

BALANCE SHEET

As At: June 30, 2000

Schedule B-1

Air Carrier:

Operation : Domestic U2D

ACCT# DESCRIPTION

AMOUNT

	ASSETS	
	CURRENT ASSETS	
1010	Cash	13,32
1100	Short-Term Investments	1,873,09
1200	Notes Receivable	
1270	Accounts Receivable	150,14
1290	Less Allow. for Bad Debts	
1299	Net Notes & Accounts Receivable	150,14
1399	Net Spare Parts & Supplies	
1410	Prepaid Items	322,09
1420	Other Current Assets	
1499	Total Current Assets	2,358,65
	INVESTMENTS IN SPECIAL FUNDS	
1510	Inv. in Associated Companies	
1530	Other Investments & Receivables	
1550	Special Funds	
1599	Total Inv. & Special Funds	
	OPERATING PROPERTY & EQUIPMENT	
1609	Flight Equipment	
1649	Ground-Property and Equipment	
1668	Less Allowance for Depreciation	
1675	Property & Equipment - Net	
1679	Land	
1685	Purchase Dep. & Adv. Payments	
1689	Construction Work-in-progress	
1695	Leased Property - Cap. Leases	
1696	Accum. Amort. Capital Leases	
1699	Total Oper. Prop. & Equipment	
1791	NONOPERATING PROP. & EQUIPMENT	
1792	Less Allow. for Depr. - Nonop.	
1799	Net Nonoperating Prop. & Eqmt.	
	OTHER ASSETS	
1820	Long-term Prepayments	
1830	Unamort. Dev. & Preop. Costs	
1890	Other Assets and Def. Charges	2,621
1895	Total Other Assets	2,621
1899	TOTAL ASSETS	2,361,275

BALANCE SHEET

As At: June 30, 2000

Air Carrier:

Schedule B-1

Operation : Domestic U2D

ACCT# DESCRIPTION

AMOUNT

	LIABILITIES & STOCKHOLDERS' EQ.	
	CURRENT LIABILITIES	
2000	Curr. Maturities of L-T Debt	
2005	Notes Payable - Banks	
2015	Notes Payable - Others	
2021	Trade Accts. Payable	204,78
2025	Accts. Payable - Other	
2080	Curr. Oblig. Under Cap. Leases	
2110	Accrued Salaries & Wages	
2120	Accrued Vacation Pay	
2125	Accrued Interest	
2130	Accrued Taxes	
2140	Dividends Declared	
2160	Air Traffic Liability	
2190	Other Current Liabilities	780,683
2199	Total Current Liabilities	985,465
	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	0
2299	Total Noncurrent Liabilities	0
	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	15,010
2860	Subscribed & Unissued	0
2869	Total Capital Stock	15,010
2890	Additional Capital Invested	1,485,990
2899	Total Paid in Capital	1,501,000
2900	Retained Earnings	-125,190
2959	Total Stockholders' Equity	1,375,810
2990	Less Treasury Stock	0
2995	Net Stockholders' Equity	1,375,810
2999	Total Liab. & Stockholders' Eq.	2,361,275
2820A	No. of Preferred Shares Issued	0
2840A	No. of Common Shares Issued	0

STATEMENT OF OPERATIONS

Quarter Ended: June 30, 2000

Air Carrier:

Schedule P-1.2 Group I

Operation : Domestic U2D

ACCT# DESCRIPTION

AMOUNT

	OPERATING REVENUES	
3901	Transport Revenue - Passenger	
3905	Mail	
3906.1	Property - Freight	
3906.2	Property - Excess Baggage	
3907.1	Charter - Passenger	
3907.2	Charter - Property	
3919.1	Reserv. Cancellation Fees	
3919.2	Misc. Operating Revenues	-6,34
4808	Public Service Subsidy	
4898	Transport Related	574,99
4999	Total Operating Revenue	568,65
	OPERATING EXPENSES	
5100	Flying Operations	2,349
5400	Maintenance	25,803
6900	General Services and Administration	333,751
7000	Depreciation & Amortization	0
7100	Transport Related Expenses	0
7199	Total Operating Expenses	361,903
7999	Operating Profit or Loss	206,751
	NONOPERATING EXPENSE (INCOME)	
8181	Int. Exp. (Inc.) on L-T-D & Cap. Leases	-25,611
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	0
8199	Nonoperating Expense (Income)	-25,611
8999	Income Before Income Taxes	232,362
9100	Income Tax Expense	0
9199	Inc. Bf. Disc. Ops & Other Items	232,362
9600	Discontinued Operations	0
9796	Extraordinary Items	0
9797	Inc. Tax Appl. To Extraord. Item	0
9799	Income Before Account. Changes	232,362
9800	Accounting Changes	0
9899	Net Income	232,362

AIRCRAFT OPERATING EXP. - Sch. P-5.1 Grp I > 20M Qtr: June 30, 2000
Air Carrier: Operation: Domestic U2D

ACCT #	DESCRIPTION	Total Eqp Code 9999	BAE-ATP Code 4081

DIRECT EXPENSES:			
FLYING OPERATIONS (Less Rentals			
3	Pilots and Copilots (S&W &Benef	2,349	2,349
4	Aircraft Fuel and Oil	0	0
5	Other	0	0
6	Total Flying Ops. (Less Rentals	2,349	2,349

7	Maintenance - Flight Equipment	25,803	25,803
8	Depr. & Rental - Flight Equipme	0	0
9	Total Direct Expenses	28,152	28,152

OPERATING EXPENSES BY OBJECTIVE GROUPING

Quarter Ended: June 30, 2000

Air Carrier:

Schedule P-6

Operation : Domestic U2D

LINE#	DESCRIPTION	AMOUNT
	SALARIES & REL. FRINGE BENEFIT	
	SALARIES:	
Line 3	General Mgmt. Per.	
Line 4	Flight Personnel	1,272
Line 5	Maintenance Labor	
Line 6	Aircr. & Traffic Hndl. Per.	
Line 7	Other Personnel	
Line 8	Total Salaries	1,272
	RELATED FRINGE BENEFITS	
Line 10	Personnel Expense	3,210
Line 11	Empl. Benefits & Pensions	
Line 12	Payroll Taxes	97
Line 13	Total Fringe Benefits	3,307
Line 14	Total Salaries & Benefits	4,579
	MATERIALS PURCHASED	
Line 16	Aircraft Fuel & Oil	
Line 17	Maintenance Materials	715
Line 18	Passenger Food	
Line 19	Other Materials	97,806
Line 20	Total Materials	98,521
	SERVICES PURCHASED	
Line 22	Advertising & Other Promotion	
Line 23	Communications	2,247
Line 24	Insurance	
Line 25	Outside Flight Eqpt. Maint.	15,497
Line 26	Traffic Commissions - Passenger	
Line 27	Traffic Commissions - Cargo	
Line 28	Other Services	43,333
Line 29	Total Services	61,077
Line 30	LANDING FEES	
Line 31	RENTALS	10,364
Line 32	DEPRECIATION	
Line 33	AMORTIZATION	
Line 34	OTHER	187,364
Line 35	TRANSPORT RELATED EXPENSES	
Line 36	TOTAL OPERATING EXPENSES	361,900