

BALANCE SHEET

As At: December 31, 2001
 Schedule B-1.1 for Group I < 20M

Air Carrier: Southern
 Operation : System 9SS

LINE#	DESCRIPTION	AMOUNT
ASSETS		
CURRENT ASSETS		
Line 1	Cash and cash equivalents	198,000
Line 2	Notes and accts receivable (net)	4,746,000
Line 3	Other current assets	435,000
Line 4	Total current assets	5,379,000
PROPERTY AND EQUIPMENT		
Line 5	Owned property and equipment	3,339,000
Line 6	Less: accumulated depreciation	1,320,000
Line 7	Prop. & equip. under cap. leases	0
Line 8	Less: accumulated amortization	0
Line 9	Total property & equipment	2,019,000
Line 10	OTHER ASSETS	3,837,000
Line 11	TOTAL ASSETS	11,235,000
LIABILITIES & STOCKHOLDERS' EQ.		
CURRENT LIABILITIES		
Line 12	Notes and accounts payable	4,730,000
Line 13	Accrued taxes	0
Line 14	Other current liabilities	4,050,000
Line 15	Total current liabilities	8,780,000
Line 16	LONG-TERM DEBT	12,000
Line 17	OTHER LIABILITIES	5,189,000
Line 18	DEFERRED CREDITS	0
STOCKHOLDERS' EQUITY:		
Line 19	Preferred shares outstanding	0
Line 20	Common shares outstanding	105,000
Line 21	Other paid in capital	3,915,000
Line 22	Retained Earnings	-6,766,000
Line 23	Total stockholders' equity	-2,746,000
Line 24	Less: Treasury stock	0
Line 25	Net stockholders' equity	-2,746,000
Line 26	TOTAL LIAB. & STOCKHOLDERS' EQ.	11,235,000
Line 19A	No. of Preferred shares outstanding	0
Line 20A	No. of Common shares outstanding	15,000

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) _____

REVISED

APR 9 2002

STATEMENT OF OPERATIONS

Six Months Ended: December 31, 2001
Schedule P-1.1 Group I < 20MAir Carrier: Southern
Operation : System 9SS

LINE#	DESCRIPTION	AMOUNT
	OPERATING REVENUE	
	Transport Revenue	
	Scheduled Service	
Line 1	Passenger	0
Line 2	Other	0
Line 3	Nonscheduled Service	0
	Transport Related Revenue	
Line 4	Public Service Revenue	0
Line 5	Other	42,294,000
Line 6	Total Operating Revenue	42,294,000
	OPERATING EXPENSE	
Line 7	Flying Operations	12,357,000
Line 8	Maintenance	11,136,000
Line 9	General Services and Administration	13,259,000
	Depreciation and Amortization	
Line 10	Owned Property and Equipment	931,000
Line 11	Leased Property and Equipment	14,152,000
Line 12	Transport Related Expense	0
Line 13	Total Operating Expense	51,835,000
Line 14	OPERATING PROFIT OR LOSS	-9,541,000
	NONOPERATING EXPENSE (INCOME)	
Line 15	Interest Expense	165,000
Line 16	Other Nonoperating (Net)	-35,000
Line 17	Income Tax	0
Line 18	Discontinued operations, extra-ordinary items or Accounting changes	0
Line 19	Net Income	-9,671,000
Line 20	Full-Time Employees	118
Line 21	Part-Time Employees	12

REVISED

APR 9 2002

AIRCRAFT OPERATING EXP. - Sch. P-5.1 Grp I < 20M 6 Mo: December 31, 2001
 Air Carrier: Southern Operation: System 9SS
 Total Eqp B-747-2/3
 Code 9999 Code 8172

ACCT #	DESCRIPTION		

DIRECT EXPENSES:			
FLYING OPERATIONS (Less Rentals)			
3	Pilots and Copilots (S&W &Benef	4,517,000	4,517,000
4	Aircraft Fuel and Oil	753,000	753,000
5	Other	7,087,000	7,087,000
6	Total Flying Ops. (Less Rentals)	12,357,000	12,357,000
7	Maintenance - Flight Equipment	11,136,000	11,136,000
8	Depr. & Rental - Flight Equipme	15,083,000	15,083,000
9	Total Direct Expenses	38,576,000	38,576,000
INDIRECT EXPENSES			
11	Flight Attendant Expense	0	
12	Traffic Related Expense	0	
13	Departure Related Expense	0	
14	Capacity Related Expense	13,259,000	
15	Total Indirect Expense	13,259,000	
16	Total Operating Expense	51,835,000	

REVISED

APR 9 2002