

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 June 30, 2009

or

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 000-53189

ICON Leasing Fund Twelve, LLC

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation or organization)

20-5651009

(I.R.S. Employer Identification No.)

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

(Address of principal executive offices)

10011

(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 has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

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 shares of limited liability company interests of the registrant on July 31, 2009 is 348,729.

ICON Leasing Fund Twelve, LLC
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PART I – FINANCIAL INFORMATION**Item 1. Consolidated Financial Statements**

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

Assets

	June 30, 2009	December 31, 2008
Current assets:		
Cash and cash equivalents	\$ 34,069,704	\$ 45,408,378
Current portion of net investment in finance leases	14,843,476	6,175,219
Current portion of notes receivable	19,787,244	17,058,414
Other current assets	5,265,842	2,455,649
	<u>73,966,266</u>	<u>71,097,660</u>
Non-current assets:		
Net investment in finance leases, less current portion	119,995,735	20,723,514
Leased equipment at cost (less accumulated depreciation of \$29,107,288 and \$14,178,194, respectively)	304,474,388	302,253,674
Notes receivable	46,231,592	35,641,940
Investment in joint venture	4,998,617	5,374,899
Derivative instrument	-	92,388
Due from Manager and affiliates	2,344,135	1,919,144
Prepaid acquisition fees	2,662,032	-
Other non-current assets, net	3,482,597	2,759,899
	<u>484,189,096</u>	<u>368,765,458</u>
Total Assets	\$ 558,155,362	\$ 439,863,118

Liabilities and Equity

Current liabilities:		
Current portion of non-recourse long-term debt	\$ 33,413,063	\$ 29,073,897
Derivative instruments	4,395,338	5,431,968
Deferred revenue	4,570,074	4,608,711
Due to Manager and affiliates	1,853,998	1,608,556
Accrued expenses and other current liabilities	3,072,185	2,046,343
	<u>47,304,658</u>	<u>42,769,475</u>
Non-current liabilities:		
Non-recourse long-term debt, less current portion	150,340,797	133,501,171
Other non-current liabilities	20,975,042	-
	<u>171,315,839</u>	<u>133,501,171</u>
Total Liabilities	218,620,497	176,270,646
Commitments and contingencies (Note 12)		
Equity:		
Members' Equity:		
Additional Members	288,242,816	229,360,768
Manager	(202,330)	(121,406)
Accumulated other comprehensive loss	(4,735,870)	(5,751,632)
	<u>283,304,616</u>	<u>223,487,730</u>
Total Members' Equity	283,304,616	223,487,730
Noncontrolling Interests	56,230,249	40,104,742
	<u>339,534,865</u>	<u>263,592,472</u>
Total Equity	339,534,865	263,592,472
Total Liabilities and Equity	\$ 558,155,362	\$ 439,863,118

See accompanying notes to consolidated financial statements.

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2009	2008	2009	2008
Revenue:				
Rental income	\$ 13,213,846	\$ 5,345,686	\$ 26,044,236	\$ 8,553,234
Finance income	2,567,011	1,052,969	3,447,921	1,803,890
Income from investment in joint venture	130,962	-	292,866	-
Interest and other income	2,583,355	329,610	4,999,171	618,594
Total revenue	18,495,174	6,728,265	34,784,194	10,975,718
Expenses:				
Management fees - Manager	766,823	372,010	1,466,852	559,147
Administrative expense reimbursements - Manager	1,109,954	741,180	1,960,023	1,431,999
General and administrative	576,073	491,507	1,022,570	725,898
Interest	2,265,842	644,751	4,507,220	929,709
Depreciation and amortization	7,999,787	2,925,719	15,599,376	4,671,927
Loss (gain) on financial instruments	5,860	(197,695)	19,295	(197,872)
Total expenses	12,724,339	4,977,472	24,575,336	8,120,808
Net income	5,770,835	1,750,793	10,208,858	2,854,910
Less: Net income attributable to noncontrolling interests	(2,057,940)	(334,977)	(3,424,285)	(710,271)
Net income attributable to Fund Twelve	\$ 3,712,895	\$ 1,415,816	\$ 6,784,573	\$ 2,144,639
Net income attributable to Fund Twelve allocable to:				
Additional Members	\$ 3,675,766	\$ 1,401,658	\$ 6,716,727	\$ 2,123,193
Manager	37,129	14,158	67,846	21,446
	\$ 3,712,895	\$ 1,415,816	\$ 6,784,573	\$ 2,144,639
Weighted average number of additional shares of limited liability company interests outstanding	342,374	157,613	318,735	136,157
Net income attributable to Fund Twelve per weighted average additional share of limited liability company interests	\$ 10.74	\$ 8.89	\$ 21.07	\$ 15.59

See accompanying notes to consolidated financial statements.

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

Members' Equity

	Additional Shares of Limited Liability Company Interests	Additional Members	Manager	Accumulated Other Comprehensive Loss	Total Members' Equity	Noncontrolling Interests	Total Equity
Balance, December 31, 2008	273,989	\$ 229,360,768	\$ (121,406)	\$ (5,751,632)	\$ 223,487,730	\$ 40,104,742	\$ 263,592,472
Comprehensive income:							
Net income	-	3,040,961	30,717	-	3,071,678	1,366,345	4,438,023
Change in valuation of							
derivative instruments	-	-	-	(20,555)	(20,555)	(65,752)	(86,307)
Currency translation adjustment	-	-	-	(609,296)	(609,296)	-	(609,296)
Total comprehensive income	-	-	-	(629,851)	2,441,827	1,300,593	3,742,420
Proceeds from issuance of additional shares of limited liability company interests	44,673	44,397,807	-	-	44,397,807	-	44,397,807
Sales and offering expenses	-	(4,413,405)	-	-	(4,413,405)	-	(4,413,405)
Cash distributions to members and noncontrolling interests	-	(6,779,850)	(68,483)	-	(6,848,333)	(2,476,304)	(9,324,637)
Investment in joint venture by noncontrolling interests	-	-	-	-	-	18,381,998	18,381,998
Balance, March 31, 2009	318,662	\$ 265,606,281	\$ (159,172)	\$ (6,381,483)	\$ 259,065,626	\$ 57,311,029	\$ 316,376,655
Comprehensive income:							
Net income	-	3,675,766	37,129	-	3,712,895	2,057,940	5,770,835
Change in valuation of							
derivative instruments	-	-	-	1,058,589	1,058,589	267,767	1,326,356
Currency translation adjustment	-	-	-	587,024	587,024	-	587,024
Total comprehensive income	-	-	-	1,645,613	5,358,508	2,325,707	7,684,215
Proceeds from issuance of additional shares of limited liability company interests	30,164	30,162,009	-	-	30,162,009	-	30,162,009
Sales and offering expenses	-	(3,167,221)	-	-	(3,167,221)	-	(3,167,221)
Cash distributions to members and noncontrolling interests	-	(7,948,350)	(80,287)	-	(8,028,637)	(3,406,487)	(11,435,124)
Shares of limited liability company interests redeemed	(304)	(85,669)	-	-	(85,669)	-	(85,669)
Balance, June 30, 2009	348,522	\$ 288,242,816	\$ (202,330)	\$ (4,735,870)	\$ 283,304,616	\$ 56,230,249	\$ 339,534,865

See accompanying notes to consolidated financial statements

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

	Six Months Ended June 30,	
	2009	2008
Cash flows from operating activities:		
Net income	\$ 10,208,858	\$ 2,854,910
Adjustments to reconcile net income to net cash provided by operating activities:		
Rental income paid directly to lenders by lessees	(16,916,011)	(3,692,450)
Finance income	(3,447,921)	(1,803,890)
Income from investment in joint venture	(292,866)	-
Depreciation and amortization	15,599,376	4,671,927
Interest expense on non-recourse financing paid directly to lenders by lessees	3,974,954	903,648
Interest expense from amortization of debt financing costs	428,255	26,061
Interest expense other	60,261	-
Loss (gain) on financial instruments	19,295	(197,872)
Changes in operating assets and liabilities:		
Collection of finance leases	6,885,840	4,719,024
Prepaid acquisition fees	(2,662,032)	-
Other assets, net	(2,499,180)	(843,143)
Accrued expenses and other current liabilities	(133,628)	215,198
Deferred revenue	(2,200,335)	(535,874)
Due from/to Manager and affiliates, net	(179,549)	354,532
Distributions from joint venture	292,866	-
Net cash provided by operating activities	<u>9,138,183</u>	<u>6,672,071</u>
Cash flows from investing activities:		
Purchase of equipment	(53,977,555)	(49,921,909)
Distributions received from joint venture	376,282	-
Restricted cash	(569,796)	-
Investment in note receivable	(21,239,728)	(164,822)
Repayment of notes receivable	8,771,761	-
Net cash used in investing activities	<u>(66,639,036)</u>	<u>(50,086,731)</u>
Cash flows from financing activities:		
Issuance of additional shares of limited liability company interests, net of sales and offering expenses	66,979,190	76,614,018
Shares of limited liability company interests redeemed	(85,669)	-
Distributions to noncontrolling interests	(5,882,791)	(351,338)
Cash distributions to members	(14,876,970)	(5,897,582)
Net cash provided by financing activities	<u>46,133,760</u>	<u>70,365,098</u>
Effects of exchange rates on cash and cash equivalents	<u>28,419</u>	<u>378</u>
Net (decrease) increase in cash and cash equivalents	(11,338,674)	26,950,816
Cash and cash equivalents, beginning of the period	<u>45,408,378</u>	<u>22,154,903</u>
Cash and cash equivalents, end of the period	<u>\$ 34,069,704</u>	<u>\$ 49,105,719</u>

See accompanying notes to consolidated financial statements

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

	<u>Six Months Ended June 30,</u>	
	<u>2009</u>	<u>2008</u>
Supplemental disclosure of cash flow information:		
Cash paid during the period for interest	\$ 43,750	\$ -
Supplemental disclosure of non-cash investing and financing activities:		
Principal and interest on non-recourse long-term debt paid directly to lenders by lessees	\$ 16,916,011	\$ 3,692,450
Equipment purchased with non-recourse long-term debt paid directly by lender	\$ 34,800,000	\$ 38,699,640
Equipment purchased with subordinated financing provided by seller	\$ 27,500,000	\$ -
Investment in joint venture by noncontrolling interest	\$ 18,381,998	\$ 4,076,251

See accompanying notes to consolidated financial statements

ICON Leasing Fund Twelve, LLC
(A Delaware Limited Liability Company)
Notes to Consolidated Financial Statements
June 30, 2009
(unaudited)

(1) Organization

ICON Leasing Fund Twelve, LLC (the "LLC") was formed on October 3, 2006 as a Delaware limited liability company. The LLC is engaged in one business segment, the business of purchasing equipment and leasing it to third parties, providing equipment and other financing, acquiring equipment subject to lease and, to a lesser degree, acquiring ownership rights to items of leased equipment at lease expiration. The LLC will continue until December 31, 2026, unless terminated sooner.

The LLC's principal investment objective is to obtain the maximum economic return from its investments for the benefit of its members. To achieve this objective, the LLC: (i) acquires a diversified portfolio by making investments in leases, notes receivable and other financing transactions; (ii) makes monthly cash distributions, at the LLC's manager's discretion, to its members commencing with each member's admission to the LLC, continuing until the end of the operating period; (iii) reinvests substantially all undistributed cash from operations and cash from sales of equipment and other financing transactions during the operating period; and (iv) will dispose of its investments and distribute the excess cash from such dispositions to its members beginning with the commencement of the liquidation period.

The manager of the LLC is ICON Capital Corp., a Delaware corporation (the "Manager"). The Manager manages and controls the business affairs of the LLC, including, but not limited to, the equipment leases and other 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.

The LLC offered shares of limited liability company interests ("Shares") with the intent to raise up to \$410,800,000 of capital, consisting of 400,000 issuances pursuant to Shares at a purchase price of \$1,000 per share and an additional 12,000 Shares, which were reserved for the LLC's Distribution Reinvestment Plan. The Distribution Reinvestment Plan allowed investors to purchase additional Shares with distributions received from the LLC and/or certain other funds managed by the Manager at a discounted share price of \$900. The LLC had its initial closing on May 25, 2007 (the "Commencement of Operations") with the admission of investors that purchased Shares.

The LLC's offering period ended on April 30, 2009, and its operating period commenced on May 1, 2009. Through April 30, 2009, the LLC sold approximately 348,826 Shares, including approximately 11,393 Shares issued in connection with the LLC's Distribution Reinvestment Plan, representing \$347,686,947 of capital contributions. Through June 30, 2009, 304 Shares have been repurchased by the LLC pursuant to its repurchase plan. Beginning with the Commencement of Operations through June 30, 2009, the LLC paid \$26,995,024 of sales commissions to third parties, \$5,488,440 of organizational and offering expense allowance to the Manager and \$6,748,756 of underwriting fees to ICON Securities Corp. ("ICON Securities"), a wholly-owned subsidiary of the Manager, the dealer-manager of the LLC's offering.

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 account to zero and (b) received, in addition, other distributions and allocations that would provide an 8% per year cumulative return, compounded daily, on their outstanding adjusted capital account. After such time, distributions will be allocated 90% to the additional members and 10% to the Manager.

ICON Leasing Fund Twelve, LLC
(A Delaware Limited Liability Company)
Notes to Consolidated Financial Statements
June 30, 2009
(unaudited)

(2) Summary of Significant Accounting Policies

Basis of Presentation and Consolidation

The accompanying consolidated financial statements of the LLC have been prepared in accordance with U.S. generally accepted accounting principles (“US GAAP”) for the interim financial information and pursuant to the rules and regulations of the Securities and Exchange Commission for Quarterly Reports on Form 10-Q. In the opinion of the Manager, all adjustments considered necessary for a fair presentation have been included. These 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, 2008. The results for the interim period are not necessarily indicative of the results for the full year. The Manager has evaluated all subsequent events through August 14, 2009, the date the financial statements were issued.

The consolidated financial statements include the accounts of the LLC and its majority-owned subsidiaries and other controlled entities. All intercompany accounts and transactions have been eliminated in consolidation. In joint ventures where the LLC has majority ownership, the financial condition and results of operations of the joint venture are consolidated. Noncontrolling interest represents the minority owner’s proportionate share of its equity in the joint venture. The noncontrolling interest is adjusted for its share of the earnings, losses, investments and distributions of the joint venture.

The LLC accounts for its 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 policy.

Effective January 1, 2009, the LLC adopted and, for presentation and disclosure purposes, retrospectively applied Statement of Financial Accounting Standards (“SFAS”) No. 160, “Noncontrolling Interests in Consolidated Financial Statements – an amendment of ARB No. 51.” As a result, noncontrolling interests are reported as a separate component of consolidated equity and income attributable to the noncontrolling interest is included in consolidated net income. The attribution of income between controlling and noncontrolling interests is disclosed on the accompanying consolidated statements of operations. Accordingly, the prior year consolidated financial statements have been revised to conform to the current year presentation.

ICON Leasing Fund Twelve, LLC
(A Delaware Limited Liability Company)
Notes to Consolidated Financial Statements
June 30, 2009
(unaudited)

(2) Summary of Significant Accounting Policies - continued

Risks and Uncertainties

In the normal course of business, the LLC is exposed to two significant types of economic risk: credit and market. Credit risk is the risk of a lessee, borrower or other counterparty's inability or unwillingness to make contractually required payments. Concentrations of credit risk with respect to lessees, borrowers or other counterparties are dispersed across different industry segments within the United States of America and throughout the world. Although the LLC does not currently foresee a concentrated credit risk associated with these customers, contractual payments are dependent upon the financial stability of the industry segments in which they operate. Market risk reflects the change in the value of debt instruments, derivatives and credit facilities due to changes in interest rate spreads or other market factors. The LLC believes that the carrying value of its investments and derivative obligations are reasonable, taking into consideration these risks, along with estimated collateral values, payment history and other relevant information.

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, the disclosure of contingent assets and liabilities as of the date of the 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 consolidated financial statements in prior periods to conform to the current presentation.

Share Repurchase

The LLC may, at its discretion, repurchase Shares from a limited number of its additional members, as provided for in its LLC Agreement. The repurchase price for any Shares approved for repurchase is based upon a formula, as provided in the LLC Agreement. Additional members are required to hold their Shares for at least one year before repurchases will be permitted.

Recent Accounting Pronouncements

In September 2006, the Financial Accounting Standards Board ("FASB") issued SFAS No. 157, "Accounting for Fair Value Measurements" ("SFAS No. 157"). SFAS No. 157 defines fair value, establishes a framework for measuring fair value, and enhances fair value measurement disclosure and is effective for fiscal years beginning after November 15, 2007 and interim periods within those fiscal years. In February 2008, the FASB issued FASB Staff Position ("FSP") No. 157-2, "Effective Date of FASB Statement No. 157" ("FSP 157-2"). FSP 157-2 delayed the effective date of SFAS No. 157 for all non-financial assets and non-financial liabilities, except for items that are recognized or disclosed at fair value in the financial statements on a recurring basis (at least annually), for fiscal years beginning after November 15, 2008. The measurement and disclosure requirements related to financial assets and financial liabilities were adopted by the LLC on January 1, 2008. The LLC adopted FSP 157-2 on January 1, 2009. The adoption of SFAS No. 157 and FSP 157-2 for financial and non-financial assets and financial and non-financial liabilities did not have a significant impact on the LLC's consolidated financial statements.

ICON Leasing Fund Twelve, LLC
(A Delaware Limited Liability Company)
Notes to Consolidated Financial Statements
June 30, 2009
(unaudited)

(2) Summary of Significant Accounting Policies - continued

On March 19, 2008, the FASB issued SFAS 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" ("SFAS No. 133"); 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 was required to provide such disclosures beginning with the interim period ended March 31, 2009.

In April 2009, the FASB issued FSP No. 157-4, "Determining Fair Value When the Volume and Level of Activity for the Asset or Liability have Significantly Decreased and Identifying Transactions that are Not Orderly" ("FSP 157-4"). FSP 157-4 provides additional guidance for estimating fair value in accordance with SFAS No. 157 when the volume and level of activity for the asset or liability have significantly decreased. Additionally, FSP 157-4 provides guidance on identifying circumstances that indicate a transaction is not orderly. The FASB expanded the scope of FSP 157-4 to all assets and liabilities measured at fair value. FSP 157-4 is effective for interim and annual reporting periods ending after June 15, 2009, and shall be applied prospectively. The LLC adopted FSP 157-4 during the quarter ended June 30, 2009. The adoption of FSP 157-4 did not have a significant impact on the LLC's consolidated financial statements.

In April 2009, the FASB issued FSP FAS 107-1 and Accounting Principles Board ("APB") 28-1, "Interim Disclosure about Fair Value of Financial Instruments" ("FSP 107-1/APB 28-1"). FSP 107-1/APB 28-1 requires interim disclosures regarding the fair values of financial instruments that are within the scope of SFAS No. 107, "Disclosures about the Fair Value of Financial Instruments" ("SFAS No. 107"). Additionally, FSP 107-1/APB 28-1 requires disclosure of the methods and significant assumptions used to estimate the fair value of financial instruments on an interim basis as well as changes of the methods and significant assumptions from prior periods. FSP 107-1/APB 28-1 does not change the accounting treatment for these financial instruments and is effective for interim and annual reporting periods ending after June 15, 2009. The LLC adopted FSP 107-1/APB 28-1 during the quarter ended June 30, 2009. The adoption of FSP 107-1/APB 28-1 did not have a significant impact on the LLC's consolidated financial statements.

In May 2009, the FASB issued SFAS No. 165, "Subsequent Events" ("SFAS No. 165"). SFAS No. 165 establishes general standards of accounting for and disclosure of events that occur after the balance sheet date but before financial statements are issued or are available to be issued. It requires the disclosure of the date through which an entity has evaluated subsequent events and the basis for that date; that is, whether that date represents the date the financial statements were issued or were available to be issued. This disclosure should alert all users of financial statements that an entity has not evaluated subsequent events after that date in the set of financial statements being presented. SFAS No. 165 is effective for interim and annual reporting periods ending after June 15, 2009. The LLC adopted SFAS No. 165 during the quarter ended June 30, 2009. The adoption of SFAS No. 165 did not have a significant impact on the LLC's consolidated financial statements.

ICON Leasing Fund Twelve, LLC
(A Delaware Limited Liability Company)
Notes to Consolidated Financial Statements
June 30, 2009
(unaudited)

(3) Net Investment in Finance Leases

Net investment in finance leases consisted of the following:

	June 30, 2009 (unaudited)	December 31, 2008
Minimum rents receivable	\$ 179,663,770	\$ 29,642,020
Estimated residual values	24,861,519	4,283,003
Initial direct costs, net	4,287,443	682,275
Unearned income	(73,973,521)	(7,708,565)
Net investment in finance leases	134,839,211	26,898,733
Less: Current portion of net investment in finance leases	14,843,476	6,175,219
Net investment in finance leases, less current portion	\$ 119,995,735	\$ 20,723,514

Marine Vessels and Equipment

On March 24, 2009, Victorious, LLC ("Victorious"), a Marshall Islands limited liability company that is controlled by the LLC through its wholly-owned subsidiary, ICON Victorious, LLC ("ICON Victorious"), purchased a new, 300-man accommodation and work barge (the "Barge") from Swiber Engineering Ltd. ("Swiber") for \$42,500,000. Simultaneously with the purchase, the Barge was chartered back to Swiber Offshore Marine Pte. Ltd. (the "Charterer") for 96 months. The purchase price of the Barge was funded by (i) a \$19,125,000 equity investment from ICON Victorious, (ii) a \$18,375,000 contribution-in-kind by Swiber and (iii) a subordinated, non-recourse and unsecured \$5,000,000 payable. The payable bears interest at 3.5% per year, accrues interest quarterly and is only required to be repaid after the LLC achieves its minimum targeted return. At the end of the charter, the Charterer has the option to purchase the Barge for \$21,000,000 plus 50% of the difference between the then fair market value less \$21,000,000. ICON Victorious is the sole manager of Victorious and holds a senior, controlling equity interest and all management rights with respect to Victorious. Swiber holds a subordinate, non-controlling equity interest in Victorious and the obligations of the Swiber entities that are parties to the transaction are guaranteed by Swiber's parent company, Swiber Holdings Limited ("Swiber Holdings"). The LLC paid an acquisition fee to the Manager of \$1,275,000 in connection with this transaction.

On June 25, 2009, the LLC, through its wholly-owned subsidiaries, purchased certain marine diving equipment (the "Diving Equipment") from Swiber for \$10,000,000. Simultaneously with the purchase of the Diving Equipment, the LLC entered into a 60-month lease with Swiber Offshore Construction Pte. Ltd. (the "Lessee"), which commenced on July 1, 2009. The purchase price of the Diving Equipment was comprised of \$8,000,000 in cash and a subordinated, interest-free \$2,000,000 payable to Swiber, which is due upon sale of the Diving Equipment at the conclusion of the lease term. If an event of loss or an event of default occurs, the LLC's obligation to repay the payable is terminated. The payable has been recorded at fair value as of June 30, 2009. The LLC paid an acquisition fee to the Manager of \$300,000 relating to this transaction.

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(3) Net Investment in Finance Leases - continued

At the conclusion of the lease, the Lessee has the option to (x) (i) purchase the Diving Equipment for \$4,250,000 ("Purchase Option") and (ii) pay an amount equal to 50% of the difference between the fair market value of the Diving Equipment less \$4,250,000 or (y) return the Diving Equipment. In the event the Lessee does not exercise the Purchase Option and the Diving Equipment is not sold to a third-party, but rather the lease is renewed or is re-leased to a third-party, all lease payments received by the LLC will be paid as follows: (i) first, to the LLC until it receives in full its purchase price of \$10,000,000 less the \$2,000,000 payable and achieves a return thereon at an agreed-upon rate and (ii) then, to Swiber to repay in full the \$2,000,000 payable without interest thereon. In addition, Victorious, a Marshall Islands limited liability company that is controlled by the LLC through its wholly-owned subsidiary, ICON Victorious and Swiber granted the LLC's subsidiaries a first priority mortgage in the Barge that is owned by Victorious and is on bareboat charter from Victorious to an affiliate of Swiber as security for the Lessee's obligations under the lease. The obligations of the Lessee, Swiber, and Swiber Holdings, under the operative transactional documents are subordinate only to ICON Victorious' rights in the Barge. The obligations of the Lessee are guaranteed by Swiber Holdings.

On June 26, 2009, the LLC, through its wholly-owned subsidiaries ICON Mynx Pte. Ltd. ("ICON Mynx"), ICON Stealth Pte. Ltd. ("ICON Stealth") and ICON Eclipse Pte. Ltd. ("ICON Eclipse"), each a Singapore corporation, executed Memoranda of Agreement ("MOA") to purchase three barges (each a "Vessel" and, collectively, the "Vessels") from Leighton Contractors (Singapore) Pte. Ltd. ("Leighton") for an aggregate purchase price of \$133,000,000. The LLC paid aggregate acquisition fees to the Manager of \$3,990,000 relating to these transactions. Simultaneously with the execution of the MOA, each of ICON Mynx, ICON Stealth and ICON Eclipse entered into a bareboat charter to charter the Vessel that it owns to Leighton for a term of 96 months. During the term of the bareboat charters, Leighton will have the option to purchase each of the Vessels for a specified purchase option price on the dates defined in each respective bareboat charter. All of Leighton's obligations are guaranteed by its ultimate parent company, Leighton Holdings Limited, a publicly traded company that is listed on the Australian Stock Exchange.

Two of the three Vessels were acquired on June 26, 2009 for \$58,000,000, including the incurrence of \$34,800,000 of senior debt (the "Senior Tranche") pursuant to a \$79,800,000 senior facility agreement with Standard Charter Bank, Singapore Branch (the "Facility Agreement") and \$20,500,000 of subordinated seller's credit (the "Subordinated Tranche") pursuant to a \$47,000,000 seller's credit agreement with Leighton (the "Seller's Credit Agreement"). The Seller's Credit Agreement is subordinated only to the Facility Agreement. The Senior Tranche will be repaid by the LLC in 20 quarterly principal and interest payments beginning on September 30, 2009. The Senior Tranche will bear an interest rate of 4.8475% during the period from June 26, 2009 to September 30, 2009 (the "Stub Period") and, thereafter, the interest rate will be fixed pursuant to a swap agreement at 7.05%. The interest-free Subordinated Tranche will be repaid by the LLC in eight annual principal payments beginning on June 25, 2010. The bareboat charter for each Vessel expires on June 25, 2017.

The remaining Vessel included in the MOA to be purchased by ICON Eclipse is currently under construction. Upon completion, ICON Eclipse will purchase the Vessel for \$75,000,000. Completion is likely to occur on or about September 30, 2009, but no later than October 23, 2009 (the "Closing Date"). In order to purchase the Vessel, ICON Eclipse will borrow \$45,000,000 of senior debt (the "Eclipse Senior Tranche") pursuant to the Facility Agreement and \$26,500,000 of subordinated seller's credit (the "Eclipse Subordinated Tranche") pursuant to the Seller's Credit Agreement. The Leighton Eclipse bareboat charter will commence on the Closing Date.

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(3) Net Investment in Finance Leases - continued

Telecommunications Equipment

During March 2009, the LLC, through its wholly-owned subsidiary, ICON Global Crossing IV, LLC ("ICON Global Crossing IV"), purchased additional telecommunications equipment for approximately \$3,859,000 that is subject to a lease with Global Crossing Telecommunications, Inc. ("Global Crossing"). The lease expires on March 31, 2012. The LLC paid acquisition fees to the Manager of approximately \$116,000 relating to this transaction.

Non-cancelable minimum annual amounts due on investment in finance leases over the remaining term of the leases were as follows at June 30, 2009 (unaudited):

For the period July 1 to December 31, 2009	\$ 14,583,194
For the year ending December 31, 2010	27,697,010
For the year ending December 31, 2011	27,180,622
For the year ending December 31, 2012	20,320,398
For the year ending December 31, 2013	16,990,400
Thereafter	<u>72,892,146</u>
	<u>\$ 179,663,770</u>

(4) Leased Equipment at Cost

Leased equipment at cost consisted of the following:

	June 30, 2009 (unaudited)	December 31, 2008
Marine vessels and equipment	\$ 261,719,265	\$ 261,719,265
Manufacturing equipment	35,761,085	35,761,085
Mining equipment	20,122,453	12,834,631
Telecommunications equipment	6,116,887	6,116,887
Motor coaches	5,473,082	-
Gas compressors	4,388,904	-
	<u>333,581,676</u>	<u>316,431,868</u>
Less: Accumulated depreciation	<u>(29,107,288)</u>	<u>(14,178,194)</u>
	<u>\$ 304,474,388</u>	<u>\$ 302,253,674</u>

Depreciation expense was \$7,617,357 and \$2,848,499 for the three months ended June 30, 2009 and 2008, respectively. Depreciation expense was \$14,929,094 and \$4,543,868 for the six months ended June 30, 2009 and 2008, respectively.

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(4) Leased Equipment at Cost - continued

Manufacturing Equipment

On February 2, 2009, the LLC, ICON Income Fund Ten, LLC ("Fund Ten") and ICON Leasing Fund Eleven, LLC ("Fund Eleven"), entities also managed by the Manager (together, with the LLC, the "Participating Funds") and IEMC Corp., a subsidiary of the Manager ("IEMC"), entered into an amended Forbearance Agreement with MW Universal, Inc. ("MWU"), LC Manufacturing, LLC ("LC Manufacturing"), MW Crow, Inc. ("Crow") and seven other subsidiaries of MWU with respect to certain lease defaults. In consideration for restructuring LC Manufacturing's lease payment schedule, the LLC received, among other things, a warrant to purchase 10% of the outstanding stock of LC Manufacturing at an exercise price of \$0.01 per share, exercisable for a period of five years from the grant date. At June 30, 2009, the fair value of the LC Manufacturing warrants was \$0.

On June 1, 2009, the LLC amended and restructured the master lease agreement with LC Manufacturing dated September 28, 2007 to reduce the assets under lease of the original equipment from \$14,890,000 to approximately \$12,420,000. Contemporaneously, the LLC entered into a new master lease agreement with Metavation, LLC ("Metavation"), an affiliate of LC Manufacturing, for the assets previously under lease with LC Manufacturing with a cost of approximately \$2,470,000. The equipment is subject to a 43-month lease with Metavation that expires on December 31, 2012.

Mining Equipment

On February 18, 2009, the LLC, through its wholly-owned subsidiary, ICON Murray, LLC, ("ICON Murray") purchased mining equipment for approximately \$3,348,000 that is subject to a lease with American Energy Corp. and Ohio American Energy, Incorporated. The lease expires on March 31, 2011. The payment and performance obligations of American Energy Corp. are secured by a guaranty of Murray Energy Corporation. The LLC paid an acquisition fee to the Manager of approximately \$100,000 relating to this transaction.

On May 26, 2009, the LLC, through its wholly-owned subsidiary, ICON Murray II, LLC ("ICON Murray II"), purchased mining equipment subject to a lease between Varilease Finance, Inc. ("Varilease"), as lessor and American Energy Corp. and The Ohio Valley Coal Company, as lessees. The equipment was purchased from Varilease for approximately \$3,196,000 and is subject to a 30-month lease that expires on December 31, 2011. The LLC paid an acquisition fee to the Manager of approximately \$96,000 relating to this transaction.

Motor Coaches

On April 1, 2009, the LLC, through its wholly-owned subsidiary, ICON Coach, LLC ("ICON Coach"), acquired title to certain buses from CUSA PRTS, LLC ("CUSA"), an affiliate of Coach America Holdings, Inc. ("Coach America"), for approximately \$5,314,000. The buses are subject to a 60-month lease with CUSA that expires on March 31, 2014. The payment and performance obligations of CUSA are guaranteed by Coach America. The LLC paid an acquisition fee to the Manager of approximately \$159,000 relating to this transaction.

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(4) Leased Equipment at Cost - continued

Gas Compressors

On June 26, 2009, the LLC and ICON Equipment and Corporate Infrastructure Fund Fourteen, L.P., an entity managed by an affiliate of the Manager ("Fund Fourteen"), entered into a joint venture, ICON Atlas, LLC ("ICON Atlas"), for the purpose of investing in eight new Ariel natural gas compressors (the "Gas Compressors") from AG Equipment Co. ("AG"). The Gas Compressors, which will be purchased by ICON Atlas for approximately \$11,618,000, are subject to a 48-month lease to Atlas Pipeline Mid-Continent, LLC ("APMC"), an affiliate of Atlas Pipeline Partners, L.P. ("APP"), which expires in 2013. APP will guarantee all of APMC's obligations under the lease.

As of June 30, 2009, the LLC has a 100% ownership interest in ICON Atlas. It is expected that the LLC and Fund Fourteen will have ownership interests equal to 55% and 45%, respectively, by December 31, 2009.

All subsequent capital contributions by Fund Fourteen and related distributions to the LLC will be effectuated so that the aggregate amount of capital contributed by Fund Fourteen does not exceed the aggregate amount of capital contributed by the LLC for the purpose of acquiring and holding the Gas Compressors, adjusted for any income received and expenses paid or incurred by the joint venture while holding such equipment and any compensation that the Manager and any of its affiliates is otherwise entitled to receive pursuant to the LLC Agreement. All of Fund Fourteen's subsequent contributions will be made on or prior to the six month anniversary of the date that the joint venture acquired the Gas Compressors.

On June 26, 2009, ICON Atlas purchased four of the Gas Compressors for approximately \$4,270,000, which was funded entirely by capital contributions from the LLC, which also paid an acquisition fee to the Manager of approximately \$322,000 relating to this transaction. On or prior to September 1, 2009, ICON Atlas will purchase the four additional Gas Compressors for the purchase price of approximately \$7,348,000. On July 1, 2009, Fund Fourteen contributed \$500,000 to ICON Atlas and as of August 1, 2009, Fund Fourteen made an additional contribution of approximately \$1,470,000 to ICON Atlas.

Aggregate annual minimum future rents receivable from each of the LLC's non-cancelable operating leases over the next five years consisted of the following at June 30, 2009:

For the period July 1 to December 31, 2009	\$ 25,334,213
For the year ending December 31, 2010	\$ 56,440,677
For the year ending December 31, 2011	\$ 51,174,730
For the year ending December 31, 2012	\$ 45,598,604
For the year ending December 31, 2013	\$ 29,219,660
Thereafter	\$ 1,512,900

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(5) Notes Receivable

Note Receivable Secured by Credit Card Machines

On November 25, 2008, ICON Northern Leasing, LLC ("ICON Northern Leasing"), a joint venture among the LLC, Fund Ten and Fund Eleven, purchased four promissory notes (the "Notes") and received an assignment of the underlying Master Loan and Security Agreement (the "MLSA"), dated July 28, 2006. The LLC, Fund Ten and Fund Eleven have ownership interests of 52.75%, 12.25% and 35%, respectively. The aggregate purchase price for the Notes was approximately \$31,573,000, net of a discount of approximately \$5,165,000. The Notes are secured by an underlying pool of leases for credit card machines. Northern Leasing Systems, Inc. ("Northern Leasing Systems"), the originator and servicer of the Notes, provided a limited guaranty of the MLSA for payment deficiencies up to approximately \$5,748,000. The Notes accrue interest at rates ranging from 7.97% to 8.40% per year and require monthly payments ranging from approximately \$183,000 to \$422,000. The Notes mature between October 15, 2010 and August 14, 2011 and require balloon payments at the end of each note ranging from approximately \$594,000 to \$1,255,000. The LLC's share of the purchase price of the Notes was approximately \$16,655,000 and the LLC paid an acquisition fee to the Manager of approximately \$500,000 relating to this transaction.

On March 31, 2009, ICON Northern Leasing II, LLC ("ICON Northern Leasing II"), a wholly-owned subsidiary of the LLC, provided a senior secured loan in the amount of approximately \$7,870,000 (the "Loan") to Northern Capital Associates XV, L.P. ("NCA XV") and Northern Capital Associates XIV, L.P. ("NCA XIV"), pursuant to the MLSA dated March 31, 2009. The Loan accrues interest at a rate of 18% per year and the Loan is secured by a first priority security interest in an underlying pool of leases for credit card machines of NCA XV and a second priority security interest in an underlying pool of leases for credit card machines of NCA XIV (subject only to the first priority security interest of ICON Northern Leasing). Northern Leasing Systems, the originator and servicer of the Loan, provided a limited guaranty for payment deficiencies up to 10% of the Loan, or approximately \$787,000. The LLC paid an acquisition fee to the Manager of approximately \$314,000 relating to this transaction.

Note Receivable Secured by a Machine Paper Coating Manufacturing Line

On March 26, 2009, the loan and security agreement and the secured term loan note issued by Appleton Papers, Inc. ("Appleton") were amended due to a default on one of the covenants in Appleton's credit facility. As a result of the cross-default provisions of the loan and security agreement, the interest on the term note was adjusted to accrue interest at 14.25% per year and is payable monthly in arrears. Appleton is current on all amounts due under the loan and security agreement as of June 30, 2009.

Notes Receivable Secured by Analog Seismic System Equipment

On June 29, 2009, the LLC and Fund Fourteen entered into a joint venture, ICON ION, LLC ("ICON ION"), for the purpose of making secured term loans (the "Loans") in the aggregate amount of \$20,000,000, to ARAM Rentals Corporation, a Canadian bankruptcy remote Nova Scotia unlimited liability company (the "Canadian Borrower") and ARAM Seismic Rentals Inc., a U.S. bankruptcy remote Texas corporation (the "US Borrower", together with the Canadian Borrower, the "Borrowers") in the amounts of approximately \$16,325,000 and \$3,675,000, respectively. The Borrowers are wholly-owned subsidiaries of ION Geophysical Corporation, a Delaware corporation ("ION"). The Loans are secured by (i) a first priority security interest in all of the ARAM analog seismic system equipment owned by the Borrowers and (ii) a pledge of all of the equity interests in the Borrowers. In addition, ION guaranteed all obligations of the Borrowers under the Loans. Interest accrues at the rate of 15% per year and the Loans are payable monthly in arrears for a period of 60 months beginning on August 1, 2009.

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(5) Notes Receivable - continued

As of June 30, 2009, the LLC has a 100% ownership interest in ICON ION. It is expected that the LLC and Fund Fourteen will have ownership interests equal to 55% and 45%, respectively. All of Fund Fourteen's subsequent contributions will be made on or prior to the six month anniversary of the date that the joint venture acquired the equipment.

All subsequent capital contributions by Fund Fourteen and related distributions to the LLC will be effectuated so that the aggregate amount of capital contributed by Fund Fourteen does not exceed the aggregate amount of capital contributed by the LLC for the purpose of acquiring and holding the equipment, adjusted for any income received and expenses paid or incurred by the joint venture while holding such equipment and any compensation that the Manager and any of its affiliates is otherwise entitled to receive pursuant to the LLC Agreement.

On June 29, 2009, ICON ION funded the first tranche of the Loans in the amount of \$12,500,000, which was funded entirely by capital contributions from the LLC, which also paid an acquisition fee to the Manager of approximately \$555,000 relating to this transaction. On July 1, 2009, Fund Fourteen contributed \$500,000 to ICON ION. On July 17, 2009, ICON ION funded the second tranche of the Loans in the amount of \$7,500,000. As of August 1, 2009, Fund Fourteen contributed an additional \$2,370,000 to ICON ION, inclusive of acquisition fees of \$70,000.

(6) Non-Recourse Long-Term Debt

The LLC had the following non-recourse long-term debt:

	June 30, 2009 (unaudited)	December 31, 2008
ICON Eagle Holdings	\$ 50,386,913	\$ 55,000,000
ICON Stealth	28,800,000	-
ICON Corona Holdings	25,498,610	28,000,000
ICON Carina Holdings	24,582,736	27,000,000
ICON Aegean	16,510,135	17,504,149
ICON Arabian	16,510,135	17,504,149
ICON Mayon	15,465,331	17,566,770
ICON Mynx	6,000,000	-
Total non-recourse long-term debt	183,753,860	162,575,068
Less: Current portion of non-recourse long-term debt	33,413,063	29,073,897
Total non-recourse long-term debt, less current portion	<u>\$ 150,340,797</u>	<u>\$ 133,501,171</u>

On June 30, 2009 ICON Eclipse entered into a forward swap agreement with a start date of September 30, 2009. Pursuant to the forward swap agreement, the interest rate will be fixed at 7.25% for the entire term of the Eclipse Senior Tranche. The interest-free Eclipse Subordinated Tranche will be repaid by ICON Eclipse in eight annual principal payments beginning on the first anniversary of the Closing Date.

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

On June 26, 2009, ICON Mynx, ICON Stealth, and ICON Eclipse entered into the Facility Agreement with Standard Charter Bank in connection with the acquisition of the Vessels. The non-recourse long-term debt obligations incurred in connection with the Vessels acquired by ICON Mynx and ICON Stealth mature on June 30, 2014 and accrue interest at 4.8475% during the Stub Period and, thereafter, at London Interbank Offered Rate ("LIBOR") plus 4.25% per year. The LLC also entered into an interest rate swap contract effective June 26, 2009 to fix the interest rate on this debt at 7.05% per year. ICON Mynx, ICON Stealth and ICON Eclipse jointly and severally guaranteed and indemnified Standard Charter Bank for the performance of each entity's obligations under the Facility Agreement.

As of June 30, 2009 and December 31, 2008, the LLC had net debt financing costs of \$2,771,522 and \$2,180,047, respectively. For the three months ended June 30, 2009 and 2008, the LLC recognized amortization expense related to the capitalized debt financing costs of \$192,614 and \$20,182, respectively. For the six months ended June 30, 2009 and 2008, the LLC recognized amortization expense related to the capitalized debt financing costs of \$428,255 and \$26,061, respectively.

The aggregate maturities of non-recourse long-term debt over the next five years were as follows at June 30, 2009:

For the period July 1 to December 31, 2009	\$ 17,192,689
For the year ending December 31, 2010	34,628,713
For the year ending December 31, 2011	36,992,767
For the year ending December 31, 2012	31,452,842
For the year ending December 31, 2013	40,428,301
Thereafter	23,058,548
	<u>\$ 183,753,860</u>

(7) Revolving Line of Credit, Recourse

The LLC and certain entities sponsored and organized by the Manager, ICON Income Fund Eight B, L.P. ("Fund Eight B"), ICON Income Fund Nine, LLC, Fund Ten and Fund Eleven (collectively, the "Borrowers"), are parties to a Commercial Loan Agreement, as amended (the "Loan Agreement"), with California Bank & Trust ("CB&T"). The Loan Agreement provides for a revolving line of credit of up to \$30,000,000 pursuant to a senior secured revolving loan facility (the "Facility"), which is secured by all assets of the Borrowers not subject to a first priority lien, as defined in the Loan Agreement. Each of the Borrowers is jointly and severally liable for all amounts borrowed under the Facility. At June 30, 2009, no amounts were accrued related to the LLC's joint and several obligations 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 and loans in which the Borrowers have a beneficial interest.

The interest rate for general advances under the Facility is CB&T's prime rate and the interest rate on up to five separate advances that are permitted to be made under the Facility is the rate at which U.S. dollar deposits can be acquired by CB&T in the London Interbank Eurocurrency Market plus 2.5% per year. The interest rate at June 30, 2009 was 3.25%. In addition, the Borrowers are obligated to pay a quarterly commitment fee of 0.25% on unused commitments under the Facility.

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(7) Revolving Line of Credit, Recourse - continued

Aggregate borrowings by all Borrowers under the Facility amounted to \$10,330,000 at June 30, 2009. The LLC had no borrowings outstanding under the Facility as of such date. The balances of \$885,000, \$2,185,000 and \$7,260,000 were borrowed by Fund Eight B, Fund Ten and Fund Eleven, respectively. Subsequent to June 30, 2009, Fund Eight B and Fund Ten repaid \$120,000 and \$350,000, which reduced Fund Eight B's and Fund Ten's outstanding loan balances to \$765,000 and \$1,835,000, respectively.

Pursuant to the Loan Agreement, the Borrowers are required to comply with certain covenants. At June 30, 2009, the Borrowers were in compliance with all covenants.

On August 12, 2009, the Borrowers entered into a Loan Modification Agreement to the Loan Agreement. The changes to the Loan Agreement are (i) an extension of the Facility from April 30, 2010 to June 30, 2011, (ii) an increase of the quarterly commitment fee from 0.25% to 0.50% on unused commitments under the Facility, (iii) the interest rate on all current and future borrowings under the Facility will be at a rate not less than 4.0% per year, and (iv) the addition of Fund Fourteen, as a permitted borrower under the Facility. The Borrowers may request a one year extension to the revolving line of credit within 390 days of the current expiration date, but CB&T has no obligation to extend.

(8) Transactions with Related Parties

The LLC entered into certain agreements with its Manager and ICON Securities, whereby the LLC paid certain fees and reimbursements to these parties. The Manager was entitled to receive an organizational and offering expense allowance of 3.5% of capital raised up to \$50,000,000, 2.5% of capital raised between \$50,000,001 and \$100,000,000, 1.5% of capital raised between \$100,000,001 and \$200,000,000, 1.0% of capital raised between \$200,000,001 and \$250,000,000 and 0.5% of capital raised over \$250,000,000. ICON Securities was entitled to receive a 2% underwriting fee from the gross proceeds from sales of Shares to additional members.

In accordance with the terms of the LLC Agreement, the LLC will pay the Manager (i) management fees ranging from 1% to 7% based on a percentage of the rentals and other contractual payments recognized either directly by the LLC or through its joint ventures, and (ii) acquisition fees, through the end of the operating period, of 3% of the purchase price of the LLC's investments. In addition, the Manager will be reimbursed for administrative expenses incurred in connection with the LLC's operations. The Manager also has a 1% interest in the LLC's profits, losses, cash distributions and liquidation proceeds.

The Manager performs certain services relating to the management of the LLC's equipment leasing and other financing activities. Such services include, but are not limited to, the collection of lease payments from the lessees of the equipment, re-leasing services in connection with equipment which is off-lease, inspections of the equipment, liaising with and general supervision of lessees 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 costs, 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.

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(8) Transactions with Related Parties - continued

Fees and other expenses paid or accrued by the LLC to the Manager or its affiliates were as follows (unaudited):

Entity	Capacity	Description	Three Months Ended June 30,		Six Months Ended June 30,	
			2009	2008	2009	2008
ICON Capital Corp.	Manager	Organizational and offering expenses (1)	\$ 150,820	\$ 670,919	\$ 372,809	\$ 1,358,767
ICON Securities Corp.	Managing broker-dealer	Underwriting fees (1)	\$ 603,280	\$ 865,710	\$ 1,441,563	\$ 1,678,369
ICON Capital Corp.	Manager	Acquisition fees (2)	\$ 5,422,675	\$ 682,486	\$ 7,228,249	\$ 2,740,654
ICON Capital Corp.	Manager	Administrative expense reimbursements (3)	\$ 1,109,954	\$ 741,180	\$ 1,960,023	\$ 1,431,999
ICON Capital Corp.	Manager	Management fees (3)	\$ 766,823	\$ 372,010	\$ 1,466,852	\$ 559,147

(1) Amount charged directly to members' equity.

(2) Amount capitalized and amortized to operations over the estimated service period in accordance with the LLC's accounting policies.

(3) Amount charged directly to operations.

At June 30, 2009, the LLC was due \$2,344,135 primarily from an affiliate for the investment in ICON Carina Holdings, LLC ("ICON Carina Holdings") and ICON Corona Holdings, LLC ("ICON Corona Holdings"). The LLC also had a payable of \$1,853,998 primarily related to administrative expenses due to the Manager and to an affiliate for the M/V Eagle Auriga and the M/V Eagle Centaurus tanker acquisitions.

(9) Derivative Financial Instruments

The LLC may enter into derivative transactions for purposes of hedging specific financial exposures, including movements in foreign currency exchange rates and changes in interest rates on its non-recourse long-term debt. The LLC enters into these instruments only for hedging underlying exposures. The LLC does not hold or issue derivative financial instruments for purposes other than hedging, except for warrants, which are not hedges. Certain derivatives may not meet the established criteria to be designated as qualifying accounting hedges, even though the LLC believes that these are effective economic hedges.

The LLC accounts for derivative financial instruments in accordance with SFAS No. 133, which established accounting and reporting standards for derivative financial instruments and SFAS No. 161, which the LLC adopted on January 1, 2009. SFAS No. 133 requires the LLC to recognize all derivatives as either assets or liabilities in the consolidated balance sheets and measure those instruments at fair value. The LLC recognizes the fair value of all derivatives as either assets or liabilities in the consolidated balance sheets and changes in the fair value of such instruments are recognized immediately in earnings unless certain accounting criteria established by SFAS No. 133 are met. These criteria demonstrate that the derivative is expected to be highly effective at offsetting changes in the fair value or expected cash flows of the underlying exposure at both the inception of the hedging relationship and on an ongoing basis and include an evaluation of the counterparty risk and the impact, if any, on the effectiveness of the derivative. If these criteria are met, which the LLC must document and assess at inception and on an ongoing basis, the LLC recognizes the changes in fair value of such instruments in accumulated other comprehensive income (loss) ("AOCI"), a component of equity on the consolidated balance sheets. Changes in the fair value of the ineffective portion of all derivatives are recognized immediately in earnings.

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(9) Derivative Financial Instruments - continued

Interest Rate Risk

The LLC's objectives in using interest rate derivatives are to add stability to interest expense and to manage exposure to interest rate movements. The LLC's hedging strategy to accomplish this objective is to match the projected future cash flows with the underlying debt service. Interest rate swaps designated as cash flow hedges involve the receipt of floating-rate interest payments from a counterparty in exchange for the LLC making fixed interest rate payments over the life of the agreements without exchange of the underlying notional amount.

As of June 30, 2009, the LLC had ten floating-to-fixed interest rate swaps relating to ICON Mynx, ICON Stealth, ICON Eclipse, ICON Corona Holdings, ICON Carina Holdings, ICON Aegean Express, LLC ("ICON Aegean"), ICON Arabian Express, LLC ("ICON Arabian"), ICON Mayon and two interest rate swaps for ICON Eagle Holdings, LLC ("ICON Eagle Holdings") designated and qualifying as cash flow hedges with aggregate notional amount of \$228,753,860. These interest rate swaps have maturity dates from July 25, 2011 to September 30, 2014.

For these derivatives, the LLC reports the gain or loss from the effective portion of changes in the fair value of derivatives designated and qualifying as cash flow hedges in AOCI and is subsequently reclassified into earnings in the period that the hedged forecasted transaction affects earnings and within the same income statement line item as the impact of the hedged transaction. During the six months ended June 30, 2009, the LLC recorded approximately \$33,000 of hedge ineffectiveness in earnings. At June 30, 2009, the total unrealized loss recorded to AOCI related to the change in fair value of these interest rate swaps was approximately \$3,768,000.

During the twelve months ended June 30, 2010, the LLC estimates that an additional \$3,966,662 will be transferred from AOCI to interest expense.

Foreign Exchange Risk

The LLC is exposed to fluctuations in Euros. The LLC used foreign currency derivatives, including currency forward agreements, to manage its exposure to fluctuations in the USD-Euro exchange rate. Currency forward agreements involved fixing the USD-Euro exchange rate for delivery of a specified amount of foreign currency on a specified date. The currency forward agreements were typically cash settled in U.S. dollars for their fair value at or close to their settlement date.

The effective portion of changes in the fair value of derivatives designated and that qualify as cash flow hedges of foreign exchange risk was recorded in AOCI and subsequently reclassified into earnings in the period that the hedged forecasted transaction affects earnings. The ineffective portion of the change in fair value of the derivative, as well as amounts excluded from the assessment of hedge effectiveness, was recognized directly in earnings. As of June 30, 2009, the foreign exchange Euro-to-USD forward contract matured.

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(9) Derivative Financial Instruments - continued

Non-designated Derivatives

Warrants are the only derivatives that the LLC holds for purposes other than hedging. All changes in the fair value of the warrants are recorded directly in earnings. As of June 30, 2009, the outstanding derivatives that were not designated as hedges in qualifying hedging relationships were warrants.

The table below presents the fair value of the LLC's derivative financial instruments as well as the classification within the LLC's consolidated balance sheet as of June 30, 2009 (unaudited):

	Asset Derivatives		Liability Derivatives	
	Balance Sheet Location	Fair Value	Balance Sheet Location	Fair Value
Derivatives designated as hedging instruments under SFAS 133:				
Interest Rate Swaps		\$ -	Derivative Instrument	\$ 4,395,338
Derivatives not designated as hedging instruments under SFAS 133:				
Warrants	Other Non-Current Assets	\$ 58,308		\$ -

The tables below present the effect of the LLC's derivative financial instruments under SFAS No. 133 designated as cash flow hedging instruments on the consolidated statements of operations for the three and six months ended June 30, 2009 (unaudited):

Three Months Ended June 30, 2009

Derivatives	Amount of Gain (Loss) Recognized in AOCI on Derivative (Effective Portion)	Location of Gain (Loss) Reclassified from AOCI into Income (Effective Portion)	Gain (Loss) Reclassified from AOCI into Income (Effective Portion)	Location of Gain (Loss) Recognized in Income on Derivative (Ineffective Portion and Amounts Excluded from Effectiveness Testing)	Gain (Loss) Recognized in Income on Derivative (Ineffective Portion and Amounts Excluded from Effectiveness Testing)
Foreign Exchange Contracts	\$ (17,968)	(Loss) Gain on Financial Instruments	\$ 41,414	(Loss) Gain on Financial Instruments	\$ -
Interest Rate Swaps	351,401	Interest Expense	(766,570)	(Loss) Gain on Financial Instruments	(16,982)
Total	\$ 333,433		\$ (725,156)		\$ (16,982)

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(9) Derivative Financial Instruments - continued

Six Months Ended June 30, 2009

Derivatives	Amount of Gain (Loss) Recognized in AOCI on Derivative (Effective Portion)	Location of Gain (Loss) Reclassified from AOCI into Income (Effective Portion)	Gain (Loss) Reclassified from AOCI into Income (Effective Portion)	Location of Gain (Loss) Recognized in Income on Derivative (Ineffective Portion and Amounts Excluded from Effectiveness Testing)	Gain (Loss) Recognized in Income on Derivative (Ineffective Portion and Amounts Excluded from Effectiveness Testing)
Foreign Exchange Contracts	\$ (44,960)	(Loss) Gain on Financial Instruments	\$ 41,414	(Loss) Gain on Financial Instruments	\$ -
Interest Rate Swaps	(318,569)	Interest Expense	(1,442,977)	(Loss) Gain on Financial Instruments	(33,042)
Total	\$ (363,529)		\$ (1,401,563)		\$ (33,042)

The LLC's derivative financial instruments not designated as hedging instruments under SFAS No. 133 generated a net gain on the statements of operations for the three and six months ended June 30, 2009 of \$2,510 and (\$3,272), respectively. This gain (loss) was recorded as a component of loss on financial instruments. The gain recorded for the three months ended June 30, 2009 was comprised of an unrealized gain relating to warrants. The loss recorded for the six months ended June 30, 2009 was comprised of an unrealized loss of \$3,272 relating to warrants.

Derivative Risks

The LLC manages exposure to possible defaults on derivative financial instruments by monitoring the concentration of risk that the LLC has with any individual bank and through the use of minimum credit quality standards for all counterparties. The LLC does not require collateral or other security in relation to derivative financial instruments. Since it is the LLC's policy to only enter into derivative contracts with banks of internationally acknowledged standing, the LLC considers the counterparty risk to be remote.

As of June 30, 2009, the fair value of the derivatives in a liability position related to these agreements was \$4,395,338. In the event that the LLC breaches any of these provisions, it would be required to settle its obligations under the agreements at their termination value of \$4,588,353.

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(10) Accumulated Other Comprehensive Loss

AOCI includes accumulated losses on derivative financial instruments and currency translation adjustments of \$3,767,622 and \$968,248, respectively, at June 30, 2009 and accumulated losses on derivative financial instruments and currency translation adjustments of \$4,805,656 and \$945,976, respectively, at December 31, 2008.

(11) Fair Value of Financial Instruments

SFAS No. 157

Effective January 1, 2008, the LLC adopted SFAS No. 157. 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 cannot 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 measurement. The Manager's assessment, on the LLC's behalf, of the significance of a particular input to the fair value measurement 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 June 30, 2009 (unaudited):

	<u>Level 1⁽¹⁾</u>	<u>Level 2⁽²⁾</u>	<u>Level 3⁽³⁾</u>	<u>Total</u>
Assets:				
Warrants	\$ -	\$ 58,308	\$ -	\$ 58,308
Liabilities:				
Derivative Liabilities	\$ -	\$ 4,395,338	\$ -	\$ 4,395,338

⁽¹⁾ Quoted prices in active markets for identical assets or liabilities.

⁽²⁾ Observable inputs other than quoted prices in active markets for identical assets and liabilities.

⁽³⁾ No observable pricing inputs in the market.

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 was recorded in other non-current assets and the derivative assets and liabilities were recorded in derivative instruments within the consolidated balance sheets.

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(11) Fair Value of Financial Instruments - continued

SFAS No. 107

Fair value information with respect to the LLC's leased assets and liabilities is not separately provided since (i) SFAS No. 107 does not require fair value disclosures of lease arrangements and (ii) the carrying value of financial assets, other than lease related investments, and the recorded value of recourse debt, if any, approximates fair value due to their short-term maturities and variable interest rates.

The estimated fair value of the LLC's notes receivable was based on the discounted value of future cash flows expected to be received from the loans, based on terms consistent with the range of the LLC's internal pricing strategies for the transactions of this type.

	June 30, 2009 (unaudited)	
	Carrying Amount	Fair Value
Fixed rate notes receivable	\$ 66,018,836	\$ 67,177,941

(12) Commitments and Contingencies

At the time the LLC acquires or divests of its interest in an equipment lease or other leasing transaction, the LLC may, under very limited circumstances, agree to indemnify the seller or buyer for specific contingent liabilities. The Manager believes that any liability of the LLC that may arise as a result of any such indemnification obligations will not have a material adverse effect on the consolidated financial condition of the LLC taken as a whole.

Each of the Participating Funds has entered into a credit support agreement, pursuant to which losses incurred by a Participating Fund with respect to any MWU subsidiary are shared among the Participating Funds in proportion to their respective capital investment. The term of each credit support agreement matches that of the lease agreement. No amounts were accrued at June 30, 2009 and the Manager cannot reasonably estimate at this time the maximum potential amounts that may become payable under the credit support agreement, if any.

The LLC has entered into certain residual sharing and remarketing agreements with various third parties. In connection with these agreements, residual proceeds received in excess of specific amounts may be shared with these third parties based on specific formulas. The obligation related to these agreements is recorded at fair value.

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

The following is a discussion of our current financial position and results of operations. This discussion should be read together with our unaudited consolidated financial statements and related notes included elsewhere in this Quarterly Report on Form 10-Q and the audited consolidated financial statements and related notes included in our Annual Report on Form 10-K for the year ended December 31, 2008. This discussion should also be read in conjunction with the disclosures below regarding "Forward-Looking Statements" and the "Risk Factors" set forth in Item 1A of Part II of this Quarterly Report on Form 10-Q.

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

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," "expect," "continue," "further," "plan," "seek," "intend," "predict" or "project" and variations of these words or comparable words or phrases of similar meaning. These forward-looking statements reflect our current beliefs and expectations with respect to future events and are based on assumptions and are subject to risks and uncertainties and other factors outside our control that may cause actual results to differ materially from those projected. We undertake no obligation to update publicly or review any forward-looking statement, whether as a result of new information, future developments or otherwise.

Overview

Our offering period ended on April 30, 2009 and our operating period commenced. We operate as an equipment leasing and finance program in which the capital our members invest is pooled together to make investments, pay fees and establish a small reserve. With the proceeds from the sale of our Shares, we intend to invest in equipment subject to leases, other equipment financing, and in residual ownership rights in items of leased equipment and establish a cash reserve. 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 five years. This time frame is called the "operating period" and may be extended, at the sole discretion of our Manager, for 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."

Our Manager manages and controls our business affairs, including, but not limited to, our equipment leases and other financing transactions, under the terms of our LLC Agreement. Our initial closing was on May 25, 2007, when the minimum offering of \$1,200,000 was achieved. For the three months ended June 30, 2009, we raised total equity of \$30,162,009. From our Commencement of Operations through June 30, 2009, we raised total equity of \$347,686,947.

Recent Significant Transactions

We entered into the following recent significant transactions since December 31, 2008:

Marine Vessels and Equipment

On March 24, 2009, Victorious, a Marshall Islands limited liability company that is controlled by us through our wholly-owned subsidiary, ICON Victorious, purchased the Barge from Swiber for \$42,500,000. Simultaneously with the purchase, the Barge was chartered back to the Charterer for 96 months. The purchase price of the Barge was funded by (i) a \$19,125,000 equity investment from ICON Victorious, (ii) a \$18,375,000 contribution -in-kind by Swiber and (iii) a subordinated, non-recourse and unsecured \$5,000,000 payable. The payable bears interest at 3.5% per year, accrues interest quarterly and is only required to be repaid after we achieve our minimum targeted return. At the end of the charter, the Charterer has the option to purchase the Barge for \$21,000,000 plus 50% of the difference between the then fair market value less \$21,000,000. ICON Victorious is the sole manager of Victorious and holds a senior, controlling equity interest and all management rights with respect to Victorious. Swiber holds a subordinate, non-controlling equity interest in Victorious and the obligations of the Swiber entities that are parties to the transaction are guaranteed by Swiber Holdings. We paid an acquisition fee to our Manager of \$1,275,000 in connection to this transaction.

On June 25, 2009, we, through our wholly-owned subsidiaries, purchased the Diving Equipment from Swiber for \$10,000,000. Simultaneously with the purchase of the Diving Equipment, we entered into a 60-month lease with the Lessee, which commenced on July 1, 2009. The purchase price of the Diving Equipment was comprised of \$8,000,000 in cash and a subordinated, interest-free \$2,000,000 payable to Swiber, which is due upon sale of the Diving Equipment at the conclusion of the lease term. If an event of loss or an event of default occurs, our obligation to repay the payable is terminated. The payable has been recored at fair value as of June 30, 2009. We paid an acquisition fee to our Manager of \$300,000 relating to this transaction.

At the conclusion of the lease, the Lessee has the option to (x) (i) purchase the Diving Equipment for \$4,250,000 and (ii) pay an amount equal to 50% of the difference between the fair market value of the Diving Equipment less \$4,250,000 or (y) return the Diving Equipment. In the event the Lessee does not exercise the Purchase Option and the Diving Equipment is not sold to a third-party, but rather the lease is renewed or is re-leased to a third-party, all lease payments received by us will be paid as follows: (i) first, to us until we receive in full the purchase price of \$10,000,000 less the \$2,000,000 payable and achieves a return thereon at an agreed-upon rate and (ii) then, to Swiber to repay in full the \$2,000,000 payable without interest thereon. In addition, Victorious, a Marshall Islands limited liability company that is controlled by us through our wholly-owned subsidiary, ICON Victorious and Swiber granted our subsidiaries a first priority mortgage in the Barge that is owned by Victorious and is on bareboat charter from Victorious to an affiliate of Swiber as security for the Lessee's obligations under the lease. The obligations of the Lessee, Swiber, and Swiber Holdings, under the operative transactional documents are subordinate only to ICON Victorious' rights in the Barge. The obligations of the Lessee are guaranteed by Swiber Holdings.

On June 26, 2009, we, through our wholly-owned subsidiaries ICON Mynx, ICON Stealth and ICON Eclipse, each a Singapore corporation, executed MOA to purchase the three barges for an aggregate purchase price of \$133,000,000. We paid aggregate acquisition fees to our Manager of \$3,990,000 relating to these transactions. Simultaneously with the execution of the MOA, each of ICON Mynx, ICON Stealth and ICON Eclipse entered into a bareboat charter to charter the Vessel that it owns to Leighton for a term of 96 months. During the term of the bareboat charters, Leighton will have the option to purchase each of the Vessels for a specified purchase option price on the dates defined in each respective bareboat charter. All of Leighton's obligations are guaranteed by its ultimate parent company, Leighton Holdings Limited, a publicly traded company that is listed on the Australian Stock Exchange.

Two of the three Vessels were acquired on June 26, 2009 for \$58,000,000, including the Senior Tranche pursuant to a \$79,800,000 Facility Agreement and \$20,500,000 of the Subordinated Tranche pursuant to a \$47,000,000 Seller's Credit Agreement. The Seller's Credit Agreement is subordinated only to the Facility Agreement. The Senior Tranche will be repaid by us in 20 quarterly principal and interest payments beginning on September 30, 2009. The Senior Tranche will bear an interest rate of 4.8475% during the Stub Period and, thereafter, the interest rate will be fixed pursuant to a swap agreement at 7.05%. The interest-free Subordinated Tranche will be repaid by us in eight annual principal payments beginning on June 25, 2010. The bareboat charter for each Vessel expires on June 25, 2017.

The remaining Vessel included in the MOA to be purchased by ICON Eclipse is currently under construction. Upon completion, ICON Eclipse will purchase the Vessel for \$75,000,000. Completion is likely to occur on or about September 30, 2009, but no later than the Closing Date. In order to purchase the Vessel, ICON Eclipse will borrow \$45,000,000 of the Eclipse Senior Tranche pursuant to the Facility Agreement and \$26,500,000 of the Eclipse Subordinated Tranche pursuant to the Seller's Credit Agreement. The Leighton Eclipse bareboat charter will commence on the Closing Date.

Telecommunications Equipment

During March 2009, we, through ICON Global Crossing IV, purchased additional telecommunications equipment for approximately \$3,859,000 that is subject to a lease with Global Crossing. The lease expires on March 31, 2012. We paid acquisition fees to our Manager of approximately \$116,000 relating to this transaction.

Manufacturing Equipment

On February 2, 2009, we, Fund Ten and Fund Eleven, entities also managed by our Manager and IEMC, entered into an amended Forbearance Agreement with MWU, LC Manufacturing, Crow and seven other subsidiaries of MWU with respect to certain lease defaults. In consideration for restructuring LC Manufacturing's lease payment schedule, we received, among other things, a warrant to purchase 10% of the outstanding stock of LC Manufacturing at an exercise price of \$0.01 per share, exercisable for a period of five years from the grant date. At June 30, 2009, the fair value of the LC Manufacturing warrants was \$0.

On June 1, 2009, we amended and restructured the master lease agreement with LC Manufacturing dated September 28, 2007 to reduce the assets under lease of the original equipment from \$14,890,000 to approximately \$12,420,000. Contemporaneously, we entered into a new master lease agreement with Metavation, an affiliate of LC Manufacturing, for the assets previously under lease with LC Manufacturing with a cost of approximately \$2,470,000. The equipment is subject to a 43-month lease with Metavation that expires on December 31, 2012.

Mining Equipment

On February 18, 2009, we, through our wholly-owned subsidiary, ICON Murray, purchased mining equipment for approximately \$3,348,000 that is subject to lease with American Energy Corp. and Ohio American Energy, Incorporated. The lease expires on March 31, 2011. The payment and performance obligations of American Energy Corp. are secured by a guaranty of Murray Energy Corporation. We paid an acquisition fee to our Manager of approximately \$100,000 relating to this transaction.

On May 26, 2009, we, through our wholly-owned subsidiary, ICON Murray II, purchased mining equipment subject to a lease between Varilease, as lessor and American Energy Corp. and The Ohio Valley Coal Company, as lessees. The equipment was purchased from Varilease for approximately \$3,196,000 and is subject to a 30-month lease that expires on December 31, 2011. We paid an acquisition fee to our Manager of approximately \$96,000 relating to this transaction.

Motor Coaches

On April 1, 2009, we, through our wholly-owned subsidiary, ICON Coach, acquired title to certain buses from CUSA, an affiliate of Coach America, for approximately \$5,314,000. The buses are subject to a 60-month lease that expires on March 31, 2014. The payment and performance obligations of CUSA are guaranteed by Coach America. We paid an acquisition fee to our Manager of approximately \$159,000 relating to this transaction.

Gas Compressors

On June 26, 2009, we and Fund Fourteen entered into a joint venture, ICON Atlas, for the purpose of investing in eight new Ariel natural Gas Compressors from AG. The Gas Compressors, which will be purchased by ICON Atlas for approximately \$11,618,000, are subject to a 48-month lease to APMC, an affiliate of APP, which expires in 2013. APP will guarantee all of APMC's obligations under the lease.

The ultimate ownership of ICON Atlas is intended to be such that we and Fund Fourteen will have ownership interests equal to 55% and 45%, respectively. The joint venture was entered into by us and Fund Fourteen in order to promptly invest each fund's available cash in business-essential equipment and corporate infrastructure, while also diversifying each fund's investment portfolio to reduce the risk that changes in any one market sector or a financing counterparty's default or bankruptcy will significantly impact such fund's investment portfolio taken as a whole. Fund Fourteen did not have the necessary amount of net proceeds from its public offering available to initially contribute capital to ICON Atlas in an amount sufficient to have a 45% interest in the joint venture. Accordingly, as we had available cash in amounts sufficient to cover all of ICON Atlas' capital needs, we initially contributed the cash to cover all of ICON Atlas' capital needs. Fund Fourteen will subsequently contribute capital in an amount sufficient for Fund Fourteen to have up to a 45% interest in the joint venture.

All subsequent capital contributions by Fund Fourteen and related distributions to us will be effectuated so that the aggregate amount of capital contributed by Fund Fourteen does not exceed the aggregate amount of capital contributed by us for the purpose of acquiring and holding the Gas Compressors, adjusted for any income received and expenses paid or incurred by the joint venture while holding such equipment and any compensation that our Manager and any of its affiliates is otherwise entitled to receive pursuant to our LLC Agreement. Neither our Manager nor any of its affiliates will realize any benefit, other than compensation for its services, if any, permitted by our LLC Agreement as a result of this transaction. All of Fund Fourteen's subsequent contributions will be made on or prior to the six month anniversary of the date that the joint venture acquired the Gas Compressors.

On June 26, 2009, ICON Atlas purchased four of the Gas Compressors for approximately \$4,270,000, which was funded entirely by capital contributions from the us, which also paid an acquisition fee to our Manager of approximately \$322,000 relating to this transaction. On or prior to September 1, 2009, ICON Atlas will purchase the four additional Gas Compressors for the purchase price of approximately \$7,348,000. On July 1, 2009, Fund Fourteen contributed \$500,000 to ICON Atlas and as of August 1, 2009, Fund Fourteen made an additional contribution of approximately \$1,470,000 to ICON Atlas, inclusive of acquisition fees of approximately \$48,000, after which our and Fund Fourteen's interests in ICON Atlas were 55% and 45%, respectively.

Note Receivable Secured by Credit Card Machines

On November 25, 2008, ICON Northern Leasing, a joint venture among us, Fund Ten and Fund Eleven, purchased the Notes and received an assignment of the underlying MLSA dated July 28, 2006. We, Fund Ten and Fund Eleven have ownership interests of 52.75%, 12.25% and 35%, respectively. The aggregate purchase price for the Notes was approximately \$31,573,000, net of a discount of approximately \$5,165,000. The Notes are secured by an underlying pool of leases for credit card machines. Northern Leasing Systems, the originator and servicer of the Notes, provided a limited guaranty of the MLSA for payment deficiencies up to approximately \$5,748,000. The Notes accrue interest at rates ranging from 7.97% to 8.40% per year and require monthly payments ranging from approximately \$183,000 to \$422,000. The Notes mature between October 15, 2010 and August 14, 2011 and require balloon payments at the end of each note ranging from approximately \$594,000 to \$1,255,000. Our share of the purchase price of the Notes was approximately \$16,655,000 and we paid an acquisition fee to our Manager of approximately \$500,000 relating to this transaction.

On March 31, 2009, ICON Northern Leasing II, our wholly-owned subsidiary, provided the Loan to NCA XV and NCA XIV, pursuant to the MLSA dated March 31, 2009. The Loan accrues interest at a rate of 18% per year and the Loan is secured by a first priority security interest in an underlying pool of leases for credit card machines of NCA XV and a second priority security interest in an underlying pool of leases for credit card machines of NCA XIV (subject only to the first priority security interest of ICON Northern Leasing). Northern Leasing Systems, the originator and servicer of the Loan, provided a limited guaranty for payment deficiencies up to 10% of the Loan, or approximately \$787,000. We paid an acquisition fee to our Manager of approximately \$314,000 relating to this transaction.

Note Receivable Secured by a Machine Paper Coating Manufacturing Line

On March 26, 2009, the loan and security agreement and the secured term loan note issued by Appleton was amended due to a default on one of the covenants in Appleton's credit facility. As a result of the cross-default provisions of the loan and security agreement, the interest on the term note was adjusted to accrue interest at 14.25% per year and is payable monthly in arrears. Appleton is current on all amounts due under the loan and security agreement as of June 30, 2009.

Notes Receivable Secured by Analog Seismic System Equipment

On June 29, 2009, we and Fund Fourteen entered into a joint venture, ICON ION, for the purpose of making the Loans in the aggregate amount of \$20,000,000 to the Canadian Borrower and the US Borrower in the amounts of approximately \$16,325,000 and \$3,675,000, respectively. The Borrowers are wholly-owned subsidiaries of ION. The Loans are secured by (i) a first priority security interest in all of the ARAM analog seismic system equipment held by the Borrowers and (ii) a pledge of all of the equity interests in the Borrowers. In addition, ION guaranteed all obligations of the Borrowers under the Loans. Interest accrues at the rate of 15% per year and the Loans are payable monthly in arrears for a period of 60 months beginning on August 1, 2009.

The ultimate ownership of ICON ION is intended to be such that we and Fund Fourteen will have ownership interests equal to 55% and 45%, respectively. The joint venture was entered into by us and Fund Fourteen in order to promptly invest each fund's available cash in business-essential equipment and corporate infrastructure, while also diversifying each fund's investment portfolio to reduce the risk that changes in any one market sector or a financing counterparty's default or bankruptcy will significantly impact such fund's investment portfolio taken as a whole. Fund Fourteen did not have the necessary amount of net proceeds from its public offering available to initially contribute capital to ICON ION in an amount sufficient to have a 45% interest in the joint venture. Accordingly, as we had available cash in amounts sufficient to cover all of ICON ION's capital needs, we initially contributed the cash to cover all of ICON ION's capital needs. Fund Fourteen will subsequently contribute capital in an amount sufficient for Fund Fourteen to have up to a 45% interest in the joint venture.

All subsequent capital contributions by Fund Fourteen and related distributions to us will be effectuated so that the aggregate amount of capital contributed by Fund Fourteen does not exceed the aggregate amount of capital contributed by us for the purpose of acquiring and holding the equipment, adjusted for any income received and expenses paid or incurred by the joint venture while holding such equipment and any compensation that our Manager and any of its affiliates is otherwise entitled to receive pursuant to our LLC Agreement. Neither our Manager nor any of its affiliates will realize any benefit, other than compensation for its services, if any, permitted by our LLC Agreement as a result of this transaction. All of Fund Fourteen's subsequent contributions will be made on or prior to the six month anniversary of the date that the joint venture acquired the equipment.

On June 29, 2009, ICON ION funded the first tranche of the Loans in the amount of \$12,500,000 which was funded entirely by capital contributions from us, which also paid an acquisition fee to our Manager of approximately \$555,000 relating to this transaction. On July 1, 2009, Fund Fourteen contributed \$500,000 to ICON ION. On July 17, 2009, ICON ION funded the second tranche of the Loans in the amount of \$7,500,000. As of August 1, 2009, Fund Fourteen contributed an additional \$2,370,000 to ICON ION, inclusive of acquisition fees of \$70,000, after which our and Fund Fourteen's interests in ICON ION were approximately 86% and 14%, respectively.

Recent Accounting Pronouncements

In September 2006, the FASB issued SFAS No. 157, which defines fair value, establishes a framework for measuring fair value, and enhances fair value measurement disclosure and is effective for fiscal years beginning after November 15, 2007 and interim periods within those fiscal years. In February 2008, the FASB issued FSP No. 157-2, which delayed the effective date of SFAS No. 157 for all non-financial assets and non-financial liabilities, except for items that are recognized or disclosed at fair value in the financial statements on a recurring basis (at least annually), for fiscal years beginning after November 15, 2008. The measurement and disclosure requirements related to financial assets and financial liabilities were adopted by us on January 1, 2008. We adopted FSP 157-2 on January 1, 2009. The adoption of SFAS No. 157 and FSP 157-2 for financial and non-financial assets and financial and non-financial liabilities did not have a significant impact on our consolidated financial statements.

On March 19, 2008, the FASB issued SFAS No. 161, which 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 were required to provide such disclosures beginning with the interim period ended March 31, 2009.

In April 2009, the FASB issued FSP No. 157-4, which provides additional guidance for estimating fair value in accordance with SFAS No. 157 when the volume and level of activity for the asset or liability have significantly decreased. Additionally, FSP 157-4 provides guidance on identifying circumstances that indicate a transaction is not orderly. The FASB expanded the scope of FSP 157-4 to all assets and liabilities measured at fair value. FSP 157-4 is effective for interim and annual reporting periods ending after June 15, 2009, and shall be applied prospectively. We adopted FSP 157-4 during the quarter ended June 30, 2009. The adoption of FSP 157-4 did not have a significant impact on our consolidated financial statements.

In April 2009, the FASB issued FSP 107-1/APB 28-1, which requires interim disclosures regarding the fair values of financial instruments that are within the scope of SFAS No. 107. Additionally, FSP 107-1/APB 28-1 requires disclosure of the methods and significant assumptions used to estimate the fair value of financial instruments on an interim basis as well as changes of the methods and significant assumptions from prior periods. FSP 107-1/APB 28-1 does not change the accounting treatment for these financial instruments and is effective for interim and annual reporting periods ending after June 15, 2009. We adopted FSP 107-1/APB 28-1 during the quarter ended June 30, 2009. The adoption of FSP 107-1/APB 28-1 did not have a significant impact on our consolidated financial statements.

In May 2009, the FASB issued SFAS No. 165, which establishes general standards of accounting for and disclosure of events that occur after the balance sheet date but before financial statements are issued or are available to be issued. It requires the disclosure of the date through which an entity has evaluated subsequent events and the basis for that date; that is, whether that date represents the date the financial statements were issued or were available to be issued. This disclosure should alert all users of financial statements that an entity has not evaluated subsequent events after that date in the set of financial statements being presented. SFAS No. 165 is effective for interim and annual reporting periods ending after June 15, 2009. We adopted SFAS No. 165 during the quarter ended June 30, 2009. The adoption of SFAS No. 165 did not have a significant impact on our consolidated financial statements.

Results of Operations for the Three Months Ended June 30, 2009 (the “2009 Quarter”) and 2008 (the “2008 Quarter”)

Our offering period ended on April 30, 2009 and our operating period commenced on May 1, 2009. We expect to invest most of the net proceeds from our offering in equipment leases and other financing transactions. During our operating period, we will continue to make investments with the cash generated from our initial investments and our additional investments to the extent that the cash is not needed for expenses, reserves and distributions to members. As our investments mature, we may reinvest the proceeds in additional investments in equipment. We anticipate incurring gains or losses on our investments during our operating period. Additionally, we expect to see our rental income and finance income increase, as well as related expenses such as depreciation and amortization expense and interest expense. We anticipate that the fees we pay our Manager to operate and manage our business portfolio will increase during this period as our Manager will be spending a greater portion of its time managing our portfolio.

Revenue for the 2009 Quarter and 2008 Quarter are summarized as follows:

	Three Months Ended June 30,		Change
	2009	2008	
Rental income	\$ 13,213,846	\$ 5,345,686	\$ 7,868,160
Finance income	2,567,011	1,052,969	1,514,042
Income from investment in joint venture	130,962	-	130,962
Interest and other income	2,583,355	329,610	2,253,745
Total revenue	\$ 18,495,174	\$ 6,728,265	\$ 11,766,909

Total revenue for the 2009 Quarter increased \$11,766,909 as compared to the 2008 Quarter. The increase in total revenue was primarily due to increases in rental income of approximately \$7,868,000 due to the acquisitions of (i) the Gas Compressors by ICON Atlas in June 2009, (ii) mining equipment by ICON Murray II in May 2009, (iii) buses by ICON Coach in April 2009, (iv) mining equipment by ICON Murray in February 2009, (v) vessels by ICON Carina Holdings and ICON Corona Holdings in December 2008 and (vi) vessels by ICON Eagle Holdings in November 2008. In addition, we recorded a full three months of rental income during the 2009 Quarter related to the acquisition of (i) additional equipment by ICON EAR, LLC (“ICON EAR”) in June 2008, (ii) a Bucyrus Erie model 1570 Dragline (the “Dragline”) by ICON Magnum, LLC (“ICON Magnum”) in May 2008 and (iii) vessels by ICON Aegean and ICON Arabian in April 2008. The increase in interest and other income was primarily due to the interest received from the notes receivable invested in by ICON ION in June 2009, ICON Northern Leasing II in March 2009, ICON Appleton, LLC (“ICON Appleton”) and ICON Northern Leasing in November 2008, as well as interest earned in our money market accounts. The increase in interest and other income was offset by a decrease in interest income from Solyndra, Inc. as this note was paid in full in July 2008. The increase in finance income was primarily due to the acquisitions of (i) the Vessels by ICON Mynx and ICON Stealth in June 2009, (ii) the Diving Equipment by ICON DMI in June 2009 and (iii) the Barge by Victorious in March 2009.

Expenses for the 2009 Quarter and 2008 Quarter are summarized as follows:

	Three Months Ended June 30,		Change
	2009	2008	
Management fees - Manager	\$ 766,823	\$ 372,010	\$ 394,813
Administrative expense reimbursements - Manager	1,109,954	741,180	368,774
General and administrative	576,073	491,507	84,566
Interest	2,265,842	644,751	1,621,091
Depreciation and amortization	7,999,787	2,925,719	5,074,068
Loss (gain) on financial instruments	5,860	(197,695)	203,555
Total expenses	\$ 12,724,339	\$ 4,977,472	\$ 7,746,867

Total expenses for the 2009 Quarter increased \$7,746,867 as compared to the 2008 Quarter. The increase in total expenses was primarily due to increases in depreciation and amortization expense of approximately \$5,074,000 due to the acquisitions of (i) the Vessels by ICON Mynx and ICON Stealth in June 2009, (ii) the Diving Equipment by ICON DMI in June 2009, (iii) the Gas Compressors by ICON Atlas in June 2009, (iv) mining equipment by ICON Murray II in May 2009, (v) buses by ICON Coach in April 2009, (vi) the Barge by ICON Victorious in March 2009, (vii) mining equipment by ICON Murray in February 2009, (viii) vessels by ICON Carina Holdings and ICON Corona Holdings in December 2008, and (ix) vessels by ICON Eagle Holdings in November 2008, as well as the amortization expense for capitalized fees on notes receivable invested in by ICON ION in June 2009, ICON Northern Leasing II in March 2009 and ICON Appleton and ICON Northern Leasing in November 2008. In addition, we recorded a full three months of depreciation expense during the 2009 Quarter related to the acquisitions of (i) additional equipment by ICON EAR in June 2008, (ii) the Dragline by ICON Magnum in May 2008 and (iii) vessels by ICON Aegean and ICON Arabian in April 2008. The increase in interest expense was primarily due to the interest incurred on the non-recourse debt owed by ICON Mynx, ICON Stealth, ICON Eagle Holdings, ICON Corona Holdings, ICON Carina Holdings, ICON Mayon, ICON Aegean and ICON Arabian. The increase in Management fees – Manager and Administrative expense reimbursements – Manager resulted from our increased investment in equipment subject to lease and other financing transactions during the 2009 Quarter.

Noncontrolling Interests

Noncontrolling interests for the 2009 Quarter increased \$1,722,963 as compared to the 2008 Quarter. The increase in noncontrolling interests was primarily due to our investment in controlling interests in Victorious in March 2009 and ICON Carina Holdings, ICON Corona Holdings and ICON Northern Leasing in 2008. Swiber has a noncontrolling interest in Victorious and Fund Ten has noncontrolling interests in ICON Carina Holdings, ICON Corona Holdings and ICON Northern Leasing, which resulted in the increase in noncontrolling interests. In addition, Fund Eleven acquired a noncontrolling interest in ICON EAR and ICON Northern Leasing in 2008, which contributed to the increase in noncontrolling interests.

Net Income Attributable to Fund Twelve

As a result of the foregoing factors, net income attributable to Fund Twelve for the 2009 Quarter and 2008 Quarter was \$3,712,895 and \$1,415,816, respectively. Net income attributable to Fund Twelve per weighted average additional Share for the 2009 Quarter and 2008 Quarter was \$10.74 and \$8.89, respectively.

Results of Operations for the Six Months Ended June 30, 2009 (the “2009 Period”) and 2008 (the “2008 Period”)

Revenue for the 2009 Period and 2008 Period are summarized as follows:

	Six Months Ended June 30,		Change
	2009	2008	
Rental income	\$ 26,044,236	\$ 8,553,234	\$ 17,491,002
Finance income	3,447,921	1,803,890	1,644,031
Income from investment in joint venture	292,866	-	292,866
Interest and other income	4,999,171	618,594	4,380,577
Total revenue	\$ 34,784,194	\$ 10,975,718	\$ 23,808,476

Total revenue for the 2009 Period increased \$23,808,476 as compared to the 2008 Period. The increase in total revenue was primarily due to increases in rental income of approximately \$17,491,000 due to the acquisitions of (i) the Gas Compressors by ICON Atlas in June 2009, (ii) mining equipment by ICON Murray II in May 2009, (iii) buses by ICON Coach in April 2009, (iv) mining equipment by ICON Murray in February 2009, (v) vessels by ICON Carina Holdings and ICON Corona Holdings in December 2008 and (vi) vessels by ICON Eagle Holdings in November 2008. In addition, we recorded a full six months of rental income during the 2009 Period related to the acquisition of (i) additional equipment by ICON EAR in June 2008, (ii) the Dragline by ICON Magnum in May 2008 and (iii) vessels by ICON Aegean and ICON Arabian in April 2008. The increase in interest and other income was primarily due to the interest received from the notes receivable invested in by ICON ION in June 2009, ICON Northern Leasing II in March 2009, ICON Appleton and ICON Northern Leasing in November 2008, as well as interest earned in our money market accounts. The increase in interest and other income was offset by a decrease in interest income from Solyndra, Inc. as this note was paid in full in July 2008. The increase in finance income was primarily due to the acquisitions of (i) the Vessels by ICON Mynx and ICON Stealth in June 2009, (ii) the Diving Equipment by ICON DMI in June 2009 and (iii) the Barge by Victorious in March 2009.

Expenses for the 2009 Period and 2008 Period are summarized as follows:

	Six Months Ended June 30,		Change
	2009	2008	
Management fees - Manager	\$ 1,466,852	\$ 559,147	\$ 907,705
Administrative expense reimbursements - Manager	1,960,023	1,431,999	528,024
General and administrative	1,022,570	725,898	296,672
Interest	4,507,220	929,709	3,577,511
Depreciation and amortization	15,599,376	4,671,927	10,927,449
Loss (gain) on financial instruments	19,295	(197,872)	217,167
Total expenses	\$ 24,575,336	\$ 8,120,808	\$ 16,454,528

Total expenses for the 2009 Period increased \$16,454,528 as compared to the 2008 Period. The increase in total expenses was primarily due to increases in depreciation and amortization expense of approximately \$10,927,000 due to the acquisitions of (i) the Vessels by ICON Mynx and ICON Stealth in June 2009, (ii) the Diving Equipment by ICON DMI in June 2009, (iii) the Gas Compressors by ICON Atlas in June 2009, (iv) mining equipment by ICON Murray II in May 2009, (v) buses by ICON Coach in April 2009, (vi) the Barge by Victorious in March 2009, (vii) mining equipment by ICON Murray in February 2009, (viii) vessels by ICON Carina Holdings and ICON Corona Holdings in December 2008, and (ix) vessels by ICON Eagle Holdings in November 2008, as well as the amortization expense for capitalized fees on notes receivable invested in by ICON Northern Leasing II in March 2009 and ICON Appleton and ICON Northern Leasing in November 2008. In addition, we recorded a full six months of depreciation and amortization expense during the 2009 Period related to the acquisitions of (i) equipment by ICON French Equipment II, LLC in March 2008, (ii) additional equipment by ICON EAR in June 2008, (iii) the Dragline by ICON Magnum in May 2008 and (iv) vessels by ICON Aegean and ICON Arabian in April 2008. The increase in interest expense was primarily due to the interest incurred on the non-recourse debt owed by ICON Mynx, ICON Stealth, ICON Eagle Holdings, ICON Corona Holdings, ICON Carina Holdings, ICON Mayon, ICON Aegean and ICON Arabian. The increase in Management fees – Manager and Administrative expense reimbursements – Manager resulted from our increased investment in equipment subject to lease and other financing transactions during the 2009 Period.

Noncontrolling Interests

Noncontrolling interests for the 2009 Period increased \$2,714,014 as compared to the 2008 Period. The increase in noncontrolling interests was primarily due to our investment in controlling interest in Victorious in March 2009 and ICON Carina Holdings, ICON Corona Holdings and ICON Northern Leasing in 2008. Swiber has a noncontrolling interest in Victorious and Fund Ten has noncontrolling interests in ICON Carina Holdings, ICON Corona Holdings and ICON Northern Leasing, which resulted in the increase in noncontrolling interests. In addition, Fund Eleven acquired a noncontrolling interest in ICON EAR and ICON Northern Leasing in 2008, which contributed to the increase in noncontrolling interest.

Net Income Attributable to Fund Twelve

As a result of the foregoing factors, net income attributable to Fund Twelve for the 2009 Period and 2008 Period was \$6,784,573 and \$2,144,639, respectively. Net income attributable to Fund Twelve per weighted average additional Share for the 2009 Period and 2008 Period was \$21.07 and \$15.59, respectively.

Financial Condition

This section discusses the major balance sheet variances at June 30, 2009, compared to December 31, 2008.

Total Assets

Total assets increased \$118,292,244, from \$439,863,118 at December 31, 2008 to \$558,155,362 at June 30, 2009. The increase was primarily due to the cash proceeds received from our equity raise, which resulted in funds available for additional investments during the 2009 Period. We acquired the Vessels, the Diving Equipment, the Gas Compressors, the Barge, the buses owned by ICON Coach, and the mining equipment owned by ICON Murray and ICON Murray II during the 2009 Period, which accounted for the increase in our leased equipment at cost. The increase in notes receivable was due to our investment in notes receivable through ICON ION and ICON Northern Leasing II during the 2009 Period. The increase in net investment in finance leases resulted from our investment in additional telecommunications equipment during the 2009 Period.

Current Assets

Current assets increased \$2,868,606, from \$71,097,660 at December 31, 2008 to \$73,966,266 at June 30, 2009, primarily due to cash proceeds used to invest in additional equipment subject to lease and other financing transactions entered into during the 2009 Period. The majority of these acquisitions and investments were classified as long-term assets.

Total Liabilities

Total liabilities increased \$42,349,851, from \$176,270,646 at December 31, 2008 to \$218,620,497 at June 30, 2009. The increase was primarily due to the debt obligations incurred by ICON Mynx and ICON Stealth and the payable incurred by ICON Victorious during the 2009 Period.

Current Liabilities

Current liabilities increased \$4,535,183, from \$42,769,475 at December 31, 2008 to \$47,304,658 at June 30, 2009. The increase was primarily due to the debt obligations and other fees incurred by ICON Mynx and ICON Stealth in connection with the acquisition of the Vessels during the 2009 Period.

Equity

Equity increased \$75,942,393, from \$263,592,472 at December 31, 2008 to \$339,534,865 at June 30, 2009. The majority of this balance was primarily due to our equity raise, which was partially offset by the distributions paid to our members and noncontrolling interests, the organizational and offering expense allowance paid to our Manager, the sales commissions paid to third party broker-dealers and underwriting fees paid to ICON Securities. Equity also increased as a result of our net income for the 2009 Period, the contribution made by Swiber in connection with our joint venture in Victorious and a decrease in AOCI as a result of the change in the fair value of our derivative instruments and currency translation adjustments during the 2009 Period.

Liquidity and Capital Resources

Cash Flows Summary

At June 30, 2009 and December 31, 2008, we had cash and cash equivalents of \$34,069,704 and \$45,408,378, respectively. During our offering period, our main source of cash was from financing activities and our main use of cash was in investing activities. During our operating period, our main source of cash will be from operating activities and our main use of cash will be in investing and financing activities.

Pursuant to the terms of our offering, we established a reserve in the amount of 0.5% of the gross offering proceeds in the amount of \$1,738,435 as of June 30, 2009.

Cash Flows

The following table sets forth summary cash flow data:

	Six Months Ended June 30,	
	2009	2008
Net cash provided by (used in):		
Operating activities	\$ 9,138,183	\$ 6,672,071
Investing activities	(66,639,036)	(50,086,731)
Financing activities	46,133,760	70,365,098
Effects of exchange rates on cash and cash equivalents	28,419	378
Net (decrease) increase in cash and cash equivalents	\$ (11,338,674)	\$ 26,950,816

Note: See the Consolidated Statements of Cash Flows included in Item 1, "Consolidated Financial Statements" of this Quarterly Report on Form 10-Q for additional information.

Operating Activities

Sources of Cash

Sources of cash from operating activities increased \$2,466,112 from \$6,672,071 in the 2008 Period to \$9,138,183 in the 2009 Period. The increase was primarily due to the increase in distributions received from our joint venture, ICON Pliant, LLC ("ICON Pliant"), which commenced operations on June 30, 2008. In addition, net income for the 2009 Period increased \$7,353,948 as compared to the 2008 Period. This increase was primarily due to the increase in the number of operating leases we have invested in, which resulted in an increase in the total amount of rents collected.

Investing Activities

Sources of Cash

Sources of cash from investing activities increased \$9,148,043 from \$0 in the 2008 Period to \$9,148,043 in the 2009 Period. The increase was primarily due to payments received on the notes receivable held by ICON Appleton, ICON Northern Leasing, ICON Northern Leasing II and distributions received from Pliant.

Uses of Cash

Uses of cash from investing activities increased \$25,700,348 from \$50,086,731 in the 2008 Period to \$75,787,079 in the 2009 Period. We invested in eight equipment leases and two other financing transactions during the 2009 Period as compared to six equipment lease transactions during the 2008 Period. During the 2009 Period, we purchased the Vessels from Leighton, the Gas Compressors from AG, buses from CUSA, mining equipment from Varilease, the Barge and Diving Equipment from Swiber and additional telecommunications equipment from Global Crossing. In addition, we used cash to make investments in notes receivable of \$21,239,728 borrowed by ION and Northern Leasing Systems during the 2009 Period. During the 2008 Period, we used cash to purchase telecommunications equipment from Global Crossing, auto parts manufacturing equipment from Sealynx Automotive Transieres SAS, semiconductor manufacturing equipment from Equipment Acquisition Resources, Inc., the Dragline and two containership vessels from Vroon Group B.V.

Financing Activities

Sources of Cash

Sources of cash from financing activities decreased \$9,634,828 from \$76,614,018 in the 2008 Period to \$66,979,190 in the 2009 Period, primarily from a decrease in the proceeds received from the issuance of additional Shares, as our offering period ended on April 30, 2009.

Uses of Cash

Uses of cash from financing activities increased \$14,596,510 from \$6,248,920 in the 2008 Period to \$20,845,430 in the 2009 Period. The increase was primarily due to the increase in the cash distributions paid to our members and noncontrolling interests. From the additional income received from our additional investments, we will continue to invest in equipment and distribute cash to our members.

Sources of Liquidity

Cash generated by our financing activities was our most significant source of liquidity during our offering period. Cash generated by our operating activities is anticipated to be our most significant source of liquidity during our operating period. We believe that cash generated from our financing activities, as well as the expected results of our operations, will be sufficient to finance our liquidity requirements for the year ending December 31, 2009, including the repayment of principal and interest on our non-recourse debt obligations, distributions to our members, general and administrative expenses, new investment opportunities, management fees and administrative expense reimbursements. We anticipate that our liquidity requirements for the years ending December 31, 2010 through December 31, 2013 will be financed by the expected results of operations, as well as cash received from our investments at maturity. In addition, our revolving line of credit has \$19,670,000 available as of June 30, 2009 (see Note 7 to our consolidated financial statements) for additional working capital needs or new investment opportunities. On August 12, 2009, this line of credit was modified to, among other things, extend the expiration date to June 30, 2011 and add Fund Fourteen as a permitted borrower. Our ability to generate cash in the future is subject to general economic, financial, competitive, regulatory and other factors that affect our lessees' business that are beyond our control.

Non-Recourse Long-Term Debt

We had non-recourse long-term debt obligations at June 30, 2009 of \$183,753,860. Most of our non-recourse long-term debt obligations consist of notes payable in which the lender has a security interest in the equipment and an assignment of the rental payments under the lease, in which 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.

Distributions

We, at our Manager's discretion, pay monthly distributions to our members and noncontrolling interests starting with the first month after each member's admission and the commencement of our joint venture operations, respectively, and we expect to continue to pay such distributions until the end of our operating period. We paid distributions to our Manager, additional members and noncontrolling interests of \$148,770, \$14,728,200 and \$5,882,791, respectively, for the six months ended June 30, 2009.

Commitments and Contingencies and Off-Balance Sheet Transactions

Commitments and Contingencies

At June 30, 2009, we had non-recourse debt obligations. The lender has a security interest in the majority of the equipment relating to each non-recourse debt instrument and an assignment of the rental payments under the lease associated with the equipment. In such cases, the lender is being paid directly by the lessee. If the lessee defaults on the lease, the equipment would be returned to the lender in extinguishment of the non-recourse debt. As noted above, our outstanding non-recourse long-term indebtedness was \$183,753,860, and we did not have borrowings under our revolving line of credit at June 30, 2009.

Each of the Participating Funds has entered into a credit support agreement, pursuant to which losses incurred by a Participating Fund with respect to any MWU subsidiary are shared among the Participating Funds in proportion to their respective capital investment. The term of each credit support agreement matches that of the lease agreement. No amounts were accrued at June 30, 2009 and our Manager cannot reasonably estimate at this time the maximum potential amounts that may become payable under the credit support agreement, if any.

We have entered into certain residual sharing and remarketing agreements with various third parties. In connection with these agreements, residual proceeds received in excess of specific amounts may be shared with these third parties based on specific formulas. The obligation related to these agreements is recorded at fair value.

Off-Balance Sheet Transactions

None.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

There are no 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, 2008.

Item 4. Controls and Procedures

Evaluation of disclosure controls and procedures

In connection with the preparation of this Quarterly Report on Form 10-Q for the three months ended June 30, 2009, 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 the 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 the three months ended June 30, 2009 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. We are not aware of any material legal proceedings that are currently pending 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, 2008.

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

For the period from May 25, 2007 through March 31, 2009, we received additional capital contributions in the amount of \$317,524,938. We have paid or accrued sales commissions to unrelated third parties in the amount of \$24,581,903, an organizational and offering expense allowance to our Manager in the amount of \$5,337,620 and underwriting fees to ICON Securities in the amount of \$6,145,476.

During the 2009 Quarter, we received additional capital contributions in the amount of \$30,162,009. We have paid or accrued \$2,413,121 of sales commissions to third parties, \$150,820 in organizational and offering expense allowance to our Manager and \$603,280 of underwriting fees to ICON Securities.

There were 304 Shares repurchased during the 2009 Quarter. The repurchase amounts are calculated according to a specified repurchase formula in accordance with the LLC Agreement. Repurchased units have no voting rights and do not share in distributions. The LLC Agreement limits the number of Shares which can be repurchased in any one year and repurchased Shares may not be reissued. The following table details our Share repurchases:

	Total Number of Shares Repurchased	Price Paid Per Share
April 1, 2009 through April 30, 2009	-	\$ -
May 1, 2009 through May 31, 2009	-	\$ -
June 1, 2009 through June 30, 2009	304	\$ 281.81
July 1, 2009 through July 31, 2009	-	\$ -

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 2009 Quarter.

Item 5. Other Information

Not applicable.

Item 6. Exhibits

- 3.1 Certificate of Formation of Registrant (Incorporated by reference to Exhibit 3.1 to Registrant's Registration Statement on Form S-1 filed with the SEC on November 13, 2006 (File No. 333-138661)).
- 4.1 Limited Liability Company Agreement of Registrant (Incorporated by reference to Exhibit A to Registrant's Prospectus filed with the SEC on May 8, 2007 (File No. 333-138661)).
- 10.1 Commercial Loan Agreement, dated as of August 31, 2005, 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 (Incorporated by reference to Exhibit 10.1 to Registrant's Current Report on Form 8-K dated June 25, 2007).
- 10.2 Loan Modification Agreement, dated as of December 26, 2006, 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 (Incorporated by reference to Exhibit 10.2 to Registrant's Current Report on Form 8-K dated June 25, 2007).
- 10.3 Loan Modification Agreement, dated as of June 20, 2007, by and between California Bank & Trust and 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 (Incorporated by reference to Exhibit 10.3 to Registrant's Current Report on Form 8-K dated June 25, 2007).
- 10.4 Loan Modification Agreement, dated as of May 1, 2008, by and between California Bank & Trust and 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 (Incorporated by reference to Exhibit 10.4 to Registrant's Quarterly Report on Form 10-Q dated May 15, 2008).
- 10.5 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, ICON Leasing Fund Eleven, LLC, ICON Leasing Fund Twelve, LLC and ICON Equipment and Corporate Infrastructure Fund Fourteen, L.P, dated August 12, 2009.
- 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. 000-53189
ICON Capital Corp.
Manager of the Registrant

August 14, 2009

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

August 14, 2009

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

August 14, 2009

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

FOURTH LOAN MODIFICATION AGREEMENT
(Loan No. 9117000148)

This Loan Modification Agreement (the "Fourth Modification") is made and entered as of August 12, 2009, 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** ("First Added Borrower") and **ICON EQUIPMENT AND CORPORATE INFRASTRUCTURE FUND FOURTEEN, L.P.** ("Second Added Borrower"). As used herein the term "Borrower" means, separately and collectively, the First Added Borrower, the Second 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, as amended.
- 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, First Added Borrower, and Bank (the "Second Modification"), among other things, First 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, an amended note (the "Amended Note") replaced the Note and there were amendments to a financial reporting covenant under the Loan Agreement.
- F. Under a further Loan Modification Agreement, dated May 1, 2008, executed by Original Borrower, First Added Borrower, and Bank (the "Third Modification"), among other things, the Line of Credit Expiration Date was extended, the Line of Credit Limit was increased to \$30,000,000.00, and financial covenants were adjusted. The Amended Note was replaced by a Second Amended Note ("Second Amended Note") of the same date as the Third Modification.
- G. 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 Fourth 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 Second Amended Note, Loan Agreement, Security Agreement, 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 Fourth Modification and the other Loan Documents are true and correct in all material respects as of the date of this Fourth 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 Fourth 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 by deleting the definition of "Borrower" and replacing it with the following:

"Borrower" shall mean ICON Income Fund Eight B L.P.; ICON Income Fund Nine, LLC; ICON Income Fund Ten, LLC; ICON Leasing Fund Eleven, LLC; ICON Leasing Fund Twelve, LLC; and ICON Equipment and Corporate Infrastructure Fund Fourteen, L.P., separately and collectively.

(b) 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 June 30, 2011, unless extended pursuant to Section 2.1.a.

(c) Section 1.1 of the Loan Agreement, entitled “Definitions” is modified by deleting the definition of “Borrower” and replacing it with the following:

“Borrower” shall mean ICON Income Fund Eight B L.P.; ICON Income Fund Nine, LLC; ICON Income Fund Ten, LLC; ICON Leasing Fund Eleven, LLC; ICON Leasing Fund Twelve, LLC; and ICON Equipment and Corporate Infrastructure Fund Fourteen, L.P., separately and collectively.

(d) Section 3.2 of the Loan Agreement, entitled “Interest Rate,” is modified by deleting subsection (a) thereof, entitled “Line of Credit Interest Rate,” and the first sentence of subsection (b) thereof, entitled “Line of Credit Optional Interest Rate,” and inserting in their place the following:

a. Line of Credit Interest Rate. Interest on advances on the Line of Credit shall accrue at the Prime Rate (P+0.00%) per annum in effect from time to time, but in no event shall interest accrue at less than four percent (4.00%) per annum (the “Regular Line of Credit Interest Rate”). Any changes in the Regular Line of Credit Interest Rate resulting from a change in the Prime Rate shall take effect without notice at the time the Prime Rate is set.

b. Line of Credit Optional Interest. Instead of the Regular Line of Credit Interest Rate, Borrower may elect to have up to five (5) advances on the outstanding principal balance of the Line of Credit (each a “Line of Credit LIBO Rate Portion”) during the Line of Credit Availability Period bear interest at the LIBO Rate, as defined below, plus two and one-half percent (L+2.50%), but in no event shall interest accrue at less than four percent (4.00%) per annum (the “Optional Line of Credit Interest Rate”) during an interest rate period designated by Borrower (the “Line of Credit Applicable Interest Period”).

(e) 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-half of one percent (0.50%) 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.

(f) Section 8.4 of the Loan Agreement, entitled “Minimum Debt Service Coverage Ratio,” is deleted and replaced in its entirety with the following:

Minimum Debt Service Coverage Ratio. To maintain as of the end of each fiscal quarter based on the combined financial results as reported on SEC Form 10-Q or 10-K, as applicable, of each entity comprising Borrower, a Debt Service Coverage Ratio of not less than 3.00 to 1.00 on a rolling four quarter basis.

(g) 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 Five Hundred Million Dollars (\$500,000,000.00)

(h) 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 Twenty Million Dollars (\$20,000,000.00).

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

(j) The Security Agreement, as previously amended, is further amended so that the term "Grantor" as used therein means and refers to First Added Borrower, Second Added Borrower and each entity comprising Original Borrower, separately and collectively.

(k) The Designation of Deposit Accounts, dated August 31, 2005, entered by Original Borrower, as previously amended, is further modified to add the following deposit account at Bank as one of Borrower's "Designated Accounts":

ICON Equipment and Corporate
Infrastructure Fund Fourteen, L.P. 1170092381

(l) The Alternative Dispute Resolution Agreement, dated August 31, 2005, entered by Original Borrower and Bank, as previously amended, is further modified to add Second Added Borrower among the "Obligors" as that term is defined therein.

(m) The Contribution Agreement, dated August 31, 2005, entered by Original Borrower, as previously amended, is further modified to add Second Added Borrower among the "ICON Funds" as that term is defined therein.

(n) Second Added Borrower assumes the obligations of Original Borrower and First Added Borrower under the Loan Documents and Contribution Agreement, as they may have been previously modified and as further modified or superseded hereby, and agrees to be bound by terms of the those Loan Documents and the Contribution Agreement as if Second Added Borrower had executed the same and any the prior amendments thereto.

(o) The form of the Second Amended Notice of Borrowing and Second Amended Compliance Certificate shall be replaced by the Third Amended Notice of Borrowing and Third Amended Compliance Certificate appended hereto.

(p) Upon the effectiveness of this Fourth 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 Original Borrower, First Added Borrower and Second Added 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.

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

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 Fourth Modification and the Third Amended Note in form satisfactory to Bank;

(b) Bank shall file and is authorized to file a UCC-1 Financing Statement identifying Second Added Borrower as "Debtor" in form satisfactory to the Bank with the Delaware Secretary of State;

(c) Execution and delivery to Bank of Corporate Resolutions for Borrowing by Limited Liability Companies and Limited Partnerships in form satisfactory to Bank;

(d) Execution and delivery to Bank of a Certificate of Limited Partnership and Authorization to Sign on behalf of Second Added Borrower;

(e) Payment of an extension fee of \$150,000.00

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

(g) 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

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

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

7. Interpretation. No provision of this Fourth 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 Fourth 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 Fourth Modification, Borrower hereby acknowledges, reaffirms and confirms its obligations under the Loan Documents.

10. Entire Agreement. This Fourth 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 Fourth Modification and any documents referred to herein, this Fourth Modification shall prevail. No amendment of this Fourth Modification shall be valid unless it is in writing and is signed by the parties to this Fourth Modification.

11. Counterparts. This Fourth 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 Fourth Modification by facsimile shall be effective as delivery of a manually executed counterpart of this Fourth Modification.

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

SIGNATURES APPEAR ON THE FOLLOWING PAGES

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, 4th 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 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, 4th 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 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, 4th 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, 4th 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, 4th 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 EQUIPMENT AND CORPORATE INFRASTRUCTURE FUND

FOURTEEN, L.P., a Delaware limited partnership

By: **ICON GP 14, LLC**, 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 EQUIPMENT AND CORPORATE INFRASTRUCTURE FUND FOURTEEN,
L.P.
c/o ICON GP 14, LLC, its general partner
100 Fifth Avenue, 4th 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 Twelve, 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)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) 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. designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. 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
 - d. 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 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: August 14, 2009

/s/ Mark Gatto

Mark Gatto
Co-Chief Executive Officer and Co-President
ICON Capital Corp.
Manager of ICON Leasing Fund Twelve, 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 Twelve, 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)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) 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. designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. 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
 - d. 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 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: August 14, 2009

/s/ Michael A. Reisner
Michael A. Reisner
Co-Chief Executive Officer and Co-President
ICON Capital Corp.
Manager of ICON Leasing Fund Twelve, 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 Twelve, 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)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) 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. designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. 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
 - d. 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 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: August 14, 2009

/s/ Anthony J. Branca

Anthony J. Branca
Chief Financial Officer
ICON Capital Corp.
Manager of ICON Leasing Fund Twelve, 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 Twelve, LLC (the "LLC") on Form 10-Q for the quarter ended June 30, 2009, 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: August 14, 2009

/s/ Mark Gatto

Mark Gatto
Co-Chief Executive Officer and Co-President
ICON Capital Corp
Manager of ICON Leasing Fund Twelve, 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 Twelve, LLC (the "LLC") on Form 10-Q for the quarter ended June 30, 2009, 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: August 14, 2009

/s/ Michael A. Reisner

Michael A. Reisner

Co-Chief Executive Officer and Co-President

ICON Capital Corp.

Manager of ICON Leasing Fund Twelve, 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 Twelve, LLC (the "LLC") on Form 10-Q for the quarter ended June 30, 2009, 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: August 14, 2009

/s/ Anthony J. Branca

Anthony J. Branca

Chief Financial Officer

ICON Capital Corp.

Manager of ICON Leasing Fund Twelve, LLC