

## BALANCE SHEET

As At: June 30, 2001  
 Schedule B-1.1 for Group I < 20M

Air Carrier: ExpressNet Airlines  
 Operation : System TCQS

(000's)  
 AMOUNT

LINE#	DESCRIPTION	AMOUNT
ASSETS		
CURRENT ASSETS		
Line 1	Cash and cash equivalents	156
Line 2	Notes and accts receivable (net)	4,103
Line 3	Other current assets	907
Line 4	Total current assets	5,166
PROPERTY AND EQUIPMENT		
Line 5	Owned property and equipment	3,704
Line 6	Less: accumulated depreciation	330
Line 7	Prop. & equip. under cap. leases	0
Line 8	Less: accumulated amortization	0
Line 9	Total property & equipment	3,374
Line 10	OTHER ASSETS	805
Line 11	TOTAL ASSETS	9,345
LIABILITIES & STOCKHOLDERS' EQ.		
CURRENT LIABILITIES		
Line 12	Notes and accounts payable	2,085
Line 13	Accrued taxes	191
Line 14	Other current liabilities	3,569
Line 15	Total current liabilities	5,845
Line 16	LONG-TERM DEBT	3,500
Line 17	OTHER LIABILITIES	0
Line 18	DEFERRED CREDITS	0
STOCKHOLDERS' EQUITY:		
Line 19	Preferred shares outstanding	0
Line 20	Common shares outstanding	0
Line 21	Other paid in capital	2,530
Line 22	Retained Earnings	-2,530
Line 23	Total stockholders' equity	0
Line 24	Less: Treasury stock	0
Line 25	Net stockholders' equity	0
Line 26	TOTAL LIAB. & STOCKHOLDERS' EQ.	9,345
Line 19A	No. of Preferred shares outstanding	0
Line 20A	No. of Common shares outstanding	0

I, the undersigned, (Title) \_\_\_\_\_  
 of the above-named air carrier certify that the above report and  
 the attached Financial Schedules, Statement of Operations, and  
 Traffic and Capacity Statistics, including the T-100 report and  
 Passenger Origin-Destination Survey, have been examined by me and  
 to the best of my knowledge and belief are true, correct and  
 complete reports for the period stated.

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Name (Please Type or Print) \_\_\_\_\_

## STATEMENT OF OPERATIONS

Six Months Ended: June 30, 2001  
 Schedule P-1.1 Group I < 20M

Air Carrier: ExpressNet Airlines  
 Operation : System TCQS

LINE#	DESCRIPTION	(000's) AMOUNT
	OPERATING REVENUE	
	Transport Revenue	
	Scheduled Service	
Line 1	Passenger	0
Line 2	Other	0
Line 3	Nonscheduled Service	23,155
	Transport Related Revenue	
Line 4	Public Service Revenue	0
Line 5	Other	0
Line 6	Total Operating Revenue	23,155
	OPERATING EXPENSE	
Line 7	Flying Operations	11,486
Line 8	Maintenance	11,072
Line 9	General Services and Administration	1,003
	Depreciation and Amortization	
Line 10	Owned Property and Equipment	213
Line 11	Leased Property and Equipment	0
Line 12	Transport Related Expense	364
Line 13	Total Operating Expense	24,138
Line 14	OPERATING PROFIT OR LOSS	-983
	NONOPERATING EXPENSE (INCOME)	
Line 15	Interest Expense	154
Line 16	Other Nonoperating (Net)	-164
Line 17	Income Tax	0
Line 18	Discontinued operations, extra-ordinary items or Accounting changes	0
Line 19	Net Income	-973

AIRCRAFT OPERATING EXP. - Sch. P-5.1 Grp I < 20M 6 Mo: June 30, 2001					
Air Carrier: ExpressNet Airlines					
Operation: System TCQS					
(000's)					
ACCT #	DESCRIPTION	Total Eqp Code 9999	A300-X4 Code 6902	B-727-QC Code 7112	B-727-2 Code 7152
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DIRECT EXPENSES:					
FLYING OPERATIONS (Less Rentals)					
3	Pilots and Copilots (S&W &Benef	2,830	2,547	113	170
4	Aircraft Fuel and Oil	219	197	9	13
5	Other	3,013	2,712	121	180
6	Total Flying Ops. (Less Rentals)	6,062	5,456	243	363
7	Maintenance - Flight Equipment	11,072	9,965	443	664
8	Depr. & Rental - Flight Equipme	5,424	4,881	217	326
9	Total Direct Expenses	22,558	20,302	903	1,353
INDIRECT EXPENSES					
11	Flight Attendant Expense	0			
12	Traffic Related Expense	0			
13	Departure Related Expense	0			
14	Capacity Related Expense	1,216			
15	Total Indirect Expense	1,216			
16	Total Operating Expense	23,774			