

REPORT OF FINANCIAL  
AND OPERATING STATISTICS FOR  
LARGE CERTIFICATED  
AIR CARRIERS

Period ended September 20 00

Polar Air Cargo, Inc.

(Full name of reporting company)

CERTIFICATION\*

I, the undersigned V.P. Of Finance  
(Title of officer in charge of accounts)

of the Polar Air Cargo, 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 period 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.

For Mike Bell

(signature)

100 Oceangate, 15th Floor  
Long Beach, CA 90802

(Air Carrier Post Office Address)

Dated October 20, 20 00

\*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.

POV

## BALANCE SHEET

As At: September 30, 2000

Air Carrier:

Schedule B-1

Operation : Domestic POD

ACCT# DESCRIPTION

AMOUNT

	ASSETS	
	CURRENT ASSETS	
1010	Cash	9,035,562
1100	Short-Term Investments	0
1200	Notes Receivable	0
1270	Accounts Receivable	33,196,466
1290	Less Allow. for Bad Debts	1,718,835
1299	Net Notes & Accounts Receivable	31,477,631
1399	Net Spare Parts & Supplies	0
1410	Prepaid Items	0
1420	Other Current Assets	636,495
1499	Total Current Assets	41,149,688
	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	25,445,657
1649	Ground-Property and Equipment	39,741,653
1668	Less Allowance for Depreciation	20,609,601
1675	Property & Equipment - Net	44,577,709
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	44,577,709
	NONOPERATING PROP. & EQUIPMENT	
1791	Less Allow. for Depr. - Nonop.	0
1792	Net Nonoperating Prop. & Eqmt.	0
1799		0
	OTHER ASSETS	
1820	Long-term Prepayments	0
1830	Unamort. Dev. & Preop. Costs	0
1890	Other Assets and Def. Charges	8,865,403
1895	Total Other Assets	8,865,403
1899	TOTAL ASSETS	94,592,800

## BALANCE SHEET

As At: September 30, 2000

Air Carrier:

Schedule B-1

Operation : Domestic POD

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	0
2025	Accts. Payable - Other	85,828,471
2080	Curr. Oblig. Under Cap. Leases	0
2110	Accrued Salaries & Wages	0
2120	Accrued Vacation Pay	0
2125	Accrued Interest	0
2130	Accrued Taxes	0
2140	Dividends Declared	0
2160	Air Traffic Liability	0
2190	Other Current Liabilities	20,286,636
2199	Total Current Liabilities	106,115,107
	NONCURRENT LIABILITIES	
2210	Long-term Debt	66,314,849
2240	Advances from Assoc. Companies	0
2250	Pension Liability	0
2280	Noncurrent Obgl.-Capital Leases	0
2290	Other Noncurrent Liabilities	0
2299	Total Noncurrent Liabilities	66,314,849
	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	30,000
2860	Subscribed & Unissued	0
2869	Total Capital Stock	30,000
2890	Additional Capital Invested	0
2899	Total Paid in Capital	30,000
2900	Retained Earnings	-77,867,156
2959	Total Stockholders' Equity	-77,837,156
2990	Less Treasury Stock	0
2995	Net Stockholders' Equity	-77,837,156
2999	Total Liab. & Stockholders' Eq.	94,592,800
2820A	No. of Preferred Shares Issued	0
2840A	No. of Common Shares Issued	0



US Department of Transportation  
Research and Special Programs  
Administration

AIRFRAME AND AIRCRAFT ENGINE ACQUISITIONS  
AND RETIREMENTS

Air Carrier Polar Air Cargo, Inc.

Quarter Ended September 30, 2000

L I N E	Year of First Delivery (Airframe)	Airframe Manufacturer's Serial Number	Date Acquired Retired or	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												
2	1979	21730	9/15/00	A	N924FT	4	BOEING 747-200 FREIGHTER		LEASED AIRCRAFT			
3												
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U.S. Department of Transportation  
**Research and Special Programs  
Administration**

Air Carrier: POLAR AIR CARGO

Quarter Ended: September 30, 2000

### STATEMENT OF CASH FLOWS

Cash flows from operation activities		
Net earnings	\$	(9,920,956)
Adjustments to reconcile net earnings to net cash provided by operating activities:		
Depreciation and amortization		1,285,982
Changes in assets and liabilities:		
Receivables - trade		3,510,365
Prepaid expenses		(142,732)
Deposit		
Other assets		(1,214,009)
Accounts payable		7,018,283
Accrued fuel costs		
Accrued flight costs		
Maintenance reserves		398,035
Accrued expenses		
Deferred revenue		
Foreign income taxes payable		
Net cash provided by operating activities		<u>934,968</u>
Cash flows from investing activities:		
Retained Earnings		
Payment for purchase of property and equipment		<u>(2,777,594)</u>
Net cash used in investing activity		<u>(2,777,594)</u>
Cash flows from financing activities:		
Proceeds from long term debt		<u>4,314,711</u>
Net cash provided by financing activities		<u>4,314,711</u>
Net increase (decrease) in cash		2,472,085
Beginning Balances - Cash		6,533,478
Ending Cash Balances	\$	<u>9,005,563</u>

## STATEMENT OF OPERATIONS

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

Air Carrier:  
 Operation : Domestic POD  
 AMOUNT

-----		
	OPERATING REVENUES	
3901	Transport Revenues - Passenger	0
3905	Mail	0
3906.1	Property - Freight	26,895,114
3906.2	Property - Excess Baggage	0
3907.1	Charter - Passenger	0
3907.2	Charter - Property	3,364,562
3919.1	Reserv. Cancellation Fees	0
3919.2	Misc. Operating Revenues	788,042
4808	Public Service Subsidy	0
4898	Transport Related	4,440,259
4999	Total Operating Revenue	35,487,977
	OPERATING EXPENSES	
5100	Flying Operations	17,370,304
5400	Maintenance	7,381,518
5500	Passenger Service	0
6400	Aircraft & Traffic Servicing	5,344,412
6700	Promotion & Sales	882,535
6800	General & Administrative	1,290,224
7000	Depreciation & Amortization	469,143
7100	Transport Related Expenses	5,887,784
7199	Total Operating Expenses	38,625,920
7999	Operating Profit or Loss	-3,137,943
	NONOPERATING EXPENSE (INCOME)	
8181	Int. Exp. (Inc.) on L-T-D & Cap. Leases	860,182
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	439,843
8199	Nonoperating Expense (Income)	1,300,025
8999	Income Before Income Taxes	-4,437,968
9100	Income Tax Expense	-7,687
9199	Inc. Bf. Disc. Ops & Other Items	-4,430,281
9600	Discontinued Operations	0
9796	Extraordinary Items	0
9797	Inc. Tax Appl. To Extraord. Item	0
9799	Income Before Account. Changes	-4,430,281
9800	Accounting Changes	0
9899	Net Income	-4,430,281
9900.7	Full-Time Employees	646
9900.8	Part-Time Employees	68

## STATEMENT OF OPERATIONS

Quarter Ended: September 30, 2000

Air Carrier:

Schedule P-1.2 Group II

Operation : Atlantic POA

ACCT#	DESCRIPTION	AMOUNT
-----		
	OPERATING REVENUES	
3901	Transport Revenues - Passenger	0
3905	Mail	0
3906.1	Property - Freight	7,558,957
3906.2	Property - Excess Baggage	0
3907.1	Charter - Passenger	0
3907.2	Charter - Property	4,987,475
3919.1	Reserv. Cancellation Fees	0
3919.2	Misc. Operating Revenues	221,482
4808	Public Service Subsidy	0
4898	Transport Related	0
4999	Total Operating Revenue	12,767,914
	OPERATING EXPENSES	
5100	Flying Operations	6,850,710
5400	Maintenance	2,911,212
5500	Passenger Service	0
6400	Aircraft & Traffic Servicing	2,107,794
6700	Promotion & Sales	348,065
6800	General & Administrative	508,854
7000	Depreciation & Amortization	185,026
7100	Transport Related Expenses	155,788
7199	Total Operating Expenses	13,067,449
7999	Operating Profit or Loss	-299,535
	NONOPERATING EXPENSE (INCOME)	
8181	Int. Exp. (Inc.) on L-T-D & Cap.Leases	339,249
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	65,274
8199	Nonoperating Expense (Income)	404,523
8999	Income Before Income Taxes	-704,058
9100	Income Tax Expense	-2,392
9199	Inc. Bf. Disc. Ops & Other Items	-701,666
9600	Discontinued Operations	0
9796	Extraordinary Items	0
9797	Inc. Tax Appl. To Extraord.Item	0
9799	Income Before Account. Changes	-701,666
9800	Accounting Changes	0
9899	Net Income	-701,666

## STATEMENT OF OPERATIONS

Quarter Ended: September 30, 2000

Air Carrier:

Schedule P-1.2 Group II

Operation : Latin POL

ACCT#	DESCRIPTION	AMOUNT
	OPERATING REVENUES	
3901	Transport Revenues - Passenger	0
3905	Mail	0
3906.1	Property - Freight	7,089,214
3906.2	Property - Excess Baggage	0
3907.1	Charter - Passenger	0
3907.2	Charter - Property	207,718
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	7,296,932
	OPERATING EXPENSES	
5100	Flying Operations	4,148,947
5400	Maintenance	1,763,097
5500	Passenger Service	0
6400	Aircraft & Traffic Servicing	1,276,528
6700	Promotion & Sales	210,796
6800	General & Administrative	308,174
7000	Depreciation & Amortization	112,056
7100	Transport Related Expenses	94,349
7199	Total Operating Expenses	7,913,947
7999	Operating Profit or Loss	-617,015
	NONOPERATING EXPENSE (INCOME)	
8181	Int. Exp. (Inc.) on L-T-D & Cap. Leases	205,457
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	39,531
8199	Nonoperating Expense (Income)	244,988
8999	Income Before Income Taxes	-862,003
9100	Income Tax Expense	-1,449
9199	Inc. Bf. Disc. Ops & Other Items	-860,554
9600	Discontinued Operations	0
9796	Extraordinary Items	0
9797	Inc. Tax Appl. To Extraord. Item	0
9799	Income Before Account. Changes	-860,554
9800	Accounting Changes	0
9899	Net Income	-860,554



## STATEMENT OF OPERATIONS

Quarter Ended: September 30, 2000

Air Carrier:

Schedule P-1.2 Group II

Operation : Pacific POP

ACCT# DESCRIPTION

AMOUNT

	OPERATING REVENUES	
3901	Transport Revenues - Passenger	0
3905	Mail	0
3906.1	Property - Freight	35,695,972
3906.2	Property - Excess Baggage	0
3907.1	Charter - Passenger	0
3907.2	Charter - Property	7,388,615
3919.1	Reserv. Cancellation Fees	0
3919.2	Misc. Operating Revenues	1,045,913
4808	Public Service Subsidy	0
4898	Transport Related	0
4999	Total Operating Revenue	44,130,500
	OPERATING EXPENSES	
5100	Flying Operations	23,467,531
5400	Maintenance	9,191,647
5500	Passenger Service	0
6400	Aircraft & Traffic Servicing	9,732,610
6700	Promotion & Sales	1,243,086
6800	General & Administrative	1,817,333
7000	Depreciation & Amortization	584,188
7100	Transport Related Expenses	556,384
7199	Total Operating Expenses	46,592,779
7999	Operating Profit or Loss	-2,462,279
	NONOPERATING EXPENSE (INCOME)	
8181	Int. Exp. (Inc.) on L-T-D & Cap. Leases	1,211,602
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	233,121
8199	Nonoperating Expense (Income)	1,444,723
8999	Income Before Income Taxes	-3,907,002
9100	Income Tax Expense	-8,543
9199	Inc. Bf. Disc. Ops & Other Items	-3,898,459
9600	Discontinued Operations	0
9796	Extraordinary Items	0
9797	Inc. Tax Appl. To Extraord. Item	0
9799	Income Before Account. Changes	-3,898,459
9800	Accounting Changes	0
9899	Net Income	-3,898,459

## STATEMENT OF OPERATIONS

Quarter Ended: September 30, 2000

Air Carrier:

Schedule P-1.2 Group II

Operation : System POS

ACCT# DESCRIPTION

AMOUNT

	OPERATING REVENUES	
3901	Transport Revenues - Passenger	0
3905	Mail	0
3906.1	Property - Freight	77,239,257
3906.2	Property - Excess Baggage	0
3907.1	Charter - Passenger	0
3907.2	Charter - Property	15,948,370
3919.1	Reserv. Cancellation Fees	0
3919.2	Misc. Operating Revenues	2,055,437
4808	Public Service Subsidy	0
4898	Transport Related	4,440,259
4999	Total Operating Revenue	99,683,323
	OPERATING EXPENSES	
5100	Flying Operations	51,837,492
5400	Maintenance	21,247,474
5500	Passenger Service	0
6400	Aircraft & Traffic Servicing	18,461,344
6700	Promotion & Sales	2,684,482
6800	General & Administrative	3,924,585
7000	Depreciation & Amortization	1,350,413
7100	Transport Related Expenses	6,694,305
7199	Total Operating Expenses	106,200,095
7999	Operating Profit or Loss	-6,516,772
	NONOPERATING EXPENSE (INCOME)	
8181	Int. Exp. (Inc.) on L-T-D & Cap. Leases	2,616,490
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	777,769
8199	Nonoperating Expense (Income)	3,394,259
8999	Income Before Income Taxes	-9,911,031
9100	Income Tax Expense	-20,071
9199	Inc. Bf. Disc. Ops & Other Items	-9,890,960
9600	Discontinued Operations	0
9796	Extraordinary Items	0
9797	Inc. Tax Appl. To Extraord. Item	0
9799	Income Before Account. Changes	-9,890,960
9800	Accounting Changes	0
9899	Net Income	-9,890,960
9900.7	Full-Time Employees	646
9900.8	Part-Time Employees	68

AIRCRAFT OPERATING EXP. - Sch. P-5.2 Grp II & III		Qtr: September 30, 2000	POD
Air Carrier:		Operation: Domestic	
ACCT #	DESCRIPTION	Total Eqp Code 9999	B-747-1 Code 8162
FLYING OPERATIONS			
5123	Pilots and Copilots	968,957	968,957
5124	Other Flight Personnel	378,880	378,880
5128.1	Trainees and Instructors	36,272	36,272
5136	Personnel Expenses	736,003	736,003
5141	Prof. & Tech. Fees & Exp.	0	0
5143.7	Aircraft Interch. -Outside	0	0
5145.1	Aircraft Fuel	11,251,772	11,251,772
5145.2	Aircraft Oil	0	0
5147	Aircraft Rentals	3,341,920	3,341,920
5153	Other Supplies	0	0
5155.1	Insur. Purch. - General	253,343	253,343
5157	Empl. Benefits and Pensions	156,712	156,712
5158	Injuries, Loss and Damage	-6,227	-6,227
5168	Taxes-Payroll	103,166	103,166
5169	Taxes-Other Than Payroll	0	0
5171	Other Expense	149,505	149,505
5199	Total Flying Operations	17,370,303	17,370,303
DIRECT MAINTENANCE-FLIGHT EQUIP			
5225.1	Maint Airf. Labor	511,543	511,543
5225.2	Maint Eng. Labor	0	0
5243.1	Maint Airf. Outside Rep.	5,280,085	5,280,085
5243.2	Maint Eng. Outside Rep.	0	0
5243.7	Maint AC Interch. Chrgs-O/S	0	0
5246.1	Maint Materials - Airframe	258,120	258,120
5246.2	Maint Materials - Engines	24,915	24,915
5272.1	Maint Airfrm Airworth. Provs.	412,147	412,147
5272.3	Maint Airfrm O/H Deferred	0	0
5272.6	Maint AC Eng. Airworth. Prov	186,839	186,839
5272.8	Maint AC Eng. O/H Def. (cr.)	0	0
5278	Total Dir Maint-Flt.Eqpt	6,673,649	6,673,649
5279.6	APPL. MAINT BURDEN FLT. EQ.	707,869	707,869
5299	Total Flt. Eq. Maint. (Memo)	7,381,518	7,381,518
7073.9	NET OBSL & DETER.- EXP. PARTS	105,014	105,014
DEPRECIATION - FLIGHT EQUIPMENT			
7075.1	Depr. Airframes	58,806	58,806
7075.2	Depr. Aircraft Engines	184,551	184,551
7075.3	Depr. Airframe Parts	0	0
7075.4	Depr. Engine Parts	120,771	120,771
7075.5	Depr. Other Flt Eqp.	0	0
7076.1	Amort. Cap. Leases Flt.Eqpt.	0	0
EXPENSE OF INTERCHANGE AIRCRAFT			
7098.1	Exp. of Interch. AC- Flt. Ops	0	0
7098.2	Exp. of Interch. AC- Maint.	0	0
7098.9	Total Aircraft Operating Expens	25,220,963	25,220,963
OTHER DEPRECIATION & AMORTIZATI			
7074.1	Amortization Developmental &Pre	0	
7074.2	Amortization Other Intangibles	0	
7075.8	Depreciation Hangar & Maint. Eq	0	
7075.9	Depreciation Ground Property	0	
7076.2	Amort. Capital Leases Other	0	

AIRCRAFT OPERATING EXP. - Sch. P-5.2 Grp II & III Qtr: September 30, 2000			
Air Carrier:		Operation: Atlantic POA	
ACCT #	DESCRIPTION	Total Eqp Code 9999	B-747-1 Code 8162
FLYING OPERATIONS			
5123	Pilots and Copilots	382,149	382,149
5124	Other Flight Personnel	149,427	149,427
5128.1	Trainees and Instructors	14,306	14,306
5136	Personnel Expenses	290,274	290,274
5141	Prof. & Tech. Fees & Exp.	0	0
5143.7	Aircraft Interch. -Outside	0	0
5145.1	Aircraft Fuel	4,437,610	4,437,610
5145.2	Aircraft Oil	0	0
5147	Aircraft Rentals	1,318,027	1,318,027
5153	Other Supplies	0	0
5155.1	Insur. Purch. - General	99,916	99,916
5157	Empl. Benefits and Pensions	61,806	61,806
5158	Injuries, Loss and Damage	-2,456	-2,456
5168	Taxes-Payroll	40,688	40,688
5169	Taxes-Other Than Payroll	0	0
5171	Other Expense	58,963	58,963
5199	Total Flying Operations	6,850,710	6,850,710
DIRECT MAINTENANCE-FLIGHT EQUIP			
5225.1	Maint Airfr. Labor	201,749	201,749
5225.2	Maint Eng. Labor	0	0
5243.1	Maint Airfr. Outside Rep.	2,082,424	2,082,424
5243.2	Maint Eng. Outside Rep.	0	0
5243.7	Maint AC Interch. Chrgs-O/S	0	0
5246.1	Maint Materials - Airframe	101,800	101,800
5246.2	Maint Materials - Engines	9,826	9,826
5272.1	Maint Airfrm Airworth. Provs.	162,548	162,548
5272.3	Maint Airfrm O/H Deferred	0	0
5272.6	Maint AC Eng. Airworth. Prov	73,688	73,688
5272.8	Maint AC Eng. O/H Def. (cr.)	0	0
5278	Total Dir Maint-Flt.Eqpt	2,632,035	2,632,035
5279.6	APPL. MAINT BURDEN FLT. EQ.	279,178	279,178
5299	Total Flt. Eq. Maint. (Memo)	2,911,213	2,911,213
7073.9	NET OBSL & DETER.- EXP. PARTS	0	0
DEPRECIATION - FLIGHT EQUIPMENT			
7075.1	Depr. Airframes	41,417	41,417
7075.2	Depr. Aircraft Engines	23,193	23,193
7075.3	Depr. Airframe Parts	72,786	72,786
7075.4	Depr. Engine Parts	0	0
7075.5	Depr. Other Flt Eqp.	47,631	47,631
7076.1	Amort. Cap. Leases Flt.Eqpt.	0	0
EXPENSE OF INTERCHANGE AIRCRAFT			
7098.1	Exp. of Interch. AC- Flt. Ops	0	0
7098.2	Exp. of Interch. AC- Maint.	0	0
7098.9	Total Aircraft Operating Expens	9,946,950	9,946,950
OTHER DEPRECIATION & AMORTIZATI			
7074.1	Amortization Developmental &Pre	0	0
7074.2	Amortization Other Intangibles	0	0
7075.8	Depreciation Hangar & Maint. Eq	0	0
7075.9	Depreciation Ground Property	0	0
7076.2	Amort. Capital Leases Other	0	0

AIRCRAFT OPERATING EXP. - Sch. P-5.2 Grp II & III Qtr: September 30, 2000  
 Air Carrier: Operation: Latin  
 Total Eqp B-747-1  
 Code 9999 Code 8162 POL

ACCT #	DESCRIPTION	Total Eqp Code 9999	B-747-1 Code 8162
	FLYING OPERATIONS		
5123	Pilots and Copilots	231,438	231,438
5124	Other Flight Personnel	90,497	90,497
5128.1	Trainees and Instructors	8,664	8,664
5136	Personnel Expenses	175,796	175,796
5141	Prof. & Tech. Fees & Exp.	0	0
5143.7	Aircraft Interch. -Outside	0	0
5145.1	Aircraft Fuel	2,687,518	2,687,518
5145.2	Aircraft Oil	0	0
5147	Aircraft Rentals	798,227	798,227
5153	Other Supplies	0	0
5155.1	Insur. Purch. - General	60,512	60,512
5157	Empl. Benefits and Pensions	37,431	37,431
5158	Injuries, Loss and Damage	-1,487	-1,487
5168	Taxes-Payroll	24,642	24,642
5169	Taxes-Other Than Payroll	0	0
5171	Other Expense	35,710	35,710
5199	Total Flying Operations	4,148,948	4,148,948
	DIRECT MAINTENANCE-FLIGHT EQUIP		
5225.1	Maint Airf. Labor	122,184	122,184
5225.2	Maint Eng. Labor	0	0
5243.1	Maint Airf. Outside Rep.	1,261,163	1,261,163
5243.2	Maint Eng. Outside Rep.	0	0
5243.7	Maint AC Interch. Chrgs-O/S	0	0
5246.1	Maint Materials - Airframe	61,653	61,653
5246.2	Maint Materials - Engines	5,951	5,951
5272.1	Maint Airfrm Airworth. Provs.	98,443	98,443
5272.3	Maint Airfrm O/H Deferred	0	0
5272.6	Maint AC Eng. Airworth. Prov	44,627	44,627
5272.8	Maint AC Eng. O/H Def. (cr.)	0	0
5278	Total Dir Maint-Flt.Eqpt	1,594,021	1,594,021
5279.6	APPL. MAINT BURDEN FLT. EQ.	169,077	169,077
5299	Total Flt. Eq. Maint. (Memo)	1,763,098	1,763,098
7073.9	NET OBSL & DETER.- EXP. PARTS	0	0
	DEPRECIATION - FLIGHT EQUIPMENT		
7075.1	Depr. Airframes	25,083	25,083
7075.2	Depr. Aircraft Engines	14,046	14,046
7075.3	Depr. Airframe Parts	44,081	44,081
7075.4	Depr. Engine Parts	0	0
7075.5	Depr. Other Flt Eqpt.	28,847	28,847
7076.1	Amort. Cap. Leases Flt.Eqpt.	0	0
	EXPENSE OF INTERCHANGE AIRCRAFT		
7098.1	Exp. of Interch. AC- Flt. Ops	0	0
7098.2	Exp. of Interch. AC- Maint.	0	0
7098.9	Total Aircraft Operating Expens	6,024,103	6,024,103
	OTHER DEPRECIATION & AMORTIZATI		
7074.1	Amortization Developmental &Pre	0	0
7074.2	Amortization Other Intangibles	0	0
7075.8	Depreciation Hangar & Maint. Eq	0	0
7075.9	Depreciation Ground Property	0	0
7076.2	Amort. Capital Leases Other	0	0

AIRCRAFT OPERATING EXP. - Sch. P-5.2 Grp II & III Qtr: September 30, 2000		Operation: Pacific POP	
Air Carrier:		Total Eqp	B-747-1
ACCT #	DESCRIPTION	Code 9999	Code 8162
FLYING OPERATIONS			
5123	Pilots and Copilots	1,206,569	1,206,569
5124	Other Flight Personnel	471,791	471,791
5128.1	Trainees and Instructors	45,167	45,167
5136	Personnel Expenses	916,489	916,489
5141	Prof. & Tech. Fees & Exp.	0	0
5143.7	Aircraft Interch. -Outside	0	0
5145.1	Aircraft Fuel	15,848,586	15,848,586
5145.2	Aircraft Oil	0	0
5147	Aircraft Rentals	4,161,441	4,161,441
5153	Other Supplies	0	0
5155.1	Insur. Purch. - General	315,468	315,468
5157	Empl. Benefits and Pensions	195,142	195,142
5158	Injuries, Loss and Damage	-7,754	-7,754
5168	Taxes-Payroll	128,465	128,465
5169	Taxes-Other Than Payroll	0	0
5171	Other Expense	186,167	186,167
5199	Total Flying Operations	23,467,531	23,467,531
DIRECT MAINTENANCE-FLIGHT EQUIP			
5225.1	Maint Airf. Labor	636,986	636,986
5225.2	Maint Eng. Labor	0	0
5243.1	Maint Airf. Outside Rep.	6,574,891	6,574,891
5243.2	Maint Eng. Outside Rep.	0	0
5243.7	Maint AC Interch. Chrgs-O/S	0	0
5246.1	Maint Materials - Airframe	321,417	321,417
5246.2	Maint Materials - Engines	31,024	31,024
5272.1	Maint Airfrm Airworth. Provs.	513,216	513,216
5272.3	Maint Airfrm O/H Deferred	0	0
5272.6	Maint AC Eng. Airworth. Prov	232,657	232,657
5272.8	Maint AC Eng. O/H Def. (cr.)	0	0
5278	Total Dir Maint-Flt.Eqpt	8,310,191	8,310,191
5279.6	APPL. MAINT BURDEN FLT. EQ.	881,456	881,456
5299	Total Flt. Eq. Maint. (Memo)	9,191,647	9,191,647
7073.9	NET OBSL & DETER.- EXP. PARTS	0	0
DEPRECIATION - FLIGHT EQUIPMENT			
7075.1	Depr. Airframes	130,766	130,766
7075.2	Depr. Aircraft Engines	73,227	73,227
7075.3	Depr. Airframe Parts	229,808	229,808
7075.4	Depr. Engine Parts	0	0
7075.5	Depr. Other Flt Eqp.	150,387	150,387
7076.1	Amort. Cap. Leases Flt.Eqpt.	0	0
EXPENSE OF INTERCHANGE AIRCRAFT			
7098.1	Exp. of Interch. AC- Flt. Ops	0	0
7098.2	Exp. of Interch. AC- Maint.	0	0
7098.9	Total Aircraft Operating Expens	33,243,366	33,243,366
OTHER DEPRECIATION & AMORTIZATI			
7074.1	Amortization Developmental &Pre	0	0
7074.2	Amortization Other Intangibles	0	0
7075.8	Depreciation Hangar & Maint. Eq	0	0
7075.9	Depreciation Ground Property	0	0
7076.2	Amort. Capital Leases Other	0	0

AIRCRAFT OPERATING EXP. - Sch. P-5.2 Grp II & III Qtr: September 30, 2000  
 Air Carrier: Operation: System: POS

ACCT #	DESCRIPTION	Total Exp Code 9999	8-747-1 Code 8162
	FLYING OPERATIONS		
5123	Pilots and Copilots	2,789,113	2,789,113
5124	Other Flight Personnel	1,090,595	1,090,595
5128.1	Trainees and Instructors	104,409	104,409
5136	Personnel Expenses	2,118,562	2,118,562
5141	Prof. & Tech. Fees & Exp.	0	0
5143.7	Aircraft Interch. -Outside	0	0
5145.1	Aircraft Fuel	34,225,486	34,225,486
5145.2	Aircraft Oil	0	0
5147	Aircraft Rentals	9,619,615	9,619,615
5153	Other Supplies	0	0
5155.1	Insur. Purch. - General	729,239	729,239
5157	Empl. Benefits and Pensions	451,091	451,091
5158	Injuries, Loss and Damage	-17,924	-17,924
5168	Taxes-Payroll	296,961	296,961
5169	Taxes-Other Than Payroll	0	0
5171	Other Expense	430,345	430,345
5199	Total Flying Operations	51,837,492	51,837,492
	DIRECT MAINTENANCE-FLIGHT EQUIP		
5225.1	Maint Airf. Labor	1,472,462	1,472,462
5225.2	Maint Eng. Labor	0	0
5243.1	Maint Airf. Outside Rep.	15,198,563	15,198,563
5243.2	Maint Eng. Outside Rep.	0	0
5243.7	Maint AC Interch. Chrgs-O/S	0	0
5246.1	Maint Materials - Airframe	742,990	742,990
5246.2	Maint Materials - Engines	71,716	71,716
5272.1	Maint Airfrm Airworth. Provs.	1,186,354	1,186,354
5272.3	Maint Airfrm O/H Deferred	0	0
5272.6	Maint AC Eng. Airworth. Prov	537,811	537,811
5272.8	Maint AC Eng. O/H Def. (cr.)	0	0
5278	Total Dir Maint-Flt.Eqpt	19,209,896	19,209,896
5279.6	APPL. MAINT BURDEN FLT. EQ.	2,037,580	2,037,580
5299	Total Flt. Eq. Maint. (Memo)	21,247,476	21,247,476
7073.9	NET OBSL & DETER.- EXP. PARTS	105,014	105,014
	DEPRECIATION - FLIGHT EQUIPMENT		
7075.1	Depr. Airframes	256,072	256,072
7075.2	Depr. Aircraft Engines	295,017	295,017
7075.3	Depr. Airframe Parts	346,675	346,675
7075.4	Depr. Engine Parts	120,771	120,771
7075.5	Depr. Other Flt Eqp.	226,865	226,865
7076.1	Amort. Cap. Leases Flt.Eqpt.	0	0
	EXPENSE OF INTERCHANGE AIRCRAFT		
7098.1	Exp. of Interch. AC- Flt. Ops	0	0
7098.2	Exp. of Interch. AC- Maint.	0	0
7098.9	Total Aircraft Operating Expens	74,435,382	74,435,382
	OTHER DEPRECIATION & AMORTIZATI		
7074.1	Amortization Developmental &Pre	0	
7074.2	Amortization Other Intangibles	0	
7075.8	Depreciation Hangar & Maint. Eq	0	
7075.9	Depreciation Ground Property	0	
7076.2	Amort. Capital Leases Other	0	

# OPERATING EXPENSES BY OBJECTIVE GROUPING

Quarter Ended: September 30, 2000

Air Carrier:

Schedule P-6

Operation : Domestic POD

LINE#	DESCRIPTION	AMOUNT
	SALARIES & REL. FRINGE BENEFIT	
	SALARIES:	
Line 3	General Mgmt. Per.	672,194
Line 4	Flight Personnel	1,281,320
Line 5	Maintenance Labor	478,071
Line 6	Aircr. & Traffic Hndl. Per.	73,831
Line 7	Other Personnel	884,218
Line 8	Total Salaries	3,389,634
	RELATED FRINGE BENEFITS	
Line 10	Personnel Expense	1,043,107
Line 11	Empl. Benefits & Pensions	114,710
Line 12	Payroll Taxes	200,563
Line 13	Total Fringe Benefits	1,358,380
Line 14	Total Salaries & Benefits	4,748,014
	MATERIALS PURCHASED	
Line 16	Aircraft Fuel & Oil	11,251,772
Line 17	Maintenance Materials	455,154
Line 18	Passenger Food	0
Line 19	Other Materials	347,528
Line 20	Total Materials	12,054,454
	SERVICES PURCHASED	
Line 22	Advertising & Other Promotion	92,131
Line 23	Communications	900,663
Line 24	Insurance	240,840
Line 25	Outside Flight Eqpt. Maint.	8,318,600
Line 26	Traffic Commissions - Passenger	0
Line 27	Traffic Commissions - Cargo	531,439
Line 28	Other Services	352,496
Line 29	Total Services	10,436,169
Line 30	LANDING FEES	1,345,140
Line 31	RENTALS	3,596,452
Line 32	DEPRECIATION	469,143
Line 33	AMORTIZATION	0
Line 34	OTHER	88,763
Line 35	TRANSPORT RELATED EXPENSES	5,887,784
Line 36	TOTAL OPERATING EXPENSES	38,625,919



# OPERATING EXPENSES BY OBJECTIVE GROUPING

Quarter Ended: September 30, 2000

Air Carrier:

Schedule P-6

Operation : Atlantic POA

LINE#	DESCRIPTION	AMOUNT
-----		
	SALARIES & REL. FRINGE BENEFIT	
	SALARIES:	
Line 3	General Mgmt. Per.	265,108
Line 4	Flight Personnel	505,342
Line 5	Maintenance Labor	188,547
Line 6	Aircr. & Traffic Hndl. Per.	29,118
Line 7	Other Personnel	348,729
Line 8	Total Salaries	1,336,844
	RELATED FRINGE BENEFITS	
Line 10	Personnel Expense	411,393
Line 11	Empl. Benefits & Pensions	45,241
Line 12	Payroll Taxes	79,101
Line 13	Total Fringe Benefits	535,735
Line 14	Total Salaries & Benefits	1,872,579
	MATERIALS PURCHASED	
Line 16	Aircraft Fuel & Oil	4,437,610
Line 17	Maintenance Materials	179,509
Line 18	Passenger Food	0
Line 19	Other Materials	137,062
Line 20	Total Materials	4,754,181
	SERVICES PURCHASED	
Line 22	Advertising & Other Promotion	36,336
Line 23	Communications	355,214
Line 24	Insurance	94,985
Line 25	Outside Flight Eqpt. Maint.	3,280,790
Line 26	Traffic Commissions - Passenger	0
Line 27	Traffic Commissions - Cargo	209,595
Line 28	Other Services	139,022
Line 29	Total Services	4,115,942
Line 30	LANDING FEES	530,512
Line 31	RENTALS	1,418,412
Line 32	DEPRECIATION	185,026
Line 33	AMORTIZATION	0
Line 34	OTHER	35,007
Line 35	TRANSPORT RELATED EXPENSES	155,788
Line 36	TOTAL OPERATING EXPENSES	13,067,447

# OPERATING EXPENSES BY OBJECTIVE GROUPING

Quarter Ended: September 30, 2000

Schedule P-6

Air Carrier:

Operation : Latin POL

LINE#	DESCRIPTION	AMOUNT
	SALARIES & REL. FRINGE BENEFIT	
	SALARIES:	
Line 3	General Mgmt. Per.	160,556
Line 4	Flight Personnel	306,047
Line 5	Maintenance Labor	114,189
Line 6	Aircr. & Traffic Hndl. Per.	17,635
Line 7	Other Personnel	211,198
Line 8	Total Salaries	809,625
	RELATED FRINGE BENEFITS	
Line 10	Personnel Expense	249,149
Line 11	Empl. Benefits & Pensions	27,399
Line 12	Payroll Taxes	47,905
Line 13	Total Fringe Benefits	324,453
Line 14	Total Salaries & Benefits	1,134,078
	MATERIALS PURCHASED	
Line 16	Aircraft Fuel & Oil	2,687,518
Line 17	Maintenance Materials	108,715
Line 18	Passenger Food	0
Line 19	Other Materials	83,008
Line 20	Total Materials	2,879,241
	SERVICES PURCHASED	
Line 22	Advertising & Other Promotion	22,006
Line 23	Communications	215,126
Line 24	Insurance	57,525
Line 25	Outside Flight Eqpt. Maint.	1,986,921
Line 26	Traffic Commissions - Passenger	0
Line 27	Traffic Commissions - Cargo	126,936
Line 28	Other Services	84,195
Line 29	Total Services	2,492,709
Line 30	LANDING FEES	321,290
Line 31	RENTALS	859,023
Line 32	DEPRECIATION	112,056
Line 33	AMORTIZATION	0
Line 34	OTHER	21,201
Line 35	TRANSPORT RELATED EXPENSES	94,349
Line 36	TOTAL OPERATING EXPENSES	7,913,947

# OPERATING EXPENSES BY OBJECTIVE GROUPING

Quarter Ended: September 30, 2000  
Schedule P-6

Air Carrier:  
Operation : Pacific POP

LINE#	DESCRIPTION	AMOUNT
	SALARIES & REL. FRINGE BENEFIT	
	SALARIES:	
Line 3	General Mgmt. Per.	946,814
Line 4	Flight Personnel	1,804,792
Line 5	Maintenance Labor	673,382
Line 6	Aircr. & Traffic Hndl. Per.	103,994
Line 7	Other Personnel	1,245,458
Line 8	Total Salaries	4,774,440
	RELATED FRINGE BENEFITS	
Line 10	Personnel Expense	1,469,259
Line 11	Empl. Benefits & Pensions	161,573
Line 12	Payroll Taxes	282,502
Line 13	Total Fringe Benefits	1,913,334
Line 14	Total Salaries & Benefits	6,687,774
	MATERIALS PURCHASED	
Line 16	Aircraft Fuel & Oil	15,848,586
Line 17	Maintenance Materials	641,103
Line 18	Passenger Food	0
Line 19	Other Materials	489,507
Line 20	Total Materials	16,979,196
	SERVICES PURCHASED	
Line 22	Advertising & Other Promotion	129,771
Line 23	Communications	1,268,621
Line 24	Insurance	339,233
Line 25	Outside Flight Eqpt. Maint.	11,717,092
Line 26	Traffic Commissions - Passenger	0
Line 27	Traffic Commissions - Cargo	748,554
Line 28	Other Services	496,505
Line 29	Total Services	14,699,776
Line 30	LANDING FEES	1,894,685
Line 31	RENTALS	5,065,751
Line 32	DEPRECIATION	584,188
Line 33	AMORTIZATION	0
Line 34	OTHER	125,026
Line 35	TRANSPORT RELATED EXPENSES	556,384
Line 36	TOTAL OPERATING EXPENSES	46,592,780



# EMPLOYMENT STATISTICS BY LABOR CATEGORY

Calendar Year Ended: December 31, 2000  
 Schedule P-10 Group II & III  
 ACCT# DESCRIPTION

Air Carrier: Polar Air Cargo, Inc  
 Operation : Domestic POD  
 AMOUNT

21	General Managment Personnel	19
23	Pilots & Copilots	100
	Other flight personnel:	
24.1	Oth Flt Personnel- Flt Ops	0
24.2	Oth Flt Pers. - Psgr/GenSvc&Adm	0
25	Maintenance Labor	32
26.1	Gen A/C & Traff. Hndl. Personnel	4
26.2	Aircraft Control Personnel	9
26.3	Passenger Handling Personnel	0
26.4	Gen A/C & Traff. Hndl. Personnel	0
28.1	Trainees & Instructors	0
31	Record Keeping & Stst. Personnel	12
33	Traffic Solicitors	12
99.1	Other Personnel	39
99.2	Transport- Related	0
99	Total Weighted Avg CY	227

REVISED

5/07/01

# EMPLOYMENT STATISTICS BY LABOR CATEGORY

Calendar Year Ended: December 31, 2000      Air Carrier: Polar Air Cargo, Inc  
 Schedule P-10 Group II & III      Operation : Atlantic POA  
 ACCT#      DESCRIPTION      AMOUNT

21	General Managment Personnel	12
23	Pilots & Copilots	63
	Other flight personnel:	
24.1	Oth Flt Personnel- Flt Ops	0
24.2	Oth Flt Pers. - Psgr/GenSvc&Adm	0
25	Maintenance Labor	19
26.1	Gen A/C & Traff. Hndl. Personnel	2
26.2	Aircraft Control Personnel	5
26.3	Passenger Handling Personnel	0
26.4	Gen A/C & Traff. Hndl. Personnel	0
28.1	Trainees & Instructors	0
31	Record Keeping & Stst. Personnel	8
33	Traffic Solicitors	8
99.1	Other Personnel	25
99.2	Transport- Related	0
99	Total Weighted Avg CY	142

REVISED

5/87/01

## EMPLOYMENT STATISTICS BY LABOR CATEGORY

Calendar Year Ended: December 31, 2000      Air Carrier: Polar Air Cargo, Inc  
Schedule P-10 Group II & III      Operation : Latin POL

ACCT#	DESCRIPTION	AMOUNT
21	General Managment Personnel	5
23	Pilots & Copilots	25
	Other flight personnel:	
24.1	Oth Flt Personnel- Flt Ops	0
24.2	Oth Flt Pers. - Psgr/GenSvc&Adm	0
25	Maintenance Labor	8
26.1	Gen A/C & Traff. Hndl. Personnel	1
26.2	Aircraft Control Personnel	2
26.3	Passenger Handling Personnel	0
26.4	Gen A/C & Traff. Hndl. Personnel	0
28.1	Trainees & Instructors	0
31	Record Keeping & Stst. Personnel	3
33	Traffic Solicitors	3
99.1	Other Personnel	10
99.2	Transport- Related	0
99	Total Weighted Avg CY	57

**REVISED**

5/07/01

# EMPLOYMENT STATISTICS BY LABOR CATEGORY

Calendar Year Ended: December 31, 2000      Air Carrier: Polar Air Cargo, Inc  
 Schedule P-10 Group II & III      Operation : Pacific POP  
 ACCT#      DESCRIPTION      AMOUNT

21	General Management Personnel	28
23	Pilots & Copilots	144
	Other flight personnel:	
24.1	Oth Flt Personnel- Flt Ops	0
24.2	Oth Flt Pers. - Psgr/GenSvc&Adm	0
25	Maintenance Labor	45
26.1	Gen A/C & Traff. Hndl. Personnel	5
26.2	Aircraft Control Personnel	12
26.3	Passenger Handling Personnel	0
26.4	Gen A/C & Traff. Hndl. Personnel	0
28.1	Trainees & Instructors	0
31	Record Keeping & Stst. Personnel	17
33	Traffic Solicitors	18
99.1	Other Personnel	56
99.2	Transport- Related	0
99	Total Weighted Avg CY	325

REVISED

5/07/01



# EMPLOYMENT STATISTICS BY LABOR CATEGORY

Calendar Year Ended: December 31, 2000  
 Schedule P-10 Group II & III  
 ACCT# DESCRIPTION

Air Carrier: Polar Air Cargo, Inc  
 Operation : System POS

AMOUNT

21	General Managment Personnel	64
23	Pilots & Copilots	332
	Other flight personnel:	
24.1	Oth Flt Personnel- Flt Ops	0
24.2	Oth Flt Pers. - Psgr/GenSvc&Adm	0
25	Maintenance Labor	104
26.1	Gen A/C & Traff. Hndl. Personnel	12
26.2	Aircraft Control Personnel	28
26.3	Passenger Handling Personnel	0
26.4	Gen A/C & Traff. Hndl. Personnel	0
28.1	Trainees & Instructors	0
31	Record Keeping & Stst. Personnel	40
33	Traffic Solicitors	41
99.1	Other Personnel	130
99.2	Transport- Related	0
99	Total Weighted Avg CY	751

REVISED

5/17/01