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: Neutral

Howard Halpern

December 9, 2003

ACY $3.05 - (AMEX)

	FYE 12/01	FYE 12/02	**FYE 12/03 E**	**FYE 12/04 E**
Revenues (millions)	$10.91*	$8.81	**$8.83**	**$8.34**
Earnings per share (diluted)	$0.95*	$0.65	**($0.85)**	**$0.16**

52week range	$5.45 – $2.57	Fiscal year ends:	December
Shares outstanding	1.61 million	Revenue/shares (ttm)	$5.91
Trading float	1.07 million	Price/Sales (ttm)	0.52X
Insiders and Institutional ownership	0.54 million	Price/Sales (2004)	0.56X
Book value/share $_{\text{a/o } 09/30/03}$	$11.52	Price/Earnings (ttm)	NMF
Price/Book	0.26X	Price/Earnings (2004)	19.1X

* Excludes a $0.35 million pre-tax or $0.15 per share post-tax insurance settlement gain in Q3 2001

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 neutral rating on shares of AeroCentury. We believe that the Company's shares are fairly valued based on a discounted price-to-earnings multiple and relative price-to-book analysis.

Our rating and outlook are based on the operating environment within the Aviation and Travel Industries, the Company's need to re-lease three aircraft, and increase its existing credit facility in order to purchase additional aircraft.

AeroCentury reported third quarter revenues of $2.077 million versus $1.976 million in the same period last year. Net income for the quarter was $0.052 million or $0.03 per share versus net income of $0.286 million or $0.19 per share in the same period last year.

During September 2003, the Company successfully re-leased a Fokker 50 with an existing customer in Indonesia.

Based on results for the first nine months of 2003 and the outlook provided by Management in the Company's third quarter 10Q, we are estimating 2003 revenue of $8.83 million and a net loss of $1.312 million or ($0.85) per share. Our prior forecast called for revenue of $8.98 million and a net loss of $1.286 million or ($0.83) per share.

Our 2004 forecast is for revenue of $8.34 million and net income of $0.244 million or $0.16 per diluted share. Our prior forecast called for revenue of $9.03 million and net income of $0.376 million or $0.24 per diluted share.

**** Please view our disclaimer located on page 8.***

Recent Financials

AeroCentury reported 2003 third quarter revenues of $2.078 million versus $1.976 million in the third quarter of 2002. Net income for the quarter was $0.052 million or $0.03 per share, versus net income of $0.286 million or $0.19 per share in the same period last year.

The increase in revenue versus last year was primarily due to the combined effect of operating lease revenue from aircraft purchased in late 2002 and the re-lease during 2003 of several aircraft which had been off lease in 2002. The increased revenue was partially offset by lower lease rates for aircraft re-leased during 2003.

Higher maintenance, depreciation, and general and administrative expenses, as well as, increased management fees were the primary causes for the Company's reduced net income versus the same period last year. Maintenance expense increased by approximately $0.270 million with depreciation and G&A expenses combined increasing by $0.154 million compared to the same period last year. Also, management fees increased by $0.054 million compared to the third quarter of 2002.

In comparison, Taglich Brothers estimates called for third quarter revenues of $2.175 million and net income of $0.055 million or $0.04 per share.

Balance Sheet as of September 30, 2003

The Company had cash and cash equivalents of $1.32 million versus $1.71 million at December 31, 2002. During August 2003, the Company reached an agreement with lenders to extend the maturity date of its credit facility to August 31, 2004. Total outstanding indebtedness was $39.905 million of its $40.0 million facility. The Company was in compliance with all covenants. 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. The Company, in the near term is focused on increasing its credit facility to $50.0 million, which will require the addition of a lender or lenders to the current loan participant group.

Recent Developments

On September 25, 2003, the Company announced the successful re-lease of a Fokker 50 aircraft. The aircraft is subject to a 37-month lease. This is the second Fokker 50 placed with an existing customer in Indonesia the first delivery occurred in December 2002.

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), which was recently spun-off from Tyco Inc. (NYSE: TYC), and GE Capital Aviation Services, a subsidiary of General Electric Commercial Finance.

According to the Travel Industry Association of America (TIA), travel volume has declined for three straight years (9.0% between 2002 and 2000). Also, impacting the leasing of aircraft for all industry participants is the relatively low interest rate environment that causes lease rates to decline upon the re-leasing of an aircraft.

Outlook and Projections

Based on results for the first nine months of 2003 and the outlook provided by Management in the Company's third quarter 10Q, we are revising our revenue and earnings forecasts for fiscal 2003 and 2004.

For 2003, revenue should approximate $8.83 million with a net loss of approximately $1.312 million or ($0.85) per share. Our prior forecast called for revenue of $8.98 million and a net loss of $1.286 million or ($0.83) per share. The net loss for the year is primarily due to the repossession of aircraft, which increased the Company's overall expenses during the second quarter of the year.

For 2004, our revised forecast calls for revenue of $8.34 million and net income of $0.244 million or $0.16 per diluted share. Our prior forecast called for revenue of $9.03 million and net income of $0.376 million or $0.24 per share.

Our revenue estimates for 2003 and 2004, are based on the continued slow recovery within the Aviation and Travel Industries. Also, impacting revenue is the relatively low interest rate environment, which has resulted in lower lease rates, the repossession of two aircraft, and renewal of the Company's credit facility. Unless the Company is able to increase its credit facility and purchase additional aircraft to lease, revenues are likely to remain relatively flat.

We estimate that the Company has at least three aircraft available for re-lease and/or sale during the final quarter of 2003, two of 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 re-lease agreements, Management continues to focus its efforts on marketing. Therefore, we believe it is prudent to estimate that selling, general, and administrative and management fee expenses will increase by approximately $0.410 million versus last year. In addition, the Company acquired and leased-back two aircrafts during the fourth quarter of 2002 and re-leased an aircraft during April 2003, which has increased our estimates for management fees and depreciation.

Risks

Economic Factors

The Company's business is dependent on the strength of the Travel and Transportation Industries and on the general level of economic activity in the United States and internationally. As a result of the economic environment experienced over the last two years, 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 as of November 10, 2003) calls for Gross Domestic Product to grow by approximately 2.9% in 2003, with GPD expected to increase in 2004 to 4.2%. However, if an economic recovery 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. Until the Company is able to renegotiate an increase in its credit facility the purchase of additional assets is unlikely, thus impacting future revenue growth. Also, 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 cyclic 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 fifth 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.).

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 eleven months of 2003 increased to approximately 2,747 shares from 1,787 shares traded a day in 2002. 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.

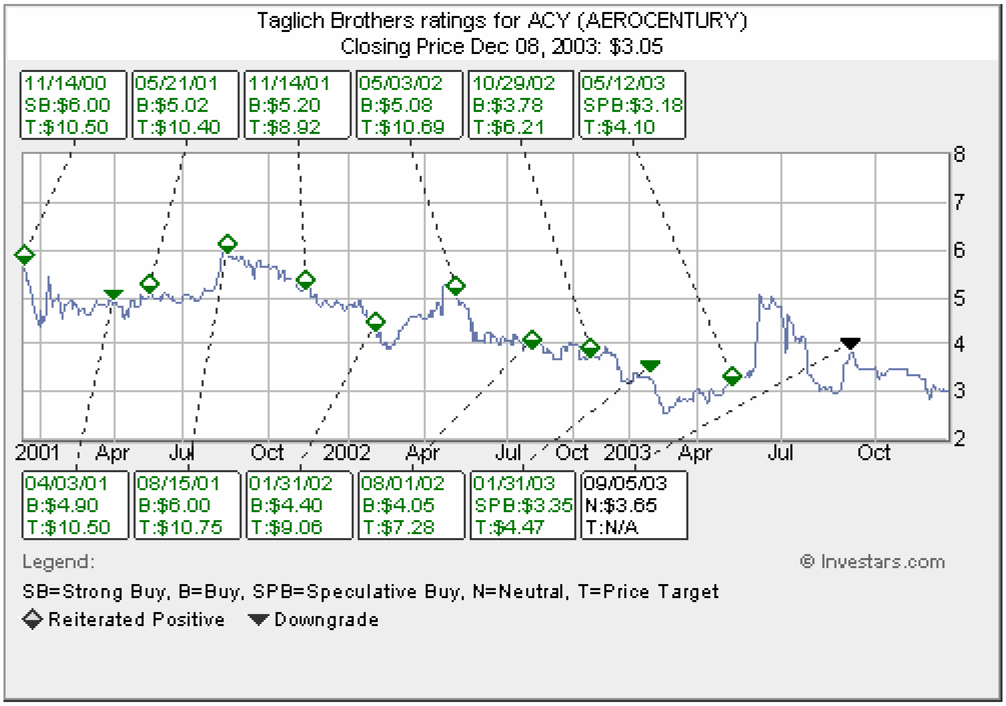
Conclusion

We are maintaining our Neutral rating and believe that based on a price-to-earnings multiple and relative price-to-book analysis (discounted by 25% to account for microcap and Company specific risks) ACY's shares are fairly valued (see peer chart on the next page).

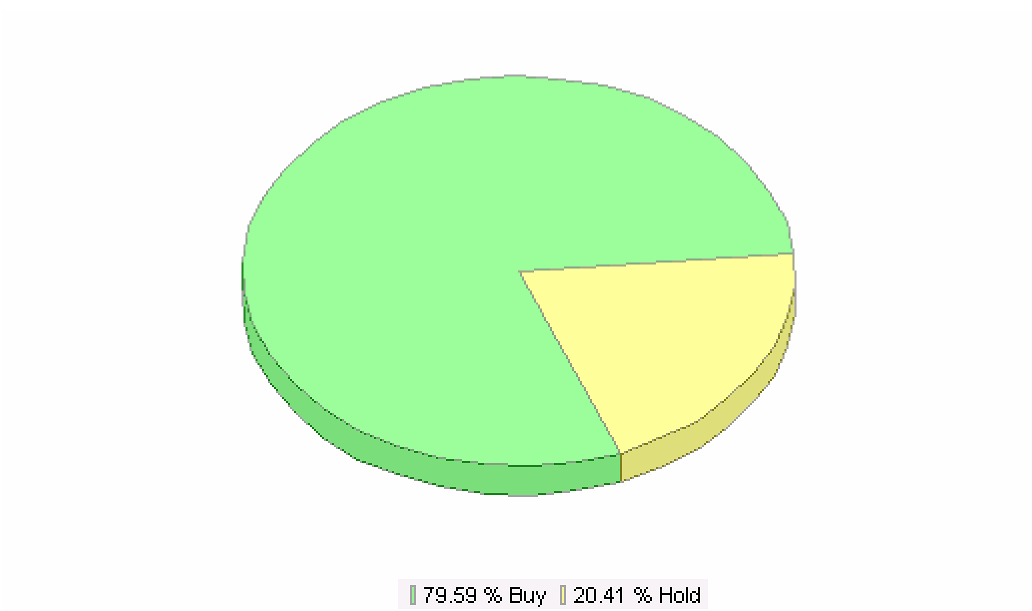
Our rating and outlook are based on the operating environment within the Aviation and Travel Industries, the Company's need to re-lease three aircraft, and increase its existing credit facility in order to purchase additional assets.

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	1.73	4.62	7.99	NMF	3.56	3.56	0.49
Willis Lease Finance Corp.	WLFC	6.74	8.84	59.58	12.6	0.96	12.21	0.55
Peer Group Average					12.6	2.26		0.52
AreoCentury Inc.	ACY	3.05	1.54	4.7	NMF	0.56	11.52	0.26



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. '00 Full Year	Dec. '01 Full Year	Dec. '02 Full Year	March '03 1st Qtr	June '03 2nd Qtr	Sept. '03 3rd Qtr
ASSETS						
Current assets:						
Cash & Equivalents	$ 3,184	$ 2,680	$ 1,708	$ 1,796	$ 1,960	$ 1,319
Deposits	6,864	6,987	7,088	7,441	5,868	7,935
Accounts Receivable	571	596	1,801	2,194	475	1,988
Note receivable	118	69	18	4		-
Prepaid Expense & Other	617	651	483	373	332	436
Total current assets	**11,353**	**10,983**	**11,097**	**11,809**	**8,635**	**11,678**
Deferred Tax Asset	-	-	-	-	-	-
Aircraft & engines, net of depreciation	60,111	56,527	65,502	64,661	55,213	62,955
Total assets	**$ 71,465**	**$ 67,510**	**$ 76,599**	**$ 76,470**	**$ 63,847**	**$ 74,633**
LIABILITIES AND STOCKHOLDERS' EQUITY						
Current liabilities:						
Accounts Payable and accrued expenses	$ 1,885	$ 1,642	$ 530	$ 762	$ 495	$ 649
Notes Payable and accrued interest	41,221	36,510	44,223	43,364	36,763	42,275
Maintenance deposits and accrued costs	6,310	5,209	5,771	6,222	4,948	8,116
Security deposits	1,814	1,718	2,254	2,260	1,785	2,171
Prepaid rent	355	213	186	272	300	273
Total current liabilities	**51,585**	**45,292**	**52,965**	**52,880**	**44,291**	**53,484**
Long-Term debt-net of current	-	-	-	-	-	-
Deferred Income Taxes	2,716	3,356	3,763	3,544	3,607	2,644
Total Liabilities	**54,301**	**48,648**	**56,728**	**56,424**	**47,898**	**56,127**
Stockholders' equity:						
Common stock, par value $0.01; authorized 10,000,000 shares;	2	2	2	2	2	2
Paid-in capital	13,821	13,821	13,821	13,821	13,821	13,821
Retained earnings	3,844	5,543	6,552	6,727	2,630	5,186
Accumulated deficit	-	-	-	-	-	-
Treasury Stock, at cost	(504)	(504)	(504)	(504)	(504)	(504)
Total stockholders' equity	**17,163**	**18,862**	**19,871**	**20,046**	**15,949**	**18,505**
Total liabilities and stockholders' equity	**$ 71,464**	**$ 67,510**	**$ 76,599**	**$ 76,470**	**$ 63,847**	**$ 74,633**
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)

	FY2000*	FY2001**	FY2002	**FY2003E**	**FY2004E**
Revenues:					
Rent Income	$ 10,880	$ 10,238	$ 8,691	**$ 8,693**	**$ 8,200**
Gain(loss) on disposal of assets	747	327	-	**-**	**-**
Other Income	481	667	123	**133**	**140**
Total Revenues	12,108	11,232	8,814	**8,826**	**8,340**
Expenses:					
Management Fees	1,725	1,750	1,725	**1,912**	**1,895**
Depreciation	2,674	2,776	2,852	**3,360**	**3,360**
Interest	3,471	2,866	1,969	**1,840**	**1,850**
SG&A	494	434	543	**766**	**710**
Maintenance	763	859	242	**1,973**	**140**
Provision for impairment in value of aircraft in '00 and Bad Debt Expense in '03	463	-	-	**1,050**	**-**
Total Expenses	9,590	8,684	7,331	**10,902**	**7,955**
Operating Income	2,517	2,548	1,483	**(2,076)**	**385**
Operating Margin	20.79%	22.68%	16.82%	-23.52%	4.62%
Taxes(Benefit)	846	849	473	**(764)**	**141**
Tax Rate	*33.61%*	33.32%	*31.93%*	*36.80%*	*36.62%*
Net Income	$ 1,671	$ 1,699	$ 1,009	**$ (1,312)**	**$ 244**
EPS-fully diluted includes insurance settlement	$ 1.08	$ 1.10	$ 0.65	**$ (0.85)**	**$ 0.16**
Avg Shares Out-fully diluted	1,543	1,543	1,543	**1,543**	**1,543**
Margin Analysis					
Gross Profit	10,383	9,482	7,089	**6,914**	**6,445**
GPM	85.8%	84.4%	80.4%	**78.3%**	**77.3%**
NI/Rev	13.8%	15.1%	11.5%	**-14.9%**	**2.9%**
NI/Rent Income	15.4%	16.6%	11.6%	**-15.1%**	**3.0%**
Total Exp/Rev	79.2%	77.3%	83.2%	**123.5%**	**95.4%**
As Per Cent of Rent Income					
Expenses:					
Management Fees	15.86%	17.09%	19.85%	**21.99%**	**23.11%**
Depreciation	24.58%	27.12%	32.82%	**38.66%**	**40.98%**
Interest	31.91%	27.99%	22.65%	**21.17%**	**22.56%**
SG&A	4.54%	4.24%	6.25%	**8.81%**	**8.66%**
Total Expenses	88.15%	84.83%	84.35%	**125.41%**	**97.01%**
Percent Change Year/Year					
Rent Income	52.62%	-5.91%	-14.38%	**0.02%**	**-5.67%**
Operating Income	23.34%	1.21%	-41.27%	**NMF**	**NMF**
Net Income	18.92%	1.64%	-40.59%	**NMF**	**NMF**

* Includes a write-down of two aircraft to market value
** 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.
*** Total revenues, net income and EPS are reported numbers from AeroCentury. All other numbers are Taglich Brothers estimates.

AeroCentury Inc.
Quarterly Income Statement
For the Year Ended December 31, 2002
(in thousands)

	(3/02)Q1A	(6/02)Q2 A	(9/02)Q3A	(12/02)Q4A	**FY2002A**
Revenues:					
Rent Income	$ 2,194	$ 2,230	$ 1,938	$ 2,330	**$ 8,691**
Gain(loss) on disposal of assets	-	-		-	-
Other Income **	31	27	38	26	**123**
Total Revenues	2,225	2,257	1,976	2,356	**8,814**
Expenses:					
Management Fees	421	417	420	468	**1,725**
Depreciation	681	685	703	783	**2,852**
Interest	468	470	480	551	**1,969**
SG&A	129	130	156	129	**543**
Maintenance	76	149	(185)	202	**242**
Total Expenses	1,774	1,851	1,574	2,133	**7,331**
Operating Income	451	406	402	223	**1,483**
Operating Margin	20.29%	17.99%	20.34%	9.47%	16.82%
Taxes(Benefit)	152	141	116	65	**473**
Tax Rate	*33.62%*	*34.75%*	*28.73%*	*29.12%*	*31.93%*
Net Income	$ 300	$ 265	$ 286	$ 158	**$ 1,009**
EPS-fully diluted -- Includes insurance settlement	$ 0.19	$ 0.17	$ 0.19	$ 0.10	**$ 0.65**
Avg Shares Out-fully diluted	1,543	1,543	1,543	1,543	**1,543**
Margin Analysis					
Gross Profit	1,804	1,840	1,556	1,888	**7,089**
GPM	81.1%	81.5%	78.8%	80.1%	**80.4%**
NI/Rev	13.5%	11.7%	14.5%	6.7%	**11.5%**
NI/Rent Income	13.7%	11.9%	14.8%	6.8%	**11.6%**
Total Exp/Rev	79.7%	82.0%	79.7%	90.5%	**83.2%**
As Per Cent of Rent Income					
Expenses:					
Management Fees	19.18%	18.70%	21.67%	20.08%	**19.85%**
Depreciation	31.03%	30.73%	36.29%	33.60%	**32.82%**
Interest	21.31%	21.07%	24.79%	23.65%	**22.65%**
SG&A	5.87%	5.81%	8.05%	5.51%	**6.25%**
Total Expenses	80.85%	83.01%	81.23%	91.52%	**84.35%**
Percent Change Year/Year					
Rent Income	-20.49%	-15.29%	-21.10%	1.15%	**-14.38%**
Operating Income	-41.59%	-45.37%	-49.89%	8.20%	**-41.27%**
Net Income	-41.16%	-47.50%	-45.98%	-29.22%	**-40.59%**

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)Q4E	**FY2003E**
Revenues:					
Rent Income	$ 2,452	$ 2,186	$ 2,058	$ 2,025	**$ 8,693**
Other Income	24	21	20	40	**133**
Total Revenues	2,476	2,207	2,078	2,065	**8,826**
Expenses:					
Management Fees	487	481	474	470	**1,912**
Depreciation	841	839	840	840	**3,360**
Interest	511	442	443	445	**1,840**
SG&A	216	202	173	175	**766**
Maintenance	101	1,737	85	50	**1,973**
Bad debt expense	100	950	-	-	**1,050**
Total Expenses	2,256	4,651	2,015	1,980	**10,902**
Operating Income	220	(2,444)	63	85	**(2,076)**
Operating Margin	8.90%	-110.73%	3.02%	4.12%	-23.52%
Taxes(Benefit)	45	(853)	13	31	**(764)**
Tax Rate	*20.49%*	*34.89%*	*20.04%*	*36.47%*	*36.80%*
Net Income	$ 175	$ (1,591)	$ 50	$ 54	**$ (1,312)**
EPS-fully diluted	$ 0.11	$ (1.03)	$ 0.03	$ 0.03	**$ (0.85)**
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	1,595	**6,914**
GPM	80.3%	78.2%	77.2%	77.2%	**78.3%**
NI/Rev	7.1%	-72.1%	2.4%	2.6%	**-14.9%**
NI/Rent Income	7.1%	-72.8%	2.4%	2.7%	**-15.1%**
Total Exp/Rev	91.1%	210.7%	97.0%	95.9%	**123.5%**
As Per Cent of Rent Income					
Expenses:					
Management Fees	19.86%	21.99%	23.04%	23.21%	**21.99%**
Depreciation	34.29%	38.40%	40.83%	41.48%	**38.66%**
Interest	20.84%	20.21%	21.51%	21.98%	**21.17%**
SG&A	8.80%	9.26%	8.41%	8.64%	**8.81%**
Total Expenses	91.99%	212.79%	97.92%	97.78%	**125.41%**
Percent Change Year/Year					
Rent Income	11.78%	-1.98%	6.22%	0.00%	**0.02%**

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

	(3/04)Q1E	(6/04)Q2E	(9/04)Q3E	(12/04)Q4E	**FY2004E**
Revenues:					
Rent Income	$ 2,015	$ 2,035	$ 2,050	$ 2,100	**$ 8,200**
Other Income	35	35	35	35	**140**
Total Revenues	2,050	2,070	2,085	2,135	**8,340**
Expenses:					
Management Fees	465	470	475	485	**1,895**
Depreciation	840	840	840	840	**3,360**
Interest	455	460	465	470	**1,850**
SG&A	170	175	180	185	**710**
Total Expenses	1,965	1,980	1,995	2,015	**7,955**
Operating Income	85	90	90	120	**385**
Operating Margin	4.15%	4.35%	4.32%	5.62%	4.62%
Taxes(Benefit)	31	33	33	44	**141**
Tax Rate	*36.47%*	*36.67%*	*36.67%*	*36.67%*	*36.62%*
Net Income	$ 54	$ 57	$ 57	$ 76	**$ 244**
EPS-fully diluted	$ 0.03	$ 0.04	$ 0.04	$ 0.05	**$ 0.16**
Avg Shares Out-fully diluted	1,543	1,543	1,543	1,543	**1,543**
Margin Analysis					
Gross Profit	1,585	1,600	1,610	1,650	**6,445**
GPM	77.3%	77.3%	77.2%	77.3%	**77.3%**
NI/Rev	2.6%	2.8%	2.7%	3.6%	**2.9%**
NI/Rent Income	2.7%	2.8%	2.8%	3.6%	**3.0%**
Total Exp/Rev	95.9%	95.7%	95.7%	94.4%	**95.4%**
As Per Cent of Rent Income					
Expenses:					
Management Fees	23.08%	23.10%	23.17%	23.10%	**23.11%**
Depreciation	41.69%	41.28%	40.98%	40.00%	**40.98%**
Interest	22.58%	22.60%	22.68%	22.38%	**22.56%**
SG&A	8.44%	8.60%	8.78%	8.81%	**8.66%**
Total Expenses	97.52%	97.30%	97.32%	95.95%	**97.01%**
Percent Change Year/Year					
Rent Income	-17.82%	-6.89%	0.96%	3.70%	**-5.67%**
Operating Income	NMF	NMF	NMF	NMF	NMF
Net Income	NMF	NMF	NMF	NMF	NMF