



2002 AIRPORT ROAD
GRAND RAPIDS, MN 55744
218/326-6657

CONFIDENTIAL

June 7, 1983

TO: ALL EMPLOYEES

FROM: ROBERT D. SWENSON
PRESIDENT & CHIEF EXECUTIVE OFFICER

If you're looking for a reason, cheer up! Although we'll always have problems to deal with, (such as the Thief River Falls initial carrier selection), as long as they're not the same problems we faced a year ago, we're making progress!

To start with, our traffic levels are building stronger across Mesaba's route structure. The summer season is upon us and we must all strive to maximize the traffic levels through reliable operations and prompt and courteous service. Let's set record boardings for the Company in each of the coming months.

Further, our Company has been able to report a profit over the past year. Considering the economic climate we've faced and the growth that we have successfully sustained, each of us should be pleased that Mesaba is making progress. Company employment has increased, as has revenues and profitability. For the year end March 31, the current year's results compare to the prior year as follows:

Mesaba Aviation, Inc.
Year Ended March 31,

	<u>1983</u>	<u>1982</u>
Revenues	\$ 4,038,146	\$ 1,586,570
Net Income Before Extraordinary Credit (Loss)	119,721	(177,602)
Extraordinary Credit	68,000	-0-
Net Income (Loss)	187,721	(177,602)

These figures show that for the year ended March 31, 1982, Mesaba had sales, (revenues), of \$1,586,570 and lost \$177,602 in the year. The progress made in 1983, reflects a 255% growth in revenues to \$4,048,146, with a profit made of \$187,721 for the year. (The extraordinary credit of \$68,000 in 1983, reflects the taxes that would have been paid if the Company had not lost \$177,602 the year before.) Our Company is on the right track and must continue to improve upon these profits to assure our long-term growth. Let's work together in these efforts.

Additionally, we have sent off Mesaba's Petition for Reconsideration involving the Thief River Falls selection case. Our comments, along with the dissenting Civil Aeronautics Board members, if combined with comments from other carriers and the City of Thief River Falls, will make for a strong position to reopen the case. The Thief River Falls case is not finished yet.

Recently, there was some press coverage relating to the Government Accounting Office's analysis on the Section 419 Essential Air Service for some specific points about the country. Mankato, Fairmont and Worthington were three of the points selected in this study. Although the figures given in the article were somewhat misstated, (such as a 40-minute flight from Minneapolis to Mankato instead of a 30 minute flight and a fare of \$62.00 instead of our \$48.00 local fare), the basis was that the Congress should

give the Civil Aeronautics Board greater flexibility in determining which cities deserve air service and allow the Civil Aeronautics Board to give higher amounts of subsidy to cities that can potentially generate greater levels of traffic with higher levels of service. This was the basis of the report and no action has been taken yet by the Congress to change anything in the existing program. We have not been informed of any change in service plans by the government for Southwestern Minnesota, nor do we as a Company have any plans or modifications of service in Southwestern Minnesota in process. We plan to service these communities in the future.

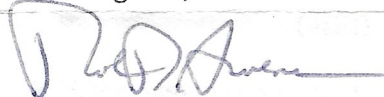
For your information, the Company is constantly analyzing various patterns of routes and different types of aircraft that may be applicable on certain routes. We feel that the next year will be an exciting year for us that will present many different options and avenues for our Company to grow. In an effort to grow as the competitive carrier in our region, we are constantly evaluating all sizes of aircraft, including 8 - 10 passenger, 15-passenger, 30 - 36 passenger and 48-seat aircraft. Should we begin to make commitments and plans for utilization of any of these category of aircraft, I will let you know. As of this time, we are analyzing data regarding all of these category of aircraft. We will continue utilizing the Beech 99 as our airline aircraft until we see additional opportunities available with another class of aircraft. We believe additional opportunities will become available to us in the near future.

Since we appear to have about 600 shareholders and you may be following the progress of our stock, I wanted to let you know that Mesaba's annual meeting of the shareholders is planned for August 12, at the Holiday Inn of Grand Rapids. This meeting is open to the public and will include a presentation of last year's results and the election of the Board of Directors.

You may have already met with your supervisor and conducted an annual review. Since June 15th is the date that we are using for the majority of our annual reviews, this process is underway and should be finalized by June 22nd. In addition to annual reviews, just as the pilots receive 6-month evaluations and reviews, so will all of the rest of the employee group in the future. Utilize these opportunities to sit down and discuss with your supervisor the many areas of interest you have. In addition, on June 22, we plan to issue each employee a formulized handbook that will cover benefits, policies and procedures that apply in our Company. Although you have been given information in the past, this handbook is pocketsize and will be convenient for you to utilize.

Thank you for your continued commitment, let's go after the summer traffic and set new Company records. I hope the start of the summer is going great for you!

Best regards,



Robert D. Swenson
President & Chief Executive Officer