



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

August 16, 1983

TO: ALL EMPLOYEES

FROM: ROBERT D. SWENSON
PRESIDENT & CHIEF EXECUTIVE OFFICER

Along with this employee update, you'll find enclosed a copy of Mesaba's "First Quarter Financial Report" for your review. This report summarizes our company's financial condition for the three month period of operations ending June 30, 1983. I thought you might appreciate receiving a copy of this report for your information.

Last Friday, our Company held its first Annual Meeting since becoming a publicly held company. Although this meeting is basically a very formal procedural event, we felt that both the turnout and the meeting went very well. Although we felt perhaps 30 to 50 people would be in attendance, the actual turnout for the meeting was over 75 people. Included at the meeting were shareholders, employees, bankers, aeronautics officials, directors, stockbrokers, legal and audit personnel. At the meeting, the existing Board of Directors were re-elected to serve for the next year and normal business was conducted.

Last Saturday, the Board of Directors, management and company personnel spent the morning reviewing and questioning representatives from Fairchild about the Metro III. A Metro III aircraft was in Grand Rapids for the day and was put through the paces on some demonstration rides. Although we have been analyzing several types of aircraft, we were impressed by the new Metro III. This aircraft has an additional 1,000 pounds of payload over the Metro II, longer and more stable wingtips, larger engines that turn a quieter four-bladed prop 500 RPM's less than the Metro II and it flies faster and is very fuel efficient. Along with other types of aircraft, we are evaluating the Metro III for possible future use.

With regards to additional aircraft, I want to let you know that our sixth Beech 99 is making good progress and should be flying in September in top condition with new engines, windows, paint and interior. Maintenance is progressing well now with getting this new addition on the flight line.

Congratulations to the following employees. Rich Lawrence has been promoted to the Chief Pilot position in Minneapolis with additional responsibilities in the flight personnel and operations areas. Dee Punton has been promoted to Senior Passenger Service Agent and is in charge of handling and supervising Reservations, as well as, counter operations in Grand Rapids. Al Mickelson has been promoted to the position of Shop Superintendent in Minneapolis where he will be responsible for the Minneapolis maintenance personnel and facilities.

Additionally, I would like to welcome our new employees and summarize our personnel transfers.

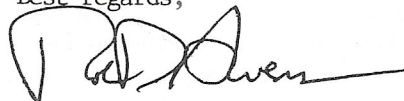
<u>Name</u>	<u>Position</u>	<u>City</u>	<u>Date of Hire</u>
<u>New Employees</u>			
Maureen Heitzman (PT to FT)	PSA	GPZ	4/21/83
Stan Batten	First Officer	GPZ	6/14/83
Mark Palmer (PT to FT)	PSA	MSP	6/19/83
Andrew Peters	PSA	MSP	7/24/83
Jay Loeffler (PT)	PSA	MSP	7/11/83
Laurel Meyer (PT to FT)	PSA	BKX	7/17/83
Tracy Jack Zaugg (PT to FT)	PSA	BKX	7/18/83
Sharon Forster	Acct	GPZ	7/25/83
Mark Schneewind (PT to FT)	PSA	MSP	7/26/83
David Claypool	FBO Pilot	GPZ	8/83
Stacy Larson (PT)	PSA	MSP	8/5/83
Judith Anderson (PT)	PSA	MSP	8/5/83
David Bullock	First Officer	GPZ	8/15/83
Jim Young	FBO Pilot	GPZ	8/16/83
<u>Transfers</u>			
Stan Batten	First Officer	GPZ to MSP	8/83
Chuck Hove	FBO Pilot to First Officer	GPZ	8/83
Al Mickelson	Shop Superintendent	GPZ to MSP	8/83
Walt Osborn	Mechanic	TVF to GPZ	8/83
Anita Root	PSA	FOD to GPZ	8/83
Jay Loeffler	PT PSA to FT Dispatch	MSP to GPZ	8/83

With respect to our current route development, it appears as though the Civil Aeronautics Board will not act on the Thief River Falls case prior to Bemidji's start-up in that city. Bemidji has released information publicly that they plan to start service on August 21. In Devils Lake and Jamestown, the Civil Aeronautics Board may be making a decision on the route as early as September. Hopefully, we will receive a favorable ruling in that case soon.

Your tireless efforts and constant input are greatly appreciated. With all of us working together to offer the finest services available, we shall continue with our Company's successful growth.

I hope the Summer has been an enjoyable one for you, let's set a new passenger record for the month of August.

Best regards,



Robert D. Swenson
President & Chief Executive Officer