

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of
the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): August 1, 2007

MESA AIR GROUP, INC.

(Exact name of registrant as specified in its charter)

Nevada

000-15495

85-0302351

(State or other jurisdiction
of incorporation)

(Commission
File Number)

(IRS Employer
Identification No.)

410 North 44th Street, Suite 700
Phoenix, Arizona, 85008

(Address of Principal Executive Offices)
(Zip Code)

Registrant's telephone number, including area code: **(602) 685-4000**

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 2.02 Results of Operations and Financial Condition

On August 1, 2007, Mesa Air Group, Inc. (the “Company”) issued a press release announcing its financial results for the third quarter of 2007. The full text of the Company’s press release is attached hereto as Exhibit 99.1.

The information in this Form 8-K, including the exhibits, shall not be deemed to be “filed” for purposes of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities thereof, nor shall it be deemed to be incorporated by reference in any filing under the Exchange Act or under the Securities Act of 1933, as amended, except to the extent specifically provided in any such filing.

Item 5.03. Amendments to Articles of Incorporation or Bylaws; Change in Fiscal Year.

The Company has approved an amendment to its Bylaws authorizing the Company to issue uncertificated shares. The amendment was required in order to comply with NASDAQ Stock Market Marketplace Rule 4350(l) which requires each listed issuer to be eligible to issue uncertificated shares. The amendment to the Bylaws will be effective upon filing of the amendment as an exhibit to the Company’s Form 10-Q for the quarterly period ended June 30, 2007. As of the date hereof, the Company has not made any determination whether or not to issue uncertificated shares.

Item 9.01 Financial Statements and Exhibits

(d) Exhibits.

<u>Exhibit No.</u>	<u>Description</u>
99.1	Press release regarding financial results, dated August 1, 2007

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

MESA AIR GROUP, INC.

Date: August 1, 2007

By: /s/ GEORGE MURNANE III
Name: GEORGE MURNANE III
Title: Executive Vice President and CFO

EXHIBIT 99.1

NEWS RELEASE

FOR IMMEDIATE RELEASE

**FOR: Mesa Air Group, Inc.
410 N. 44th St.
Phoenix, AZ 85008**

**CONTACT: Peter Murnane
602-685-4010**

Mesa Air Group Reports Third Quarter 2007 Revenues and Earnings

PHOENIX, August 1, 2007 — Mesa Air Group, Inc. (NASDAQ-MESA) announced today third quarter earnings of \$2.6 million on gross operating revenues of \$355.9 million. Total operating revenues increased \$16.9 million year-over-year, or 5.0%, primarily as a result of the year-over-year increases in our regional jet fleet. Net income and earnings per share for the third quarter were \$2.6 million and 8 cents per share on a diluted basis (all amounts reported herein are after tax and all per share amounts reported hereafter are on a diluted basis), respectively, as compared to net income of \$10.9 million and 25 cents per share for the same period of fiscal 2006 which included income of \$5.9 million related the Company's US Airways bankruptcy claim. Pro forma net income for the quarter was \$5.1 million, or 15 cents per share. Pro forma net income excluded net non-cash investment gains of \$0.7 million, costs associated with the early return of certain Dash-8 aircraft of \$1.4 million, a \$1.7 million cost associated with a contract settlement with a vendor and \$0.1 million in certain start up costs associated with our Chinese joint venture. This compares to pro forma net income of \$11.5 million, or 26 cents per share for the comparable period of fiscal 2006.

Total Available Seat Miles (ASMs) for the third quarter of 2007 increased 1.7% from the third quarter of 2006, primarily as a result of an increase in the number of regional jets flown from 146 jets as of June 30, 2006 to 152 as of June 30, 2007. At June 30, 2007, Mesa's fleet of regional jets was comprised of 94 50-seat regional jets, 20 70-seat regional jets and 38 86-seat regional jets (53 at US Airways, 58 at United, 33 at Delta, 5 at *go!* and 3 preparing for sublease to our Chinese joint venture). In addition to its regional jet fleet, Mesa operated 47 turboprops, including 16 37-seat DH8-200s (six at US Airways and ten at United), 11 37-seat DH8-100s (all 11 at Delta) and 20 B1900s (six at Mesa independent and 14 at US Airways).

As of June 30, 2007, the Company's cash, marketable securities and debt investments were approximately \$209.9 million, which includes \$12.2 million of restricted cash.

Events during the third quarter:

- The Company took delivery of 2 CRJ-700's and placed them into service for United Airlines in June, swapping them for 2 50-seat RJs. In addition, the Company removed 2 additional 50-seat RJs, further reducing the Company's exposure to less profitable 50-seat RJ flying at United.
 - The Company announced an order for ten incremental Bombardier NextGen CRJ-700 aircraft (with an option for an 11th), for delivery late fiscal 2008 / early fiscal 2009. These aircraft will replace ten Mesa 50-seat RJs currently flying at United Airlines. Mesa is the launch customer for Bombardier's NextGen aircraft.
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- Working with United, the Company has made significant progress in improving Mesa's United Express flight schedules. The restructuring of Mesa's July United Express flight schedule has already led to measurable operating improvements, with a controllable completion factor and on-time performance of 99.3% and 76.1%, respectively, for the month of July as compared to 97.5% and 58.0%, respectively, for the July 2006 period.
- The Company and Delta have begun implementing their joint plan to eliminate the JFK Dash 8 operations. Three Dash-8's were removed from line service in the third quarter. The remaining nine aircraft will be removed from service during August 2007.
- The Company has begun realizing the benefit of its new power-by-the-hour GE engine agreement with Delta. The Company experienced lower engine repair costs in the quarter as a result of the agreement.
- The Company negotiated a lower rate for maintenance for its Embraer regional jets' auxiliary power units.
- The Company revised its spare parts maintenance agreement with AAR to settle a prior billing dispute and cap certain previously uncapped costs.
- The Company celebrated its one year anniversary of its inter-island Hawaii operation *go!*. *go!*'s load factor in June was 72%, up from 63% in May and June also saw *go!*'s highest average fare for 2007. In addition, during the third quarter, *go!*'s frequent flyer membership almost doubled.
- Work commenced for adding the first of 14 76-seat CRJ-900 regional jets on Mesa's Freedom certificate to be operated for Delta as Delta Connection. The first of the CRJ-900s is expected to be in operation by November 2007.
- The Company continued to prepare for the launch of its Chinese joint venture, KunPeng Airlines. In June 2007, three CRJ-200 aircraft began the conformity process for sublease to the joint venture. Operations are expected to commence in mid to late September 2007.
- As previously disclosed, effective January 1, 2007 United Airlines assumed responsibility for a portion of Mesa's United Express fuel purchases and as a result, Mesa's revenues, as well as its fuel expenses, were reduced by approximately 4.6 million gallons of fuel in the third quarter which represented approximately \$10.6 million. Due to the pass-through feature of our contracts, this did not impact Mesa's earnings.

During the third quarter of 2007 the Company purchased approximately 2.3 million shares of common stock under Board-authorized stock repurchase programs. An additional 13.5 million common shares remain authorized for purchase under these programs.

OPERATING DATA

	Three Months Ended		Nine Months Ended	
	June 30, 2007	June 30, 2006	June 30, 2007	June 30, 2006
Passengers	4,397,338	3,901,480	12,325,092	10,832,397
Available seat miles (000's)	2,327,235	2,288,200	6,945,781	6,781,886
Revenue passenger miles (000's)	1,844,807	1,820,001	5,232,603	5,074,883
Load factor	79.3%	79.5%	75.3%	74.8%
Yield per revenue passenger mile (cents)	19.2	18.6	19.4	19.2
Revenue per available seat mile (cents)	15.3	14.8	14.6	14.4
Operating cost per available seat mile (cents) *	14.6	13.6	14.5	13.1
Operating cost per available seat mile, excluding fuel (cents)				
*	9.4	8.3	9.5	8.3
Block hours flown (000s)	156	142	470	419
Average stage length (miles)	359	403	363	404

* Excluding one time items

MESA AIR GROUP, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)
(In thousands, except per share amounts)

	<u>Three Months Ended June 30,</u>	
	<u>2007</u>	<u>2006</u>
Operating revenues:		
Passenger	\$ 346,494	\$ 331,967
Freight and other	9,362	7,070
Gross operating revenues	355,856	339,037
Impairment of contract incentives	—	—
Total net operating revenues	355,856	339,037
Operating expenses:		
Flight operations	96,127	92,927
Fuel	120,935	121,990
Maintenance	71,820	60,849
Aircraft and traffic servicing	22,929	20,883
Promotion and sales	2,303	1,335
General and administrative	16,534	14,335
Depreciation and amortization	10,185	8,998
Vendor settlement	2,860	—
Bankruptcy settlement	(333)	(9,742)
Total operating expenses	343,360	311,575
Operating income	12,496	27,462
Other expense:		
Interest expense	(11,246)	(9,415)
Interest income	2,996	3,609
Other income (expense)	192	(3,668)
Total other expense	(8,058)	(9,474)
Income before taxes	4,438	17,988
Income taxes	1,834	7,059
Net income	<u>\$ 2,604</u>	<u>\$ 10,929</u>
Income per common share:		
Basic	\$ 0.09	\$ 0.30
Diluted	\$ 0.08	\$ 0.25
Weighted average shares — basic	30,063	36,020
Weighted average shares — diluted	37,468	47,461
Dilutive interest on convertible debentures included in interest expense (after tax)	\$ 548	\$ 900

	<u>Three Months Ended June 30,</u>	
	<u>2007</u>	<u>2006</u>
PRO FORMA (After tax):		
Net income	\$ 2,604	\$ 10,929
Net (gain) loss on securities	(712)	603
Costs associated with the early return of certain Dash-8 aircraft	1,357	—
Vendor settlement	1,730	—
Start up costs associated with China joint venture	<u>109</u>	<u>—</u>
Pro forma net income	<u>\$ 5,088</u>	<u>\$ 11,532</u>
Pro forma income per common share:		
Basic	\$ 0.17	\$ 0.32
Diluted	\$ 0.15	\$ 0.26
Weighted average shares — basic	30,063	36,020
Weighted average shares — diluted	41,251	47,461
Dilutive interest on convertible debentures included in interest expense (after tax)	\$ 906	\$ 900

MESA AIR GROUP, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)
(In thousands, except per share amounts)

	Nine Months Ended June 30,	
	2007	2006
Operating revenues:		
Passenger	\$ 1,011,608	\$ 953,034
Freight and other	28,291	21,685
Gross operating revenues	1,039,899	974,719
Impairment of contract incentives	(25,324)	—
Total net operating revenues	1,014,575	974,719
Operating expenses:		
Flight operations	287,956	273,625
Fuel	343,836	329,996
Maintenance	207,907	163,993
Aircraft and traffic servicing	68,218	55,403
Promotion and sales	5,683	2,989
General and administrative	50,204	47,240
Depreciation and amortization	31,149	27,005
Vendor settlement	2,860	—
Bankruptcy settlement	(2,426)	(9,742)
Impairment of long-lived assets	12,367	—
Total operating expenses	1,007,754	890,509
Operating income	6,821	84,210
Other expense:		
Interest expense	(31,407)	(27,710)
Interest income	11,443	9,206
Other expense	(7,780)	(17,995)
Total other expense	(27,744)	(36,499)
(Loss) income before taxes	(20,923)	47,711
Income tax (benefit) provision	(7,554)	18,502
Net (loss) income	\$ (13,369)	\$ 29,209
Net (loss) income per common share:		
Basic	\$ (0.42)	\$ 0.89
Diluted	\$ (0.42)	\$ 0.73
Weighted average shares — basic	31,857	32,980
Weighted average shares — diluted	31,857	44,710
Dilutive interest on convertible debentures included in interest expense (after tax)	\$ —	\$ 3,428

	<u>Nine Months Ended June 30,</u>	
	<u>2007</u>	<u>2006</u>
PRO FORMA (After tax):		
Net (loss) income	\$ (13,369)	\$ 29,209
Net loss on securities	4,261	1,188
Debt conversion costs	—	8,034
Gain on sale of aircraft	—	(267)
Costs associated with the early return of certain Dash-8 aircraft	1,357	—
Vendor settlement	1,730	—
Start up costs associated with China joint venture	109	—
Impairment charges	<u>23,445</u>	<u>—</u>
Pro forma net income	<u>\$ 17,533</u>	<u>\$ 38,164</u>
Pro forma income per common share:		
Basic	\$ 0.55	\$ 1.16
Diluted	\$ 0.47	\$ 0.93
Weighted average shares — basic	31,857	32,980
Weighted average shares — diluted	43,121	44,710
Dilutive interest on convertible debentures included in interest expense (after tax)	\$ 2,738	\$ 3,428

To supplement our consolidated financial statements presented in accordance with GAAP, the Company uses non-GAAP measures of pro forma net income and pro forma earnings per share, which are adjusted from our GAAP results as shown above. These non-GAAP adjustments are provided to enhance the user's overall understanding of our current financial performance. We believe the non-GAAP results provide useful information to both management and investors by excluding certain charges and other amounts that we believe are not indicative of our core operating results. These non-GAAP measures are included to provide investors and management with an alternative method for assessing the Company's operating results in a manner that is focused on the performance of the Company's ongoing operations and to provide a more consistent basis for comparison between quarters. In addition, since we have historically reported pro forma results to the investment community, we believe the inclusion of non-GAAP numbers provides consistency in our financial reporting. These measures are not in accordance with or an alternative for, GAAP and may be different from pro forma measures used by other companies.

Mesa's third quarter results will be discussed in more detail via teleconference on August 1, 2007 at 9:00 AM Pacific Time, 12:00 PM Eastern Time. The live audio Webcast of the call will be available on Mesa's Web site at www.mesa-air.com. There will also be a replay of the call available beginning approximately one hour after its conclusion at the same Web address.

Mesa currently operates 199 aircraft with over 1,300 daily system departures to 181 cities, 46 states, the District of Columbia, Canada, the Bahamas and Mexico. Mesa operates as Delta Connection, US Airways Express and United Express under contractual agreements with Delta Air Lines, US Airways and United Airlines, respectively, and independently as Mesa Airlines and *go!*. In June 2006 Mesa launched inter-island Hawaiian service as *go!*. This operation links Honolulu to the neighbor island airports of Hilo, Kahului, Kona and Lihue. The Company, founded by Larry and Janie Risley in New Mexico in 1982, has approximately 5,000 employees. Mesa is a member of the Regional Airline Association and Regional Aviation Partners.

This press release contains various forward-looking statements that are based on management's beliefs, as well as assumptions made by and information currently available to management. Although the Company believes that the expectations reflected in such forward-looking statements are reasonable; it can give no assurance that such expectations will prove to have been correct. Such statements are subject to certain risks, uncertainties and assumptions. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those anticipated, estimated, projected or expected. The Company does not intend to update these forward-looking statements prior to its next filing with the Securities and Exchange Commission.

For further information regarding this press release please contact Peter Murnane at 602-685-4010 or Peter.Murnane@Mesa-Air.Com