

REPORT OF FINANCIAL
AND OPERATING STATISTICS FOR
LARGE CERTIFICATED
AIR CARRIERS

Period ended June 30, 2000

ALOHA AIRLINES, INC.
(Full name of reporting company)

AP ✓

CERTIFICATION*

I, the undersigned

Vice President Finance & Controller
(Title of officer in charge of accounts)

of the

ALOHA AIRLINES, INC.
(Full name of reporting company)

do certify that this report and all schedules, ADP-media submissions, Passenger Origin-Destination Survey submissions and supporting documents which are submitted herewith or have been submitted heretofore as parts of this report filed for the above indicated period have been prepared under my direction; that I have carefully examined them and declare that they correctly reflect the accounts and records of the company, and to the best of my knowledge and belief are a complete and accurate statement, after adjustments to reflect full accruals, of the operating revenues and expenses, income items, assets, liabilities, capital, retained earnings, and operating statistics for the periods reported in the several schedules, the Schedule T-100 ADP-media submissions, and the Passenger Origin-Destination Survey; that the various items herein reported were determined in accordance with the Uniform System of Accounts and Reports for Large Certificated Air Carriers prescribed by the Department of Transportation; and that the data contained herein are reported on a basis consistent with that of the preceding report except as specifically noted in the financial and statistical statements.



(Signature)

Owen K. Sekimura
ALOHA AIRLINES, INC.
P.O. BOX 30028
Honolulu, HI 96820

(Air Carrier Post Office Address)

Dated: August 10, 2000

*Title 18 U.S.C. Sec. 1001, Crimes and Criminal Procedure, makes it a criminal offense subject to a maximum fine of \$10,000 or imprisonment for not more than 5 years, or both, to knowingly and willfully make or cause to be made any false or fraudulent statements or representations in any matter within jurisdiction of any agency of the United States.

BALANCE SHEET

As At: June 30, 2000

Schedule B-1

Air Carrier:

Operation : Domestic AQD

ACCT# DESCRIPTION

AMOUNT

	ASSETS	
	CURRENT ASSETS	
1010	Cash	3,736,691
1100	Short-Term Investments	0
1200	Notes Receivable	0
1270	Accounts Receivable	45,561,163
1290	Less Allow. for Bad Debts	1,819,248
1299	Net Notes & Accounts Receivable	43,741,915
1399	Net Spare Parts & Supplies	7,641,579
1410	Prepaid Items	2,504,993
1420	Other Current Assets	7,452,968
1499	Total Current Assets	65,078,146
	INVESTMENTS IN SPECIAL FUNDS	
1510	Inv. in Associated Companies	2,390,918
1530	Other Investments & Receivables	973,482
1550	Special Funds	1,550,908
1599	Total Inv. & Special Funds	4,915,308
	OPERATING PROPERTY & EQUIPMENT	
1609	Flight Equipment	51,472,123
1649	Ground-Property and Equipment	22,461,075
1668	Less Allowance for Depreciation	24,464,055
1675	Property & Equipment - Net	49,469,143
1679	Land	0
1685	Purchase Dep. & Adv. Payments	0
1689	Construction Work-in-progress	2,707,431
1695	Leased Property - Cap. Leases	0
1696	Accum. Amort. Capital Leases	0
1699	Total Oper. Prop. & Equipment	52,176,574
	NONOPERATING PROP. & EQUIPMENT	
1791		0
1792	Less Allow. for Depr. - Nonop.	0
1799	Net Nonoperating Prop. & Eqmt.	0
	OTHER ASSETS	
1820	Long-term Prepayments	33,268,668
1830	Unamort. Dev. & Preop. Costs	10,427,367
1890	Other Assets and Def. Charges	956,880
1895	Total Other Assets	44,652,915
1899	TOTAL ASSETS	166,822,943

BALANCE SHEET

As At: June 30, 2000

Air Carrier:

Schedule B-1

Operation : Domestic AQD

ACCT# DESCRIPTION

AMOUNT

	LIABILITIES & STOCKHOLDERS' EQ.	
	CURRENT LIABILITIES	
2000	Curr. Maturities of L-T Debt	29,310,502
2005	Notes Payable - Banks	0
2015	Notes Payable - Others	0
2021	Trade Accts. Payable	30,829,340
2025	Accts. Payable - Other	0
2080	Curr. Oblig. Under Cap. Leases	488,947
2110	Accrued Salaries & Wages	2,804,924
2120	Accrued Vacation Pay	5,156,111
2125	Accrued Interest	308,709
2130	Accrued Taxes	-2,093,417
2140	Dividends Declared	-1,029
2160	Air Traffic Liability	36,204,804
2190	Other Current Liabilities	9,819,728
2199	Total Current Liabilities	112,828,619
	NONCURRENT LIABILITIES	
2210	Long-term Debt	103,965
2240	Advances from Assoc. Companies	13,957,000
2250	Pension Liability	12,764,626
2280	Noncurrent Obgl.-Capital Leases	7,429,273
2290	Other Noncurrent Liabilities	-7,791,039
2299	Total Noncurrent Liabilities	26,463,825
	DEFERRED CREDITS	
2340	Deferred Income Taxes	14,806,712
2345	Deferred Investment Tax Credits	0
2390	Other Deferred Credits	1,781,831
2399	Total Deferred Credits	16,588,543
	STOCKHOLDERS' EQUITY	
2820	Preferred Shares Issued	42,166
2840	Common Shares Issued	2,487,329
2860	Subscribed & Unissued	0
2869	Total Capital Stock	2,529,495
2890	Additional Capital Invested	6,999,505
2899	Total Paid in Capital	9,529,000
2900	Retained Earnings	1,412,956
2959	Total Stockholders' Equity	10,941,956
2990	Less Treasury Stock	0
2995	Net Stockholders' Equity	10,941,956
2999	Total Liab. & Stockholders' Eq.	166,822,943
2820A	No. of Preferred Shares Issued	32,394
2840A	No. of Common Shares Issued	2,014,638

U.S. Department
of Transportation

**AIRFRAME AND AIRCRAFT ENGINE ACQUISITIONS
AND RETIREMENTS**

Air Carrier ALOHA AIRLINES, INC.

Research and
Special Programs Administration

Qtr. Ended June 30, 2000

Year of First Delivery (Airframe)	Airframe Manufacturer's Serial Number	Date Acquired or Retired	Acquisition or Retirement "A" or "R"	Airframe License Number	Number of Engines Acquired/ Retired	Type, Model and Cabin Design	Maximum Seating Capacity	Cost	Amortized/ Depreciated Cost	Realization	Acquired From/ Disposition
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
1						*****NONE*****					
2											
3											
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U.S. Department of Transportation
Research and Special Programs
Administration

Air Carrier:

ALOHA AIRLINES, INC.

Quarter Ended:

June 30, 2000

STATEMENT OF CASH FLOWS

CASH AND CASH EQUIVALENTS AT BEGINNING OF QUARTER	<u>3,482,437</u>
CASH FLOWS FROM OPERATING ACTIVITIES:	
Net Income (or Loss)	<u>519,158</u>
Adjustments to reconcile net income to net cash provided (used) by operating activities:	
Increase (decrease) in accounts payable to affiliates	
Depreciation	<u>1,500,616</u>
Amortization	<u>629,997</u>
Provision (credit) for deferred income taxes	<u>1,138,976</u>
Decrease (increase) in receivable	<u>(2,545,048)</u>
Decrease (increase) spare parts and supplies, prepaid items and other current assets	<u>(3,037,536)</u>
Increase (decrease) in air traffic liability	<u>2,888,424</u>
Increase (decrease) in other accounts payable	<u>2,681,767</u>
Increase (decrease) in other accrued liabilities	<u>637,948</u>
Increase (decrease) in accrued income taxes	<u>319,374</u>
Other, net	<u>602,647</u>
Net Cash provided (used) by operating activities	<u>5,336,323</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Acquisition of property and equipment	<u>(6,006,898)</u>
Proceeds from disposition of property and equipment	
Cash received (advanced) affiliates	
Other, net	<u>(11,671)</u>
Net Cash provided (used) by investing activities	<u>(6,018,569)</u>
CASH FLOWS FROM FINANCING ACTIVITIES	
Borrowing from affiliate	
Proceeds from issuance of Long-term debt	
Payments on long-term debt	<u>(1,153,531)</u>
Payments under capital lease obligations	<u>(409,969)</u>
Net borrowings under line-of-credit agreement	<u>2,500,000</u>
Proceeds from issuance of common stock	
Dividends paid	
Other, net	
Net Cash provided (used) by financing activities	<u>936,500</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	<u>254,254</u>
CASH AND CASH EQUIVALENTS AT END OF QUARTER	<u>3,736,691</u>

STATEMENT OF OPERATIONS

Quarter Ended: June 30, 2000
 Schedule P-1.2 Group II
 ACCT# DESCRIPTION

Air Carrier:
 Operation : Domestic AQD
 AMOUNT

	OPERATING REVENUES	
3901	Transport Revenues - Passenger	62,723,344
3905	Mail	1,704,895
3906.1	Property - Freight	6,406,692
3906.2	Property - Excess Baggage	131,797
3907.1	Charter - Passenger	157,295
3907.2	Charter - Property	0
3919.1	Reserv. Cancellation Fees	0
3919.2	Misc. Operating Revenues	359,094
4808	Public Service Subsidy	0
4898	Transport Related	856,548
4999	Total Operating Revenue	72,339,665
	OPERATING EXPENSES	
5100	Flying Operations	25,780,913
5400	Maintenance	11,336,661
5500	Passenger Service	4,812,152
6400	Aircraft & Traffic Servicing	13,513,012
6700	Promotion & Sales	8,673,988
6800	General & Administrative	4,521,319
7000	Depreciation & Amortization	2,130,612
7100	Transport Related Expenses	533,336
7199	Total Operating Expenses	71,301,993
7999	Operating Profit or Loss	1,037,672
	NONOPERATING EXPENSE (INCOME)	
8181	Int. Exp. (Inc.) on L-T-D & Cap. Leases	347,010
8182	Other Interest Expense (Income)	716,582
8185	Foreign Exchange (Gain) or Loss	14,264
8188.5	Capital (Gains)/Losses- Op. Prop.	6,015
	Capital (Gains)/Losses- Other	
8189	Other Expense (Income) - Net	-498,221
8199	Nonoperating Expense (Income)	585,650
8999	Income Before Income Taxes	452,022
9100	Income Tax Expense	-67,137
9199	Inc. Bf. Disc. Ops & Other Items	519,159
9600	Discontinued Operations	0
9796	Extraordinary Items	0
9797	Inc. Tax Appl. To Extraord. Item	0
9799	Income Before Account. Changes	519,159
9800	Accounting Changes	0
9899	Net Income	519,159

U.S. Department of Transportation
Research and Special Programs
Administration

Air Carrier: ALOHA AIRLINES, INC.
Operation: DOMESTIC
Quarter Ended: June 30, 2000

NOTES TO RSPA FORM 41 REPORT

Free and Reduced Rate Transportation:

<u>Quarter</u>	<u>Revenue</u>	<u>Passenger Miles (000)</u>
2nd	201,539	10,689

PFC Amount included in Account 2190

PFC Amount in Account 2190 at Beginning of Quarter	(25,302.00)
Total Amount Collected in Trust for Public Agencies	(65,391.00)
Total Amount Remitted to Public Agencies	69,475.56
Adjustments (Collection compensation, PFC refunds)	<u>6,457.44</u>
PFC Amount in Account 2190 at End of Quarter	<u>(14,760.00)</u>

AIRCRAFT OPERATING EXP. - Sch. P-5.2 Grp II & III Qtr: June 30, 2000							
Air Carrier:		Operation: Domestic		AGD			
ACCT #	DESCRIPTION	Total Exp Code 9999	B-737-7L Code 6121	B-737-1/2 Code 6201	B-737-1/2 Code 6202	B-737-2C Code 6211	B-737-2C Code 6212
FLYING OPERATIONS							
5123	Pilots and Copilots	5,019,888	761,701	2,784,513	3,415	942,518	527,741
5124	Other Flight Personnel	0	0	0	0	0	0
5128.1	Trainees and Instructors	0	0	0	0	0	0
5136	Personnel Expenses	199,613	79,639	89,231	3	30,203	537
5141	Prof. & Tech. Fees & Exp.	0	0	0	0	0	0
5143.7	Aircraft Interch. -Outside	0	0	0	0	0	0
5145.1	Aircraft Fuel	9,466,980	1,199,555	5,469,011	6,090	1,851,182	941,142
5145.2	Aircraft Oil	90,475	0	37,711	0	12,764	0
5147	Aircraft Rentals	8,733,242	1,875,000	6,450,638	7,104	265,531	134,969
5153	Other Supplies	0	0	0	0	0	0
5155.1	Insur. Purch. - General	153,314	42,014	73,629	82	24,923	12,666
5157	Empl. Benefits and Pensions	771,025	82,256	497,598	146	168,430	22,595
5158	Injuries, Loss and Damage	0	0	0	0	0	0
5168	Taxes-Payroll	388,712	60,699	214,409	264	72,574	40,766
5169	Taxes-Other Than Payroll	899,739	107,147	523,775	588	177,290	90,939
5171	Other Expense	97,925	26,760	53,168	0	17,997	0
5199	Total Flying Operations	25,780,913	4,234,771	16,193,683	17,692	3,563,412	1,771,355
DIRECT MAINTENANCE-FLIGHT EQUIP							
5225.1	Maint Airf. Labor	506,459	850	0	1,099	334,507	170,003
5225.2	Maint Eng. Labor	1,018,030	0	988,244	65	19,706	10,015
5243.1	Maint Airf. Outside Rep.	1,118,208	2,642	58,218	2,299	699,532	355,517
5243.2	Maint Eng. Outside Rep.	2,673,142	0	2,066,649	1,319	401,250	203,924
5243.7	Maint AC Interch. Chrgs-O/S	1,185,427	0	1,185,427	0	0	0
5246.1	Maint Materials - Airframe	236,227	98,237	0	300	91,293	46,397
5246.2	Maint Materials - Engines	424,208	0	269,711	336	102,214	51,947
5272.1	Maint Airfrm Airworth. Provs.	301,973	0	301,973	0	0	0
5272.3	Maint Airfrm O/H Deferred	0	0	0	0	0	0
5272.6	Maint AC Eng. Airworth. Prov	2,795,388	264,960	1,650,027	2,059	558,549	319,793
5272.8	Maint AC Eng. O/H Def. (cr.)	-2,676,374	0	-1,770,421	-1,873	-599,240	-304,840
5278	Total Dir Maint-Flt.Eqpt	7,582,688	366,689	4,749,828	5,604	1,607,811	852,756
5279.6	APPL. MAINT BURDEN FLT. EQ.	1,582,709	208,449	909,127	1,011	307,728	156,394
5299	Total Flt. Eq. Maint. (Memo)	9,165,397	575,138	5,658,955	6,615	1,915,539	1,009,150
7073.9	NET OBSL & DETER.- EXP. PARTS	66,183	0	49,446	0	16,737	0
DEPRECIATION - FLIGHT EQUIPMENT							
7075.1	Depr. Airframes	561,795	0	0	0	372,489	189,306
7075.2	Depr. Aircraft Engines	217,926	0	0	0	144,492	73,434
7075.3	Depr. Airframe Parts	102,015	58,582	32,449	0	10,984	0
7075.4	Depr. Engine Parts	9,948	0	7,432	0	2,516	0
7075.5	Depr. Other Flt Eqp.	277,582	0	207,385	0	70,197	0
7076.1	Amort. Cap. Leases Flt.Eqpt.	0	0	0	0	0	0
EXPENSE OF INTERCHANGE AIRCRAFT							
7098.1	Exp. of Interch. AC- Flt. Ops	0	0	0	0	0	0
7098.2	Exp. of Interch. AC- Maint.	0	0	0	0	0	0
7098.9	Total Aircraft Operating Expens	36,181,759	4,868,491	22,149,350	24,307	6,096,366	3,043,245
OTHER DEPRECIATION & AMORTIZATI							
7074.1	Amortization Developmental &Pre	624,190					
7074.2	Amortization Other Intangibles	5,807					
7075.8	Depreciation Hangar & Maint. Eq	27,999					
7075.9	Depreciation Ground Property	237,167					
7076.2	Amort. Capital Leases Other	0					

OPERATING EXPENSES BY OBJECTIVE GROUPING

Quarter Ended: June 30, 2000

Air Carrier:

Schedule P-6

Operation : Domestic AQD

LINE#	DESCRIPTION	AMOUNT

	SALARIES & REL. FRINGE BENEFIT	
	SALARIES:	
Line 3	General Mgmt. Per.	1,096,891
Line 4	Flight Personnel	7,091,953
Line 5	Maintenance Labor	2,486,311
Line 6	Aircr. & Traffic Hndl. Per.	7,891,318
Line 7	Other Personnel	3,050,742
Line 8	Total Salaries	21,617,215
	RELATED FRINGE BENEFITS	
Line 10	Personnel Expense	998,046
Line 11	Empl. Benefits & Pensions	2,304,628
Line 12	Payroll Taxes	1,847,394
Line 13	Total Fringe Benefits	5,150,068
Line 14	Total Salaries & Benefits	26,767,283
	MATERIALS PURCHASED	
Line 16	Aircraft Fuel & Oil	10,417,195
Line 17	Maintenance Materials	1,219,540
Line 18	Passenger Food	919,827
Line 19	Other Materials	1,149,749
Line 20	Total Materials	13,706,311
	SERVICES PURCHASED	
Line 22	Advertising & Other Promotion	2,521,167
Line 23	Communications	378,561
Line 24	Insurance	702,183
Line 25	Outside Flight Eqpt. Maint.	5,113,920
Line 26	Traffic Commissions - Passenger	1,118,505
Line 27	Traffic Commissions - Cargo	618
Line 28	Other Services	5,009,716
Line 29	Total Services	14,844,670
Line 30	LANDING FEES	1,477,731
Line 31	RENTALS	10,908,794
Line 32	DEPRECIATION	1,500,616
Line 33	AMORTIZATION	629,997
Line 34	OTHER	933,255
Line 35	TRANSPORT RELATED EXPENSES	533,336
Line 36	TOTAL OPERATING EXPENSES	71,301,993