Kingdom’s High Court of Justice, Queen’s Bench Division against AeroTV and one of its directors for fraud. ICON AeroTV obtained a default judgment against the AeroTV director, which was subsequently set aside. On April 17, 2008, the judgment was reinstated. At this time, it is not possible to determine ICON AeroTV’s ability to collect the judgment.

#### *Recent Accounting Pronouncements*

In February 2007, the FASB issued Statement of Financial Accounting Standards (“SFAS”) No. 159, “The Fair Value Option for Financial Assets and Financial Liabilities — including an Amendment of SFAS No. 115” (“SFAS No. 159”), which permits but does not require us to measure financial instruments and certain other items at fair value. Unrealized gains and losses on items for which the fair value option has been elected are reported in earnings, as we did not elect to fair value any of our financial instruments under the provisions of SFAS No. 159.

In December 2007, the FASB issued SFAS No. 160, “Noncontrolling Interests in Consolidated Financial Statements—an Amendment of ARB No. 51” (“SFAS No. 160”). SFAS No. 160 establishes accounting and reporting standards for the noncontrolling interest in a subsidiary and for the retained interest and gain or loss when a subsidiary is deconsolidated. This statement is effective for financial statements issued for fiscal years beginning on or after December 15, 2008 with earlier adoption prohibited. Our Manager is currently evaluating the impact of SFAS No. 160 on our consolidated financial statements.

On March 19, 2008, the FASB issued Statement of Financial Accounting Standards No. 161, "Disclosures about Derivative Instruments and Hedging Activities — an Amendment of SFAS No. 133" ("SFAS No. 161"). SFAS No. 161 enhances required disclosures regarding derivatives and hedging activities, including enhanced disclosures regarding how: (a) an entity uses derivative instruments; (b) derivative instruments and related hedged items are accounted for under SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities;" and (c) derivative instruments and related hedged items affect an entity's financial position, financial performance, and cash flows. SFAS No. 161 is effective for fiscal years and interim periods beginning after November 15, 2008 and therefore we will be required to provide such disclosures beginning with the interim period ended March 31, 2009.

**Results of Operations for the Three Months Ended March 31, 2008 (the "2008 Quarter") and 2007 (the "2007 Quarter")**

Revenue for the 2008 Quarter and the 2007 Quarter are summarized as follows:

	Three Months Ended March 31,		Change
	2008	2007	
Rental income	\$ 27,506,275	\$ 22,818,090	\$ 4,688,185
Finance income	1,911,039	2,332,210	(421,171)
Income from investments in joint ventures	78,465	35,680	42,785
Net gain on sales of new equipment	177,727	189,256	(11,529)
Net (loss) gain on sales of leased equipment	(227,049)	82,761	(309,810)
Interest and other income	758,246	1,415,572	(657,326)
<b>Total revenue</b>	<b>\$ 30,204,703</b>	<b>\$ 26,873,569</b>	<b>\$ 3,331,134</b>

Total revenue for the 2008 Quarter increased \$3,331,134, or 12.4%, as compared to the 2007 Quarter. The increase in total revenue was due to higher rental income that was partly offset by decreases in interest and other income, finance income and net (loss) gain on sales of leased equipment. The increase in rental income was primarily attributable to the acquisitions of the Teekay Vessels, manufacturing equipment purchased from MWU, and the auto parts manufacturing equipment in 2007. These acquisitions accounted for approximately \$3,107,000, \$1,462,000 and \$811,000, respectively of the increase in rental income. The increase in rental income was partly offset by an increased number of leases in the Leasing Portfolio maturing during the 2008 Quarter which accounted for approximately a \$946,000 decrease in rental income for the 2008 Quarter. The increase in total revenue was partly offset by a decrease in interest and other income resulting from lower cash balances in interest bearing accounts during the 2008 Quarter from the use of cash to invest in the acquisitions in 2007 mentioned above. There was a decrease of \$825,000 in finance income related to the Leasing Portfolio which was offset by an increase of \$419,000 for ICON Global Crossing V. The loss on sales of leased equipment was attributed to our Leasing Portfolio.

Expenses for the 2008 Quarter and the 2007 Quarter are summarized as follows:

	Three Months Ended March 31,		Change
	2008	2007	
Management fees - Manager	\$ 1,811,388	\$ 1,482,064	\$ 329,324
Administrative expense reimbursements - Manager	1,568,510	1,700,883	(132,373)
General and administrative	801,561	720,991	80,570
Interest	4,016,638	3,537,824	478,814
Depreciation and amortization	20,405,123	19,590,530	814,593
Loss on derivative instruments	1,493,972	360,590	1,133,382
<b>Total expenses</b>	<b>\$ 30,097,192</b>	<b>\$ 27,392,882</b>	<b>\$ 2,704,310</b>

Total expenses for the 2008 Quarter increased \$2,704,310, or 9.9%, as compared to the 2007 Quarter. The increase was primarily due to an increase in loss on derivative instruments, depreciation and amortization, interest expense and Management fees – Manager. The increase in loss on derivative instruments is related to the change in the fair value of the interest rate swap contracts that have no hedge designation. The increase in depreciation and amortization expense was primarily attributable to the acquisitions during 2007, which accounted for the increase of approximately \$2,982,000 during the 2008 Quarter. The increase in depreciation and amortization expense was partly offset by the expiration of our leases in the Leasing Portfolio, which decreased depreciation and amortization expense by approximately \$2,378,000 during the 2008 Quarter. The increase in interest expense was due to the acquisition of the Teekay Vessels acquired in April 2007, which accounted for an increase in interest expense of approximately \$939,000. This was partly offset by a decrease in interest expense of approximately \$385,000, relating to the continued reduction of our non-recourse debt on the ZIM Vessels and Top Ships acquired in June 2006. The overall increase in Management fees – Manager was a result of the increased investment in leased assets in the 2008 Quarter.

#### *Minority Interest*

The increase in minority interest for the 2008 Quarter primarily relates to the investment by Fund Ten in ICON Global Crossing V in December 2007.

#### *Provision for Income Taxes*

Certain of our direct and indirect wholly-owned subsidiaries are unlimited liability companies and are taxed as corporations under the laws of Canada. Other indirect wholly-owned subsidiaries are taxed as corporations in Barbados. For the 2008 Quarter, the provision (benefit) for income taxes was comprised of \$106,043 in current taxes and (\$78,372) in deferred taxes.

#### *Net Loss*

As a result of the foregoing factors, net loss for the 2008 Quarter and 2007 Quarter was \$368,574 and \$1,482,503, respectively. The net loss per weighted average number of additional member share for the 2008 Quarter and 2007 Quarter was \$1.00 and \$4.62, respectively.

#### **Financial Condition**

This section discusses the major balance sheet variances at March 31, 2008 compared to December 31, 2007.

#### *Total Assets*

Total assets decreased \$36,617,252 from \$595,752,005 at December 31, 2007 to \$559,134,753 at March 31, 2008. The decrease was primarily due to the depreciation of our leased equipment and the use of cash for distributions to our Additional Members and Manager.

#### *Current Assets*

Current assets decreased \$9,757,176 from \$64,164,600 at December 31, 2007 to \$54,407,424 at March 31, 2008. The decrease was primarily from the use of cash for distributions to our Additional Members and Manager.

### *Total Liabilities*

Total liabilities decreased \$23,413,821 from \$322,138,717 at December 31, 2007 to \$298,724,896 at March 31, 2008. The decrease was primarily due to the repayment of the outstanding balance on the non-recourse debt obligation from the normal course of business.

### *Current Liabilities*

Current liabilities decreased \$15,088,279 from \$105,194,603 at December 31, 2007 to \$90,106,324 at March 31, 2008. The decrease was primarily due to the repayment of the outstanding balance on the non-recourse debt obligation from the normal course of business and decreases in our deferred rental income related to timing differences in revenue recognition between periods. The decrease in current liabilities was primarily offset by the increase in our liability related to our interest rate swap contracts.

### *Members' Equity*

Members' Equity decreased \$12,381,460 from \$261,223,876 at December 31, 2007 to \$248,842,416 at March 31, 2008. The decrease was primarily due to distributions to our Additional Members and Manager and the change in the valuation of our interest rate swap contracts.

## **Liquidity and Capital Resources**

### *Sources and Uses of Cash*

At March 31, 2008 and 2007, we had cash and cash equivalents of \$28,983,543 and \$72,479,033, respectively. During our offering period, our main source of cash was from financing activities and during our operating period, we anticipate our main source of cash will be from investing activities, which we expect will continue during our liquidation period. During our offering period, our main use of cash was from investing activities and during our operating period, our main use of cash will be from financing activities, which we anticipate will continue during the liquidation period. Our offering period ended on April 20, 2007 and our operating period commenced.

The majority of our investments will be the purchase of equipment that will be subject to lease. From this type of investment, we will be legally entitled to receive rental payments from leasing the equipment and, as owner of the equipment, may sell or re-lease it at lease expiration. We will purchase equipment subject to lease either directly or through subsidiary entities. We may, in some cases, jointly purchase equipment with other businesses our Manager sponsors and manages or with unaffiliated third parties. In such cases, we may co-own a joint venture with other parties.

We will seek to acquire a portfolio of equipment leases that is comprised of both (a) transactions that provide current cash flow in the form of rental payments made directly to us, and (b) transactions where the cash flow in the form of rental payments has been pledged or assigned, in whole or in part, to a lender. We refer to current cash flow leases which we acquire for cash as income leases. We call leases where a substantial portion of the cash flow (and perhaps a portion of the expected residual value of the equipment) has been pledged or assigned to a lender as growth leases (also known within the equipment leasing industry as leveraged leases). We expect that most of the indebtedness incurred by us to pay a portion of the purchase price for growth leases will be non-recourse to our other assets, meaning that in the event the lender is not paid, our other assets would not be at risk as a source of payment; only the particular item or items of financed equipment would be at risk.

Unanticipated or greater than anticipated operating costs or losses (including a lessee's inability to make timely lease payments) would adversely affect our liquidity. To the extent that working capital reserves may be insufficient to satisfy our cash requirements, we anticipate that we would fund our operations from cash flow generated by operating and financing activities. In addition, we may use a portion of cash on hand to re-establish working capital reserves. Our Manager has no intent to fund any of our cash flow deficit or provide other financial assistance to us.

### *Operating Activities*

#### *Sources of cash*

Our main source of cash from operating activities in the 2008 Quarter and 2007 Quarter was from the collection of rental income from our operating leases and the collection of non-financed receivables from our finance leases.

#### *Investing Activities*

##### *Uses of cash*

Use of cash from investing activities decreased \$30,845,179 from \$41,675,850 in the 2007 Quarter to \$10,830,671 in the 2008 Quarter. Our main use of cash for investing activities in the 2008 Quarter was for the purchase of leased equipment of approximately \$10,666,000, primarily relating to the acquisition of the information technology equipment in our Leasing Portfolio.

Our main use of cash for investing activities in the 2007 Quarter was for the purchase of leased equipment of approximately \$31,714,000, relating to the acquisition of the information technology equipment in our Leasing Portfolio, telecommunications equipment and auto parts manufacturing equipment. We also paid approximately \$9,298,000 for other assets, including approximately \$7,330,000 for an escrow deposit on an acquisition not yet completed at March 31, 2007.

#### *Financing Activities*

##### *Sources of cash*

Source of cash from financing activities decreased \$54,743,139 from \$59,240,932 in the 2007 Quarter to \$4,497,793 in the 2008 Quarter. The proceeds from non-recourse long-term debt on our Leasing Portfolio of approximately \$4,498,000 was our main source of cash from financing activities in the 2008 Quarter.

Our main source of cash from financing activities in the 2007 Quarter was from the issuance of additional member shares, net of sales and offering expenses. We sold 57,136 additional member shares, representing approximately \$57,136,000 of capital contributions. We paid and accrued various selling expenses of approximately \$6,570,000, which provided us with net proceeds from the sale of our member shares of approximately \$50,566,000. We also received proceeds from non-recourse long-term debt on our Leasing Portfolio of approximately \$8,675,000 during the 2007 Quarter.

##### *Uses of cash*

Our main use of cash for financing activities in the 2008 Quarter was for the repayment of approximately \$18,858,000 of non-recourse long-term debt on our Leasing Portfolio, the Top Ships and the ZIM Vessels. We also paid distributions to our members of approximately \$8,356,000.

Our main use of cash for financing activities in the 2007 Quarter was for the repayment of approximately \$18,938,000 of non-recourse notes payable on our Leasing Portfolio, the Tankers and the ZIM Vessels. We also paid distributions to our members of approximately \$6,902,000.

## *Financings and Borrowings*

### *Non-recourse Long-Term Debt*

We have non-recourse long-term debt at March 31, 2008 of \$266,777,637. All of our non-recourse long-term debt consists of debt in which the lender has a security interest in the equipment. In some cases, in addition to the security interest, the lender has an assignment of the rental payments under the lease. In that case, the lender is being paid directly by the lessee. In other cases, we receive the rental payments and remit to the lender.

### *Revolving Line of Credit, Recourse*

We, along with ICON Income Fund Eight B, L.P. ("Fund Eight B"), ICON Income Fund Nine, LLC, Fund Ten and ICON Leasing Fund Twelve, LLC (entities sponsored and organized by our Manager - collectively, the "Borrowers") are parties to a Commercial Loan Agreement (the "Loan Agreement") with California Bank & Trust (the "Lender"). The Loan Agreement originally provided 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 all assets of the Borrowers not subject to a first priority lien, as defined in the Loan 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, on the present value of the future receivables under certain lease agreements in which the Borrowers have a beneficial interest.

The Facility was originally set to expire on September 30, 2008 and established (i) the interest rate for advances under the Facility at the Lender's prime rate and (ii) the interest rate on the five separate advances that are permitted to be made under the Facility at which United States dollar deposits can be acquired by the Lender at the London Interbank Eurocurrency Market Rate ("LIBOR") plus 2.5%. The interest rate at March 31, 2008 was 5.25%.

The Borrowers were in compliance with the covenants under the Loan Agreement at March 31, 2008.

Aggregate borrowings by all Borrowers under the Facility amounted to \$4,255,000 at March 31, 2008. We had no borrowings outstanding under the Facility as of such date. The balance of \$4,255,000 relates to borrowings by Fund Eight B of \$1,255,000 and Fund Ten of \$3,000,000. Subsequent to March 31, 2008, Fund Ten repaid the outstanding \$3,000,000 balance.

On May 1, 2008, the Borrowers entered into a Loan Modification Agreement. The agreement increased the revolving line of credit up to \$30,000,000 and extended the expiration date to April 30, 2010. The Borrowers may request a one year extension to the revolving line of credit within 390 days of the expiration date, but the Lender has no obligation to extend. The quarterly commitment fee of 0.5% was reduced to 0.25% on unused commitments under the Facility.

### *Distributions*

We pay monthly distributions to our members starting with the first month after the additional members' admission and continue to pay such distributions until the termination of the operating period. We paid distributions to our additional members of approximately \$8,272,000 and \$12,546,393 for the 2008 Quarter and 2007 Quarter, respectively.

## **Contractual Obligations and Commitments**

### *Contractual Obligations*

At March 31, 2008, we have non-recourse long-term debt obligations. The lenders have security interests in the equipment relating to each non-recourse long-term debt instrument and, in some cases, an assignment of the rental payments under the leases associated with the equipment. In that case, the lender is being paid directly by the lessee. In other cases, we receive the rental payments and pay the lender. If the lessee were to default on the non-recourse long-term debt, the equipment would be returned to the lender in extinguishment of the non-recourse long-term debt. At March 31, 2008, our outstanding non-recourse long-term debt obligations were \$266,777,637. We are a party to the Facility as discussed in the financing and borrowings section above. We have no borrowings under the Facility at March 31, 2008.

### *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 “Master Lease Agreement”) for information technology equipment. 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.

On September 28, 2007 and December 10, 2007, we completed the acquisitions of, and simultaneously leased back substantially all, of the machining and metal working equipment of W Forge, Scott, Gilco, General and AMI, a wholly-owned subsidiary of MWU. Simultaneously with the closing of the transactions with W Forge, Scott, Gilco, General and AMI, the Participating Funds completed similar acquisitions with four other subsidiaries of MWU pursuant to which the respective funds purchased substantially all of the machining and metal working equipment of each subsidiary. Each subsidiary’s obligations under its respective leases (including those of W Forge, Scott, Gilco, General and AMI) are cross-collateralized and cross-defaulted, and all subsidiaries’ obligations are guaranteed by MWU. Each of the Participating Funds has also entered into a credit support agreement with us, pursuant to which if losses are incurred by a Participating Fund with respect to any MWU subsidiary, those losses are shared among the Participating Funds proportionately based on the amount of capital invested. The term of each credit support agreement matches that of the lease agreements. No amounts were accrued at March 31, 2008 and management cannot reasonably estimate at this time the maximum potential amounts that may become payable under the credit support agreement, if any.

### *Subsequent Events*

On April 24, 2008, ICON EAR II LLC, a wholly owned subsidiary of ours, completed the acquisition and leaseback of semiconductor manufacturing equipment from EAR for an initial acquisition price of \$6,347,500. We will collect \$3,965 per day until the commencement of the lease term, which is the earlier of June 30, 2008 or upon EAR meeting a specific threshold and will continue for 60 months.

Effective as of May 19, 2008, substantially all of the remaining assets in the Leasing Portfolio were sold to affiliates of U.S. Micro Corporation, an unaffiliated third party (the “Remaining Assets”). The purchase price for the Remaining Assets was \$19,000,000, and is subject to a number of post-closing adjustments.

### **Item 3. Quantitative and Qualitative 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 were 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, 2007.

### **Item 4T. 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, 2008, as well as the financial statements for our Manager, our Manager carried out an evaluation, under the supervision and with the participation of the management of our Manager, including its Co-Chief Executive Officers and Chief Financial 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. Based on the foregoing evaluation, the Co-Chief Executive Officers and the Chief Financial Officer concluded that our Manager's disclosure controls and procedures were effective.

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.

#### *Evaluation of internal control over financial reporting*

There have been no changes in our internal control over financial reporting during our most recently completed fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

## 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

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, 2007.

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

Our Manager consented to us redeeming 355 additional member shares during the 2008 Quarter. The redemption amounts are calculated according to a specified redemption formula in accordance with the LLC agreement. Redeemed additional member shares have no voting rights and do not share in distributions. The LLC agreement limits the number of additional member shares which can be redeemed in any one year and redeemed additional member shares may not be reissued. The following table details our additional member redemptions:

	Total Number of Additional Member Shares Redeemed	Price Paid Per Additional Member Shares
January 1, 2008 through January 31, 2008	355	\$ 280,038.88
February 1, 2008 through February 28, 2008	-	\$ -
March 1, 2008 through March 31, 2008	-	\$ -

### Item 3. Defaults Upon Senior Securities

Not applicable.

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

No matters were submitted to a vote of security holders during the 2008 Quarter.

### Item 5. Other Information

Not applicable.

**Item 6. Exhibits**

- 3.1 Certificate of Formation of ICON Leasing Fund Eleven, LLC. Exhibit 3.1 to Amendment No. 1 to the Registration Statement on Form S-1 filed with the SEC on February 15, 2005 (File No. 333-121790), is incorporated herein by reference.
- 4.1 ICON Leasing Fund Eleven, LLC Amended and Restated Limited Liability Company Agreement. Exhibit A to Amendment No. 1 to the Registration Statement on Form S-1 filed with the SEC on June 29, 2006 (File No. 333-133730), is incorporated herein by reference.
- 4.2 Amendment No. 1 to the Amended and Restated Limited Liability Company Agreement. Exhibit 4.3 to our Quarterly Report on Form 10-Q for the period ended June 30, 2006, filed with the SEC on August 23, 2006, is incorporated herein by reference.
- 10.1 Commercial Loan Agreement, by and between California Bank & Trust, ICON Income Fund Eight B L.P., ICON Income Fund Nine, LLC, ICON Income Fund Ten, LLC and ICON Leasing Fund Eleven, LLC, dated August 31, 2005 (Incorporated by reference to Exhibit 10.1 to Registrant's Current Report on Form 8-K dated September 7, 2005).
- 10.2 Loan Modification Agreement, by and between California Bank & Trust and ICON Income Fund Eight B L.P., ICON Income Fund Nine, LLC, ICON Income Fund Ten, LLC and ICON Leasing Fund Eleven, LLC, dated December 26, 2006 (Incorporated by reference to Exhibit 10.1 to Registrant's Current Report on Form 8-K dated December 29, 2006).
- 10.3 Loan Modification Agreement dated as of May 1, 2008 between California Bank & Trust, ICON Income Fund Eight B L.P., ICON Income Fund Nine, LLC, ICON Income Fund Ten, LLC, ICON Leasing Fund Eleven, LLC and ICON Leasing Fund Twelve, LLC.
- 31.1 Rule 13a-14(a)/15d-14(a). Certification of Co-Chief Executive Officer.
- 31.2 Rule 13a-14(a)/15d-14(a). Certification of Co-Chief Executive Officer.
- 31.3 Rule 13a-14(a)/15d-14(a). Certification of Chief Financial Officer.
- 32.1 Certification of Co-Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
- 32.2 Certification of Co-Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
- 32.3 Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

## SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacity and on the dates indicated.

File No. 000-51916  
ICON Capital Corp.  
Sole Manager of the Registrant

*June 6, 2008*

/s/ Mark Gatto  
Mark Gatto  
Co-Chief Executive Officer and Co-President  
(Co-Principal Executive Officer)

*June 6, 2008*

/s/ Michael A. Reisner  
Michael A. Reisner  
Co-Chief Executive Officer and Co-President  
(Co-Principal Executive Officer)

*June 6, 2008*

/s/ Anthony J. Branca  
Anthony J. Branca  
Chief Financial Officer  
(Principal Financial Officer)

**THIRD LOAN MODIFICATION AGREEMENT**  
**(Loan No. 9117000148)**

This Loan Modification Agreement ("Third Modification") is made and entered as of May 1, 2008, between **CALIFORNIA BANK & TRUST**, a California banking corporation ("Bank"); **ICON INCOME FUND EIGHT B L.P.**; **ICON INCOME FUND NINE, LLC**; **ICON INCOME FUND TEN, LLC**; and **ICON LEASING FUND ELEVEN, LLC** (separately and collectively "Original Borrower"), and **ICON LEASING FUND TWELVE, LLC** ("Added Borrower"). As used herein the term "Borrower" means, separately and collectively, the Added Borrower and the Original Borrower.

**RECITALS**

A. Pursuant to the terms of a Commercial Loan Agreement (the "Loan Agreement") between Bank and Original Borrower, dated as of August 31, 2005, Bank agreed to make a revolving line of credit in the principal sum of \$17,000,000 (the "Line of Credit") available to Original Borrower; capitalized terms used and not otherwise defined herein shall have the meanings assigned to such terms in the Loan Agreement.

B. The Line of Credit was evidenced by a promissory note (the "Note") of even date with the Loan Agreement, executed by Original Borrower in favor of Bank.

C. Original Borrower's indebtedness under the Loan Agreement was secured by assets of Original Borrower under a separate Security Agreement, dated August 31, 2005 (the "Security Agreement" executed by each entity comprising Original Borrower).

D. Under the terms of a Loan Modification Agreement, dated as of December 26, 2006, executed by Original Borrower and Bank (the "First Modification"), the Loan Agreement was amended.

E. Under a further Loan Modification Agreement, dated June 20, 2007, executed by Original Borrower, Added Borrower, and Bank ("Second Modification"), among other things, Added Borrower became a Borrower under the Loan Agreement and became a party to the Security Agreement, Alternative Dispute Resolution Agreement, Designation of Deposit Accounts and Contribution Agreement which had previously been executed by Original Borrower. By the Second Modification, and amended note (the "Amended Note") replaced the Note and there were amendments to a financial reporting covenant under the Loan Agreement. As used herein the term "Prior Modifications" means the First Modification and the Second Modification.

D. In response to Borrower's request and in reliance upon Borrower's representations made to Bank in support thereof, Bank has agreed to modify the terms of the Loan Agreement as set forth in this Third Modification.

---

---

## AGREEMENT

NOW, THEREFORE, in consideration of the premises and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Borrower and Bank agree as follows:

1. Adoption of Recitals. Borrower hereby represents and warrants that each of the recitals set forth above is true, accurate and complete.
  2. Acknowledgment of Debt. Borrower acknowledges that, to the best of Borrower's knowledge, there are no claims, demands, offsets or defenses at law or in equity that would defeat or diminish Bank's present and unconditional right to collect the indebtedness evidenced by the Amended Note and to proceed to enforce the rights and remedies available to Bank as provided in the Amended Note, Loan Agreement, Security Agreement, Prior Modifications or any other instrument, agreement, or document given in connection with the Line of Credit (collectively the "Loan Documents") or by law. Until the Line of Credit is paid in full, interest and other charges shall continue to accrue and shall be due and owing.
  3. Representations and Warranties. Borrower hereby represents and warrants that no material default exists under the Line of Credit and no event of default, breach or failure of condition has occurred or exists, or would exist with notice or lapse of time, or both, under any of the Loan Documents that could reasonably be expected to have a Material Adverse Change, and all representations and warranties of Borrower in this Third Modification and the other Loan Documents are true and correct in all material respects as of the date of this Third Modification (other than any such representations and warranties that, by their terms, are specifically made as of a date other than the date hereof) and shall survive the execution of this Third Modification.
  4. Modification of Loan Documents. The Loan Documents are hereby supplemented, amended and modified to incorporate the following, which shall supersede and prevail over any existing and conflicting provisions thereof:
    - (a) Section 1.1 of the Loan Agreement, entitled "Definitions" is modified as follows:
      - (i) By deleting the definition of "Line of Credit Expiration Date" and replacing it in its entirety with the following:

"Line of Credit Expiration Date" shall mean April 30, 2010, unless extended pursuant to Section 2.1.a.
    - (b) Section 2.1.a. of the Loan Agreement, entitled "Revolving Line of Credit", is deleted and replaced in its entirety with the following:
-

**Revolving Line of Credit.** During the Line of Credit Availability Period and so long as no Event of Default has occurred and is continuing, Bank will, on a revolving basis, make advances to Borrower ("Line of Credit"), which, except as set forth below, may not at any time exceed an aggregate amount outstanding equal to the lesser of Thirty Million Dollars (\$30,000,000.00) or the Borrowing Base (collectively the "Line of Credit Limit"). Borrower's obligation to repay advances under the Line of Credit shall be evidenced by a promissory note in a form acceptable to Bank (the "Line of Credit Note"). During the Line of Credit Availability Period, Borrower may repay principal amounts and reborrow them. Borrower agrees that Borrower will not permit the outstanding balance under the Line of Credit to exceed the Line of Credit Limit unless Borrower increases the Restricted Cash Deposit by an amount equal to the sum that would otherwise be overadvanced, in which case Borrower shall have the right to borrow an amount in excess of the Borrowing Base but not more than \$30,000,000.00. Provided no Event of Default has occurred and is continuing at such time, Borrower may request (i) one year extensions of the Line of Credit Availability Period within 390 days of the then applicable Line of Credit Expiration Date, but Bank has no obligation to grant the extension and/or (ii) the addition to Borrower of an additional fund or funds managed by Manager or an Affiliate of Manager acceptable to Bank, but Bank has no obligation to grant the addition and/or (iii) the deletion from Borrower of a fund managed by Manager or an Affiliate of Manager, but Bank has no obligation to grant the deletion.

(c) The first sentence of Section 3.5.c. of the Loan Agreement, entitled "Unused Commitment Fee," is deleted and replaced in its entirety with the following:

For the Line of Credit, Borrower agrees to pay a fee ("Unused Commitment Fee") equal to the product of one-quarter of one percent (0.25%) multiplied by the difference between Thirty Million Dollars (\$30,000,000.00) and the amount of credit extended to Borrower, determined by the Average Loan Balance, as defined below, maintained during the Line of Credit Availability Period.

(d) Section 8.5 of the Loan Agreement, entitled "Tangible Net Worth," is deleted and replaced in its entirety with the following:

**Tangible Net Worth.** To maintain as of the end of each fiscal quarter, based on the financial results of each Borrower as Reported on SEC Form 10-Q or 10-K, as applicable, of each entity comprising Borrower, a combined Tangible Net Worth of not less than Three Hundred Million Dollars (\$300,000,000.00).

(e) Section 8.7 of the Loan Agreement, entitled "Minimum Liquidity," is deleted and replaced in its entirety with the following:

**Minimum Liquidity.** To maintain, as of the end of each fiscal quarter, based on the combined financial results as reported on the SEC Form 10-Q or 10-K, as applicable, of each Borrower, Liquidity of at least Ten Million Dollars (\$10,000,000.00).

---

(f) The Amended Note is superseded and replaced by the Second Amended Note, described below, and all references in the Loan Documents to "Note" shall mean and refer to the Second Amended Note.

(g) The form of the Compliance Certificate shall be replaced by the Second Amended Compliance Certificate appended hereto.

(h) Upon the effectiveness of this Third Modification, the Loan Documents which recite that they are security instruments shall secure, in addition to any other obligations secured thereby, the payment and performance by Borrower of all obligations under the Line of Credit, as modified hereby, and any amendments, modifications, extensions or renewals of the same which are hereafter agreed to in writing by the parties.

5. Conditions Precedent. This Modification shall only be effective upon Borrower's completion of the following conditions precedent to Bank's satisfaction.

(a) Execution and delivery by Borrower of this Third Modification and the Second Amended Note in form satisfactory to Bank;

(b) Execution and delivery to Bank of a Corporate Resolution for Borrowing by Limited Liability Companies and Limited Partnership in form satisfactory to Bank;

(c) Execution and delivery to Bank of a Certificate of Limited Liability Company and Authorization to Sign on behalf of Added Borrower;

(d) Such other documents or instruments as Bank shall reasonably require;

(e) After giving effect to this Modification, the absence of any Event of Default under the Loan Agreement except as may be expressly waived in writing by Bank; and

(f) Payment of a line of credit extension fee in the sum of \$75,000.00 to Bank.

(g) Payment of Bank's reasonable attorneys fees incurred in preparation of this Modification and related documents.

6. Governing Law. This Modification shall be construed, governed and enforced in accordance with the laws of the State of California.

7. Interpretation. No provision of this Modification is to be interpreted for or against either Borrower or Bank because that party, or that party's representative, drafted such provision.

8. Full Force and Effect. Except as set forth herein, all other terms and conditions of the Loan Documents shall remain in full force and effect. Upon and after the effectiveness of this Third Modification, each reference in the Loan Agreement and Security Agreement to "this Agreement", "hereunder", "hereof" or words of like import referring to the Loan Agreement or Security Agreement, as applicable, and each reference in the other Loan Documents to "Loan Agreement", "Security Agreement", "thereunder", "thereof" or words of like import referring to the Loan Agreement or Security Agreement, as applicable, shall mean and be a reference to the Loan Agreement or Security Agreement, as applicable, as modified hereby.

---

9. Reaffirmation. Except as specifically modified by this Third Modification, Borrower hereby acknowledges, reaffirms and confirms its obligations under the Loan Documents.

10. Entire Agreement. This Third Modification and the Loan Documents represent the entire agreement of the parties and supersede all prior oral and written communication between the parties. If there is any conflict between this Third Modification and any documents referred to herein, this Third Modification shall prevail. No amendment of this Third Modification shall be valid unless it is in writing and is signed by the parties to this Third Modification.

11. Counterparts. This Third Modification may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page to this Third Modification by facsimile shall be effective as delivery of a manually executed counterpart of this Third Modification.

IN WITNESS WHEREOF, the parties have executed this Modification as of the day and year first above written.

**ICON INCOME FUND EIGHT B L.P.,**  
a Delaware limited partnership  
By: **ICON CAPITAL CORP.,** its general partner

By: /s/ Michael A. Reisner  
Michael A. Reisner  
Co-President and Co-Chief Executive Officer

Address where notices are to be sent:

ICON INCOME FUND EIGHT B L.P.  
c/o ICON Capital Corp., its general partner  
100 Fifth Avenue, 4<sup>th</sup> Floor  
New York, NY 10011  
Attention: General Counsel  
Attention: Michael A. Reisner  
Co-President and Co-Chief Executive Officer  
Facsimile No.: (212) 418-4739

**CALIFORNIA BANK & TRUST,**  
a California banking corporation

By: /s/ J. Michael Sullivan  
Name: J. Michael Sullivan  
Title: Vice President and Relationship Manager

Address where notices are to be sent:

South Bay Commercial Banking  
1690 South El Camino Real  
San Mateo, CA 94402

---

**ICON INCOME FUND NINE, LLC,**

a Delaware limited liability company

By: **ICON CAPITAL CORP.**, its manager

By: /s/ Michael A. Reisner

Michael A. Reisner

Co-President and Co-Chief Executive Officer

Address where notices are to be sent:

ICON INCOME FUND NINE, LLC

c/o ICON Capital Corp., its manager

100 Fifth Avenue, 4<sup>th</sup> Floor

New York, NY 10011

Attention: General Counsel

Attention: Michael A. Reisner

Co-President and Co-Chief Executive Officer

Facsimile No.: (212) 418-4739

**ICON INCOME FUND TEN, LLC,**

a Delaware limited liability company

By: **ICON CAPITAL CORP.**, its manager

By: /s/ Michael A. Reisner

Michael A. Reisner

Co-President and Co-Chief Executive Officer

Address where notices are to be sent:

ICON INCOME FUND TEN, LLC

c/o ICON Capital Corp., its manager

100 Fifth Avenue, 4<sup>th</sup> Floor

New York, NY 10011

Attention: General Counsel

Attention: Michael A. Reisner

Co-President and Co-Chief Executive Officer

Facsimile No.: (212) 418-4739

---

**ICON LEASING FUND ELEVEN, LLC,**

a Delaware limited liability company

By: **ICON CAPITAL CORP.**, its manager

By: /s/ Michael A. Reisner

Michael A. Reisner

Co-President and Co-Chief Executive Officer

Address where notices are to be sent:

ICON LEASING FUND ELEVEN, LLC

c/o ICON Capital Corp., its manager

100 Fifth Avenue, 4<sup>th</sup> Floor

New York, NY 10011

Attention: General Counsel

Attention: Michael A. Reisner

Co President and Co-Chief Executive Officer

Facsimile No.: (212) 418-4739

**ICON LEASING FUND TWELVE, LLC,**

a Delaware limited liability company

By: **ICON CAPITAL CORP.**, its manager

By: /s/ Michael A. Reisner

Michael A. Reisner

Co-President and Co-Chief Executive Officer

Address where notices are to be sent:

ICON LEASING FUND TWELVE, LLC

c/o ICON Capital Corp., its manager

100 Fifth Avenue, 4<sup>th</sup> Floor

New York, NY 10011

Attention: General Counsel

Attention: Michael A. Reisner

Co President and Co-Chief Executive Officer

Facsimile No.: (212) 418-4739

**CERTIFICATION OF CO-CHIEF EXECUTIVE OFFICER  
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Mark Gatto, 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 officers 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 officers 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.

*Date: June 6, 2008*

/s/ Mark Gatto

Mark Gatto

Co-Chief Executive Officer and Co-President

ICON Capital Corp

Manager of ICON Leasing Fund Eleven, LLC

**CERTIFICATION OF CO-CHIEF EXECUTIVE OFFICER  
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Michael A. Reisner, 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 officers 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 officers 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.

*Date: June 6, 2008*

/s/ Michael A. Reisner  
Michael A. Reisner  
Co-Chief Executive Officer and Co-President  
ICON Capital Corp.  
Manager of ICON Leasing Fund Eleven, LLC

**CERTIFICATION OF CHIEF FINANCIAL OFFICER  
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Anthony J. Branca, 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 officers 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 officers 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.

*Date: June 6, 2008*

/s/ Anthony J. Branca  
Anthony J. Branca  
Chief Financial Officer  
ICON Capital Corp.  
Manager of ICON Leasing Fund Eleven, LLC

**CERTIFICATION OF CO-CHIEF EXECUTIVE OFFICER  
PURSUANT TO 18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

I, Mark Gatto, Co-Chief Executive Officer and Co-President 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, 2008, 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:

1. The Quarterly Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; 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.

*Date: June 6, 2008*

/s/ Mark Gatto

Mark Gatto  
Co-Chief Executive Officer and Co-President  
ICON Capital Corp  
Manager of ICON Leasing Fund Eleven, LLC

**CERTIFICATION OF CO-CHIEF EXECUTIVE OFFICER  
PURSUANT TO 18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

I, Michael A. Reisner, Co-Chief Executive Officer and Co-President 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, 2008, 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:

1. The Quarterly Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; 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.

*Date: June 6, 2008*

/s/ Michael A. Reisner

Michael A. Reisner

Co-Chief Executive Officer and Co-President

ICON Capital Corp.

Manager of ICON Leasing Fund Eleven, LLC

**CERTIFICATION OF CHIEF FINANCIAL OFFICER  
PURSUANT TO 18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

I, Anthony J. Branca, Chief Financial 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, 2008, 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:

1. The Quarterly Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; 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.

*Date: June 6, 2008*

/s/ Anthony J. Branca  
Anthony J. Branca  
Chief Financial Officer  
ICON Capital Corp.  
Manager of ICON Leasing Fund Eleven, LLC