



Toni Perazzo  
Chief Financial Officer  
(650) 340-1888

FOR IMMEDIATE RELEASE

### **AEROCENTURY CORP. REPORTS FIRST QUARTER RESULTS**

(BURLINGAME, CA), May 14, 2007 — AeroCentury Corp. (ASE:ACY), an independent aircraft leasing company, today reported its operating results for the first quarter ended March 31, 2007. As discussed and shown in the tables below, comparative information for the first quarter of 2006 has been restated in connection with the Company's adoption of Staff Accounting Bulletin No. 108, *Considering the Effects of Prior Year Misstatements when Quantifying Misstatements in Current Year Financial Statements* ("SAB 108") and Financial Accounting Standard Board Staff Position AUG AIR-1, *Accounting for Planned Major Maintenance Activities* ("FSP AUG AIR-1").

For the quarter ended March 31, 2007, the Company reported total revenues of \$5.0 million compared with revenues of \$4.5 million for the same period a year ago.

The Company reported net income of \$974,000 or \$0.63 per share for the first quarter of 2007 compared to net income of \$52,000 or \$0.03 per share for the first quarter of 2006.

Operating lease revenue was approximately \$506,000 higher in the first quarter of 2007 versus 2006, primarily because of increased lease revenue from aircraft purchased in the fourth quarter of 2006 and revenue from several aircraft which were off lease for all or part of the first three months of 2006, the effects of which were partially offset by a decrease in revenue from an aircraft which was sold in the second quarter of 2006.

Total expenses were approximately \$825,000 less in the first quarter of 2007 versus 2006, primarily because of the change in maintenance expense from year to year. The Company's maintenance expense is dependent on the aggregate maintenance claims submitted by lessees and expenses incurred in connection with off-lease aircraft. As a result of lower total lessee claims and fewer off-lease aircraft in 2007, the Company incurred approximately \$867,000 less in maintenance expense in the first quarter of 2007 versus the same period in 2006.

Due to the recent adoption of FSP AUG AIR-1, the Company was required to discontinue the accrue-in-advance method of accounting for planned major maintenance for financial reporting periods beginning on January 1, 2007. The Company has adopted the direct expensing method, under which actual costs incurred are expensed directly when maintenance is performed and the accrual of non-refundable maintenance reserves from the Company's lessees for planned major maintenance is reflected as income. Because the net effect of recognizing income when maintenance reserves are received and accruing maintenance expense as incurred within any given period will vary, it is likely that the new accounting method will result in uneven effects on the Company's results of operations.

AeroCentury is an aircraft operating lessor and finance company specializing in leasing regional aircraft and engines utilizing triple net leases. The Company's aircraft and engines are on lease to regional airlines and commercial users worldwide.

(See tables following.)

**AeroCentury Corp.**  
**Selected Financial Information**  
**(Unaudited)**

	For the Quarter Ended March 31, <u>2007</u>	For the Quarter Ended March 31, <u>2006</u> (as restated)
<b>Summary of Operations:</b>		
Operating lease revenue	\$ 4,206,840	\$ 3,701,000
Maintenance reserves income	827,380	791,750
Other income	7,370	( 9,130)
Total revenues	<u>5,041,590</u>	<u>4,483,620</u>
Depreciation	1,234,810	1,155,010
Interest	1,221,710	1,164,260
Management fees	683,400	696,350
Maintenance	225,340	1,092,480
Professional fees and general and administrative	168,520	166,080
Insurance expense	26,720	78,040
Bad debt expense	15,690	48,820
Total expenses	<u>3,576,190</u>	<u>4,401,040</u>
Income before taxes	1,465,400	82,580
Tax provision	491,640	31,080
Net income	<u>\$ 973,760</u>	<u>\$ 51,500</u>
Weighted average common shares outstanding	<u>1,543,257</u>	<u>1,543,257</u>
Earnings per share	<u>\$ 0.63</u>	<u>\$ 0.03</u>
	March 31, <u>2007</u>	March 31, <u>2006</u> (as restated)
<b>Summary Balance Sheet:</b>		
Total assets	\$ 95,563,650	\$ 94,781,990
Total liabilities	\$ 68,189,410	\$ 69,145,010
Shareholders' equity	\$ 27,374,240	\$ 25,636,980

(more)

**Effect of SAB 108 on  
Statement of Operations**

For the three months ended March 31, 2006

	As reported previously	As adjusted under SAB 108	Increase/ (decrease) effect of change
Operating lease revenue	\$ 3,701,000	\$ 3,701,000	\$ -
Maintenance reserves income	-	-	-
Other income	2,387,380	2,387,380	-
	<u>6,088,380</u>	<u>6,088,380</u>	<u>-</u>
Depreciation	1,230,190	1,224,200	(5,990)
Interest	1,164,260	1,164,260	-
Management fees	698,150	696,350	(1,800)
Maintenance	2,553,830	2,553,830	-
Professional fees and other	292,940	292,940	-
	<u>5,939,370</u>	<u>5,931,580</u>	<u>(7,790)</u>
Income before taxes	149,010	156,800	7,790
Tax provision	44,020	55,220	11,200
Net income	\$ 104,990	\$ 101,580	\$ (3,410)
Earnings per share	\$ 0.07	\$ 0.07	\$ -

**Effect of FSP AUG AIR-1 on  
Statement of Operations**

For the three months ended March 31, 2006

	As adjusted under SAB 108	As reported under FSP AUG AIR-1	Increase/ (decrease) effect of change
Operating lease revenue	\$ 3,701,000	\$ 3,701,000	\$ -
Maintenance reserves income	-	791,750	791,750
Other income	2,387,380	(9,130)	(2,396,510)
	<u>6,088,380</u>	<u>4,483,620</u>	<u>(1,604,760)</u>
Depreciation	1,224,200	1,155,010	(69,190)
Interest	1,164,260	1,164,260	-
Management fees	696,350	696,350	-
Maintenance	2,553,830	1,092,480	(1,461,350)
Professional fees and other	292,940	292,940	-
	<u>5,931,580</u>	<u>4,401,040</u>	<u>(1,530,540)</u>
Income before taxes	156,800	82,580	(74,220)
Tax provision	55,220	31,080	(24,140)
Net income	\$ 101,580	\$ 51,500	\$ (50,080)
Earnings per share	\$ 0.07	\$ 0.03	\$ (0.04)

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