

BALANCE SHEET

As At: June 30, 2000

Air Carrier:

Schedule B-1

Operation : Domestic TBD

ACCT# DESCRIPTION

AMOUNT

ACCT#	DESCRIPTION	AMOUNT
	ASSETS	
	CURRENT ASSETS	
1010	Cash	689,000
1100	Short-Term Investments	0
1200	Notes Receivable	0
1270	Accounts Receivable	8,833,000
1290	Less Allow. for Bad Debts	0
1299	Net Notes & Accounts Receivable	8,833,000
1399	Net Spare Parts & Supplies	2,155,000
1410	Prepaid Items	-24,000
1420	Other Current Assets	0
1499	Total Current Assets	11,653,000
	INVESTMENTS IN SPECIAL FUNDS	
1510	Inv. in Associated Companies	0
1530	Other Investments & Receivables	0
1550	Special Funds	50,000
1599	Total Inv. & Special Funds	50,000
	OPERATING PROPERTY & EQUIPMENT	
1609	Flight Equipment	9,496,000
1649	Ground-Property and Equipment	16,102,000
1668	Less Allowance for Depreciation	4,569,000
1675	Property & Equipment - Net	21,029,000
1679	Land	0
1685	Purchase Dep. & Adv. Payments	0
1689	Construction Work-in-progress	0
1695	Leased Property - Cap. Leases	0
1696	Accum. Amort. Capital Leases	0
1699	Total Oper. Prop. & Equipment	21,029,000
	NONOPERATING PROP. & EQUIPMENT	
1791	NONOPERATING PROP. & EQUIPMENT	13,320,000
1792	Less Allow. for Depr. - Nonop.	6,400,000
1799	Net Nonoperating Prop. & Eqmt.	6,920,000
	OTHER ASSETS	
1820	Long-term Prepayments	0
1830	Unamort. Dev. & Preop. Costs	0
1890	Other Assets and Def. Charges	238,614,000
1895	Total Other Assets	238,614,000
1899	TOTAL ASSETS	278,266,000

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As At: June 30, 2000
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 ACCT# DESCRIPTION

Air Carrier:
 Operation : Domestic TBD
 AMOUNT

ACCT#	DESCRIPTION	AMOUNT
LIABILITIES & STOCKHOLDERS' EQ.		
CURRENT LIABILITIES		
2000	Curr. Maturities of L-T Debt	0
2005	Notes Payable - Banks	0
2015	Notes Payable - Others	0
2021	Trade Accts. Payable	3,026,000
2025	Accts. Payable - Other	-38,000
2080	Curr. Oblig. Under Cap. Leases	0
2110	Accrued Salaries & Wages	0
2120	Accrued Vacation Pay	1,728,000
2125	Accrued Interest	0
2130	Accrued Taxes	8,391,000
2140	Dividends Declared	0
2160	Air Traffic Liability	0
2190	Other Current Liabilities	14,412,000
2199	Total Current Liabilities	27,519,000
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	24,970,000
2299	Total Noncurrent Liabilities	24,970,000
DEFERRED CREDITS		
2340	Deferred Income Taxes	9,172,000
2345	Deferred Investment Tax Credits	0
2390	Other Deferred Credits	0
2399	Total Deferred Credits	9,172,000
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	211,097,000
2899	Total Paid in Capital	211,098,000
2900	Retained Earnings	5,507,000
2959	Total Stockholders' Equity	216,605,000
2990	Less Treasury Stock	0
2995	Net Stockholders' Equity	216,605,000
2999	Total Liab. & Stockholders' Eq.	278,266,000
2820A	No. of Preferred Shares Issued	0
2840A	No. of Common Shares Issued	1,000

STATEMENT OF OPERATIONS

Quarter Ended: JUNE 30, 2000

Air Carrier: SHUTTLE, INC.

Schedule P-1.2 Group II

Operation : Domestic TBD

ACCT#	DESCRIPTION	AMOUNT
OPERATING REVENUES		
3901	Transport Revenues - Passenger	54,232,000
3905	Mail	26,000
3906.1	Property - Freight	153,000
3906.2	Property - Excess Baggage	0
3907.1	Charter - Passenger	0
3907.2	Charter - Property	0
3919.1	Reserv. Cancellation Fees	0
3919.2	Misc. Operating Revenues	123,000
4808	Public Service Subsidy	0
4898	Transport Related	902,000
4999	Total Operating Revenue	55,436,000
OPERATING EXPENSES		
5100	Flying Operations	10,052,000
5400	Maintenance	-2,603,000
5500	Passenger Service	3,997,000
6400	Aircraft & Traffic Servicing	7,319,000
6700	Promotion & Sales	8,852,000
6800	General & Administrative	22,084,000
7000	Depreciation & Amortization	2,585,000
7100	Transport Related Expenses	140,000
7199	Total Operating Expenses	52,426,000
7999	Operating Profit or Loss	3,010,000
NONOPERATING EXPENSE (INCOME)		
8181	Int. Exp. (Inc.) on L-T-D & Cap. Leases	0
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	-523,000
8199	Nonoperating Expense (Income)	-523,000
8999	Income Before Income Taxes	3,533,000
9100	Income Tax Expense	2,203,000
9199	Inc. Bf. Disc. Ops & Other Items	1,330,000
9600	Discontinued Operations	0
9796	Extraordinary Items	0
9797	Inc. Tax Appl. To Extraord. Item	0
9799	Income Before Account. Changes	1,330,000
9800	Accounting Changes	0
9899	Net Income	1,330,000
9900.7	Full-Time Employees	388

AIRCRAFT OPERATING EXP. - Sch. P-5.2 Grp II & III Qtr: JUNE 30, 2000
 Air Carrier: SHUTTLE, INC.

Operation: Domestic
 Total Eq A320-1/2 B-727-2
 Code 9999 Code 6941 Code 7151

ACCT #	DESCRIPTION	Total Eq Code 9999	A320-1/2 Code 6941	B-727-2 Code 7151
FLYING OPERATIONS				
5123	Pilots and Copilots	4,682,000	3,792,000	890,000
5124	Other Flight Personnel	0	0	0
5128.1	Trainees and Instructors	0	0	0
5136	Personnel Expenses	126,000	102,000	24,000
5141	Prof. & Tech. Fees & Exp.	0	0	0
5143.7	Aircraft Interch. -Outside	0	0	0
5145.1	Aircraft Fuel	4,459,000	3,612,000	847,000
5145.2	Aircraft Oil	0	0	0
5147	Aircraft Rentals	110,000	0	110,000
5153	Other Supplies	0	0	0
5155.1	Insur. Purch. - General	2,000	2,000	0
5157	Empl. Benefits and Pensions	316,000	256,000	60,000
5158	Injuries, Loss and Damage	0	0	0
5168	Taxes-Payroll	357,000	289,000	68,000
5169	Taxes-Other Than Payroll	0	0	0
5171	Other Expense	0	0	0
5199	Total Flying Operations	10,052,000	8,053,000	1,999,000
DIRECT MAINTENANCE-FLIGHT EQUIP				
5225.1	Maint Airf. Labor	0	0	0
5225.2	Maint Eng. Labor	0	0	0
5243.1	Maint Airf. Outside Rep.	472,000	39,000	433,000
5243.2	Maint Eng. Outside Rep.	-3,651,000	63,000	-3,714,000
5243.7	Maint AC Interch. Chrgs-O/S	0	0	0
5246.1	Maint Materials - Airframe	299,000	298,000	1,000
5246.2	Maint Materials - Engines	60,000	0	60,000
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	0	0	0
5272.8	Maint AC Eng. O/H Def. (cr.)	0	0	0
5278	Total Dir Maint-Flt.Eqpt	-2,820,000	400,000	-3,220,000
5279.6	APPL. MAINT BURDEN FLT. Eq.	217,000	176,000	41,000
5299	Total Flt. Eq. Maint. (Memo)	-2,603,000	576,000	-3,179,000
7073.9	NET OBSL & DETER.- EXP. PARTS	75,000	0	75,000
DEPRECIATION - FLIGHT EQUIPMENT				
7075.1	Depr. Airframes	159,000	0	159,000
7075.2	Depr. Aircraft Engines	370,000	0	370,000
7075.3	Depr. Airframe Parts	49,000	0	49,000
7075.4	Depr. Engine Parts	0	0	0
7075.5	Depr. Other Flt Eqp.	0	0	0
7076.1	Amort. Cap. Leases Flt.Eqpt.	0	0	0
EXPENSE OF INTERCHANGE AIRCRAFT				
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	8,102,000	8,629,000	-527,000
OTHER DEPRECIATION & AMORTIZATI				
7074.1	Amortization Developmental &Pre	0	0	0
7074.2	Amortization Other Intangibles	1,897,000	0	0
7075.8	Depreciation Hangar & Maint. Eq	0	0	0
7075.9	Depreciation Ground Property	35,000	0	0
7076.2	Amort. Capital Leases Other	0	0	0

OPERATING EXPENSES BY OBJECTIVE GROUPING

Quarter Ended: June 30, 2000
 Schedule P-6

Air Carrier:
 Operation : Domestic TBD
 AMOUNT

LINE#	DESCRIPTION	AMOUNT
SALARIES & REL. FRINGE BENEFIT		
SALARIES:		
Line 3	General Mgmt. Per.	0
Line 4	Flight Personnel	0
Line 5	Maintenance Labor	0
Line 6	Aircr. & Traffic Hndl. Per.	6,647,000
Line 7	Other Personnel	0
Line 8	Total Salaries	6,647,000
RELATED FRINGE BENEFITS		
Line 10	Personnel Expense	232,000
Line 11	Empl. Benefits & Pensions	6,879,000
Line 12	Payroll Taxes	556,000
Line 13	Total Fringe Benefits	561,000
Line 14	Total Salaries & Benefits	693,000
MATERIALS PURCHASED		
Line 16	Aircraft Fuel & Oil	1,810,000
Line 17	Maintenance Materials	8,689,000
Line 18	Passenger Food	4,459,000
Line 19	Other Materials	371,000
Line 20	Total Materials	1,308,000
SERVICES PURCHASED		
Line 22	Advertising & Other Promotion	192,000
Line 23	Communications	6,330,000
Line 24	Insurance	-148,000
Line 25	Outside Flight Eqpt. Maint.	13,000
Line 26	Traffic Commissions - Passenger	27,000
Line 27	Traffic Commissions - Cargo	-3,179,000
Line 28	Other Services	1,617,000
Line 29	Total Services	0
Line 30	LANDING FEES	16,559,000
Line 31	RENTALS	14,889,000
Line 32	DEPRECIATION	3,024,000
Line 33	AMORTIZATION	2,870,000
Line 34	OTHER	613,000
Line 35	TRANSPORT RELATED EXPENSES	1,972,000
Line 36	TOTAL OPERATING EXPENSES	13,899,000
		140,000
		52,426,000