AirTran Corporation

1994 ANNUAL REPORT

FINANCIAL HIGHLIGHTS

(in thousands, except per share data)

FINANCIAL HIGHLIGHTS	Fiscal Years Ended March 31, 1994	1993	1992
Operating Revenues	**$ 129,582**	$ 124,331	$ 102,389
Operating Expenses	**122,983**	112,028	92,204
Operating Income	**6,599**	12,303	10,185
Net Income	**3,663**	6,740	5,822
Net Income Per Share	**.40**	.75	.66

(in thousands, except percentages and unit data)

STATISTICAL HIGHLIGHTS	Fiscal Years Ended March 31, 1994	1993	1992
Revenue Passengers	**1,430**	1,307	1,067
Revenue Passenger Miles (000)	**299,267**	270,137	216,082
Available Seat Miles	**663,578**	536,216	419,903
Passenger Load Factor	**45.1%**	50.4%	51.5%
Yield Per Revenue Passenger Mile	**42.7¢**	45.5¢	46.8¢
Operating Cost Per Available Seat Mile	**18.5¢**	20.8¢	21.9¢

FLEET COMPOSITION	Fiscal Years Ended March 31, 1994	1993	1992
deHavilland Dash 8	**25**	19	–
Fairchild Metro III	**24**	21	22
Fokker F27	**8**	12	15
Total	**57**	52	37

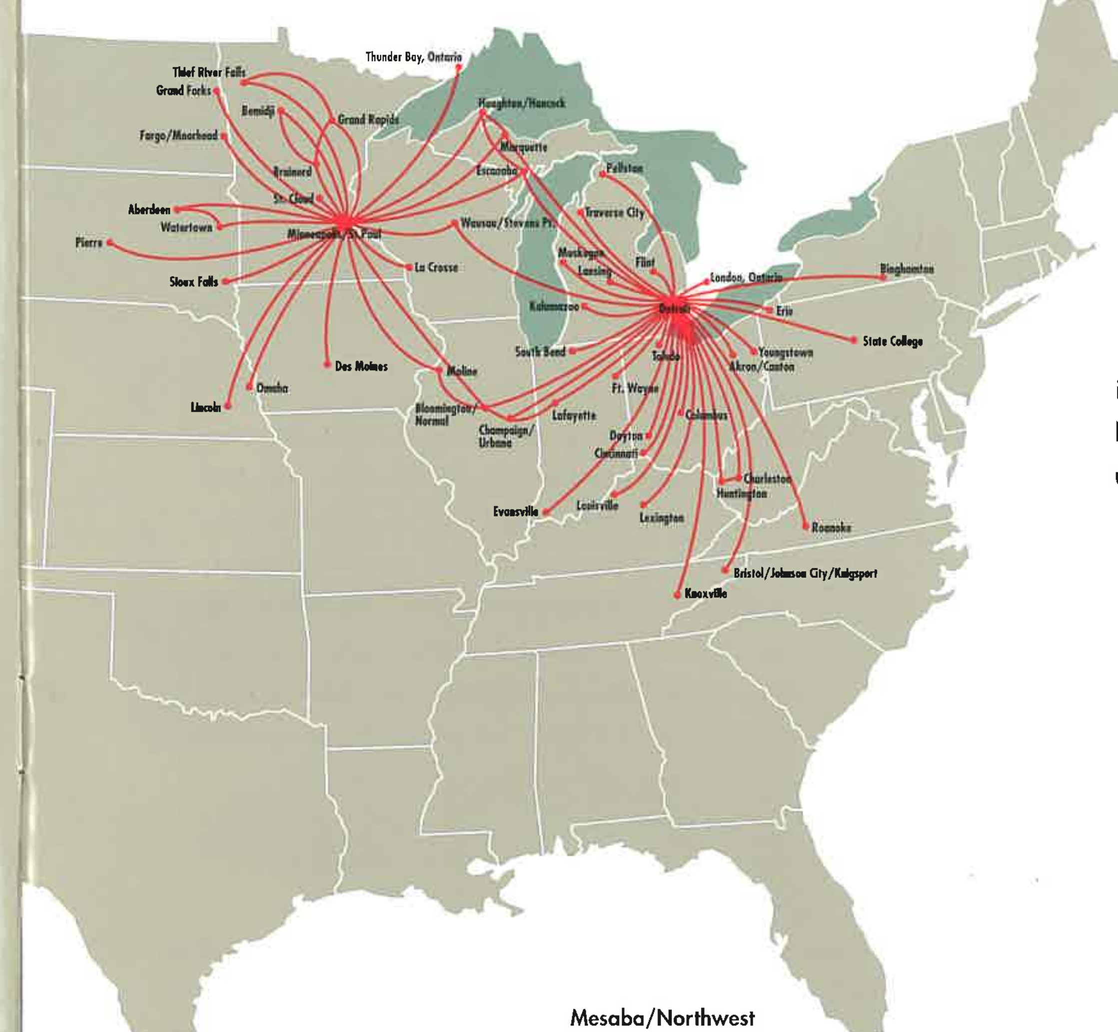
ABOUT AIRTRAN CORPORATION

AirTran Corporation is the parent company of two U.S. Domestic Air Carrier subsidiaries:

- Mesaba Aviation, Inc. is a regional airline serving the hub airports of Minneapolis/St. Paul and Detroit. The carrier has operated as Mesaba/Northwest Airlink since 1984 under a marketing agreement with Northwest Airlines. The company is marking its fiftieth anniversary in the aviation business during 1994.

- AirTran Airways is a start-up jet carrier providing scheduled low fare service to popular leisure destinations in Florida. Initially flying two 128-seat 737-200 jet aircraft, this operation was acquired from Conquest Airlines Corporation in June 1994.

AirTran Corporation is headquartered at Minneapolis/St. Paul International Airport. The Company's common stock is traded on the NASDAQ National Market System under the symbol ATCC.



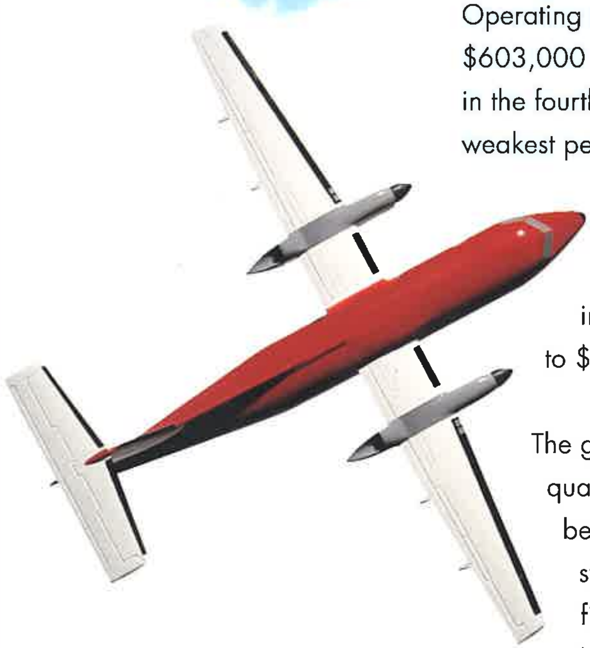
Mesaba/Northwest Airlink Route Map (effective: June 1994)

TO OUR SHAREHOLDERS:

Fiscal 1994 marked AirTran Corporation's first year of lower earnings since 1987, due primarily to a weak first half in which passenger traffic was affected by publicity regarding the financial restructuring of Northwest Airlines and its delayed Airlink payments to us. However, a series of fleet mix and expense control initiatives enabled our Mesaba Aviation subsidiary to start generating positive earnings momentum in the third quarter, and we ended the year on a high note by posting improved fourth quarter earnings. We believe this momentum is sustainable, making us confident fiscal 1995 will be a stronger year for your company.

Fiscal 1994 Financial Review

AirTran Corporation reported record results for the fourth quarter of fiscal 1994. Operating revenues rose 6% to $31,949,000, while earnings amounted to $603,000 or $.06 per share, an increase of 78% from $339,000 or $.04 per share in the fourth quarter of fiscal 1993. Since the fourth quarter is Mesaba's seasonally weakest period of the year, we are particularly pleased by this solid performance.



For the year ended March 31, 1994, operating revenues totaled $129,582,000, up modestly from $124,331,000 in fiscal 1993. Net income came to $3,663,000 or $.40 per share for fiscal 1994, compared to $6,740,000 or $.75 per share last year.

The great majority of our fiscal 1994 earnings shortfall occurred in the second quarter, which is Mesaba's peak income-generating period of the year. We believe substantial numbers of passengers booked away from our Airlink system during the summer travel season amid publicity about Northwest's financial restructuring and the lack of discounted Airlink fares offered by Northwest. The resulting imbalance between passenger traffic and capacity was compounded as we continued taking scheduled deliveries of our new deHavilland Dash 8 jet-props at the same time our Airlink expansion plans were temporarily put on hold.

The corporation's balance sheet remains strong and conservatively managed. At March 31, 1994, cash and short-term investments rose $15,626,000 to $28,412,000. This substantial increase reflects strong operating cash flows as well as a capital infusion of $10,000,000 from a private placement of AirTran common shares with Carl R. Pohlad, a Minneapolis banker and investor. The ratio of long-term debt to stockholders' equity improved to .15 at year-end fiscal 1994, which ranks among the lowest in the airline industry.

Fokker F27 Phaseout

During the past year, we moved on several fronts to get Mesaba back on track toward profitable growth. Most importantly, we eliminated 10 Fokker F27s from Mesaba's fleet in fiscal 1994, which included seven aircraft returned to lessors and three being held for sale. Our F27s have incurred steadily rising maintenance and repair costs in recent years. These older aircraft are also inefficient in comparison to our new-technology Dash 8s. We are serving the summer travel season of fiscal 1995 with our five remaining Fokkers, but by early fall, four of these leased aircraft will be returned. The lease on our final F27 expires in mid-1995.

Lower ASM Costs

As a result of this F27 phase-out and other programs aimed at strengthening operating efficiencies, Mesaba's maintenance expense declined 17% in fiscal 1994. Moreover, operating costs per available seat mile fell to 18.5 cents from 20.8 cents in fiscal 1993. We expect further reductions in our ASM costs during the coming year, which will place Mesaba among the more efficient carriers in the regional airline industry.

From left to right:
Kenneth P. Bronson, Senior Vice President, Finance and Treasurer;
John S. Fredericksen, Senior Vice President, Operations;
Robert D. Swenson, Chairman of the Board, President and Chief Executive Officer;
Philip L. Swenson, Senior Vice President, Planning/Marketing and Secretary

We also negotiated significantly reduced rates on our Metro III operating leases as well as lower landing fees at certain airports. Reduced lease rates and landing fees will yield considerable cost savings going forward. In addition, the majority of our Metro aircraft leases now contain out-clauses of six months or less, which provides us with significant flexibility in meeting future fleet requirements.

Jet Carrier Subsidiary

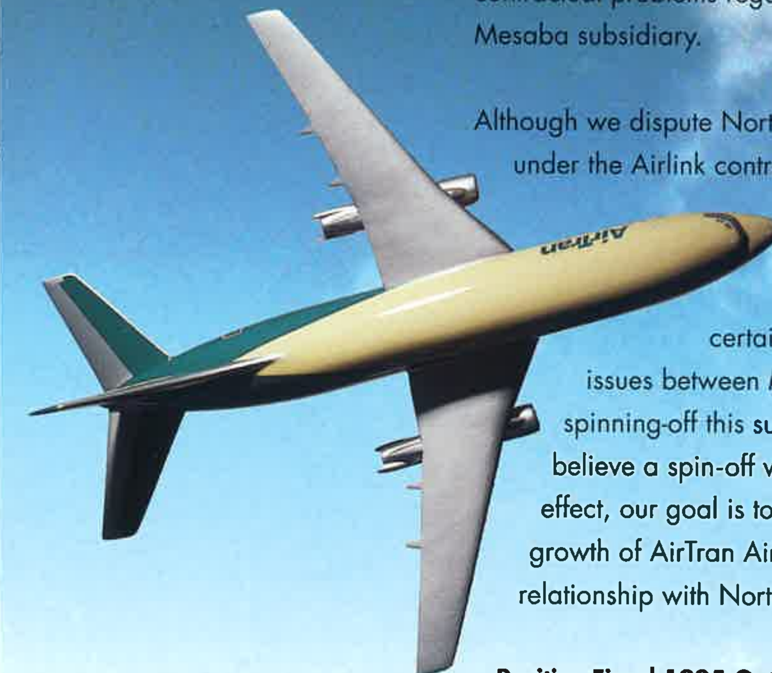
Although the outlook for our Airlink operation is excellent, we acquired Conquest Sun Airlines, Inc., a Florida based start-up jet carrier, in June 1994. This action was prompted by our belief that Conquest, which will do business as AirTran Airways, has the opportunity to become a significant player in the scheduled, low fare leisure market, which is one of the fastest growing and profitable segments of the U.S. airline industry. We acquired this company for $2,500,000 in cash and have capitalized this separate subsidiary with an additional $3,000,000 to date.

AirTran Airways is expected to commence scheduled operations in October by providing low fare, non-stop service to popular Florida destinations with two leased, 128-passenger 737-200 aircraft. Our enthusiasm for this new jet service has been reinforced by its early success at establishing a base of charter service revenues to cover most operational expenses prior to its scheduled start-up. The new company's first revenue charter trip, which occurred one week after its acquisition, was a substitute service flight for another carrier from Nassau to Miami with 125 passengers. Demand remains strong for our charter services.

Proposed Spin-Off

Although we notified Northwest of AirTran's intent to purchase Conquest Sun Airlines, both orally and by certified mail, prior to signing the purchase agreement, no objections were raised until after we publicly announced the execution of the Stock Purchase Agreement. AirTran was then informed by Northwest that the entry by AirTran into jet carrier service through this separate subsidiary is in conflict with the collective bargaining agreement that

Northwest has with its Air Line Pilots Association. Northwest also alleged certain contractual problems regarding the Northwest Airlink services provided by our Mesaba subsidiary.



Although we dispute Northwest's assertions regarding Mesaba's performance under the Airlink contract, we are attempting to seek an amicable resolution to this situation. Toward this end, we have proposed spinning off our AirTran Airways subsidiary as an independent company to our shareholders. However, certain tax and legal matters as well as the contractual issues between Mesaba and Northwest must be resolved prior to spinning-off this subsidiary. Assuming these issues are resolved, we believe a spin-off will create additional value for our shareholders. In effect, our goal is to permit our shareholders to benefit from the anticipated growth of AirTran Airways without adversely affecting Mesaba's Airlink relationship with Northwest.

Positive Fiscal 1995 Outlook

Fiscal 1995 should be a stronger year for AirTran. Although first quarter earnings were unchanged from the year-earlier period, our Mesaba subsidiary will realize the full impact of its fleet mix and expense control strategies this fall when all but one of our remaining Fokker aircraft are phased out. Due to the growing effectiveness of these initiatives, we believe Mesaba's 1995 earnings objectives are attainable with only moderate traffic growth and system expansion.

A sincere word of thanks is due our highly trained employees for their dedicated efforts throughout this challenging period. We also appreciate the continued support of our shareholders and hope you share our vision and enthusiasm for the future.

Sincerely,

Robert D. Swenson
President and Chief Executive Officer

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATION

Earnings Summary

The Company reported net income of $3,663,000 or $0.40 per share for the fiscal year ended March 31, 1994, a decrease of 46% from $6,740,000 or $0.75 per share in fiscal 1993 and $5,822,000 or $0.66 per share in fiscal 1992. The reduction in net income for fiscal 1994 reflects a traffic shortfall during the summer travel season as Mesaba continued to add fleet capacity in the form of new Dash 8 aircraft.

Results of Operations

Operating Revenues.

Operating revenues rose 4% to $129,582,000 in fiscal 1994 from $124,331,000 in fiscal 1993 and $102,389,000 in fiscal 1992. The increase in operating revenues during these periods was attributable to growth in revenue passenger miles flown. Revenue passenger miles flown rose 11% to 299,267,000 from 270,137,000 in 1993 and 216,082,000 in 1992. Passenger yield was 42.7 cents in fiscal 1994, compared to 45.5 cents in 1993 and 46.8 cents in 1992. The Company's average passenger load factor was 45.1% in 1994, compared to 50.4% in 1993 and 51.5% in 1992.

Six deHavilland Dash 8 aircraft under operating leases were added during fiscal 1994 to complete the integration of 25 Dash 8 aircraft into the Company's fleet. The Dash 8 aircraft replaced three Fokker F27 aircraft returned to lessors during fiscal 1993 and four F27s returned in fiscal 1994. Mesaba intends to phase out its remaining F27 fleet within the next twelve months. Service to 13 new Detroit markets has been added since Mesaba initiated the Dash 8 fleet program at the beginning of fiscal 1993. At March 31, 1994, the Company was serving 52 cities out of its Minneapolis/St. Paul and Detroit hubs.

Operating Expenses.

Total operating expenses increased 10% to $122,983,000 in fiscal 1994 from $112,028,000 in 1993 and $92,204,000 in 1992. These increases were due primarily to increased available seat miles flown, reflecting new Detroit service as part of the Dash 8 fleet expansion. Available seat miles rose 24% in fiscal 1994 to 663,578,000 from 536,216,000 in 1993 and 419,903,000 in 1992.

Labor and related costs totaled $35,463,000 in fiscal 1994, compared to $31,067,000 in 1993 and $25,287,000 in 1992. Increases in labor and related costs in all three years reflect a growing work force along with normal wage, longevity and benefit increases. Total employment at the end of fiscal 1994 was 1,335 employees compared to 1,072 at the end of fiscal 1992.

Total fuel expense was $14,387,000 in fiscal 1994, $13,237,000 in 1993 and $10,662,000 in 1992. Fuel consumption increased 14% in 1994 and 21% in 1993, reflecting the Detroit expansion. Fuel prices decreased 5% in 1994 and increased 2% in 1993. The average cost of fuel per gallon, including taxes and pumping fees, was 82 cents in 1994, 86 cents in 1993 and 84 cents in 1992. Certain provisions of the Airlink Agreement with Northwest Airlines moderate the impact of fluctuating fuel prices.

Direct maintenance expense, excluding labor and related costs, decreased to $10,159,000 in fiscal 1994 from $14,372,000 in 1993 and $18,592,000 in 1992. The decrease in fiscal 1994 reflects lower Fokker F27 overhaul and repair costs due primarily to turnback of seven leased F27 aircraft and lower hours flown by the F27 fleet during the year. The modernization of Mesaba's fleet has also resulted in reduced maintenance costs. The Airlink Agreement requires Northwest Airlines to provide for all major overhauls and repairs on the Dash 8 fleet.

Passenger-related expenses were $12,440,000 in fiscal 1994, $11,768,000 in fiscal 1993 and $8,256,000 in 1992. Higher traffic volumes as well as increased landing fees and airport charges accounted for the increases during the periods.

Depreciation and amortization totaled $7,459,000 in fiscal 1994, down from $8,338,000 in 1993 and up from $6,082,000 in 1992. Aircraft rentals were $32,914,000, $23,540,000 and $14,125,000 in fiscal 1994, 1993 and 1992, respectively. The lower level of depreciation and amortization resulted from decreased equipment purchases and capitalized overhauls as part of the phase-out of the F27 fleet. The 1994 increase in aircraft rentals reflects the addition of six deHavilland Dash 8 aircraft under operating subleases from Northwest and full year rentals on the 1993 Dash 8 deliveries.

A comparison of the components of operating costs per available seat mile is shown in the following table for fiscal years 1994, 1993 and 1992:

	March 31,		
	1994	1993	1992
Labor and related costs	5.3¢	5.8¢	6.0¢
Fuel cost	2.2¢	2.5¢	2.6¢
Direct maintenance costs	1.5¢	2.7¢	4.4¢
Passenger-related expense	1.9¢	2.2¢	2.0¢
Depreciation, amortization and aircraft rental	6.1¢	5.9¢	4.8¢
Administrative and other costs	1.5¢	1.7¢	2.1¢
Total	18.5¢	20.8¢	21.9¢

Operating Income.

The Company's operating income totaled $6,599,000 in fiscal 1994, down 54% from $12,303,000 in fiscal 1993 and $10,185,000 in 1992. Operating margins were 5.1% in 1994 and 9.9% in both 1993 and 1992.

Provision for Income Taxes.

The provision for income taxes amounted to $2,996,000 in fiscal 1994, $5,473,000 in 1993 and $4,040,000 in 1992, resulting in an effective tax rate of 45% in both 1994 and 1993 and 41% in 1992. The increase in the fiscal 1994 and 1993 effective tax rate is due to nondeductible warrant amortization expense.

Liquidity and Capital Resources

The Company's working capital increased to $28,581,000 with a current ratio of 3.45 at March 31, 1994 compared to $9,029,000 and 1.54 at March 31, 1993. Cash and short-term investments increased by $15,626,000 to $28,412,000 at March 31, 1994. Net cash flows provided by operating activities totaled $7,788,000 in fiscal 1994, compared to $11,579,000 in 1993. Net cash flows provided by financing activities amounted to $8,748,000 in fiscal 1994 and consisted of $11,025,000 of proceeds from the issuance of common stock to a private investor and Company employees, less dividend and principal payments of $2,277,000. Funds used to purchase spare parts, equipment and other assets totaled $910,000 in fiscal 1994, compared to $1,800,000 in 1993.

The Company has a $5,000,000 revolving line of credit at prime plus one-half of 1%. At March 31, 1994, $5,000,000 was available under this line of credit for future use. In addition, a letter of credit facility totaling $3,236,000 secures a lease commitment to the County of Wayne, Michigan, for the Company's Detroit hangar. All borrowings under the revolving line of credit are collateralized by inventory and accounts receivable.

Long-term debt, net of current maturities, totaled $6,060,000 at March 31, 1994, compared to $6,660,000 at the end of fiscal 1993. Long-term debt consists of capitalized lease financing for the Minneapolis/St. Paul and Detroit hangar facilities. The ratio of long-term debt to stockholders' equity improved to .15 at March 31, 1994 compared to .25 at the end of fiscal 1993.

FAA directives will require Mesaba to equip its Metro III fleet with traffic alert and collision avoidance systems by February 1995. The estimated cost to modify the existing Metro III fleet is approximately $1,200,000.

As of April 1, 1992, Mesaba amended its Airlink Agreement with Northwest Airlines to provide, among other things, a contract extension to March 31, 1997, exclusive rights to designated service areas and support in acquiring new aircraft and equipment. Separately, Northwest Airlines negotiated the acquisition of 25 deHavilland Dash 8 aircraft that were made available to Mesaba under operating leases with terms up to five years. Mesaba has taken delivery and signed sub-leases for all 25 Dash 8 aircraft. Manufacturer's product support along with fleet integration, spare parts and equipment provided by Northwest Airlines has provided the majority of the funding requirements necessary to initiate and expand service with the Dash 8 aircraft. These aircraft brought the Company's total fleet to 57 aircraft at March 31, 1994. Of this total, 54 aircraft are covered under operating leases with remaining terms of six months to four years and aggregate monthly lease payments of approximately $2,737,000. Operating leases have been the Company's primary method for acquiring aircraft, and management expects to continue relying on this method to meet most of its future aircraft needs.

Approximately 81% of Mesaba's passengers connected with Northwest in fiscal 1994 and 1993 and 76% in 1992. Substantially all accounts receivable balances in the accompanying consolidated balance sheets are due from Northwest. Loss of the Company's affiliation with Northwest or Northwest's failure to make timely payment of amounts owed to the Company or to otherwise materially perform under the Airlink Agreement for any reason would have a material adverse effect on the Company's operations and financial results.

The Company has historically relied upon cash reserves, internally generated funds and borrowings to support its working capital requirements. Management believes that funds from operations and existing credit lines will provide adequate resources for meeting non-aircraft capital needs in fiscal 1995.

CONSOLIDATED BALANCE SHEETS

AIRTRAN CORPORATION AND SUBSIDIARY

	At March 31, 1994	1993
ASSETS		
CURRENT ASSETS:		
Cash and short-term investments	$ **28,412,000**	$ 12,786,000
Accounts receivable, net	**6,389,000**	6,372,000
Inventories	**3,345,000**	3,695,000
Prepaid expenses and deposits	**300,000**	306,000
Deferred income taxes (Note 5)	**1,809,000**	2,565,000
Total current assets	**40,255,000**	25,724,000
PROPERTY AND EQUIPMENT (Notes 3 and 4):		
Facilities under capital lease	**9,147,000**	9,147,000
Flight equipment	**27,988,000**	27,706,000
Other property and equipment	**8,804,000**	8,527,000
Accumulated depreciation and amortization	**(29,389,000)**	(24,061,000)
Net property and equipment	**16,550,000**	21,319,000
OTHER ASSETS, principally Airlink contract rights, net of accumulated amortization of $6,113,000 and $4,428,000, respectively (Notes 2 and 7)	**3,258,000**	5,055,000
	$ **60,063,000**	$ 52,098,000

LIABILITIES AND STOCKHOLDERS' EQUITY	**1994**	1993
CURRENT LIABILITIES:		
Current maturities of long-term debt (Note 4)	$ **482,000**	$ 1,231,000
Accounts payable	**5,239,000**	5,700,000
Accrued liabilities-		
Payroll	**2,603,000**	2,145,000
Maintenance (Note 3)	**2,429,000**	5,954,000
Other	**795,000**	963,000
Income taxes payable	**126,000**	702,000
Total current liabilities	**11,674,000**	16,695,000
LONG-TERM DEBT, net of current maturities (Note 4)	**6,060,000**	6,660,000
DEFERRED INCOME TAXES (Note 5)	**-**	942,000
OTHER NONCURRENT LIABILITIES, principally accrued maintenance (Note 3)	**2,204,000**	1,436,000
COMMITMENTS AND CONTINGENCIES (Note 6)		
STOCKHOLDERS' EQUITY (Note 7):		
Common stock, $.01 par value, 15,000,000 shares authorized; 8,436,689 and 6,881,227 shares issued and outstanding, respectively	**84,000**	69,000
Paid-in capital	**12,358,000**	1,348,000
Warrants issued for 1,529,862 common shares	**5,194,000**	5,194,000
Retained earnings	**22,489,000**	19,754,000
Total stockholders' equity	**40,125,000**	26,365,000
	$ **60,063,000**	$ 52,098,000

The accompanying notes are an integral part of these consolidated balance sheets.

CONSOLIDATED STATEMENTS OF OPERATIONS

AIRTRAN CORPORATION AND SUBSIDIARY

	For the Years Ended March 31		
	1994	1993	1992
OPERATING REVENUES:			
Passenger	**$ 127,900,000**	$ 122,885,000	$ 101,060,000
General aviation, freight and charter	**1,682,000**	1,446,000	1,329,000
Total operating revenues	**129,582,000**	124,331,000	102,389,000
OPERATING EXPENSES:			
Flight operations (Note 3)	**64,189,000**	50,343,000	35,485,000
Maintenance (Note 3)	**20,839,000**	25,178,000	28,816,000
Aircraft and traffic servicing	**23,724,000**	21,917,000	16,654,000
Depreciation and amortization	**7,459,000**	8,338,000	6,082,000
General and administrative	**6,772,000**	6,252,000	5,167,000
Total operating expenses	**122,983,000**	112,028,000	92,204,000
Operating income	**6,599,000**	12,303,000	10,185,000
NONOPERATING EXPENSE (INCOME):			
Interest expense	**649,000**	773,000	789,000
Other, net	**(709,000)**	(683,000)	(466,000)
Income before income taxes	**6,659,000**	12,213,000	9,862,000
PROVISION FOR INCOME TAXES (Note 5)	**2,996,000**	5,473,000	4,040,000
Net income	**$ 3,663,000**	$ 6,740,000	$ 5,822,000
FULLY DILUTED NET INCOME PER SHARE	**$ .40**	$ .75	$ .66
WEIGHTED AVERAGE SHARES OUTSTANDING	**9,069,000**	8,990,000	8,778,000

The accompanying notes are an integral part of these consolidated statements.

CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

AIRTRAN CORPORATION AND SUBSIDIARY

For the Years Ended March 31

	Common Stock		Paid-In	Warrants		Retained	Total Stockholders'
	Shares	Amount	Capital	Shares	Amount	Earnings	Equity
BALANCE, March 31, 1991	7,356,890	$ 74,000	$ 6,891,000	1,529,862	$ 765,000	$ 8,876,000	$ 16,606,000
Exercise of stock options	225,618	2,000	498,000	–	–	–	500,000
Dividends paid on common stock ($.075 per common share)	–	–	–	–	–	(557,000)	(557,000)
Net income	–	–	–	–	–	5,822,000	5,822,000
BALANCE, March 31, 1992	7,582,508	76,000	7,389,000	1,529,862	765,000	14,141,000	22,371,000
Repurchase and retirement of common stock (Note 7)	(1,000,000)	(10,000)	(7,990,000)	–	–	–	(8,000,000)
Extension of warrants (Note 7)	–	–	765,000	–	4,429,000	–	5,194,000
Exercise of stock options, net of related tax effects	298,719	3,000	1,184,000	–	–	–	1,187,000
Dividends paid on common stock ($.15 per common share)	–	–	–	–	–	(1,127,000)	(1,127,000)
Net income	–	–	–	–	–	6,740,000	6,740,000
BALANCE, March 31, 1993	6,881,227	69,000	1,348,000	1,529,862	5,194,000	19,754,000	26,365,000
Issuance and sale of common stock (Note 7)	1,379,310	14,000	9,986,000	–	–	–	10,000,000
Exercise of stock options, net of related tax effects	176,152	1,000	1,024,000	–	–	–	1,025,000
Dividends paid on common stock ($.12 per common share)	–	–	–	–	–	(928,000)	(928,000)
Net income	–	–	–	–	–	3,663,000	3,663,000
BALANCE, March 31, 1994	8,436,689	$ 84,000	$12,358,000	1,529,862	$5,194,000	$ 22,489,000	$ 40,125,000

The accompanying notes are an integral part of these consolidated statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

AIRTRAN CORPORATION AND SUBSIDIARY

	For the Years Ended March 31		
	1994	1993	1992
OPERATING ACTIVITIES:			
Net income	**$ 3,663,000**	$ 6,740,000	$ 5,822,000
Adjustments to reconcile net income to net cash provided by operating activities-			
Depreciation and amortization	**7,459,000**	8,338,000	6,082,000
Accrued maintenance, long-term	**785,000**	(494,000)	472,000
Deferred income taxes	**(187,000)**	(1,306,000)	(2,109,000)
Change in current operating items:			
Accounts receivable, net	**(16,000)**	(2,114,000)	(1,317,000)
Inventories	**350,000**	(81,000)	(611,000)
Prepaid expenses and deposits	**6,000**	894,000	(598,000)
Accounts payable and accrued liabilities	**(3,696,000)**	259,000	3,296,000
Income taxes payable	**(576,000)**	(657,000)	1,032,000
Net cash flows provided by operating activities	**7,788,000**	11,579,000	12,069,000
INVESTING ACTIVITIES:			
Purchases of property and equipment, net	**(1,006,000)**	(1,893,000)	(5,535,000)
Decrease in other assets	**113,000**	110,000	86,000
Decrease in other liabilities	**(17,000)**	(17,000)	(18,000)
Net cash flows used for investing activities	**(910,000)**	(1,800,000)	(5,467,000)
FINANCING ACTIVITIES:			
Proceeds from issuance of debt	**–**	–	772,000
Repayment of debt	**(1,349,000)**	(1,437,000)	(2,136,000)
Proceeds from issuance of common stock	**11,025,000**	1,187,000	500,000
Repurchase of common stock	**–**	(8,000,000)	–
Dividends paid	**(928,000)**	(1,127,000)	(557,000)
Net cash flows provided by (used for) financing activities	**8,748,000**	(9,377,000)	(1,421,000)
NET INCREASE IN CASH AND SHORT-TERM INVESTMENTS	**15,626,000**	402,000	5,181,000
CASH AND SHORT-TERM INVESTMENTS:			
Beginning of year	**12,786,000**	12,384,000	7,203,000
End of year	**$ 28,412,000**	$ 12,786,000	$ 12,384,000
SUPPLEMENTARY CASH FLOW INFORMATION:			
Cash paid during the year for-			
Interest	**$ 638,000**	$ 756,000	$ 789,000
Income taxes	**3,351,000**	7,046,000	5,116,000
Noncash transaction-			
Warrant extension	**–**	5,194,000	–

The accompanying notes are an integral part of these consolidated statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

AIRTRAN CORPORATION AND SUBSIDIARY, MARCH 31, 1994 AND 1993

1. Corporate Organization and Business:

Corporate Organization

The consolidated financial statements include the accounts of AirTran Corporation (AirTran) and its wholly owned subsidiary, Mesaba Aviation, Inc. (Mesaba), referred to collectively herein as the Company.

Business

The Company is a regional air carrier providing scheduled passenger and air freight service to 52 cities in the Upper Midwest as of March 31, 1994. Effective December 1984, the Company began operating as Mesaba/Northwest Airlink (Airlink) under a cooperative marketing agreement with Northwest Airlines, Inc. (Northwest). The agreement was restated as the Airline Service Agreement effective December 1988 (the Airlink Agreement) to add Airlink service for Northwest's hub airport at Detroit, Michigan. Effective April 1992, the Airlink Agreement was further amended to provide for exclusive rights to designated service areas and a five-year contract extension through March 31, 1997, automatically renewing indefinitely thereafter. Either party may terminate the agreement on 12 months' notice any time after March 31, 1996. Under the Airlink Agreement, all flights appear in Northwest's timetables and the Company receives ticketing and certain check-in, baggage and freight-handling services from Northwest at certain airports. The Company paid $720,000 to Northwest for reservation systems, ground handling and other services in fiscal 1994, $1,218,000 in 1993 and $1,299,000 in 1992. The Company also benefits from its relationship with Northwest through prorated fare arrangements and advertising and marketing programs.

Approximately 81% of the Company's passengers connected with Northwest in fiscal 1994 and 1993, and 76% in 1992. Substantially all accounts receivable balances in the accompanying consolidated balance sheets are due from Northwest. The Company believes that Northwest's Minneapolis and Detroit hubs will continue to serve as key air traffic centers. Although the Company maintains an expanding air system serving those traffic centers, loss of the Company's affiliation with Northwest or Northwest's failure to make timely payment of amounts owed to the Company or to otherwise materially perform under the Airlink Agreement would have a material adverse effect on the Company's operations, financial position and cash flows.

2. Summary of Significant Accounting Policies:

Cash and Short-Term Investments

The Company's cash management program occasionally results in negative cash balances. When checks are presented to the bank for payment, cash deposits are made from funds provided under the terms of the Company's line-of-credit arrangements or from short-term investments. Short-term investments, which consist primarily of commercial paper and interest-bearing deposits with maturities of less than 90 days, are stated at cost, which approximates market. These investments are considered cash equivalents for statement of cash flows purposes.

Inventories

Inventories consists of expendable aircraft service parts and fuel and is stated at the lower of average cost or market. Expendable parts are charged to maintenance as used.

Property and Equipment

Property and equipment is stated at cost and depreciated on a straight-line basis for financial reporting purposes over estimated useful lives of 5-10 years for aircraft engines, flight equipment and rotable parts; 3-10 years for all other equipment; 5-36 years for buildings and improvements; and over the lease term for facilities under capital lease. Leasehold improvements are amortized over the shorter of the life of the lease or the life of the asset. Accelerated cost recovery methods of depreciation are applied for tax reporting purposes.

Airlink Contract Rights

In connection with the Airlink Agreement, the Company paid a contract rights fee in the form of a stock purchase warrant to Northwest (see Note 7). In addition, the Company agreed to fund certain costs related to the transition of Airlink operations in the Detroit and Milwaukee service areas. Such transition costs and fees are included as contract rights and are fully recoverable under the terms of the Airlink Agreement. Contract rights are amortized on a straight-line basis over five years to coincide with the minimum term of the Airlink Agreement. Northwest and the Company review contract compliance on an annual basis.

Revenue Recognition

Passenger revenues are recorded as income when the respective services are rendered.

Frequent Flyer Awards

As a Northwest Airlink carrier, Mesaba participates in Northwest's frequent flyer program (WorldPerks), and passengers may use mileage accumulated in that program to obtain discounted or free trips that might include a flight segment on one of Mesaba's flights. However, under the Airlink Agreement, Northwest is responsible for the administration of WorldPerks, and Mesaba receives revenue from Northwest for WorldPerks travel awards redeemed on Mesaba flight segments.

Income Per Share

Primary and fully diluted net income per share have been computed based upon the weighted average number of common and dilutive common equivalent shares outstanding during each year, adjusted retroactively for the two-for-one stock split (see Note 7).

3. Flight Equipment:

The Company's fleet consisted of the following aircraft as of March 31, 1994:

Number of Aircraft	Type of Aircraft	Seating Capacity
25	de Havilland Dash 8 (Dash 8)	37
24	Fairchild Metro III (Metro III)	19
8	Fokker F-27 (F27)	42-48

The Company owns three of the F27 aircraft; the remaining aircraft are leased under operating leases.

Under terms of the amended Airlink Agreement, the Company subleases its Dash 8 aircraft from Northwest under operating leases with original terms of up to five years. The Airlink Agreement allows the Company to return aircraft to Northwest upon the occurrence of certain events, including termination or breach of the Airlink Agreement, and requires Northwest to provide all major maintenance and overhauls for Dash 8 aircraft. These leases require rental payments of approximately $863,000 per year for each aircraft.

Aircraft maintenance and repairs on Metro III and F27 aircraft are charged to expense when incurred, except for major airframe and engine overhauls. For owned aircraft, major overhaul costs are capitalized when the expenditure is incurred and amortized over the minimum available operating hours until the next scheduled overhaul. For leased aircraft, the estimated cost of future overhauls is accrued and charged to maintenance expense based upon hours flown pursuant to the specific lease agreements, thus providing for the overhaul cost when it occurs.

The aircraft operating leases require future minimum rental payments as follows at March 31, 1994:

1995	$ 31,155,000
1996	28,785,000
1997	26,250,000
1998	3,510,000
1999	1,705,000
Thereafter	828,000

Rent expense under aircraft operating leases totaled approximately $32,914,000 in 1994, $23,540,000 in 1993 and $14,125,000 in 1992 (including $21,088,000, $11,298,000 and $960,000 paid to Northwest in 1994, 1993 and 1992, respectively) and is included in flight operations in the accompanying consolidated statements of operations.

4. Long-Term Debt:

Long-term debt as of March 31 is summarized as follows:

	1994	1993
Revolving credit note; interest at .5% above prime rate (6.75% at March 31, 1994); due December 31, 1995 with interest payable monthly; collateralized by receivables, aircraft and parts	$ -	$ -
Term note; interest at 1% above prime rate (7.25% at March 31, 1994); due in quarterly installments with interest payable monthly; collateralized by receivables, aircraft and parts; paid in full in 1994	-	628,000
Capitalized lease; interest imputed at 8.5%; payable monthly; due in December 2008; collateralized by Minneapolis corporate headquarters and hangar facility	**3,556,000**	3,672,000
Capitalized lease; interest imputed at 8.6%; payable monthly; term through August 2010 with mandatory prepayment provision due in August 2002; collateralized by Detroit hangar facility	**2,870,000**	3,097,000
Commercial installment notes, secured by computer equipment; interest at rates ranging from 8.9% to 9.7%; payable monthly; due from December 1994 to February 1995	**116,000**	494,000
	6,542,000	7,891,000
Less-Current maturities	**(482,000)**	(1,231,000)
Total long-term debt	**$ 6,060,000**	$ 6,660,000

The Company's revolving credit agreement with a bank provides for borrowings of up to $5,000,000 under a revolving line of credit, $3,236,000 under a lease commitment and $250,000 under a letter-of-credit agreement. Compensating balances in an amount equal to 5% of the available revolving line-of-credit facility are required to be maintained ($250,000 as of March 31, 1994). The loan agreement requires the Company to maintain minimum levels of tangible net worth, net working capital and certain other financial ratios. The Company was in compliance with these requirements at March 31, 1994.

As of March 31, 1994, remaining minimum lease payments under capitalized leases total $10,614,000, of which $4,188,000 represents interest costs.

As of March 31, 1994, the portions of long-term debt due in the five subsequent years are as follows:

1995	$ 482,000
1996	316,000
1997	303,000
1998	329,000
1999	360,000
Thereafter	4,752,000
	$ 6,542,000

5. Income Taxes:

The provision for income taxes for the three years ended March 31, 1994 is comprised of the following elements:

	1994	1993	1992
Current:			
Federal	**$ 2,715,000**	$ 5,258,000	$ 4,568,000
State	**647,000**	1,254,000	1,089,000
Deferred:			
Accelerated depreciation	**(922,000)**	(714,000)	(289,000)
Hangar lease obligations	**136,000**	127,000	132,000
Contract rights	**(224,000)**	(277,000)	(291,000)
Deferred maintenance costs	**(273,000)**	(91,000)	(1,097,000)
Accrued expenses not deductible for tax reporting purposes	**917,000**	(84,000)	(72,000)
Total provision for income taxes	**$ 2,996,000**	$ 5,473,000	$ 4,040,000

The difference between the statutory federal income tax rate and the effective tax rate for the three years ended March 31, 1994 is as follows:

	1994	1993	1992
Statutory federal tax rate	**34.0%**	34.0%	34.0%
State taxes, net of federal benefit	**6.0**	5.5	4.8
Warrant amortization	**5.7**	3.2	–
Other, net	**(0.7)**	2.1	2.2
Effective tax rate	**45.0%**	44.8%	41.0%

Effective April 1, 1993, the Company adopted Financial Accounting Standards Board Statement No. 109, "Accounting for Income Taxes," (Statement No. 109) which requires an asset and liability approach to financial accounting and reporting for income taxes. Deferred income tax assets and liabilities are computed annually for differences between the financial statement and tax bases of assets and liabilities that will result in taxable or deductible amounts in the future based on enacted tax laws and rates applicable to the periods in which the differences are expected to affect taxable income. Valuation allowances are established when necessary to reduce deferred tax assets to the amount expected to be realized. Income tax expense is the tax payable or refundable for the period plus or minus the change during the period in deferred tax assets and liabilities.

The adoption of Statement No. 109 had no material effect on income for the year ended March 31, 1994, and there was no cumulative effect of the accounting change on years prior to April 1, 1993.

Deferred tax assets and liabilities are comprised of the following as of March 31:

	1994	1993
Deferred tax assets:		
Maintenance	$ 1,789,000	$ 2,863,000
Accrued vacation	447,000	389,000
Prepaid rent	179,000	193,000
Workers' compensation insurance	113,000	170,000
Property taxes	188,000	149,000
Other	205,000	322,000
Deferred tax asset valuation allowance	–	–
Gross deferred tax assets	2,921,000	4,086,000
Deferred tax liabilities:		
Property and equipment	970,000	2,084,000
Integration funds	142,000	170,000
Airlink contract rights	–	209,000
Gross deferred tax liabilities	1,112,000	2,463,000
Net deferred tax asset	$ 1,809,000	$ 1,623,000

The March 31, 1993 balances have been reclassified to conform with the March 31, 1994 consolidated balance sheet presentation.

6. Commitments and Contingencies:

Lease Commitments

As detailed in Note 3, the Company leases certain aircraft under operating leases. In addition, the Company leases land, hangar facilities and certain terminal facilities under operating leases which provide for approximate future minimum rental payments as follows at March 31, 1994:

1995	$ 318,000
1996	303,000
1997	257,000
1998	239,000
1999	239,000
Thereafter	2,271,000

Rent expense under all facility operating leases totaled approximately $1,875,000 in 1994, $1,409,000 in 1993 and $1,126,000 in 1992.

Employment Agreements

The Company has entered into severance agreements with certain of its key executives. Such agreements provide that, in the event these executives' employment with the Company is terminated within 24 to 36 months of a change in control (as defined), then the Company shall compensate such executives based upon a multiple of average annual compensation over the past five years. The maximum contingent liability of the Company pursuant to all such agreements is approximately $1,496,000 at March 31, 1994.

Benefit Plan

The Company maintains a 401(k) benefit plan to eligible employees whereby the Company will match 25% of employee contributions to the plan, up to 6% of each employee's compensation. The Company contributed $235,000 to the plan in 1994, $160,000 in 1993 and $42,000 in 1992 .

Litigation

The Company is a party to ongoing legal proceedings arising in the ordinary course of business. In the opinion of management, the resolution of these matters will not have a material adverse effect on the Company's consolidated financial position or results of operations.

7. Stockholders' Equity:

Stock Split

In April 1992, the Company's board of directors declared a two-for-one stock split of the Company's common stock. The par value per common share remained at $.01. This stock split has been retroactively reflected in the accompanying consolidated financial statements.

Stock Option Plans

The Company has stock option plans for key employees and directors which authorize the issuance of shares of common stock for such options. Under the plans, options are granted by the compensation committee of the board of directors and are exercisable for five years commencing one year after the date of grant. The purchase price of the stock is 110% of the fair market value of the stock at the date of grant for participants owning 10% or more of the outstanding common stock and 100% of the fair market value for all other participants.

Stock option transactions for the three years ended March 31, 1994 were as follows:

	Shares Under Option
Options outstanding, March 31, 1991	742,358
Granted ($5.38 to $6.13 per share)	268,000
Exercised ($1.44 to $4.25 per share)	(225,618)
Canceled	(32,000)
Options outstanding, March 31, 1992	752,740
Granted ($6.25 to $8.00 per share)	310,000
Exercised ($1.75 to $4.25 per share)	(238,820)
Options outstanding, March 31, 1993	823,920
Granted ($8.75 to $10.25 per share)	442,000
Exercised ($1.75 to $6.75 per share)	(178,200)
Canceled	(2,000)
Options outstanding, March 31, 1994	1,085,720
Exercisable at March 31, 1994 ($2.63 to $9.50 per share)	643,720
Available for grant at March 31, 1994	314,350

Stock Purchase Plan

The Company has an employee stock purchase plan which allows all full-time personnel employed for more than six months the opportunity to purchase shares of stock in AirTran at the market price through payroll deductions. All administrative costs of this plan are paid by the Company.

Warrants

The Company has 399,078 warrants outstanding to Northwest in consideration of guarantees by Northwest of certain lease agreements for Metro III aircraft and 1,130,784 warrants outstanding to Northwest in consideration of the Company being selected to provide Airlink service at Detroit. The warrants were originally valued at $.50 per share based upon an independent appraisal. Effective April 1992, the Company amended the expiration date and exercise price of the outstanding warrants in connection with the extension of the Airlink Agreement. The warrants are exercisable through December 31, 1996 at prices per share ranging from $2.50 to $3.38. The Company valued the warrants, as amended, at $3.46 per share based upon an independent appraisal.

Repurchase of Common Stock

On December 24, 1992, AirTran repurchased 1,000,000 shares of its common stock held by Northwest for a total purchase price of $8,000,000. In addition, AirTran agreed to pay Northwest $1,000,000 on July 1, 1994 if the average closing bid price of AirTran's common stock during the 20 consecutive business days immediately preceding July 1, 1994 is greater than $12.00 per share and if Northwest has not breached any agreements with the Company through June 30, 1994. As a condition to the repurchase, Northwest has agreed that it will not exercise any warrants and will not sell or transfer any AirTran common stock or warrants held by Northwest before June 30, 1994, except in the event of a change in control of AirTran or Mesaba.

Sale of Common Stock

On October 19, 1993, the Company issued and sold 1,379,310 shares of its common stock to an investor in a private placement at the price of $7.25 per share. The proceeds of the sale totaled $10,000,000.

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To AirTran Corporation:

We have audited the accompanying consolidated balance sheets of AirTran Corporation (a Minnesota corporation) and Subsidiary as of March 31, 1994 and 1993, and the related consolidated statements of operations, changes in stockholders' equity and cash flows for each of the three years in the period ended March 31, 1994. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of AirTran Corporation and Subsidiary as of March 31, 1994 and 1993, and the results of their operations and their cash flows for each of the three years in the period ended March 31, 1994, in conformity with generally accepted accounting principles.

ARTHUR ANDERSEN & CO.

Minneapolis, Minnesota,
May 12, 1994

QUARTERLY FINANCIAL DATA

AIRTRAN CORPORATION AND SUBSIDIARY

Quarters of Fiscal Year Ended March 31, 1994

	June 30, 1993	September 30, 1993	December 31, 1993	March 31, 1994	Fiscal Year 1994
Total operating revenues	$ 32,120,000	$ 33,046,000	$ 32,467,000	$ 31,949,000	$129,582,000
Operating income	$ 2,101,000	$ 1,797,000	$ 1,666,000	$ 1,035,000	$ 6,599,000
Net income	$ 1,158,000	$ 978,000	$ 924,000	$ 603,000	$ 3,663,000
Net income per share	$ .14	$ .12	$ .10	$ .06	$ .40
Dividends per share	$ .03	$ .03	$ .03	$ .03	$ .12
Weighted average shares outstanding	8,497,000	8,412,000	9,522,000	9,846,000	9,069,000

Quarters of Fiscal Year Ended March 31, 1993

	June 30, 1992	September 30, 1992	December 31, 1992	March 31, 1993	Fiscal Year 1993
Total operating revenues	$ 26,406,000	$ 34,746,000	$ 33,121,000	$ 30,058,000	$124,331,000
Operating income	$ 2,315,000	$ 6,977,000	$ 2,384,000	$ 627,000	$ 12,303,000
Net income	$ 1,233,000	$ 3,808,000	$ 1,360,000	$ 339,000	$ 6,740,000
Net income per share	$ .14	$ .42	$ .15	$ .04	$ .75
Dividends per share	$ .03	$ .03	$ .03	$ .03	$ .12
Weighted average shares outstanding	9,053,000	9,249,000	9,306,000	8,338,000	8,990,000

FIVE-YEAR SELECTED FINANCIAL AND STATISTICAL DATA

AIRTRAN CORPORATION AND SUBSIDIARY

Years ended March 31,

	1994	1993	1992	1991	1990
STATEMENT OF OPERATIONS DATA:					
Operating revenues	**$ 129,582**	$ 124,331	$ 102,389	$ 90,232	$ 70,743
Operating expenses	**122,983**	112,028	92,204	82,550	66,279
Operating income	**$ 6,599**	$ 12,303	$ 10,185	$ 7,682	$ 4,464
Net income	**$ 3,663**	$ 6,740	$ 5,822	$ 4,418	$ 2,375
Net income per share	**$ .40**	$ .75	$ .66	$ .57	$ .30
Weighted average shares outstanding	**9,069**	8,990	8,778	7,806	7,946

March 31,

	1994	1993	1992	1991	1990
BALANCE SHEET DATA:					
Current assets	**$ 40,255**	$ 25,724	$ 21,456	$ 13,749	$ 12,189
Net property and equipment	**16,550**	21,319	25,865	25,551	21,911
Other assets, net	**3,258**	5,055	2,187	2,816	2,956
Total assets	**$ 60,063**	$ 52,098	$ 49,508	$ 42,116	$ 37,056
Current liabilities	**$ 11,674**	$ 16,695	$ 17,298	$ 12,669	$ 10,371
Long-term liabilities	**8,264**	9,038	9,839	12,841	14,025
Stockholders' equity	**40,125**	26,365	22,371	16,606	12,660
Total liabilities and stockholders' equity	**$ 60,063**	$ 52,098	$ 49,508	$ 42,116	$ 37,056

Year ended March 31,

	1994	1993	1992	1991	1990
SELECTED OPERATING DATA:					
Revenue passengers carried	**1,429,836**	1,306,750	1,067,230	947,287	818,863
Revenue passenger miles (000)	**299,267**	270,137	216,082	196,873	174,689
Available seat miles (000)	**663,578**	536,216	419,903	388,377	327,889
Cost per available seat mile	**$ .185**	$ .208	$ .219	$ .212	$ .201
Passenger load factor	**45.1%**	50.4%	51.5%	50.7%	53.5%
Breakeven load factor	**42.8%**	45.6%	46.6%	46.8%	50.5%
Yield per revenue passenger mile	**.427**	.455	.468	.448	.392
Departures	**108,141**	89,001	74,627	67,854	59,614

STOCK PRICE AND DIVIDEND INFORMATION

AIRTRAN CORPORATION AND SUBSIDIARY

The Company's Common Stock is traded under the symbol "ATCC" on the NASDAQ National Market System. The following table sets forth the range of high and low sale prices for the Company's common stock and the dividends per share for each of the fiscal quarters of the two years ended March 31, 1994 and 1993. Quotations for such periods are reported by NASDAQ for National Market System issues.

	High	Low	Dividends per share
FISCAL 1993			
First quarter	$ 9¾	$ 5½	$ .03
Second quarter	10	6½	.03
Third quarter	11¼	8	.03
Fourth quarter	11	8	.03
FISCAL 1994			
First quarter	$ 14½	$ 8½	$ .03
Second quarter	11¼	6¾	.03
Third quarter	10	7¾	.03
Fourth quarter	11¼	8½	.03

On July 25,1994, the number of holders of record of Common Stock was 1,038.

OFFICERS AND DIRECTORS

AIRTRAN CORPORATION AND SUBSIDIARY

Board of Directors

Robert D. Swenson[1]
Chairman of the Board, President and
Chief Executive Office, AirTran Corporation

John K. Ellingboe[2]
Vice President, General Counsel and Secretary
Fingerhut Companies, Inc.

Rodger T. Munt[1,3]
Private Investor

Williams G. Ness[2,3]
Chairman of the Board
Arctco Inc.

John S. Olbrych[1,2]
Independent Business Consultant

Alan R. Stephen[3]
President
Twin Otter Leasing Inc.

Lowell T. Swenson[1]
Former Chairman of the Board
Mesaba Aviation, Inc.

Philip L. Swenson
Senior Vice President, Planning/Marketing and
Secretary, AirTran Corporation

1 Executive Committee
2 Audit Committee
3 Compensation Committee

Corporate Officers

Robert D. Swenson
Chairman of the Board,
President and Chief Executive Officer

Kenneth P. Bronson
Senior Vice President
Finance and Treasurer

Philip L. Swenson
Senior Vice President
Planning/Marketing and Secretary

John S. Fredericksen
Senior Vice President
Operations

Richard A. Lawrence*
Vice President
Flight Operations

Lawrence E. McCabe*
Vice President
Corporate and Government Affairs

Michael R. Wind*
Vice President
Ground and In-Flight Services

*Officers of Mesaba Aviation, Inc. only

CORPORATE INFORMATION

AIRTRAN CORPORATION AND SUBSIDIARY

Address
AirTran Corporation, 7501 26th Avenue South, Minneapolis, MN 55450, 612/726-5151

Transfer Agent
Norwest Bank Minnesota, N.A.

Corporate Counsel
Briggs and Morgan, Minneapolis, Minnesota

Auditors
Arthur Andersen & Co., Minneapolis, Minnesota

Form 10-K
A copy of the Company's Form 10-K annual report will be provided free of charge to any shareholder upon written request to: Senior Vice President, Finance and Treasurer, AirTran Corporation, 7501 26th Avenue South, Minneapolis, Minnesota 55450

Notice of Annual Meeting
The annual meeting of shareholders will be held at 3:30 p.m. Thursday, September 22, 1994, at the Comfort Inn, 1321 East 78th Street, Bloomington, Minnesota.

AirTran Corporation
7501 26th Avenue South
Minneapolis, MN 55450
612/726-5151