

REPORT OF FINANCIAL
AND OPERATING STATISTICS FOR
LARGE CERTIFICATED
AIR CARRIERS

Period ended September 30, 2006

Southern Air Inc

(Full name of reporting company)

CERTIFICATION*

I, the undersigned Chief Financial Officer
(Title of officer in charge of accounts)

of the Southern Air Inc
(Full name of reporting company)

do certify that this report and all schedules, ADP-media submissions, Passenger Origin-Destination Survey submissions and supporting documents which are submitted herewith or have been submitted heretofore as parts of this report filed for the above indicated period have been prepared under my direction; that I have carefully examined them and declare that they correctly reflect the accounts and records of the company, and to the best of my knowledge and belief are a complete and accurate statement, after adjustments to reflect full accruals, of the operating revenues and expenses, income items, assets, liabilities, capital, retained earnings, and operating statistics for the periods reported in the several schedules, the Schedule T-100 ADP-media submissions, and the Passenger Origin-Destination Survey; that the various items herein reported were determined in accordance with the Uniform System of Accounts and Reports for Large Certificated Air Carriers prescribed by the Department of Transportation; and that the data contained herein are reported on a basis consistent with that of the preceding report except as specifically noted in the financial and statistical statements.

[Signature]
(Signature)

117 Glover Ave, Norwalk, CT
(Air Carrier Post Office Address)

Dated November 15, 2006

*Title 18 U.S.C. Sec. 1001, Crimes and Criminal Procedure, makes it a criminal offense subject to a maximum fine of \$10,000 or imprisonment for not more than 5 years, or both, to knowingly and willfully make or cause to be made any false or fraudulent statements or representations in any matter within jurisdiction of any agency of the United States.

BALANCE SHEET

As At: September 30, 2006
 Schedule B-1
 ACCT# DESCRIPTION

Air Carrier: SOUTHERN AIR INC
 Operation : Domestic 9SD
 AMOUNT

LIABILITIES & STOCKHOLDERS' EQ.		
CURRENT LIABILITIES		
2000	Curr. Maturities of L-T Debt	0
2005	Notes Payable - Banks	50,848
2015	Notes Payable - Others	960,000
2021	Trade Accts. Payable	4,710,767
2025	Accts. Payable - Other	0
2080	Curr. Oblig. Under Cap. Leases	0
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	27,204
2199	Total Current Liabilities	5,748,819
NONCURRENT LIABILITIES		
2210	Long-term Debt	11,147,163
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	11,147,163
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	3,000,000
2860	Subscribed & Unissued	0
2869	Total Capital Stock	3,000,000
2890	Additional Capital Invested	0
2899	Total Paid in Capital	3,000,000
2900	Retained Earnings	15,387,239
2959	Total Stockholders' Equity	18,387,239
2990	Less Treasury Stock	0
2995	Net Stockholders' Equity	18,387,239
2999	Total Liab. & Stockholders' Eq.	35,283,221
2820A	No. of Preferred Shares Issued	0
2840A	No. of Common Shares Issued	0

Cash and cash equivalents at the beginning of the quarter	<u>\$ 2,438</u>
Cash flow from operating activities:	
Net Income	255
Adjustments to reconcile net income to net cash provided (used) by operating activities:	
Increase (decrease) Accounts Receivable	1,175
Increase (decrease) Short term prepayments	180
Depreciation	496
Amortization	1,814
Increase (decrease) Accounts Payable	1,050
Increase (decrease) Line of Credit	(8)
Increase (decrease) Accrued liabilities	(84)
Other, net	-
Net cash provided (used) by operating activities	<u>4,878</u>
Cash flow from investing activities:	
Acquisition of property and equipment	(3,368)
Proceeds from disposition of property and equipment	-
Other, net	(501)
Net cash provided (used) by investing activities	<u>(3,869)</u>
Cash flow from financing activities:	
Payments on long-term debt	(332)
Other, net	(345)
Net cash provided (used) by financing activities	<u>(677)</u>
Increase (decrease) cash and cash equivalents	<u>332</u>
Cash and cash equivalents at the end of the quarter	<u><u>\$ 2,770</u></u>