

BALANCE SHEET

As At: June 30, 2000

Air Carrier:

Schedule B-1

Operation : Domestic MMQD

ACCT#	DESCRIPTION	AMOUNT

	ASSETS	
	CURRENT ASSETS	
1010	Cash	541,817
1100	Short-Term Investments	5,346,054
1200	Notes Receivable	0
1270	Accounts Receivable	2,261,336
1290	Less Allow. for Bad Debts	0
1299	Net Notes & Accounts Receivable	2,261,336
1399	Net Spare Parts & Supplies	715,466
1410	Prepaid Items	71,904
1420	Other Current Assets	4,101,288
1499	Total Current Assets	13,037,865
	INVESTMENTS IN SPECIAL FUNDS	
1510	Inv. in Associated Companies	0
1530	Other Investments & Receivables	0
1550	Special Funds	0
1599	Total Inv. & Special Funds	0
	OPERATING PROPERTY & EQUIPMENT	
1609	Flight Equipment	41,145,721
1649	Ground-Property and Equipment	1,936,485
1668	Less Allowance for Depreciation	15,265,650
1675	Property & Equipment - Net	27,816,556
1679	Land	0
1685	Purchase Dep. & Adv. Payments	0
1689	Construction Work-in-progress	0
1695	Leased Property - Cap. Leases	15,239,066
1696	Accum. Amort. Capital Leases	6,826,446
1699	Total Oper. Prop. & Equipment	36,229,176
	NONOPERATING PROP. & EQUIPMENT	
1791	Less Allow. for Depr. - Nonop.	0
1792	Net Nonoperating Prop. & Eqmt.	0
1799		0
	OTHER ASSETS	
1820	Long-term Prepayments	0
1830	Unamort. Dev. & Preop. Costs	0
1890	Other Assets and Def. Charges	367,843
1895	Total Other Assets	367,843
1899	TOTAL ASSETS	49,634,884

BALANCE SHEET

As At: June 30, 2000

Air Carrier:

Schedule B-1

Operation : Domestic MMQD

ACCT# DESCRIPTION

AMOUNT

ACCT#	DESCRIPTION	AMOUNT
	LIABILITIES & STOCKHOLDERS' EQ.	
	CURRENT LIABILITIES	
2000	Curr. Maturities of L-T Debt	0
2005	Notes Payable - Banks	4,684,482
2015	Notes Payable - Others	0
2021	Trade Accts. Payable	1,491,339
2025	Accts. Payable - Other	12,326,887
2080	Curr. Oblig. Under Cap. Leases	1,365,377
2110	Accrued Salaries & Wages	0
2120	Accrued Vacation Pay	0
2125	Accrued Interest	0
2130	Accrued Taxes	0
2140	Dividends Declared	0
2160	Air Traffic Liability	0
2190	Other Current Liabilities	4,101,288
2199	Total Current Liabilities	23,969,373
	NONCURRENT LIABILITIES	
2210	Long-term Debt	16,063,383
2240	Advances from Assoc. Companies	0
2250	Pension Liability	0
2280	Noncurrent Obgl.-Capital Leases	3,595,404
2290	Other Noncurrent Liabilities	0
2299	Total Noncurrent Liabilities	19,658,787
	DEFERRED CREDITS	
2340	Deferred Income Taxes	0
2345	Deferred Investment Tax Credits	0
2390	Other Deferred Credits	0
2399	Total Deferred Credits	0
	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	1,114,000
2899	Total Paid in Capital	1,115,000
2900	Retained Earnings	4,891,724
2959	Total Stockholders' Equity	6,006,724
2990	Less Treasury Stock	0
2995	Net Stockholders' Equity	6,006,724
2999	Total Liab. & Stockholders' Eq.	49,634,884
2820A	No. of Preferred Shares Issued	0
2840A	No. of Common Shares Issued	0

STATEMENT OF OPERATIONS

Quarter Ended: June 30, 2000
 Schedule P-1.2 Group I
 ACCT# DESCRIPTION

Air Carrier:
 Operation : Domestic MMQD
 AMOUNT

ACCT#	DESCRIPTION	AMOUNT
OPERATING REVENUES		
3901	Transport Revenue - Passenger	0
3905	Mail	0
3906.1	Property - Freight	0
3906.2	Property - Excess Baggage	0
3907.1	Charter - Passenger	15,968,178
3907.2	Charter - Property	0
3919.1	Reserv. Cancellation Fees	0
3919.2	Misc. Operating Revenues	0
4808	Public Service Subsidy	0
4898	Transport Related	0
4999	Total Operating Revenue	15,968,178
OPERATING EXPENSES		
5100	Flying Operations	9,503,145
5400	Maintenance	3,015,029
6900	General Services and Administration	3,517,028
7000	Depreciation & Amortization	1,279,880
7100	Transport Related Expenses	0
7199	Total Operating Expenses	17,315,082
7999	Operating Profit or Loss	-1,346,904
NONOPERATING EXPENSE (INCOME)		
8181	Int. Exp. (Inc.) on L-T-D & Cap.Leases	325,479
8182	Other Interest Expense (Income)	0
8185	Foreign Exchange (Gain) or Loss	0
8188.5	Capital (Gains)/Losses- Op.Prop.	0
	Capital (Gains)/Losses- Other	
8189	Other Expense (Income) - Net	-109,309
8199	Nonoperating Expense (Income)	216,170
8999	Income Before Income Taxes	-1,563,074
9100	Income Tax Expense	0
9199	Inc. Bf. Disc. Ops & Other Items	-1,563,074
9600	Discontinued Operations	0
9796	Extraordinary Items	0
9797	Inc. Tax Appl. To Extraord.Item	0
9799	Income Before Account. Changes	-1,563,074
9800	Accounting Changes	0
9899	Net Income	-1,563,074

STATEMENT OF OPERATIONS

Quarter Ended: June 30, 2000

Air Carrier:

Schedule P-1.2 Group I

Operation : International MMQI

ACCT#	DESCRIPTION	AMOUNT

OPERATING REVENUES		
3901	Transport Revenue - Passenger	0
3905	Mail	0
3906.1	Property - Freight	0
3906.2	Property - Excess Baggage	0
3907.1	Charter - Passenger	10,869,096
3907.2	Charter - Property	0
3919.1	Reserv. Cancellation Fees	0
3919.2	Misc. Operating Revenues	0
4808	Public Service Subsidy	0
4898	Transport Related	0
4999	Total Operating Revenue	10,869,096
OPERATING EXPENSES		
5100	Flying Operations	6,468,527
5400	Maintenance	2,052,246
6900	General Services and Administration	2,393,944
7000	Depreciation & Amortization	871,179
7100	Transport Related Expenses	0
7199	Total Operating Expenses	11,785,896
7999	Operating Profit or Loss	-916,800
NONOPERATING EXPENSE (INCOME)		
8181	Int. Exp. (Inc.) on L-T-D & Cap. Leases	221,544
8182	Other Interest Expense (Income)	0
8185	Foreign Exchange (Gain) or Loss	0
8188.5	Capital (Gains)/Losses- Op.Prop.	0
	Capital (Gains)/Losses- Other	
8189	Other Expense (Income) - Net	-74,403
8199	Nonoperating Expense (Income)	147,141
8999	Income Before Income Taxes	-1,063,941
9100	Income Tax Expense	0
9199	Inc. Bf. Disc. Ops & Other Items	-1,063,941
9600	Discontinued Operations	0
9796	Extraordinary Items	0
9797	Inc. Tax Appl. To Extraord. Item	0
9799	Income Before Account. Changes	-1,063,941
9800	Accounting Changes	0
9899	Net Income	-1,063,941

STATEMENT OF OPERATIONS

Quarter Ended: June 30, 2000

Air Carrier:

Schedule P-1.2 Group I

Operation : System MMQS

ACCT#	DESCRIPTION	AMOUNT

OPERATING REVENUES		
3901	Transport Revenue - Passenger	0
3905	Mail	0
3906.1	Property - Freight	0
3906.2	Property - Excess Baggage	0
3907.1	Charter - Passenger	26,837,274
3907.2	Charter - Property	0
3919.1	Reserv. Cancellation Fees	0
3919.2	Misc. Operating Revenues	0
4808	Public Service Subsidy	0
4898	Transport Related	0
4999	Total Operating Revenue	26,837,274
OPERATING EXPENSES		
5100	Flying Operations	15,971,672
5400	Maintenance	5,067,275
6900	General Services and Administration	5,910,972
7000	Depreciation & Amortization	2,151,059
7100	Transport Related Expenses	0
7199	Total Operating Expenses	29,100,978
7999	Operating Profit or Loss	-2,263,704
NONOPERATING EXPENSE (INCOME)		
8181	Int. Exp. (Inc.) on L-T-D & Cap.Leases	547,023
8182	Other Interest Expense (Income)	0
8185	Foreign Exchange (Gain) or Loss	0
8188.5	Capital (Gains)/Losses- Op.Prop.	0
	Capital (Gains)/Losses- Other	
8189	Other Expense (Income) - Net	-183,712
8199	Nonoperating Expense (Income)	363,311
8999	Income Before Income Taxes	-2,627,015
9100	Income Tax Expense	0
9199	Inc. Bf. Disc. Ops & Other Items	-2,627,015
9600	Discontinued Operations	0
9796	Extraordinary Items	0
9797	Inc. Tax Appl. To Extraord.Item	0
9799	Income Before Account. Changes	-2,627,015
9800	Accounting Changes	0
9899	Net Income	-2,627,015

AIRCRAFT OPERATING EXP. - Sch. P-5.1 Grp I > 20M Qtr: June 30, 2000			
Air Carrier:		Operation: Domestic	
		Total Exp	
		Code 9999	
		Code 7151	

DIRECT EXPENSES:			
FLYING OPERATIONS (Less Rentals)			
3	Pilots and Copilots (S&W & Benef	583,641	583,641
4	Aircraft Fuel and Oil	3,212,916	3,212,916
5	Other	2,795,759	2,795,759
6	Total Flying Ops. (Less Rentals	6,592,316	6,592,316
7	Maintenance - Flight Equipment	3,015,030	3,015,030
8	Depr. & Rental - Flight Equipme	1,619,031	1,619,031
9	Total Direct Expenses	11,226,377	11,226,377

MMQD

AIRCRAFT OPERATING EXP. - Sch. P-5.1 Grp I > 20M Qtr: June 30, 2000
 Air Carrier: Operation: International MMQI
 Total Eq B-727-2
 Code 9999 Code 7151

ACCT #	DESCRIPTION	Total Eq Code 9999	B-727-2 Code 7151

	DIRECT EXPENSES:		
	FLYING OPERATIONS (Less Rentals		
3	Pilots and Copilots (S&W & Benef	397,269	397,269
4	Aircraft Fuel and Oil	2,186,943	2,186,943
5	Other	1,902,995	1,902,995
6	Total Flying Ops. (Less Rentals	4,487,207	4,487,207
7	Maintenance - Flight Equipment	2,052,248	2,052,248
8	Depr. & Rental - Flight Equipme	1,102,030	1,102,030
9	Total Direct Expenses	7,641,485	7,641,485

AIRCRAFT OPERATING EXP. - Sch. P-5.1 Grp I > 20M Qtr: June 30, 2000
 Air Carrier: Operation: System MMQS
 Total Eq 8-727-2
 code 9999 Code 7151

ACCT #	DESCRIPTION	Total Eq code 9999	8-727-2 Code 7151
	DIRECT EXPENSES:		
	FLYING OPERATIONS (Less Rentals)		
3	Pilots and Copilots (S&W & Benef	980,910	980,910
4	Aircraft Fuel and Oil	5,399,859	5,399,859
5	Other	4,698,754	4,698,754
6	Total Flying Ops. (Less Rentals	11,079,523	11,079,523
7	Maintenance - Flight Equipment	5,067,278	5,067,278
8	Depr. & Rental - Flight Equipme	2,721,061	2,721,061
9	Total Direct Expenses	18,867,862	18,867,862

OPERATING EXPENSES BY OBJECTIVE GROUPING

Quarter Ended: June 30, 2000

Air Carrier:

Schedule P-6

Operation : Domestic MMQD

LINE# DESCRIPTION AMOUNT

	SALARIES & REL. FRINGE BENEFIT	
	SALARIES:	
Line 3	General Mgmt. Per.	1,535,303
Line 4	Flight Personnel	1,151,909
Line 5	Maintenance Labor	0
Line 6	Aircr. & Traffic Hndl. Per.	0
Line 7	Other Personnel	0
Line 8	Total Salaries	2,687,212
	RELATED FRINGE BENEFITS	
Line 10	Personnel Expense	1,153,854
Line 11	Empl. Benefits & Pensions	98,818
Line 12	Payroll Taxes	158,296
Line 13	Total Fringe Benefits	1,410,968
Line 14	Total Salaries & Benefits	4,098,180
	MATERIALS PURCHASED	
Line 16	Aircraft Fuel & Oil	3,212,916
Line 17	Maintenance Materials	804,548
Line 18	Passenger Food	938,783
Line 19	Other Materials	32,599
Line 20	Total Materials	4,988,846
	SERVICES PURCHASED	
Line 22	Advertising & Other Promotion	4,660
Line 23	Communications	28,170
Line 24	Insurance	189,987
Line 25	Outside Flight Eqpt. Maint.	1,805,034
Line 26	Traffic Commissions - Passenger	37,969
Line 27	Traffic Commissions - Cargo	0
Line 28	Other Services	226,461
Line 29	Total Services	2,292,281
Line 30	LANDING FEES	2,673,455
Line 31	RENTALS	435,137
Line 32	DEPRECIATION	1,279,880
Line 33	AMORTIZATION	0
Line 34	OTHER	1,547,303
Line 35	TRANSPORT RELATED EXPENSES	0
Line 36	TOTAL OPERATING EXPENSES	17,315,082

OPERATING EXPENSES BY OBJECTIVE GROUPING

Quarter Ended: June 30, 2000
 Schedule P-6

Air Carrier:
 Operation : International MMQI
 AMOUNT

LINE#	DESCRIPTION	AMOUNT

	SALARIES & REL. FRINGE BENEFIT	
	SALARIES:	
Line 3	General Mgmt. Per.	1,045,038
Line 4	Flight Personnel	784,073
Line 5	Maintenance Labor	0
Line 6	Aircr. & Traffic Hndl. Per.	0
Line 7	Other Personnel	0
Line 8	Total Salaries	1,829,111
	RELATED FRINGE BENEFITS	
Line 10	Personnel Expense	785,396
Line 11	Empl. Benefits & Pensions	67,262
Line 12	Payroll Taxes	107,748
Line 13	Total Fringe Benefits	960,406
Line 14	Total Salaries & Benefits	2,789,517
	MATERIALS PURCHASED	
Line 16	Aircraft Fuel & Oil	2,186,943
Line 17	Maintenance Materials	547,634
Line 18	Passenger Food	639,004
Line 19	Other Materials	22,190
Line 20	Total Materials	3,395,771
	SERVICES PURCHASED	
Line 22	Advertising & Other Promotion	3,172
Line 23	Communications	19,174
Line 24	Insurance	129,319
Line 25	Outside Flight Eqpt. Maint.	1,228,636
Line 26	Traffic Commissions - Passenger	25,845
Line 27	Traffic Commissions - Cargo	0
Line 28	Other Services	154,146
Line 29	Total Services	1,560,292
Line 30	LANDING FEES	1,819,746
Line 31	RENTALS	296,186
Line 32	DEPRECIATION	871,179
Line 33	AMORTIZATION	0
Line 34	OTHER	1,053,205
Line 35	TRANSPORT RELATED EXPENSES	0
Line 36	TOTAL OPERATING EXPENSES	11,785,896

OPERATING EXPENSES BY OBJECTIVE GROUPING

Quarter Ended: June 30, 2000
 Schedule P-6

Air Carrier:
 Operation : System MMQS

LINE#	DESCRIPTION	AMOUNT

	SALARIES & REL. FRINGE BENEFIT	
	SALARIES:	
Line 3	General Mgmt. Per.	2,580,341
Line 4	Flight Personnel	1,935,982
Line 5	Maintenance Labor	0
Line 6	Aircr. & Traffic Hndl. Per.	0
Line 7	Other Personnel	0
Line 8	Total Salaries	4,516,323
	RELATED FRINGE BENEFITS	
Line 10	Personnel Expense	1,939,250
Line 11	Empl. Benefits & Pensions	166,080
Line 12	Payroll Taxes	266,044
Line 13	Total Fringe Benefits	2,371,374
Line 14	Total Salaries & Benefits	6,887,697
	MATERIALS PURCHASED	
Line 16	Aircraft Fuel & Oil	5,399,859
Line 17	Maintenance Materials	1,352,182
Line 18	Passenger Food	1,577,787
Line 19	Other Materials	54,789
Line 20	Total Materials	8,384,617
	SERVICES PURCHASED	
Line 22	Advertising & Other Promotion	7,832
Line 23	Communications	47,344
Line 24	Insurance	319,306
Line 25	Outside Flight Eqpt. Maint.	3,033,670
Line 26	Traffic Commissions - Passenger	63,814
Line 27	Traffic Commissions - Cargo	0
Line 28	Other Services	380,607
Line 29	Total Services	3,852,573
Line 30	LANDING FEES	4,493,201
Line 31	RENTALS	731,323
Line 32	DEPRECIATION	2,151,059
Line 33	AMORTIZATION	0
Line 34	OTHER	2,600,508
Line 35	TRANSPORT RELATED EXPENSES	0
Line 36	TOTAL OPERATING EXPENSES	29,100,978