

## BALANCE SHEET

As At: march 31, 1999

Schedule B-1

Air Carrier:

Operation : Domestic M6D

ACCT# DESCRIPTION

AMOUNT

	ASSETS	
	CURRENT ASSETS	
1010	Cash	4,174,208
1100	Short-Term Investments	0
1200	Notes Receivable	0
1270	Accounts Receivable	9,620,620
1290	Less Allow. for Bad Debts	599,242
1299	Net Notes & Accounts Receivable	9,021,378
1399	Net Spare Parts & Supplies	866,293
1410	Prepaid Items	2,645,127
1420	Other Current Assets	12,559
1499	Total Current Assets	16,719,565
	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	62,145,107
1649	Ground-Property and Equipment	16,419,709
1668	Less Allowance for Depreciation	25,280,602
1675	Property & Equipment - Net	53,284,214
1679	Land	0
1685	Purchase Dep. & Adv. Payments	0
1689	Construction Work-in-progress	7,984,787
1695	Leased Property - Cap. Leases	0
1696	Accum. Amort. Capital Leases	0
1699	Total Oper. Prop. & Equipment	61,269,001
1791	NONOPERATING PROP. & EQUIPMENT	1,285,703
1792	Less Allow. for Depr. - Nonop.	502,300
1799	Net Nonoperating Prop. & Eqmt.	783,403
	OTHER ASSETS	
1820	Long-term Prepayments	0
1830	Unamort. Dev. & Preop. Costs	0
1890	Other Assets and Def. Charges	930,164
1895	Total Other Assets	930,164
1899	TOTAL ASSETS	79,702,133

# BALANCE SHEET

As At: march 31, 1999

Schedule B-1

Air Carrier:

Operation : Domestic M6D

ACCT# DESCRIPTION

AMOUNT

	LIABILITIES & STOCKHOLDERS' EQ.	
	CURRENT LIABILITIES	
2000	Curr. Maturities of L-T Debt	8,105,868
2005	Notes Payable - Banks	0
2015	Notes Payable - Others	0
2021	Trade Accts. Payable	5,218,392
2025	Accts. Payable - Other	0
2080	Curr. Oblig. Under Cap. Leases	0
2110	Accrued Salaries & Wages	674,010
2120	Accrued Vacation Pay	0
2125	Accrued Interest	96,898
2130	Accrued Taxes	601,384
2140	Dividends Declared	0
2160	Air Traffic Liability	0
2190	Other Current Liabilities	4,506,548
2199	Total Current Liabilities	19,203,100
	NONCURRENT LIABILITIES	
2210	Long-term Debt	34,882,405
2240	Advances from Assoc. Companies	0
2250	Pension Liability	0
2280	Noncurrent Obgl.-Capital Leases	0
2290	Other Noncurrent Liabilities	313,428
2299	Total Noncurrent Liabilities	35,195,833
	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	500
2860	Subscribed & Unissued	0
2869	Total Capital Stock	500
2890	Additional Capital Invested	5,680
2899	Total Paid in Capital	6,180
2900	Retained Earnings	25,297,020
2959	Total Stockholders' Equity	25,303,200
2990	Less Treasury Stock	0
2995	Net Stockholders' Equity	25,303,200
2999	Total Liab. & Stockholders' Eq.	79,702,133
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 M6D

ACCT#	DESCRIPTION	AMOUNT
	OPERATING REVENUES	
3901	Transport Revenue - Passenger	0
3905	Mail	0
3906.1	Property - Freight	3,610,398
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	77,293
4808	Public Service Subsidy	0
4898	Transport Related	0
4999	Total Operating Revenue	3,687,691
	OPERATING EXPENSES	
5100	Flying Operations	907,795
5400	Maintenance	1,254,548
6900	General Services and Administration	2,556,521
7000	Depreciation & Amortization	2,087,385
7100	Transport Related Expenses	0
7199	Total Operating Expenses	6,806,249
7999	Operating Profit or Loss	-3,118,558
	NONOPERATING EXPENSE (INCOME)	
8181	Int. Exp. (Inc.) on L-T-D & Cap.Leases	0
8182	Other Interest Expense (Income)	897,980
8185	Foreign Exchange (Gain) or Loss	0
8188.5	Capital (Gains)/Losses- Op.Prop.	-96,635
	Capital (Gains)/Losses- Other	
8189	Other Expense (Income) - Net	-27,370
8199	Nonoperating Expense (Income)	773,975
8999	Income Before Income Taxes	-3,892,533
9100	Income Tax Expense	0
9199	Inc. Bf. Disc. Ops & Other Items	-3,892,533
9600	Discontinued Operations	0
9796	Extraordinary Items	0
9797	Inc. Tax Appl. To Extraord.Item	0
9799	Income Before Account. Changes	-3,892,533
9800	Accounting Changes	0
9899	Net Income	-3,892,533

## STATEMENT OF OPERATIONS

Quarter Ended: march 31, 1999

Air Carrier:

Schedule P-1.2 Group I

Operation : Latin M6L

ACCT#	DESCRIPTION	AMOUNT
	OPERATING REVENUES	
3901	Transport Revenue - Passenger	0
3905	Mail	136,201
3906.1	Property - Freight	19,262,743
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	57,299
4808	Public Service Subsidy	0
4898	Transport Related	961,867
4999	Total Operating Revenue	20,418,110
	OPERATING EXPENSES	
5100	Flying Operations	4,698,127
5400	Maintenance	1,755,964
6900	General Services and Administration	8,255,228
7000	Depreciation & Amortization	480,570
7100	Transport Related Expenses	652,264
7199	Total Operating Expenses	15,842,153
7999	Operating Profit or Loss	4,575,957
	NONOPERATING EXPENSE (INCOME)	
8181	Int. Exp. (Inc.) on L-T-D & Cap.Leases	0
8182	Other Interest Expense (Income)	95,698
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)	95,698
8999	Income Before Income Taxes	4,480,259
9100	Income Tax Expense	0
9199	Inc. Bf. Disc. Ops & Other Items	4,480,259
9600	Discontinued Operations	0
9796	Extraordinary Items	0
9797	Inc. Tax Appl. To Extraord.Item	0
9799	Income Before Account. Changes	4,480,259
9800	Accounting Changes	0
9899	Net Income	4,480,259

## STATEMENT OF OPERATIONS

Quarter Ended: march 31, 1999

Air Carrier:

Schedule P-1.2 Group I

Operation : System M6S

ACCT# DESCRIPTION

AMOUNT

	OPERATING REVENUES	
3901	Transport Revenue - Passenger	0
3905	Mail	136,201
3906.1	Property - Freight	22,873,141
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	134,592
4808	Public Service Subsidy	0
4898	Transport Related	961,867
4999	Total Operating Revenue	24,105,801
	OPERATING EXPENSES	
5100	Flying Operations	5,605,922
5400	Maintenance	3,010,512
6900	General Services and Administration	10,811,749
7000	Depreciation & Amortization	2,567,955
7100	Transport Related Expenses	652,264
7199	Total Operating Expenses	22,648,402
7999	Operating Profit or Loss	1,457,399
	NONOPERATING EXPENSE (INCOME)	
8181	Int. Exp. (Inc.) on L-T-D & Cap. Leases	0
8182	Other Interest Expense (Income)	993,678
8185	Foreign Exchange (Gain) or Loss	0
8188.5	Capital (Gains)/Losses- Op. Prop.	-96,635
	Capital (Gains)/Losses- Other	
8189	Other Expense (Income) - Net	-27,370
8199	Nonoperating Expense (Income)	869,673
8999	Income Before Income Taxes	587,726
9100	Income Tax Expense	0
9199	Inc. Bf. Disc. Ops & Other Items	587,726
9600	Discontinued Operations	0
9796	Extraordinary Items	0
9797	Inc. Tax Appl. To Extraord. Item	0
9799	Income Before Account. Changes	587,726
9800	Accounting Changes	0
9899	Net Income	587,726

IRCRAFT OPERATING EXP. - Sch. P-5.1 Grp I > 20M Qtr: march 31, 1999  
 Air Carrier: Operation: Domestic  
 Total Eqp B-727-2  
 Code 9999 Code 7152

M6D

ACCT #	DESCRIPTION		
-----			
	DIRECT EXPENSES:		
	FLYING OPERATIONS (Less Rentals		
3	Pilots and Copilots (S&W &Benef	156,930	156,930
4	Aircraft Fuel and Oil	84,811	84,811
5	Other	733,705	733,705
6	Total Flying Ops. (Less Rentals	975,446	975,446
7	Maintenance - Flight Equipment	1,132,550	1,132,550
8	Depr. & Rental - Flight Equipme	2,032,528	2,032,528
9	Total Direct Expenses	4,140,524	4,140,524

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

M6L

ACCT #	DESCRIPTION	Total Eqp Code 9999	B-727-2 Code 7152
	DIRECT EXPENSES:		
	FLYING OPERATIONS (Less Rentals		
3	Pilots and Copilots (S&W &Benef	1,247,113	1,247,113
4	Aircraft Fuel and Oil	3,342,740	3,342,740
5	Other	1,510,332	1,510,332
6	Total Flying Ops. (Less Rentals	6,100,185	6,100,185
7	Maintenance - Flight Equipment	2,697,189	2,697,189
8	Depr. & Rental - Flight Equipme	480,570	480,570
9	Total Direct Expenses	9,277,944	9,277,944

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

Operation: System  
Total Eqp B-727-2  
Code 9999 Code 7152

M6S

ACCT #	DESCRIPTION		
-----			
	DIRECT EXPENSES:		
	FLYING OPERATIONS (Less Rentals		
3	Pilots and Copilots (S&W &Benef	1,404,043	1,404,043
4	Aircraft Fuel and Oil	3,427,551	3,427,551
5	Other	2,244,037	2,244,037
6	Total Flying Ops. (Less Rentals	7,075,631	7,075,631
7	Maintenance - Flight Equipment	3,829,739	3,829,739
8	Depr. & Rental - Flight Equipme	2,513,098	2,513,098
9	Total Direct Expenses	13,418,468	13,418,468



# OPERATING EXPENSES BY OBJECTIVE GROUPING

Quarter Ended: march 31, 1999

Air Carrier:

Schedule P-6

Operation : Domestic M6D

LINE#	DESCRIPTION	AMOUNT
	SALARIES & REL. FRINGE BENEFIT	
	SALARIES:	
Line 3	General Mgmt. Per.	1,009,217
Line 4	Flight Personnel	127,457
Line 5	Maintenance Labor	220,817
Line 6	Aircr. & Traffic Hndl. Per.	0
Line 7	Other Personnel	0
Line 8	Total Salaries	1,357,491
	RELATED FRINGE BENEFITS	
Line 10	Personnel Expense	0
Line 11	Empl. Benefits & Pensions	51,918
Line 12	Payroll Taxes	221,737
Line 13	Total Fringe Benefits	273,655
Line 14	Total Salaries & Benefits	1,631,146
	MATERIALS PURCHASED	
Line 16	Aircraft Fuel & Oil	84,811
Line 17	Maintenance Materials	68,737
Line 18	Passenger Food	0
Line 19	Other Materials	0
Line 20	Total Materials	153,548
	SERVICES PURCHASED	
Line 22	Advertising & Other Promotion	24,399
Line 23	Communications	93,941
Line 24	Insurance	588,411
Line 25	Outside Flight Eqpt. Maint.	487,294
Line 26	Traffic Commissions - Passenger	0
Line 27	Traffic Commissions - Cargo	18,228
Line 28	Other Services	462,011
Line 29	Total Services	1,674,284
Line 30	LANDING FEES	-2,205
Line 31	RENTALS	1,242,860
Line 32	DEPRECIATION	2,087,385
Line 33	AMORTIZATION	0
Line 34	OTHER	19,231
Line 35	TRANSPORT RELATED EXPENSES	0
Line 36	TOTAL OPERATING EXPENSES	6,806,249

# OPERATING EXPENSES BY OBJECTIVE GROUPING

Quarter Ended: march 31, 1999

Air Carrier:

Schedule P-6

Operation : Latin M6L

LINE#	DESCRIPTION	AMOUNT
-----		
	SALARIES & REL. FRINGE BENEFIT	
	SALARIES:	
Line 3	General Mgmt. Per.	1,366,647
Line 4	Flight Personnel	1,108,590
Line 5	Maintenance Labor	371,446
Line 6	Aircr. & Traffic Hndl. Per.	703,052
Line 7	Other Personnel	0
Line 8	Total Salaries	3,549,735
	RELATED FRINGE BENEFITS	
Line 10	Personnel Expense	0
Line 11	Empl. Benefits & Pensions	42,717
Line 12	Payroll Taxes	536,453
Line 13	Total Fringe Benefits	579,170
Line 14	Total Salaries & Benefits	4,128,905
	MATERIALS PURCHASED	
Line 16	Aircraft Fuel & Oil	3,342,740
Line 17	Maintenance Materials	110,290
Line 18	Passenger Food	0
Line 19	Other Materials	0
Line 20	Total Materials	3,453,030
	SERVICES PURCHASED	
Line 22	Advertising & Other Promotion	36,932
Line 23	Communications	576,210
Line 24	Insurance	369,615
Line 25	Outside Flight Eqpt. Maint.	1,322,038
Line 26	Traffic Commissions - Passenger	0
Line 27	Traffic Commissions - Cargo	530,555
Line 28	Other Services	1,697,369
Line 29	Total Services	4,532,719
Line 30	LANDING FEES	718,636
Line 31	RENTALS	724,596
Line 32	DEPRECIATION	480,570
Line 33	AMORTIZATION	0
Line 34	OTHER	1,151,432
Line 35	TRANSPORT RELATED EXPENSES	652,264
Line 36	TOTAL OPERATING EXPENSES	15,842,152

# OPERATING EXPENSES BY OBJECTIVE GROUPING

Quarter Ended: march 31, 1999  
Schedule P-6

Air Carrier:  
Operation : System M6S

LINE#	DESCRIPTION	AMOUNT
	SALARIES & REL. FRINGE BENEFIT	
	SALARIES:	
Line 3	General Mgmt. Per.	2,375,864
Line 4	Flight Personnel	1,236,047
Line 5	Maintenance Labor	592,263
Line 6	Aircr. & Traffic Hndl. Per.	703,052
Line 7	Other Personnel	0
Line 8	Total Salaries	4,907,226
	RELATED FRINGE BENEFITS	
Line 10	Personnel Expense	0
Line 11	Empl. Benefits & Pensions	94,635
Line 12	Payroll Taxes	758,190
Line 13	Total Fringe Benefits	852,825
Line 14	Total Salaries & Benefits	5,760,051
	MATERIALS PURCHASED	
Line 16	Aircraft Fuel & Oil	3,427,551
Line 17	Maintenance Materials	179,027
Line 18	Passenger Food	0
Line 19	Other Materials	0
Line 20	Total Materials	3,606,578
	SERVICES PURCHASED	
Line 22	Advertising & Other Promotion	61,331
Line 23	Communications	670,151
Line 24	Insurance	958,026
Line 25	Outside Flight Eqpt. Maint.	1,809,332
Line 26	Traffic Commissions - Passenger	0
Line 27	Traffic Commissions - Cargo	548,783
Line 28	Other Services	2,159,380
Line 29	Total Services	6,207,003
Line 30	LANDING FEES	716,431
Line 31	RENTALS	1,967,456
Line 32	DEPRECIATION	2,567,955
Line 33	AMORTIZATION	0
Line 34	OTHER	1,170,663
Line 35	TRANSPORT RELATED EXPENSES	652,264
Line 36	TOTAL OPERATING EXPENSES	22,648,401