

Taglich Brothers, Inc.

The Standard of Excellence in the Microcap Market

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Research Report Update

AeroCentury Corp.

Rating: Buy

Howard Halpern

ACY - \$5.20- (AMEX)

November 15, 2001

| | FYE 12/99 | FYE 12/00* | FYE 12/01 E | FYE 12/02 E |
|------------------------------|-----------------|------------|------------------------|---------------|
| Revenues (millions)*** | \$7.4 | \$12.1 | \$10.4** | \$10.4 |
| Earnings per share (diluted) | \$0.90 | \$1.08 | \$0.99** | \$1.03 |
| 52week range | \$6.75 – \$4.38 | | Fiscal year ends: | December |
| Shares outstanding | 1.54million | | Revenue/shares (TTM)** | \$7.67 |
| Trading float | 1.20 million | | Price/Sales (TTM) | 0.68X |
| Institutional ownership | 8% | | Price/Sales (2002) | 0.77X |
| Book value/share a/o 9/30/01 | \$11.64 | | Price/Earnings (2001) | 5.3X |
| Price/Book | 0.45X | | Price/Earnings (2002) | 5.0X |

* Includes write-down of two aircrafts to market value ** Excludes a \$0.35 million pre-tax or \$0.15 per share post-tax insurance settlement gain

*** See page 8 for details of gains from disposal of assets

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

Key investment considerations:

- *We are maintaining our Buy rating on AeroCentury (ACY) and have a 12-month price target of \$8.92 per share. We believe ACY has upside potential based on its current book value and on our earnings per share estimate for 2002.*
- *We believe that the Company is undervalued on a P/E and Price/Book basis. Currently, the Rental and Leasing Industry is trading at 18.5X trailing twelve months (TTM) earnings, while ACY is trading at only 5X our earnings per share estimate for 2002.*
- *Third quarter revenues were \$2.878 million, which includes a \$0.35 million insurance settlement gain. Net income for the quarter, including the insurance settlement gain, was \$0.530 million or \$0.34 per share. Excluding the gain, earnings per share was \$0.19. Revenues and net income exceeded our forecasts of \$2.53 million and \$0.365 or \$0.24 per share due to the insurance settlement gain.*
- *AeroCentury has five aircraft that are either off lease or that will be coming off lease by December 31, 2001. This circumstance continues to limit the Company's ability to increase its asset base and grow its earnings.*
- *We believe that 2001 revenues, excluding the insurance settlement gain, will be \$10.4 million and net income will be \$1.52 million or \$0.99 per share. Our 2002 estimate is for revenue of \$10.4 million and net income of \$1.6 million or \$1.03 per share.*

* Please view our disclaimer located at the end of the text portion of this report.

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Recent Financials

AeroCentury reported third quarter revenues of \$2.88 million, compared to \$2.97 million in the third quarter last year. The Company reported net income of \$0.530 million or \$0.34 per share, versus \$0.488 million or \$0.32 per share in the prior year. Included in the third quarter results, is a pre-tax gain of \$0.350 million resulting from an insurance settlement related to damage to one of the Company's leased aircraft. We believe that excluding the insurance settlement earnings were \$0.19 per share.

Total revenues exceeded Taglich Brothers' estimate of \$2.53 million. Also, net income and earnings per share, including the insurance settlement, exceeded Taglich Brothers' estimates of \$0.365 million or \$0.24 per share. The primary reason why third quarter results exceeded our expectations was the result of the insurance settlement.

At the end of third quarter, cash and cash equivalents were \$2 million. During 2000, the Company signed an agreement for a revolving line of credit totaling \$50 million. This credit facility will expire on June 28, 2003. As long as management is able to keep its assets on lease and interest rates remain stable, cash flow should be sufficient to cover management fees, professional fees, and interest expense. A balloon principal payment in connection with the special purpose financing of two aircraft is due at the time the leases expire during the first quarter of 2002. The financing of this payment will depend on the Company's ability to sell or re-lease the aircraft, which serve as collateral. We will continue to update the status of the aircraft involved after the Company reports its fourth quarter and full year results for 2001.

Recent Events

During October 2001, the Company re-leased one of its Shorts SD 3-60 aircraft to Tropical Airways d' Haiti, USA upon its return from the previous lessee, RAS Fluggesellschaft mbH, a German regional airline. Currently, AeroCentury has one Shorts SD 3-60 aircraft and two DHC-7 aircraft available for sale or re-lease.

Also, in order to continue focusing on remarketing additional aircraft in the Company's portfolio, AeroCentury announced the promotion of Polly Prelinger to Senior Vice President, Marketing. Ms. Prelinger has been with the Company for four years as Vice President, Sales and Marketing. Her prior experience was as VP of Sales and Marketing with a major commuter aircraft manufacturer and Vice President, Aircraft Marketing with a diversified equipment leasing company. Ms. Prelinger is a graduate of the University of Michigan.

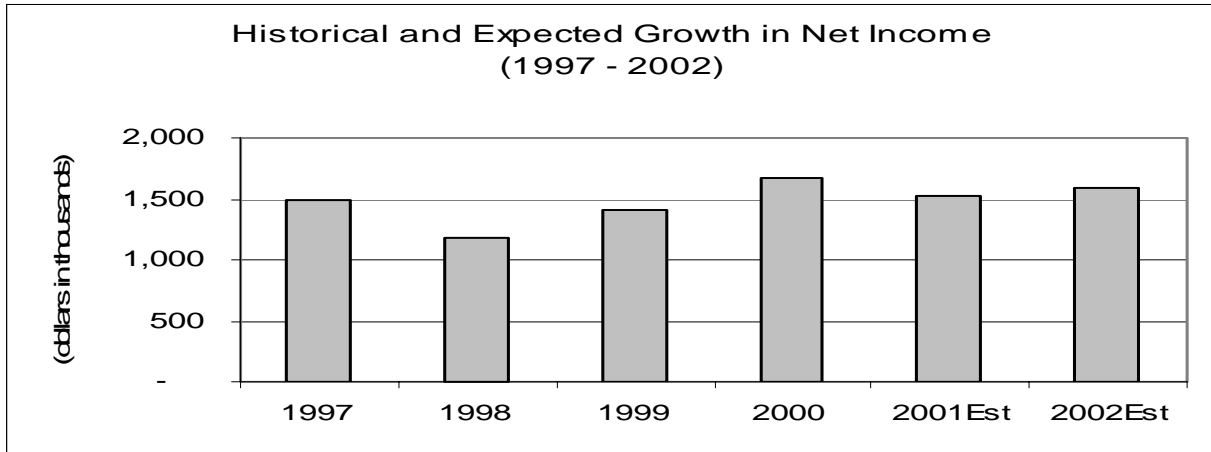
Projections

We believe that revenues for 2001 will be approximately \$10.4 million (excluding the insurance settlement gain and gains on asset sales) and net income should be approximately \$1.52 million or \$0.99 per share. This is a reduction from 2000 revenues of \$12.1 million; however, we believe that management should be able to control expenses, allowing net income for 2002 to approximate \$1.6 million or \$1.03 per share.

Our estimated revenue reduction for 2001 is based on the prolonged economic downturn in the United States, which has led to a tough operating environment, causing a lack of rental income due to aircraft waiting to be re-leased. Three aircraft are currently available for re-lease or sale with two leases due to expire on December 31, 2001. Until these aircraft are either sold or leased, the Company is precluded from fully utilizing the \$23 million of unused credit in its existing facility. In order to obtain re-lease agreements, management continues to focus its efforts on marketing; therefore, we believe it is prudent to maintain our higher forecast for SG&A expenses compared to fiscal 2000. We anticipate, based on the Company's prior track record and intense marketing efforts, that they should be successful in either re-leasing or selling its aircraft. This would solve the credit line limitations and allow for the purchase of additional assets by the middle of 2002.

We believe that lease rental revenues will be lower in the fourth quarter than for the same period last year. Also, it is likely that total revenues for the year will be lower than in 2000. However, we believe that net income for 2001, including the insurance settlement gain, will be slightly greater than in 2000, and that the Company should have cash

earnings of approximately \$2.96 per share (net income plus depreciation, divided by average number of shares) versus cash earnings of \$2.81 in 2000.



Source: Company financials; Taglich Brothers estimates, 2001 Est. excludes the insurance settlement gain recorded in the third quarter

Our 2002 forecast remains tentative, as the timing of any re-lease or sale of aircraft remains uncertain since the events that occurred in New York and Washington DC in September of 2001 has made it increasingly difficult to forecast when corporate spending will rebound. Therefore our 2002 estimates do not include the purchase of any additional assets and assumes that only some of the leases that expire will be re-leased. Also, due to the lack of visibility and the pending re-leasing issues, we are not yet providing a quarterly breakdown of our 2002 forecast. We believe that for 2002, revenues should be \$10.4 million and net income should be \$1.6 million or \$1.03 per share.

Other Considerations

The Company's business is to a large extent dependent on the strength of the travel and transportation industry and on the general level of economic activity in the United States and internationally. As a result of the weak economic environment and the events of September 11, 2001, there has been a significant reduction in air travel, resulting in less revenue and less demand for aircraft capacity by the major air carriers, particularly those serving the United States market. AeroCentury's current lessees and potential lessees are for the most part outside of the U.S. and therefore the impact should be somewhat lessened.

Management, in light of the economic events impacting the industry, may seek to go after shorter-term leases, which would give lessees more flexibility in dealing with the current economic downturn. However, the Company's ability to enter into shorter-term leases is limited by its credit facility covenants. We believe that the Company will attempt to work with its lenders to modify the applicable covenants, which if modified would provide the flexibility needed to offer short-term lessees to customers. At this time, the covenants have not been modified.

An equity specific concern relates to liquidity. Based on our calculations, average daily-volume since the beginning of 2001 has been approximately 2,500 shares, which on a relative basis, is a small amount. Investors need to be aware that by nature, an equity that lacks liquidity can have significant price volatility.

Conclusion

We continue to rate AeroCentury as a Buy and have a 12-month price target of \$8.92 per share. At current price levels, we still believe that AeroCentury is undervalued, especially in comparison to the Rental and Leasing Industry. Currently, Rental and Leasing Industry companies are trading at 18.5X TTM earnings. AeroCentury is trading at 5X our expected earnings for 2002. Our price target is based on the average of the following valuation models:

- The Rental and Leasing Industry discounted (see below) book value multiple of 0.71X, applied to AeroCentury's current book value of \$11.64.

AeroCentury Inc.

- The Industry's discounted (see below) TTM earnings multiple of 9.3X, applied to our 2002 earnings estimate of \$1.03 per share;

We believe that it is prudent to discount the Rental and Leasing Industry multiples by 50%, since AeroCentury's market capitalization is less than \$10 million.

In our opinion, at current price levels, there is limited downside risk for investors, due to the intrinsic value of AeroCentury's assets. We expect that the Company should be able to resume its growth strategy by the second quarter of 2002. While this will increase interest exposure and expenses in 2002, over the longer-term, the Company should be able to pass those costs on to its customers.



** The information and statistical data contained herein have been obtained from sources, which we believe to be reliable but in no way are warranted by us as to accuracy or completeness. We do not undertake to advise you as to change in figures or our views. This is not a solicitation of any order to buy or sell. Taglich Brothers, Inc. is not a market maker and does not sell to or buy from customers on a principal basis. We, our affiliates, any officer, director or stockholder or any member of their families may from time to time purchase or sell any of the above-mentioned or related securities. The above statement is the opinion of Taglich Brothers, Inc. and is not a guarantee that the target price for the stock will be met or that predicted business results for the company will occur. As of the date of this report, we, our affiliates, any officer, director or stockholder, or any member of their families have a position in the stock of the company mentioned in this report. Taglich Brothers, Inc., does not currently have an Investment Banking relationship with the company and was not a manager or co-manager of any offering for the company within the last three years. Since February 2000, the company pays a monthly monetary fee of \$1,250 (USD) to Taglich Brothers, Inc. for the creation and dissemination of research reports.*

AeroCentury Inc.
Consolidated Balance Sheets
(in thousands)

| | Dec. '98 Full Year | Dec. '99 Full Year | Dec. '00 Full Year | Mar. '01 1st Qtr | Jun. '01 2nd Qtr | Sep. '01 3rd Qtr |
|---|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| ASSETS | | | | | | |
| Current assets: | | | | | | |
| Cash & Equivalents | \$ 1,852 | \$ 1,252 | \$ 3,184 | \$ 1,320 | \$ 973 | \$ 2,044 |
| Deposits | 1,584 | 5,419 | 6,864 | 6,969 | 7,501 | 7,405 |
| Accounts Receivable | 166 | 308 | 571 | 553 | 414 | 446 |
| Note receivable | - | - | 118 | 105 | 93 | 81 |
| Prepaid Expense & Other | 147 | 359 | 617 | 582 | 607 | 581 |
| Total current assets | <u>3,749</u> | <u>7,338</u> | <u>11,353</u> | <u>9,529</u> | <u>9,588</u> | <u>10,558</u> |
| Deferred Tax Asset | - | - | - | - | - | - |
| Aircraft & engines, net of depreciation | 22,813 | 55,854 | 60,111 | 59,413 | 58,991 | 58,286 |
| Total assets | <u>\$ 26,562</u> | <u>\$ 63,192</u> | <u>\$ 71,465</u> | <u>\$ 68,942</u> | <u>\$ 68,579</u> | <u>\$ 68,844</u> |
| LIABILITIES AND STOCKHOLDERS' EQUITY | | | | | | |
| Current liabilities: | | | | | | |
| Accounts Payable and accrued expenses | \$ 249 | \$ 907 | \$ 1,885 | \$ 629 | \$ 829 | \$ 788 |
| Notes Payable and accrued interest | 6,440 | 37,095 | 41,221 | 39,255 | 38,003 | 37,660 |
| Maintenance deposits and accrued costs | 1,661 | 4,390 | 6,310 | 6,219 | 6,450 | 6,423 |
| Security deposits | 479 | 1,785 | 1,814 | 1,934 | 1,766 | 1,690 |
| Prepaid rent | 60 | 296 | 355 | 305 | 316 | 310 |
| Income Taxes Payable | - | - | - | - | - | - |
| Total current liabilities | <u>8,890</u> | <u>44,473</u> | <u>51,585</u> | <u>48,342</u> | <u>47,364</u> | <u>46,871</u> |
| Long-Term debt-net of current | - | - | - | - | - | - |
| Deferred Income Taxes | 3,160 | 3,228 | 2,716 | 2,928 | 3,038 | 3,266 |
| Total Liabilities | <u>12,050</u> | <u>47,700</u> | <u>54,301</u> | <u>51,270</u> | <u>50,402</u> | <u>50,137</u> |
| Stockholders' equity: | | | | | | |
| Common stock, par value \$0.01; authorized 10,000,000 shares; | 2 | 2 | 2 | 2 | 2 | 2 |
| Paid-in capital | 13,821 | 13,821 | 13,821 | 13,821 | 13,821 | 13,821 |
| Retained earnings | 767 | 2,173 | 3,844 | 4,353 | 4,858 | 5,388 |
| Accumulated deficit | - | - | - | - | - | - |
| Treasury Stock, at cost | (78) | (504) | (504) | (504) | (504) | (504) |
| Total stockholders' equity | <u>14,512</u> | <u>15,491</u> | <u>17,163</u> | <u>17,672</u> | <u>18,177</u> | <u>18,707</u> |
| Total liabilities and stockholders' equity | <u>\$ 26,562</u> | <u>\$ 63,192</u> | <u>\$ 71,464</u> | <u>\$ 68,942</u> | <u>\$ 68,579</u> | <u>\$ 68,844</u> |
| SHARES OUT | 1,607 | 1,607 | 1,607 | 1,607 | 1,607 | 1,607 |

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

| | <u>FY1998</u> | <u>FY1999</u> | <u>FY2000</u> | <u>FY2001E</u> | <u>FY2002E</u> |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|
| Revenues: | | | | | |
| Rent Income | \$ 3,494 | \$ 7,129 | \$ 10,880 | \$ 10,077 | \$ 10,175 |
| Gain(loss) on disposal of assets | 228 | 98 | 747 | - | - |
| Other Income | <u>55</u> | <u>153</u> | <u>481</u> | <u>667</u> | <u>240</u> |
| Total Revenues | 3,778 | 7,380 | 12,108 | 10,745 | 10,415 |
| Expenses: | | | | | |
| Management Fees | 596 | 1,149 | 1,725 | 1,765 | 1,840 |
| Depreciation | 714 | 1,700 | 2,674 | 2,801 | 2,760 |
| Interest | 84 | 1,534 | 3,471 | 2,906 | 2,800 |
| SG&A | 339 | 582 | 494 | 439 | 630 |
| Maintenance | - | 374 | 763 | 191 | - |
| Provision for impairment in value of aircraft | - | - | 463 | - | - |
| Total Expenses | <u>1,733</u> | <u>5,339</u> | <u>9,590</u> | <u>8,101</u> | <u>8,030</u> |
| Operating Income | <u>2,045</u> | <u>2,041</u> | <u>2,517</u> | <u>2,643</u> | <u>2,385</u> |
| <i>Operating Margin</i> | 54.12% | 27.66% | 20.79% | 24.60% | 22.90% |
| Taxes(Benefit) | <u>854</u> | <u>636</u> | <u>846</u> | <u>884</u> | <u>795</u> |
| <i>Tax Rate</i> | 41.79% | 31.14% | 33.61% | 33.44% | 33.33% |
| Net Income before | <u>\$ 1,190</u> | <u>\$ 1,405</u> | <u>\$ 1,671</u> | <u>\$ 1,759</u> | <u>\$ 1,590</u> |
| EPS-fully diluted includes insurance settlement | <u>\$ 0.74</u> | <u>\$ 0.90</u> | <u>\$ 1.08</u> | <u>\$ 1.14</u> | <u>\$ 1.03</u> |
| EPS-fully diluted excluding insurance settlement** | <u>\$ 0.74</u> | <u>\$ 0.90</u> | <u>\$ 1.08</u> | <u>\$ 0.99</u> | <u>\$ 1.03</u> |
| Avg Shares Out-fully diluted | <u>1,607</u> | <u>1,564</u> | <u>1,543</u> | <u>1,543</u> | <u>1,543</u> |
| Margin Analysis | | | | | |
| Gross Profit | 3,181 | 6,231 | 10,383 | 8,980 | 8,575 |
| GPM | 84.2% | 84.4% | 85.8% | 83.6% | 82.3% |
| NI/Rev | 31.5% | 19.0% | 13.8% | 16.4% | 15.3% |
| NI/Rent Income | 34.1% | 19.7% | 15.4% | 17.5% | 15.6% |
| Total Exp/Rev | 45.9% | 72.3% | 79.2% | 75.4% | 77.1% |
| As Per Cent of Rent Income | | | | | |
| Expenses: | | | | | |
| Management Fees | 17.07% | 16.12% | 15.86% | 17.51% | 18.08% |
| Depreciation | 20.43% | 23.85% | 24.58% | 27.80% | 27.13% |
| Interest | 2.39% | 21.52% | 31.91% | 28.83% | 27.52% |
| SG&A | 9.70% | 8.16% | 4.54% | 4.35% | 6.19% |
| Total Expenses | 49.59% | 74.90% | 88.15% | 80.39% | 78.92% |
| Percent Change Year/Year | | | | | |
| Rent Income | 9.26% | 104.01% | 52.62% | -4.86% | 2.26% |
| Operating Income | 45.67% | -0.17% | 23.34% | 0.15% | 11.45% |
| Net Income | -20.15% | 18.09% | 18.92% | -0.13% | 11.14% |

** Includes a write-down of two aircraft to market value

AeroCentury Inc.
Quarterly Income Statement
For the Year Ended December 31, 2000
(in thousands)

| | <u>(3/00)Q1A</u> | <u>(6/00)Q2A</u> | <u>(9/00)Q3A</u> | <u>(12/00)Q4A*</u> | <u>FY2000</u> |
|---|------------------|------------------|------------------|--------------------|-----------------|
| Revenues: | | | | | |
| Rent Income | \$ 2,604 | \$ 2,613 | \$ 2,849 | \$ 2,814 | \$ 10,880 |
| Gain(loss) on disposal of assets | - | - | - | 747 | 747 |
| Other Income | <u>74</u> | <u>109</u> | <u>121</u> | <u>177</u> | <u>481</u> |
| Total Revenues | <u>2,678</u> | <u>2,722</u> | <u>2,970</u> | <u>3,738</u> | <u>12,108</u> |
| Expenses: | | | | | |
| Management Fees | 416 | 411 | 436 | 463 | 1,725 |
| Depreciation | 641 | 641 | 679 | 712 | 2,674 |
| Interest | 745 | 752 | 892 | 1,083 | 3,471 |
| SG&A | 154 | 160 | 113 | 67 | 494 |
| Maintenance | - | - | 110 | 653 | 763 |
| Provision for impairment in value of aircraft | - | - | - | <u>463</u> | <u>463</u> |
| Total Expenses | <u>1,956</u> | <u>1,964</u> | <u>2,230</u> | <u>3,440</u> | <u>9,590</u> |
| Operating Income | <u>722</u> | <u>758</u> | <u>740</u> | <u>298</u> | <u>2,517</u> |
| <i>Operating Margin</i> | 26.96% | 27.86% | 24.90% | 7.96% | 20.79% |
| Taxes(Benefit) | <u>264</u> | <u>258</u> | <u>251</u> | <u>73</u> | <u>846</u> |
| <i>Tax Rate</i> | 36.58% | 33.98% | 33.97% | 24.56% | 33.61% |
| Net Income | <u>\$ 458</u> | <u>\$ 501</u> | <u>\$ 488</u> | <u>\$ 224</u> | <u>\$ 1,671</u> |
| EPS-fully diluted | <u>\$ 0.30</u> | <u>\$ 0.32</u> | <u>\$ 0.32</u> | <u>\$ 0.14</u> | <u>\$ 1.08</u> |
| Avg Shares Out-fully diluted | <u>1,543</u> | <u>1,543</u> | <u>1,543</u> | <u>1,543</u> | <u>1,543</u> |
| Margin Analysis | | | | | |
| Gross Profit | 2,263 | 2,311 | 2,534 | 3,275 | 10,383 |
| GPM | 84.5% | 84.9% | 85.3% | 87.6% | 85.8% |
| NI/Rev | 17.1% | 18.4% | 16.4% | 6.0% | 13.8% |
| NI/Rent Income | 17.6% | 19.2% | 17.1% | 7.9% | 15.4% |
| Total Exp/Rev | 73.0% | 72.1% | 75.1% | 92.0% | 79.2% |
| As Per Cent of Rent Income | | | | | |
| Expenses: | | | | | |
| Management Fees | 15.96% | 15.73% | 15.30% | 16.25% | 15.86% |
| Depreciation | 24.62% | 24.54% | 23.85% | 24.00% | 24.58% |
| Interest | 28.61% | 28.77% | 31.31% | 38.47% | 31.91% |
| SG&A | 5.93% | 6.12% | 3.95% | 2.39% | 4.54% |
| Total Expenses | <u>75.12%</u> | <u>75.16%</u> | <u>78.28%</u> | <u>122.24%</u> | <u>88.15%</u> |
| Percent Change Year/Year | | | | | |
| Rent Income | 86.63% | 81.44% | 51.98% | 16.36% | 52.62% |
| Operating Income | 32.04% | 26.62% | 34.02% | -13.39% | 23.34% |
| Net Income | 34.54% | 26.15% | 34.28% | -26.61% | 18.92% |

* Includes a write-down of two aircraft to market value

AeroCentury Inc.
Quarterly Income Statement
For the Year Ended December 31, 2001
(in thousands)

| | <u>(3/01)Q1A</u> | <u>(6/01)Q2A</u> | <u>(9/01)Q3A</u> | <u>(12/01)Q4E</u> | <u>FY2001E</u> |
|--|-----------------------|-----------------------|-----------------------|-----------------------|------------------------|
| Revenues: | | | | | |
| Rent Income | \$ 2,759 | \$ 2,632 | \$ 2,456 | \$ 2,230 | \$ 10,077 |
| Gain(loss) on disposal of assets | - | - | - | - | - |
| Other Income | <u>111</u> | <u>74</u> | <u>423</u> | <u>60</u> | <u>667</u> |
| Total Revenues | 2,870 | 2,706 | 2,879 | 2,290 | 10,745 |
| Expenses: | | | | | |
| Management Fees | 448 | 440 | 439 | 435 | 1,765 |
| Depreciation | 698 | 710 | 706 | 700 | 2,801 |
| Interest | 844 | 724 | 663 | 675 | 2,906 |
| SG&A | 107 | 112 | 114 | 105 | 439 |
| Maintenance | - | (14) | 155 | 50 | 191 |
| Provision for impairment in value of aircraft | - | - | - | - | - |
| Total Expenses | 2,097 | 1,963 | 2,077 | 1,965 | 8,101 |
| Operating Income | <u>773</u> | <u>743</u> | <u>802</u> | <u>325</u> | <u>2,643</u> |
| <i>Operating Margin</i> | 26.93% | 27.47% | 27.86% | 14.19% | 24.60% |
| Taxes(Benefit) | <u>264</u> | <u>239</u> | <u>272</u> | <u>110</u> | <u>884</u> |
| <i>Tax Rate</i> | 34.10% | 32.09% | 33.89% | 33.85% | 33.44% |
| Net Income | <u>\$ 509</u> | <u>\$ 505</u> | <u>\$ 530</u> | <u>\$ 215</u> | <u>\$ 1,759</u> |
| EPS-fully diluted -- Includes insurance settlement | <u>\$ 0.33</u> | <u>\$ 0.33</u> | <u>\$ 0.34</u> | <u>\$ 0.14</u> | <u>\$ 1.14</u> |
| EPS-fully diluted -- Excluding insurance settlement** | <u>\$ 0.33</u> | <u>\$ 0.33</u> | <u>\$ 0.19</u> | <u>\$ 0.14</u> | <u>\$ 0.99</u> |
| Avg Shares Out-fully diluted | <u>1,543</u> | <u>1,543</u> | <u>1,543</u> | <u>1,543</u> | <u>1,543</u> |
| Margin Analysis | | | | | |
| Gross Profit | 2,422 | 2,263 | 2,440 | 1,855 | 8,980 |
| GPM | 84.4% | 83.6% | 84.8% | 81.0% | 83.6% |
| NI/Rev | 17.7% | 18.7% | 18.4% | 9.4% | 16.4% |
| NI/Rent Income | 18.5% | 19.2% | 21.6% | 9.6% | 17.5% |
| Total Exp/Rev | 73.1% | 72.5% | 72.1% | 85.8% | 75.4% |
| As Per Cent of Rent Income | | | | | |
| Expenses: | | | | | |
| Management Fees | 16.24% | 16.82% | 17.87% | 19.51% | 17.51% |
| Depreciation | 25.29% | 26.51% | 28.73% | 31.39% | 27.80% |
| Interest | 30.59% | 27.50% | 27.00% | 30.27% | 28.83% |
| SG&A | 3.89% | 4.27% | 4.63% | 4.71% | 4.35% |
| Total Expenses | 76.00% | 74.55% | 84.57% | 88.12% | 80.39% |
| <u>Percent Change Year/Year</u> | | | | | |
| Rent Income | 5.95% | -5.27% | -11.20% | -13.66% | -4.86% |
| Operating Income | 7.06% | -41.98% | -24.28% | 49.56% | 0.15% |
| Net Income | 11.25% | -44.08% | -25.26% | 29.75% | -0.13% |

** Includes a write-down of two aircraft to market value