

Privacy Act Statement. Every registration statement, short form registration statement, supplemental statement, exhibit, amendment, dissemination report, copy of political propaganda or other document or information filed with the Attorney General under this act is a public record open to public examination, inspection and copying during the posted business hours of the Registration Unit in Washington, D.C. One copy is automatically provided to the Secretary of State pursuant to Section 6(b) of the Act, and copies of such documents are routinely made available to other agencies, departments and Congress pursuant to Section 6(c) of the Act. Finally, the Attorney General transmits an annual report to the Congress on the Administration of the Act which lists the names of all agents and the nature, sources and content of the political propaganda disseminated or distributed by them. This report is available to the public.

Public Reporting Burden. Public reporting burden for this collection of information is estimated to average 1.5 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden to Chief, Registration Unit, Criminal Division, U.S. Department of Justice, Washington, D.C. 20530; and to the Office of Information and Regulatory Affairs, Office of Management and Budget, Washington, D.C. 20503.

1. Name of Registrant Law Office of Richard Littell	2. Registration No. 4484 <i>sp</i>
--	---

3. This amendment is filed to accomplish the following indicated purpose or purposes:

- ☒ To correct a deficiency in
☐ Initial Statement
☒ Supplemental Statement for the six month
period ending September 30, 1991.
☐ To give notice of change in an exhibit previously filed.
- ☐ To give a 10-day notice of a change in information as required by Section 2(b) of the Act.
☐ Other purpose (specify) _____

4. If this amendment requires the filing of a document or documents, please list-
Statistical Presentation of Cayman Airways Limited Concerning
Excessive U.S. Airline Capacity.

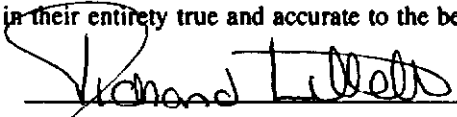
5. Each item checked above must be explained below in full detail together with, where appropriate, specific reference to and identity of the item in the registration statement to which it pertains. If more space is needed, full size insert sheets may be used.

The enclosed document, which was prepared for the U.K. Government, was supplied to Patrick V. Murphy, Deputy Assistant Secretary for Policy and International Affairs at the U.S. Department of Transportation.

I am enclosing my supplemental statement, for the period ending September 30, 1991, as requested by Mr. Clarkson's January 29 letter to me.

RECEIVED
DEPT OF JUSTICE
CRIMINAL DIVISION
92 APR -1 10:47
INTERNAL SECURITY
CRIMINAL DIVISION
REC'D

The undersigned swear(s) or affirm(s) that he has *(they have)* read the information set forth in this amendment and that he is *(they are)* familiar with the contents thereof and that such contents are in their entirety true and accurate to the best of his *(their)* knowledge and belief.


Richard Littell

(All copies of this amendment shall be signed and sworn to before a notary public or other person authorized to administer oaths by the agent, if the registrant is an individual, or by a majority of those partners, officers, directors or persons performing similar functions who are in the United States, if the registrant is an organization.)

Subscribed and sworn to before me at

Washington, DC

this

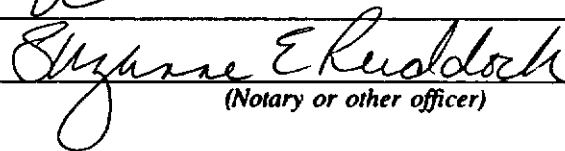
31

day of

March

, 19

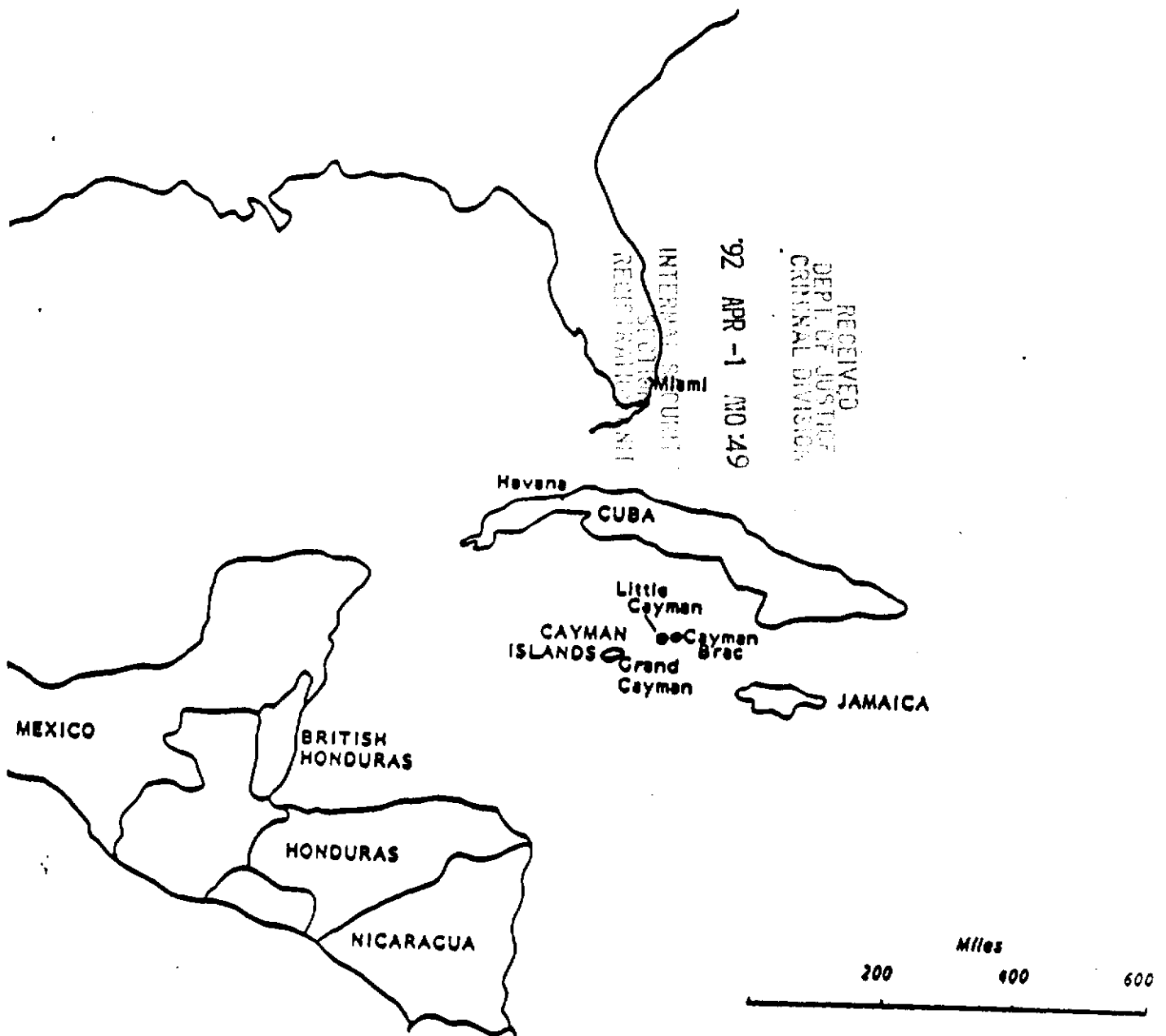
92


(Notary or other officer)

My commission expires

3-31-1995

**STATISTICAL PRESENTATION OF
CAYMAN AIRWAYS LIMITED
CONCERNING
EXCESSIVE U.S. AIRLINE CAPACITY**



MEMORANDUM

TO: His Excellency the Governor
FROM: Honorable Member,
Tourism, Aviation and Trade
DATE 26th February, 1990

SUBJECT: U.S./CAYMAN AIR SERVICES

1. I am enclosing the financial information requested in the United Kingdom Government's FAX of 24 January.

2. The statistical information, which was prepared by Messrs. Devlin and Greenwood of Cayman Airways' staff, has been reviewed and approved by Airline management and by my Office. If the United Kingdom Government officials need any more information, Messrs. Devlin and Greenwood are prepared to go to London to answer any questions.

3. I have attached a narrative Introduction and Summary that represents my Government's position. As there stated, Cayman Airways faces economic ruin as a result of excessive U.S. airline capacity. Cayman Airways' load factors between Miami and Grand Cayman have fallen from 68 percent to 46 percent. Its share of the Miami-Grand Cayman market has been reduced from 68 percent to 43 percent. The Airline expects a 1990 operating loss of \$2,997,270. Unless the U.S. airlines reduce their capacity -- to no more than three daily roundtrips -- the Airline's survival is in jeopardy.

Enclosures

Hon. W. Norman Bodden, O.B.E., J.P.

RECEIVED
DEPT. OF JUSTICE
CRIMINAL DIVISION
92 APR -1 AMO:49
INTERNAL SECURITY
SECTION
REGISTRATION UNIT

INTRODUCTION AND SUMMARY

As a result of excessive U.S. airline competition, Cayman Airways is facing economic ruin. The Cayman Islands Government established the Airline to provide essential air services to the two isolated sister islands, Cayman Brac and Little Cayman, and to guarantee dependable service between Grand Cayman and the United States. The Airline pioneered the Miami-Grand Cayman route but operated at a loss -- accumulating a \$20 million deficit by the end of 1988.

By the end of 1989, Cayman Airways was approaching self-sufficiency. Aided by a \$1.25 million subsidy for Cayman Brac/Little Cayman service, the Airline was able to operate for the first time at a net profit.

Cayman Airways' modest 1989 profit was attributable in part to Eastern Air Line's withdrawal, leaving the Miami-Grand Cayman market to Northwest Airlines and Cayman Airways. But U.S. airline capacity soon increased. In July 1989, Northwest doubled its Miami-Grand Cayman schedules from one daily roundtrip to two. In September and October, Pan American World Airways and American Airlines, who were locked in a battle to replace Eastern as Miami's dominant carrier, each inaugurated daily service from Miami to Grand Cayman. During 1989 the three U.S. airlines increased U.S. capacity from one daily roundtrip to four. Several months ago, the Cayman Islands Government submitted a Presentation (enclosed) demonstrating that these capacity increases exceeded any possible growth in traffic or hotel capacity -- and would be ruinous.

The only error in that Presentation was that it failed to predict Eastern's return to the market, increasing U.S. capacity to five daily roundtrips.

The Presentation's prediction of economic ruin was correct. Cayman Airways' share of the Miami-Grand Cayman market has declined from 68 percent in January 1989 to 43 percent in January 1990. Its Miami-Grand Cayman load factors have been reduced from 68 percent in January 1989 to 46 percent in January 1990.

As a consequence, Cayman Airways has been hurt badly. Before it knew about the increase in U.S. airline capacity, Cayman Airways projected an operating profit of \$883,835 for the first six months of Fiscal 1990 and \$1,343,788 for the year. In fact, the Airline had an actual operating loss of \$980,452 for the first six months. For all of Fiscal 1990 the Airline anticipates an operating loss of \$2,997,270.

PAGE 2

His Excellency the Governor

U.S. airlines have augmented their excessive capacity with predatory fare practices. Although the United Kingdom Government disapproved many of the U.S. airlines' proposed fares, the U.S. airlines ignored this governmental action. The U.S. airlines not only continued to charge the forbidden fares; they actually extended them. The last of the disapproved fares expired in mid-February 1990. But the replacement fares, though higher, are still far below Cayman Airways' fare.

The U.S. airlines promoted their service extensively -- not only in the U.S. media -- but in the Caymanian Press too. Many Caymanian residents, who traditionally travel on Cayman Airways but are especially price-conscious, were thus induced to abandon their national flag airline.

The competition has been harmful to the U.S. airlines too. After suffering from load factors of 34 percent, Eastern was forced to withdraw from the market after January 1990. Pan American continues to limp along with load factors of 34 percent. But the U.S. airlines have enormous systems with multimillion dollar revenues. Their losses on the Miami-Grand Cayman sector are insignificant to them. Presumably, they can accept those losses as a price of their battle for supremacy in Miami. And they can offset those losses against their profits on carrying Cayman-bound travellers on long-haul routes within the U.S.

Cayman Airways is much more vulnerable. It is not inefficient but only small. Limited to two jet aircraft and a tiny route system, the Airline cannot shift or cutback its operations very much. Still, the Airline has cut pilot and management salaries and reduced other costs for 1990. Even so, by June 1990, the Airline's balance sheet will be dismal. The Airline's only subsidy is limited to essential air service for Cayman Brac and Little Cayman, and the Government will not subsidize losses on the Miami-Grand Cayman route. Unless the U.S. airlines reduce their capacity -- to no more than three daily roundtrips -- the Airline's survival is in jeopardy.

DISCUSSION

A. The Cayman Islands Government Is
Supplying All The Requested Data

In its 24 January FAX, the United Kingdom Government requested certain enumerated information. As part of this Presentation, the Cayman Islands Government presents all the requested information. Each of the numbered Exhibits responds to a specific request.

Each Exhibit contains a face page that identifies the Exhibit's subject. To aid the reader, each Exhibit's face page also specifies the United Kingdom Government request to which the Exhibit is responsive.

B. The Exhibits Show That Cayman Airways Is
Losing Enormous Sums of Money As A Result
of Excessive U.S. Airline Competition

Before Cayman Airways knew about the added U.S. airline competition, it prepared a trading budget for the year ending June 1990. That budget (Exhibit 1 hereto, pp. 1) predicted that the airline would achieve an operating profit of \$1,343,788. That sum included an expected operating profit of \$95,557 on the Miami route (Exhibit 3 hereto, p.1) and start-up loss of \$234,844 on the New York route (Exhibit 5 hereto, pp. 1).

But the onslaught of excessive U.S. airline competition destroyed any chance that Cayman Airways could achieve its budgeted predictions.

The Miami Route. On the Miami route, Cayman Airways' load factors shrank steadily (Exhibit 4 hereto, pp. 7-10):

Month	CAL Load Factor
Oct. 89	68.21 %
Nov. 89	68.09 %
Dec. 89	56.86 %
Jan. 90	45.88 %

Similarly, Cayman Airways' share of the Miami market declined sharply (Exhibit 4 hereto, pp. 7-10):

Month	CAL Market Share
Oct. 89	51.50 %
Nov. 89	44.44 %
Dec. 89	47.86 %
Jan. 90	42.94 %

Not surprisingly, Cayman Airways' budgeted operating profit on the Miami route will become an enormous loss. Whereas the Airline budgeted the Miami route for an operating profit of \$419,710 for the fiscal year's first six months, it actually lost \$20,242 for that period. (Compare Exhibit 3 hereto, p. 1 with Exhibit 4 hereto, p. 1.) For the full fiscal year, Cayman Airways now projects that service over the Miami route will produce a loss of \$ 1,577,681 instead of the budgeted profit of \$95,557. (Id.).

The New York Route. This route will also produce dismal results as a result of excess competition. Of course, Cayman Airways offers non-stop service from New York, while the U.S. airlines provide one-stop flights via Miami. Even so, Cayman Airways cannot compete with the U.S. airlines' enormous advantages in the New York market. Cayman Airways is just entering the market, has no market identity, and operates only a few weekly flights. In contrast, Pan Am and American are long-established in New York, have tremendous reputations, and operate many flights out of New York and to Miami. In addition, of course, the U.S. airlines have the advantage of route networks feeding traffic into New York for connections, of computer reservation services, of frequent flier plans and of other attractions that Cayman Airways cannot match.

But, not content with those advantages, the U.S. airlines have undercut Cayman Airways by offering illegally low, predatory fares, as shown in Section G of this Presentation. The predictable result: passengers have chosen the U.S. airline's New York-Miami-Cayman flights in preference to Cayman Airways' more expensive non-stop service. Moreover, travel agents in the Northeastern U.S. have cancelled Cayman Airways tour groups or threatened to do so unless Cayman Airways would increase the agents' commissions, thus reducing the Airline's yields.

As a result, Cayman Airways' New York operations will increase its overall losses. Thus, for the New York operations, Cayman Airways' trading budget included an expected start-up loss of \$234,844 (Exhibit 5 hereto, pp. 1). Now, however, the Airline projects that the New York route will produce a loss of \$576,970 (Exhibit 6 hereto, p. 1).

Overall Operating Loss. For the first six months of this fiscal year, the Airline' trading budget projected an operating profit of \$883,835 (Exhibit 1 hereto, p. 1). Because of the excessive competition, however, the Airline actually lost \$980,452 during that period (Exhibit 2 hereto, p. 1). The results for the full year will be even worse. Instead of the budgeted profit of \$1,343,778 (Exhibit 1 hereto, p. 1), the Airline now expects an overall loss of \$2,997,270 (Exhibit 2 hereto, pp. 1).

C. Cayman Airways' Losses Jeopardize
Its Ability To Stay Solvent

During the year ended June 1989, Cayman Airways was able to achieve the first net profit in its history. With the aid of a \$1,250,000 subsidy for Little Cayman/Cayman Brac operations, the Airline had a fiscal 1989 net profit of \$978,662 (Exhibit 7, p. 3). But Cayman Airways' financial health remained fragile. As shown on the Airline's balance sheet for fiscal 1989, it had accumulated a deficit exceeding \$20 million (Exhibit 7 hereto, p. 3).

If Cayman Airways had achieved its trading budget for the current fiscal year, it would have improved its balance sheet somewhat. (Exhibit 8 hereto). But, as a result of the operating losses now projected, Cayman Airways will have a negative cash balance of \$1,716,042 (Exhibit 9 hereto). The Airline's bank balances will be far overdrawn (Id.). In fact, of course, the Airline will have become insolvent before it reaches that point.

As shown in Section F of this Presentation, Cayman Airways cannot obtain any additional government subsidy to help it remain in operations. So, unless the Airline can obtain relief from excessive U.S. Airline competition, Cayman Airways' survival is in jeopardy.

Page 6
His Excellency the Governor

D. Cayman Airways Is Small
But Not Inefficient

It is unrealistic for U.S. Government officials to expect Cayman Airways to accept load factors and market shares that are below its break-even levels. True, Cayman Airways has unit costs that are higher than the U.S. airlines' costs. But that is due to size, not inefficiency. Cayman Airways does not have the large aircraft fleets and route systems that enable U.S. airlines to spread their overheads, cut their costs and operate with maximum flexibility.

Cayman Airways should not be penalized for its homeland's small size. Nor should it be penalized because the Cayman Islands include two remote islands, Little Cayman and Cayman Brac, that are dependent upon essential air service that cannot be operated profitably. Despite these handicaps, Cayman Airways eliminated its operating loss per passenger, as shown by Exhibit 12 hereto:

Year	Operating Gain (Loss) Per Psg.
1984	\$(12.16)
1985	\$(5.16)
1986	\$(4.53)
1987	\$(2.95)
1988	\$(3.09)
1989	\$ 2.72

As a result of the excessive U.S. airline capacity, Cayman Airways will suffer a per-passenger loss of \$9.62, instead of a profit of \$2.60 (Exhibit 12 hereto). In effect, the excessive U.S. airlines capacity will wipe out all the progress Cayman Airways has made since 1984.

Cayman Airways continues to make every effort to economize in the face of the excessive U.S. airline competition. For example, the Airline is negotiating to slash pilot salaries by 17 percent, as of 15 January, has cut all management salaries 20 percent, and has frozen all other salaries. It has cut back on advertising, services and construction too. Those economies are reflected in Exhibits 2, 4, 6 and 9, but they cannot be sufficient to maintain the Airline's solvency.

PAGE 7

His Excellency the Governor

E. Eastern Withdrawal Has Not
Remedied Cayman Airway's Distress

Although Eastern withdrew from the Miami route after January 1990, thus reducing U.S. airline frequencies to four daily roundtrips, Cayman Airways cannot expect to benefit. Eastern was an ineffective competitor. It lost its market identification last year, when it abruptly stopped service. It never recaptured any significant market share after it briefly resumed service in November, 1989. Its load factors were consistently in the low 30 percent range. (Exhibit 4 hereto, pp. 8-10).

The main beneficiaries of Eastern's second demise will be the other U.S. airlines. Thus, in the first two weeks of February 1990, immediately after Eastern's withdrawal, Cayman Airways' revenues have continued to decline. As compared with budget, Cayman Airways' revenues declined 18 percent in January, but 14 percent in February.

F. Cayman Airways Cannot Expect
Subsidies To Compensate It
For Its Losses From Competition

The United States Government officials should not deceive themselves with the notion that the Cayman Islands Government will provide subsidy to save the Airline.

None of the subsidy that Cayman Airways now receives is for its operations between Grand Cayman and the United States. For example, as shown in the Airline's published financial statements for Fiscal Year 1989 (Exhibit 7 hereto, p. 3), the Airline's 1989 subsidy was \$1,250,000. The Government provided that subsidy exclusively for the purpose of underwriting the Airline's essential air service to the isolated Islands of Cayman Brac and Little Cayman, located off the coast of Cuba. Thus, Exhibit 10 (hereto) shows that, during Fiscal Year 1989, the Airline's loss on its interislands service (together with Cayman Brac-Tampa/Miami service) totalled \$1,276,418 --exceeding the subsidy.

His Excellency the Governor

There is no possibility that the Cayman Islands Government will inaugurate new subsidies to compensate the Airline for losses on the Grand Cayman - Miami route. In the Finance Committee of the Legislative Assembly, the backbenchers who oppose the current government command a majority vote. (The government has a slim majority in the Legislative Assembly, which consists of the 12 elected representatives plus 3 appointed officials; the Finance Committee consists of only the Finance Secretary and the 12 elected representatives.) The backbenchers have already caused the Finance Committee to reject the current government's road-building proposals as being too expensive; and the backbenchers are now attacking the government's proposed hospital-construction program on the same grounds. As recently as mid-February 1990, the backbenchers announced again their refusal to vote any more subsidy to Cayman Airways. Indeed, the backbenchers are using Cayman Airways' losses from U.S. airline competition as the main weapon in their campaign to destroy public confidence in the current government.

G. The U.S. Airlines Have Been Charging
Cut-Rate Fares That The U.K.
Government Disapproved

The U.S. airlines have persisted in charging fares that are equal to -- or below -- fares that the United Kingdom Government disapproved. (Exhibit 11 hereto, pp. 1-20).

After the United Kingdom Government disapproved those fares, the U.S. airlines ignored that governmental action. Instead, they extended the effective dates of the disapproved fares and advertised them extensively in U.S. newspapers (Exhibit 11, pp. 11-12).

Not surprisingly, Cayman Airways could not match those cut-rate fares. To add insult to injury, the U.S. airlines promoted their service to the local Caymanian market (Exhibit 13 hereto, pp. 10-13). Cayman Airways normally carries a very high percentage of U.S. - bound Caymanian residents. That local market, however, is very price-conscious. As a consequence of the predatory U.S. airline fares, Cayman Airways' local ticket offices and local travel agents booked far fewer Caymanian passengers aboard the airline (Exhibit 13 hereto, p. 1).

Page 9

His Excellency the Governor

CONCLUSION

Unless the U.S. airlines reduce their capacity -- to no more than three daily roundtrips -- Cayman Airways' survival is in jeopardy.

**STATISTICAL PRESENTATION OF
CAYMAN AIRWAYS LIMITED
CONCERNING
EXCESSIVE U.S. AIRLINE CAPACITY**

EXHIBIT I

TRADING BUDGET FOR TOTAL OPERATIONS
(WITH OUTPUT FIGURES)

RESPONSIVE TO U K GOVERNMENT

24 JANUARY 1990 FAX
Items 1 (a) plus 1 (d)

PREPARED BY:

J. Devlin, Chief
Financial Officer

M. Greenwood, Manager
Budgets/Market Study

CAYMAN AIRWAYS

SOURCE OF DATA:

CAYMAN AIRWAYS
Records of Accounts

FINANCIAL INFORMATION-CAL

XXXXXXXXXXXXXXXXXXXX TRADING BUDGET XXXXXXXXXXXXXXXXXXXXXXX

(USD)

	JUL '89	AUG '89	SEPT '89	OCT '89	NOV '89	DEC '89	JAN '90	FEB '90	MAR '90	APR '90	MAY '90	JUNE '90	YEAR JUNE '90
REVENUE:													
PASSENGER	4,008,535	3,931,739	2,289,318	2,342,704	2,910,938	3,721,534	3,465,523	3,629,057	4,233,473	3,658,185	3,205,898	3,437,245	40,834,041
CARGO	179,603	178,870	181,862	208,671	223,827	265,209	166,750	179,830	204,061	188,735	193,845	196,088	2,367,371
CHARTER	39,000	33,000	0	0	25,000	10,000	0	0	0	25,000	25,000	0	157,000
C I GOV SUBSIDY	104,166	104,167	104,167	104,166	104,167	104,167	104,166	104,167	104,167	104,166	104,167	104,167	1,250,000
OTHER	65,454	84,578	81,636	77,400	96,381	124,026	193,279	78,655	85,758	133,646	71,573	165,359	1,257,695
	4,396,758	4,332,354	2,656,983	2,732,941	3,362,313	4,224,936	3,929,668	3,991,709	4,627,461	4,109,732	3,600,393	3,902,859	45,868,107
OPERATING EXPENSE:													
SALARIES AND STAFF EXP	862,658	828,314	926,974	873,415	926,491	984,294	997,035	991,908	1,021,065	1,042,089	1,041,291	1,041,287	11,537,421
FUEL AND OIL	452,578	459,273	318,847	306,566	258,130	319,872	328,801	331,751	366,804	345,785	331,024	322,195	4,141,626
RENT AIRCRAFT	0	0	173,600	188,640	624,000	636,000	620,000	620,000	620,000	620,000	620,000	620,000	5,342,240
LANDING AND PARKING	106,641	103,820	77,796	75,250	83,994	97,279	101,350	93,928	105,427	101,474	99,132	99,557	1,145,648
INSURANCE-AIRCRAFT	34,100	34,100	34,100	38,000	38,000	38,000	38,000	38,000	38,000	38,000	38,000	38,000	444,300
NAVIGATION AND OVERFLY	30,324	29,453	22,212	21,890	29,865	35,396	37,178	35,600	38,512	37,069	36,627	36,559	390,885
MAINTENANCE	369,090	369,090	344,090	188,895	128,300	155,800	165,800	165,800	165,800	165,800	165,800	165,800	2,350,065
A/C, PAY AND CARGO SERV	328,789	321,880	221,399	223,485	266,564	379,778	398,428	387,356	438,041	403,400	379,800	405,568	4,154,888
CUSTOMS	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	300,000
INSURANCE PAY LIAB	42,201	41,213	25,950	25,287	31,599	39,813	39,374	39,121	42,868	38,123	38,369	35,339	439,257
FOOD, BEVERAGE, ETC	147,304	145,592	112,356	110,923	131,291	153,323	154,441	152,745	162,211	150,573	143,857	146,914	1,711,532
ADV AND SALES PROMOTION	239,350	242,850	257,093	239,093	238,343	249,793	239,293	237,243	243,743	244,443	231,993	232,793	2,896,030
COMMISSIONS	339,625	330,461	201,818	208,770	258,773	323,481	295,557	307,329	353,600	308,774	275,977	297,100	3,495,265
RENT FACILITIES	46,482	46,482	46,482	46,482	46,482	46,482	46,482	46,482	46,482	46,482	46,482	46,482	557,784
COMMUNICATIONS	105,324	106,579	106,319	107,539	107,764	109,379	110,019	112,339	114,894	108,449	108,514	106,889	1,304,368
DEPRECIATION	152,000	152,000	114,000	201,340	76,000	76,000	76,000	76,000	76,000	76,000	76,000	76,000	1,227,340
LEGAL AND ACCOUNTING	24,000	24,000	24,000	24,000	24,000	24,000	24,000	24,000	24,000	24,000	24,000	24,000	288,000
PROV DOUBTFUL ACCTS	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	96,000
GENERAL AND ADM	216,225	211,095	208,023	208,025	194,525	239,525	239,525	194,625	194,625	194,625	194,625	194,625	2,490,070
EXCHANGE LOSS	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	12,000
	3,530,691	3,480,762	3,249,061	3,121,600	3,498,121	3,942,215	3,945,283	3,888,227	4,086,692	3,979,068	3,885,491	3,917,108	44,524,319
OPERATING INCOME (LOSS)	866,067	851,592	(592,078)	(388,659)	(135,808)	282,729	(15,615)	103,482	540,769	130,664	(285,098)	(14,249)	1,343,788
NON OPERATING EXPENSE:													
INTEREST CAPITAL LEASES	115,657	115,657	86,750	172,330	0	0	0	0	0	0	0	0	490,394
INTEREST NOTES PAYABLE	6,950	6,740	6,550	6,310	6,090	5,870	5,660	5,440	5,220	5,010	4,790	4,570	69,200
OTHER INTEREST	25,000	25,000	12,500	(40,000)	(40,000)	(40,000)	(40,000)	(40,000)	(40,000)	(40,000)	(40,000)	(40,000)	(297,500)
	147,607	147,397	105,800	138,640	(33,910)	(34,130)	(34,340)	(34,560)	(34,780)	(34,990)	(35,210)	(35,430)	262,894
NET INC (LOSS)	718,460	704,195	(697,878)	(527,299)	(101,898)	316,851	18,725	138,942	575,549	165,654	(249,888)	21,181	1,081,694
CUMULATIVE NET INC (LOSS)	718,460	1,422,653	724,777	197,478	95,580	412,431	431,156	569,198	1,144,747	1,310,401	1,060,513	1,081,694	1,081,694

FINANCIAL INFORMATION-CAL
REVENUE - TRADING BUDGET

ONE MAY
1989

	SCM/MIA	SCM/IAH	SCM/KIN	SCM/TPA	SCM/ATL	SCM/JFK	INT TOTAL	LOCAL	TOTAL
JUL	2,028,088	721,494	324,116	278,320	341,292		3,693,310	140,820	3,834,130
AUG	2,039,339	696,384	308,682	268,520	319,304		3,632,229	127,680	3,759,909
SEPT	1,198,714	366,606	179,690	149,248	194,785		2,089,043	87,840	2,176,883
OCT	1,252,973	288,486	186,145	170,016	204,584		2,102,204	129,480	2,231,684
NOV	1,665,965	330,336	280,620	161,744	214,383		2,653,048	111,480	2,764,528
DEC	1,981,310	313,596	355,452	184,140	230,396	344,760	3,409,654	139,860	3,549,514
1990	10,166,389	2,716,902	1,634,705	1,211,988	1,504,744	344,760	17,579,488	737,160	18,316,648
JAN	1,709,399	288,486	345,724	144,708	220,836	473,820	3,182,973	119,460	3,302,433
FEB	1,884,775	252,495	261,912	160,272	240,195	537,358	3,337,007	131,040	3,468,047
MAR	2,279,180	274,536	261,912	224,640	257,642	619,340	3,917,250	142,440	4,059,690
APR	1,700,329	374,697	322,713	207,018	248,560	521,248	3,374,565	132,480	3,507,045
MAY	1,506,989	382,788	280,620	189,728	260,749	317,044	2,937,918	125,640	3,063,558
JUN	1,579,910	388,089	292,219	196,064	373,318	344,760	3,174,360	114,780	3,289,140
	10,660,582	1,961,091	1,765,100	1,122,430	1,601,300	2,813,570	19,924,073	765,840	20,689,913
	20,826,971	4,677,993	3,399,805	2,334,418	3,106,044	3,158,330	37,503,561	1,503,000	39,006,561

(1) THIS TABLE ACCOUNTS FOR FARE REVENUE WHEREAS PAGE 1 OF THIS
EXHIBIT INCLUDES IN REVENUE BOTH FARE AND SECURITY FEE REVENUE

FINANCIAL INFORMATION-CAL
PAX - ORIG BUDGET - ONE WAY

	GCN/WIA	GCN/IAH	GCN/KIN	GCN/TPA	GCN/ATL	GCN/JFK	INT TOTAL	LOCAL	TOTAL
1989									
JUL	20,548	5,172	3,465	2,840	2,856		34,881	4,694	39,575
AUG	20,662	4,992	3,300	2,740	2,672		34,366	4,256	38,622
SEPT	14,612	2,628	1,921	1,696	1,630		22,487	2,928	25,415
OCT	14,502	2,068	1,990	1,932	1,712		22,204	4,316	26,520
NOV	20,282	2,368	3,000	1,838	1,794		29,282	3,716	32,998
DEC	22,408	2,248	3,800	1,980	1,928	2,040	34,404	4,662	39,066
	113,014	19,476	17,476	13,026	12,592	2,040	177,624	24,572	202,196
1990									
JAN	20,470	2,068	3,696	1,556	1,848	2,980	32,618	3,982	36,600
FEB	21,096	1,810	2,800	1,484	2,010	3,002	32,202	4,368	36,570
MAR	22,293	1,968	2,800	2,080	2,156	3,460	34,757	4,748	39,505
APR	16,870	2,686	3,450	2,226	2,080	2,912	30,224	4,416	34,640
MAY	16,492	2,744	3,000	2,156	2,182	1,876	28,450	4,188	32,638
JUN	16,323	2,782	3,124	2,228	3,124	2,940	29,621	3,826	33,447
	113,544	14,058	18,870	11,730	13,400	16,270	187,872	25,528	213,400
	226,558	33,534	36,346	24,756	25,992	18,310	365,496	50,100	415,596

FINANCIAL INFORMATION-CAL

AVERAGE FARE - ORIG BUDGET - ONE WAY

	GCM/MIA	GCM/IAH	GCM/KIN	GCM/TPA	GCM/ATL	GCM/JFK	INT TOTAL	LOCAL	TOTAL
1989									
JUL	98.70	139.50	93.54	98.00	119.50		105.88	30.00	96.88
AUG	98.70	139.50	93.54	98.00	119.50		105.69	30.00	97.33
SEPT	82.04	139.50	93.54	88.00	119.50		92.90	30.00	85.65
OCT	86.40	139.50	93.54	88.00	119.50		94.68	30.00	84.15
NOV	82.14	139.50	93.54	88.00	119.50		90.60	30.00	83.78
DEC	88.42	139.50	93.54	93.00	119.50	169.00	99.11	30.00	90.86
1990									
JAN	89.96	139.50	93.54	93.04	119.50	169.00	98.97	30.00	90.59
FEB	83.51	139.50	93.54	93.00	119.50	159.00	97.58	30.00	90.23
MAR	89.34	139.50	93.54	108.00	119.50	179.00	103.63	30.00	94.83
APR	102.24	139.50	93.54	108.00	119.50	179.00	112.70	30.00	102.76
MAY	100.79	139.50	93.54	93.00	119.50	179.00	111.65	30.00	101.24
JUN	91.38	139.50	93.54	88.00	119.50	169.00	103.27	30.00	93.86
	96.79	139.50	93.54	88.00	119.50	169.00	107.17	30.00	98.34
	93.89	139.50	93.54	95.69	119.50	172.93	106.05	30.00	96.95
	91.93	139.50	93.54	94.30	119.50	172.49	102.61	30.00	93.86

FINANCIAL INFORMATION-CAL
SEATS - ORIG BUDGET - ONE MAY

	6CM/HIA	6CM/IAH	6CM/KIN	6CM/TPA	6CM/ATL	6CM/JFK	INT TOTAL	LOCAL	TOTAL
1989									
JUL	25,120	7,222	4,082	4,082	4,396	0	44,902	785	45,687
AUG	24,806	6,594	4,082	4,082	4,082	0	43,646	628	44,274
SEPT	20,066	3,454	2,826	2,826	2,826	0	31,998	785	32,783
OCT	20,382	3,160	3,160	3,160	2,844	0	32,706	632	33,338
NOV	29,072	4,108	2,528	2,528	2,844	0	41,080	632	41,712
DEC	33,812	3,160	3,792	2,844	2,844	2,686	49,138	2,212	51,350
	153,258	27,698	20,470	19,522	19,836	2,686	243,470	5,674	249,144
1990									
JAN	36,024	2,844	4,108	2,844	2,528	3,792	52,140	2,528	54,668
FEB	32,864	2,528	3,792	2,528	2,528	3,792	48,032	2,528	50,560
MAR	36,656	2,844	4,108	2,844	2,844	4,582	53,878	2,844	56,722
APR	25,596	3,792	4,108	2,844	2,528	2,528	41,396	2,528	43,924
MAY	26,228	4,108	2,528	2,844	2,844	2,528	41,080	2,528	43,608
JUN	25,912	6,952	2,844	4,108	4,108	3,002	46,926	2,528	49,454
	183,280	23,068	21,488	18,012	17,380	20,224	283,452	15,484	298,936
	336,538	50,766	41,958	37,534	37,216	22,910	526,922	21,158	548,080

FINANCIAL INFORMATION - CAL

TRADING P U D S E I

BLOCK HOURS BY ROUTE

	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	TOTAL
MIAMI	196.25	193.05	158.78	155.50	252.54	287.09	296.90	283.50	302.49	291.72	286.90	292.13	3076.85
HOUSTON	126.50	121.00	55.00	49.50	78.00	66.00	54.00	48.00	54.00	54.00	54.00	48.00	808.00
KINGSTON	23.92	23.92	16.56	16.56	16.00	18.00	26.00	24.00	26.00	26.00	16.00	18.00	250.96
TAMPA	43.94	44.06	28.67	30.30	28.00	31.50	31.50	28.00	31.50	31.50	28.00	31.50	388.47
ATLANTA	70.00	65.00	45.00	45.00	48.06	48.06	42.72	42.72	48.06	48.06	48.06	42.72	593.46
NEW YORK	0.00	0.00	0.00	0.00	0.00	67.50	90.00	90.00	108.75	93.75	93.75	105.00	648.75
LOCAL-JET	3.06	2.72	0.68	0.00	2.72	4.76	5.44	5.44	6.12	6.12	5.44	6.12	48.62
TOTAL-JET	463.67	449.75	304.69	296.86	425.32	522.91	546.56	521.66	576.92	551.15	542.15	543.47	5745.11
LOCAL-SHORTS	115.75	114.00	112.00	113.00	113.00	117.00	113.00	104.00	116.00	112.00	114.00	112.00	1355.75
TOTAL-ALL	579.42	563.75	416.69	409.86	538.32	639.91	659.56	625.66	692.92	663.15	656.15	655.47	7100.86

EXHIBIT 2

ACTUAL AND ESTIMATE FUTURE
OPERATING RESULTS COMPARABLE
TO TRADING BUDGET FOR TOTAL
OPERATIONS (WITH OUTPUT FIGURES)

RESPONSIVE TO U K GOVERNMENT

24 JANUARY 1990 FAX
Item 1 (b) plus 1 (d)

PREPARED BY:

J. Devlin, Chief
Financial Officer

M. Greenwood, Manager
Budgets/Market Study

CAYMAN AIRWAYS

SOURCE OF DATA:

CAYMAN AIRWAYS
Records of Accounts

FINANCIAL INFORMATION-CAL

(USD)	XXXXXXXXXXXXXXXXXXXXX ACTUAL SIX MONTHS DEC 31 '89 PLUS CURRENT ESTIMATE SIX MONTHS JUNE 30 '90												YEAR JUNE '90
	ACTUAL JUL '89	ACTUAL AUG '89	ACTUAL SEPT '89	ACTUAL OCT '89	ACTUAL NOV '89	ACTUAL DEC '89	ESTIMATE JAN '90	ESTIMATE FEB '90	ESTIMATE MAR '90	ESTIMATE APR '90	ESTIMATE MAY '90	ESTIMATE JUNE '90	
REVENUE:													
PASSENGER	3,534,529	3,543,371	1,993,730	2,037,532	2,409,034	2,987,577	2,806,000	2,940,000	3,429,000	2,963,000	2,596,000	2,784,000	34,023,773
CARGO	165,216	178,784	180,735	202,574	206,553	233,568	166,750	179,830	204,061	188,755	193,845	196,088	2,296,759
CHARTER	36,500	20,863	7,348	0	45,316	22,000	0	0	0	25,000	25,000	0	182,027
C I GOV SUBSIDY	104,166	104,167	104,167	104,166	104,167	104,167	104,166	104,167	104,167	104,166	104,167	104,167	1,250,000
OTHER	70,732	70,194	59,178	72,359	65,529	106,243	153,229	38,655	45,758	93,646	31,573	125,359	932,655
	3,911,143	3,917,379	2,346,158	2,416,631	2,830,599	3,453,555	3,230,145	3,262,652	3,782,986	3,374,567	2,950,585	3,209,614	38,685,014
OPERATING EXPENSE:													
SALARIES AND STAFF EXP	869,914	1,030,964	753,971	1,034,001	1,002,183	918,507	1,010,626	826,429	841,967	854,457	866,457	846,860	10,856,336
FUEL AND OIL	474,883	490,276	356,623	322,797	280,811	370,430	439,250	358,165	349,799	332,263	306,501	286,595	4,388,393
RENT AIRCRAFT	0	8,540	232,285	198,601	638,345	610,104	620,000	620,000	620,000	620,000	620,000	620,000	5,407,875
LANDING AND PARKING	118,816	122,896	74,933	77,256	77,344	97,798	101,359	93,928	105,427	101,474	99,132	99,557	1,170,111
INSURANCE-AIRCRAFT	28,319	28,319	28,319	28,319	28,319	34,738	34,558	34,558	34,558	34,558	34,558	34,558	383,681
NAVIGATION AND OVERFLY	34,391	32,619	19,376	20,897	18,203	23,461	37,178	35,600	38,512	37,069	36,627	36,559	370,482
MAINTENANCE	261,166	146,323	218,981	179,882	117,844	145,019	116,300	116,300	116,300	116,300	116,300	116,300	1,767,015
A/C, PAI AND CARGO SERV	244,329	180,743	269,129	234,634	279,442	333,180	398,428	387,356	438,041	403,400	379,800	405,568	3,954,050
CUSTOMS	32,679	38,425	35,580	31,405	34,729	49,728	25,000	25,000	25,000	25,000	25,000	25,000	372,546
INSURANCE PAI LIAB	36,303	36,303	36,303	36,303	36,303	18,304	18,340	18,340	18,340	18,340	18,340	18,340	309,859
FOOD, BEVERAGE, ETC	161,602	149,755	82,529	83,954	123,953	172,531	119,570	127,730	148,110	127,340	105,630	119,270	1,521,974
ADV AND SALES PROMOTION	232,753	288,229	144,906	188,151	218,703	274,269	239,293	237,243	243,743	231,993	231,993	231,993	2,776,519
COMMISSIONS	233,138	252,760	138,433	141,894	167,765	279,822	225,000	235,000	274,000	247,000	208,000	233,000	2,635,812
RENT FACILITIES	41,606	45,341	31,400	48,010	45,280	37,808	46,482	46,482	46,482	46,482	46,482	46,482	528,337
COMMUNICATIONS	105,205	120,724	110,473	104,194	104,636	87,985	110,019	112,339	114,894	108,449	108,514	104,889	1,294,321
DEPRECIATION	152,029	152,030	124,135	87,481	24,229	24,000	76,000	76,000	76,000	76,000	76,000	76,000	1,019,904
LEGAL AND ACCOUNTING	27,183	23,759	27,454	28,578	23,010	21,974	24,000	24,000	24,000	24,000	24,000	24,000	293,958
PROV DOUBTFUL ACTS	8,000	8,000	2,177	8,000	33,823	8,000	0	0	0	0	0	0	46,000
GENERAL AND ADM	210,360	223,280	232,631	220,732	246,276	221,775	239,325	194,625	194,625	194,625	194,625	194,625	2,566,704
EXCHANGE LOSS	742	44	(1,053)	0	664	0	3,000	3,000	3,000	3,000	3,000	3,000	18,397
	3,273,418	3,379,330	2,918,585	3,073,089	3,481,062	3,729,433	3,883,919	3,572,095	3,732,798	3,614,200	3,500,959	3,523,396	41,682,284
OPERATING INCOME (LOSS)	637,725	538,049	(573,827)	(656,458)	(650,463)	(275,878)	(653,774)	(309,443)	50,188	(239,633)	(550,374)	(313,782)	(2,997,270)
NON OPERATING EXPENSE:													
INTEREST CAPITAL LEASES	115,657	115,657	85,279	56,852	0	0	0	0	0	0	0	0	373,445
INTEREST NOTES PAYABLE	6,319	6,319	6,319	6,200	5,300	5,289	5,660	5,440	5,220	5,010	4,790	4,570	66,436
OTHER INTEREST	48,427	0	238	(1,029)	(292)	(40,161)	0	0	0	0	0	0	7,183
	170,403	121,976	91,836	62,023	5,008	(34,872)	5,660	5,440	5,220	5,010	4,790	4,570	447,064
NET INC (LOSS)	467,322	416,073	(665,263)	(718,481)	(655,471)	(241,006)	(659,434)	(314,883)	44,968	(244,643)	(555,164)	(318,352)	(3,444,334)
CUMULATIVE NET INC (LOSS)	467,322	883,395	218,132	(500,349)	(1,155,820)	(1,396,826)	(2,056,260)	(2,371,143)	(2,326,175)	(2,570,818)	(3,125,982)	(3,444,334)	(3,444,334)

FINANCIAL INFORMATION-CAL
REVENUE - ACT/FORECAST - ONE WAY

	GCN/MIA	GCN/IAH	GCN/KIN	GCN/TPA	GCN/ATL	GCN/JFK	INT TOTAL	LOCAL	TOTAL
1989									
JUL	1,773,176	701,424	290,435	231,861	317,775		3,314,671	111,821	3,426,492
AUG	1,805,677	682,836	362,787	247,602	282,913		3,381,815	118,943	3,500,758
SEPT	1,199,706	248,167	225,546	125,046	118,788		1,917,253	93,895	2,011,148
OCT	1,219,335	241,305	217,843	152,680	160,662		1,991,825	113,640	2,105,465
NOV	1,421,086	300,009	197,070	157,412	158,997		2,234,574	107,447	2,342,021
DEC	1,627,976	256,314	361,647	144,242	165,695	255,619	2,811,493	126,061	2,937,554
1990	9,046,956	2,430,055	1,655,328	1,058,843	1,204,830	255,619	15,651,631	671,807	16,323,438
JAN	1,367,519	242,328	280,036	123,002	150,168	402,747	2,565,801	113,487	2,679,288
FEB	1,507,820	212,096	212,149	136,231	163,333	456,754	2,688,383	124,488	2,812,871
MAR	1,823,344	230,610	212,149	190,944	175,197	526,439	3,158,683	135,318	3,294,001
APR	1,360,263	314,745	261,398	175,965	169,021	443,061	2,724,453	125,856	2,850,309
MAY	1,205,591	321,542	227,302	161,269	177,309	269,487	2,362,501	119,358	2,481,859
JUN	1,263,928	325,995	236,697	166,654	253,856	293,046	2,540,177	109,041	2,649,218
DRIG BUDGET	8,528,466	1,647,316	1,429,731	954,066	1,088,884	2,391,535	16,039,997	727,548	16,767,545
JAN/JUN '90	17,575,422	4,077,371	3,085,059	2,012,909	2,293,714	2,647,154	31,691,628	1,399,355	33,090,983
	10,660,582	1,961,091	1,765,100	1,122,430	1,601,300	2,813,570	19,924,073	765,840	20,689,913

(1) THIS TABLE ACCOUNTS FOR FARE REVENUE WHEREAS PAGE 1 OF THIS
EXHIBIT INCLUDES IN REVENUE BOTH FARE AND SECURITY FEE REVENUE

FINANCIAL INFORMATION-CAL
PAX - ACT//FORECAST - ONE WAY

	SCM/MIA	SCM/IAH	SCM/KIN	SCM/TPA	SCM/ATL	SCM/JFK	INT TOTAL	LOCAL	TOTAL
1989									
JUL	20,341	5,167	3,493	2,724	2,819		34,544	4,449	38,993
AUG	20,471	5,096	3,914	2,772	2,426		34,679	4,474	39,153
SEPT	13,516	1,857	2,303	1,409	1,073		20,158	3,340	23,498
OCT	14,038	1,892	2,163	1,739	1,421		21,253	3,975	25,228
NOV	15,912	2,527	1,988	1,787	1,440		23,654	3,757	27,411
DEC	17,385	1,826	3,360	1,386	1,258	1,432	26,047	4,351	30,998
	101,663	18,365	17,221	11,817	10,437	1,432	160,935	24,346	185,281
1990									
JAN	15,175	1,137	2,650	1,277	818	2,856	23,913	3,759	27,672
FEB	16,877	1,520	2,268	1,261	1,367	2,552	25,845	4,150	29,995
MAR	17,834	1,653	2,268	1,768	1,466	2,941	27,931	4,511	32,441
APR	13,496	2,256	2,795	1,892	1,414	2,475	24,328	4,195	28,524
MAY	13,194	2,305	2,430	1,833	1,484	1,595	22,840	3,979	26,818
JUN	13,058	2,337	2,530	1,894	2,124	1,734	23,678	3,635	27,313
	89,634	11,209	14,941	9,925	8,673	14,153	148,535	24,228	172,762
	191,297	29,574	32,162	21,742	19,110	15,585	309,470	48,574	358,043
ORIG BUDGET									
JAN/JUN '90	113,544	14,058	18,870	11,730	13,400	16,270	187,872	25,528	213,400

FINANCIAL INFORMATION-CAL

AVERAGE FARE - ACT/FORECAST - ONE WAY

	GCM/MIA	GCM/IAH	GCM/KIN	GCM/TPA	GCM/ATL	GCM/JFK	INT TOTAL	LOCAL	TOTAL
1989									
JUL	87.17	135.75	83.15	85.12	112.73		95.96	25.13	87.87
AUG	88.21	133.99	92.69	89.32	116.62		97.52	26.59	89.41
SEPT	88.76	133.64	97.94	88.75	110.71		95.11	28.11	85.59
OCT	86.86	127.54	100.71	87.80	113.06		93.72	28.59	83.46
NOV	89.31	118.72	99.13	88.09	110.41		94.47	28.50	85.44
DEC	93.64	140.37	107.63	104.07	131.71	178.50	105.51	28.97	94.77
1990									
JAN	88.99	132.32	96.12	89.60	115.44	178.50	97.25	27.59	88.10
FEB	90.12	213.13	105.67	96.32	183.58	141.02	107.30	30.19	96.82
MAR	89.34	139.50	93.54	108.00	119.50	179.00	104.02	30.00	93.78
APR	102.24	139.50	93.54	108.00	119.50	179.00	113.09	30.00	101.54
MAY	100.79	139.50	93.54	93.00	119.50	179.00	111.99	30.00	99.93
JUN	91.38	139.50	93.54	88.00	119.50	169.00	103.44	30.00	92.54
	96.79	139.50	93.54	88.00	119.50	169.00	107.28	30.00	97.00
	95.15	146.97	95.69	96.13	125.54	168.98	107.99	30.03	97.06
	91.87	137.87	95.92	92.58	120.02	169.86	102.41	28.81	92.42

FINANCIAL INFORMATION-CAL
SEATS - ORIG BUDGET - ONE WAY

	GCM/HIA	GCM/IAH	GCM/KIN	GCM/TPA	GCM/ATL	GCM/JFK	INT TOTAL	LOCAL	TOTAL
1989									
JUL	25,120	7,222	4,082	4,082	4,396	0	44,902	785	45,687
AUG	24,806	6,594	4,082	4,082	4,082	0	43,646	628	44,274
SEPT	20,066	3,454	2,826	2,826	2,826	0	31,998	785	32,783
OCT	20,382	3,160	3,160	3,160	2,844	0	32,706	632	33,338
NOV	29,072	4,108	2,528	2,528	2,844	0	41,080	632	41,712
DEC	33,812	3,160	3,792	2,844	2,844	2,686	49,138	2,212	51,350
	153,258	27,698	20,470	19,522	19,836	2,686	243,470	5,674	249,144
1990									
JAN	36,024	2,844	4,108	2,844	2,528	3,792	52,140	2,528	54,668
FEB	32,864	2,528	3,792	2,528	2,528	3,792	48,032	2,528	50,560
MAR	36,656	2,844	4,108	2,844	2,844	4,582	53,878	2,844	56,722
APR	25,596	3,792	4,108	2,844	2,528	2,528	41,396	2,528	43,924
MAY	26,228	4,108	2,528	2,844	2,844	2,528	41,080	2,528	43,608
JUN	25,912	6,952	2,844	4,108	4,108	3,002	46,926	2,528	49,454
	183,280	23,068	21,488	18,012	17,380	20,224	283,452	15,484	298,936
	336,538	50,766	41,958	37,534	37,216	22,910	526,922	21,158	548,080

FINANCIAL INFORMATION - CAL

BLOCK HOURS BY ROUTE	ACTUAL JUL	ACTUAL AUG	ACTUAL SEP	ACTUAL OCT	ACTUAL NOV	ACTUAL DEC	FORECAST JAN	FORECAST FEB	FORECAST MAR	FORECAST APR	FORECAST MAY	FORECAST JUN	TOTAL
MIAMI	214.00	206.00	169.00	181.00	209.00	271.00	296.90	283.50	302.49	291.72	296.90	292.13	3013.64
HOUSTON	120.00	108.00	57.00	50.00	73.00	59.00	54.00	48.00	54.00	54.00	54.00	48.00	779.00
KINGSTON	24.00	26.00	17.00	17.00	17.00	28.00	26.00	24.00	26.00	26.00	16.00	18.00	265.00
TAMPA	47.00	48.00	29.00	29.00	26.00	29.00	31.50	28.00	31.50	31.50	28.00	31.50	390.00
ATLANTA	67.00	61.00	42.00	46.00	47.00	46.00	42.72	42.72	48.06	48.06	48.06	42.72	581.34
NEW YORK	0.00	0.00	0.00	0.00	0.00	67.00	90.00	90.00	108.75	93.75	93.75	105.00	648.25
LOCAL-JET	5.00	5.00	10.00	7.00	10.00	10.00	5.44	5.44	6.12	6.12	5.44	6.12	81.68
CHARTER	7.00	3.00	0.00	0.00	12.00	2.00	0.00	0.00	0.00	0.00	0.00	0.00	24.00
TOTAL-JET	484.00	457.00	324.00	330.00	394.00	512.00	546.56	521.66	576.92	551.15	542.15	543.47	5782.91
LOCAL-SHORTS	125.00	108.75	91.50	121.00	99.75	110.00	113.00	104.00	116.00	112.00	114.00	112.00	1327.00
TOTAL-ALL	609.00	565.75	415.50	451.00	493.75	622.00	659.56	625.66	692.92	663.15	656.15	655.47	7109.91

EXHIBIT 3

TRADING BUDGET FOR THE MIAMI
ROUTE (WITH OUTPUT FIGURES)

RESPONSIVE TO U K GOVERNMENT

24 JANUARY 1990 FAX
Items 1 (C) plus 1 (d)

PREPARED BY:

J. Devlin, Chief
Financial Officer

M. Greenwood, Manager
Budgets/Market Study

CAYMAN AIRWAYS

SOURCE OF DATA:

CAYMAN AIRWAYS
Records of Accounts

BREAK OUT OF EXPENSES ON MIAMI ROUTE FROM ORIGINAL TRADING BUDGET

MIAMI	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	TOTAL	NOTES:
REVENUE	2025089	2039239	1158714	1252973	1465965	1881316	1705399	1884775	2279160	1700328	1506989	1579510	20824971	SPECIFIC
CARGO	125239	120091	129107	143456	156522	195984	112397	124830	151513	138796	141386	125976	1667559	SPECIFIC
OTHER	33965	45247	45836	42760	55284	67351	103148	43446	45135	67436	37167	85392	683152	PA
TOTAL	2187312	2204677	1373719	1499189	1884171	2247045	1924644	2053113	2479628	1907061	1685544	1791279	23177662	
EXPENSES:														
SALARIES & STAFF COSTS	427484	423199	520835	489288	555216	665178	535993	544479	505425	538511	553821	546549	6366859	BLK/MRS
FUEL & OIL	206494	210192	173289	169212	147206	169842	173062	175118	183445	177657	175644	167741	2123306	SPECIFIC
RENT AIRCRAFT (both)	0	0	173636	188640	372134	356395	336794	336944	325378	323162	339533	339257	3090347	SPEC/BLK MRS
LANDING & PARKING	73140	72136	53191	52196	49257	54379	55206	50368	56241	54125	55206	54362	675751	SPECIFIC
INSURANCE AIRCRAFT	14614	15087	18090	18401	22517	26821	26500	20659	14594	10671	20748	20385	221846	BLK MRS
NAVIGATION OVERFLY	20597	20247	14760	14210	23221	26452	27459	26368	27961	26971	27438	27003	245004	SPECIFIC
MAINTENANCE (both)	125011	128391	131116	12666	60185	89558	74435	75127	72379	72535	75032	73964	1029367	BLK MRS
A/C, PAI & CAPS SERVICE	170713	172195	124476	123466	169621	212564	212487	213570	253574	265061	197227	209438	2154426	PA
CUSTOMS	6953	7104	7627	7750	6646	8631	8636	8553	8534	7729	7961	6502	95453	SPECIFIC
INSURANCE PAI LIABILITY	17880	18679	12140	12689	16872	18732	18161	18709	26206	18976	15362	16600	196306	PA
FOOD & BEVERAGE ETC.	96775	87535	73099	72447	94925	99622	96522	100065	104341	84346	83391	89759	1059990	PA
ADVERTISEMENTS/SALES PROMOS	57578	58956	62960	63594	68256	69533	65445	70634	65345	62665	62013	59162	775421	PA
COMMISSIONS	176339	176790	80746	115336	155536	181923	157773	169784	202533	158958	143313	150326	1867797	PA
RENT FACILITIES	24134	24867	26133	25676	28010	26141	24813	25676	26132	23626	24138	24004	303855	PA
COMMUNICATIONS	54686	57210	59775	59411	64939	61514	58730	62054	65826	55128	56350	55198	710633	PA
DEPRECIATION	51464	53122	43377	39141	30740	28424	28135	28135	27144	27402	28351	27828	452261	BLK/MRS
LEGAL & ACCOUNTING	12461	12839	13453	13259	14462	13497	12511	13257	13751	12260	12463	12394	156567	PA
PROV DUBITFUL ACCOUNTS	4154	4280	4498	4420	4821	4499	4270	4419	4584	4067	4154	4131	52297	PA
GENERAL & ADMINISTRATION	112267	112932	116756	114925	117221	134707	127862	107508	111509	98933	161067	100506	1356393	PA
ETICHANGE LOSS	0	0	0	0	0	0	0	0	0	0	0	0	0	
TOTAL	1636984	1653225	1719893	1649770	1991562	2724879	2042381	2649957	2155831	1942330	1982164	1970640	23092125	
OPERATING PROFIT/(LOSS)	550328	551452	-337174	-257381	-107391	20166	-117437	3156	326697	-55278	-296520	-172761	95557	
INTEREST CAPITAL LEASES	49952	49444	45207	90269	0	0	0	0	0	0	0	0	234072	BLK/MRS
OTHER	10581	10731	6514	-20953	-23750	-21961	-21729	-21735	-20673	-21172	-21905	-21501	-167826	BLK/MRS
TOTAL	59533	60375	51721	69316	-23750	-21961	-21729	-21738	-20673	-21172	-21905	-21501	66216	
NET PROFIT/(LOSS)	490795	491077	-386895	-326897	-83441	42127	-95709	24694	341630	-34106	-274715	-157260	29241	

1. Revenue - Specific for route (including security fees).
2. Cargo - Specific for route.
3. Other - Spread by pax by route.
4. Salaries/Staff Costs - Crew Salaries (Pilots, Mtce, Flt Attendants by block hours by route. All other salaries spread by total pax by route.
5. Fuel & Oil - Specific by route by A/Craft.
6. Rent Aircraft - Spread by block hour by route, and specific for MIA route for lease of Aircraft for cargo flights and 2 months where we had to lease Aircraft for MIA route.
7. Landing & Parking - No. of turns & rates.
8. Insurance A/C - Spread by block hours by A/C type.
9. Navig/Overfly - No. of flights & rates.
10. Maintenance - By block hours by route by A/C type.
11. A/C Pax & Cargo Service - Spread by pax by route.
12. Customs - No. of turns at GCM/CYB airports.
13. Ins Pax Liability - Spread by pax by route.
14. Food/Beverage - Spread by pax by route.
15. Advertising/S.Promos - Spread by pax by route.
16. Commissions - Spread by pax by route.
17. Rent Facilities - Spread by pax by route.
18. Communications - Spread by pax by route.
19. Depreciation - Spread by block hours by A/C type by route.
20. Legal & Accounting - Spread by pax by route.
21. Prov. Dbtful Accounts - Spread by pax by route.
22. Gen. & Admin. - Spread by pax by route.
23. Exchange Loss - Spread by pax by route.
24. Interest Capital Leases - Spread by block hours by route.
25. Other - Spread by block hours by route.

FINANCIAL INFORMATION-CAL
REVENUE - TRADING BUDGET

ONE MAY	BCM/NIA	BCM/IAH	BCM/KIN	BCM/TPA	BCM/ATL	BCM/JFK	INT TOTAL	LOCAL	TOTAL
1989									
JUL	2,028,088	721,494	324,116	278,320	341,292		3,693,310	140,820	3,834,130
AUG	2,039,339	696,384	308,682	268,520	319,304		3,632,229	127,680	3,759,909
SEPT	1,198,714	366,606	179,690	149,248	194,785		2,089,043	87,840	2,176,883
OCT	1,252,973	288,486	186,145	170,016	204,584		2,102,204	129,480	2,231,684
NOV	1,665,965	330,336	280,620	161,744	214,383		2,653,048	111,480	2,764,528
DEC	1,981,310	313,596	355,452	184,140	230,396	344,760	3,409,654	139,860	3,549,514
1990									
JAN	10,166,389	2,716,902	1,634,705	1,211,988	1,504,744	344,760	17,579,488	737,160	18,316,648
FEB	1,709,399	288,486	345,724	144,708	220,836	473,820	3,182,973	119,460	3,302,433
MAR	1,884,775	252,495	261,912	160,272	240,195	537,358	3,337,007	131,040	3,468,047
APR	2,279,180	274,536	261,912	224,640	257,642	619,340	3,917,250	142,440	4,059,690
MAY	1,700,329	374,697	322,713	207,018	248,560	521,248	3,374,565	132,480	3,507,045
JUN	1,506,989	382,788	280,620	189,728	260,749	317,044	2,937,918	125,640	3,063,558
	1,579,910	388,089	292,219	196,064	373,318	344,760	3,174,360	114,780	3,289,140
	10,660,582	1,961,091	1,765,100	1,122,430	1,601,300	2,813,570	19,924,073	765,840	20,689,913
	20,826,971	4,677,993	3,399,805	2,334,418	3,106,044	3,158,330	37,503,561	1,503,000	39,006,561

(1) THIS TABLE ACCOUNTS FOR FARE REVENUE WHEREAS PAGE 1 OF THIS
EXHIBIT INCLUDES IN REVENUE BOTH FARE AND SECURITY FEE REVENUE

(1)

FINANCIAL INFORMATION-CAL
PAX - TRADING BUDGET BUDGET
ONE MAY

	GCM/MLA	GCM/IAH	GCM/KIM	GCM/TPA	GCM/ATL	GCM/JFK	INT TOTAL	LOCAL	TOTAL
1989									
JUL	20,548	5,172	3,465	2,840	2,856		34,881	4,694	39,575
AUG	20,662	4,992	3,300	2,740	2,672		34,366	4,256	38,622
SEPT	14,612	2,628	1,921	1,696	1,630		22,487	2,928	25,415
OCT	14,502	2,068	1,990	1,932	1,712		22,204	4,316	26,520
NOV	20,282	2,368	3,000	1,838	1,794		29,282	3,716	32,998
DEC	22,408	2,248	3,800	1,980	1,928	2,040	34,404	4,662	39,066
	113,014	19,476	17,476	13,026	12,592	2,040	177,624	24,572	202,196
1990									
JAN	20,470	2,068	3,696	1,556	1,848	2,980	32,618	3,982	36,600
FEB	21,096	1,810	2,800	1,484	2,010	3,002	32,202	4,368	36,570
MAR	22,293	1,968	2,800	2,080	2,156	3,460	34,757	4,748	39,505
APR	16,870	2,686	3,450	2,226	2,080	2,912	30,224	4,416	34,640
MAY	16,492	2,744	3,000	2,156	2,182	1,876	28,450	4,188	32,638
JUN	16,323	2,782	3,124	2,228	3,124	2,040	29,621	3,826	33,447
	113,544	14,058	18,870	11,730	13,400	16,270	187,872	25,528	213,400
	226,558	33,534	36,346	24,756	25,992	18,310	365,496	50,100	415,596

FINANCIAL INFORMATION-CAL
AVERAGE FARE - TRADING BUDGET
ONE WAY

	GCM/MIA	GCM/IAH	GCM/KIN	GCM/TPA	GCM/ATL	GCM/JFK	INT TOTAL	LOCAL	TOTAL
1989									
JUL	98.70	139.50	93.54	98.00	119.50		105.88	30.00	96.88
AUG	98.70	139.50	93.54	98.00	119.50		105.69	30.00	97.35
SEPT	82.04	139.50	93.54	88.00	119.50		92.90	30.00	85.65
OCT	86.40	139.50	93.54	88.00	119.50		94.68	30.00	84.15
NOV	82.14	139.50	93.54	88.00	119.50		90.60	30.00	83.78
DEC	88.42	139.50	93.54	93.00	119.50	169.00	99.11	30.00	90.86
1990									
JAN	89.96	139.50	93.54	93.04	119.50	169.00	98.97	30.00	90.59
FEB	83.51	139.50	93.54	93.00	119.50	159.00	97.58	30.00	90.23
MAR	89.34	139.50	93.54	108.00	119.50	179.00	103.63	30.00	94.83
APR	102.24	139.50	93.54	108.00	119.50	179.00	112.70	30.00	102.76
MAY	100.79	139.50	93.54	93.00	119.50	179.00	111.65	30.00	101.24
JUN	91.38	139.50	93.54	88.00	119.50	169.00	103.27	30.00	93.86
	96.79	139.50	93.54	88.00	119.50	169.00	107.17	30.00	98.34
	93.89	139.50	93.54	93.69	119.50	172.93	106.05	30.00	96.95
	91.93	139.50	93.54	94.30	119.50	172.49	102.61	30.00	93.86

SEATS - TRADING BUDGET									
ONE MAY	1989								
	GCM/NIA	GCM/IAH	GCM/KIN	GCM/TPA	GCM/ATL	GCM/JFK	INT TOTAL	LOCAL	TOTAL
JUL	25,120	7,222	4,082	4,082	4,396	0	44,902	785	45,687
AUG	24,806	6,594	4,082	4,082	4,082	0	43,646	628	44,274
SEPT	20,066	3,454	2,826	2,826	2,826	0	31,998	785	32,783
OCT	20,382	3,160	3,160	3,160	2,844	0	32,706	632	33,338
NOV	29,072	4,108	2,528	2,528	2,844	0	41,080	632	41,712
DEC	33,812	3,160	3,792	2,844	2,844	2,686	49,138	2,212	51,350
1990	153,258	27,698	20,470	19,522	19,836	2,686	243,470	5,674	249,144
JAN	36,024	2,844	4,108	2,844	2,528	3,792	52,140	2,528	54,668
FEB	32,864	2,528	3,792	2,528	2,528	3,792	48,032	2,528	50,560
MAR	36,656	2,844	4,108	2,844	2,844	4,582	53,878	2,844	56,722
APR	25,596	3,792	4,108	2,844	2,528	2,528	41,396	2,528	43,924
MAY	26,228	4,108	2,528	2,844	2,844	2,528	41,080	2,528	43,608
JUN	25,912	6,952	2,844	4,108	4,108	3,002	46,926	2,528	49,454
	183,280	23,068	21,488	19,012	17,380	20,224	283,452	15,484	298,936
	336,538	50,766	41,958	37,534	37,216	22,910	526,922	21,158	548,080

FINANCIAL INFORMATION - CAL

TRADING BUDGET

BLOCK HOURS BY ROUTE

	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	TOTAL
MIAMI	196.25	193.05	158.78	155.50	252.54	287.09	296.90	283.50	302.49	291.72	296.90	292.13	3096.65
HOUSTON	126.50	121.00	55.00	49.50	78.00	66.00	54.00	48.00	54.00	54.00	54.00	48.00	808.00
KINGSTON	23.92	23.92	16.56	16.56	16.00	18.00	26.00	24.00	26.00	26.00	16.00	18.00	250.96
TAMPA	43.94	44.06	28.67	30.30	28.00	31.50	31.50	28.00	31.50	31.50	28.00	31.50	388.47
ATLANTA	70.00	65.00	45.00	45.00	48.06	48.06	42.72	42.72	48.06	48.06	48.06	42.72	593.46
NEW YORK	0.00	0.00	0.00	0.00	0.00	67.50	90.00	90.00	108.75	93.75	93.75	105.00	648.75
LOCAL-JET	3.06	2.72	0.68	0.00	2.72	4.76	5.44	5.44	6.12	6.12	5.44	6.12	48.62
TOTAL-JET	463.67	449.75	304.69	296.86	425.32	522.91	546.56	521.66	576.92	551.15	542.15	543.47	5745.11
LOCAL-SHORTS	115.75	114.00	112.00	113.00	113.00	117.00	113.00	104.00	116.00	112.00	114.00	112.00	1355.75
TOTAL-ALL	579.42	563.75	416.69	409.86	538.32	639.91	659.56	625.66	692.92	663.15	656.15	655.47	7100.86

EXHIBIT 4

ACTUAL AND ESTIMATE FUTURE
OPERATING RESULTS COMPARABLE
TO TRADING BUDGET FOR MIAMI
ROUTE (WITH OUTPUT FIGURES)

RESPONSIVE TO U K GOVERNMENT

24 JANUARY 1990 FAX
Items 1 (c) plus 1 (d)

PREPARED BY:

J. Devlin, Chief
Financial Officer

M. Greenwood, Manager
Budgets/Market Study

CAYMAN AIRWAYS

SOURCE OF DATA:

CAYMAN AIRWAYS
Records of Accounts

BREAK OUT OF EXPENSES ON MIAMI/NEW YORK ROUTES ACTUAL DEC 30/FYCAST TO JUN 90.

MIAMI	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	TOTAL	NOTES:
REVENUE	177376	150577	119979	121933	142106	162797	136751	150792	182344	126023	120591	126328	1757521	SPECIFIC
CARGO	109179	122239	119378	118248	146904	147669	112397	124890	131313	138796	141388	125976	1357588	SPECIFIC
OTHER	36845	36701	34039	40284	37998	69715	97238	25242	29216	51950	19239	59133	546180	PAK
TOTAL	191911	199467	153143	137797	160508	184496	157154	163795	200387	155109	136518	1459037	19679187	
EXPENSES:														
SALARIES & STAFF COSTS	453148	539036	432482	575245	581128	515138	551792	453986	454527	423448	446012	424677	5956939	B/H./PAK
FUEL & OIL	209969	221000	186016	177049	148939	194067	238607	194447	193892	170762	167850	154053	2258870	SPECIFIC
RENT AIRCRAFT (COB)	0	3849	121161	109930	338614	322926	336794	336944	328078	328182	339533	333267	2985258	SPEC/BLK HRS
LANDING & PARKING	44298	42729	35833	32587	36922	44450	55206	50368	56242	54128	55206	54362	563521	SPECIFIC
INSURANCE AIRCRAFT	9551	9947	11518	11265	11997	15135	15556	15659	15096	15292	15637	15402	162445	BLK/HRS
NAVIGATION/OVERFLY	12778	18762	13326	12317	12234	16268	27458	26368	27963	26778	27459	27903	354023	SPECIFIC
MAINTENANCE (COB)	91773	53279	89068	72192	49882	63134	63176	64204	60978	61557	63650	62514	795497	BLK/HRS
A/C PAK & CARGO SERVICE	127456	94501	154802	130561	162215	196662	218493	217950	244807	199867	186255	193897	2105266	PAK
CUSTOMS	9141	10919	11129	9736	12288	17108	8143	7784	7967	7977	8358	8163	118763	SPECIFIC/turns
INSURANCE PAK LIABILITY	18938	18981	20951	20301	21974	10256	10057	10319	10932	9677	9023	9768	157267	PAK
FOOD & BEVERAGE ETC.	95158	86400	55336	55453	83383	112562	75878	94568	94568	76190	61019	65775	947131	PAK
ADVERTISING/SALES PROMOS	57978	55756	62950	63594	64606	69539	69445	70834	69345	62669	62013	59162	775421	PAK
COMMISSIONS	121444	132155	79626	78956	97289	156956	133387	122225	150628	116867	102332	111394	1403230	PAK
RENT FACILITIES	21673	23706	13661	25715	26256	21204	24813	25676	26632	23628	24138	24004	285506	PAK
COMMUNICATIONS	54602	63120	63544	57978	60674	49346	58730	62054	65828	55128	56350	55198	702752	PAK
DEPRECIATION	53422	53337	50490	53099	10256	10457	28123	28135	27144	27402	28351	27828	382074	BLK/HRS
LEGAL & ACCOUNTING	14160	12422	15791	14789	13343	12324	12811	13257	13751	12260	12463	12394	157705	PAK
PROV. DUBITFUL ACCOUNTS	4167	4183	1252	4452	5915	4487	0	0	0	0	0	0	24559	PAK
GENERAL & ADMINISTRATION	109579	116741	135809	122925	142226	124581	127362	107508	111509	48933	101067	190806	1374845	PAK
EXPENSE LOSS	0	0	0	0	0	0	0	0	0	0	0	0	0	
TOTAL	1513925	1557345	1553865	1679224	1965191	1750640	2046831	1906377	1952627	1793775	1767355	1778367	21254970	
OPERATING PROFIT/(LOSS)	405266	397274	-265722	-231277	-230103	-105680	-469677	-248375	51646	-209766	-402137	-279330	-1577581	
INTEREST CAPITAL LEASES	51138	52134	44492	31132	0	0	0	0	0	0	0	0	179936	
OTHER	25418	0	137	-573	-179	-22524	0	0	0	0	0	0	2338	
TOTAL	76556	52134	44619	30609	-179	-22524	0	0	0	0	0	0	181224	
NET PROFIT/(LOSS)	328710	345140	-280241	-261686	-279933	-63156	-469677	-248375	51846	-209766	-402137	-279330	-1758505	

1. Revenue - Specific for route (including security fees).
2. Cargo - Specific for route.
3. Other - Spread by pax by route.
4. Salaries/Staff Costs - Crew Salaries (Pilots, Mtce, Flt Attendants by block hours by route. All other salaries spread by total pax by route.
5. Fuel & Oil - Specific by route by A/Craft.
6. Rent Aircraft - Spread by block hour by route, and specific for MIA route for lease of Aircraft for cargo flights and 2 months where we had to lease Aircraft for MIA route.
7. Landing & Parking - No. of turns & rates.
8. Insurance A/C - Spread by block hours by A/C type.
9. Navig/Overfly - No. of flights & rates.
10. Maintenance - By block hours by route by A/C type.
11. A/C Pax & Cargo Service - Spread by pax by route.
12. Customs - No. of turns at GCM/CYB airports.
13. Ins Pax Liability - Spread by pax by route.
14. Food/Beverage - Spread by pax by route.
15. Advertising/S.Promos - Spread by pax by route.
16. Commissions - Spread by pax by route.
17. Rent Facilities - Spread by pax by route.
18. Communications - Spread by pax by route.
19. Depreciation - Spread by block hours by A/C type by route.
20. Legal & Accounting - Spread by pax by route.
21. Prov. Dbtful Accounts - Spread by pax by route.
22. Gen. & Admin. - Spread by pax by route.
23. Exchange Loss - Spread by pax by route.
24. Interest Capital Leases - Spread by block hours by route.
25. Other - Spread by block hours by route.

TOTAL	
	426,492
	500,758
	011,148
	105,463
	342,021
	937,554
	323,438
	679,288
	812,871
	294,001
	850,309
	481,859
	649,218
	767,545
	090,983 (1)
	=====
	689,913
	=====

FINANCIAL INFORMATION-CAL
PAX - ACT/FORECAST - ONE WAY

	SCM/MIA	SCM/IAH	SCM/KIN	SCM/TPA	SCM/ATL	SCM/JFK	INT TOTAL	LOCAL	TOTAL
1989									
JUL	20,341	5,167	3,493	2,724	2,819		34,544	4,449	38,993
AUG	20,471	5,096	3,914	2,772	2,826		34,679	4,474	39,153
SEPT	13,516	1,857	2,303	1,409	1,073		20,158	3,340	23,498
OCT	14,038	1,892	2,163	1,739	1,421		21,253	3,975	25,228
NOV	15,912	2,527	1,988	1,787	1,440		23,654	3,757	27,411
DEC	17,385	1,826	3,360	1,386	1,258	1,432	26,647	4,351	30,998
	101,663	18,365	17,221	11,817	10,437	1,432	160,935	24,346	185,281
1990									
JAN	15,175	1,137	2,650	1,277	818	2,856	23,913	3,759	27,672
FEB	16,877	1,520	2,268	1,261	1,367	2,552	25,845	4,150	29,995
MAR	17,834	1,653	2,268	1,768	1,466	2,941	27,931	4,511	32,441
APR	13,496	2,256	2,795	1,892	1,414	2,475	24,328	4,195	28,524
MAY	13,194	2,305	2,430	1,833	1,484	1,595	22,840	3,979	26,818
JUN	13,058	2,337	2,530	1,894	2,124	1,734	23,678	3,635	27,313
	89,634	11,209	14,941	9,925	8,673	14,153	148,535	24,228	172,762
	191,297	29,574	32,162	21,742	19,110	15,585	309,470	48,574	358,043
ORIG BUDGET									
JAN/JUN '90	113,544	14,058	18,870	11,730	13,400	16,270	187,872	25,528	213,400

FINANCIAL INFORMATION-CAL
AVERAGE FARE - ACT/FORECAST - ONE WAY

	GCM/NIA	GCM/IAH	GCM/KIN	GCM/TPA	GCM/ATL	GCM/JFK	INT TOTAL	LOCAL	TOTAL
1989									
JUL	87.17	135.75	85.15	85.12	112.73		95.96	25.13	87.87
AUG	88.21	133.99	92.69	89.32	116.62		97.52	26.59	89.41
SEPT	88.76	133.64	97.94	88.75	110.71		95.11	28.11	85.59
OCT	86.86	127.54	100.71	87.80	113.06		93.72	28.59	83.46
NOV	89.31	118.72	99.13	88.09	110.41		94.47	28.60	85.44
DEC	93.64	140.37	107.63	104.07	131.71	178.50	105.51	28.97	94.77
1990									
JAN	88.99	132.32	96.12	89.60	115.44	178.50	97.25	27.59	88.10
FEB	90.12	213.13	105.67	96.32	183.58	141.02	107.30	30.19	96.82
MAR	89.34	139.50	93.54	108.00	119.50	179.00	104.02	30.00	93.78
APR	102.24	139.50	93.54	108.00	119.50	179.00	113.09	30.00	101.54
MAY	100.79	139.50	93.54	93.00	119.50	179.00	111.99	30.00	99.93
JUN	91.38	139.50	93.54	88.00	119.50	169.00	103.44	30.00	92.54
	96.79	139.50	93.54	88.00	119.50	169.00	107.28	30.00	97.00
	95.15	146.97	95.69	96.13	125.54	168.98	107.99	30.03	97.06
	91.87	137.87	95.92	92.58	120.02	169.86	102.41	28.81	92.42

FINANCIAL INFORMATION-CAL
SEATS - ACTUAL AND ESTIMATED
ONE WAY

	GCM/MIA	GCM/IAH	GCM/KIN	GCM/TPA	GCM/ATL	GCM/JFK	INT TOTAL	LOCAL	TOTAL
1989									
JUL	25,120	7,222	4,082	4,082	4,396	0	44,902	785	45,687
AUG	24,806	6,594	4,082	4,082	4,082	0	43,646	628	44,274
SEPT	20,066	3,454	2,826	2,826	2,826	0	31,998	785	32,783
OCT	20,382	3,160	3,160	3,160	2,844	0	32,706	632	33,338
NOV	29,072	4,108	2,528	2,528	2,844	0	41,080	632	41,712
DEC	33,812	3,160	3,792	2,844	2,844	2,686	49,138	2,212	51,350
	153,258	27,698	20,470	19,522	19,836	2,686	243,470	5,674	249,144
1990									
JAN	36,024	2,844	4,108	2,844	2,528	3,792	52,140	2,528	54,668
FEB	32,864	2,528	3,792	2,528	2,528	3,792	48,032	2,528	50,560
MAR	36,656	2,844	4,108	2,844	2,844	4,582	53,878	2,844	56,722
APR	25,596	3,792	4,108	2,844	2,528	2,528	41,396	2,528	43,924
MAY	26,228	4,108	2,528	2,844	2,844	2,528	41,080	2,528	43,608
JUN	25,912	6,952	2,844	4,108	4,108	3,602	46,926	2,528	49,454
	183,280	23,068	21,488	18,012	17,380	20,724	283,452	15,484	298,936
	336,538	50,766	41,958	37,534	37,216	22,910	526,922	21,158	548,080

FINANCIAL INFORMATION - CAL

BLOCK HOURS BY ROUTE	FORECAST FORECAST FORECAST FORECAST FORECAST FORECAST FORECAST FORECAST FORECAST FORECAST FORECAST FORECAST												TOTAL
	ACTUAL JUL	ACTUAL AUG	ACTUAL SEP	ACTUAL OCT	ACTUAL NOV	ACTUAL DEC	FORECAST JAN	FORECAST FEB	FORECAST MAR	FORECAST APR	FORECAST MAY	FORECAST JUN	
MIAMI	214.00	206.00	189.00	181.00	209.00	271.00	296.90	283.50	302.49	291.72	296.90	292.13	3013.64
HOUSTON	120.00	108.00	57.00	50.00	73.00	59.00	54.00	48.00	54.00	54.00	54.00	48.00	779.00
KINGSTON	24.00	26.00	17.00	17.00	17.00	28.00	26.00	24.00	26.00	26.00	16.00	18.00	265.00
TAMPA	47.00	48.00	29.00	29.00	26.00	29.00	31.50	28.00	31.50	31.50	28.00	31.50	390.00
ATLANTA	67.00	61.00	42.00	46.00	47.00	46.00	42.72	42.72	48.06	48.06	48.06	42.72	581.34
NEW YORK	0.00	0.00	0.00	0.00	0.00	67.00	90.00	90.00	108.75	93.75	93.75	105.00	648.25
LOCAL-JET	5.00	5.00	10.00	7.00	10.00	10.00	5.44	5.44	6.12	6.12	5.44	6.12	81.68
CHARTER	7.00	3.00	0.00	0.00	12.00	2.00	0.00	0.00	0.00	0.00	0.00	0.00	24.00
TOTAL-JET	484.00	457.00	324.00	330.00	394.00	512.00	546.56	521.66	576.92	551.15	542.15	543.47	5782.91
LOCAL-SHORTS	125.00	108.75	91.50	121.00	99.75	110.00	113.00	104.00	116.00	112.00	114.00	112.00	1327.00
TOTAL-ALL	609.00	565.75	415.50	451.00	493.75	622.00	659.56	625.66	692.92	663.15	656.15	655.47	7109.91

TRAFFIC ANALYSIS CARIBBEAN AIRWAYS versus US AIRLINES OCTOBER 1988/1989

CARIBBEAN AIRWAYS	OCT 1 - 31/88	OCT 1 - 31/89	INC/DEC/ %	SOURCE
NO D/W FLTS	124	132	6.45	CARIBBEAN AIRWAYS REVENUE REPORTS
NO SEATS	19468	20354	4.55	
NO PASSENGERS	14799	12885	-6.17	
LOAD FACTOR	76.01	68.21	-10.26	

US AIRLINES	OCT 1 - 31/88	OCT 1 - 31/89	INC/DEC/ %	SOURCE
NO D/W FLTS				CIVIL AVIATION DEPT

AA	0	62	
EA	61	0	
WA	60	122	
PA	0	38	
	121	222	83.47

NO SEATS				
AA	0	3300		AA (150 SEATS) 727-200
EA	9516	0		EA (150 SEATS) 727-200
WA	6300	12819		WA (105 SEATS) DC 9-30 (170 SEATS) DC 9-50
PA	0	5510		PA (145 SEATS) 727-200
	15816	27629	74.53	CONTACTED STATION MANAGERS

NO PASSENGERS				
AA	0	3629		
EA	4590	0		
WA	3713	6779		
PA	0	1209		
	8403	13075	55.61	DEPT OF IMMIGRATION (SCHEDULED AT AIR)

LOAD FACTOR				
AA	ERR	50.42		
EA	49.29	ERR		
WA	59.94	52.32		
PA	ERR	29.18		
	53.13	47.34	-10.29	

CARIBBEAN AIRWAYS PER CENTAGE OF MIAMI TRAFFIC OCTOBER 1988 63.23

CARIBBEAN AIRWAYS PER CENTAGE OF MIAMI TRAFFIC OCTOBER 1989 51.59

TRAFFIC ANALYSIS CAYMAN AIRWAYS PERCENTAGE OF AIRLINES NOVEMBER 1989

CAYMAN AIRWAYS
NOV 1 - 30/88 NOV 1 - 30/89 INC/DEC %
=====

NO D/W FLTS
128 148 15.63
=====

NO SEATS
20106 23384 16.30
=====

NO PASSENGERS
16912 15923 -5.96
=====

LOAD FACTOR
94.21 68.09 -19.14
=====

US AIRLINES
NOV 1 - 30/88 NOV 1 - 30/89 INC/DEC %
=====

NO D/W FLTS
0 58 54 120 54
=====

NO SEATS
116 236 146.53
=====

NO PASSENGERS
15128 27244 80.69
=====

LOAD FACTOR
56.72 53.31 -19.52
=====

NO SEATS
AA 8770
EA 8424
NW 12390
PA 7830
=====

NO PASSENGERS
AA 150 SEATS 727-200
EA 1156 SEATS 727-200
NW 1106 SEATS DC 9-30 (1134 SEATS) DC 9-50
PA 1145 SEATS 727-200
=====

CONTACTED STATION MANAGERS

DEPT OF IMMIGRATION (GENERAL AT 47)

LOAD FACTOR

AA 52.58
EA 55.14
NW 58.26
PA 53.62
=====

LOAD FACTOR
56.72 53.31 -19.52
=====

CAYMAN AIRWAYS PER CENTAGE OF MIAMI TRAFFIC NOVEMBER 1989 62.79

CAYMAN AIRWAYS PER CENTAGE OF MIAMI TRAFFIC NOVEMBER 1989 44.44

TRAFFIC ANALYSIS CAYMAN AIRWAYS VERSUS US AIRLINES DECEMBER 1988/1989

CAYMAN AIRWAYS	DEC 1 - 31/88	DEC 1 - 31/89	INC/DEC %	SOURCE
NO O/W FLTS	190	195	2.63	CAYMAN AIRWAYS REVENUE REPORTS

NO SEATS	29830	30488	2.21
----------	-------	-------	------

NO PASSENGERS	19539	17335	-11.28
---------------	-------	-------	--------

LOAD FACTOR	65.50	56.96	-13.19
-------------	-------	-------	--------

US AIRLINES	DEC 1 - 31/88	DEC 1 - 31/89	INC/DEC %	SOURCE
NO O/W FLTS				CIVIL AVIATION DEPT

AA	0	62
EA	60	57
NW	62	119
PA	0	62

	172	300	145.50
--	-----	-----	--------

NO SEATS				44 (150 SEATS) 727-200
AA	0	9300		EA (156 SEATS) 727-200
EA	9360	8692		NW (195 SEATS) DC 9-30 (130 SEATS) DC 9-50
NW	7290	12495		PA (145 SEATS) 727-200
PA	0	8990		CONTACTED STATION MANAGERS
	16650	39677	136.50	

NO PASSENGERS				DEPT OF EMIGRATION (EMENDOLIN AT APT)
AA	0	5367		
EA	5296	3031		
NW	3488	7590		
PA	0	2910		

	8784	15858	115.13
--	------	-------	--------

LOAD FACTOR			
AA	ERR	57.71	
EA	56.58	54.09	
NW	47.65	60.66	
PA	ERR	32.37	
	52.76	47.60	-9.77

CAYMAN AIRWAYS PER CENTAGE OF MIAMI TRAFFIC DECEMBER 1988	68.99
---	-------

CAYMAN AIRWAYS PER CENTAGE OF MIAMI TRAFFIC DECEMBER 1989	47.56
---	-------

TRAFFIC ANALYSIS CAYMAN AIRWAYS VERSUS US AIRLINES JANUARY 1989/1990				
CAYMAN AIRWAYS	JAN 1 - 31/89	JAN 1 - 31/90	INC/DEC %	SOURCE
NO O/N FLTS	175	212	21.14	CAYMAN AIRWAYS REVENUE REPORTS
NO SEATS	27390	33072	20.74	
NO PASSENGERS	18687	13175	-18.79	
LOAD FACTOR	68.23	45.98	-32.75	
US AIRLINES	JAN 1 - 31/89	JAN 1 - 31/90	INC/DEC %	SOURCE
NO O/N FLTS	AA 0 EA 62 NW 62 PA 0	AA 60 EA 56 NW 116 PA 62		CIVIL AVIATION DEPT
NO SEATS	124	294	137.10	
NO PASSENGERS	AA 0 EA 9672 NW 6770 PA 0	AA 5990 EA 8736 NW 12180 PA 8990		AA (150 SEATS) 727-200 EA (156 SEATS) 727-200 NW (105 SEATS) DC 9-30 (130 SEATS) DC 9-50 PA (145 SEATS) 727-200
LOAD FACTOR	16442	15906	176.63	CONTACTED STATION MANAGERS
NO PASSENGERS	AA 0 EA 4483 NW 4332 PA 0	AA 5155 EA 2361 NW 7504 PA 2656		DEPT OF IMMIGRATION - SINGAPORE (AT -PT)
LOAD FACTOR	8816	20166	129.74	
NO PASSENGERS	AA 0 EA 4635 NW 64.09 PA 0	AA 58.39 EA 33.89 NW 55.13 PA 35.99		
LOAD FACTOR	53.62	51.83	-3.33	
CAYMAN AIRWAYS PER CENTAGE OF MIAMI TRAFFIC JANUARY 1989			87.95	
CAYMAN AIRWAYS PER CENTAGE OF MIAMI TRAFFIC JANUARY 1990			42.74	

TRAFFIC ANALYSIS 1988/1989

MIAMI ROUTE - EASTERN AIRLINES

	1988	1989	VAR %	1990	VAR %	NOTES
	=====	=====	=====	=====	=====	=====
JAN	5378	4893	-16.54	2961	-33.95	#1 HURRICANE SILBERT
FEB	5524	5945	7.62		0.00	
MAR	6377	774 #2	-87.86		0.00	#2 EASTERN STRIKE
APR	5906	0	0.00		0.00	
MAY	5630	0	0.00		0.00	
JUN	4238	0	0.00		0.00	
JUL	5656	0	0.00		0.00	
AUG	6024	0	0.00		0.00	
SEP	3170 #1	0	0.00		0.00	
OCT	4564 #1	0	0.00		0.00	
NOV	5894	2762 #3	-53.14		0.00	#3 RE-ENTERS MARKET EFF 1/11/89
DEC	5296	2031	-42.77		0.00	
TOTAL	52657	16955	-73.30	2961	-82.58	

MIAMI ROUTE - NORTHWEST AIRLINES

	1988	1989	VAR %	1990	VAR %	NOTES
	=====	=====	=====	=====	=====	=====
JAN	4444	4333	-3.38	7994	94.49	#1 HURRICANE SILBERT
FEB	4763	4095	-15.91		0.00	
MAR	4649	6565 #2	41.24		0.00	
APR	5132	5434	5.88		0.00	#2 EASTERN STRIKE
MAY	3512	4475	26.28		0.00	
JUN	3705	4715	27.26		0.00	
JUL	4112	7099 #3	72.64		0.00	
AUG	4823	8410 #3	74.37		0.00	
SEP	2621 #1	5737 #3	119.99		0.00	
OCT	3713 #1	6779 #3	82.57		0.00	
NOV	4145	8123 #3	95.97		0.00	
DEC	3498	7580	117.32		0.00	
TOTAL	49156	73215	49.94	7994	-99.08	#3 NORTHWEST INCREASED FREQUENCY TO 2 FLTS PER DAY

MIAMI ROUTE - PAN AM

	1988	1989	VAR %	1990	VAR %	NOTES
	=====	=====	=====	=====	=====	=====
JAN	0	0	0.00	3056	0.00	
FEB	0	0	0.00		0.00	
MAR	0	0	0.00		0.00	
APR	0	0	0.00		0.00	
MAY	0	0	0.00		0.00	
JUN	0	0	0.00		0.00	
JUL	0	0	0.00		0.00	
AUG	0	0	0.00		0.00	
SEP	0	225 #4	0.00		0.00	
OCT	0	1538	0.00		0.00	
NOV	0	3572	0.00		0.00	
DEC	0	2910	0.00		0.00	
TOTAL	0	8716	0.00	3056	-53.35	#4 PAN AM ENTERS MARKET EFF 23/9/89.

TRAFFIC ANALYSIS 1989/1990

MIAMI ROUTE - AMERICAN AIRLINES

	1988	1989	VAR 2	1990	VAR 1	NOTES
	=====	=====	=====	=====	=====	=====
JAN	0	0	0.00	6155	0.00	
FEB	0	0	0.00		0.00	
MAR	0	0	0.00		0.00	
APR	0	0	0.00		0.00	
MAY	0	0	0.00		0.00	
JUN	0	0	0.00		0.00	
JUL	0	0	0.00		0.00	
AUG	0	0	0.00		0.00	
SEP	0	0	0.00		0.00	
OCT	0	4489 +5	0.00		0.00	
NOV	0	5453	0.00		0.00	
DEC	0	5567	0.00		0.00	
TOTAL	0	15509	0.00	6155	-60.31	+5 AMERICAN ENTERS MARKET EFF 1/10/89.

CAPACITY, PASSENGERS, LEAD AGENTS ON MIAMI ROUTE, JAN 97 - JAN 99.

MTH/YR		SEATS		PAK		L/F %		I SEATS		PAK		L/F %		EA		L/F %		I SEATS		PAK		L/F %		FA	
JAN 87	25262	14279	56.49	1	16220	8297	50.40	1	8112	4295	52.85	1													
FEB 87	23113	12627	58.96	1	13160	6886	52.33	1	6736	5179	59.28	1													
MAR 87	25591	16317	63.49	1	14576	7665	52.59	1	9672	6664	68.90	1													
APR 87	19728	14840	75.22	1	14100	6745	47.84	1	8736	5259	60.20	1													
MAY 87	15625	13638	87.34	1	16120	8444	52.38	1	9672	5596	61.06	1													
JUN 87	20253	12671	62.55	1	12900	5257	40.75	1	9360	4442	47.46	1													
JUL 87	19208	12645	71.14	1	13929	7199	55.29	1	8736	4592	57.03	1													
AUG 87	25804	16199	77.43	1	13170	7972	60.33	1	9672	6102	63.99	1													
SEP 87	19468	12004	61.56	1	8630	2892	34.89	1	5260	3693	38.49	1													
OCT 87	19782	13927	70.40	1	6560	2349	35.81	1	4672	4409	45.59	1													
NOV 87	20463	14385	82.31	1	5300	3664	58.16	1	9360	5943	63.49	1													
DEC 87	23276	16666	71.60	1	7210	3736	51.82	1	9672	4992	51.61	1													
TOTAL	256483	174589	68.07	1	141360	70924	50.17	1	110760	61776	55.77	1													
JAN 88	28330	18941	66.86	1	6960	4494	64.57	1	9360	5378	57.46	1													
FEB 88	25782	19133	74.22	1	7340	4763	64.89	1	8736	5524	63.23	1													
MAR 88	26954	21042	78.07	1	8320	4648	55.87	1	9672	6377	65.93	1													
APR 88	23169	19437	83.89	1	7890	5132	65.79	1	9360	5906	63.10	1													
MAY 88	23190	19121	78.19	1	8660	3512	43.57	1	9672	5630	58.21	1													
JUN 88	22352	16231	72.04	1	7870	4112	52.72	1	9736	4258	43.51	1													
JUL 88	24070	19383	79.28	1	8010	4112	51.34	1	9360	5656	60.43	1													
AUG 88	22961	19241	84.23	1	8660	4823	59.84	1	9048	6024	66.53	1													
SEP 88	20529	14193	67.14	1	7550	2621	34.72	1	9048	3170	35.04	1													
OCT 88	19468	14779	76.02	1	6610	3713	56.17	1	9048	4584	59.44	1													
NOV 88	20096	16932	84.26	1	6660	4145	62.24	1	9048	5894	65.14	1													
DEC 88	29830	19539	65.50	1	7290	3488	47.85	1	9360	5256	56.59	1													
TOTAL	286991	216794	75.56	1	90460	49563	54.79	1	115448	63657	57.64	1													
JAN 89	37390	19387	53.23	1	6770	4333	64.00	1	9572	1483	44.75	1													
FEB 89	26690	19945	74.73	1	6730	4095	59.07	1	8736	5945	68.05	1													
MAR 89	31497	25679	81.50	1	5560	5565	76.52	1	1572	774	41.25	1													
APR 89	30144	21776	72.24	1	7890	5434	69.67	1	0	0	0.00	1													
MAY 89	30144	21122	70.07	1	6510	4435	68.13	1	0	0	0.00	1													
JUN 89	26110	30561	78.75	1	6090	4715	77.42	1	0	0	0.00	1													
JUL 89	26665	29304	76.14	1	12609	7399	56.74	1	0	0	0.00	1													
AUG 89	25592	20451	79.91	1	13810	8410	55.55	1	0	0	0.00	1													
SEP 89	17587	12410	68.45	1	12700	5737	45.17	1	0	0	0.00	1													
OCT 89	20354	13685	68.22	1	12810	6779	52.92	1	0	0	0.00	1													
NOV 89	23384	15923	68.09	1	12346	8123	65.56	1	3424	2762	32.79	1													
DEC 89	30488	17335	56.86	1	12445	7580	50.66	1	2692	2021	34.09	1													
TOTAL	318045	229069	72.02	1	119335	73215	61.87	1	37596	16295	45.20	1													
JAN 90	33072	15175	45.88	1	12180	7994	65.63	1	3736	2961	33.99	1													
FEB 90				1				1				1													
MAR 90				1				1				1													
APR 90				1				1				1													
MAY 90				1				1				1													
JUN 90				1				1				1													
JUL 90				1				1				1													
AUG 90				1				1				1													
TOTAL	33072	15175	45.88	1	12180	7994	65.63	1	3736	2961	33.99	1													
				1				1				1													
				1				1				1													
				1				1				1													
				1				1				1													
				1				1				1													
				1				1				1													
				1				1				1													
				1				1				1													
				1				1				1													
				1				1				1													
				1				1				1													
				1				1				1													
				1				1				1													
				1				1				1													
				1				1				1													
				1				1				1													
				1				1				1													
				1				1				1													
				1				1				1													
				1				1				1													
				1				1				1													
				1				1				1													
				1				1				1													
				1				1				1													
				1				1				1													
				1				1				1													
				1				1				1													
				1				1				1													

EXHIBIT 5

TRADING BUDGET FOR THE NEW YORK
ROUTE (WITH OUTPUT FIGURES)

RESPONSIVE TO U K GOVERNMENT

24 JANUARY 1990 FAX
Items 1 (c) plus 1 (d)

PREPARED BY:

J. Devlin, Chief
Financial Officer

M. Greenwood, Manager
Budgets/Market Study

CAYMAN AIRWAYS

SOURCE OF DATA:

CAYMAN AIRWAYS
Records of Accounts

FROM OUT OF EXPENSES ON NEW YORK ROUTE FROM ORIGINAL TRADING SUCCESS

NEW YORK	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	TOTAL	NOTES:
REVENUE	0	0	0	0	0	344760	473820	537359	513340	521248	117944	244750	2156359	SPECIFIC
CARGO	0	0	0	0	0	0	0	0	0	0	0	0	0	SPECIFIC
OTHER	0	0	0	0	0	5347	15442	3839	7362	10758	3397	5355	51722	PAY
TOTAL	0	0	0	0	0	351407	490462	541188	626702	532016	121041	254355	2220102	
EXPENSES:														NOTES:
SALARIES & STAFF COSTS	0	0	0	0	0	93340	119456	119123	125910	121532	106166	115566	804915	BLK/MRS
FUEL & OIL	0	0	0	0	0	39934	52462	58594	67175	57094	55453	56392	358014	SPECIFIC
RENT AIRCRAFT (both)	0	0	0	0	0	80033	102093	109955	116871	105441	107212	11736	735422	SPECIFIC
LANDING & PARKING	0	0	0	0	0	5391	7189	7189	5751	7472	7353	3586	51979	BLK/MRS
INSURANCE AIRCRAFT	0	0	0	0	0	4355	5245	5543	7148	6459	6558	7327	45155	SPECIFIC
NAVIGATION/OVERFLY	0	0	0	0	0	2150	2980	2830	3469	3011	2969	3760	20749	BLK/MRS
MAINTENANCE (both)	0	0	0	0	0	11721	15598	17391	13901	17146	17431	19475	119753	SPECIFIC
A/C PAY & CARGO SERVICE	0	0	0	0	0	20333	34315	37637	37605	32502	21213	23365	202590	PAY
CUSTOMS	0	0	0	0	0	608	957	998	962	526	980	1020	6211	SPECIFIC
INSURANCE PAY LIABILITY	0	0	0	0	0	6347	9440	9635	11913	11013	5729	5902	59079	PAY
FOOD & BEVERAGE ETC.	0	0	0	0	0	9091	14110	14239	16148	14507	9456	10119	87699	PAY
ADVERTISING/SALES PROMOS	0	0	0	0	0	129689	77351	39117	79553	67032	43199	46963	512003	PAY
COMMISSIONS	0	0	0	0	0	17336	25455	26938	30356	24878	15414	16771	156898	PAY
RENT FACILITIES	0	0	0	0	0	2491	4003	4036	3990	3745	2596	2678	23539	PAY
COMMUNICATIONS	0	0	0	0	0	5362	9476	9755	9863	8738	6061	6158	55913	PAY
DEPRECIATION	0	0	0	0	0	6683	9525	8972	9759	8806	8952	10092	61659	BLK/MRS
LEGAL & ACCOUNTING	0	0	0	0	0	1266	2087	2034	2060	1934	1340	1383	12154	PAY
PROV. DOUBTFUL ACCOUNTS	0	0	0	0	0	429	589	595	687	645	447	461	4053	PAY
GENERAL & ADMINISTRATION	0	0	0	0	0	12836	20630	16901	16708	15681	10670	11213	104839	PAY
EXCHANGE LOSS	0	0	0	0	0	0	0	0	0	0	0	0	0	
TOTAL	0	0	0	0	0	149548	510340	511302	571029	508523	451478	471226	3451446	
OPERATING PROFIT/(LOSS)	0	0	0	0	0	-58141	-26378	31366	55673	23493	-110437	-116940	-234844	
INTEREST CAPITAL LEASES	0	0	0	0	0	0	0	0	0	0	0	0	0	BLK/MRS
OTHER	0	0	0	0	0	-5163	-587	-991	-540	-6604	-6917	-729	-47540	BLK/MRS
TOTAL	0	0	0	0	0	-5163	-587	-991	-540	-6604	-6917	-729	-47540	
NET PROFIT/(LOSS)	0	0	0	0	0	-92978	-13741	38787	62213	30297	-103520	-109212	-197704	

1. Revenue - Specific for route (including security fees).
2. Cargo - Specific for route.
3. Other - Spread by pax by route.
4. Salaries/Staff Costs - Crew Salaries (Pilots, Mtce, Flt Attendants by block hours by route. All other salaries spread by total pax by route.
5. Fuel & Oil - Specific by route by A/Craft.
6. Rent Aircraft - Spread by block hour by route, and specific for MIA route for lease of Aircraft for cargo flights and 2 months where we had to lease Aircraft for MIA route.
7. Landing & Parking - No. of turns & rates.
8. Insurance A/C - Spread by block hours by A/C type.
9. Navig/Overfly - No. of flights & rates.
10. Maintenance - By block hours by route by A/C type.
11. A/C Pax & Cargo Service - Spread by pax by route.
12. Customs - No. of turns at GCM/CYB airports.
13. Ins Pax Liability - Spread by pax by route.
14. Food/Beverage - Spread by pax by route.
15. Advertising/S.Promos - Spread by pax by route.
16. Commissions - Spread by pax by route.
17. Rent Facilities - Spread by pax by route.
18. Communications - Spread by pax by route.
19. Depreciation - Spread by block hours by A/C type by route.
20. Legal & Accounting - Spread by pax by route.
21. Prov. Dbtful Accounts - Spread by pax by route.
22. Gen. & Admin. - Spread by pax by route.
23. Exchange Loss - Spread by pax by route.
24. Interest Capital Leases - Spread by block hours by route.
25. Other - Spread by block hours by route.

FINANCIAL INFORMATION-CAL
REVENUE - TRADING BUDGET

ONE MAY	GCN/MIA	GCN/IAH	GCN/KIN	GCN/TPA	GCN/ATL	GCN/JFK	INT TOTAL	LOCAL	TOTAL
1989									
JUL	2,028,088	721,494	324,116	278,320	341,292		3,693,310	140,820	3,834,130
AUG	2,039,339	696,384	308,682	268,520	319,304		3,632,229	127,660	3,759,909
SEPT	1,198,714	366,606	179,690	149,248	194,785		2,089,043	87,840	2,176,883
OCT	1,252,973	288,486	186,145	170,016	204,584		2,102,204	129,480	2,231,684
NOV	1,665,965	330,336	280,620	161,744	214,383		2,653,048	111,480	2,764,528
DEC	1,981,310	313,596	353,452	184,140	230,396	344,760	3,409,654	139,860	3,549,514
	10,166,389	2,714,902	1,634,705	1,211,988	1,504,744	344,760	17,579,488	737,160	18,316,648
1990									
JAN	1,709,399	288,486	345,724	144,708	220,836	473,820	3,182,973	119,460	3,302,433
FEB	1,884,775	252,495	261,912	160,272	240,195	537,358	3,337,007	131,040	3,468,047
MAR	2,279,180	274,536	261,912	224,640	257,642	619,340	3,917,250	142,440	4,059,690
APR	1,700,329	374,697	322,713	207,018	248,560	521,248	3,374,565	132,480	3,507,045
MAY	1,506,989	382,788	280,620	189,728	260,749	317,044	2,937,918	125,640	3,063,558
JUN	1,579,910	388,089	292,219	196,064	373,318	344,760	3,174,360	114,780	3,289,140
	10,660,582	1,961,091	1,765,100	1,122,430	1,601,300	2,813,570	19,924,073	765,840	20,689,913
	20,826,971	4,677,993	3,399,805	2,334,418	3,106,044	3,158,330	37,503,561	1,503,000	39,006,561

(1) THIS TABLE ACCOUNTS FOR FARE REVENUE WHEREAS PAGE 1 OF THIS
EXHIBIT INCLUDES IN REVENUE BOTH FARE AND SECURITY FEE REVENUE

FINANCIAL INFORMATION-CAL
PAX - TRADING BUDGET BUDGET
ONE MAY

	GCM/MTA	GCM/IAH	GCM/KIM	GCM/TPA	GCM/ATL	GCM/JFK	INT TOTAL	LOCAL	TOTAL
1989									
JUL	20,548	5,172	3,465	2,840	2,856		34,881	4,694	39,575
AUG	20,662	4,992	3,300	2,740	2,672		34,366	4,256	38,622
SEPT	14,612	2,628	1,921	1,696	1,630		22,487	2,928	25,415
OCT	14,502	2,068	1,990	1,932	1,712		22,204	4,316	26,520
NOV	20,282	2,368	3,000	1,838	1,794		29,282	3,716	32,998
DEC	22,408	2,248	3,800	1,980	1,928	2,040	34,404	4,662	39,066
	113,014	19,476	17,476	13,026	12,592	2,040	177,624	24,572	202,196
1990									
JAN	20,470	2,068	3,696	1,556	1,848	2,980	32,618	3,982	36,600
FEB	21,096	1,810	2,800	1,484	2,010	3,002	32,202	4,368	36,570
MAR	22,293	1,968	2,800	2,080	2,156	3,460	34,757	4,748	39,505
APR	16,870	2,686	3,450	2,226	2,080	2,912	30,224	4,416	34,640
MAY	16,492	2,744	3,000	2,156	2,182	1,876	28,450	4,188	32,638
JUN	16,323	2,782	3,124	2,228	3,124	2,040	29,621	3,826	33,447
	113,544	14,058	18,870	11,730	13,400	16,270	187,872	25,528	213,400
	226,558	33,534	36,346	24,756	25,992	18,310	365,496	50,100	415,596

FINANCIAL INFORMATION-CAL
AVERAGE FARE - TRADING BUDGET
ONE WAY

	1989	GCM/MIA	GCM/IAH	GCM/KIN	GCM/TPA	GCM/ATL	GCM/JFK	INT TOTAL	LOCAL	TOTAL
JUL	98.70	139.50	93.54	98.00	119.50			105.88	30.00	96.88
AUG	98.70	139.50	93.54	98.00	119.50			105.69	30.00	97.35
SEPT	82.04	139.50	93.54	88.00	119.50			92.90	30.00	85.65
OCT	86.40	139.50	93.54	88.00	119.50			94.68	30.00	84.15
NOV	82.14	139.50	93.54	88.00	119.50			90.60	30.00	83.78
DEC	88.42	139.50	93.54	93.00	119.50		169.00	99.11	30.00	90.86
1990	89.96	139.50	93.54	93.04	119.50		169.00	98.97	30.00	90.59
JAN	83.51	139.50	93.54	93.00	119.50		159.00	97.58	30.00	90.23
FEB	89.34	139.50	93.54	108.00	119.50		179.00	103.63	30.00	94.83
MAR	102.24	139.50	93.54	108.00	119.50		179.00	112.70	30.00	102.76
APR	100.79	139.50	93.54	93.00	119.50		179.00	111.65	30.00	101.24
MAY	91.38	139.50	93.54	88.00	119.50		169.00	103.27	30.00	93.86
JUN	96.79	139.50	93.54	88.00	119.50		169.00	107.17	30.00	98.34
	93.89	139.50	93.54	95.69	119.50		172.93	106.05	30.00	96.95
	91.93	139.50	93.54	94.30	119.50		172.49	102.61	30.00	93.86

FINANCIAL INFORMATION-CAL
SEATS - TRADING BUDGET

ONE MAY	1989	GCM/MIA	GCM/IAH	GCM/KIN	GCM/TPA	GCM/ATL	GCM/JFK	INT TOTAL	LOCAL	TOTAL
JUL		25,120	7,222	4,082	4,082	4,396	0	44,902	785	45,687
AUG		24,806	6,594	4,082	4,082	4,082	0	43,646	628	44,274
SEPT		20,066	3,454	2,826	2,826	2,826	0	31,998	785	32,783
OCT		20,382	3,160	3,160	3,160	2,844	0	32,706	632	33,338
NOV		29,072	4,108	2,528	2,528	2,844	0	41,080	632	41,712
DEC		33,812	3,160	3,792	2,844	2,844	2,686	49,138	2,212	51,350
		153,258	27,698	20,470	19,522	19,836	2,686	243,470	5,674	249,144
1990										
JAN		36,024	2,844	4,108	2,844	2,528	3,792	52,140	2,528	54,668
FEB		32,864	2,528	3,792	2,528	2,528	3,792	48,032	2,528	50,560
MAR		36,656	2,844	4,108	2,844	2,844	4,582	53,878	2,844	56,722
APR		25,596	3,792	4,108	2,844	2,528	2,528	41,396	2,528	43,924
MAY		26,228	4,108	2,528	2,844	2,844	2,528	41,080	2,528	43,608
JUN		25,912	6,952	2,844	4,108	4,108	3,002	46,926	2,528	49,454
		183,280	23,068	21,488	18,012	17,380	20,224	283,452	15,484	298,936
		336,538	50,766	41,958	37,534	37,216	22,910	526,922	21,158	548,080

FINANCIAL INFORMATION - CAL

BLOCK HOURS BY ROUTE

TRADING BUDGET

	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	TOTAL
MIAMI	196.25	193.05	158.78	155.50	252.54	287.09	296.90	283.50	302.49	271.72	296.90	292.13	3096.85
HOUSTON	126.50	121.00	55.00	49.50	78.00	66.00	54.00	48.00	54.00	54.00	54.00	48.00	808.00
KINGSTON	23.92	23.92	16.56	16.56	16.00	18.00	26.00	24.00	26.00	26.00	16.00	18.00	250.96
TAMPA	43.94	44.06	28.67	30.30	28.00	31.50	31.50	28.00	31.50	31.50	28.00	31.50	388.47
ATLANTA	70.00	65.00	45.00	45.00	48.06	48.06	42.72	42.72	48.06	48.06	48.06	42.72	593.46
NEW YORK	0.00	0.00	0.00	0.00	0.00	67.50	90.00	90.00	108.75	93.75	93.75	105.00	648.75
LOCAL-JET	3.06	2.72	0.68	0.60	2.72	4.76	5.44	5.44	6.12	6.12	5.44	6.12	48.62
TOTAL-JET	463.67	449.75	304.69	296.86	425.32	522.91	546.56	521.66	576.92	551.15	542.15	543.47	5745.11
LOCAL-SHORTS	115.75	114.00	112.00	113.00	113.00	117.00	113.00	104.00	116.00	112.00	114.00	112.00	1355.75
TOTAL-ALL	579.42	563.75	416.69	409.86	538.32	639.91	659.56	625.66	692.92	663.15	656.15	655.47	7190.86

EXHIBIT 6

ACTUAL AND ESTIMATE FUTURE
OPERATING RESULTS COMPARABLE
TO TRADING BUDGET FOR NEW YORK
ROUTE (WITH OUTPUT FIGURES)

RESPONSIVE TO U K GOVERNMENT

24 JANUARY 1990 FAX
Items 1 (c) plus 1 (d)

PREPARED BY:

J. Devlin, Chief
Financial Officer

M. Greenwood, Manager
Budgets/Market Study

CAYMAN AIRWAYS

SOURCE OF DATA:

CAYMAN AIRWAYS
Records of Accounts

BREAK OUT OF EXPENSES ON NEW YORK ROUTE ACTUAL DEC 89/FORECAST TO JUN 90.

NEW YORK	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	TOTAL	NOTES:
REVENUE	0	0	0	0	0	253619	402747	456754	526439	443061	269487	293046	2647153	SPECIFIC
CARGO	0	0	0	0	0	780	0	0	0	0	0	0	780	SPECIFIC
OTHER	0	0	0	0	0	4908	15815	3289	4148	8125	5570	2004	43859	PAT
TOTAL	0	0	0	0	0	261307	418562	460043	530587	451186	275057	295050	2641792	
EXPENSES:														
SALARIES & STAFF COSTS	0	0	0	0	0	42432	107508	97653	108408	102583	91754	102752	653130	B/H./PAT
FUEL & OIL	0	0	0	0	0	47365	72529	61793	69707	54517	53001	55371	416283	SPECIFIC
RENT AIRCRAFT (job)	0	0	0	0	0	78009	102093	104966	116871	105461	107212	119786	736398	SPEC/BK/RS
LANDING & PARKING	0	0	0	0	0	4577	7168	7188	8751	7422	7553	8386	51065	SPECIFIC
INSURANCE AIRCRAFT	0	0	0	0	0	3742	4716	4971	5424	4885	4938	5536	34212	BLK/RS
NAVIGATION/OVERFLY	0	0	0	0	0	1494	2880	2880	3469	3011	2989	3360	20083	SPECIFIC
MAINTENANCE (job)	0	0	0	0	0	15621	19151	20665	21923	19782	20111	22469	139122	BLK/RS
A/C.PAT & CARGO SERVICE	0	0	0	0	0	13392	34315	33637	37605	32502	21213	23365	198029	PAT
CUSTOMS	0	0	0	0	0	2617	657	898	962	926	960	1020	8160	SPECIFIC
INSURANCE PAT LIABILITY	0	0	0	0	0	3884	7747	6922	7977	6713	4326	4703	42272	PAT
FOOD & BEVERAGE ETC.	0	0	0	0	0	9272	14281	12612	15595	12955	7376	8734	80825	PAT
ADVERTISING/SALES PROMOS	0	0	0	0	0	128689	77351	69117	79653	67032	43198	46963	512003	PAT
COMMISSIONS	0	0	0	0	0	12927	23222	19994	24840	21432	12371	14792	129578	PAT
RENT FACILITIES	0	0	0	0	0	1747	4003	4036	3990	3745	2596	2678	22795	PAT
COMMUNICATIONS	0	0	0	0	0	4065	9476	9755	9863	8738	6061	6158	54116	PAT
DEPRECIATION	0	0	0	0	0	3069	8525	8932	9739	8806	8952	10002	58045	BLK/RS
LEGAL & ACCOUNTING	0	0	0	0	0	1015	2067	2084	2060	1934	1340	1383	11583	PAT
PROV DOUBTFUL ACCOUNTS	0	0	0	0	0	370	0	0	0	0	0	0	370	PAT
GENERAL & ADMINISTRATION	0	0	0	0	0	10245	20630	16901	15708	15681	10870	11213	102248	PAT
EXCHANGE LOSS	0	0	0	0	0	0	0	0	0	0	0	0	0	
TOTAL	0	0	0	0	0	394532	518539	436444	543565	480125	406741	448671	3276917	
OPERATING PROFIT/(LOSS)	0	0	0	0	0	-125225	-99977	-26401	-12978	-28939	-131684	-153621	-578625	
INTEREST CAPITAL LEASES	0	0	0	0	0	0	0	0	0	0	0	0	0	
OTHER	0	0	0	0	0	-1855	0	0	0	0	0	0	-1855	
TOTAL	0	0	0	0	0	-1855	0	0	0	0	0	0	-1855	
NETT PROFIT/(LOSS)	0	0	0	0	0	-123370	-99977	-26401	-12978	-28939	-131684	-153621	-576670	

1. Revenue - Specific for route (including security fees).
2. Cargo - Specific for route.
3. Other - Spread by pax by route.
4. Salaries/Staff Costs - Crew Salaries (Pilots, Mtce, Flt Attendants by block hours by route. All other salaries spread by total pax by route.
5. Fuel & Oil - Specific by route by A/Craft.
6. Rent Aircraft - Spread by block hour by route, and specific for MIA route for lease of Aircraft for cargo flights and 2 months where we had to lease Aircraft for MIA route.
7. Landing & Parking - No. of turns & rates.
8. Insurance A/C - Spread by block hours by A/C type.
9. Navig/Overfly - No. of flights & rates.
10. Maintenance - By block hours by route by A/C type.
11. A/C Pax & Cargo Service - Spread by pax by route.
12. Customs - No. of turns at GCM/CYB airports.
13. Ins Pax Liability - Spread by pax by route.
14. Food/Beverage - Spread by pax by route.
15. Advertising/S.Promos - Spread by pax by route.
16. Commissions - Spread by pax by route.
17. Rent Facilities - Spread by pax by route.
18. Communications - Spread by pax by route.
19. Depreciation - Spread by block hours by A/C type by route.
20. Legal & Accounting - Spread by pax by route.
21. Prov. Dbtful Accounts - Spread by pax by route.
22. Gen. & Admin. - Spread by pax by route.
23. Exchange Loss - Spread by pax by route.
24. Interest Capital Leases - Spread by block hours by route.
25. Other - Spread by block hours by route.

FINANCIAL INFORMATION-CAL
REVENUE - ACT/FORCAST - ONE WAY

1989

	6CM/MIA	6CM/IAH	6CM/KIN	6CM/TPA	6CM/ATL	6CM/JFK	INT TOTAL	LOCAL	TOTAL
JUL	1,773,176	701,424	290,435	231,861	317,775		3,314,671	111,821	3,426,492
AUG	1,805,677	682,836	362,787	247,602	282,913		3,381,815	118,943	3,500,758
SEPT	1,199,706	248,167	225,546	125,046	118,788		1,917,253	93,895	2,011,148
OCT	1,219,335	241,305	217,843	152,880	160,662		1,991,825	113,640	2,105,465
NOV	1,421,086	300,009	197,070	157,412	158,997		2,234,574	107,447	2,342,021
DEC	1,627,976	256,314	361,647	144,242	165,695	255,619	2,811,493	126,061	2,937,554

1990

	6CM/MIA	6CM/IAH	6CM/KIN	6CM/TPA	6CM/ATL	6CM/JFK	INT TOTAL	LOCAL	TOTAL
JAN	9,046,956	2,430,055	1,655,328	1,058,843	1,204,830	255,619	15,651,631	671,807	16,323,438
FEB	1,367,519	242,328	280,036	123,002	150,168	402,747	2,565,801	113,487	2,679,288
MAR	1,507,820	212,096	212,149	136,231	163,333	456,754	2,688,383	124,488	2,812,871
APR	1,823,344	230,610	212,149	190,944	175,197	526,439	3,158,683	135,318	3,294,001
MAY	1,360,263	314,745	261,398	175,965	169,021	443,061	2,724,453	125,856	2,850,309
JUN	1,205,591	321,542	227,302	161,269	177,309	269,487	2,362,501	119,358	2,481,859
	1,263,928	325,995	236,697	166,654	253,856	293,046	2,540,177	109,041	2,649,218

8,528,466	1,647,316	1,429,731	954,066	1,088,884	2,391,535	16,039,997	727,548	16,767,545
17,575,422	4,077,371	3,085,059	2,012,909	2,293,714	2,647,154	31,691,628	1,399,355	33,090,983

ORIG BUDGET
JAN/JUN '90

10,660,582	1,961,091	1,765,100	1,122,430	1,601,300	2,813,570	19,924,073	765,840	20,689,913
------------	-----------	-----------	-----------	-----------	-----------	------------	---------	------------

(1) THIS TABLE ACCOUNTS FOR FARE REVENUE WHEREAS PAGE 1 OF THIS
EXHIBIT INCLUDES IN REVENUE BOTH FARE AND SECURITY FEE REVENUE

FINANCIAL INFORMATION-CAL
PAX - ACT/FORECAST - ONE WAY

	SCM/MIA	SCM/TAH	SCM/KIN	SCM/TPA	SCM/ATL	SCM/JFK	INT TOTAL	LOCAL	TOTAL
1989									
JUL	20,341	5,167	3,493	2,724	2,819		34,544	4,449	38,993
AUG	20,471	5,096	3,914	2,772	2,426		34,679	4,474	39,153
SEPT	13,516	1,857	2,303	1,409	1,073		20,158	3,340	23,498
OCT	14,038	1,892	2,163	1,739	1,421		21,253	3,975	25,228
NOV	15,912	2,527	1,988	1,787	1,440		23,654	3,757	27,411
DEC	17,385	1,826	3,360	1,386	1,258	1,432	26,647	4,351	30,998
	101,663	18,365	17,221	11,817	10,437	1,432	160,935	24,346	185,281
1990									
JAN	15,175	1,137	2,650	1,277	818	2,856	23,913	3,759	27,672
FEB	16,877	1,520	2,268	1,261	1,367	2,552	25,845	4,150	29,995
MAR	17,834	1,653	2,268	1,768	1,466	2,941	27,931	4,511	32,441
APR	13,496	2,256	2,795	1,892	1,414	2,475	24,328	4,195	28,524
MAY	13,194	2,305	2,430	1,833	1,484	1,595	22,840	3,979	26,818
JUN	13,058	2,337	2,530	1,894	2,124	1,734	23,678	3,635	27,313
	89,634	11,209	14,941	9,925	8,673	14,153	148,535	24,228	172,762
ORIG BUDGET									
JAN/JUN '90	191,297	29,574	32,162	21,742	19,110	15,585	309,470	48,574	358,043
	113,544	14,058	18,870	11,730	13,400	16,270	187,872	25,528	213,400

FINANCIAL INFORMATION-CAL
AVERAGE FARE - ACT/FORECAST - ONE WAY

	GCM/MIA	GCM/IAH	GCM/KIN	GCM/TPA	GCM/ATL	GCM/JFK	INT TOTAL	LOCAL	TOTAL
1989									
JUL	87.17	135.75	83.15	85.12	112.73		95.96	25.13	87.87
AUG	88.21	133.99	92.69	89.32	116.62		97.52	26.59	89.41
SEPT	88.76	133.64	97.94	88.75	110.71		95.11	28.11	85.59
OCT	86.86	127.54	100.71	87.80	113.06		93.72	28.59	83.46
NOV	89.31	118.72	99.13	88.09	110.41		94.47	28.60	85.44
DEC	93.64	140.37	107.63	104.07	131.71	178.50	105.51	28.97	94.77
1990									
JAN	88.99	132.32	96.12	89.60	115.44	178.50	97.25	27.59	88.10
FEB	90.12	213.13	105.67	96.32	183.58	141.02	107.30	30.19	96.82
MAR	89.34	139.50	93.54	108.00	119.50	179.00	104.02	30.00	93.78
APR	102.24	139.50	93.54	108.00	119.50	179.00	113.09	30.00	101.54
MAY	100.79	139.50	93.54	93.00	119.50	179.00	111.99	30.00	99.93
JUN	91.38	139.50	93.54	88.00	119.50	169.00	103.44	30.00	92.54
	96.79	139.50	93.54	88.00	119.50	169.00	107.28	30.00	97.00
	95.15	146.97	95.69	96.13	125.54	168.98	107.99	30.03	97.06
	91.87	137.87	95.92	92.58	120.02	169.86	102.41	28.81	92.42

FINANCIAL INFORMATION-CAL
SEATS - ACTUAL AND ESTIMATED
ONE MAY

1989	GCM/HIA	GCM/IAH	GCM/KIN	GCM/TPA	GCM/ATL	GCM/JFK	INT TOTAL	LOCAL	TOTAL
JUL	25,120	7,222	4,082	4,082	4,396	0	44,902	785	45,687
AUG	24,806	6,594	4,082	4,082	4,082	0	43,646	628	44,274
SEPT	20,066	3,454	2,826	2,826	2,826	0	31,998	785	32,783
OCT	20,382	3,160	3,160	3,160	2,844	0	32,706	632	33,338
NOV	25,072	4,108	2,528	2,528	2,844	0	41,080	632	41,712
DEC	33,812	3,160	3,792	2,844	2,844	2,686	49,138	2,212	51,350
1990	153,258	27,698	20,470	19,522	19,836	2,686	243,470	5,674	249,144
JAN	36,024	2,844	4,108	2,844	2,528	3,792	52,140	2,528	54,668
FEB	32,864	2,528	3,792	2,528	2,528	3,792	48,032	2,528	50,560
MAR	36,656	2,844	4,108	2,844	2,844	4,582	53,878	2,844	56,722
APR	25,596	3,792	4,108	2,844	2,528	2,528	41,396	2,528	43,924
MAY	26,228	4,108	2,528	2,844	2,844	2,528	41,080	2,528	43,608
JUN	25,912	6,952	2,844	4,108	4,108	3,002	46,926	2,528	49,454
	183,280	23,068	21,488	18,012	17,380	20,224	283,452	15,484	298,936
	336,538	50,766	41,958	37,534	37,216	22,910	526,972	21,158	548,080

FINANCIAL INFORMATION - CAL

BLOCK HOURS BY ROUTE

	ACTUAL JUL	ACTUAL AUG	ACTUAL SEP	ACTUAL OCT	ACTUAL NOV	ACTUAL DEC	FORECAST JAN	FORECAST FEB	FORECAST MAR	FORECAST APR	FORECAST MAY	FORECAST JUN	TOTAL
MIAMI	214.00	206.00	165.00	181.00	209.00	271.00	296.50	283.50	302.49	291.72	296.90	292.13	3015.64
HOUSTON	120.00	108.00	57.00	50.00	73.00	55.00	54.00	48.00	54.00	54.00	54.00	48.00	778.00
KINGSTON	24.00	26.00	17.00	17.00	17.00	28.00	26.00	24.00	26.00	26.00	16.00	18.00	265.00
TAMPA	47.00	48.00	29.00	29.00	26.00	29.00	31.50	28.00	31.50	31.50	28.00	31.50	390.00
ATLANTA	67.00	61.00	42.00	46.00	47.00	46.00	42.72	42.72	48.06	48.06	48.06	42.72	581.34
NEW YORK	0.00	0.00	0.00	0.00	0.00	67.00	90.00	90.00	108.75	93.75	93.75	105.00	648.25
LOCAL-JET	5.00	5.00	10.00	7.00	10.00	10.00	5.44	5.44	6.12	6.12	5.44	6.12	81.68
CHARTER	7.00	3.00	0.00	0.00	12.00	2.00	0.00	0.00	0.00	0.00	0.00	0.00	24.00
TOTAL-JET	484.00	457.00	324.00	330.00	394.00	512.00	546.56	521.66	576.92	551.15	542.15	543.47	5782.91
LOCAL-SHORTS	125.00	108.75	91.50	121.00	99.75	110.00	113.00	104.00	116.00	112.00	114.00	112.00	1327.00
TOTAL-ALL	609.00	565.75	415.50	451.00	493.75	622.00	659.56	625.66	692.92	663.15	656.15	655.47	7109.91

EXHIBIT 7

FINANCIAL STATEMENTS

30 JUNE 1989

BALANCE SHEET AT 30 JUNE 1989
INCORPORATED IN FINANCIAL STATEMENTS

RESPONSIVE TO U K GOVERNMENT

24 JANUARY 1990 FAX
Item 1 (e)

PREPARED BY:

J. Devlin, Chief
Financial Officer

M. Greenwood, Manager
Budgets/Market Study

CAYMAN AIRWAYS

SOURCE OF DATA:

CAYMAN AIRWAYS
Published Financial
Statements

CAYMAN AIRWAYS LIMITED

FINANCIAL STATEMENTS

30 JUNE 1989

Price Waterhouse



Price Waterhouse



REPORT OF THE AUDITORS TO THE MEMBERS OF CAYMAN AIRWAYS LIMITED

We have audited the financial statements on pages 2 to 10 in accordance with International Auditing Guidelines.

In our opinion, the financial statements give a true and fair view of the financial position of Cayman Airways Limited at 30 June 1989 and the results of its operations for the year then ended in accordance with International Accounting Standards.

Price Waterhouse

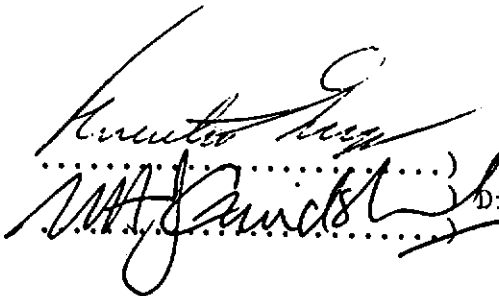
1 September 1989

CAYMAN AIRWAYS LIMITED

BALANCE SHEET AT 30 JUNE 1989

(Expressed in United States dollars)

ASSETS	<u>1988</u>	
Current assets		
Cash and bank balances	1,038,504	791,330
Accounts receivable, less allowance for doubtful receivables \$129,037 (1988: \$176,000)	4,964,839	3,962,082
Prepaid expenses	1,407,298	1,619,920
Total current assets	<u>7,410,641</u>	<u>6,373,332</u>
Flight equipment under capital leases (Note 3)	15,465,163	16,761,595
Flight equipment owned (Notes 4 and 8)	1,674,646	1,758,888
Other plant and equipment (Note 5)	421,330	416,981
Property (Note 6)	636,714	651,267
Deferred costs (Note 7)	1,306,982	1,969,738
	<u>\$26,915,476</u>	<u>\$27,931,801</u>
LIABILITIES AND SHAREHOLDERS' DEFICIENCY		
Current liabilities		
Bank overdraft	1,282,033	2,441,339
Current portion of secured loan (Note 8)	260,000	260,000
Current portion of capital lease obligations (Note 9)	1,254,394	1,162,444
Accounts payable and accrued expenses	6,542,515	6,288,927
Unearned transportation liability	4,042,410	3,709,238
Total current liabilities	<u>13,381,352</u>	<u>13,861,948</u>
Long-term liabilities		
Secured loan (Note 8)	435,627	695,629
Capital leases (Note 9)	16,802,946	18,057,335
Total liabilities	<u>30,619,925</u>	<u>32,614,912</u>
Shareholders' deficiency		
Share capital (Note 10)	16,002,104	16,002,104
Accumulated deficit	(19,706,553)	(20,685,215)
	<u>(3,704,449)</u>	<u>(4,683,111)</u>
	<u>\$26,915,476</u>	<u>\$27,931,801</u>



 Directors

The notes on pages 5 to 10 are an integral part of these financial statements.

CAYMAN AIRWAYS LIMITED
STATEMENT OF PROFIT AND ACCUMULATED DEFICIT
FOR THE YEAR ENDED 30 JUNE 1989

(Expressed in United States dollars)

		<u>1988</u>
Operating revenues		
Passenger		
Cargo	34,835,384	29,449,825
Charter	2,144,960	1,841,898
Government subsidy	1,315,430	3,086,238
Other	1,250,000	1,250,000
	739,694	628,235
	<u>40,285,468</u>	<u>36,256,196</u>
Operating expenses		
Flying operations	8,749,225	10,060,866
Maintenance	4,557,214	3,660,042
Passenger service	3,257,628	3,333,728
Aircraft and traffic servicing	7,279,922	6,757,101
Promotion, sales and reservations	7,870,029	6,539,828
General and administrative	4,008,623	3,337,842
Depreciation and amortisation		
Flight equipment under capital leases	1,296,432	1,296,432
Flight equipment owned	159,614	206,330
Other plant and equipment	174,122	129,227
Property	14,553	14,562
Deferred costs	194,501	189,173
	<u>37,561,863</u>	<u>35,525,131</u>
Operating profit	<u>2,723,605</u>	<u>731,065</u>
Non-operating expenses		
Interest		
Obligations under capital leases	1,429,106	1,528,629
Secured loan	89,223	99,989
Other, net	226,614	179,715
	<u>1,744,943</u>	<u>1,808,333</u>
Net profit (loss)	978,662	(1,077,268)
Accumulated deficit at beginning of year	(20,685,215)	(19,607,947)
Accumulated deficit at end of year	<u><u>\$(19,706,553)</u></u>	<u><u>\$(20,685,215)</u></u>

The notes on pages 5 to 10 are an integral part of these financial statements.

CAYMAN AIRWAYS LIMITED

STATEMENT OF CHANGES IN FINANCIAL POSITION

FOR THE YEAR ENDED 30 JUNE 1989

(Expressed in United States dollars)

	<u>1988</u>	
Financial resources were provided by		
Operations - net profit (loss)	978,662	(1,077,268)
Add item not affecting working capital		
Depreciation and amortisation (including amounts charged to maintenance)	2,663,886	2,262,578
Total resources provided	<u>3,642,548</u>	<u>1,185,310</u>
Financial resources were used for		
Secured loan repayments	260,002	259,996
Reduction in long-term capital lease obligations	1,254,389	1,162,442
Additions to flight equipment owned	75,372	301,301
Additions to other plant and equipment	178,471	182,916
Deferred costs	356,409	1,573,949
Total resources used	<u>2,124,643</u>	<u>3,480,604</u>
Net increase (decrease) in working capital	<u>\$ 1,517,905</u>	<u>\$(2,295,294)</u>
Movements in working capital		
Increase (decrease) in current assets		
Cash and bank balances	247,174	227,682
Accounts receivable	1,002,757	1,404,430
Prepaid expenses	(212,622)	194,812
Decrease (increase) in current liabilities		
Bank overdrafts	1,159,306	(1,486,875)
Current portion of capital lease obligations	(91,950)	(114,372)
Accounts payable and accrued expenses	(253,588)	(1,742,650)
Unearned transportation liability	(333,172)	(778,321)
Net increase (decrease) in working capital	<u>\$ 1,517,905</u>	<u>\$(2,295,294)</u>

The notes on pages 5 to 10 are an integral part of these financial statements.

CAYMAN AIRWAYS LIMITED

NOTES TO FINANCIAL STATEMENTS

30 JUNE 1989

1. Incorporation and activity

The company is incorporated in the Cayman Islands and is owned by the Government of the Cayman Islands (the Government). The company is dependent upon the financial support of the Government and it is management's understanding that the Government acknowledges the importance of the full and timely discharge by the company of its financial obligations. To date, the Government has demonstrated its financial commitment to the company by providing funding, initially by way of loans which have subsequently been converted into share capital, and more recently by an annual subsidy.

The company's main activity is the provision of scheduled passenger and cargo air transportation to, from and within the Cayman Islands.

The company leases two Boeing 727-200 series aircraft to provide international passenger and cargo services. A Shorts SD3-30 owned by the company provides services within the Cayman Islands. The company also leases aircraft on a short-term basis as required.

During the year, the company carried out a fleet replacement study and decided that it would be expedient to replace the two Boeing 727-200 aircraft with Boeing 737-400 series aircraft which would be leased from a major international leasing company. Details of the fleet replacement, which will take effect in the financial year to 30 June 1990, are discussed in Note 12 which deals with relevant events subsequent to the current year end.

2. Accounting policies

These financial statements have been prepared under the historical cost convention and the significant accounting policies are:

Operating leases: Leases relating to the short-term chartering of aircraft are operating leases and rental payments are charged as an expense over the term of the leases as they become payable in accordance with the provisions of the respective leases.

Capital leases: The leases relating to the Boeing 727 aircraft are capital leases, and the assets and related obligations were initially recorded at an amount equal to the present value of the future minimum lease payments. The assets are amortised over the life of the respective leases. Interest expense is accrued on the basis of the outstanding balance of the obligations under capital leases.

CAYMAN AIRWAYS LIMITED

NOTES TO FINANCIAL STATEMENTS

30 JUNE 1989

2. Accounting policies (continued)

Aircraft maintenance: All routine maintenance of the Boeing 727 aircraft is provided on a continuous basis. Management have decided that, as a safety measure, the continuous maintenance programme should be supplemented with periodic inspections and that the cost thereof, including the cost of any preventative maintenance required as a result of such inspections, should be deferred and amortised to maintenance expense over the future periods for which economic benefit is expected to be realised.

Routine maintenance in respect of the company's other aircraft is expensed as incurred.

Government subsidy: The government subsidy is a non-refundable operating subsidy and is recognised as revenue on a pro-rata basis throughout the calendar year to which it relates.

Depreciation: Fixed assets are depreciated using the straight line method over their estimated useful lives as follows:

<u>Type of fixed asset</u>	<u>Estimated useful life</u>	<u>Residual value</u>
Flight equipment under capital leases	14 years	25%
Flight equipment owned:		
Aircraft	10 years	20%
Rotable parts and assemblies	10 years	20%
Other plant and equipment	5 years	nil
Leasehold office building	50 years	nil

Deferred costs: Expenses incurred for which economic benefit is expected to be realised in future periods are deferred and amortised on a straight line basis as follows:

<u>Nature of expenditure</u>	<u>Amortisation Period</u>
Engine inspection and preventative maintenance for the Boeing 727 aircraft	5,000 cycles (which equates to approximately 39 months)
Refurbishment of the Boeing 727 aircraft	4 years
Inauguration of new routes to Atlanta and Tampa	3 years

Costs incurred in connection with the introduction of the Boeing 737 aircraft have been deferred and will be accounted for from the date such aircraft are put into service (see Note 12).

CAYMAN AIRWAYS LIMITED
NOTES TO FINANCIAL STATEMENTS

30 JUNE 1989

2. Accounting policies (continued)

Passenger revenue: Passenger ticket sales are initially recorded as a current liability in an unearned transportation liability account until transportation is provided and revenue recognised as earned, sales are refunded or billings from other airlines are received.

3. Flight equipment under capital leases

	<u>1988</u>	
Cost of Boeing 727 aircraft	24,000,000	24,000,000
Accumulated depreciation	(8,534,837)	(7,238,405)
Net book amount	<u>\$15,465,163</u>	<u>\$16,761,595</u>

4. Flight equipment owned

	<u>1988</u>	
Cost		
Shorts SD3-30 aircraft	1,125,000	1,125,000
Rotable parts and assemblies		
Boeing 727	574,468	528,132
Shorts SD3-30	494,092	465,056
Accumulated depreciation	<u>2,193,560</u>	<u>2,118,188</u>
	(518,914)	(359,300)
Net book amount	<u>\$ 1,674,646</u>	<u>\$ 1,758,888</u>

5. Other plant and equipment

	<u>1988</u>	
Cost		
Furniture, fixtures and office equipment	703,772	589,825
Vehicles and ramp equipment	574,814	542,171
Passenger service and safety equipment	236,850	204,969
Accumulated depreciation	<u>1,515,436</u>	<u>1,336,965</u>
	(1,094,106)	(919,984)
Net book amount	<u>\$ 421,330</u>	<u>\$ 416,981</u>

CAYMAN AIRWAYS LIMITED
NOTES TO FINANCIAL STATEMENTS

30 JUNE 1989

6. Property

		<u>1988</u>
Cost of leasehold office building	727,652	727,652
Accumulated depreciation	(90,938)	(76,385)
Net book amount	<u>\$ 636,714</u>	<u>\$ 651,267</u>

7. Deferred costs

		<u>1988</u>
Preventative maintenance of Boeing 727 engines	1,084,268	1,346,681
Overhaul of Shorts SD3-30 engines	-	263,772
Refurbishment of Boeing 727 aircraft	133,467	209,792
Inauguration costs of new routes	31,317	149,493
Introduction of Boeing 737 aircraft	57,930	-
	<u>\$ 1,306,982</u>	<u>\$ 1,969,738</u>

During the year ended 30 June 1988, the period of amortisation of the costs deferred in respect of the overhaul of the Shorts SD3-30 engines was established as two years. However, during the year ended 30 June 1989 the amortisation period was reassessed and the balance of the unamortised costs was expensed to maintenance. The result of this change in estimate was to increase maintenance costs for the year by approximately \$123,000.

Subsequent to the year end the company sold its interest in the leases on the Boeing 727 aircraft (see Note 12). The balance of deferred costs relating to the Boeing 727 aircraft which remains unamortised at the date on which the aircraft cease to be operated by the company will be written off against the profit arising on the sale of the lease interest.

8. Secured loan

During the year ended 30 June 1987, the company raised a \$1,300,000 loan to facilitate the purchase of a Shorts SD3-30 aircraft and related spare parts. The loan is secured on the aircraft and spare parts and is repayable in equal monthly installments over 5 years from January 1987. The loan bears interest at the London Interbank Offered Rate plus 1.5%.

CAYMAN AIRWAYS LIMITED

NOTES TO FINANCIAL STATEMENTS

30 JUNE 1989

9. Obligation under capital leases

On 1 December 1982 the company leased two Boeing 727 aircraft under leases which expire on 30 November 1996.

At 30 June 1989 the future minimum lease payments under the leases together with the present value of the net lease payments were as follows:

<u>Year ended 30 June</u>	<u>Minimum obligations</u>
1990	
1991	2,606,700
1992	2,606,700
1993	2,606,700
1994	2,606,700
Thereafter	2,606,700
	12,366,750
Total minimum lease payments	25,400,250
Less: amount representing interest	(7,342,910)
Present value of obligations under capital leases	18,057,340
Less: current portion of obligations under capital leases	1,254,394
Long-term obligations under capital leases	<u>\$16,802,946</u>

Subsequent to the year end, and in connection with the fleet replacement plan discussed in Note 1, the company's interest in the leases was sold to an unrelated third party for a premium (see Note 12). Under the terms of this transaction the third party will take over all of the company's obligations under such leases, including the lease payments noted above.

10. Share capital

At 30 June 1989 the authorised share capital comprised 6,667,543 shares of CI\$2 each which had been issued and fully paid (1988: 6,667,543 shares).

CAYMAN AIRWAYS LIMITED

NOTES TO FINANCIAL STATEMENTS

30 JUNE 1989

11. Other matters

During the year ended 30 June 1988, one of the company's Boeing 727 aircraft was damaged whilst in the custody of a maintenance service firm at Miami International Airport.

In addition to the basic repair costs, which were recoverable from the company's insurers or the maintenance service firm, the company incurred consequential expenses of approximately \$294,000 which were included in flying operations in the statement of income for the year ended 30 June 1988. Since management was of the opinion that the maintenance service firm was negligent as it was responsible for the custody and safety of the aircraft whilst in its facilities and under its control, legal action was taken to recover such consequential expenses and a favourable judgement was obtained. However, as the maintenance service firm has appealed the judgement the company has not accounted for the recovery of the \$294,000 at 30 June 1989 (1988: nil) since the ultimate recoverability of such amount is still in doubt.

12. Subsequent events

Subsequent to the year end the company entered into agreements to lease two Boeing 737-400 aircraft for a period of fifteen years (with a five year extension option) at \$310,000 per month per aircraft. Both aircraft are expected to be in service by October 1989.

Additionally, the company sold to Alaska Airlines, Inc. (Alaska) its interest in the leases of the two Boeing 727-200 aircraft which it currently operates. Under the terms of the agreement, the company will receive approximately \$12,200,000 and will be relieved of all of its obligations under such leases. The company has also negotiated an option to purchase the aircraft from Alaska for \$8,000,000 each when their leases expire in 1996. Management is under no obligation to exercise this option.

The agreement with Alaska will result in an overall profit to the company on the transaction of approximately \$11,000,000 - \$12,000,000 which will be accounted for in the financial year ending 30 June 1990.

Alaska have also agreed to buy the company's Boeing 727-200 rotatable and expendable parts inventory for \$300,000, which is approximately equivalent to its carrying value.

EXHIBIT 8

BALANCE SHEET FOR THE YEAR

ENDED 30 JUNE 1990

CORRESPONDING TO TRADING BUDGET
FOR TOTAL OPERATIONS IN EXHIBIT 1

RESPONSIVE TO U K GOVERNMENT

24 JANUARY 1990 FAX
Item 1 (e)

PREPARED BY:

J. Devlin, Chief
Financial Officer

M. Greenwood, Manager
Budgets/Market Study

CAYMAN AIRWAYS

SOURCE OF DATA:

CAYMAN AIRWAYS
Records of Accounts

FINANCIAL INFORMATION-CAL (USD) BALANCE SHEET - TRADING BUDGET

ASSETS		BALANCES JUNE '89	JUNE/JEC CHANGE	BALANCES DEC '89	DEC/JUNE CHANGE	BALANCES JUNE '90
CURRENT:						
CASH AND BANK BALANCES	\$	1,038,504	1,578,721	2,617,225	192,761	2,809,986
ACCOUNTS RECEIVABLE-NET		4,944,839	36,427	5,001,266	0	5,001,266
PREPAID EXPENSES		1,407,298	2,496,145	3,903,443	688,500	4,591,943
TOTAL CURRENT ASSETS		7,410,641	4,111,293	11,521,934	881,261	12,403,195
FLIGHT EQUIP UNDER CAP LEASES		15,465,163	(15,465,163)	0	0	0
FLIGHT EQUIP OWNED		1,674,646	6,135,193	7,809,839	595,774	8,405,613
OTHER PLANT AND EQUIP		421,330	35,875	457,205	(74,496)	382,709
PROPERTY		636,714	(17,067)	629,647	(7,278)	622,369
DEFERRED COSTS		1,306,982	(1,306,982)	0	0	0
TOTAL ASSETS	\$	26,915,476	(6,496,851)	20,418,625	1,395,261	21,813,886
LIABILITIES AND SHAREHOLDERS' DEFICIENCY						
CURRENT LIABILITIES						
BANK OVERDRAFT	\$	1,282,033	(1,282,033)	0	2,983,000	2,983,000
CURRENT PORTION OF SECURED LOAN		260,000	0	260,000	600,000	860,000
CURRENT PORTION OF CAP LEASE OBLIGATIONS		1,254,394	(1,254,394)	0	0	0
ACCTS PAYABLE AND ACCRUED EXPENSES		6,542,515	4,198,198	10,740,713	(5,067,000)	5,673,713
DEFERRED TRANSPORTATION LIAB		4,042,410	(1,154,767)	2,887,643		2,887,643
TOTAL CURRENT LIABILITIES		13,381,352	507,004	13,888,356	(1,484,000)	12,404,356
LONG TERM LIABILITIES						
SECURED LOAN		435,627	(130,001)	305,626	2,209,998	2,515,624
CAPITAL LEASES		16,802,946	(16,802,946)	0	0	0
TOTAL LIABILITIES		30,619,925	(16,425,943)	14,193,982	725,998	14,919,980
SHAREHOLDERS DEFICIENCY		16,002,104	0	16,002,104		16,002,104
SHARE CAPITAL		(19,706,553)	9,929,092	(9,777,461)	669,263	(9,108,198)
ACCUMULATED DEFICIT		(3,704,449)	9,929,092	6,224,643	669,263	6,893,906
	\$	26,915,476	(6,496,851)	20,418,625	1,395,261	21,813,886

CHANGES IN FINANCIAL POSITION		DEC '89	JUNE '90	DEC '89 PLUS JUNE '90
CASH SOURCES:				
NET INCOME (LOSS)		412,431	669,263	1,081,694
ADJUSTMENTS CASH BASIS:				
DEPRECIATION		771,340	456,000	1,227,340
CASH INCOME		1,183,771	1,125,263	2,309,034
OTHER CASH SOURCES:				
GAIN ON SALE - CAPITAL LEASES		11,607,028	0	11,607,028
INCREASE IN SECURED LOAN		3,000,000	0	3,000,000
INCREASE IN BANK OVERDRAFT		300,567	0	300,567
INCREASE IN ACCTS PAYABLE AND ACCRUED LIAB		4,198,198	0	4,198,198
INCREASE UTL		0	0	0
DECREASE IN DEFERRED COSTS		1,306,982	0	1,306,982
DECREASE IN PREPAID EXPENSES		0	0	0
DECREASE IN PROPERTY		8,529,822	0	8,529,822
DECREASE IN SHORT TERM INVESTMENT		0	2,983,000	2,983,000
		27,126,788	7,108,263	34,235,051
CASH USES:				
DECREASE UTL		18,057,340	0	18,057,340
DECREASE IN CAPITAL LEASE		130,001	190,002	320,003
DECREASE IN SECURED LOAN		1,154,767	0	1,154,767
DECREASE UTL		36,427	0	36,427
INCREASE IN ACCOUNTS RECEIVABLE		2,496,145	688,500	3,184,645
INCREASE IN PREPAID EXPENSES		0	970,000	970,000
INCREASE IN BANK OVERDRAFT		0	0	0
INCREASE IN DEFERRED COSTS		0	0	0
INCREASE IN SHORT TERM INVESTMENT		1,583,000	0	1,583,000
START UP EXPENSE - JFK		767,175	0	767,175
START UP EXPENSE - B 737		847,317	0	847,317
PREOPERATING RENT - B 737		475,875	0	475,875
DECREASE IN ACCOUNTS PAYABLE AND ACCRUED LIAB		5,067,000	5,067,000	5,067,000
		25,546,047	6,915,502	32,463,549
INCREASE (DECREASE) IN CASH		1,578,721	192,761	1,771,482
CASH BALANCE BEGINNING		1,038,504	0	1,038,504
CASH BALANCE ENDING		2,617,225	192,761	2,809,986

BALANCE SHEET - TRADING BUDGET
CHANGES IN FINANCIAL POSITION

SUMMARY OF PRINCIPAL ASSUMPTIONS

CASH SOURCES:

Net Loss - Refer to Exhibit I

Depreciation - Refer to Exhibit I

OTHER CASH SOURCES:

Gain on Sales - Capital Leases - In September, 1989 CAL sold its interest in the leases of two (2) B-727 Aircraft and received net cash of \$11,607,028. CAL replaced the B-727's with two (2) new B-737 Aircraft leased from GPA and is accounting for such as operating leases.

Increase in Secured Loan - CAL purchased a spare engine for the B-737's and plans to finance the engine with a bank.

Increase in Bank Overdraft - CAL has an overdraft line of credit with a bank. The balance varies depending upon circumstances. CAL invests in short term certificates with the same bank that extends the overdraft facility. The amounts invested varies from time to time depending on CAL's cash position. The bank has a right of offset between the overdraft and certificates. CAL's accounts combine the overdraft balance with the investment balance and report a net investment on bank overdraft.

Increase in Accounts Payable and Accrued Liability - CAL recorded the engine purchase of \$3,000,000 as an accounts payable in June/December change and reclassified to secured loan in December/June change. In addition to the engine CAL recorded capital expenditure obligations related to the B-737's of about \$2,067,000 in the June/December change. The terms of the obligations required cash payment in the December/June change.

Decrease in Deferred Costs - reduction results from sale of the B-727 leasehold and represents unamortized overhaul costs.

Decrease in Property - reduction results from sale of the B-727 leaseholds net of increase representing the purchase of B-737 related spare rotatable parts and ground equipment.

Decrease in Capital Lease - relates to the sale of the B-727 leaseholds.

Increase in Prepaid Expenses - relates to a deposit of \$2,000,000 and maintenance reserve requirements in connection with the B-737's.

Decrease in Accounts Payable - relates to the finance of the B-737 spare engine and payment of capital expenditure obligations.

EXHIBIT 9

BALANCE SHEET FOR THE YEAR
ENDED 30 JUNE 1990

CORRESPONDING TO ACTUAL AND ESTIMATE
FUTURE OPERATING RESULTS IN EXHIBIT 2

RESPONSIVE TO U K GOVERNMENT

24 JANUARY 1990 FAX
Item 1 (e)

PREPARED BY:

J. Devlin, Chief
Financial Officer

M. Greenwood, Manager
Budgets/Marrket Study

CAYMAN AIRWAYS

SOURCE OF DATA:

CAYMAN AIRWAYS
Records of Accounts

(1051)

ASSETS

ASSETS	BALANCES JUNE '89	JUNE/DEC ACTUAL CHANGE	BALANCES DEC '89	DEC/JUNE ESTIMATE CHANGE	BALANCES JUNE '90
CURRENT:					
CASH AND BANK BALANCES	\$ 1,039,594	(230,536)	807,968	(2,524,010)	(1,716,042)
ACCOUNTS RECEIVABLE-NET	4,964,839	36,427	5,001,266	0	5,001,266
PREPAID EXPENSES	1,407,298	2,496,145	3,903,443	689,500	4,591,943
TOTAL CURRENT ASSETS	7,410,441	2,302,036	9,712,677	(1,835,510)	7,877,167
FLIGHT EQUIP UNDER CAP LEASES	15,465,163	(15,465,163)	0	0	0
FLIGHT EQUIP OWNED	1,674,646	6,135,193	7,809,839	595,774	8,405,613
OTHER PLANT AND EQUIP	421,330	35,875	457,205	(74,496)	382,709
PROPERTY	636,714	(7,067)	629,647	(7,278)	622,369
PREFERRED COSTS	1,306,982	(1,306,982)	0	0	0
TOTAL ASSETS	\$ 26,915,476	(8,306,108)	18,609,368	(1,321,510)	17,287,858

LIABILITIES AND SHAREHOLDERS' DEFICIENCY

CURRENT LIABILITIES					
BANK OVERDRAFT	\$	1,282,033	(1,282,033)	0	2,983,000
CURRENT PORTION OF SECURED LOAN		260,000	0	260,000	860,000
CURRENT PORTION OF CAP LEASE OBLIGATIONS		1,254,394	(1,254,394)	0	0
ACCTS PAYABLE AND ACCRUED EXPENSES		6,342,515	4,199,198	10,740,713	5,673,713
UNEARNED TRANSPORTATION LTB		4,042,410	(1,154,767)	2,887,643	2,887,643
TOTAL CURRENT LIABILITIES		13,381,352	507,004	13,888,356	(1,484,000)
LONG TERM LIABILITIES					
SECURED LOAN		435,627	(130,001)	305,626	2,209,998
CAPITAL LEASES		16,802,946	(16,802,946)	0	0
TOTAL LIABILITIES		30,619,925	(16,425,943)	14,193,982	725,998
SHAREHOLDERS' DEFICIENCY					
SHARE CAPITAL		16,002,104	0	16,002,104	16,002,104
ACCUMULATED DEFICIT		(19,706,553)	8,119,835	(11,586,718)	(2,047,508)
		(3,704,449)	8,119,835	4,415,386	(2,047,508)
		26,915,476	(8,306,108)	18,609,368	(1,321,510)
					17,287,858

CHANGES IN FINANCIAL POSITION

CHANGES IN FINANCIAL POSITION		DEC '89	JUNE '90	DEC '89	JUNE '90	DEC '89	JUNE '90
CASH SOURCES:							
NET INCOME (LOSS)							
ADJUSTMENTS CASH BASIS:							
DEPRECIATION							
CASH INCOME							
OTHER CASH SOURCES:							
GAIN ON SALE - CAPITAL LEASES							
INCREASE IN SECURED LOAN							
INCREASE IN BANK OVERDRAFT							
INCREASE IN ASSETS PAYABLE AND ACCRUED LIAB							
INCREASE UTIL							
DECREASE IN DEFERRED COSTS							
DECREASE IN PREPAID EXPENSES							
DECREASE IN PROPERTY							
DECREASE IN SHORT TERM INVESTMENT							
CASH USES:							
DECREASE UTIL							
DECREASE IN CAPITAL LEASE							
DECREASE IN SECURED LOAN							
DECREASE UTIL							
INCREASE IN ACCOUNTS RECEIVABLE							
INCREASE IN PREPAID EXPENSES							
INCREASE IN PROPERTY							
DECREASE IN BANK OVERDRAFT							
INCREASE IN DEFERRED COSTS							
INCREASE IN SHORT TERM INVESTMENT							
START UP EXPENSE - JFK							
START UP EXPENSE - B 737							
OPERATING RENT - B 737							
DECREASE IN ACCOUNTS PAYABLE AND ACCRUED LIAB							
CASH BALANCE BEGINNING							
CASH BALANCE ENDING							

BALANCE SHEET - ACTUAL AND ESTIMATE
CHANGES IN FINANCIAL POSITION

SUMMARY OF PRINCIPAL ASSUMPTIONS

CASH SOURCES:

Net Loss - Refer to Exhibit 2

Depreciation - Refer to Exhibit 2

OTHER CASH SOURCES:

Gain on Sales - Capital Leases - In September, 1989 CAL sold its interest in the leases of two (2) B-727 Aircraft and received net cash of \$11,607,028. CAL replaced the B-727's with two (2) new B-737 Aircraft leased from GPA and is accounting for such as operating leases.

Increase in Secured Loan - CAL purchased a spare engine for the B-737's and plans to finance the engine with a bank.

Increase in Bank Overdraft - CAL has an overdraft line of credit with a bank. The balance varies depending upon circumstances. CAL invests in short term certificates with the same bank that extends the overdraft facility. The amounts invested varies from time to time depending on CAL's cash position. The bank has a right of offset between the overdraft and certificates. CAL's accounts combine the overdraft balance with the investment balance and report a net investment on bank overdraft.

Increase in Accounts Payable and Accrued Liability - CAL recorded the engine purchase of \$3,000,000 as an accounts payable in June/December change and reclassified to secured loan in December/June change. In addition to the engine CAL recorded capital expenditure obligations related to the B-737's of about \$2,067,000 in the June/December change. The terms of the obligations required cash payment in the December/June change.

Decrease in Deferred Costs - reduction results from sale of the B-727 leasehold and represents unamortized overhaul costs.

Decrease in Property - reduction results from sale of the B-727 leaseholds net of increase representing the purchase of B-737 related spare rotatable parts and ground equipment.

Decrease in Capital Lease - relates to the sale of the B-727 leaseholds.

Increase in Prepaid Expenses - relates to a deposit of \$2,000,000 and maintenance reserve requirements in connection with the B-737's.

Decrease in Accounts Payable - relates to the finance of the B-737 spare engine and payment of capital expenditure obligations.

EXHIBIT 10

SUBSIDY - PRICE WATERHOUSE
STATEMENT OF OPERATIONS
FOR THE INTER-ISLAND,
CAYMAN BRAC - MIAMI AND
CAYMAN BRAC - TAMPA ROUTES
FOR THE YEAR ENDED 30 JUNE 1989

RESPONSIVE TO U K GOVERNMENT

24 JANUARY 1990 FAX
Item 1 (e)

PREPARED BY:

J. Devlin, Chief
Financial Officer

M. Greenwood, Manager
Budgets/Market Study

CAYMAN AIRWAYS

SOURCE OF DATA:

CAYMAN AIRWAYS
Records of Accounts

CAYMAN AIRWAYS LIMITED

STATEMENT OF OPERATIONS

FOR THE INTER-ISLAND, CAYMAN BRAC - MIAMI

AND CAYMAN BRAC - TAMPA ROUTES

CAYMAN AIRWAYS LIMITED

STATEMENT OF OPERATIONS FOR THE INTER-ISLAND,

CAYMAN BRAC - MIAMI AND CAYMAN BRAC - TAMPA ROUTES

FOR THE YEAR ENDED 30 JUNE 1989

INDEX

	<u>Page</u>
Report of independent accountants	1
Introduction and conclusion	2
Statement of operations	3
Summary of principal assumptions and methodologies	4-8

Price Waterhouse



28 November 1989

To the Board of Directors,
Cayman Airways Limited.

At your request, we have performed certain agreed upon procedures, as set out below, with respect to the accompanying Statement of Income and Expenses for the Inter-island, Cayman Brac - Miami and Cayman Brac - Tampa routes for the year ended 30 June 1989 (hereinafter referred to as "Statement of Operations"). These procedures were performed solely to assist you in evaluating the results of operating the inter-island service and direct international flights to and from Cayman Brac during the year ended 30 June 1989.

The accompanying Statement of Operations and the reasonableness of the underlying assumptions (as set out on page 4 to 8) are the sole responsibility of the management of Cayman Airways Limited.

The procedures we performed are summarised as follows:

- a) We verified the mathematical accuracy of the Statement of Operations;
- b) We agreed the information contained in the Statement of Operations to the underlying records of the company;
- c) We reviewed the assumptions used in preparing the Statement of Operations for consistency and verified the consistent application of such assumptions.

Because these procedures do not constitute an audit conducted in accordance with International Auditing Guidelines, we do not express an opinion on the Statement of Operations. In connection with the procedures referred to above, no matters came to our attention that caused us to believe that the Statement of Operations might require adjustment. Had we performed additional procedures or had we conducted an audit of the Statement of Operations in accordance with International Auditing Guidelines, other matters might have come to our attention that would have been reported to you.

It is understood that this report is intended for the use of the management and Board of Directors of Cayman Airways Limited, and for presentation to Members of the Legislative Assembly, and is not intended for the use of any other person.

Yours faithfully,

Price Waterhouse

CAYMAN AIRWAYS LIMITED

STATEMENT OF OPERATIONS FOR THE INTER-ISLAND,

CAYMAN BRAC - MIAMI AND CAYMAN BRAC - TAMPA ROUTES

FOR THE YEAR ENDED 30 JUNE 1989

INTRODUCTION

The Statement of Operations on page 3 has been prepared to enable management to estimate the net cost to the company of operating the inter-island routes and the international routes between Cayman Brac and Miami and Cayman Brac and Tampa for the year ended 30 June 1989. In many instances, revenues and expenses in respect of such routes were separately identifiable within the company's accounting records. However, allocations had to be made in respect of those revenues and expenses which, by their nature, could not be specifically identified as being applicable solely to such routes. Explanations of the assumptions and methodologies used in determining such allocations are included on pages 4 to 8.

When elements of subjective judgement were required in connection with the allocation of revenues and expenses and the determination of the estimated net cost of operating the specified routes, management were generous in the allocation of revenues and conservative in the allocation of expenses. Significantly all of the expenses included in the statement of operations are those costs which vary directly with the number of passengers flown, number of block hours flown or number of cycles (one cycle equals one take-off and one landing) or which relate wholly to the operation of the Shorts SD3-30 and the Cayman Brac station.

Certain costs have not been apportioned for inclusion in the Statement of Operations because, whilst the operation of the specified routes has an effect on such costs, they do not vary directly in proportion to the level of operations on the inter-island, Cayman Brac - Miami and Cayman Brac - Tampa routes. Consequently, no logical basis of apportionment exists. Details of such expenses, which totalled \$15,107,943 for the year ended 30 June 1989, are included on pages 7 and 8.

CONCLUSION

Based on the Statement of Operations on page 3, the net cost to the company of operating the inter-island, Cayman Brac - Miami and Cayman Brac - Tampa routes during the year ended 30 June 1989 is estimated by management to be \$1,276,418.

CAYMAN AIRWAYS LIMITED

STATEMENT OF INCOME AND EXPENSES FOR THE INTER-ISLAND,

CAYMAN BRAC - TAMPA AND CAYMAN BRAC - MIAMI ROUTES

FOR THE YEAR ENDED 30 JUNE 1989

(Expressed in United States dollars)

Operating revenues	
Passenger	1,643,797
Cargo	85,140
Other	7,173
	\$ 1,737,110
Operating expenses	
Flying operations	794,498
Maintenance	1,097,331
Passenger service	144,112
Aircraft and traffic servicing	444,131
Promotion, sales and reservations	262,286
General and administrative	56,481
Depreciation and amortisation	
Flight equipment owned	125,466
	2,924,305
Operating loss	1,187,195
Non-operating expenses	
Secured loan interest	89,223
Net loss	\$ 1,276,418

See pages 4 to 8 for principal assumptions and methodologies.

CAYMAN AIRWAYS LIMITED

STATEMENT OF OPERATIONS FOR THE INTER-ISLAND, CAYMAN BRAC - MIAMI

AND CAYMAN BRAC - TAMPA ROUTES FOR THE YEAR ENDED 30 JUNE 1989

SUMMARY OF PRINCIPAL ASSUMPTIONS AND METHODOLOGIES

1) Revenues

- 1.1) Passenger and cargo revenue includes all of the income earned from the inter-island, Cayman Brac - Miami and Cayman Brac - Tampa routes as separately identified by the company's revenue accounting systems.
- 1.2) Passenger revenue also includes related security fees of \$12,088 charged in respect of international flights to and from Cayman Brac based on the proportion of passengers flown on these routes to the total number of passengers flown on international routes in the year.
- 1.3) Other revenue has been allocated based on the proportion of passengers flown on the inter-island, Cayman Brac - Miami and Cayman Brac - Tampa routes to the total number of passengers flown on all routes.

2) Operating expenses

- 2.1) All expenses directly related to the operations of the Shorts SD3-30 and the Cayman Brac station are separately identified in the company's accounting records and have been included under the appropriate expense captions in the Statement of Operations.
- 2.2) It is assumed that the cost of flying between Cayman Brac and Miami or Tampa is the same as flying between Grand Cayman and these destinations. Consequently, the only incremental costs arising from flying via Cayman Brac are passenger liability insurance, passenger meal costs and those costs associated with flying the Boeing 727 aircraft between Grand Cayman and Cayman Brac.
- 2.3) Expenses arising from the use of the Boeing 727 aircraft on the Grand Cayman - Cayman Brac route have been calculated for inclusion in the Statement of Operations on the following basis:

Fuel - average burn on the route at average price per gallon for the year ended 30 June 1989. The amount included in flying operations on this basis is \$101,384, representing approximately 2% of the Boeing 727 fuel cost for the year.

Flight crews - block hours flown at average cost per block hour for the year. The amount included in flying operations on this basis is \$45,235, representing approximately 2% of the Boeing 727 flight crew salaries for the year.

CAYMAN AIRWAYS LIMITED

STATEMENT OF OPERATIONS FOR THE INTER-ISLAND, CAYMAN BRAC - MIAMI
AND CAYMAN BRAC - TAMPA ROUTES FOR THE YEAR ENDED 30 JUNE 1989

SUMMARY OF PRINCIPAL ASSUMPTIONS AND METHODOLOGIES

(Continued)

2) Operating expenses (continued)

Maintenance - costs for repairs and maintenance, excluding staff costs but including a charge for the amortisation of deferred preventative maintenance of the engines, have been apportioned based on the number of cycles in respect of flying the Boeing 727's between Grand Cayman and Cayman Brac. The amount included in maintenance on this basis is \$253,344, representing approximately 7% of such maintenance costs for the year.

Landing and handling - aircraft and traffic servicing includes an amount of \$72,152, representing actual costs incurred for landing and handling the Boeing 727's on the Grand Cayman - Cayman Brac route.

No allocation has been made in respect of capital leasing costs, maintenance staff costs, flight attendant costs or hull insurance costs as these costs are deemed to be fixed in nature.

- 2.4) The operation of the inter-island, Cayman Brac - Miami and Cayman Brac - Tampa routes has a direct effect on certain system-wide expense which have been allocated as follows:-

Passenger liability insurance - revenue passenger miles for specified routes at applicable insurer's rate. The amount included in passenger service on this basis is \$11,726, representing 2% of the passenger liability insurance cost for the year.

CAYMAN AIRWAYS LIMITED

STATEMENT OF OPERATIONS FOR THE INTER-ISLAND, CAYMAN BRAC - MIAMI
AND CAYMAN BRAC - TAMPA ROUTES FOR THE YEAR ENDED 30 JUNE 1989

SUMMARY OF PRINCIPAL ASSUMPTIONS AND METHODOLOGIES

(Continued)

2) Operating expenses (continued)

Reservation system costs - costs for booking fees, commissions and credit card charges have been apportioned on the basis of resulting passenger revenue. Reservation staff costs and communications costs have been apportioned on the basis of passenger numbers. The amount included in promotions, sales and reservations on these bases is \$262,286, representing 13% of such reservation system costs for the year.

Cost of goods sold or used for in-flight service - allocated on the basis of passenger numbers. The amount included in passenger service in this basis is \$80,250, representing 13% of the cost of such goods for the year.

Printing, stationery and general communications costs - costs of \$56,481, representing 5% of the cost for the year, have been included in general and administrative expenses.

No other system-wide costs have been apportioned and included in the statement of operations.

CAYMAN AIRWAYS LIMITED

STATEMENT OF OPERATIONS FOR THE INTER-ISLAND, CAYMAN BRAC - MIAMI
AND CAYMAN BRAC - TAMPA ROUTES FOR THE YEAR ENDED 30 JUNE 1989

SUMMARY OF PRINCIPAL ASSUMPTIONS AND METHODOLOGIES

(Continued)

- 3) No account has been taken of revenue lost because passengers flying between Grand Cayman and Miami or Tampa chose to fly with other carriers rather than fly via Cayman Brac.
- 4) The following expenses, which are affected by the operations of the inter-island, Cayman Brac - Miami and Cayman Brac - Tampa routes, have not been apportioned because it was impractical to do so, or because management wished to be conservative in its determination of expenses to be included in the Statement of Operations:-

<u>Nature of expense</u>	<u>Total for the year ended</u> <u>30 June 1989</u>
Flying operations:	
Miscellaneous staff costs - 727-200	390,071
Navigation and overflight 727-200	58,603
Hull insurance	374,727
Aircraft hire	203,226
Sundry	33,170
	<u>\$1,059,797</u>
Maintenance:	
Staff costs	937,020
Sundry	49,265
	<u>\$ 986,285</u>
Passenger service:	
Staff costs	<u>\$1,089,608</u>
Aircraft and traffic servicing:	
Staff costs (GCM, MIA & TPA)	1,574,168
Communications	67,694
Customs overtime (GCM, MIA & TPA)	178,960
Denied boarding, delayed service compensation and lost bag claims	523,177
Sundry	59,492
	<u>\$2,403,491</u>

CAYMAN AIRWAYS LIMITED

STATEMENT OF OPERATIONS FOR THE INTER-ISLAND, CAYMAN BRAC - MIAMI

AND CAYMAN BRAC - TAMPA ROUTES FOR THE YEAR ENDED 30 JUNE 1989

SUMMARY OF PRINCIPAL ASSUMPTIONS AND METHODOLOGIES

(Continued)

<u>Nature of expense</u>	<u>Total for the year ended</u> <u>30 June 1989</u>
Promotion, sales and reservations:	
Staff costs for sales and marketing people	727,416
Advertising	2,307,011
Sundry	288,886
	<u>\$3,323,313</u>
General & administrative:	
Staff costs	1,673,654
Other	1,270,440
	<u>\$2,944,094</u>
Depreciation and amortization	<u>\$1,645,636</u>
Interest expense:	
Capital leases	1,429,106
Other	226,613
	<u>\$1,655,719</u>
Total	<u>\$15,107,943</u>

If a portion of such costs had been allocated to the Statement of Operations in proportion to revenue for the Cayman Brac/Little Cayman operations for the year ended 30 June 1989, expenses in the Statement of Operations would have been increased by approximately \$651,000

EXHIBIT 11
PREDATORY FARE POLICIES
OF U.S. AIRLINES

Prepared by:

J. Devlin, Chief
Financial Officer

M. Greenwood, Manager
Budgets/Market Study

Cayman Airways Ltd.

Source of Data:

Cayman Airways'
and Government files
and Deltamatic, CRS

NARRATIVE EXPLANATION

The U.S. airlines have persisted in charging fares that are equal to -- or below fares -- that the United Kingdom Government disapproved. From behind-Miami cities to Grand Cayman, the U.S. airlines charged fares that are less than the sum-of-the-sectors between the behind-Miami cities and Miami and between Miami and Grand Cayman. Combined with the U.S. airlines' overcapacity, the U.S. airlines' cut-rate fare practices caused passengers -- and travel agents who market tours -- to abandon Cayman Airways' service.

This Exhibit 11 illustrates those fare practices in the case of American Airlines' Chicago/New York/Miami - Grand Cayman service and Pan Am's New York/Miami - Grand Cayman service.

In September 1989 American filed a fare package that included an introductory fare of \$129 from many U.S. cities -- including New York and Chicago. Cayman Airways demonstrated that those extremely low fares were less than the sum of the sectors (See Exhibit 11, pp. 3-6). On that basis, the Cayman Islands objected to the fares (Exhibit 11, pp 7). The Governor was informed that the U.K. Government disapproved the \$129 fare and other fares discussed in this exhibit (See Exhibit 11, pp. 8).

In fact, American began charging its \$129 fare before the United Kingdom Government had acted upon American's fare filing. Using this unapproved fare, American was able to make significant inroads upon Cayman Airways' traffic.

After the expiration of the one-month \$129 introductory fare, American charged a \$279 roundtrip New York/Chicago - Grand Cayman fare. This was part of the September 1989 fare package that was disapproved. Pan American matched American's \$279 New York fare. Although the Cayman Islands Government wrote the U.S. airlines to protest (Exhibit 11, pp. 9-10), those airlines continued to charge the disapproved fares.

Another part of the September 1989 fare package that was disapproved was the \$79 one-way fare between Miami and Grand Cayman. The two airlines not only continued to charge these fares, but they advertised them aggressively in the U.S. newspapers. (See e.g., Exhibit 11, pages 11-12). Presumably they advertised the unlawful New York and Chicago fares too.

Throughout these periods, the Cayman Islands Government repeatedly wrote to the U.K. Government and protested the predatory fare policy of the U.S. airlines. (See Exhibit 11, pages 13-21).

Notwithstanding the U.K. Government disapprovals, and the Cayman Islands Government protests, American and Pan American continued to sell the \$279 New York-Grand Cayman fare. Not only that, but they extended that fare's effective date to February 27, 1990. (See Exhibit 11, page 22, which is a photocopy of the fare quotation from Deltamatic.) In the case of Chicago service, American actually decreased the \$279 fare to \$238 -- and extended it to February 27, 1990. (See Exhibit 11, p.23). (See also Exhibit 11, pp. 8).

Cayman Airways could not begin to compete with those cut-rate fares. Its roundtrip fares are \$339 to New York and \$459 to Chicago. (See Exhibit 11, pp. 24-25).

OBJECTIONS TO THE FARES FILING FROM AMERICAN AIRLINES ON THEIR INTRODUCTORY
FARES TO/FROM THE CAYMAN ISLANDS EFFECTIVE OCTOBER 01/1989.

FARE	NYC	DFW	RDU	CHI	MSY	MIA	EOS	BTR	ENR	WAS
=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====
VINTRO O/W	129.00	129.00	129.00	129.00	129.00	79.00	129.00	129.00	129.00	129.00

RULES

=====

APPLIES 1 OCT/89 - 31 OCT/89. STOPOVERS UNLIMITED/24 HOURS OR MORE
IS A STOPOVER. USD 5.00 O/W SURCHARGE APPLIES.
EARLIEST DATE TO TICKET 01 SEPT/89. TICKETS VALID FOR 1 YEAR.

CHEAPEST ONE WAY OR RETURN U.S DOMESTIC FARES ON AMERICAN AIRLINES AS COMPARISON

NEW YORK MARKET

=====

VLE7N RT 238.89 ALL YEAR ONE WAY UNRESTRICTED ECONOMY FARE USD 367.59
VHE7N RT 275.93

RULES

=====

SEVEN DAY ADVANCE PURCHASE MAX-SAVER TYPE FARE
MINIMUM STAY FIRST SUNDAY 2401 AM
PENALTY CHARGE FOR CANCELLATION OR FAILURE TO USE CONFIRMED SPACE
AS TICKETED - 100 % OF FARE.

VLE7N ORIGIN NYC 0001 SUN - 2400 WED
RETURN NYC 0001 TUE - 2400 FRI

VHE7N ORIGIN NYC 0001 THU - 2400 SAT
RETURN NYC 0001 SAT - 2400 MON

=====

0LE2P25 RT 266.67
0HE2P25 RT 312.96

RULES

=====

TWO DAY ADVANCE PURCHASE/CONFIRM ALL SEGMENTS/TKT BY 14 DAYS AFTER RESERVATIONS
OR TWO DAYS BEFORE DEPARTURE/USE EARLIEST DATE
MINIMUM STAY FIRST SUNDAY 2401 AM
PENALTY CHARGE FOR CANCELLATION OR FAILURE TO USE CONFIRMED SPACE
AS TICKETED - 25 % OF FARE.

0LE2P25 ORIGIN NYC 0001 SUN - 2400 WED
RETURN NYC 0001 TUE - 2400 FRI

0HE2P25 ORIGIN NYC 0001 THU - 2400 SAT
RETURN NYC 0001 SAT - 2400 MON

=====

NAF 7 OW 256.33

RULES

=====

SEVEN DAY ADVANCE PURCHASE RESTRICTED ONE WAY FARE
EARLIEST DATE TO TICKET 12 SEPT 89.

DALLAS MARKET

=====

VLE7N	RT 257.41
VHE7N	RT 294.44
OLE2P25	RT 294.44
QHE2P25	RT 331.48

ALL YEAR ONE WAY UNRESTRICTED ECONOMY FARE USD 398.15

kk1k1/' ;p/' ;..

RALEIGH MARKET

=====

VLE7N	RT 220.37
VHE7N	RT 257.41
OLE2P25	RT 257.41
QHE2P25	RT 294.44

ALL YEAR ONE WAY UNRESTRICTED ECONOMY FARE USD 296.30

CHICAGO MARKET

=====

VLE7N	RT 238.89
VHE7N	RT 275.93
OLE2P25	RT 275.93
QHE2P25	RT 312.96

ALL YEAR ONE WAY UNRESTRICTED ECONOMY FARE USD 388.89

NEW ORLEANS MARKET

=====

VLE7N	RT 201.85
VHE7N	RT 238.89
OLE2P25	RT 238.89
QHE2P25	RT 275.93

ALL YEAR ONE WAY UNRESTRICTED ECONOMY FARE USD 287.04

BOSTON MARKET

=====

VLE7N	RT 238.89
VHE7N	RT 275.93
OLE2P25	RT 275.93
QHE2P25	RT 312.96

ALL YEAR ONE WAY UNRESTRICTED ECONOMY FARE USD 396.30

EATON FUDGE MARKET

=====

VLE7N	RT 164.81
VHE7N	RT 201.85
OLE2P25	RT 211.11
QHE2P25	RT 246.16

ALL YEAR ONE WAY UNRESTRICTED ECONOMY FARE USD 276.88

NEWARK MARKET

=====

VLE7N	RT 238.89
VHE7N	RT 275.93
OLE2P25	RT 266.67
QHE2P25	RT 312.96

ALL YEAR ONE WAY UNRESTRICTED ECONOMY FARE USD 367.59

WASHINGTON MARKET

=====

VLE7N	RT 183.33
VHE7N	RT 238.89
OLE2P25	RT 238.89
QHE2P25	RT 275.93

ALL YEAR ONE WAY UNRESTRICTED ECONOMY FARE USD 367.59

OBJECTIONS TO THE FARES FILING FROM AMERICAN AIRLINES ON THEIR INTRODUCTORY
FARES TO/FROM THE CAYMAN ISLANDS EFFECTIVE OCTOBER 01/1989.

FARE	230.00	245.00	253.00	254.00	259.00	270.00	279.00	278.00
=====	=====	=====	=====	=====	=====	=====	=====	=====

VXEIPNR RT	MLB	ATL	FNY	APF	CAK	JAX	STR	BHM
	DFL	HOU		EYW	CLE		CVG	CHA
					OTT		DAY	CMH
					FMA		DSM	EVV
					GRR		LIT	GSF
					HAR		MSP	HSV
					PHL		OMA	IND
							PIT	JAN
							RET	MBS
							SHV	MEM

FARE	288.00	298.00	299.00	303.00	318.00	334.00		
=====	=====	=====	=====	=====	=====	=====		

VXEIPNR RT	GTR	ABE	ALB	MEI	AUS	DLF	BNA	MKE
		DFW	ICT		ESF	EAU	BWI	MKE
		MLU	ISP		FSM		CHI	MDB
		WAS	OKC		FVV		NYC	MSB
			PVG		NLI		WAS	ORF
			ROC		SEF			FAH
			SAT					PNS
			SYR					SDP
			EDL					TUP
			SOS					TYS
			BLF					
			TUL					

FARE	338.00	339.00	359.00	379.00	398.00
=====	=====	=====	=====	=====	=====

VXEIPNR RT	ALC	JEN	IDA	LGB	LAS
	DEM		PHX	ONT	LA
	LSF		SLC	FDX	
			TUS	RNO	
				SEA	
				SNF	
				SJA	
				BUR	

RULES

=====

APPLIES 12 SEP - 12 DEC 89. RESERVATIONS AND TICKETING AT THE SAME TIME.

CONFIRM ALL SEGMENTS. MAY NOT BE COMBINED WITH ANY OTHER AIRLINES CIRCLE TRIP FARES.

MINIMUM STAY 3 DAYS. MAXIMUM STAY 30 DAYS.

BLACKOUTS ORIGIN GCM 30 OCT - 07 NOV/89. 25 NOV - 27 NOV/89.

RETURN GCM 23 OCT - 30 OCT/89. 15 NOV - 25 NOV/89.

BLACKOUTS ORIGIN NYC 23 OCT - 30 OCT/89. 15 NOV - 25 NOV/89.

RETURN NYC 30 OCT - 07 NOV/89. 25 NOV - 27 NOV/89.

APPLIES ORIGIN GCM 0001 MON - 2400 FRI

RETURN GCM 0001 MON - 2400 TUE

APPLIES ORIGIN NYC 0001 MON - 2400 TUE

RETURN NYC 0001 MON - 2400 FRI

OBJECTIONS TO THE FARES FILING FROM AMERICAN AIRLINES ON THEIR INTRODUCTORY
FARES TO/FROM THE CAYMAN ISLANDS EFFECTIVE OCTOBER 01/1989.

FARE	BUR	DAK	BOS	BWI	FLI
----	----	----	----	----	----
QWAP14	418	399	328	318	235
QXAP14	398	379	308	298	205

	LGB	SAN	MAS
	----	----	----
QWAP14	418	399	318
QXAP14	398	379	298

	DNT	SJC	ENR
	----	----	----
QWAP14	418	399	318
QXAP14	398	379	298

	SNA	SFO	NYC
	----	----	----
QWAP14	419	399	318
QXAP14	398	379	298

PHL

318
298

RULES

SEVEN DAY ADVANCE PURCHASE FARE

MINIMUM STAY 2 DAYS MAXIMUM STAY 14 DAYS

STOPOVERS: PERMITTED OUTBOUND PERMITTED IN MIAMI FOR \$20.00.

BLACKOUTS APPLY:

ORIGIN SCM - 30 DEC 89 - 06 JAN 90/24 FEB 90 - 25 FEB 90/29 DEC 90 - 05 JAN 91

RETURN SCM - 19 DEC 89 - 24 DEC 89/17 FEB 90 - 18 FEB 90/20 DEC 90 - 23 DEC 90

JUSTIFICATION FOR REFUSAL PERTAINS TO THE FACT THAT THESE ADVANCE PURCHASE FARES
ARE SIMILAR TO THE VLE7N/VHE7N FARES CURRENTLY BEING OFFERED BY AMERICAN AIRLINES IN THE
U.S.A., THEREBY ALLOCATING THE MIA-SCM-MIA SECTOR A VIRTUAL NIL ADD-ON.

See Fax d/d
09/19/89 TAT/CAA/36.

Your ref:

Our ref: TAT/CAA/10



CAYMAN ISLANDS

Government Admin. Bldg.,
George Town,
Grand Cayman,
Cayman Islands.

Tel: 97900 Ext. 2419

Portfolio
of
TOURISM, AVIATION AND TRADE

19th September, 1989

Mr. Stephen Ricketts
Head of Tariff Filing
Civil Aviation Authority
45-49 Kingsway
London WC2B 6TE
England

VIA FACSIMILE

Dear Mr. Ricketts,

AMERICAN AIR TARIFF FILINGS

Reference is made to the filings from American Airlines Inc., referenced AA CRB89-040DM, AA GNR89-026-DM, AA CRB89-053-DM, and AA CRB89-055DM, dated June 28, 1989, July 28, 1989, August 18, 1989 and August 25, 1989, respectively.

After having reviewed these filings our Government objects to all VXEIPR, VINTRO, QXAP 14 and QWAP 14 fares as filed by American. As in the case of fares filed by Pan American we view such introductory and promotional fares as an attempt to divert traffic from existing carriers on the Miami/Cayman Route. In addition, we are of the opinion that American's filings for fares from cities behind the Miami gateway do not meet the requirements of the UK sum-of-sectors policy. It is interesting to note that such fares as filed by American are almost exact to VLE fares into Miami, with virtually a "nil" add-on to Grand Cayman.

I would be extremely grateful if you would inform American accordingly, without delay, as they propose to commence operations on 1st October, 1989. A copy of your correspondence to American would be appreciated by facsimile to (809) 949 7544.

Yours sincerely,

Harding O. Watler
Principal Secretary,
Tourism, Aviation and Trade

MEMORANDUM

TO: MR. D.K. TILLEY
CAA HOUSE, RM T524

YOUR REF:

MR. JOHN HUNT
BRITISH EMBASSY
WASHINGTON

FROM: Hon W. NORMAN BODDEN
Executive Council Member
Tourism, Aviation and Trade

OUR REF: TAT/CAA/37

DATE: 28th December, 1989

SUBJECT: DISAPPROVED PROMOTIONAL FARES

1. IT HAS BEEN BROUGHT TO MY ATTENTION ONCE AGAIN THAT IN SPITE OF THE DISAPPROVAL BY UK AUTHORITIES OF PROMOTIONAL FARES FILED BY UNITED STATES CARRIERS THAT THESE AIRLINES PA/NW/AA/EA CONTINUE TO SELL THESE FARES AND I ATTACH FOR YOUR READY REFERENCE AS PAGE -2- SAMPLE COMPUTER PRINTOUT OF THESE FARES WHICH WE ARE PROTESTING. I NOTE THAT ORIGINALLY VALIDITY WAS DECEMBER 15, 1989 BUT THESE HAVE NOW BEEN EXTENDED TO FEBRUARY 28, 1990. THIS MATTER WAS AGAIN RAISED WITH WISGERHOF AT OUR MEETING IN WASHINGTON ON DECEMBER 18 WHEN THE U.S. UNDERTOOK TO NOTIFY THEIR CARRIERS TO CORRECT THIS UNACCEPTABLE SITUATION.

2. OBVIOUSLY, U.S. CARRIERS ARE IGNORING ANY FARE BASING REGULATIONS WHICH EXIST AND WE EXPECT THAT YOUR OFFICE WILL BE ABLE TO TAKE IMMEDIATE ACTION AND INTERVENE ON OUR BEHALF.

3. GRATEFUL FOR YOUR REPLY.

W. NORMAN BODDEN

C.C. HIS EXCELLENCY THE GOVERNOR

NORTHWEST AIRLINES

Your ref:

Our ref: TAT/CAA/36



CAYMAN ISLANDS

Government Admin. Bldg.,
George Town,
Grand Cayman,
Cayman Islands.

Tel: 97900 Ext. 2419

Portfolio
of
TOURISM, AVIATION AND TRADE

28th September, 1989

Mr. D. K. D. Tilley,
Air Tariffs Filing Unit,
Civil Aviation Authority,
45-49 Kingsway,
London, WC2B 6TE
England.

VIA FACSIMILE
(Original by Air Mail)

Dear Mr. Tilley,

PAN AMERICAN AIRLINES

Since our telephone conversation this morning it has come to my attention that Pan American placed an ad in yesterday's issue of the Miami Herald newspaper, offering the introductory fare of US\$74.00.

As you are aware this fare filing (GCM3/89) was disapproved, and we are very concerned at PanAm's apparent total disregard of this action. I am attaching hereto a copy of the ad for your information.

I do not know what action can be taken in this case, but would once again rely on your good offices to take this matter up with the appropriate authority as a matter of urgency.

Yours sincerely,

A handwritten signature in ink, appearing to be "H. Watler", enclosed within a circular stamp.

Harding O. Watler
Principal Secretary

Your ref:

Our ref: TAT/CAA/10



CAYMAN ISLANDS

Government Admin. Bldg.,
George Town,
Grand Cayman,
Cayman Islands.

Tel: 97900 Ext. 2419

Portfolio
of
TOURISM, AVIATION AND TRADE

2nd October, 1989

Mr. Doug Santoni,
Manager,
International Passenger Pricing,
American Airlines,
P. O. Box 619616,
Dallas/Fort Worth Airport,
Texas, 75261-9616
U.S.A.

VIA FACSIMILE

Dear Mr. Santoni,

I refer to the several telephone conversations regarding American's fares to and from Grand Cayman, the latest being this morning.

We are very concerned at the overall filing process used by American Airlines. There appears to be a considerable delay between your submissions to your agent ATPCO and their filing with the UK authorities and ourselves. A filing in respect of the Cayman route can only be considered properly submitted when both the UK and ourselves are in possession of it. As you are aware to date only one such filing has been done i.e. AA-89-076.

Of more particular concern is the sale of low priced introductory and promotional fares by American both locally and in the U.S.A. These fares have not yet been properly filed by American, yet sales and advertising of them continue. During this morning's conversation you volunteered to withdraw all introductory fares, and this would certainly be appreciated, as our Government has objected to them.

I trust that this will be done immediately, and also that future filings are submitted to both the UK authorities and this office simultaneously to allow for timely processing of them.

Yours sincerely,

A handwritten signature, likely of Harding O. Watler, enclosed in a circular stamp.

Harding O. Watler
Principal Secretary,
Tourism, Aviation and Trade

\$6.79 SEASHells
The Cayman Islands
Wednesday & Thursday
10:00 PM - 11:00 PM
10:00 PM - 11:00 PM
10:00 PM - 11:00 PM

Even people who live in a beautiful place need a change of scenery.

\$99. Boston
\$79. Philadelphia
\$74. Grand Cayman
\$32. Nassau

There's more to life than blue skies, palm trees and sandy beaches. And with Pan Am's new and expanded service from Miami, you can experience it for yourself by traveling to one of over 100 destinations across the U.S. and around the world.

Of course, if what you're looking for is a different set of blue skies, palm trees and sandy beaches, we offer that too.

Pan Am can take you to 13 islands throughout the Caribbean. And this

- Houston
- Jacksonville
- Los Angeles
- Maracaibo
- Mexico City
- New Orleans
- New York

New Nonstop Service

Boston	\$99
Charlotte	\$79
Grand Cayman	\$74
Nassau	\$32
Philadelphia	\$79

YOUNG

ed on TV
forecast Ad-
on Tuesday at-
on charges of
that President
service to illu-
ing problems.
have exact ap-
an infected cat-
several grand jury
slavishly disbe-
and one count of
to help arrange
sales.
clarified speech.
a plastic bag con-
of crack suggests
ven school across
White House a
sly. The alleged
to Lafayette Park
Washington's drug
days before by in-
cents.

erend of the 15,352
ats conducted on
Department em-
rned up drug use, a
ot said Tuesday.

approved a strategy
sary to keep federal
ding at the start of
which begins Sunday,
in debating a crucial
stick-outing bill.

sensors and 44
e House urged Secre-
James Baker Tuesday
S. entry visa to PLO
r Ardit to address the
on General Assembly.

ight hours of tapes re-
led by former President
e released in April as
others involved in the
object, National Ar-
als said Tuesday.

national security adviser
water, facing trial next
trans-contral affair, will
President Reagan
ch in an attempt to

Announcing Pan Am's New Non-Stop Service To Miami.

Special introductory
fare:

\$74⁰⁰*
o/w.

Service	Fare	Day	Departs	Arrives
Grand Cayman-Miami	\$148.00 R/T	SA/SU/MO/WE	14:35	16:55

With Pan Am's new non-stop service, Miami's never looked better! And only Pan Am can offer you two days FREE use of a car from Alamo Rent-A-Car and up to 50% off discounts at selected luxury hotels. In addition, we offer convenient connections to over 85 cities in the U.S., Europe and Latin America. For reservations or details call your travel agent or Pan Am at 1-800-221-1111.

PAN AM

Number one to the United States and more.

Not valid for travel to or from Europe or Japan.

Caymanian Compass Friday 29 September, 1989.

nth. The inter-regional
up hammered out an
ernati platform of
posed we once an-
akable in the Soviet
lon, such it free
to start newspaper
group, comprising
n well-known figures
human rights leader
rei D. Sakharov and
verick Communist
is N. Yelitsin, also
ed for the open sale of
er, printing presses
copy machines. Und
the continuing eye
of censorship, distri-
on of these items is
ckly limited. Copy
hines are still kept
er tightlock and key
most of the Soviet
n.
e group planned to
on the proposed plat-
said economist Gav-
opov, one of its lead-
national legisla-
or Supreme Soviet,
formidable agenda.

know
d, isn't
them
n?
a day, but eternity is
Grand Cayman invite
n the Christian faith,
esus Christ.

CHURCH
ck 93394

USI

TO: CAAUK
END

TO: DENNIS TILLEY,
CAA/ERG, LONDON

FROM: HARDING WATLER
TOURISM, AVIATION AND TRADE
CAYMAN ISLANDS GOVERNMENT

REF: TAT/CAA/10

DATE: August 31, 1989 1:14 PM

SUBJECT: AMERICAN AIRLINES

1. WE HAVE BEEN MADE TO UNDERSTAND THAT AMERICAN AIRLINES HAVE APPLIED FOR LOW PRICED INTRODUCTORY FARES BETWEEN MIAMI AND GRAND CAYMAN.

2. TO DATE, WE HAVE NOT RECEIVED A COPY OF SUCH A FILING BUT WOULD LIKE THROUGH THIS MEANS TO REITERATE OUR POSITION CONVEYED TO YOU BY THE HON. MINISTER AND MYSELF DURING OUR MEETING IN LONDON, THAT WE WILL STRONGLY OBJECT TO ANY APPLICATIONS BY U.S. CARRIERS FOR SUCH LOW PRICED PROMOTIONAL OR INTRODUCTORY FARES, WHICH WE CONSIDER ONLY AIMED AT ATTRACTING PASSENGER TRAFFIC AWAY FROM ESTABLISHED CARRIERS ON EXISTING GATEWAYS.

3. I TRUST THAT YOU WILL SUPPORT OUR POSITION ON THIS MATTER AND WILL, AS USUAL, FORWARD OUR COMMENTS TO YOU ON AMERICAN'S APPLICATION IF AND WHEN RECEIVED.

4. BEST PERSONAL REGARDS.



Your ref:

Our ref: TAT/CAA/10

Government Admin. Bldg.,
George Town,
Grand Cayman,
Cayman Islands.

Tel: 97900 Ext. 2419

Portfolio
of
TOURISM, AVIATION AND TRADE

29TH DECEMBER, 1989

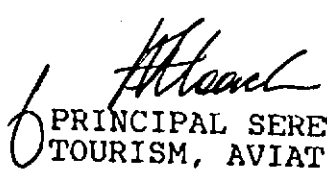
MR WORRELL
CAA ERG/TFU
LONDON

DEAR SIR,

AMERICAN AIRLINES FILING AA-89-133

FURTHER TO YOUR TELEX OF TODAY'S DATE ON THE ABOVE SUBJECT, I WISH TO ADVISE YOU THAT TELEX WAS SENT TO HATTON ON DECEMBER 13, 1989 ADVISING OF THIS OFFICE OBJECTION TO THE ABOVE FILING. COPY OF TELEX ATTACHED FOR EASE OF REFERENCE.

YOURS FAITHFULLY


PRINCIPAL SECRETARY
TOURISM, AVIATION & TRADE

FACSIMILE COVER SHEET
CAYMAN ISLANDS GOVERNMENT
GRAND CAYMAN, CAYMAN ISLANDS

LOCATIONS		FACSIMILE #	PROBLEM #
X	ADMINISTRATION BUILDING	(809)-949-7544	(809)-949-8277
	TOWER BUILDING	(809)-949-8487	(809)-949-8277
	GEORGE TOWN HOSPITAL	(809)-949-2998	(809)-949-8600
	PUBLIC WORKS DEPARTMENT	(809)-949-7731	(809)-949-2547

If you do not receive all pages, please contact the PROBLEM # at the location that is faxing. This is marked with an "X".

DATE: 28~~th~~ SEPT, 1989

REFERENCE NO: TAT/CAA/10

Number of Pages (including this cover sheet):

50

TO:	NAME <u>D K D TILLEY</u>	
	FIRM <u>CIVIL AVIATION AUTHORITY</u>	
	COUNTRY <u>U.K.</u>	FAX# <u>01-379-4047</u>

FROM:	NAME <u>H. O. WATLER</u>	
	DEPARTMENT <u>T. A. & T.</u>	PHONE <u>97900 EXT 2419</u>

MESSAGE: Mr. Tilley,
FURTHER TO OUR TELEPHONE CONVERSATION
AND TO MINE WITH BOB BISHOP, I AM FORWARDING
HEREWITH COPIES OF AA FILINGS IN OUR POSSESSION
OUR COMMENTS HAVE BEEN SENT TO YOU
PREVIOUSLY. I HAVE SPOKEN TO DOUG MCCOY AND
EXPLAINED OUR POSITION, AS PER YOUR ADVICE. FORM#: CS-001 (01/89)
[Signature] 28/9/89

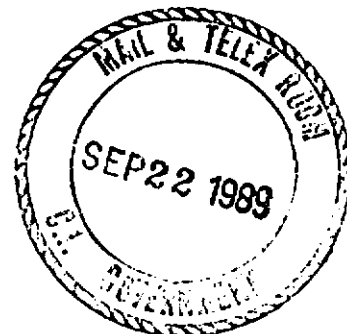
12:14 22/09/89

Exhibit 11
Page 16 of 25TO: CAA/UK
ENDTO: SMALL,
CAA/ERG, LONDONFROM: TOURISM, AVIATION AND TRADE
CAYMAN ISLANDS GOVERNMENT

DATE: September 22, 1989 12:13 PM

ID
REF: TAT/CAA/26-----
SUBJECT: AMERICAN AIRLINES FILINGS

1. REFERENCE IS MADE TO YOUR TELEX OF 20 SEP, AND TO OUR TELEPHONE CONVERSATION YESTERDAY, 21 SEPT.
2. I HAVE SINCE HAD SEVERAL TELEPHONE CONVERSATIONS WITH MR. DOUG MCCOY, ANALYST, INTERNATIONAL PASSENGER PRICING, AMERICAN AIRLINES, AND THIS MORNING HE TOLD ME THAT HE HAD ALSO SPOKEN TO YOU AND HAD AGREED TO SEND YOU DIRECTLY BY COURIER AMERICAN'S FILINGS ON THE MIAMI/CAYMAN ROUTE, SINCE HE WAS QUITE DISAPPOINTED THAT ATPCO HAD NOT YET PROCESSED CERTAIN FILINGS WITH YOUR OFFICE. HE INDICATED HE WOULD BE SENDING YOU EXACT COPIES OF WHAT I HAVE IN MY POSSESSION, WHICH WERE THE SUBJECT OF MY LETTER BY FAX TO MR. RICKETTS DATED 12TH SEPTEMBER. I TRUST THAT ON RECEIPT OF THE PACKAGE FROM MR. MCCOY, THAT YOU WILL THEN BE IN A POSITION TO REPLY TO AMERICAN. WE ARE VERY CONCERNED THAT THEY CONTINUE TO SELL THOSE PROMOTIONAL AND INTRODUCTORY FARES TO WHICH WE ARE OBJECTING AND I HOPE THAT DISAPPROVAL WILL BE COMMUNICATED TO AMERICAN EXPEDITIOUSLY.
3. MR. MCCOY ALSO INDICATED THAT IN FUTURE ALL FILINGS BY AA IN RESPECT OF THE CAYMAN ROUTE WILL BE SENT BY HIM DIRECTLY TO YOU COPIED TO ME THEREBY ELIMINATING THE DELAYS AND CONFUSION NOW BEING CAUSED BY ATPCO.
4. IN RESPECT OF MY FAX RE CAYMAN AIRWAYS FILINGS, AS I TOLD YOU ORIGINALS HAVE BEEN PLACED IN THE MAIL AND SHOULD BE WITH YOU SHORTLY.
5. MANY THANKS FOR YOUR COOPERATION AND UNDERSTANDING IN THIS MATTER, AND I WOULD ASK THAT IF YOU HAVE ANY QUERIES ON OUR POSITION THAT YOU LET ME KNOW IMMEDIATELY, BY TELEPHONE IF NECESSARY.



Your ref:

Our ref: TAT/CAA/10



Government Admin. Bldg.,
George Town,
Grand Cayman,
Cayman Islands.

Tel: 97900 Ext. 2419

Portfolio
of
TOURISM, AVIATION AND TRADE

2nd October, 1989

Mr. Doug Santoni,
Manager,
International Passenger Pricing,
American Airlines,
P. O. Box 619616,
Dallas/Fort Worth Airport,
Texas, 75261-9616
U.S.A.

VIA FACSIMILE

Dear Mr. Santoni,

I refer to the several telephone conversations regarding American's fares to and from Grand Cayman, the latest being this morning.

We are very concerned at the overall filing process used by American Airlines. There appears to be a considerable delay between your submissions to your agent ATPCO and their filing with the UK authorities and ourselves. A filing in respect of the Cayman route can only be considered properly submitted when both the UK and ourselves are in possession of it. As you are aware to date only one such filing has been done i.e. AA-89-076.

Of more particular concern is the sale of low priced introductory and promotional fares by American both locally and in the U.S.A. These fares have not yet been properly filed by American, yet sales and advertising of them continue. During this morning's conversation you volunteered to withdraw all introductory fares, and this would certainly be appreciated, as our Government has objected to them.

I trust that this will be done immediately, and also that future filings are submitted to both the UK authorities and this office simultaneously to allow for timely processing of them.

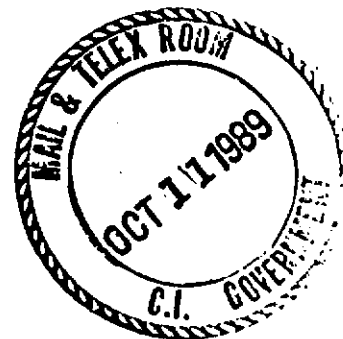
Yours sincerely,

Harding O. Watler
Principal Secretary,
Tourism, Aviation and Trade

18:04 11/10/89

Exhibit 11
Page 18 of 25

WIL/CAA/10.



025 OCT 11 1802
PTS
-0518830 2+-
883092 EGGA B G-
4260 CIGOVY CP

TO: TELEXA 051883092:EGGA
END
TO: HATTON,
CAA, ERG, LONDON

FROM: WATLER
TOURISM, AVIATION AND TRADE
CAYMAN ISLANDS GOVERNMENT

DATE: OCTOBER 11, 1989

SUBJECT: AMERICAN AIRLINES FILINGS

1. RE YOUR TELEX OF 11 OCT. WE HAVE NOT RECEIVED A COPY OF AA FILING REF AA-89-112 DATED 9 OCT.
2. FURTHER TO MY TELEX OF 06 OCT I WISH TO ADVISE THAT WE STILL ARE NOT IN POSSESSION OF AA FILINGS AA-89-108, AA-89-109 AND AA-89-111 AND ARE THEREFORE NOT IN A POSITION TO COMMENT.
3. WE ARE AT A LOSS AT THIS POINT AS TO AMERICAN'S INTENTIONS ON THEIR FILINGS AND MUST ASK YOU ONCE AGAIN TO SEND A VERY STRONG MESSAGE TO AMERICAN ON THIS MATTER. THEY CONTINUE TO OFFER FOR SALE INTRODUCTORY AND PROMOTIONAL FARES WHICH WE HAVE OBJECTED TO BUT WHICH PERHAPS HAVE NOT BEEN DISAPPROVED BECAUSE OF THE CONFUSION IN THEIR FILINGS AND THEIR FAILURE TO LET CI AUTHORITIES HAVE COPIES OF THEIR OFFICIAL FILING WITH YOU. WE FIND THIS TO BE TOTALLY UNACCEPTABLE AND UNETHICAL. PLEASE HELP US TO RESOLVE THIS PREPOSTEROUS SITUATION.
4. I LOOK FORWARD TO YOUR RESPONSE.

00770 NOV 08 1031
PTS
-051883092+-
883092 EGGA B G-
4260 CIGOV T CP

TO: CAAUK
END

TO: TILLEY,
CAA/ERG, LONDON

FROM: WATLER
TOURISM, AVIATION AND TRADE
CAYMAN ISLANDS GOVERNMENT

DATE: NOVEMBER 8, 1989 10:29 AM



REF: TAT/CAA/10

SUBJECT: AMERICAN AIRLINES FILINGS

1. FOLLOWING IS OUR COMMENTS ON AMERICAN AIRLINES FILINGS:-

(A) AA-89-096 - WE OFFER NO OBJECTIONS:

(B) AA-89-105 - WE OBJECT TO ALL VXEIPNR FARES AS SUCH FARES DO NOT MEET THE UK RULING ON SUM OF SECTORS. WE ALSO OBJECT TO ALL VINTRO FARES AS WE VIEW THEM AS BEING PREDATORY TO EXISTING MARKET CONDITIONS:

(C) AA-89-108 - WE OBJECT TO ALL VXEIPNR FARES AS SUCH FARES DO NOT MEET THE UK RULING ON SUM OF SECTORS:

(D) AA-89-109 - WE OBJECT TO ALL VWIPNRA, VXIPNRA AND VXEIPNR FARES AS SUCH FARES DO NOT MEET UK RULING ON SUM OF SECTORS. WE ALSO OBJECT TO ALL VINTRO FARES AS WE VIEW THEM AS BEING PREDATORY TO EXISTING MARKET CONDITIONS.

2. PLEASE ACCEPT OUR APOLOGIES FOR DELAY IN FORWARDING THESE COMMENTS BUT DELAY WAS CAUSED BY FAILURE OF AMERICAN AIRLINES TO SEND US COPIES OF THE ABOVE FILINGS ON TIME.

3. BEST REGARDS.

02 NOV 06 1633
PTS
-051883092+-
883092 EGGA B G-
4260 CIGDVT CP

TO: CAAUK
END

TO: HATTON,
CAA/ERG, LONDON

FROM: WATLEX
TOURISM, AVIATION AND TRADE
CAYMAN ISLANDS GOVERNMENT

REF: TAT/CAA/10

DATE: NOVEMBER 6, 1989 4:31 PM

SUBJECT: AMERICAN AIRLINES FILING AA-89-111

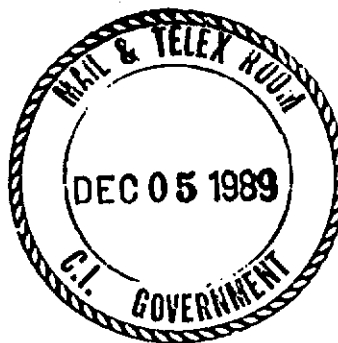
1. RE YR FAX OF NOV 1, WE OBJECT TO AA FILING AA-89-111 AS THIS
CONTAINS INTRODUCTORY FARES FROM EYW AND PBI. SUCH FARES ONLY SERVE TO
ATTRACT EXISTING TRAFFIC FROM ESTABLISHED CARRIERS AND ARE VIEWED AS
PREDATORY TO EXISTING MARKET CONDITIONS.

2. WE APOLOGISE FOR DELAY, BUT FILING WAS ONLY RCVD AS A RESULT
OF YOUR FAX UNDER REFERENCE.

3. REGARDS.



03272 DEC 05 1432
PTS
-051883092+-
883092 EGGA B G-
4260 CIGOV T CP



TO: CAAUK
END

TO: WORRELL
CAA/ERG, LONDON

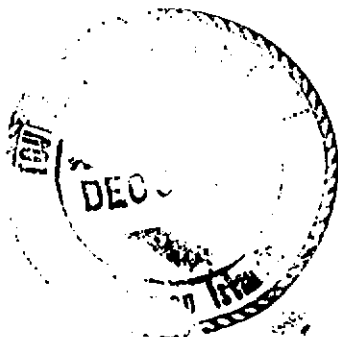
FROM: WATLER
TOURISM, AVIATION AND TRADE
CAYMAN ISLANDS GOVERNMENT

REF: TAT/CAA/10

DATE: DECEMBER 5, 1989 2:30 PM

SUBJECT: AMERICAN AIRLINES FILING AA-89-125

1. MANY THANKS FOR YOUR TELEX OF 4 DEC ON THE SUBJECT MATTER. FURTHER TO YOUR TELEX OF 21 NOV WE HAD ASSUMED THAT AA WERE GOING TO SUSPEND THIS FILING. OBVIOUSLY THIS IS NOT THE CASE AND BEARS OUT OUR BELIEF THAT THEY WILL DO ANYTHING IN ORDER TO CONTINUE TO OFFER PREDATORY FARES FROM POINTS IN THE USA TO THE DETRIMENT OF CAYMAN AIRWAYS.
2. YOU ARE ALREADY AWARE THAT THIS FILING CONTAINS DISAPPROVED MATTER FROM A PREVIOUS FILING AND WE NATURALLY CONTINUE TO OBJECT TO SUCH FARES. SPECIFICALLY WE OBJECT TO ALL VSAPX7 FARES AND QE7AA FARES ALTHOUGH WE REALIZE THAT THIS FARE IS TO EXPIRE ON 14 DEC.
3. IT WOULD APPEAR THAT ONCE AGAIN AMERICAN HAS HAD ITS WAY BY BEING ABLE TO OFFER THOSE FARES SUBJECT TO GOVERNMENT APPROVAL ONCE THEY HAVE BEEN FILED. I AM OBLIGED TO REGISTER OUR GOVERNMENT'S DISSATISFACTION WITH THIS MATTER.
4. PLEASE ADVISE ME OF YOUR REPLY TO AMERICAN.



NYCGCM 26FEB A/AX

ADV SURCHARGE MAY APPLY
ADD APPLICABLE TAX

KX -/- PA -/D

CONX SVC SCHEDULED ON ONE OR MORE CARRIERS

FARECLASS	PTC	OW	RT	AIRLINE	COMM	COMP	TKT
VXEIPNR-GCM	A		279.00	NW	27FEB	02MAR	-
VXEIPNR-GCM	A		279.00	AA	27FEB	02MAR	27FEB
VXEIPNR-GCM	A		279.00	PA	28FEB	02MAR	-
VXEIPNR-NYC	A		279.00	NW	27FEB	02MAR	-
VXEIPNR-NYC	A		279.00	AA	27FEB	02MAR	27FEB
VXEIPNR-NYC	A		279.00	PA	28FEB	02MAR	-# M
YE1-NYC	A		286.00	KX	-	-	-
QXAP14-GCM	A		298.00	AA EA	-	-	-
QXAP14-NYC	A		298.00	AA EA	-	-	-
QXE7GCM-GCM	A		298.00	NW	-	-	-
QXE7GCM-NYC	A		298.00	NW	-	-	-
QXNR14-GCM	A		298.00	PA	-	-	-
QXNR14-NYC	A		298.00	PA	-	-	-
QWAP14-GCM	A		318.00	AA EA	-	-	-
QWAP14-NYC	A		318.00	AA EA	-	-	-
QWE7GCM-GCM	A		318.00	NW	-	-	-
QWE7GCM-NYC	A		318.00	NW	-	-	-
QWNR14-GCM	A		318.00	PA	-	-	-#

GCMCHI 26FEB A/AX

ADV SURCHARGE MAY APPLY
ADD APPLICABLE TAX

AA -/D
CONX SVC SCHEDULED ON ONE OR MORE CARRIERS

FARECLASS	PTC	OW	RT	AIRLINE	COMM	COMP	TKT
VXEIPNR-CHI	A		238.00	NW	27FEB	02MAR	-
VXEIPNR-CHI	A		238.00	AA	27FEB	02MAR	27FEB
VXEIPNR-GCM	A		238.00	NW	27FEB	02MAR	-
VXEIPNR-GCM	A		238.00	AA	27FEB	02MAR	27FEB
QXAP14-CHI	A		359.00	AA EA	-	-	-
QXAP14-GCM	A		359.00	AA EA	-	-	-# M
QXE7GCM-CHI	A		359.00	NW	-	-	-
QXE7GCM-GCM	A		359.00	NW	-	-	-
QWAP14-CHI	A		399.00	AA EA	-	-	-
QWAP14-GCM	A		399.00	AA EA	-	-	-
QWE7GCM-CHI	A		399.00	NW	-	-	-
QWE7GCM-GCM	A		399.00	NW	-	-	-
KAP14-CHI	A		413.00	EA	-	-	-
KAP14-GCM	A		413.00	EA	-	-	-
MAP7-CHI	A		413.00	AA	-	-	-
MAS7-GCM	A		413.00	AA	-	-	-
MXE3-CHI	A		439.00	AA NW	-	-	-
MXE3-GCM	A		439.00	AA NW	-	-	-#

GCMCHI 05MAR A/AX

ADV SURCHARGE MAY APPLY
ADD APPLICABLE TAX

AA -/D
CONX SVC SCHEDULED ON ONE OR MORE CARRIERS

FARECLASS	PTC	OW	RT	AIRLINE	COMM	COMP	TKT
QXAP14-CHI	A		359.00	AA EA	-	-	-
QXAP14-GCM	A		359.00	AA EA	-	-	-
QXE7GCM-CHI	A		359.00	NW	-	-	-
QXE7GCM-GCM	A		359.00	NW	-	-	-
QWAP14-CHI	A		399.00	AA EA	-	-	-
QWAP14-GCM	A		399.00	AA EA	-	-	-# M
QWE7GCM-CHI	A		399.00	NW	-	-	-
QWE7GCM-GCM	A		399.00	NW	-	-	-
KAP14-CHI	A		413.00	EA	-	-	-
KAP14-GCM	A		413.00	EA	-	-	-
MAP7-CHI	A		413.00	AA	-	-	-
MAP7-GCM	A		413.00	AA	-	-	-
MXE3-CHI	A		439.00	AA NW	-	-	-
MXE3-GCM	A		439.00	AA NW	-	-	-
BM15-CHI	A		446.00	NW	-	-	-
BM15-GCM	A		446.00	NW	-	-	-
MWE3-CHI	A		479.00	AA NW	-	-	-
MWE3-GCM	A		479.00	AA NW	-	-	-#

QWNR14-NYC	A	318.00	PA	-	-	-
QAP7-GCM	A	339.00	KX	-	-	-
QAP7-NYC	A	339.00	KX	-	-	-
BM15-GCM	A	398.00	NW	-	-	-
BM15-NYC	A	398.00	NW	-	-	-
YE14D-GCM	A	399.00	KX	-	-	-
YE14D-NYC	A	399.00	KX	-	-	-
HE3-GCM	A	413.00	NW	-	-	-
HE3-NYC	A	413.00	NW	-	-	-
KAP14-GCM	A	413.00	EA	-	-	-
KAP14-NYC	A	413.00	EA	-	-	-
MAP7-GCM	A	413.00	AA	-	-	-# M
MAP7-NYC	A	413.00	AA	-	-	-
MXE3-GCM	A	459.00	AA	-	-	-
MXE3-NYC	A	459.00	AA	-	-	-
MHE21-GCM	A	489.00	NW	-	-	-
MHE21-NYC	A	489.00	NW	-	-	-
YHE21D-GCM	A	489.00	KX	-	-	-
YHE21D-NYC	A	489.00	KX	-	-	-
MHAP15-GCM	A	499.00	PA	-	-	-
MHAP15-NYC	A	499.00	PA	-	-	-
MWE3-GCM	A	499.00	AA	-	-	-
MWE3-NYC	A	499.00	AA	-	-	-
BE21-GCM	A	513.00	AA PA	-	-	-#

GCMCHI-JT 26FEB		AA EA NW			
A/AX	FARE	TAX	OW	RT	BOOK
BXE14-CHI	459.00	D6.00		459.00	B
KX-TPA-DL		KX-MIA-DL		KX-ATL-DL	
BXE14-GCM	459.00	D6.00		459.00	B
KX-TPA-DL		KX-MIA-DL		KX-ATL-DL	
BWE14-CHI	499.00	D6.00		499.00	B
KX-TPA-DL		KX-MIA-DL		KX-ATL-DL	
BWE14-GCM	499.00	D6.00		499.00	B
KX-TPA-DL		KX-MIA-DL		KX-ATL-DL	
MD					
CK ENT					

EXHIBIT 12

SEVEN YEAR SUMMARY OF OPERATIONS
YEARS ENDED 30 JUNE
WITH TRADING BUDGET AND ACTUAL AND
ESTIMATE RESULTS

PREPARED BY:

J. Devlin, Chief
Financial Officer

M. Greenwood, Manager
Budgets/Market Study

CAYMAN AIRWAYS

SOURCE OF DATA

CAYMAN AIRWAYS
Records of Accounts

Six Year Summary of Operations (\$US) Year Ended 30 June

	Revenue	Operating Expenses	Operating Income (Loss)	Net Income (Loss)	Income (Loss) Per Scheduled Passenger
1984	\$23,208,603	\$23,521,631	\$(313,028)	\$(2,750,316)	\$(12.16)
1985	\$29,957,128	\$29,495,818	\$ 461,310	\$(1,402,444)	\$(5.16)
1986	\$28,922,999	\$28,104,186	\$ 818,813	\$(1,132,124)	\$(4.53)
1987	\$32,905,081	\$32,045,324	\$ 859,757	\$(835,826)	\$(2.95)
1988	\$36,256,196	\$35,521,104	\$ 735,092	\$(1,077,268)	\$(3.09)
1989	\$40,285,468	\$37,561,863	\$2,723,605	\$ 978,662	\$ 2.72

* Trading Budget

1990	45,868,107	44,524,319	1,343,788	1,081,694	\$ 2.60
------	------------	------------	-----------	-----------	---------

* Actual and Estimate

1990	38,685,014	41,682,284	(2,997,270)	(3,444,334)	\$ (9.62)
------	------------	------------	-------------	-------------	-----------

* 415,596 PAX

* 358,043 PAX

EXHIBIT 13

Local Travel Agents and KX Ticket Offices sales by month
 1989 versus 1988 and monetary decrease both online and offline.

	1988		1989		\$	%
	ONLINE	OFFLINE	ONLINE	OFFLINE	VARIANCE	VARIANCE
SEP	816,688	434,511	818,261	406,027	- 26911	-2%
OCT	687,584	356,094	627,420	283,772	- 132,486	-13%
NOV	831,988	336,946	785,785	269,089	- 114060	-10%
DEC	1094,296	457,504	1000,654	385,083	- 166063	-11%

SALES VARIANCE OVER 4 MONTH (SEP - DEC 89) -9%

SOURCE:

SEE RELATED SALES REPORTS EXHIBIT 13, P 2 - 9

* SALES COMPARISON REPORT *

STATION: CTS

MONTH	1 9 8 8		1 9 8 9		V A R I A N C E	
	ONLINE SALES	OFFLINE SALES	ONLINE SALES	OFFLINE SALES	ONLINE DIFF	OFFLINE DIFF
SEP	163,870.64	161,592.22	202,906.72	146,594.39	39,036.08	15,007.84
OCT	139,609.84	124,307.94	134,540.94	90,790.19	5,068.90	43,527.74
NOV	181,650.30	107,051.70	171,139.14	79,544.29	10,511.16	28,487.42
DEC	278,656.21	156,475.07	245,064.70	132,139.40	33,591.51	24,336.67

MONTH	1 9 8 9		1 9 9 0		V A R I A N C E	
	ONLINE SALES	OFFLINE SALES	ONLINE SALES	OFFLINE SALES	ONLINE DIFF	OFFLINE DIFF
JAN	152,563.02	97,588.94	.00	.00	152,563.02	97,588.94
FEB	166,387.08	101,115.53	.00	.00	166,387.08	101,115.53
MAR	178,177.78	118,054.03	.00	.00	178,177.78	118,054.03
APR	210,229.54	159,637.10	.00	.00	210,229.54	159,637.10
MAY	200,313.04	132,034.29	.00	.00	200,313.04	132,034.29
JUN	446,397.36	376,355.85	.00	.00	446,397.36	376,355.85
JUL	121,835.00	85,549.28	.00	.00	121,835.00	85,549.28
SEP	202,906.72	146,584.38	.00	.00	202,906.72	146,584.38
OCT	134,540.94	80,780.18	.00	.00	134,540.94	80,780.18
NOV	171,139.14	78,566.28	.00	.00	171,139.14	78,566.28
DEC	245,064.70	132,138.40	.00	.00	245,064.70	132,138.40

* SALES COMPARISON REPORT *

STATION: CTT

MONTH	1 9 8 8		1 9 8 9		V A R I A N C E	
	ONLINE SALES	OFFLINE SALES	ONLINE SALES	OFFLINE SALES	ONLINE DIFF	OFFLINE DIFF
SEP	118,311.43	46,416.13	155,184.09	59,092.22	36,872.66	12,474.09
OCT	106,515.07	38,683.30	95,854.85	29,977.98	10,660.22	8,705.32
NOV	123,171.05	48,099.69	123,497.11	34,816.16	326.06	13,283.23
DEC	162,552.47	50,663.93	153,609.09	59,124.92	9,943.38	8,440.99
MONTH	1 9 8 9		1 9 9 0		V A R I A N C E	
	ONLINE SALES	OFFLINE SALES	ONLINE SALES	OFFLINE SALES	ONLINE DIFF	OFFLINE DIFF
JAN	103,095.26	44,252.21	.00	.00	103,095.26	44,252.21
FEB	106,551.61	33,933.88	.00	.00	106,551.61	33,933.88
MAR	93,127.11	35,050.69	.00	.00	93,127.11	35,050.69
APR	141,365.78	64,330.36	.00	.00	141,365.78	64,330.36
MAY	135,274.85	47,434.74	.00	.00	135,274.85	47,434.74
JUN	244,865.27	96,597.53	.00	.00	244,865.27	96,597.53
JUL	91,201.34	34,219.60	.00	.00	91,201.34	34,219.60
SEP	155,184.09	59,092.22	.00	.00	155,184.09	59,092.22
OCT	95,854.85	29,977.98	.00	.00	95,854.85	29,977.98
NOV	123,497.11	34,816.16	.00	.00	123,497.11	34,816.16
DEC	153,609.09	59,124.92	.00	.00	153,609.09	59,124.92

* SALES COMPARISON REPORT *

STATION(CYB)

MONTH	1 9 8 8		1 9 8 9		V A R I A N C E	
	ONLINE SALES	OFFLINE SALES	ONLINE SALES	OFFLINE SALES	ONLINE DIFF	OFFLINE DIFF
SEP	27,125.32	4,416.94	26,337.39	5,658.19	787.93-	1,241.25-
OCT	30,481.44	1,780.26	27,265.50	954.23	3,215.94-	926.03-
NOV	26,712.29	634.19	22,357.50	415.00	4,354.79-	219.19-
DEC	35,049.50	2,615.79	28,837.13	2,133.40	6,212.37-	482.79-
MONTH	1 9 8 9		1 9 9 0		V A R I A N C E	
	ONLINE SALES	OFFLINE SALES	ONLINE SALES	OFFLINE SALES	ONLINE DIFF	OFFLINE DIFF
JAN	30,533.03	5,562.44	.00	.00	30,533.03-	5,562.44-
FEB	26,474.13	3,706.32	.00	.00	26,474.13-	3,706.32-
MAR	44,361.85	4,863.75	.00	.00	44,361.85-	4,863.75-
APR	26,364.50	3,122.86	.00	.00	26,364.50-	3,122.86-
MAY	26,707.96	335.65	.00	.00	26,707.96-	335.65-
JUN	36,381.79	24,691.67	.00	.00	36,381.79-	24,691.67-
JUL	40,048.74	4,233.08	.00	.00	40,048.74-	4,233.08-
SEP	26,337.39	5,458.19	.00	.00	26,337.39-	5,458.19-
OCT	27,265.50	854.23	.00	.00	27,265.50-	854.23-
NOV	22,357.50	415.00	.00	.00	22,357.50-	415.00-
DEC	28,837.13	2,133.40	.00	.00	28,837.13-	2,133.40-

* SALES COMPARISON REPORT *

STATION: GCA

MONTH	1 9 8 8		1 9 8 9		1 9 9 0		1 9 9 1		V A R I A N C E	
	ONLINE SALES	OFFLINE SALES	ONLINE SALES	OFFLINE SALES	ONLINE SALES	OFFLINE SALES	ONLINE SALES	OFFLINE SALES	ONLINE DIFF	OFFLINE DIFF
SEP	170,092.92	32,160.65	88,844.84	24,852.54	88,844.84	24,852.54	88,844.84	24,852.54	91,248.08	7,308.11
OCT	94,996.11	31,276.32	74,505.73	32,390.69	74,505.73	32,390.69	74,505.73	32,390.69	20,490.38	1,104.37
NOV	116,551.77	28,678.69	117,077.06	23,017.09	117,077.06	23,017.09	117,077.06	23,017.09	525.29	5,441.60
DEC	112,429.38	23,100.88	113,723.46	37,739.31	113,723.46	37,739.31	113,723.46	37,739.31	1,294.08	14,437.43
JAN	111,174.47	42,598.15	-00	-00	-00	-00	-00	-00	111,174.47	42,598.15
FEB	98,609.08	12,975.32	-00	-00	-00	-00	-00	-00	98,609.08	12,975.32
MAR	165,148.90	60,121.27	-00	-00	-00	-00	-00	-00	165,148.90	60,121.27
APR	124,992.25	52,678.44	-00	-00	-00	-00	-00	-00	124,992.25	52,678.44
MAY	123,238.93	43,671.92	-00	-00	-00	-00	-00	-00	123,238.93	43,671.92
JUN	139,380.19	37,136.09	-00	-00	-00	-00	-00	-00	139,380.19	37,136.09
JUL	119,866.98	23,547.26	-00	-00	-00	-00	-00	-00	119,866.98	23,547.26
SEP	88,844.84	24,852.54	-00	-00	-00	-00	-00	-00	88,844.84	24,852.54
OCT	74,505.73	32,390.69	-00	-00	-00	-00	-00	-00	74,505.73	32,390.69
NOV	117,077.06	23,017.09	-00	-00	-00	-00	-00	-00	117,077.06	23,017.09
DEC	113,723.46	37,739.31	-00	-00	-00	-00	-00	-00	113,723.46	37,739.31

* SALES COMPARISON REPORT *

STATION: GCC

MONTH	1 9 8 8		1 9 8 9		V A R I A N C E	
	ONLINE SALES	OFFLINE SALES	ONLINE SALES	OFFLINE SALES	ONLINE DIFF	OFFLINE DIFF
SEP	169,637.02	69,588.44	179,623.78	91,110.01	9,986.76	21,851.57
OCT	162,510.79	65,265.73	173,759.84	74,040.92	11,249.05	10,775.19
NOV	198,818.86	60,268.73	202,849.85	74,559.60	1,049.99	14,290.87
DEC	251,361.09	75,581.90	290,672.60	78,941.96	39,311.51	3,340.04

MONTH	1 9 8 9		1 9 9 0		V A R I A N C E	
	ONLINE SALES	OFFLINE SALES	ONLINE SALES	OFFLINE SALES	ONLINE DIFF	OFFLINE DIFF
JAN	163,379.75	63,946.09	.00	.00	163,379.75	63,946.09
FEB	179,866.06	59,964.91	.00	.00	179,866.06	59,964.91
MAR	231,455.67	80,940.39	.00	.00	231,455.67	80,940.79
APR	197,440.17	71,595.30	.00	.00	197,440.17	71,595.30
MAY	240,265.16	102,188.21	.00	.00	240,265.16	102,188.21
JUN	289,329.09	156,342.65	.00	.00	289,329.09	156,342.65
JUL	279,350.04	110,383.04	.00	.00	279,350.04	110,383.04
SEP	179,623.78	91,440.01	.00	.00	179,623.78	91,440.01
OCT	173,752.84	76,040.92	.00	.00	173,752.84	76,040.92
NOV	202,868.85	76,559.60	.00	.00	202,868.85	76,559.60
DEC	290,672.60	78,941.96	.00	.00	290,672.60	78,941.96

* SALES COMPARISON REPORT *

STATION: INT

MONTH	1 9 8 8		1 9 8 9		V A R I A N C E	
	ONLINE SALES	OFFLINE SALES	ONLINE SALES	OFFLINE SALES	ONLINE DIFF	OFFLINE DIFF
SEP	92,737.79	35,750.44	89,497.99	44,309.79	3,239.91-	8,559.74
OCT	78,045.91	32,318.98	71,400.61	39,295.65	6,645.30-	6,974.47
NOV	92,383.47	33,568.62	80,931.49	34,505.39	11,451.98-	934.74
DEC	126,681.30	51,202.38	71,649.09	33,083.44	55,033.21--	18,118.94-

MONTH	1 9 8 9		1 9 9 0		V A R I A N C E	
	ONLINE SALES	OFFLINE SALES	ONLINE SALES	OFFLINE SALES	ONLINE DIFF	OFFLINE DIFF
JAN	79,031.26	31,497.57	.00	.00	79,031.26-	31,497.57-
FEB	94,352.68	30,716.39	.00	.00	94,352.68-	30,716.39-
MAR	113,240.30	61,407.93	.00	.00	113,240.30-	61,407.93-
- APR	136,388.99	69,073.49	.00	.00	136,388.99-	69,073.49-
MAY	107,224.07	57,305.35	.00	.00	107,224.07-	57,305.35-
JUN	181,286.72	125,460.60	.00	.00	181,286.72-	125,460.60-
JUL	94,719.88	67,574.05	.00	.00	94,719.88-	67,574.05-
SEP	89,497.88	44,309.78	.00	.00	89,497.88-	44,309.78-
OCT	71,400.61	39,295.65	.00	.00	71,400.61-	39,295.65-
NOV	80,931.49	34,505.38	.00	.00	80,931.49-	34,505.38-
DEC	71,648.09	33,083.44	.00	.00	71,648.09-	33,083.44-

* SALES COMPARISON REPORT *

STATION: (OMN)

MONTH	1 9 8 8		1 9 8 9		V A R I A N C E	
	ONLINE SALES	OFFLINE SALES	ONLINE SALES	OFFLINE SALES	ONLINE DIFF	OFFLINE DIFF
SEP	53,458.89	70,163.97	49,446.37	21,451.61	4,012.52-	48,712.36-
OCT	48,149.49	51,517.06	28,290.50	19,202.39	19,858.99-	32,314.67-
NOV	62,371.79	48,747.10	47,763.73	13,959.81	14,608.06-	34,887.29-
DEC	82,522.66	81,594.04	61,591.68	32,206.45	20,930.98-	49,387.59-

MONTH	1 9 8 9		1 9 9 0		V A R I A N C E	
	ONLINE SALES	OFFLINE SALES	ONLINE SALES	OFFLINE SALES	ONLINE DIFF	OFFLINE DIFF
JAN	38,621.81	39,747.77	.00	.00	39,621.81-	39,747.77-
FEB	48,674.62	32,258.29	.00	.00	48,674.62-	32,258.29-
MAR	51,860.25	54,142.06	.00	.00	51,860.25-	54,142.06-
APR	60,495.96	47,599.37	.00	.00	60,495.96-	47,599.37-
MAY	56,478.27	38,305.48	.00	.00	56,478.27-	38,305.48-
JUN	101,486.07	72,190.83	.00	.00	101,486.07-	72,190.83-
JUL	21,357.02	13,791.54	.00	.00	21,357.02-	13,791.54-
SEP	49,446.37	21,651.61	.00	.00	49,446.37-	21,651.61-
OCT	28,220.50	19,202.39	.00	.00	28,220.50-	19,202.39-
NOV	47,763.73	13,859.81	.00	.00	47,763.73-	13,859.81-
DEC	61,591.68	32,206.45	.00	.00	61,591.68-	32,206.45-

* SALES COMPARISON REPORT *

STATION: WTM

MONTH	1 9 8 8		1 9 8 9		1 9 8 9		V A R I A N C E	
	ONLINE SALES	OFFLINE SALES	ONLINE SALES	OFFLINE SALES	ONLINE SALES	OFFLINE SALES	ONLINE DIFF	OFFLINE DIFF
SEP	21,452.96	14,422.24	26,419.79	12,439.33	1,966.83	1,983.91		
OCT	27,285.71	10,944.03	21,802.00	5,239.80	5,483.71	5,704.27		
NOV	30,329.13	9,897.15	20,149.75	7,349.30	10,179.38	2,547.85		
DEC	45,044.92	16,270.12	35,507.05	9,715.99	9,537.87	4,554.13		

MONTH	1 9 8 9		1 9 9 0		1 9 9 0		V A R I A N C E	
	ONLINE SALES	OFFLINE SALES	ONLINE SALES	OFFLINE SALES	ONLINE DIFF	OFFLINE DIFF	ONLINE DIFF	OFFLINE DIFF
JAN	23,087.45	7,659.41	.00	.00	23,087.45	7,659.41		
FEB	15,753.86	5,818.68	.00	.00	15,753.86	5,818.68		
MAR	24,523.16	11,268.65	.00	.00	24,523.16	11,268.65		
APR	26,574.66	11,959.40	.00	.00	26,574.66	11,959.40		
MAY	35,953.54	13,238.24	.00	.00	35,953.54	13,238.24		
JUN	55,260.52	25,941.40	.00	.00	55,260.52	25,941.40		
JUL	31,067.72	10,797.74	.00	.00	31,067.72	10,797.74		
SEP	26,419.79	12,438.33	.00	.00	26,419.79	12,438.33		
OCT	21,802.00	5,239.80	.00	.00	21,802.00	5,239.80		
NOV	20,149.75	7,349.30	.00	.00	20,149.75	7,349.30		
DEC	35,507.05	9,715.99	.00	.00	35,507.05	9,715.99		

Exhibit 13
Page 10 of 13

Analysts interpreted the data as proof of recession would come this year although some said the economy would flirt with one early next year if the manufacturing slump spills over into related services industries. And they said the unexpected job growth and fresh evidence of private wage inflation would keep the Federal Reserve from raising its hold on credit, which in turn would have triggered lower interest rates for everyone.

The Labour Department said economy barely grew 0.1% in the third quarter of 1989. Most analysts had anticipated job growth of about 150,000 and a 0.4 percent boost in hourly earnings.

"The Fed will be in a no-change stance at least until the next employment report," said Allen Sinai of Boston Co. Economic Advisors. Others said it might raise its hold on credit when the policy-makers meet next week, when the government will have issued new inflation data.

"The economy is clearly slowing down, but employment there's no recession in these numbers," said Michael Grant, head of a Washington forecasting firm.

Analysts interpreted the data as proof of recession would come this year although some said the economy would flirt with one early next year if the manufacturing slump spills over into related services industries. And they said the unexpected job growth and fresh evidence of private wage inflation would keep the Federal Reserve from raising its hold on credit, which in turn would have triggered lower interest rates for everyone.

Return From River Kwai

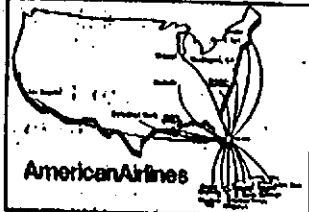
Christopher Penn - Timothy Bottoms

Return to the action - Return to the danger - Return to the survivors.

AMERICAN AIRLINES

Introduces **NON STOP** new service **to Miami**

from Grand Cayman
1:15 p.m. daily
effective 1st October



American Airlines

Boeing New York (La Guardia)
Washington D.C. (National)
Chicago
Raleigh/Durham
Atlanta
Los Angeles
Dallas Ft. Worth
New Orleans

American Airlines, with 36 daily non-stop flights originating from our new Miami Hub, now flies to a total of 9 main cities in the U.S. and 7 destinations in the Caribbean. American Eagle will inaugurate, starting October 1st, services to 8 new destinations in Florida and the Bahamas.

For reservations and information contact your travel agent or American Airlines at 1-800-426-1234



American Airlines
Something special in the air.

RECEIVED
DEPT. OF JUSTICE
CRIMINAL DIVISION

92 APR -1 AMO:49

INTERNAL SECURITY
SECTION
RECEIVED

Pan Am Now Offers Daily Non-Stop Service To Miami

Pan Am's new daily non-stop service to Miami is a direct result of the airline's expansion program in the Caribbean and Latin America. The new service, which begins on September 1, will provide Pan Am passengers with a direct, non-stop flight to Miami from New York City, Los Angeles, and San Francisco. The new service will be operated by the airline's new Boeing 747-200 aircraft, which is the world's largest commercial jetliner. The new service will provide Pan Am passengers with a direct, non-stop flight to Miami from New York City, Los Angeles, and San Francisco. The new service will be operated by the airline's new Boeing 747-200 aircraft, which is the world's largest commercial jetliner.

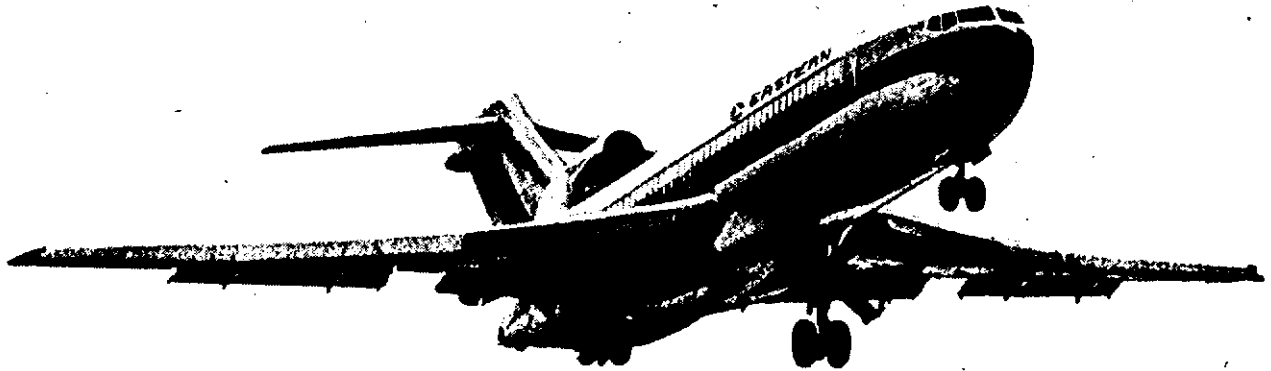
From	To	Class	Fare
New York City	Miami	First	\$1,200.00
Los Angeles	Miami	First	\$1,000.00
San Francisco	Miami	First	\$1,100.00

PAN AM

Horoscope

Scorpio

For the month of September, the stars are in your favor. You will experience a period of great success and achievement. Your efforts will be rewarded, and you will achieve your goals. The month of September is a time of great opportunity for you. You will experience a period of great success and achievement. Your efforts will be rewarded, and you will achieve your goals. The month of September is a time of great opportunity for you.



Eastern is Back in Grand Cayman!

With daily flights to Miami, departing at 1:59 p.m. and arriving at 3:13 p.m. And daily flights from Miami to Grand Cayman, departing at 12:10 p.m. and arriving at 1:30 p.m.

Remember that from Miami, Eastern offers a network of convenient connections to the most important cities in the United States, Canada, the Caribbean and Latin America. Make Eastern Airlines your #1 choice, sit back, and enjoy all its advantages.

From flying in the comfort of our 727-200's, with extra space for

cargo and extra luggage, to making your reservations through Eastern's **SYSTEMONE®** America's most advanced computerized reservations system. Plus take advantage of OnePass, the most generous program to earn free travel. What else could you want? On-Time departures and arrivals? You've got it! With Eastern's unbeatable record of On-Time Performance.*

For reservations, call your Travel Agent or Eastern's 9-8700 in Grand Cayman.



EASTERN



Eastern is Back in Grand Cayman!

With daily flights to Miami, departing at 1:59 p.m. and arriving at 3:13 p.m. And daily flights from Miami to Grand Cayman, departing at 12:10 p.m. and arriving at 1:30 p.m.

Remember that from Miami, Eastern offers a network of convenient connections to the most important cities in the United States, Canada, the Caribbean and Latin America. Make Eastern Airlines your #1 choice, sit back, and enjoy all its advantages.

From flying in the comfort of our 727-200's, with extra space for

cargo and extra luggage, to making your reservations through Eastern's SYSTEMONE®, America's most advanced computerized reservations system. Plus take advantage of OnePass, the most generous program to earn free travel. What else could you want? On-Time departures and arrivals? You've got it! With Eastern's unbeatable record of On-Time Performance.*

For reservations, call your Travel Agent or Eastern's 9-8700 in Grand Cayman.



EASTERN

*Based upon September U.S. Department of Transportation data and the percentage of non-stop domestic flights that arrived within 15 minutes of schedule for all reported airports for the 10 major airlines in terms of domestic revenue passenger miles.