

BALANCE SHEET

As At: March 31, 1999
 Schedule B-1

Air Carrier:
 Operation : Domestic NJD

ACCT#	DESCRIPTION	AMOUNT
ASSETS		
CURRENT ASSETS		
1010	Cash	5,306,985
1100	Short-Term Investments	0
1200	Notes Receivable	0
1270	Accounts Receivable	3,056,033
1290	Less Allow. for Bad Debts	265,557
1299	Net Notes & Accounts Receivable	2,790,476
1399	Net Spare Parts & Supplies	1,322,258
1410	Prepaid Items	1,059,560
1420	Other Current Assets	4,376,242
1499	Total Current Assets	14,855,521
INVESTMENTS IN SPECIAL FUNDS		
1510	Inv. in Associated Companies	0
1530	Other Investments & Receivables	0
1550	Special Funds	2,909,737
1599	Total Inv. & Special Funds	2,909,737
OPERATING PROPERTY & EQUIPMENT		
1609	Flight Equipment	5,280,208
1649	Ground-Property and Equipment	11,639,310
1668	Less Allowance for Depreciation	8,140,279
1675	Property & Equipment - Net	8,779,239
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	8,779,239
NONOPERATING PROP. & EQUIPMENT		
1791	Less Allow. for Depr. - Nonop.	0
1792	Net Nonoperating Prop. & Eqmt.	0
1799		0
OTHER ASSETS		
1820	Long-term Prepayments	9,704,749
1830	Unamort. Dev. & Preop. Costs	0
1890	Other Assets and Def. Charges	1,440,071
1895	Total Other Assets	11,144,820
1899	TOTAL ASSETS	37,689,317

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As At: March 31, 1999

Air Carrier:

Schedule B-1

Operation : Domestic NJD

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	5,501,938
2025	Accts. Payable - Other	0
2080	Curr. Oblig. Under Cap. Leases	0
2110	Accrued Salaries & Wages	743,928
2120	Accrued Vacation Pay	506,736
2125	Accrued Interest	0
2130	Accrued Taxes	47,912
2140	Dividends Declared	0
2160	Air Traffic Liability	11,680,190
2190	Other Current Liabilities	8,800,150
2199	Total Current Liabilities	27,280,854
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	4,327,266
2299	Total Noncurrent Liabilities	4,327,266
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	302
2840	Common Shares Issued	85,396
2860	Subscribed & Unissued	0
2869	Total Capital Stock	85,698
2890	Additional Capital Invested	77,133,690
2899	Total Paid in Capital	77,219,388
2900	Retained Earnings	-71,138,191
2959	Total Stockholders' Equity	6,081,197
2990	Less Treasury Stock	0
2995	Net Stockholders' Equity	6,081,197
2999	Total Liab. & Stockholders' Eq.	37,689,317
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 NJD

ACCT#	DESCRIPTION	AMOUNT

OPERATING REVENUES		
3901	Transport Revenue - Passenger	23,469,110
3905	Mail	197,473
3906.1	Property - Freight	0
3906.2	Property - Excess Baggage	0
3907.1	Charter - Passenger	0
3907.2	Charter - Property	0
3919.1	Reserv. Cancellation Fees	1,093,778
3919.2	Misc. Operating Revenues	60,973
4808	Public Service Subsidy	0
4898	Transport Related	85,682
4999	Total Operating Revenue	24,907,016
OPERATING EXPENSES		
5100	Flying Operations	7,613,039
5400	Maintenance	5,093,549
6900	General Services and Administration	11,154,828
7000	Depreciation & Amortization	931,692
7100	Transport Related Expenses	0
7199	Total Operating Expenses	24,793,108
7999	Operating Profit or Loss	113,908
NONOPERATING EXPENSE (INCOME)		
8181	Int. Exp. (Inc.) on L-T-D & Cap. Leases	0
8182	Other Interest Expense (Income)	-121,524
8185	Foreign Exchange (Gain) or Loss	0
8188.5	Capital (Gains)/Losses- Op.Prop. Capital (Gains)/Losses- Other	0
8189	Other Expense (Income) - Net	122,543
8199	Nonoperating Expense (Income)	1,019
8999	Income Before Income Taxes	112,889
9100	Income Tax Expense	71,500
9199	Inc. Bf. Disc. Ops & Other Items	41,389
9600	Discontinued Operations	0
9796	Extraordinary Items	0
9797	Inc. Tax Appl. To Extraord. Item	0
9799	Income Before Account. Changes	41,389
9800	Accounting Changes	0
9899	Net Income	41,389

AIRCRAFT OPERATING EXP. - Sch. P-5.1 Grp I > 20M Qtr: March 31, 1999
Air Carrier: Operation: Domestic NJD

ACCT #	DESCRIPTION	Total Eqp Code 9999	B-737-1/2 Code 6201
	DIRECT EXPENSES:		
	FLYING OPERATIONS (Less Rentals		
3	Pilots and Copilots (S&W & Benef	1,514,301	1,514,301
4	Aircraft Fuel and Oil	2,886,569	2,886,569
5	Other	299,135	299,135
6	Total Flying Ops. (Less Rentals	4,700,005	4,700,005
7	Maintenance - Flight Equipment	5,093,549	5,093,549
8	Depr. & Rental - Flight Equipme	3,837,811	3,837,811
9	Total Direct Expenses	13,631,365	13,631,365

OPERATING EXPENSES BY OBJECTIVE GROUPING

Quarter Ended: March 31, 1999
 Schedule P-6

Air Carrier:
 Operation : Domestic NJD

LINE#	DESCRIPTION	AMOUNT

	SALARIES & REL. FRINGE BENEFIT	
	SALARIES:	
Line 3	General Mgmt. Per.	581,396
Line 4	Flight Personnel	1,599,638
Line 5	Maintenance Labor	1,002,179
Line 6	Aircr. & Traffic Hndl. Per.	723,671
Line 7	Other Personnel	1,461,306
Line 8	Total Salaries	5,368,190
	RELATED FRINGE BENEFITS	
Line 10	Personnel Expense	518,367
Line 11	Empl. Benefits & Pensions	313,056
Line 12	Payroll Taxes	452,075
Line 13	Total Fringe Benefits	1,283,498
Line 14	Total Salaries & Benefits	6,651,688
	MATERIALS PURCHASED	
Line 16	Aircraft Fuel & Oil	2,886,569
Line 17	Maintenance Materials	1,133,796
Line 18	Passenger Food	120,000
Line 19	Other Materials	354,212
Line 20	Total Materials	4,494,577
	SERVICES PURCHASED	
Line 22	Advertising & Other Promotion	1,599,344
Line 23	Communications	343,568
Line 24	Insurance	478,709
Line 25	Outside Flight Eqpt. Maint.	1,912,767
Line 26	Traffic Commissions - Passenger	671,790
Line 27	Traffic Commissions - Cargo	0
Line 28	Other Services	2,475,937
Line 29	Total Services	7,482,115
Line 30	LANDING FEES	773,812
Line 31	RENTALS	3,958,159
Line 32	DEPRECIATION	767,371
Line 33	AMORTIZATION	164,321
Line 34	OTHER	501,065
Line 35	TRANSPORT RELATED EXPENSES	0
Line 36	TOTAL OPERATING EXPENSES	24,793,108