

AIR AMERICA, INC.  
STATEMENT OF OPERATING RESULTS  
AND RETAINED EARNINGS

	<u>For the</u> <u>Six Months Ended</u> <u>September 30, 1973</u>	<u>For the</u> <u>Twelve Months Ended</u> <u>March 31, 1973</u>
<b><u>Transport and Other Operations:</u></b>		
<b><u>Revenues:</u></b>		
Contract Flying	\$15,890,163	\$33,297,393
Personnel Service	5,601,143	12,352,607
CAL Sub-Contract	720,091	1,431,990
Ground Handling	304	123,917
Aircraft Rental	227,400	873,952
Other	36,221	57,116
Total Revenues	<u>22,475,322</u>	<u>48,136,975</u>
<b><u>Expenses:</u></b>		
Flying Operations	9,382,101	20,063,840
Direct Maintenance	2,845,440	5,994,723
Passenger Service	124,881	360,331
Aircraft Servicing	4,504,376	8,476,770
Traffic Servicing	410,497	736,541
CAL Sub-Contract Expenses	659,652	1,315,096
Total Expenses	<u>17,926,947</u>	<u>36,947,301</u>
Gross Profit - Transport and Other Operations	<u>4,548,375</u>	<u>11,189,674</u>
<b><u>Customer Maintenance:</u></b>		
Sales	3,390,938	8,360,642
Cost of Sales	<u>3,230,397</u>	<u>7,742,064</u>
Gross Profit - Customer Maintenance	<u>160,541</u>	<u>618,578</u>
<b><u>General Expenses:</u></b>		
General and Administrative	2,873,831	6,319,906
Depreciation and Amortization	<u>1,127,373</u>	<u>3,513,053</u>
Total General Expenses	<u>4,001,204</u>	<u>9,832,959</u>
<b>NET OPERATING INCOME</b>	<b>707,712</b>	<b>1,975,293</b>
Gain on Sale of Boeing 727s	-0-	2,050,908
Non-operating Income (Expense) - Net	<u>239,212</u>	<u>433,482</u>
<b>INCOME BEFORE PROVISION FOR INCOME TAXES</b>	<b>946,924</b>	<b>4,459,683</b>
Provision for Income Taxes	<u>652,000</u>	<u>2,469,772</u>
<b>NET INCOME</b>	<b>294,924</b>	<b>1,989,911</b>
Retained Earnings, Beginning of Period	8,074,024	6,084,113
<b>DIVIDEND INCOME</b>	<b>6,687,736</b>	
Dividends \$35.00/Share	<u>(7,007,000)</u>	
<b>Retained Earnings, End of Period</b>	<b><u>\$ 8,049,684</u></b>	<b><u>\$ 8,074,024</u></b>

APPROVED FOR RELEASE   
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