

REPORT OF FINANCIAL
AND OPERATING STATISTICS FOR
LARGE CERTIFICATED
AIR CARRIERS

Period ended September 30, 2000

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

CERTIFICATION*

I, the undersigned

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

AP ✓

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: November 6, 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: September 30, 2000

Air Carrier:

Schedule B-1

Operation : Domestic AQD

ACCT# DESCRIPTION

AMOUNT

	ASSETS	
	CURRENT ASSETS	
1010	Cash	8,285,929
1100	Short-Term Investments	0
1200	Notes Receivable	0
1270	Accounts Receivable	36,885,321
1290	Less Allow. for Bad Debts	1,974,848
1299	Net Notes & Accounts Receivable	34,910,473
1399	Net Spare Parts & Supplies	8,345,854
1410	Prepaid Items	2,499,172
1420	Other Current Assets	7,978,682
1499	Total Current Assets	62,020,110
	INVESTMENTS IN SPECIAL FUNDS	
1510	Inv. in Associated Companies	2,390,918
1530	Other Investments & Receivables	950,822
1550	Special Funds	1,549,934
1599	Total Inv. & Special Funds	4,891,674
	OPERATING PROPERTY & EQUIPMENT	
1609	Flight Equipment	49,934,680
1649	Ground-Property and Equipment	21,583,699
1668	Less Allowance for Depreciation	25,506,418
1675	Property & Equipment - Net	46,011,961
1679	Land	0
1685	Purchase Dep. & Adv. Payments	0
1689	Construction Work-in-progress	1,175,084
1695	Leased Property - Cap. Leases	8,139,372
1696	Accum. Amort. Capital Leases	278,508
1699	Total Oper. Prop. & Equipment	55,047,909
1791	NONOPERATING PROP. & EQUIPMENT	0
1792	Less Allow. for Depr. - Nonop.	0
1799	Net Nonoperating Prop. & Eqmt.	0
	OTHER ASSETS	
1820	Long-term Prepayments	34,498,643
1830	Unamort. Dev. & Preop. Costs	9,887,643
1890	Other Assets and Def. Charges	1,055,193
1895	Total Other Assets	45,441,479
1899	TOTAL ASSETS	167,401,172

BALANCE SHEET

As At: September 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	1,134,748
2005	Notes Payable - Banks	0
2015	Notes Payable - Others	0
2021	Trade Accts. Payable	54,174,053
2025	Accts. Payable - Other	0
2080	Curr. Oblig. Under Cap. Leases	467,564
2110	Accrued Salaries & Wages	2,610,230
2120	Accrued Vacation Pay	5,403,458
2125	Accrued Interest	201,443
2130	Accrued Taxes	-1,907,426
2140	Dividends Declared	-1,029
2160	Air Traffic Liability	41,268,137
2190	Other Current Liabilities	10,036,262
2199	Total Current Liabilities	113,387,440
	NONCURRENT LIABILITIES	
2210	Long-term Debt	0
2240	Advances from Assoc. Companies	13,957,000
2250	Pension Liability	12,889,446
2280	Noncurrent Obgl.-Capital Leases	7,549,166
2290	Other Noncurrent Liabilities	-9,089,916
2299	Total Noncurrent Liabilities	25,305,696
	DEFERRED CREDITS	
2340	Deferred Income Taxes	15,422,011
2345	Deferred Investment Tax Credits	0
2390	Other Deferred Credits	1,776,906
2399	Total Deferred Credits	17,198,917
	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	1,980,119
2959	Total Stockholders' Equity	11,509,119
2990	Less Treasury Stock	0
2995	Net Stockholders' Equity	11,509,119
2999	Total Liab. & Stockholders' Eq.	167,401,172
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 Research and Special Programs Administration										Air Carrier <u>ALOHA AIRLINES, INC.</u> Qtr. Ended <u>September 30, 2000</u>		
	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)
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U.S. Department of Transportation
Research and Special Programs
Administration

Air Carrier:
Quarter Ended:

ALOHA AIRLINES, INC.
September 30, 2000

STATEMENT OF CASH FLOWS

CASH AND CASH EQUIVALENTS AT BEGINNING OF QUARTER	3,736,691
CASH FLOWS FROM OPERATING ACTIVITIES:	
Net Income (or Loss)	567,163
Adjustments to reconcile net income to net cash provided (used) by operating activities:	
Increase (decrease) in accounts payable to affiliates	0
Depreciation	1,901,553
Amortization	629,997
Provision (credit) for deferred income taxes	89,585
Decrease (increase) in receivable	8,831,442
Decrease (increase) spare parts and supplies, prepaid items and other current assets	(698,454)
Increase (decrease) in air traffic liability	5,063,333
Increase (decrease) in other accounts payable	23,344,713
Increase (decrease) in other accrued liabilities	2,561
Increase (decrease) in accrued income taxes	345,351
Other, net	1,154,463
Net Cash provided (used) by operating activities	41,231,707
CASH FLOWS FROM INVESTING ACTIVITIES	
Acquisition of property and equipment	(8,280,606)
Proceeds from disposition of property and equipment	0
Cash received (advanced) affiliates	0
Other, net	(23,634)
Net Cash provided (used) by investing activities	(8,304,240)
CASH FLOWS FROM FINANCING ACTIVITIES	
Borrowing from affiliate	
Proceeds from issuance of Long-term debt	
Payments on long-term debt	(20,279,719)
Payments under capital lease obligations	(98,510)
Net borrowings under line-of-credit agreement	(8,000,000)
Proceeds from issuance of common stock	
Dividends paid	
Other, net	
Net Cash provided (used) by financing activities	(28,378,229)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	4,549,238
CASH AND CASH EQUIVALENTS AT END OF QUARTER	8,285,929

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

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

NOTES TO RSPA FORM 41 REPORT

Free and Reduced Rate Transportation:

<u>Quarter</u>	<u>Revenue</u>	<u>Passenger Miles (000)</u>
3rd	168,786	12,871

PFC Amount included in Account 2190

PFC Amount in Account 2190 at Beginning of Quarter	(14,760.00)
Total Amount Collected in Trust for Public Agencies	(61,362.00)
Total Amount Remitted to Public Agencies	50,527.68
Adjustments (Collection compensation, PFC refunds)	<u>6,937.32</u>
PFC Amount in Account 2190 at End of Quarter	<u><u>(18,657.00)</u></u>

STATEMENT OF OPERATIONS

Quarter Ended: September 30, 2000

Air Carrier:

Schedule P-1.2 Group II

Operation : Domestic AQD

ACCT# DESCRIPTION

AMOUNT

	OPERATING REVENUES	
3901	Transport Revenues - Passenger	63,491,077
3905	Mail	1,601,294
3906.1	Property - Freight	7,189,607
3906.2	Property - Excess Baggage	133,965
3907.1	Charter - Passenger	248,340
3907.2	Charter - Property	0
3919.1	Reserv. Cancellation Fees	0
3919.2	Misc. Operating Revenues	328,401
4808	Public Service Subsidy	0
4898	Transport Related	946,454
4999	Total Operating Revenue	73,939,138
	OPERATING EXPENSES	
5100	Flying Operations	27,703,757
5400	Maintenance	9,711,712
5500	Passenger Service	4,812,543
6400	Aircraft & Traffic Servicing	13,625,011
6700	Promotion & Sales	8,070,090
6800	General & Administrative	5,604,708
7000	Depreciation & Amortization	2,531,549
7100	Transport Related Expenses	604,354
7199	Total Operating Expenses	72,663,724
7999	Operating Profit or Loss	1,275,414
	NONOPERATING EXPENSE (INCOME)	
8181	Int. Exp. (Inc.) on L-T-D & Cap. Leases	341,356
8182	Other Interest Expense (Income)	776,100
8185	Foreign Exchange (Gain) or Loss	5,327
8188.5	Capital (Gains)/Losses- Op.Prop.	0
	Capital (Gains)/Losses- Other	
8189	Other Expense (Income) - Net	-849,468
8199	Nonoperating Expense (Income)	273,315
8999	Income Before Income Taxes	1,002,099
9100	Income Tax Expense	434,936
9199	Inc. Bf. Disc. Ops & Other Items	567,163
9600	Discontinued Operations	0
9796	Extraordinary Items	0
9797	Inc. Tax Appl. To Extraord. Item	0
9799	Income Before Account. Changes	567,163
9800	Accounting Changes	0
9899	Net Income	567,163

OPERATING EXPENSES BY OBJECTIVE GROUPING

Quarter Ended: September 30, 2000
Schedule P-6

Air Carrier: Aloha Airlines
Operation : Domestic AQD

LINE#	DESCRIPTION	AMOUNT
	SALARIES & REL. FRINGE BENEFIT	
	SALARIES:	
Line 3	General Mgmt. Per.	1,150,106
Line 4	Flight Personnel	7,660,719
Line 5	Maintenance Labor	2,117,054
Line 6	Aircr. & Traffic Hndl. Per.	7,971,681
Line 7	Other Personnel	2,836,863
Line 8	Total Salaries	21,736,423
	RELATED FRINGE BENEFITS	
Line 10	Personnel Expense	873,859
Line 11	Empl. Benefits & Pensions	3,305,589
Line 12	Payroll Taxes	1,607,034
Line 13	Total Fringe Benefits	5,786,482
Line 14	Total Salaries & Benefits	27,522,905
	MATERIALS PURCHASED	
Line 16	Aircraft Fuel & Oil	11,957,413
Line 17	Maintenance Materials	761,995
Line 18	Passenger Food	1,162,327
Line 19	Other Materials	1,267,382
Line 20	Total Materials	15,149,117
	SERVICES PURCHASED	
Line 22	Advertising & Other Promotion	1,857,249
Line 23	Communications	495,936
Line 24	Insurance	699,977
Line 25	Outside Flight Eqpt. Maint.	4,436,167
Line 26	Traffic Commissions - Passenger	1,096,044
Line 27	Traffic Commissions - Cargo	730
Line 28	Other Services	4,915,774
Line 29	Total Services	13,501,877
Line 30	LANDING FEES	1,507,627
Line 31	RENTALS	10,952,368
Line 32	DEPRECIATION	1,901,553
Line 33	AMORTIZATION	629,997
Line 34	OTHER	893,926
Line 35	TRANSPORT RELATED EXPENSES	604,354
Line 36	TOTAL OPERATING EXPENSES	72,663,724