

## BALANCE SHEET

As At: March 31, 1999  
 Schedule B-1  
 ACCT# DESCRIPTION

Air Carrier:  
 Operation : Domestic QXD  
 AMOUNT

ACCT#	DESCRIPTION	AMOUNT
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
1010	Cash	515,000
1100	Short-Term Investments	0
1200	Notes Receivable	0
1270	Accounts Receivable	6,063,000
1290	Less Allow. for Bad Debts	710,000
1299	Net Notes & Accounts Receivable	5,353,000
1399	Net Spare Parts & Supplies	21,913,000
1410	Prepaid Items	9,614,000
1420	Other Current Assets	2,084,000
1499	Total Current Assets	39,479,000
<b>INVESTMENTS IN SPECIAL FUNDS</b>		
1510	Inv. in Associated Companies	0
1530	Other Investments & Receivables	0
1550	Special Funds	0
1599	Total Inv. & Special Funds	0
<b>OPERATING PROPERTY &amp; EQUIPMENT</b>		
1609	Flight Equipment	93,346,000
1649	Ground-Property and Equipment	36,634,000
1668	Less Allowance for Depreciation	54,138,000
1675	Property & Equipment - Net	75,842,000
1679	Land	1,431,000
1685	Purchase Dep. & Adv. Payments	36,762,000
1689	Construction Work-in-progress	0
1695	Leased Property - Cap. Leases	0
1696	Accum. Amort. Capital Leases	0
1699	Total Oper. Prop. & Equipment	114,035,000
<b>NONOPERATING PROP. &amp; EQUIPMENT</b>		
1791	NONOPERATING PROP. & EQUIPMENT	0
1792	Less Allow. for Depr. - Nonop.	0
1799	Net Nonoperating Prop. & Eqmt.	0
<b>OTHER ASSETS</b>		
1820	Long-term Prepayments	550,000
1830	Unamort. Dev. & Preop. Costs	0
1890	Other Assets and Def. Charges	48,636,000
1895	Total Other Assets	49,186,000
1899	<b>TOTAL ASSETS</b>	<b>202,700,000</b>

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LIABILITIES & STOCKHOLDERS' EQ.		
CURRENT LIABILITIES		
2000	Curr. Maturities of L-T Debt	0
2005	Notes Payable - Banks	0
2015	Notes Payable - Others	21,404,000
2021	Trade Accts. Payable	32,301,000
2025	Accts. Payable - Other	3,142,000
2080	Curr. Oblig. Under Cap. Leases	0
2110	Accrued Salaries & Wages	4,915,000
2120	Accrued Vacation Pay	3,528,000
2125	Accrued Interest	0
2130	Accrued Taxes	10,844,000
2140	Dividends Declared	0
2160	Air Traffic Liability	871,000
2190	Other Current Liabilities	3,037,000
2199	Total Current Liabilities	80,042,000
NONCURRENT LIABILITIES		
2210	Long-term Debt	0
2240	Advances from Assoc. Companies	0
2250	Pension Liability	0
2280	Noncurrent Obgl.-Capital Leases	0
2290	Other Noncurrent Liabilities	0
2299	Total Noncurrent Liabilities	0
DEFERRED CREDITS		
2340	Deferred Income Taxes	1,529,000
2345	Deferred Investment Tax Credits	0
2390	Other Deferred Credits	9,153,000
2399	Total Deferred Credits	10,682,000
STOCKHOLDERS' EQUITY		
2820	Preferred Shares Issued	0
2840	Common Shares Issued	1,000
2860	Subscribed & Unissued	0
2869	Total Capital Stock	1,000
2890	Additional Capital Invested	69,860,000
2899	Total Paid in Capital	69,861,000
2900	Retained Earnings	42,115,000
2959	Total Stockholders' Equity	111,976,000
2990	Less Treasury Stock	0
2995	Net Stockholders' Equity	111,976,000
2999	Total Liab. & Stockholders' Eq.	202,700,000
2820A	No. of Preferred Shares Issued	0
2840A	No. of Common Shares Issued	0

AIRCRAFT OPERATING EXP. - Sch. P-5.2 Grp II & III Qtr: March 31, 1999  
 Air Carrier: Operation: Domestic OXD

ACCT #	DESCRIPTION	Total Exp Code 9999	DHC8-100 Code 4831	F-28 Code 6021
<b>FLYING OPERATIONS</b>				
5123	Pilots and Copilots	5,700,000	3,432,000	2,268,000
5124	Other Flight Personnel	0	0	0
5128.1	Trainees and Instructors	476,000	238,000	238,000
5136	Personnel Expenses	1,853,000	1,286,000	567,000
5141	Prof. & Tech. Fees & Exp.	0	0	0
5143.7	Aircraft Interch. -Outside	0	0	0
5145.1	Aircraft Fuel	6,705,000	2,212,000	4,493,000
5145.2	Aircraft Oil	0	0	0
5147	Aircraft Rentals	10,809,000	8,445,000	2,364,000
5153	Other Supplies	0	0	0
5155.1	Insur. Purch. - General	466,000	237,000	229,000
5157	Empl. Benefits and Pensions	861,000	528,000	333,000
5158	Injuries, Loss and Damage	0	0	0
5168	Taxes-Payroll	824,000	488,000	336,000
5169	Taxes-Other Than Payroll	1,733,000	1,082,000	651,000
5171	Other Expense	0	0	0
5199	Total Flying Operations	29,427,000	17,948,000	11,479,000
<b>DIRECT MAINTENANCE-FLIGHT EQUIP</b>				
5225.1	Maint Airf. Labor	2,819,000	1,807,000	1,012,000
5225.2	Maint Eng. Labor	855,000	602,000	253,000
5243.1	Maint Airf. Outside Rep.	4,741,000	1,532,000	3,209,000
5243.2	Maint Eng. Outside Rep.	1,294,000	443,000	851,000
5243.7	Maint AC Interch. Chrgs-O/S	0	0	0
5246.1	Maint Materials - Airframe	3,579,000	1,209,000	2,370,000
5246.2	Maint Materials - Engines	1,562,000	1,041,000	521,000
5272.1	Maint Airfrm Airworth. Provs.	0	0	0
5272.3	Maint Airfrm O/H Deferred	0	0	0
5272.6	Maint AC Eng. Airworth. Prov	1,506,000	403,000	1,103,000
5272.8	Maint AC Eng. O/H Def. (cr.)	0	0	0
5278	Total Dir Maint-Flt.Eqpt	16,356,000	7,037,000	9,319,000
5279.6	APPL. MAINT BURDEN FLT. EQ.	3,048,000	1,311,000	1,737,000
5299	Total Ft. Eq. Maint. (Memo)	19,404,000	8,348,000	11,056,000
7073.9	NET OBSL & DETER. - EXP. PARTS	0	0	0
<b>DEPRECIATION - FLIGHT EQUIPMENT</b>				
7075.1	Depr. Airframes	901,000	0	901,000
7075.2	Depr. Aircraft Engines	305,000	80,000	225,000
7075.3	Depr. Airframe Parts	508,000	221,000	287,000
7075.4	Depr. Engine Parts	170,000	74,000	96,000
7075.5	Depr. Other Ft Eqp.	388,000	301,000	87,000
7076.1	Amort. Cap. Leases Ft. Eqpt.	0	0	0
<b>EXPENSE OF INTERCHANGE AIRCRAFT</b>				
7098.1	Exp. of Interch. AC- Flt. Ops	0	0	0
7098.2	Exp. of Interch. AC- Maint.	0	0	0
7098.9	Total Aircraft Operating Expens	51,103,000	26,972,000	24,131,000
<b>OTHER DEPRECIATION &amp; AMORTIZATI</b>				
7074.1	Amortization Developmental & Pre	0	0	0
7074.2	Amortization Other Intangibles	767,000	0	767,000
7075.8	Depreciation Hangar & Maint. Eq	21,000	0	21,000
7075.9	Depreciation Ground Property	697,000	0	697,000
7076.2	Amort. Capital Leases Other	0	0	0

OPERATING EXPENSES BY OBJECTIVE GROUPING

Quarter Ended: March 31, 1999  
 Schedule P-6

Air Carrier:  
 Operation : Domestic QXD

LINE#	DESCRIPTION	AMOUNT
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	SALARIES & REL. FRINGE BENEFIT	
	SALARIES:	
Line 3	General Mgmt. Per.	140,000
Line 4	Flight Personnel	7,196,000
Line 5	Maintenance Labor	4,052,000
Line 6	Aircr. & Traffic Hndl. Per.	8,093,000
Line 7	Other Personnel	3,230,000
Line 8	Total Salaries	22,711,000
	RELATED FRINGE BENEFITS	
Line 10	Personnel Expense	2,556,000
Line 11	Empl. Benefits & Pensions	3,715,000
Line 12	Payroll Taxes	2,710,000
Line 13	Total Fringe Benefits	8,981,000
Line 14	Total Salaries & Benefits	31,692,000
	MATERIALS PURCHASED	
Line 16	Aircraft Fuel & Oil	7,522,000
Line 17	Maintenance Materials	5,913,000
Line 18	Passenger Food	603,000
Line 19	Other Materials	1,129,000
Line 20	Total Materials	15,167,000
	SERVICES PURCHASED	
Line 22	Advertising & Other Promotion	647,000
Line 23	Communications	693,000
Line 24	Insurance	566,000
Line 25	Outside Flight Eqpt. Maint.	6,178,000
Line 26	Traffic Commissions - Passenger	4,508,000
Line 27	Traffic Commissions - Cargo	0
Line 28	Other Services	3,806,000
Line 29	Total Services	16,398,000
Line 30	LANDING FEES	3,297,000
Line 31	RENTALS	13,054,000
Line 32	DEPRECIATION	2,989,000
Line 33	AMORTIZATION	768,000
Line 34	OTHER	6,727,000
Line 35	TRANSPORT RELATED EXPENSES	0
Line 36	TOTAL OPERATING EXPENSES	90,092,000

## STATEMENT OF OPERATIONS

Quarter Ended: March 31, 1999

Air Carrier:

Schedule P-1.2 Group II

Operation : Domestic QXD

ACCT#	DESCRIPTION	AMOUNT
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OPERATING REVENUES		
3901	Transport Revenues - Passenger	86,989,000
3905	Mail	755,000
3906.1	Property - Freight	1,745,000
3906.2	Property - Excess Baggage	182,000
3907.1	Charter - Passenger	15,000
3907.2	Charter - Property	0
3919.1	Reserv. Cancellation Fees	335,000
3919.2	Misc. Operating Revenues	0
4808	Public Service Subsidy	56,000
4898	Transport Related	2,879,000
4999	Total Operating Revenue	92,956,000
OPERATING EXPENSES		
5100	Flying Operations	29,427,000
5400	Maintenance	19,404,000
5500	Passenger Service	3,339,000
6400	Aircraft & Traffic Servicing	13,852,000
6700	Promotion & Sales	11,556,000
6800	General & Administrative	8,757,000
7000	Depreciation & Amortization	3,757,000
7100	Transport Related Expenses	0
7199	Total Operating Expenses	90,092,000
7999	Operating Profit or Loss	2,864,000
NONOPERATING EXPENSE (INCOME)		
8181	Int. Exp. (Inc.) on L-T-D & Cap. Leases	0
8182	Other Interest Expense (Income)	-10,000
8185	Foreign Exchange (Gain) or Loss	-13,000
8188.5	Capital (Gains)/Losses- Op.Prop.	-18,000
	Capital (Gains)/Losses- Other	
8189	Other Expense (Income) - Net	-79,000
8199	Nonoperating Expense (Income)	-120,000
8999	Income Before Income Taxes	2,984,000
9100	Income Tax Expense	1,167,000
9199	Inc. Bf. Disc. Ops & Other Items	1,817,000
9600	Discontinued Operations	0
9796	Extraordinary Items	0
9797	Inc. Tax Appl. To Extraord. Item	0
9799	Income Before Account. Changes	1,817,000
9800	Accounting Changes	0
9899	Net Income	1,817,000