Taglich Brothers, Inc.
The Standard of Excellence in the Microcap Market

Member: NASD, SIPC

Research Report – Update

Investors should consider this report as only a single factor in making their investment decision.

AeroCentury Corp.

Rating: Speculative Buy

Howard Halpern

ACY $2.52- (AMEX)

May 28, 2004

	FYE 12/02	FYE 12/03	**FYE 12/04 E**	**FYE 12/05 E**
Revenues (millions)	$8.81	$8.91	**$8.58**	**$8.89**
Earnings per share (diluted)	$0.65	($0.87)	**$0.09**	**$0.10**

52week range	$5.45 – $2.45	Fiscal year ends:	December
Shares outstanding	1.61 million	Revenue/shares (ttm)	$5.55
Trading float	1.07 million	Price/Sales (ttm)	0.45X
Insiders and Institutional ownership	0.54 million	Price/Sales (2005)	0.44X
Book value/share a/o 03/31/04	$11.55	Price/Earnings (ttm)	NMF
Price/Book	0.22X	Price/Earnings (2005)	25.2X

AeroCentury Corp., is engaged in the business of ownership, management, leasing and acquisition of aircraft. The primary focus is on used commercial turboprop aircraft equipment for lease to foreign and domestic regional air carriers. Web site address is: www.aerocentury.com

Key investment considerations:

We are maintaining our Speculative Buy rating and setting a twelve-month price target of $4.00 per share based on our revenue and earnings per shares estimates for 2004. Our prior twelve-month price target was $5.00 per share.

Our rating is based on 1) The belief that the operating environment within the Aviation and Travel Industries is stabilizing; and 2) The Company having flexibility to purchase additional aircraft for leasing opportunities as a result of an increased credit facility that was announced in January 2004.

AeroCentury reported first quarter revenues of $2.130 million versus $2.476 million in the same period last year. Net income for the quarter was $0.030 million or $0.02 per diluted share versus net income of $0.175 million or $0.11 per diluted share in the same period last year.

During April 2004, the Company announced that it purchased four Fokker 50 aircraft. Those four aircraft are being leased to Skyways Express AB for an average term of twenty-four months. In addition, the Company also released a Shorts SD3-60 to an Indonesian customer and a deHavilland DHC-6 to Loganair.

Based on the outlook provided by Management in its public filings, first quarter results and general operating trends, we are estimating 2004 revenue of $8.58 million versus our prior estimate of $8.89 million. Our 2004 net income estimate is $0.137 million or $0.09 per diluted share. Our prior net income estimate was $0.244 million or $0.16 per diluted share.

****Please view our disclaimer located on page 9.***

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Recent Financials

AeroCentury reported 2004 first quarter revenue of $2.130 million versus $2.476 million in the first quarter of 2003. Net income for the quarter was $0.030 million or $0.02 per share, versus net income of $0.175 million or $0.11 per share in the same period last year.

The change in revenue versus last year was primarily due to the combined effect of:

- Lower lease rates for aircraft released during 2003; and
- Aircraft remaining off lease during 2004.

Depreciation, management fees, and SG&A expenses in the quarter were approximately the same as last year. However, slightly higher interest expense (approximately $0.040 million versus last year), as well as, lower revenue were the primary causes for the Company's reduced net income versus the same period last year. The increase in interest expense resulted from higher average interest rates arising from the renegotiation of the Company's credit facility in the third quarter of 2003.

In comparison, Taglich Brothers estimates called for first quarter revenue of $2.19 million and net income of $50,000 or $0.03 per fully diluted share.

Balance Sheet as of March 31, 2004

The Company provided the following balance sheet data:

- Total assets of $72.761 million;
- Total liabilities of $54.200 million; and
- Shareholder's equity of $18.560 million

The Company ended the quarter with cash and cash equivalents of $8.898 million versus $9.449 million at December 31, 2003. Total outstanding indebtedness stood at $40.673 million versus $41.932 million at the end of fiscal 2003. At the end of quarter, ACY was in compliance with all loan covenants under its $50 million credit facility. Subsequent to the end of the first quarter, the Company repaid $4.0 million of outstanding principal under its credit facility. As long as Management is able to keep its assets on lease, cash flow should be sufficient to cover management fees, professional fees, and interest expense.

Recent Developments

On May 13, 2004, the Company announced the release of a deHavilland DHC-6 aircraft to Loganair for an additional twenty-four month period. Loganair, which has been a customer of the Company since 1995, is the largest operator of internal Scottish flights with regular services within the mainland and to the Western and Northern Isles.

On April 14, 2004, AeroCentury announced the purchase of four Fokker 50 aircraft. These Fokker 50 aircraft are on lease to Skyways Express AB for an average term of twenty-four months. Skyways Express AB already had two of the Company's Fokker 50 aircraft on lease. Skyways Express AB, part of the Skyways Group, is one of Sweden's fastest growing companies and its largest regional carrier.

On March 31, 2004, the Company announced the release of one of its Shorts SD3-60 aircraft to a new customer in Indonesia. The lease is subject to a thirty-six month lease with an option to extend the lease for one twenty-four month period.

Competitive Environment

The Company targets regional commercial aircraft operators that are seeking to lease aircraft under an operating lease. The competition in this market, which is primarily based on price and lease terms, comes from companies that offer financing, including leasing companies, banks and other financial institutions, and aircraft leasing partnerships. The large participants in the aircraft leasing industry include International Lease Finance Corp., a subsidiary of American International Group (NYSE: AIG), the CIT Group (NYSE: CIT), and GE Capital Aviation Services, a subsidiary of General Electric Commercial Finance.

The operating environment in the Aviation and Travel Industries over the past three years has been difficult. The Aviation Industry has experienced a number of bankruptcies since 2002, which in turn increased the supply of aircraft on the market, lessening overall demand for leasing opportunities. Also, impacting the leasing of aircraft for all industry participants has been relatively low interest rates that caused lease rates to decline upon the releasing of an aircraft. However, based recent action in the bond market, interest rates appear to be moving up and this trend might be confirmed when the Federal Reserve pulls the trigger and raises the Federal Funds rate later this year.

According to the Travel Industry Association of America (TIA), travel volume has declined for three straight years since it peaked in 2000. However, looking at the upcoming year, the TIA is optimistic for 2004. The TIA is forecasting that overall traveler spending by domestic and international visitors could increase by 6.0% to $585 billion. That is still below the record set in 2000; however, the TIA is forecasting record spending levels to be set in 2005.

Outlook and Projections

For 2004, we are adjusting our revenue forecast to $8.58 million from our prior estimate of $8.89 million, based on the Company's outlook, as described in its first quarter 10Q filing, and trends established during the second half of 2003 and first quarter of 2004.

Base on our revenue forecast and the Company's first quarter cost structure, we are adjusting our net income forecast for 2004 to $0.137 million or $0.09 per diluted share. Our prior net income forecast was $0.244 million or $0.16 per diluted share. Our forecast is based on the following:

- Interest expense increasing to $2.22 million versus $1.94 million in 2003;
- SG&A expenses increasing to $0.87 million versus $0.84 million in 2003;
- Management fees and depreciation remaining virtually unchanged versus 2003 at $1.86 million and $3.38 million, respectively; and
- A tax rate of 14.9%.

Investors should be aware that the Company is in a position to purchase additional aircraft to lease due to its increased credit facility ($50 million from $40 million). We estimate that the Company has approximately $12 million available to purchase additional aircraft. If purchases are made early in the fiscal year and the Company is able to release aircraft on a consistent basis, revenues could exceed our current expectations during the final six months of 2004.

We estimate that the Company has at least four aircraft available for release and/or sale, which will require significant investments in terms of time and money. Additional aircraft are likely to come off lease over the next twelve months. The timing of when aircraft(s) will be returned to the Company remains unclear; however, until an aircraft is returned, rent will be paid by the lessor even if the lease term has expired. In order to obtain release agreements, Management continues to focus its efforts on marketing.

Our initial revenue forecast for 2005 is $8.89 million. Our forecast is based on our assumption that the operating environment within the Aviation and Travel Industries should stabilize and interest rates should continue to trend higher during the second half of the year, which should translate into slightly higher releasing rates over time.

Based on a consistent cost structure, we estimate net income of $0.150 million or $0.10 per diluted share for fiscal 2005.

Risks

Economic Factors

The Company's business is dependent on the strength of the Travel and Transportation Industries and on the general level of global economic activity. As a result of the weak economic environment experienced between the middle of 2000 to the middle of 2003, there was a reduction in the number of aircraft being used by major air carriers, particularly those serving the United States Market. AeroCentury's current leases and remarketing efforts are primarily focused outside of the U.S.; therefore, the impact should be somewhat muted. A consensus economic forecast (Blue Chip Economic Indicators Poll announced on May 10, 2004) calls for Gross Domestic Product to grow by approximately 4.6% in 2004, which according to the economists surveyed would be the best performance in 19 years. In addition, those economists surveyed believe this type of growth will likely lead to 50 basis points in Federal Reserve rate hikes by the end of the year. However, if the economic recovery that is forecasted does not materialize or is slow to impact the Travel and Aviation Industries, the Company's operations could be negatively impacted.

Debt Financing

The Company uses its revolving credit facility and special purpose financing to acquire aircraft in order to lease it to a customer. If a customer is unable to make its lease payments (for example, the repossession of aircraft from a Haitian lessee), AeroCentury may not have the ability to repay the debt secured by the aircraft acquired, which means that title to the aircraft would likely be lost in a foreclosure proceeding. It should be noted that money drawn under the credit facility is secured by the Company's existing assets, as well as, the assets acquired with each financing. A reduction in the number of aircraft in AeroCentury's portfolio would negatively impact operations.

Leasing

Crucial to the Company's ability to regain profitability and grow revenues is its ability to successfully negotiate lease extensions and re-lease/remarket aircraft. However, the following factors may negatively impact the Company's leasing operations:

- Demand for leasing aircraft and/or the sale of an aircraft;
- Acceptable rates that an aircraft can be leased for; and
- The cyclical nature of the Air Transportation and Travel Industries.

Reliance on JetFleet Management

AeroCentury relies on JetFleet Management Corp (JMC) to perform management functions under a management agreement. Currently, the agreement is in its seventh year of a 20-year term. Under this agreement, the Company pays an asset-based management fee to JMC.

JMC is not a fiduciary to the Company or its stockholders. The Board of Directors, however, has ultimate control and supervisory responsibility over all aspects of the Company and owes fiduciary duties to the Company and its stockholders. It is important to note that the officers of JMC are also officers of the Company; therefore, if a dispute over obligations between the Company and JMC occurs, a conflict of interests may exist.

Insurance

The Company may be named in a suit claiming damages for injuries or damage to property caused by its assets. As a triple net lessor, the Company is generally protected against such claims. Additionally, the Company should have some protection through the United States Aviation Act with respect to its aircraft assets. The Company may carry insurance or require a lessee to insure against a risk, there may be certain cases where the loss is not entirely covered by the lessee or its insurance.

Interest Rates

If interest rates were to increase sharply, the Company's near-term operations would likely be negatively impacted in terms of the borrowing required to finance the purchase of assets (i.e. aircraft, engines, etc.). Higher lease rates would over the long term mitigate the impact of a rapid rise in interest rates.

Valuation Adjustments

The Company continually reviews its asset valuations. It has not made any valuation adjustments during 2003, any future adjustments, if necessary, would negatively impact future financial results and the collateral available for ACY's credit facility.

Miscellaneous

The Company's financial results and equity values are subject to other risks and uncertainties known and unknown, including but not limited to competition, operations, financial markets, regulatory risk, and/or other events. These risks may cause actual results to differ from expected results.

Trading Volume

An equity specific concern relates to liquidity. Based on our calculations, average daily-volume for the first four months of 2004 decreased to 1,300 from 2,660 shares in 2003. On a relative basis, volume for this equity is very small. Investors need to be aware that by nature, an equity that lacks liquidity can have significant price volatility.

Conclusion

We maintaining our Speculative Buy and setting a twelve-month price target $4.00 per share based on our sales and earnings per shares estimates for 2004. Our prior twelve-month price target was $5.00 per share. The change in our price target is primarily due to lower estimates and contraction of multiples.

Our rating is based on our belief that 1) The operating environment within the Aviation and Travel Industries is stabilizing; and 2) The Company should have greater flexibility to purchase additional aircraft for leasing opportunities as a result of an increased credit facility.

Based on current price levels and the Company's ability to return to profitability, we believe that AeroCentury is undervalued, especially in comparison to its peer(s) that lease aircraft and to the Rental and Leasing Industry. ACY is trading at a price-to-book multiple of 0.23X and price-to-sales multiple of 0.47 X. In comparison, the Company's peer(s) trade at a price-to-book and price-to-sales multiple of 0.62X and 2.86X, respectively; while, the Rental and Leasing Industry, trades at multiples of 1.84X and 0.96X, respectively.

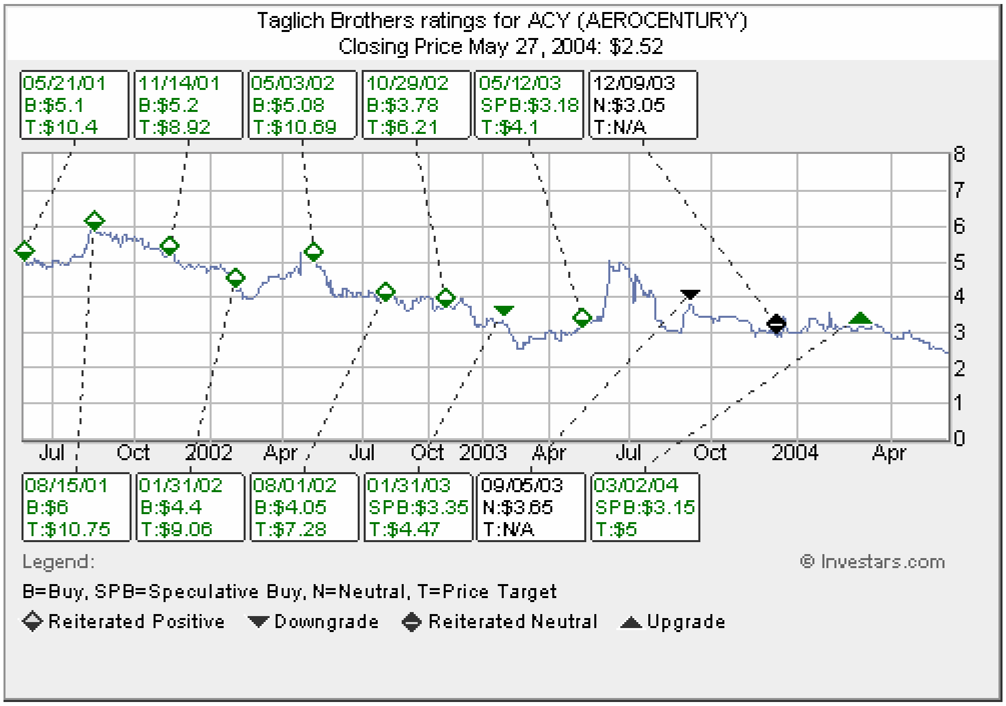
Peer Chart Comparison

Company Name	Symbol	Current Price	Shrs Out (M)	Market Cap. (Mil)	P/E (TTM)	Price / Sales (TTM)	Book Value / Share	Price / Book
Airlease Ltd.	AIRL	1.19	4.62	5.50	NMF	3.41	1.30	0.91
Willis Lease Finance Corp.	WLFC	8.33	8.86	73.80	17.3	1.22	12.46	0.67
Peer Group Average					17.3	2.32		0.79
AreoCentury Inc.	ACY	2.52	1.54	3.9	NMF	0.45	11.55	0.22

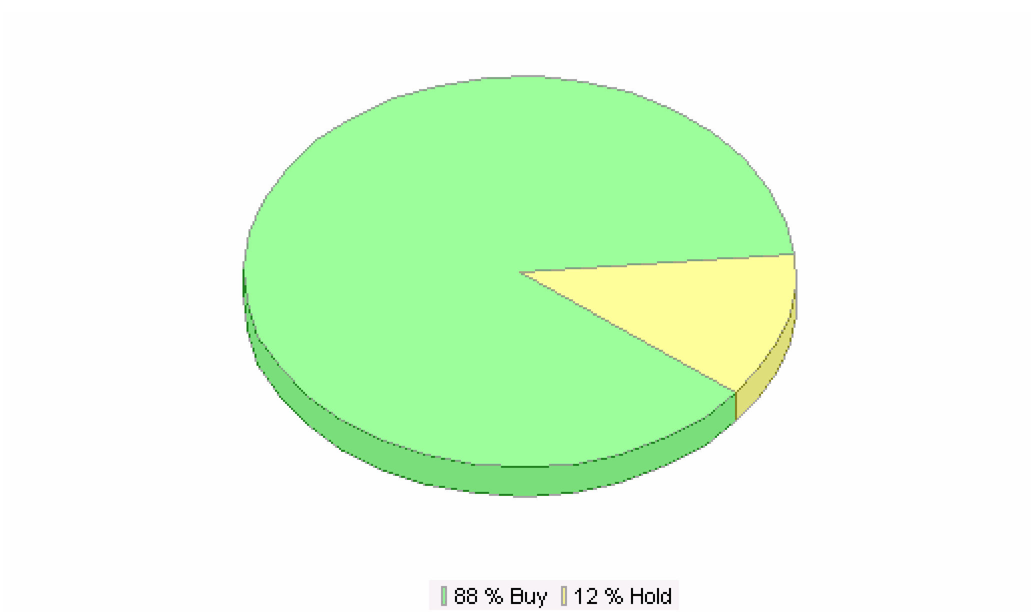
Our price target is based on the average of the following valuation models and a 45% discount factor to account for microcap and Company specific risks discussed earlier:

- A sales per share multiple of 2.3X (see peer chart on prior page), applied to our sales per share estimate for 2004 of $5.56; and

- An earnings per share multiple of 17.3X (see peer chart on prior page), applied to our earnings estimate for 2004 of $0.09.



Taglich Brothers Current Ratings Distribution



Meaning of Ratings

Buy

We believe the Company is undervalued relative to its market and peers. We believe its risk reward ratio strongly advocates purchase of the stock relative to other stocks in the marketplace. Remember, with all equities there is always downside risk.

Speculative Buy

We believe that the long run prospects of the Company are positive. We believe its risk reward ratio advocates purchase of the stock. We feel the investment risk is higher than our typical “buy” recommendation. In the short run, the stock may be subject to high volatility and continue to trade at a discount to its market.

Neutral

We will remain neutral pending certain developments.

Underperform

We believe that the Company may be fairly valued based on its current status. Upside potential is limited relative to investment risk.

Sell

We believe that the Company is significantly overvalued based on its current status. The future of the Company's operations may be questionable and there is an extreme level of investment risk relative to reward.

Some notable Risks within the Microcap Market

Stocks in the Microcap segment of the market have many risks that are not as prevalent in Large-cap, Blue Chips or even Small-cap stocks. Often it is these risks that cause Microcap stocks to trade at discounts to their peers. The most common of these risks is liquidity risk, which is typically caused by small trading floats and very low trading volume which can lead to large spreads and high volatility in stock price. In addition, Microcaps tend to have significant company specific risks that contribute to lower valuations. Investors need to be aware of the higher probability of financial default and higher degree of financial distress inherent in the microcap segment of the market.

From time to time our analysts may choose to withhold or suspend a rating on a company. We continue to publish informational reports on such companies; however, they have no ratings or price targets. In general, we will not rate any company that has too much business or financial uncertainty for our analysts to form an investment conclusion, or that is currently in the process of being acquired.

Public Companies mentioned in this report:

Airlease Ltd.	(OTC BB: AIRL)
Willis Lease Finance Corp.	(NasdaqNM: WLFC)
American International Group	(NYSE: AIG)
CIT Group	(NYSE: CIT)
Tyco Inc.	(NYSE: TYC)

I, Howard Halpern, the research analyst of this report, hereby certify that the views expressed in this report accurately reflect my personal views about the subject securities and issuers; and that no part of my compensation was, is, or will be directly or indirectly related to the specific recommendations or views contained in this report.

AeroCentury Inc.
Consolidated Balance Sheets *
(in thousands)

	Dec. '01 Year End	Dec. '02 Year End	Dec. '03 Year End	March '04 1st Qtr End
ASSETS				
Current assets:				
Cash & Equivalents	$ 9,667	$ 8,796	$ 9,449	$ 8,898
Accounts Receivable	596	1,801	1,360	1,687
Note receivable	69	18	-	22
Prepaid Expense & Other	651	483	699	539
Total current assets	**10,983**	**11,097**	**11,508**	**11,146**
Deferred Tax Asset	-	-	-	-
Aircraft & engines, net of depreciation	56,527	65,502	62,151	61,615
Total assets	**$ 67,510**	**$ 76,599**	**$ 73,659**	**$ 72,761**
LIABILITIES AND STOCKHOLDERS' EQUITY				
Current liabilities:				
Accounts Payable and accrued expenses	$ 1,642	$ 530	$ 484	$ 426
Notes Payable and accrued interest	36,510	44,223	41,932	40,673
Maintenance deposits and accrued costs	5,209	5,771	8,736	8,650
Security deposits	1,718	2,254	1,432	1,475
Prepaid rent	213	186	199	192
Total current liabilities	**45,292**	**52,965**	**52,783**	**51,416**
Long-Term debt-net of current	-	-	-	-
Deferred Income Taxes	3,356	3,763	2,784	2,784
Total Liabilities	**48,648**	**56,728**	**55,567**	**54,200**
Stockholders' equity:				
Common stock, par value $0.01; authorized 10,000,000 shares;	2	2	2	2
Paid-in capital	13,821	13,821	13,821	13,821
Retained earnings	5,543	6,552	5,212	5,242
Accumulated deficit	-	-	-	-
Treasury Stock, at cost	(504)	(504)	(504)	(504)
Total stockholders' equity	**18,862**	**19,871**	**18,531**	**18,561**
Total liabilities and stockholders' equity	**$ 67,510**	**$ 76,599**	**$ 74,098**	**$ 72,761**
SHARES OUT	1,607	1,607	1,607	1,607

AeroCentury Inc.
Annual Income Statement
For the Years Ended December 31,
(in thousands)

	FY2001**	FY2002	FY2003	**FY2004E**	**FY2005E**
Revenues:					
Rent Income	$ 10,238	$ 8,691	$ 8,767	**$ 8,360**	**$ 8,690**
Gain(loss) on disposal of assets	327	-	-	**-**	**-**
Other Income	667	123	143	**220**	**200**
Total Revenues	11,232	8,814	8,910	**8,580**	**8,890**
Expenses:					
Management Fees	1,750	1,725	1,910	**1,858**	**1,910**
Depreciation	2,776	2,852	3,361	**3,380**	**3,400**
Interest	2,866	1,969	1,941	**2,216**	**2,330**
SG&A	434	543	843	**865**	**950**
Maintenance	859	242	2,091	**100**	**100**
Provision for impairment in value of aircraft in '00 and Bad Debt Expense in '03	-	-	900	**-**	**-**
Total Expenses	8,684	7,331	11,045	**8,419**	**8,690**
Operating Income	2,548	1,483	(2,136)	**161**	**200**
Operating Margin	22.68%	16.82%	-23.97%	1.88%	2.25%
Taxes(Benefit)	849	473	(795)	**24**	**50**
Tax Rate	33.32%	*31.93%*	*37.24%*	*14.86%*	*25.00%*
Net Income	$ 1,699	$ 1,009	$ (1,340)	**$ 137**	**$ 150**
EPS-fully diluted includes insurance settlement	$ 1.10	$ 0.65	$ (0.87)	**$ 0.09**	**$ 0.10**
Avg Shares Out-fully diluted	1,543	1,543	1,543	**1,543**	**1,543**
Margin Analysis					
Gross Profit	9,482	7,089	7,000	**6,722**	**6,980**
GPM	84.4%	80.4%	78.6%	**78.3%**	**78.5%**
NI/Rev	15.1%	11.5%	-15.0%	**1.6%**	**1.7%**
NI/Rent Income	16.6%	11.6%	-15.3%	**1.6%**	**1.7%**
Total Exp/Rev	77.3%	83.2%	124.0%	**98.1%**	**97.8%**
As Per Cent of Rent Income					
Expenses:					
Management Fees	17.09%	19.85%	21.79%	**22.22%**	**21.98%**
Depreciation	27.12%	32.82%	38.33%	**40.43%**	**39.13%**
Interest	27.99%	22.65%	22.14%	**26.51%**	**26.81%**
SG&A	4.24%	6.25%	9.61%	**10.35%**	**10.93%**
Total Expenses	84.83%	84.35%	125.99%	**100.71%**	**100.00%**
Percent Change Year/Year					
Rent Income	-5.91%	-14.38%	0.86%	**-4.64%**	**3.95%**
Operating Income	1.21%	-41.27%	NMF	**NMF**	**NMF**
Net Income	1.64%	-40.59%	NMF	**NMF**	**NMF**

** Included in other income is an insurance settlement gain of $0.35 million or $0.15 per share. Excluding the gain full year 2001 EPS was 0.95.

AeroCentury Inc.
Quarterly Income Statement
For the Year Ended December 31, 2003
(in thousands)

	(3/03)Q1A	(6/03)Q2A	(9/03)Q3A	(12/03)Q4A	**FY2003A**
Revenues:					
Rent Income	$ 2,452	$ 2,186	$ 2,030	$ 2,099	**$ 8,767**
Other Income	24	21	48	50	**143**
Total Revenues	2,476	2,207	2,078	2,149	**8,910**
Expenses:					
Management Fees	487	481	474	468	**1,910**
Depreciation	841	839	840	840	**3,361**
Interest	511	442	443	545	**1,941**
SG&A	216	202	173	251	**843**
Maintenance	101	1,737	85	168	**2,091**
Bad debt expense	100	950	-	(150)	**900**
Total Expenses	2,256	4,651	2,015	2,123	**11,045**
Operating Income	220	(2,444)	63	25	**(2,136)**
Operating Margin	8.90%	-110.73%	3.02%	1.17%	-23.97%
Taxes(Benefit)	45	(853)	13	(0)	**(795)**
Tax Rate	*20.49%*	*34.89%*	*20.05%*	*-1.83%*	*37.24%*
Net Income	$ 175	$ (1,591)	$ 50	$ 26	**$ (1,340)**
EPS-fully diluted	$ 0.11	$ (1.03)	$ 0.03	$ 0.02	**$ (0.87)**
Avg Shares Out-fully diluted	1,543	1,543	1,543	1,543	**1,543**
Margin Analysis					
Gross Profit	1,989	1,727	1,604	1,681	**7,000**
GPM	80.3%	78.2%	77.2%	78.2%	**78.6%**
NI/Rev	7.1%	-72.1%	2.4%	1.2%	**-15.0%**
NI/Rent Income	7.1%	-72.8%	2.5%	1.2%	**-15.3%**
Total Exp/Rev	91.1%	210.7%	97.0%	98.8%	**124.0%**
As Per Cent of Rent Income					
Expenses:					
Management Fees	19.86%	21.99%	23.36%	22.30%	**21.79%**
Depreciation	34.29%	38.40%	41.38%	40.04%	**38.33%**
Interest	20.84%	20.21%	21.81%	25.99%	**22.14%**
SG&A	8.80%	9.26%	8.52%	11.98%	**9.61%**
Total Expenses	91.99%	212.79%	99.25%	101.18%	**125.99%**
Percent Change Year/Year					
Rent Income	11.78%	-1.98%	4.79%	-9.94%	**0.86%**
Operating Income	-51.22%	-701.78%	-84.39%	-88.72%	**-244.04%**
Net Income	-41.57%	-700.50%	-82.49%	-83.79%	**-232.79%**

AeroCentury Inc.
Quarterly Income Statement
For the Year Ended December 31, 2004
(in thousands)

	(3/04)Q1A	(6/04)Q2E	(9/04)Q3E	(12/04)Q4E	**FY2004E**
Revenues:					
Rent Income	$ 2,060	$ 2,075	$ 2,100	$ 2,125	**$ 8,360**
Other Income	70	50	50	50	**220**
Total Revenues	2,130	2,125	2,150	2,175	**8,580**
Expenses:					
Management Fees	463	460	465	470	**1,858**
Depreciation	845	845	845	845	**3,380**
Interest	551	550	555	560	**2,216**
SG&A	215	210	215	225	**865**
Total Expenses	2,099	2,090	2,105	2,125	**8,419**
Operating Income	31	35	45	50	**161**
Operating Margin	1.46%	1.65%	2.09%	2.30%	1.88%
Taxes(Benefit)	1	5	8	10	**24**
Tax Rate	*3.00%*	*14.29%*	*17.78%*	*20.00%*	*14.86%*
Net Income	$ 30	$ 30	$ 37	$ 40	**$ 137**
EPS-fully diluted	$ 0.02	$ 0.02	$ 0.02	$ 0.03	**$ 0.09**
Avg Shares Out-fully diluted	1,543	1,543	1,543	1,543	**1,543**
Margin Analysis					
Gross Profit	1,667	1,665	1,685	1,705	**6,722**
GPM	78.3%	78.4%	78.4%	78.4%	**78.3%**
NI/Rev	1.4%	1.4%	1.7%	1.8%	**1.6%**
NI/Rent Income	1.5%	1.4%	1.8%	1.9%	**1.6%**
Total Exp/Rev	98.5%	98.4%	97.9%	97.7%	**98.1%**
As Per Cent of Rent Income					
Expenses:					
Management Fees	22.47%	22.17%	22.14%	22.12%	**22.22%**
Depreciation	41.03%	40.72%	40.24%	39.76%	**40.43%**
Interest	26.76%	26.51%	26.43%	26.35%	**26.51%**
SG&A	10.45%	10.12%	10.24%	10.59%	**10.35%**
Total Expenses	101.90%	100.72%	100.24%	100.00%	**100.71%**
Percent Change Year/Year					
Rent Income	-15.99%	-5.06%	3.43%	1.26%	**-4.64%**