



# PRIVATE JET INVESTOR'S GUIDE

We teach high net worth clients how to purchase private jets in a financially safe, informed, tax-structured way, creating revenue-generating assets that generate between \$1 million and \$2 million per year after fixed and variable costs, while owners fly up to 50 hours per year, starting with as little as a \$3 million capital gains budget.

## INVESTMENT CASE STUDY | 2002 GULFSTREAM GIV-SP

\$5.0M ACQUISITION | 100% TAX DEDUCTION

### ACQUISITION

|                         |             |
|-------------------------|-------------|
| Aircraft purchase price | \$5,000,000 |
| Financing down payment  | \$1,000,000 |
| Aircraft loan amount    | \$4,000,000 |

### AIRCRAFT LOAN TERMS

|                                            |                              |                            |                 |
|--------------------------------------------|------------------------------|----------------------------|-----------------|
| 20%<br>DOWN                                | 6.75%<br>RATE                | 15 YR<br>AMORT.            | 5 YR<br>BALLOON |
| \$35,396<br>MONTHLY PAYMENT                | \$265,121<br>YEAR 1 INTEREST | \$3.083M<br>YEAR 5 BALLOON |                 |
| Annual profit after fixed + variable costs |                              | \$1,800,000                |                 |
| Less: annual loan debt service             |                              | (\$424,757)                |                 |
| NET ANNUAL CASH FLOW                       |                              | \$1,375,243                |                 |

### TAX STRUCTURE

|                            |             |
|----------------------------|-------------|
| Aircraft purchase price    | \$5,000,000 |
| Total tax deduction (100%) | \$5,000,000 |

Tax rate 37%

YEAR 1 CASH FLOW CONTRIBUTION \$1,850,000  
From federal income tax not paid in Year 1

TOTAL YEAR 1 CASH BENEFIT \$3,225,243  
\$1.850M tax contribution + \$1.375M operating cash flow

### TOTAL INITIAL CASH REQUIRED

|                                |             |
|--------------------------------|-------------|
| 20% financing down payment     | \$1,000,000 |
| Aircraft refurbishment budget  | \$300,000   |
| Acquisition + inspection costs | \$100,000   |
| Broker commission              | \$150,000   |
| Business operations startup    | \$250,000   |

TOTAL CASH INVESTMENT \$1,800,000

Tax benefit covers 103% of total startup cash.

### FIVE-YEAR CASH-ON-CASH RETURN

| YEAR | TAX VALUE | NET CASH FLOW | CASH RETURN | COC    |
|------|-----------|---------------|-------------|--------|
| 1    | \$1.850M  | \$1.375M      | \$3.225M    | 179.2% |
| 2    | -         | \$1.375M      | \$1.375M    | 76.4%  |
| 3    | -         | \$1.375M      | \$1.375M    | 76.4%  |
| 4    | -         | \$1.375M      | \$1.375M    | 76.4%  |
| 5    | -         | \$1.375M      | \$1.375M    | 76.4%  |

CASH RETURN \$8.726M | 4.85x INVESTED | NET GAIN \$6.926M

### RETURN SUMMARY

179.2%  
YEAR 1 CASH-ON-CASH  
includes tax value

76.4%  
YEARS 2-5 ANNUAL COC  
cash flow only

384.8%  
5-YEAR NET ROI  
net gain / cash invested

4.85x  
5-YEAR CASH MULTIPLE  
\$8.73M cash returned

Returns exclude aircraft resale value and additional equity created by principal payoff.

### GIV-SP OPERATING ECONOMICS

| COST / REVENUE HOUR         | PER HOUR |
|-----------------------------|----------|
| Engine program              | \$1,500  |
| Maintenance savings         | \$1,100  |
| Fuel                        | \$2,040  |
| Refurbishment reserve       | \$100    |
| Total direct cost           | \$4,740  |
| Avg. retail charter revenue | \$10,000 |
| Net hourly profit*          | \$5,260  |

### AIRCRAFT CASH FLOW COMPARISON

| AIRCRAFT           | PRICE | PROFIT   | DEBT     | NET CF   |
|--------------------|-------|----------|----------|----------|
| Challenger 604/605 | \$5M  | \$1.663M | (\$425K) | \$1.238M |
| Challenger 850     | \$10M | \$2.347M | (\$850K) | \$1.498M |
| Legacy 600         | \$6M  | \$2.347M | (\$510K) | \$1.838M |
| Falcon 900EX       | \$8M  | \$1.321M | (\$680K) | \$642K   |
| Citation XLS       | \$5M  | \$1.471M | (\$425K) | \$1.046M |

### ADDITIONAL AIRCRAFT MODELS

| AIRCRAFT          | PRICE | PROFIT   | DEBT       | NET CF   |
|-------------------|-------|----------|------------|----------|
| Citation X        | \$3M  | \$1.471M | (\$255K)   | \$1.216M |
| Gulfstream GIV-SP | \$5M  | \$1.800M | (\$425K)   | \$1.375M |
| Gulfstream G450   | \$10M | \$2.220M | (\$850K)   | \$1.371M |
| Gulfstream G550   | \$15M | \$2.316M | (\$1.274M) | \$1.042M |

\*Net hourly profit is before fixed overhead, operator share, taxes and positioning. Aircraft prices and annual profit are from ETS Charter Financials - Max Capable Hours. Debt service assumes 20% down, 6.75% interest and 15-year amortization. Figures are illustrative; aircraft condition, utilization, financing, tax eligibility and management terms affect results. Consult aviation tax, legal and financial advisors.