

MESABA ON THE MOVE

A MONTHLY PUBLICATION PRODUCED ESPECIALLY FOR EMPLOYEES AND FRIENDS OF MESABA AVIATION, INC.

AUGUST * VOL 2. * NO 7

MESABA TENTATIVELY SELECTED BY NORTHWEST FOR DETROIT OPERATION

Mesaba Aviation and Northwest Airlines announced on August 9th that the two companies had agreed in principle for Mesaba to provide Northwest Airlink regional airline service at Detroit, Northwest's largest domestic traffic center.

Mesaba, which currently is a Northwest Airlink provider at Minneapolis/St. Paul, would replace Simmons Airlines at Detroit. Simmons has been acquired by American Airlines and, after an orderly transition, will no longer fly under the Airlink banner.

Northwest and Mesaba are negotiating a detailed Northwest Airlink marketing agreement for the Detroit operation. That agreement could be reached as early as mid-September.

July Traffic is Record

Mesaba carried a record 37,140 passengers in July, an increase of 4.1% over the 35,691 passengers the carrier flew during July 1987.

Revenue passengers miles in July totaled 8,734,602 and available seat miles were 15,143,637. These figures compared respectively to

Metro Down Main Street?



A long awaited dream of Watertown agents came true when A Mesaba Metro III came down main street. The 8th annual 4th of July parade in Watertown featured a replica of a Mesaba Metro III aircraft. The float was designed and made by Watertown agents Roger Tuttle, Kathy Stricker, Ried Nolte, Sandy Weber, Lavae Schwalm, Stacy West, Pam Van Gilder and their families, with the help of Ike and Mike Davis. Candy and Peanuts were distributed along the parade route by Kristi Stricker, Justin Stricker, Damon Tuttle and Maron Tuttle. Capt. Lavae Schwalm (dressed as a pilot) drove the pickup that pulled the float. Roger rode along and was quoted as saying "follow that float in front of us." *Thanks to Roger Tuttle for submitting.*

7,727,366 and 13,135,581 experienced last year.

Load factor during the month of July was 57.7%, compared to 58.8% experienced during the same month last year.

First Quarter Earnings

Mesaba Aviation reported net income of \$547,000, or 16 cents per share for the first quarter ended June 30, 1988, compared to net income of \$544,000, or 16 cents per share, experienced during the same quarter last year. Operating revenues in the first quarter totaled \$7,932,000, an increase of 11%

from \$7,169,000 during the same quarter one year ago.

Robert D. Swenson, President of Mesaba, said, "We are pleased to report continued strong earnings performance for the first quarter of our fiscal year." Swenson said the results reflect the record number of revenue passenger miles flown, improved passenger yield and lower interest costs during the quarter.

EARNINGS Continued, Page 3

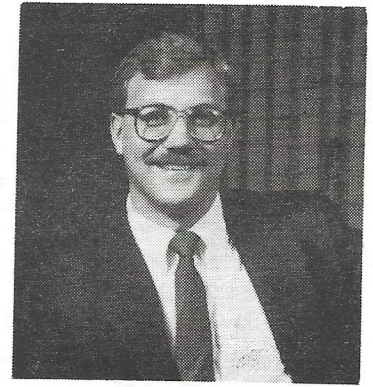
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Hangar Taking Shape See Page 6

Letter From The President

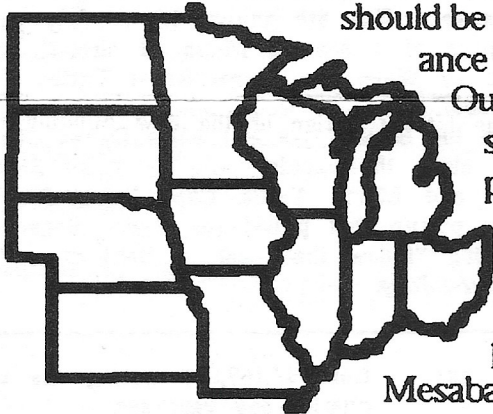
Dear Employees:



Two weeks ago, we reached a tentative agreement with Northwest Airlines to provide Northwest Airlink service to the Detroit hub, following AMR's buy-out of Simmons Airlines. Since our agreement in principle with Northwest is subject to further negotiations and a definitive agreement, I can not speak in specific terms of planned operations; however, I would like to review for you some of our plans for the proposed expansion.

First of all, an expansion into the Detroit hub will be one of the most important developments in Mesaba's history. The Detroit hub is Northwest's largest hub, and many markets currently served by Simmons Airlines are proven routes which will allow us to record excellent traffic and load factors without the need for significant development expenses.

To accommodate our expansion, we will need to approximately double our fleet of aircraft and we have begun a worldwide search for additional F27's. As you can imagine, we will have need of additional employees to handle our new hub operation. However, due to economies of scale, we won't be doubling our current employee number. Such an expansion means new and exciting opportunities for many people and some of our employees may be interested in pursuing new challenges or a new location. You should be aware that we will be posting for new positions in accordance with company procedures.



Our current plan is to expand Detroit in phases. Phase I, scheduled to start this winter, will be smaller than Simmons' previous operation. Additional service will commence in six to twelve months that will continue to show growth at Detroit.

If you consider that Simmons was boarding over 40,000 passengers a month in the Detroit market, compared to Mesaba's 36,000 passengers at MSP, you can see what a positive impact operating at the two hubs will have on the size and scope of our operations. In addition, you should know that we are planning to retain our general headquarters, hangar and main maintenance facilities in Minneapolis/St. Paul.

This expansion will clearly be a challenge for Mesaba and as I have more information, I will share it with you.

Congratulations on setting a boarding record in July. Let's hope that we can continue with our record into August. Best wishes for an enjoyable month.

Sincerely,

A handwritten signature in black ink, appearing to read "Robert D. Swenson". The signature is written in a cursive style and is positioned to the right of the word "Sincerely,".

Robert D. Swenson

Corporate News

Mesaba Pays Dividend

Mesaba announced the declaration on July 28th, 1988 of a \$.03 per share cash dividend to be paid on Mesaba's common stock with respect to the quarter ended June 30, 1988. The record date for determining holders of common stock entitled to receive the dividend is August 15, 1988. Mesaba anticipates payment of the dividend on or about August 30, 1988.

AirTran Corp. Holding Company Passed at Annual meeting.

Shareholders of Mesaba approved the formation of a holding company at the company's annual meeting. As a result, effective this fall, all shares of Mesaba Aviation will be automatically converted into one share of AirTran stock, which will be traded on the National Market System under the symbol ATCC.

Mesaba On The Move is published monthly by the marketing and public relations department. The department accepts for publication, written stories related to Mesaba and its operations and employees. Send all information to: Mesaba On The Move - 6201 34th Avenue South - Minneapolis, MN - 55450.

All material for publication should be submitted by the 15th of each month.

First Quarter Earnings Review

EARNINGS, continued from page one

Mesaba's revenue passenger miles increased 3% to 22.2 million during the first quarter, compared with 21.5 million during last year's first quarter. Available seat miles for the quarter increased 14% to 42.1 million, compared with 37.0 million flown last year. The Minneapolis-based carrier's first quarter system-wide load factor was 52.7%, down from 58.2% last year.

The chart at right reflects the quarter's financial results.

Page two, Add:
Mesaba Reports First Quarter Earnings

MESABA AVIATION, INC. Financial Summary	Quarter ended June 30,		
	1988	1987	Change
	(In thousands, except per share data)		
Operating revenues	\$ 7,932	\$ 7,169	+11 %
Operating income	930	1,084	-14
Net income	547	544	+1
Net income per share			
primary	.18	.18	---
fully diluted	.16	.16	---
Average shares outstanding			
primary	3,046	3,063	
fully diluted	3,614	3,689	
Operating Statistics			
Revenue passengers carried	97,192	99,535	-2 %
Available seat miles (000)	42,113	36,966	+14
Revenue passenger miles (000)	22,210	21,514	+3
Load factor	52.7%	58.2%	-9
Yield per revenue			
passenger mile	\$.331	\$.308	+7
Operating costs per			
available seat mile	\$.164	\$.162	+1

Put Your "Mark" On the New Building

With the construction of the new maintenance and office facility nearing its completion, ideas for the interior design of the new building are starting to be formulated. One plan calls for a wall or wall(s) to be designated strictly to aviation photographs, and this is where employees can get into the act!

Do you or any of your family members have any new or old aviation photographs which you would like to submit to Mesaba for possible use on one of the new walls? The photograph might feature Mesaba, another airline, the military or any other unique aviation photos. It might show a jet or a very small airplane. It might be color, black and white, or it could be a slide. We are looking for any photographs depicting the field of aviation.



Please send or drop off your photos to the Marketing and Public Relations Department at the General Office (see Doug Fulton or Charlean Sabo) between now and October 1, 1988. If you have any questions, please feel free to call the department directly.

Start looking through those old photographs now and maybe you'll be able to put your own personal "mark" on Mesaba's new building this fall!

GOT A SUGGESTION FOR THE NEWSLETTER? Send it in Today!

Employee News

New Employees

Full-time

*Christian Hill, CSA/MSP
*Mary Millerbernd, Flight Attendant
*LaVae Schwalm, CSA/ATY
*Thea Mullen, CSA/MSP
Marlene McDonnell, Data Entry/Maintenance

*Part-time to Full-time

Part-time

Wayne Watkins, CSA/BJI
Kay Lundgren, Data Entry/Maintenance
Mary Schomberg, CSA/BRD
Sally McFarland, CSA/PIR
Kim Weber, CSA/ABR
Sally Moore, CSA/MSP
Cynthia Peters, CSA/MSP
Paul Matschi, CSA/MSP
Eric Sonstegard, CSA/MSP
Sandra Moberg, CSA/HON
Lori Nystrom, CSA/MSP
Patrick Wheeler, CSA/MSP
Milissa Bump, CSA/ABR
Glenda LaJoie, CSA/BKX

Thanks to Anne Popp, Personnel, for submitting each month

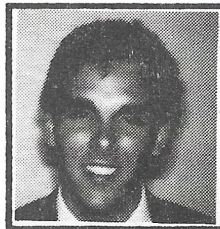
MSP AGENTS OF MONTH

Congratulations to **Paul Fudenberg** and **Joe Waitros**, chosen respectively as recipients of Mesaba's MSP Station's June and July Customer Service award.

"Paul and Joes' supervisors have selected them because of their outstanding performance during June and July and for their willingness to learn and accept new and additional responsibilities," said Dan Sheehan, Manager of the Minneapolis station.

Congratulations to both men of this fine honor.

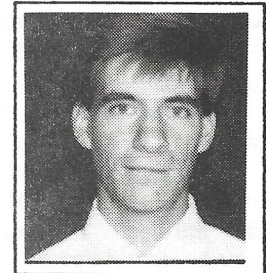
Paul
Fudenberg



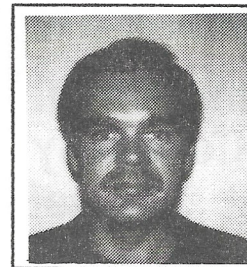
Joe
Waitros

Promotions

Michael
DeBusk



Brad
Baker



Brad Baker has been promoted to Manager/Maintenance Training. Brad has been a mechanic with Mesaba since October 1985.

Michael DeBusk has been promoted to Customer Service Manager in Mitchell, South Dakota. Mike has previously been working as a Customer Service agent in Lincoln.

Lloyd Cray has been promoted to Customer Service Supervisor at MSP.

Tim Rogers has been promoted to Customer Service Supervisor at MSP

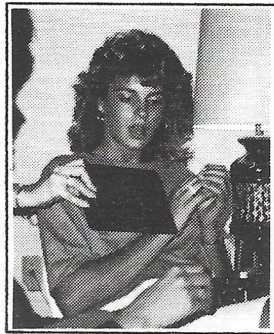
OOPS...

In last month's newsletter, Ronda Miller's name was spelled incorrectly.

Employee News

Inflight Service Award given to Malwitz

Kim Malwitz was awarded an inflight service outstanding service award in August, for her commitment to her work and for "an exceptional attitude."



Holly VanZant, Director of Inflight Services, said, "Kim has demonstrated a great team spirit and a willingness to help. She really deserves this recognition."

This is the second such award given in the department.

Summer Weddings

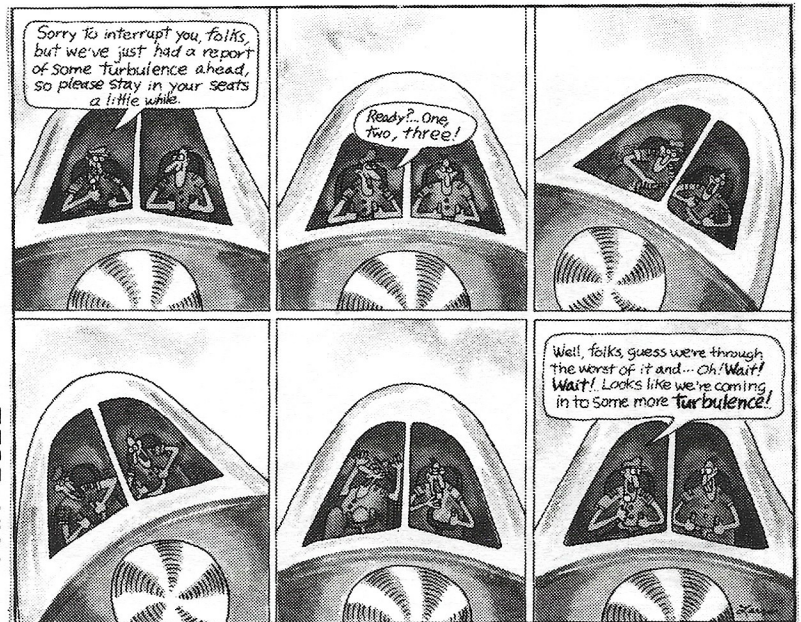
Aberdeen Personnel **Pat Burke** and **Jackie Koupal** would like to extend an invitation to all Mesaba employees to attend their wedding dance to be held on September 17, 1988 at the Elks Lodge in Aberdeen, South Dakota. The Dance starts at 9:00P. ALL EMPLOYEES ARE INVITED!!

Congratulations to Mesaba Employee **Kay Krueh** and **Bob Oberstar** (former employee) who were married on August 20st.

Births

Congratulations to **Becky Biever** (HONVCSA) and husband, Craig, on the birth of baby boy on August 22nd.

Congratulations to **Julie Bodensteiner** (Inflight Att.) and husband Rich on birth of daughter Mary Frances on July 27, 1988.



Hot, Hot, Hot!!

An old saying goes that Mesaba operates in the coldest climate in the county. Well, here's news. On August 16th, Pierre, South Dakota made national news with the hottest temperature in the country - 114 degrees above zero.

Pierre Customer Service Manager, John Tobin, said that the heat was bearable but that "the beach was the place to be after the shift was out."

Many other cities in Mesaba's system experienced similar heat waves. Aberdeen manager Pat Burke said, "we had a cool 112 degrees."

Our Medical insurance provider Employer Health Inc., informed us that they are 4-6 weeks behind in claims processing because of a computer upgrade.

Things should be back to normal by November 1, 1988. If you have any questions, please call 1-800-558-4444.

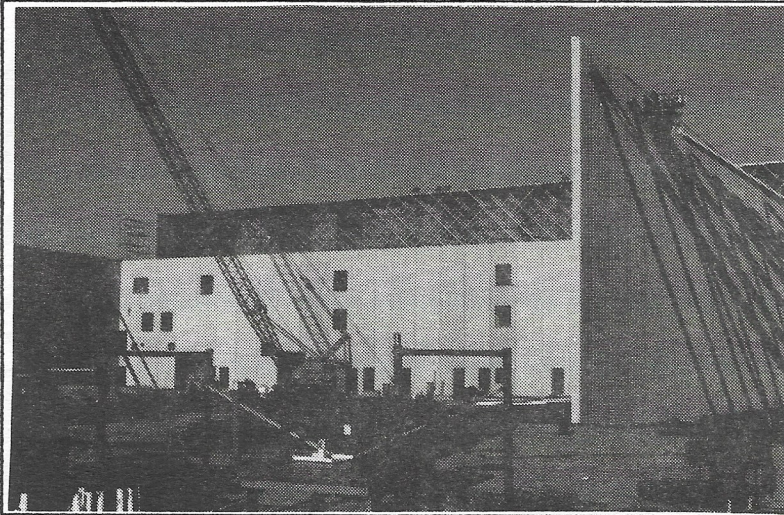
Personnel Dept.

Team Spirit is Alive

Gary and the ramp crew, as well as Mike and the ramp mechanics, should be commended on the great job they did concerning flight #3297 on Wednesday, August 10 (9:30-11:00 p.m.). The flight (aircraft #268) experienced mechanical difficulties during taxi for departure. We returned to the gate, avionics evaluated the problem, and it was decided that the flight should depart using aircraft #266. The transition from AC268 to AC266 could not have been more efficiently executed. Everyone pitched in to help transfer bags and commissary items. Alone, I could not have moved the ice bin, water jugs, soda trays, and other items in twice the time. The aircraft switch went very smoothly and was completed in minimal time. I appreciated their assistance, and indirectly, so did the passengers. These people should be recognized for their consistent fine efforts and a job well done!

Lori Goden, Flight Attendant

New Hangar Taking Shape



The new hangar walls and roof are going up into place, "and the roof should be completed by early September," according to Larry McCabe, Mesaba's Vice President of Corporate Affairs.

The new building, located on 26th Avenue, can be seen going up from I-494 and from the Crosstown highway.

"The roof should be completed by early September"
- Larry McCabe

The company is still targeting an early November move into the new facility, which will feature nearly 80,000 square feet of hangar, shop and office space.

MESABA *ON THE MOVE*

Mesaba Aviation, Inc.
6201 34th Avenue South
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