

## BALANCE SHEET

As At: March 31, 1999  
 Schedule B-1

Air Carrier:  
 Operation : Domestic T9D

ACCT#	DESCRIPTION	AMOUNT
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	ASSETS	
	CURRENT ASSETS	
1010	Cash	1,475,747
1100	Short-Term Investments	4,622,624
1200	Notes Receivable	0
1270	Accounts Receivable	1,872,372
1290	Less Allow. for Bad Debts	177,699
1299	Net Notes & Accounts Receivable	1,694,673
1399	Net Spare Parts & Supplies	0
1410	Prepaid Items	1,873,655
1420	Other Current Assets	828,666
1499	Total Current Assets	10,495,365
	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	372,474
1649	Ground-Property and Equipment	405,112
1668	Less Allowance for Depreciation	621,751
1675	Property & Equipment - Net	155,835
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	155,835
	NONOPERATING PROP. & EQUIPMENT	
1791	NONOPERATING PROP. & EQUIPMENT	0
1792	Less Allow. for Depr. - Nonop.	0
1799	Net Nonoperating Prop. & Eqmt.	0
	OTHER ASSETS	
1820	Long-term Prepayments	0
1830	Unamort. Dev. & Preop. Costs	0
1890	Other Assets and Def. Charges	0
1895	Total Other Assets	0
1899	TOTAL ASSETS	10,651,200

## BALANCE SHEET

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

Air Carrier:  
 Operation : Domestic T9D  
 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	9,107,460
2025	Accts. Payable - Other	10,448
2080	Curr. Oblig. Under Cap. Leases	0
2110	Accrued Salaries & Wages	544,833
2120	Accrued Vacation Pay	0
2125	Accrued Interest	0
2130	Accrued Taxes	0
2140	Dividends Declared	0
2160	Air Traffic Liability	7,059,462
2190	Other Current Liabilities	1,359,524
2199	Total Current Liabilities	18,081,727
	NONCURRENT LIABILITIES	
2210	Long-term Debt	13,328,426
2240	Advances from Assoc. Companies	4,293,933
2250	Pension Liability	0
2280	Noncurrent Obgl.-Capital Leases	0
2290	Other Noncurrent Liabilities	0
2299	Total Noncurrent Liabilities	17,622,359
	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	575,000
2899	Total Paid in Capital	576,000
2900	Retained Earnings	-25,628,886
2959	Total Stockholders' Equity	-25,052,886
2990	Less Treasury Stock	0
2995	Net Stockholders' Equity	-25,052,886
2999	Total Liab. & Stockholders' Eq.	10,651,200
2820A	No. of Preferred Shares Issued	0
2840A	No. of Common Shares Issued	0

## STATEMENT OF OPERATIONS

Quarter Ended: March 31, 1999

Air Carrier:

Schedule P-1.2 Group I

Operation : Domestic T9D

ACCT#	DESCRIPTION	AMOUNT
<b>OPERATING REVENUES</b>		
3901	Transport Revenue - Passenger	0
3905	Mail	0
3906.1	Property - Freight	0
3906.2	Property - Excess Baggage	0
3907.1	Charter - Passenger	21,330,831
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	21,330,831
<b>OPERATING EXPENSES</b>		
5100	Flying Operations	14,002,725
5400	Maintenance	5,225,085
6900	General Services and Administration	2,848,598
7000	Depreciation & Amortization	62,712
7100	Transport Related Expenses	0
7199	Total Operating Expenses	22,139,120
7999	Operating Profit or Loss	-808,289
<b>NONOPERATING EXPENSE (INCOME)</b>		
8181	Int. Exp. (Inc.) on L-T-D & Cap. Leases	132,983
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	0
8199	Nonoperating Expense (Income)	132,983
8999	Income Before Income Taxes	-941,272
9100	Income Tax Expense	0
9199	Inc. Bf. Disc. Ops & Other Items	-941,272
9600	Discontinued Operations	0
9796	Extraordinary Items	0
9797	Inc. Tax Appl. To Extraord. Item	0
9799	Income Before Account. Changes	-941,272
9800	Accounting Changes	0
9899	Net Income	-941,272

OPERATING EXPENSES BY OBJECTIVE GROUPING

Quarter Ended: March 31, 1999  
 Schedule P-6

Air Carrier:  
 Operation : Domestic T9D

LINE#	DESCRIPTION	AMOUNT
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	SALARIES & REL. FRINGE BENEFIT	
	SALARIES:	
Line 3	General Mgmt. Per.	87,230
Line 4	Flight Personnel	1,881,175
Line 5	Maintenance Labor	287,870
Line 6	Aircr. & Traffic Hndl. Per.	283,412
Line 7	Other Personnel	187,128
Line 8	Total Salaries	2,726,815
	RELATED FRINGE BENEFITS	
Line 10	Personnel Expense	222,811
Line 11	Empl. Benefits & Pensions	94,814
Line 12	Payroll Taxes	231,945
Line 13	Total Fringe Benefits	549,570
Line 14	Total Salaries & Benefits	3,276,385
	MATERIALS PURCHASED	
Line 16	Aircraft Fuel & Oil	1,662,587
Line 17	Maintenance Materials	5,188,912
Line 18	Passenger Food	582,343
Line 19	Other Materials	7,461,058
Line 20	Total Materials	14,894,900
	SERVICES PURCHASED	
Line 22	Advertising & Other Promotion	0
Line 23	Communications	155,995
Line 24	Insurance	353,699
Line 25	Outside Flight Eqpt. Maint.	0
Line 26	Traffic Commissions - Passenger	0
Line 27	Traffic Commissions - Cargo	0
Line 28	Other Services	2,085,802
Line 29	Total Services	2,595,496
Line 30	LANDING FEES	1,170,670
Line 31	RENTALS	138,958
Line 32	DEPRECIATION	62,711
Line 33	AMORTIZATION	0
Line 34	OTHER	0
Line 35	TRANSPORT RELATED EXPENSES	0
Line 36	TOTAL OPERATING EXPENSES	22,139,120