



AIRCRAFT COST CALCULATOR

HELP GUIDE

The Aircraft Cost Calculator™ is a highly dynamic, intuitive business tool that allows the user to quickly evaluate the total annual and hourly costs associated with turbine aircraft ownership; including the positive (cost reducing) impact of charter revenue. This unique, intuitive and simple to use program, developed by Sterling Aviation Software, LLC, looks at all individual costs associated with aircraft ownership – both variable and fixed – and their impact on the overall cost of aircraft ownership.

The Aircraft Cost Calculator™ comes pre-loaded with a number of popular turbine aircraft. The pre-loaded operating costs associated with these aircraft are a reflection of actual industry values and the input of aviation professionals with more than twenty-five years of experience in the operation and management of turbine aircraft. The numbers represented in this software should be used only as a guideline. Actual operating numbers may fluctuate depending on your own unique operating policies, techniques, operational environment and any other special arrangements regarding pricing you might have. The database for those aircraft included in the Aircraft Cost Calculator™ is pre-populated with both anticipated hourly variable costs and annual fixed costs (based upon approximate current industry rates), inclusive of crew expense, crew training, hangar expense, insurance, management fees and other predictable miscellaneous costs.

One of the unique benefits of the Aircraft Cost Calculator™ is the ability to quickly, “on the fly,” customize the calculations by inserting your own numbers in any white field, providing accurate operating numbers for your unique aircraft and/or flight department.

Another benefit of the Aircraft Cost Calculator™ is the ability to quickly analyze the true hourly cost of Fractional Ownership or compare Fractional Ownership to whole or partial aircraft ownership costs, inclusive of the positive impact of “charter revenue” on the cost of full ownership.

If your aircraft is not already pre-populated in our database, you also have the ability to develop a custom cost profile for your specific aircraft type.

Each pre-loaded aircraft includes Specification Sheets and Average Operating Costs inclusive of:

- Gallons of fuel per hour used
- Airframe maintenance per hour
- Engine and APU reserve expense per hour
- Crew salaries, including benefits
- Crew training expense
- Hangar expense
- Insurance expense
- Crew miscellaneous expense
- Aircraft miscellaneous expense
- Annual management fee
- Currency converter “built in”

Getting Started

The Aircraft Cost Calculator™ allows you to create customized reports including your Company’s Logo and Contact Information. From the Aircraft Cost Calculator™ introduction screen, click on “Set-Up/Updates.” Select the “User Set-Up” tab and begin typing the information you would like to display on your reports. You may upload a company logo from your computer (a jpg will work best).

“Report Information” allows you to add text of your choice to the report’s cover page. In addition, you may click “Edit” to add additional text to the cover page. Once you’ve entered your text, click “Preview Cover Page” to review the content.

To further customize your calculations, select your preferred “Unit Preferences” and “Currency.” If you desire to use currency other than USD, find the current applicable exchange rate on the Internet (www.xe.com) and enter the value in “Conversion Rate.” Since exchange rates change frequently, you may want to adjust the rate at the start of each session.

After you’ve completed your calculations and comparisons, you may export the report in several different formats, including Crystal Report (.rpt), Adobe Acrobat (.pdf), Microsoft Excel (.xls), Microsoft Excel Data Only (.xls), Microsoft Word (.doc), or Rich Text Format (.rtf). To make design refinements to the copy size and font, export the report to Microsoft Word

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at the end of your session and make your changes to the Word document.

Select "Remember My Settings" to save the information you've entered. You may return to make changes later. Click "Apply," then click "OK" to exit the set-up screen.

Sessions

Back on the "Introduction Screen" you have the option to "Start New Session," "Open Previous Session," "Browse Spec Sheets" or get "Help."

If this is your first time using the Aircraft Cost Calculator™, select "Start New Session" and begin adding planes as directed below. If you've already begun calculations and would like to return to them, select "Open Previous Session" and load the desired named "Session File" from your computer.

Add Aircraft

Select an "Aircraft Type" from the drop down. The Aircraft Cost Calculator™ has organized the most popular aircraft models into seven types: Turboprops, Very Light Jets, Light Jets, Mid-Size Jets, Super Mid-Size Jets, Large Jets and Fractional Jets. You may also create "My Fractional Aircraft" or "My Aircraft". Under each "Aircraft Type" several aircraft models are listed. Clicking on any of those models will display a drawing of the aircraft, typical seating arrangement and cabin cross section as well as standard performance data for that aircraft.

To choose an aircraft, double-click the aircraft name or select the aircraft and click "Add to Session." You may add multiple aircraft without leaving this screen. The aircraft you've selected will display in the lower left.

If you choose to build your own budget for an aircraft that is not listed, select "Create Blank Aircraft" in the upper right and assign a name to the aircraft. If you want to customize the variable and fixed costs associated with an aircraft in the database click "Clone Data" and assign a name.

Fractional Jets or My Fractional Jet: Fractional Jet allows you to quickly enter all of the associated costs with "Any Fractional Program" to determine your "True Cost of Ownership" by hour and by total annual cost. While the software offers different calculation options for Fractional Jets compared to Full Ownership, you will still be able to compare costs side-by-side.

Once you have completed your aircraft selections, click "Done" to go the "Main Data" screen where you can begin

your calculations for each aircraft.

Main Data

The Aircraft Cost Calculator™ automatically populates the pre-loaded numbers in their proper fields on the "Main Data" screen. Remember, the fields reflect Sterling Aviation Software's collected data and can vary by individual flight department or operator. At any point, if you have modified the numbers, but wish to return to the original data, click on "Load Default" near the top of the screen.

The aircraft you selected on the "Add Aircraft" screen are now listed in the upper right corner. You must select the aircraft to see the pre-populated data to or customize the data. Performance data for the aircraft is shown in the upper left.

The Aircraft Cost Calculator™ populates most of the "white fields", but any field with a white background may be changed. Changes to the fields will automatically be reflected in the total budget numbers generated by the Aircraft Cost Calculator™, shown in the fields with colored backgrounds. Note that any fields you adjust will be changed only for the aircraft selected. You will have to select each aircraft individually to view or change its data.

If you've changed any of the fields and wish to restore the pre-loaded data, click "Load Default."

General Parameters – Enter your estimated "Annual Owner Hours," "Annual Charter Hours," "Fuel Cost Per Gallon" and "Hourly Charter Revenue." The values you enter will be used to calculate the "Owner Hourly Costs" and "Annual Fixed Costs." Adjusting any of these hours or costs will adjust the relevant fields below, allowing you to easily see how charter revenue impacts your costs.

If you click "Edit" next to "Fuel Cost Per Gallon," you can enter the "Home Cost of Fuel," "Road Cost of Fuel" and percentage of fuel purchased at home vs. on the road to achieve an averaged per gallon cost.

Owner Hourly Cost Analysis – You may change any of the white boxes, including: "Fuel Usage," "Fuel Cost per Gallon," "Airframe Maintenance" and "Engine/APU Maintenance." The Aircraft Cost Calculator™ will automatically consider any changes and instantly provide you with updated "Hourly Cost," "Annual Budget" and "Monthly Budget."

If you click "Edit" next to "Crew Misc. / Part 91," you can change the individual numbers or enter a total amount.

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Fractional Jets: Enter both your "Hourly Cost" and "Hourly Fuel Surcharge." The Aircraft Cost Calculator™ will calculate the 7.5% Federal Excise Tax (F.E.T.) associated with these two components of Fractional Ownership.

Annual Budget – Reflects the "Total Hourly Cost w/o (without) Charter" divided by the number of owner hours. This number assumes no charter revenue.

Per Month – Divides the "Annual Owner Hours" and "Annual Budget" by 12 to calculate monthly costs.

Annual Variable Costs – This non-editable section displays "Fuel Gallons / Part 91," "Fuel Cost / Part 91," "Maintenance," "Engine / APU / Part 91," "Crew Misc. / Part 91" and "Total Variable Cost." All data shown is calculated from the editable fields.

Annual Fixed Costs – For your convenience, the Aircraft Cost Calculator™ has pre-populated fixed costs relating to crew, hangar, insurance and management expenses. These numbers are industry estimates and will vary depending on your actual expenses. You may change any of the white fields to customize the costs. These costs are included in the "Total Fixed Costs w/o (without) Charter" and Total Fixed Costs with Charter."

If you click "Edit" next to "Insurance," you can change the pre-loaded costs for the individual components or simply enter the "Hull Value," and then select a rate per \$1,000 from the drop-down list. The Aircraft Cost Calculator™ will calculate your "Hull Insurance" premium for you.

If you click "Edit" next to "Aircraft Misc.," you have the option to change individual components or enter a total amount for "Subscriptions", "Charts and Weather," "State Registration," "Annual Refurbishment Reserve" or "Other."

"Avg. Value Depreciation / Year" displays the fair market value depreciation you may experience over the life of your aircraft ownership. This is not to be confused with tax depreciation. To determine the "Avg. Depreciation / Year" enter the original aircraft cost. Then, select the "Annual Value Depreciation %" you believe you will experience over the life of your ownership. Finally, enter the anticipated "Term of Ownership" to indicate how many years you expect to own the aircraft. This number is then automatically populated into the "Owner Hourly Cost Analysis." This is an optional field, which may or may not apply to your ownership assessment.

Fractional Jets: Enter your "Monthly Management Fee." The Aircraft Cost Calculator™ will calculate your "Annual Management Fee." You can also enter any other annual fees or expenses.

Charter Revenue and Profit Contribution – Summarizes the "Charter Revenue," "Variable Cost of Charter" and "Net Profit Contribution" based on values entered elsewhere. You may customize the data for "Variable Cost of Charter" by clicking "Edit."

Payment Schedule – Calculate your aircraft loan or lease payments by entering the "Interest Rate," "Payment Period" (i.e. Monthly, Quarterly, Bi-Annually or Annually) "Term of Loan" (in months) and the software will display your "Payment per Period" broken down by "Principal Amount" and "Interest Amount". The Aircraft Cost Calculator™ allows you to see the impact different financing arrangements may have on your operation when you enter different financing amounts, terms and interest rates. The resulting annual numbers will automatically populate in the appropriate boxes in "Annual Fixed Costs."

Monthly Lease: When you enter a monthly payment, the annual number will automatically populate in the appropriate box in "Annual Fixed Costs."

Annual Capital Cost: Enter the "Aircraft Cost" and the assumed "% Cost of Capital" you are using to determine your "Annual Capital Cost." Click "OK" and the resulting annual numbers will populate in the appropriate boxes in "Annual Fixed Costs."

Budget by Percentages – These percentages adjust whenever you make any changes to cost. Note: "Budget by Percentages" includes only "Part 91 Owner Use Cost". It does not include costs associated with "Part 135 Charter" (including fuel, maintenance, etc.). These costs are included in "Variable Cost of Charter."

Notes – Any information you enter can be saved with your session for future reference.

Tools

The "Tools" tab allows you to toggle between entering values on the "Main Data" screen, viewing comparisons or viewing reports. Values shown in the comparisons, reports and charts are taken from the "Main Data" screen. You may also click on "Browse Spec Sheets" to see the Aircraft Cost Calculator™ library of aircraft.

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View Comparison – Allows you to select which aircraft from your session you'd like to compare side-by-side, including Fractional Aircraft. Click "Export" to save a comparison file to your computer.

Other Cost Info – Displays the "Trip Cost Calculator," "Annual Operational Cost Summary" and "Hourly Charter Cost Analysis."

Trip Cost Calculator – allows you to quickly compare the cost of private aircraft travel to commercial travel, inclusive of the value of an executives' time and other expense(s). Enter your "Trip Distance," "Block Speed" and "Variable Cost per Hour." If you are chartering an aircraft, enter the "Quoted Charter Cost." Next, enter the hours saved by using a private aircraft vs. commercial travel, the cost(s) associated with commercial travel, the value you place per hour on your executive's time and the number of executives traveling. The calculator will show you the cost difference between commercial and private aircraft travel. If the result is a "bracketed number," you've saved money with private air vs. commercial air travel.

Annual Operational Cost Summary – Summarizes annual costs and hours flown, and also provides an hourly cost summary both with and without charter revenue.

Go to Depreciation Cost Calculator – See a "Depreciation Schedule" commonly used to calculate tax depreciation values. Enter the "Full Price of Aircraft" not including interest rates to show the annual dollar depreciation for the years indicated. (We strongly recommend however that you always contact a Tax Professional to verify actual tax depreciation for your individual situation and aircraft.)

Reports – Near the top of the screen you can select between the two reports available for view. The "Single Aircraft Summary" displays the numbers entered and calculations from the "Main Data" screen. The "Multiple Aircraft Summary" displays pre-loaded data in regard to individual aircraft type specifications. Directly below the "Reports" pull-down menu, the icon at the far left allows you to export the report as a Crystal Report (.rpt), Adobe Acrobat (.pdf), Microsoft Excel (.xls), Microsoft Excel Data Only (.xls), Microsoft Word (.doc), or Rich Text Format (.rtf).

Charts – Choose to display "Annual Operating Cost Percentages" as a Bar Chart or Pie Chart. The data shown for each is identical.

Browse Spec. Sheets – Specification sheets will always show Aircraft Cost Calculator™ library data. If you wish to "Customize a Specification Sheet", choose the export feature to save a file to your computer. You may then edit the exported file as desired.

File

The "File" tab, allows you to start a "New Session," "Open Previous," "Save Current," "Save as," "Print" or "Create a PDF File."

If you select "Print" you will be asked to select which materials you would like to print for which aircraft. You may "Preview" the materials prior to printing.

If you choose "Create PDF File", you may also select which materials you would like to save as a pdf for an individual aircraft. Click "Browse" to select the location on your computer where you would like to place the file. You will be asked if you want to view the file immediately.

Print Screen / Help / Home / Exit

Click "Print Screen" to automatically create a preview of what you see on screen (including the Aircraft Cost Calculator™ software logo). Note: This is the preferred way to print the "Main Data" screen so that you can see all of the white and colored fields. From the preview screen, you will still need to click on the print icon.

Click "Help" to select from a list of topics.

Click "Home" to return to the Aircraft Cost Calculator™ Introduction Screen.

If you've completed your calculations and comparisons, click on the "X" in the upper right or "Exit" in the lower right. You will be prompted to save your "Current Session," which will include all of the various scenarios you may have developed while in the particular "Session", before exiting the software.