

SECURITIES AND EXCHANGE COMMISSION

FORM 10-Q

Quarterly report pursuant to sections 13 or 15(d)

Filing Date: **2000-08-14** | Period of Report: **2000-06-30**
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FILER

WORLDWIDE FLIGHT SERVICES INC

CIK: **1095855** | IRS No.: **751932711** | State of Incorp.: **DE** | Fiscal Year End: **1231**
Type: **10-Q** | Act: **34** | File No.: **333-88593** | Film No.: **701322**

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WORLDWIDE FLIGHT FINANCE CO

CIK: **1096001** | IRS No.: **330873993** | State of Incorp.: **DE** | Fiscal Year End: **1231**
Type: **10-Q** | Act: **34** | File No.: **333-88593-01** | Film No.: **701323**

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WORLDWIDE FLIGHT SECURITY SERVICE CORP

CIK: **1096002** | IRS No.: **330873993** | State of Incorp.: **DE** | Fiscal Year End: **1231**
Type: **10-Q** | Act: **34** | File No.: **333-88593-02** | Film No.: **701324**

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MIAMI AIRCRAFT SUPPORT INC

CIK: **1096003** | IRS No.: **330873993** | State of Incorp.: **DE** | Fiscal Year End: **1231**
Type: **10-Q** | Act: **34** | File No.: **333-88593-03** | Film No.: **701325**

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MIAMI INTERNATIONAL AIRPORT CARGO FACILITIES & SERVICES INC

CIK: **1096004** | IRS No.: **330873993** | State of Incorp.: **DE** | Fiscal Year End: **1231**
Type: **10-Q** | Act: **34** | File No.: **333-88593-04** | Film No.: **701326**

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INTERNATIONAL ENTERPRISES GROUP INC

CIK: **1096005** | IRS No.: **330873993** | State of Incorp.: **DE** | Fiscal Year End: **1231**
Type: **10-Q** | Act: **34** | File No.: **333-88593-05** | Film No.: **701327**

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AEROLINK INTERNATIONAL LP

CIK: **1096007** | IRS No.: **330873993** | State of Incorp.: **DE** | Fiscal Year End: **1231**
Type: **10-Q** | Act: **34** | File No.: **333-88593-06** | Film No.: **701328**

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AEROLINK MAINTAINANCE INC

CIK:**1096009** | IRS No.: **330873993** | State of Incorporation: **DE** | Fiscal Year End: **1231**
Type: **10-Q** | Act: **34** | File No.: **333-88593-07** | Film No.: **701329**

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AEROLINK MANAGEMENT INC

CIK:**1096010** | IRS No.: **330873993** | State of Incorporation: **DE** | Fiscal Year End: **1231**
Type: **10-Q** | Act: **34** | File No.: **333-88593-08** | Film No.: **701330**

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AEROLINK INTERNATIONAL INC

CIK:**1096011** | IRS No.: **330873993** | State of Incorporation: **DE** | Fiscal Year End: **1231**
Type: **10-Q** | Act: **34** | File No.: **333-88593-09** | Film No.: **701331**

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SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(X) QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d)

OF THE SECURITIES EXCHANGE ACT OF 1934

For the Quarter Ended June 30, 2000

OR

() TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d)

OF THE SECURITIES EXCHANGE ACT OF 1934

Commission File Number 333-88593

For the transition period from _____ to _____

WORLDWIDE FLIGHT SERVICES, INC.

(Exact name of registrant as specified in its charter)

Delaware

75-1932711

(State or other jurisdiction of
Incorporation or organization)-----
(IRS Employer Identification No.)1001 West Eules Boulevard
Suite 320
Eules, Texas 76040-----
(Address of principal executive offices)

(Registrant's telephone number, including area code) (817) 665-3200

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes [X] No []

The number of shares of the registrant's Common Stock outstanding as of August 10, 2000 was 1,000 shares. There is no public trading market for the shares of the registrant's common stock.

CO-REGISTRANTS

<TABLE> <CAPTION>			
EXACT NAME OF CO-REGISTRANT AS SPECIFIED IN ITS CHARTER	STATE OR OTHER JURISDICTION OF INCORPORATION OR ORGANIZATION		PRIMARY STANDARD INDUSTRIAL CLASSIFICATION CODE NUMBER
<S>	<C>		<C>
Worldwide Flight Finance Company	Delaware		4581
Worldwide Flight Security Service Corporation	Delaware		4581
Miami International Airport Cargo Facilities & Services, Inc.	Florida		4581
International Enterprises Group, Inc.	Florida		4581
Miami Aircraft Support, Inc.	Delaware		4581
Aerolink International, Inc.	Pennsylvania		4581
Aerolink Maintenance, Inc.	Pennsylvania		4581

Aerolink Management, Inc.	Pennsylvania	4581
Aerolink International, L.P.	Pennsylvania	4581
Oxford Electronics, Inc.	Delaware	4581

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SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This quarterly report contains forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934. The words "believe," "estimate," "anticipate," "project," "intend," "expect" and similar expressions are intended to identify forward-looking statements. All forward-looking statements involve some risks and uncertainties. In light of these risks and uncertainties, the forward-looking events discussed in this report might not occur. Factors that may cause actual results or events to differ materially from those contemplated by the forward-looking statements include, among other things, the following possibilities:

- o future revenues are lower than expected;
- o increase in payroll or other costs and/or shortage of an adequate base of employees;
- o loss of significant customers through bankruptcy or industry consolidation;
- o inability to obtain additional capital due to covenant restrictions or other factors, and/or increases in debt levels beyond our ability to support repayment;
- o conditions in the securities markets are less favorable than expected;
- o costs or difficulties relating to the integration of businesses that we acquire are greater than expected;

- o expected cost savings from our acquisitions are not fully realized or realized within the expected time frame;
- o competitive pressures in the industry increase; and
- o general economic conditions or conditions affecting the airline industry or other industries that ship cargo by air, whether internationally, nationally or in the states in which we do business, are less favorable than expected.

You are cautioned not to place undue reliance on forward-looking statements contained in this report as these speak only as of its date. We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

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PART I - FINANCIAL INFORMATION

ITEM 1 - FINANCIAL STATEMENTS
WORLDWIDE FLIGHT SERVICES, INC.
(FORMERLY AMR SERVICES CORPORATION)

CONSOLIDATED STATEMENTS OF OPERATIONS
(IN THOUSANDS)

<TABLE> <CAPTION>	Worldwide Three Months ended June 30, 2000	Worldwide Three Months Ended June 30, 1999	Worldwide Six Months ended June 30, 2000	Worldwide Three Months Ended June 30, 1999	Predecessor Three Months ended March 31, 1999
	----- <C>	----- <C>	----- <C>	----- <C>	----- <C>
Revenues:					
External customers	\$ 85,831	\$ 59,877	\$ 171,026	\$ 59,877	\$ 38,640
Affiliates					22,835
	-----	-----	-----	-----	-----
Total operating revenues	85,831	59,877	171,026	59,877	61,475
Expenses:					
Salaries, wages and benefits	55,855	39,682	113,321	39,682	39,679
Materials, supplies and services	9,829	7,126	18,836	7,126	7,744
Equipment and facilities rental	5,163	3,693	10,111	3,693	3,641
Depreciation and amortization	4,570	1,973	8,491	1,973	1,627
Other miscellaneous expenses	7,443	4,451	16,153	4,451	4,784
Allocated general and administrative expenses	--	--	--	--	2,269
Restructuring Charge	7,673	--	7,673	--	--
	-----	-----	-----	-----	-----
Total operating expenses	90,533	56,925	174,585	56,925	59,744
Income (loss) from continuing operations	(4,702)	2,952	(3,559)	2,952	1,731
Interest expense	5,570	1,556	10,574	1,556	--
Interest income	53	--	173	--	440
Other income (expense), net	(206)	(270)	(218)	(270)	(552)
	-----	-----	-----	-----	-----
Income (loss) from continuing operations before income taxes	(10,425)	1,126	(14,178)	1,126	1,619
Provision (benefit) for income taxes	(1,457)	587	(1,985)	587	644
	-----	-----	-----	-----	-----
Income (loss) from continuing operations	(8,968)	539	(12,193)	539	975
Loss from discontinued operations, net of tax benefits of \$139	--	--	--	--	(210)
	-----	-----	-----	-----	-----
Net income (loss)	\$ (8,968)	\$ 539	\$ (12,193)	\$ 539	\$ 765
	=====	=====	=====	=====	=====

</TABLE>

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WORLDWIDE FLIGHT SERVICES, INC.
(FORMERLY AMR SERVICES CORPORATION)

CONSOLIDATED BALANCE SHEETS
(IN THOUSANDS)

<TABLE>
<CAPTION>

	(UNAUDITED) JUNE 30, 2000	DECEMBER 31, 1999
<S>	<C>	<C>
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 1,469	\$ 1,775
Restricted cash equivalent	750	750
Accounts receivable, less allowance for doubtful accounts	58,128	73,144
Deferred income taxes	5,462	4,305
Prepaid and other current assets	9,471	7,413
	-----	-----
TOTAL CURRENT ASSETS	75,280	87,387
EQUIPMENT AND PROPERTY:		
Equipment and property, at cost	49,451	45,915
Less accumulated depreciation	(7,399)	(3,185)
	-----	-----
	42,052	42,730
Intangible assets including Goodwill, net	114,412	105,559
Other long-term assets	11,029	10,465
	-----	-----
TOTAL ASSETS	\$ 242,773	\$ 246,141
	=====	=====

LIABILITIES AND STOCKHOLDER'S EQUITY

CURRENT LIABILITIES:

Accounts payable	\$ 32,078	\$ 23,350
Accrued salaries, wages and benefits	9,990	13,308
Other accrued liabilities	18,203	21,404
Current portion of long-term debt	2,132	2,876
	-----	-----
TOTAL CURRENT LIABILITIES	62,403	60,938
DEFERRED INCOME TAXES	12,290	14,233
LONG TERM DEBT, LESS CURRENT PORTION	144,683	137,081

STOCKHOLDER'S EQUITY:

Common stock	--	--
Additional paid-in-capital	40,720	38,918
Accumulated deficit	(15,389)	(3,197)
Accumulated other comprehensive loss	(1,934)	(1,832)
	-----	-----
TOTAL STOCKHOLDER'S EQUITY	23,397	33,889
TOTAL LIABILITIES AND STOCKHOLDER'S EQUITY	\$ 242,773	\$ 246,141
	=====	=====

</TABLE>

WORLDWIDE FLIGHT SERVICES, INC.
(FORMERLY AMR SERVICES CORPORATION)

CONSOLIDATED STATEMENTS OF CASH FLOWS
(IN THOUSANDS)

<TABLE>
<CAPTION>

	Worldwide Six Months ended June 30, 2000	Worldwide Three Months ended June 30, 1999	Predecessor Three Months ended March 31, 1999
--	---	---	--

<S>	<C>	<C>	<C>
OPERATING ACTIVITIES:			
Net income (loss)	\$ (12,193)	\$ 539	\$ 765
Adjustments to reconcile net earnings to net cash provided by operating activities			
Depreciation and amortization	8,491	1,973	1,627
Deferred income taxes	(3,100)	286	1,584
Change in assets and liabilities:			
Accounts receivable	15,016	(16,831)	(4,190)
Accounts payable and accrued liabilities	1,222	10,007	(7,117)
Other, net	(2,469)	(1,575)	183
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	6,967	(5,601)	(7,148)
INVESTING ACTIVITIES:			
Capital expenditures	(4,372)	(989)	(1,688)
Acquisition, net of cash	(11,290)	(83,628)	--
Other	--	(28)	26
NET CASH USED BY INVESTING ACTIVITIES	(15,662)	(84,645)	(1,662)
FINANCING ACTIVITIES:			
Proceeds from long term debt	8,000	68,780	--
Payments on long term debt	(1,413)	(800)	--
Proceeds from sale of stock	--	28,250	--
Equity contribution by parent	1,802	--	--
Dividend to parent	--	--	(5,390)
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	8,389	96,230	(5,390)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(306)	5,984	(14,200)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	1,775	--	14,200
CASH AND CASH EQUIVALENTS AT END OF PERIOD	\$ 1,469	\$ 5,984	\$ --

</TABLE>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 - Introduction and Basis of Presentation

On March 31, 1999, MR Services Corporation completed the acquisition of all of the outstanding stock of AMR Services Corporation ("Predecessor"), a wholly owned subsidiary of AMR Services Holding Corporation, which was a wholly owned subsidiary of AMR Corporation, the parent company of American Airlines, Inc. ("American"). MR Services Acquisition Corporation was immediately merged with and into AMRS, and AMRS, the surviving corporation was renamed Worldwide Flight Services, Inc. ("Worldwide" or "Company"). Worldwide is owned by WFS Holdings, Inc. The initial purchase price was \$75.0 million plus subsequent possible adjustments. On August 12, 1999, Worldwide purchased all of the stock of Miami Aircraft Services, Inc. ("MAS"), an independent provider of express air cargo handling services in the United States, for \$63.0 million plus transaction costs. Also, on August 23, 1999, Worldwide completed the acquisition of Aerolink International, Inc. and affiliates ("Aerolink"), a provider of ground services, located in Pittsburgh, Pennsylvania for a purchase price of \$5.9 million plus possible additional consideration. As more fully discussed in Note 2 below, the Company completed its acquisition of Oxford Electronics, Inc. ("Oxford") during the second quarter of 2000. Its results of operations are consolidated with those of the Company effective April 1, 2000. The operations of MAS, Aerolink and Oxford are included in the operations of Worldwide since the date of acquisition.

The accompanying unaudited consolidated financial statements included herein have been prepared by the Company pursuant to generally accepted accounting principles for interim financial information, and in accordance with the rules and regulations of the Securities and Exchange Commission. Certain information and footnote disclosures normally included in financial statements prepared in

accordance with generally accepted accounting principles for complete financial statements have been excluded. The Company believes that the disclosures are adequate to make the information presented not misleading. These consolidated condensed financial statements should be read in conjunction with the financial statements and the notes to consolidated financial statements included in the Annual Report, Form 10-K for the nine-month period ended December 31, 1999.

In the opinion of the Company, all adjustments that are normal recurring in nature have been included that were necessary to present fairly the financial position of Worldwide and subsidiaries as of June 30, 2000 and the results of operations and cash flows for the three and six months ended June 30, 2000 and June 30, 1999, respectively. Operating results for the three and six month periods ended June 30, 2000 are not necessarily indicative of the results that may be expected for the year ending December 31, 2000.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

NOTE 2 - Acquisitions

Oxford Electronics, Inc.

On April 5, 2000 the Company completed the acquisition of Oxford, a provider of airport technical services, for a cash purchase price at closing of \$9.6 million and up to \$2.5 million in deferred payments to be determined based on earnings for Oxford's fiscal 2000. The purchase price was funded with borrowings under the existing senior secured credit facility and a \$1.0 million capital contribution from the Company's parent, which was actually received on March 24, 2000. The acquisition has been accounted for under the purchase method of accounting in the second quarter ended June 30, 2000. Its results of operations have been included with those of the Company since April 1, 2000. The Company filed Form 8-K with the Securities and Exchange Commission on April 17, 2000 and Form 8-K/A on June 15, 2000 with a more complete description of this acquisition.

NOTE 3 - Comprehensive Income

The components of comprehensive income (loss) for the Company include net income (loss), and changes in the cumulative foreign currency translation. Total comprehensive income (loss) for the three month periods ended June 30, 2000 and June 30, 1999 were (\$9.6) million and \$0.1 million, respectively. Total comprehensive income (loss) for the six month period ended June 30, 2000 was (\$12.3) million.

NOTE 4 - Capital Contributions

Capital contributions from parent included \$1.0 million for the funding of the Oxford acquisition (discussed above) and for \$.8 million of cash received from employees for stock purchases.

NOTE 5 - Restructuring Charges

In June 2000, Worldwide's management approved a restructuring plan to realign the company's organization, reduce overhead costs and eliminate excess and duplicative facilities. Restructuring charges of \$7.7 million were expensed. The restructuring consists primarily of two parts: (1) the merging and integration of operations of Worldwide with MAS and Aerolink, and (2) other headquarters cost reduction measures.

In connection with the acquisitions of MAS and Aerolink, management initiated plans to consolidate and integrate the operations of these two companies into Worldwide through workforce reductions and the closure of duplicative facilities. As a result of the integration plan, WFS will close 10 facilities and lay-off approximately 100 employees. Amounts contained within the restructuring charge include severance (both statutory and contractual) of \$1.7 million. Estimated holding costs of vacated facilities and contract termination penalties of \$3.7 million

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were associated with distribution and office space, and termination of vehicle leases. Other exit costs of \$0.8 million primarily related to professional fees and incidentals.

The remaining \$1.5 million in charges represents termination payments related to the approximate 20% staff level reduction at the Company's headquarters, located in Euless, Texas.

The aforementioned charges are reflected in the accompanying consolidated statements of operations under the caption "Restructuring Charges". The Company estimates that actions it has already taken will generate significant cost savings as a result of its restructuring plan, and expects additional cost savings to result from further planned cost reduction actions.

Management expects to complete all parts of the restructuring plan by the end of 2000, with the majority of the cash expenditures to occur during the last half of 2000. As of June 30, 2000 the Company had paid \$0.3 million for restructuring costs. Given the nature of the costs reflected herein, increases or decreases may be necessary throughout the tenure of the Company's restructuring plans. Any such changes will be reflected in the statement of operations as incurred, and classified in the manner discussed above.

NOTE 6 - Senior Secured Credit Facility and Senior Notes

The Company maintains a senior secured credit facility with a group of lenders that provides up to \$75.0 million for purposes of funding working capital requirements and future acquisitions. As of August 10, 2000, the Company had drawn \$30.0 million under the credit facility with an additional \$3.0 million allocated to issued letters of credit. Of this amount, approximately \$8.6 million was drawn to purchase Oxford in April 2000.

Future additional availability under the senior secured credit facility may be less than the remaining unutilized commitment amount and will depend on the borrowing base (\$44.8 million as of August 10, 2000 under the modified senior secured credit facility discussed below) and the ability of the Company to meet the applicable leverage and coverage ratios and other customary conditions. While the Company believes that current availability under the credit facility and other potential sources allowed under the facility are adequate to manage its liquidity, future liquidity needs could change.

On August 14, 2000 the Company agreed with its lenders to modify certain provisions of the senior secured credit facility. Specifically, the Company and its banks have agreed to increase availability under its borrowing base through the inclusion of certain non-US dollar denominated accounts receivable, as well as clarify certain definitions related to the leverage ratio, coverage ratio and capital expenditure threshold. Notwithstanding the aforementioned, the Company's liquidity could be limited if the improved cash flow from the Company's cost reduction program does not materialize. If the Company defaults under the credit facility due to the failure to maintain financial ratios or meet other covenants, it may not be able to make additional borrowings under the facility if the bank refuses to allow additional advances and the Company is unable to obtain additional capital from other sources.

On June 30, 2000 the Company complied with all debt covenants. On August 10, 2000 the Company had approximately \$7.0 million in cash and cash equivalents and committed and discretionary unused lines of credit aggregating an additional \$11.8 million.

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ITEM 2 - MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

RESULTS OF OPERATIONS

Recent Developments

In the second quarter Worldwide continued its efforts to improve the profitability of the Company. Management initiated several programs to reduce operating costs and to realize cost savings from its recent acquisitions, including MAS, Aerolink and Oxford. The programs included a workforce reduction at Worldwide headquarters, workforce reductions at certain operating locations, the closure of duplicative facilities, and general discretionary spending decreases. Management expects these initiatives to significantly improve the future operating results and cash flow of the Company.

Mark Dunkerley, President and Chief Operating Officer of Worldwide Flight Services, also left the Company during the quarter.

Overall Summary

Revenues, operating income (loss), and income (loss) from continuing operations for the six months ended June 30, 2000 were \$171.0 million, \$(3.6) million, and (\$12.2) million, respectively compared to \$121.4 million, \$4.7 million, and \$1.5 million, respectively for the six months ended June 30, 1999. The 2000 results include restructuring charges of \$7.7 million recorded in the second quarter. The results also include contributions from MAS and Aerolink for the six months ended June 30, 2000 and include Oxford for the three months ended June 30, 2000. Revenues, operating income (loss), and income (loss) from continuing operations for the three months ended June 30, 2000 were \$85.8 million, \$(4.7) million, and

(\$9.0) million, respectively compared to \$59.9 million, \$3 million, and \$0.5 million, respectively for the three months ended June 30, 1999.

As a result of the acquisition of Worldwide effective March 31, 1999, results for the six months ended June 30, 2000 are not comparable to results in the comparable period of the prior year. Financial information for the period ended March 31, 1999 is that of the Predecessor, and as such is presented on a different basis of accounting. However, for information purposes results of operations for the three and six months ended June 30, 1999 have been included in this analysis. The Predecessor reported revenue, operating income, and income from continuing operations for the three months ended March 31, 1999 of \$61.5 million, \$1.7 million, and \$1.0 million, respectively.

Revenues

For the six months ended June 30, 2000 total revenues of \$171.0 million increased \$49.6 million, or 40.9% from \$121.4 million in the prior year. The acquisitions of MAS and Aerolink in August 1999 and Oxford in April 2000 accounted for \$42.9 million of the increase. The remaining increase of \$6.7 million is due to new contracts and price increases on existing contracts. For the three month period ended June 30, 2000 total revenues of \$85.8 million

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increased \$25.9 million, or 43.2% from \$59.9 million in the prior year. MAS, Aerolink and Oxford contributed \$22.6 million of the increase and \$3.3 million, or 5.5% was primarily due to new contracts.

Since the acquisition of AMRS, we have identified revenue information for the cargo handling, ramp services, passenger services and technical services categories. Prior to the acquisition, AMRS did not identify revenues in similar categories. The following table contains, for the current year only, revenues by cargo handling, ramp services, passenger services and technical services categories (in thousands).

<TABLE>
<CAPTION>

	SIX MONTHS ENDED JUNE 30, 2000	THREE MONTHS ENDED JUNE 30, 2000
	-----	-----
<S>	<C>	
Cargo handling	\$ 80,818	\$41,585
Ramp services	39,829	20,504
Passenger services	30,853	15,175
Technical services	19,526	8,567
	-----	-----
Total	\$171,026	\$85,831
	=====	=====

</TABLE>

Salaries, wages and benefits

For the six months ended June 30, 2000 salaries, wages and benefits of \$113.3 million increased \$33.9, or 42.7% from \$79.4 million in 1999. MAS, Aerolink and Oxford contributed \$26.5 million of the increase. The remaining increase of \$7.4 million is the result of costs associated with increased sales volume over the prior year of approximately \$4.2 million, general and administrative salaries of \$1.8 million for headquarters support which had previously been allocated by AMR, and \$1.4 million or 2% related to higher labor costs. For the three months ended June 30, 2000 salaries, wages and benefits of \$55.9 million increased \$16.2 million, or 40.8% from \$39.7 million in 1999. MAS, Aerolink and Oxford contributed \$13.7 million of the increase for the quarter. The remaining increase of \$2.5 million is the result of costs associated with higher sales volume over the prior year of approximately \$2.0 million and \$.5 million or 1.3% related to higher labor costs.

Materials, supplies and services

Materials, supplies and services of \$18.8 million for the current six months increased \$3.9 million from \$14.9 million in 1999. The increase is primarily due to the acquisitions of MAS, Aerolink and Oxford. For the three months ended June 30, 2000 materials, supplies and services of \$9.8 million increased \$2.7 million from \$7.1 million in 1999. MAS, Aerolink and Oxford contributed \$2.0 million of the increase. The remainder is due to increased general and administrative costs of \$.7 million for services previously allocated by AMR.

Equipment and facilities rental

For the six months, equipment and facilities rental of \$10.1 million increased \$2.8 million from \$7.3 million in the prior year. The increase is primarily due to the acquisitions of MAS, Aerolink

and Oxford not included in the prior year. For the second quarter, equipment and facilities rental of \$5.2 million increased \$1.5 million from \$3.7 million in 1999 from the acquisitions of MAS, Aerolink and Oxford.

Depreciation and amortization

Depreciation and amortization of \$8.5 million for the first half of 2000 increased \$4.9 million from \$3.6 million in 1999. Approximately \$2.5 million of the increase is due the amortization of intangibles, including goodwill on the acquisitions of AMRS, MAS, Aerolink and Oxford. In addition, \$2.1 million is related to depreciation expense from the acquisitions of MAS, Aerolink and Oxford. The remaining increase is additional depreciation expense on new equipment purchases.

Other miscellaneous expenses

For the six months ended June 30, 2000 other miscellaneous expenses of \$16.2 million increased \$7.0 million from \$9.2 million in the prior year. Approximately \$3.9 million of the increase is due to operating expenses from MAS, Aerolink and Oxford. Other operating expenses increased \$1.4 million or 15.2% over the prior year primarily due to operating costs associated with new contracts. The remaining increase of \$1.7 million represents increased selling, general and administrative expenses for functions which were previously allocated by AMR, and recurring costs associated with the administration of an independent company including the accrual of management fees from the parent company, and non-recurring costs associated with the transition to an independent company. For the second quarter, other miscellaneous expenses of \$7.4 million increased \$2.9 million from \$4.5 million in 1999. MAS, Aerolink and Oxford accounted for \$2.2 million of the increase. The remainder was due to increased operating expenses for new contracts of \$.7 million or 15.6% over the prior year.

General and administrative allocated expenses

Predecessor was allocated \$2.3 million of general and administrative expense in the three months ended March 31, 1999 for staff functions including finance, human resources, legal, planning and executive management. There are no allocated expenses from AMR in the current year. To replace the functions previously allocated by AMR, the Company has incurred direct expenses for personnel and other costs as described above.

Operating income from continuing operations (excluding restructuring charges)

As a result of the factors described above, operating income from continuing operations of \$4.1 million decreased \$.6 million from \$4.7 million in 1999 for the six months ended June 30, 2000. The acquisitions of MAS, Aerolink and Oxford contributed \$4.4 million of operating income offset by goodwill amortization of \$2.5 million, increased wages and benefit costs from operations of \$1.3 million, and \$1.2 million of additional selling, general and administrative costs.

Restructuring charges

In June 2000, Worldwide's management approved a restructuring plan to realign the company's organization, reduce overhead costs and eliminate excess and duplicative facilities. Restructuring charges of \$7.7 million were expensed in the quarter. The restructuring consists primarily of two parts: (1) the merging and integration of operations of Worldwide with MAS and Aerolink, and (2) other headquarters cost reduction measures.

In connection with the acquisitions of MAS and Aerolink, management initiated plans to consolidate and integrate the operations of the two acquired companies with Worldwide through workforce reductions and the closure of duplicative facilities. As a result of the integration plan, Worldwide will close 10 facilities and lay-off approximately 100 employees. Amounts contained within the restructuring charge include severance (both statutory and contractual) of \$1.7 million. Estimated holding costs of vacated facilities and contract termination penalties of \$3.7 million were associated with distribution and office space, and termination of vehicle leases. Other exit costs of \$0.8 million primarily related to professional fees and incidentals.

The remaining \$1.5 million in charges represents termination payments related to the approximate 20% staff level reduction at the Company's headquarters, located in Euless, Texas.

The aforementioned charges are reflected in the accompanying consolidated statements of operations under the caption "Restructuring Charges". The Company estimates that actions it has already taken will generate annualized cost savings of approximately \$5.0 million as a result of its restructuring plan, and expects additional cost savings to result from further planned actions.

Management expects to complete all parts of the restructuring plans by the end of 2000, with the majority of the cash expenditures to occur during the last half of 2000. As of June 30, 2000 the Company had paid \$0.3 million for restructuring costs. Given the nature of the costs reflected herein, increases or decreases may be necessary throughout the tenure of the Company's restructuring plans. Any such changes will be reflected in the statement of operations as incurred, and classified in the manner discussed above.

LIQUIDITY AND CAPITAL RESOURCES

Cash and cash equivalents were \$2.2 million (including restricted cash) at June 30, 2000, a decrease of \$0.3 million from \$2.5 million at December 31, 1999. Net cash provided by operating activities was \$7.0 million for the six month period ended June 30, 2000, reflecting the contribution from operating earnings plus improved working capital management, primarily related to improved collections of accounts receivable.

The Company reduced working capital (excluding cash and restructuring accruals) by \$6.0 million for the six months. The reduction is primarily due to a decrease of \$16.9 million in accounts receivable from improved collection efforts, however the Company expects that accounts receivable will fluctuate for the remainder of the year primarily from the normal seasonality of the business. The decrease in accounts receivable was offset, in part, by reductions in accrued interest from the semi-annual interest payment on the Senior Notes of \$8.1 million on

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February 15, 2000 and payments to AMR. The next interest payment on the Senior Notes of approximately \$8.0 million, which the Company plans to make by a combination of borrowings under its senior secured credit facility and utilization of cash balances, is due on August 15, 2000.

As of June 30, 2000 the Company owed AMR approximately \$4.3 million classified as accounts payable on which the payment terms had been extended. Approximately \$1.8 million was paid in July with the remainder due in periodic installments prior to December 31, 2000.

Net cash used in investing activities for capital spending was \$4.4 million, \$1.0 million, and \$1.7 million for the six months ended June 30, 2000, the three months ended June 30, 1999 and the three months ended March 31, 1999, respectively. Capital expenditures during the period were primarily associated with new equipment and software purchases. The Company expects its capital spending for 2000 to be about \$10 million.

Net cash provided by (used in) financing activities was \$8.4 million, \$96.2 million, and (\$5.4) million for the six months ended June 30, 2000, the three months ended June 30, 1999, and the three months ended March 31, 1999, respectively. During the first six months of 2000 the Company received an equity contribution of \$1.8 million from its parent and made net borrowings of \$6.6 million, both primarily to fund the Oxford acquisition. For the three months ended June 30, 1999 the Company received proceeds of \$28.3 million for the sale of stock to its Parent and \$68.0 million from borrowings on outside debt used for the acquisition of the Predecessor. At June 30, 2000, the Company had total debt of \$146.8 million.

The Company maintains a senior secured credit facility with a group of lenders that provides up to \$75.0 million for purposes of funding working capital requirements and future acquisitions. As of August 10, 2000, the Company had drawn \$30.0 million under the credit facility with an additional \$3.0 million allocated to issued letters of credit.

Future additional availability under the senior secured credit facility may be less than the remaining unutilized commitment amount and will depend on the borrowing base (\$44.8 million as of August 10, 2000 under the modified senior secured credit facility discussed below) and the ability of the Company to meet the applicable leverage and coverage ratios and other customary conditions. While the Company believes that current availability under the credit facility and other potential sources allowed under the facility are adequate to manage its liquidity, future liquidity needs could change.

On August 14, 2000 the Company agreed with its lenders to modify certain provisions of the senior secured credit facility. Specifically, the Company and its banks have agreed to increase availability under its borrowing base through the inclusion of certain non-US dollar denominated accounts receivable, as well

as clarify certain definitions related to the leverage ratio, coverage ratio and capital expenditure threshold. Notwithstanding the aforementioned, the Company's liquidity could be limited if the improved cash flow from the Company's cost reduction program does not materialize. If the Company defaults under the credit facility due to the failure to maintain financial ratios or meet other covenants, it may not be able to make additional borrowings under the facility if the bank refuses to allow additional advances and the Company is unable to obtain additional capital from other sources.

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On June 30, 2000 the Company complied with all debt covenants. On August 10, 2000 the Company had approximately \$7.0 million in cash and cash equivalents and committed and discretionary unused lines of credit aggregating an additional \$11.8 million.

ITEM 3 - QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

Information about market risks for the six months ended June 30, 2000 does not differ materially from that discussed under Item 7A of the Company's Annual Report on Form 10-K for the year ended December 31, 1999.

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PART II
OTHER INFORMATION

ITEM 6: EXHIBITS AND REPORTS ON FORM 8-K.

- (a) Exhibits
 - 10.1 Executive Employment agreement dated May 17, 2000 between Worldwide Flight Services, Inc. and David F. Chavenson
 - 10.2 Executive Employment agreement dated June 1, 2000 between Worldwide Flight Services, Inc. and Bradley G. Stanius
 - 10.3 AMENDMENT NO. 2 dated as of August 14, 2000, to the Credit Agreement dated as of August 12, 1999 (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement"), among WFS HOLDINGS, INC., a Delaware corporation ("Holdings"), WORLDWIDE FLIGHT SERVICES, INC., a Delaware corporation (the "Borrower"), the lenders party thereto (the "Lenders") and THE CHASE MANHATTAN BANK, a New York banking corporation, as administrative agent for the Lenders (in such capacity, the "Administrative Agent").
 - 27.1 Financial Data Schedule
- (b) Reports on Form 8-K.

1. On June 15, 2000, the Company filed an amendment to Form 8-K, reporting under Item 7, to include audited financial statements of Oxford Electronics, Inc. and to include unaudited pro forma condensed financial statements of the Company and Oxford Electronics, Inc.

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SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, this Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Euless, State of Texas on the 14th day of August, 2000.

WORLDWIDE FLIGHT SERVICES, INC.

By: /s/ David F. Chavenson

Name: David F. Chavenson
Title: Senior Vice President and
Chief Financial Officer

By: /s/ Donna Reeves

Name: Donna Reeves
Title: Vice President and Controller
(principal accounting officer)

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Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, this Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Euless, State of Texas on the 14th day of August, 2000.

WORLDWIDE FLIGHT FINANCE
COMPANY

By: /s/ David F. Chavenson

Name: David F. Chavenson
Title: Chief Financial Officer

By: /s/ Donna Reeves

Name: Donna Reeves
Title: Vice President and Controller
(principal accounting officer)

20

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, this Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Euless, State of Texas on the 14th day of August, 2000.

WORLDWIDE FLIGHT SECURITY
SERVICE CORPORATION

By: /s/ David F. Chavenson

Name: David F. Chavenson
Title: Chief Financial Officer

By: /s/ Donna Reeves

Name: Donna Reeves
Title: Vice President and Controller
(principal accounting officer)

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Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, this Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Euless, State of Texas on the 14th day of August, 2000.

MIAMI INTERNATIONAL AIRPORT
CARGO FACILITIES & SERVICES, INC.

By: /s/ David F. Chavenson

Name: David F. Chavenson
Title: Chief Financial Officer

By: /s/ Donna Reeves

Name: Donna Reeves
Title: Vice President and Controller
(principal accounting officer)

22

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, this Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Euless, State of Texas on the 14th day of August, 2000.

INTERNATIONAL ENTERPRISES
GROUP, INC.

By: /s/ David F. Chavenson

Name: David F. Chavenson
Title: Chief Financial Officer

By: /s/ Donna Reeves

Name: Donna Reeves
Title: Controller (principal accounting officer)

23

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, this Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Euless, State of Texas on the 14th day of August, 2000.

MIAMI AIRCRAFT SUPPORT, INC.

By: /s/ David F. Chavenson

Name: David F. Chavenson
Title: Chief Financial Officer

By: /s/ Donna Reeves

Name: Donna Reeves
Title: Vice President and Controller
(principal accounting officer)

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Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, this Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Euless, State of Texas on the 14th day of August, 2000.

AEROLINK INTERNATIONAL, INC.

By: /s/ David F. Chavenson

Name: David F. Chavenson
Title: Chief Financial Officer

By: /s/ Donna Reeves

Name: Donna Reeves
Title: Vice President and Controller
(principal accounting officer)

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, this Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Euless, State of Texas on the 14th day of August, 2000.

AEROLINK MAINTENANCE, INC.

By: /s/ David F. Chavenson

Name: David F. Chavenson
Title: Chief Financial Officer

By: /s/ Donna Reeves

Name: Donna Reeves
Title: Vice President and Controller
(principal accounting officer)

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, this Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Euless, State of Texas on the 14th day of August, 2000.

AEROLINK MANAGEMENT, INC.

By: /s/ David F. Chavenson

Name: David F. Chavenson
Title: Chief Financial Officer

By: /s/ Donna Reeves

Name: Donna Reeves
Title: Vice President and Controller
(principal accounting officer)

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, this Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Euless, State of Texas on the 14th day of August, 2000.

AEROLINK INTERNATIONAL, L.P.

By: AEROLINK MANAGEMENT, INC.
Its general partner

By: /s/ David F. Chavenson

Name: David F. Chavenson
Title: Chief Financial Officer

By: /s/ Donna Reeves

Name: Donna Reeves
Title: Vice President and Controller
(principal accounting officer)

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, this Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of

OXFORD ELECTRONICS, INC.

By: /s/ David F. Chavenson

Name: David F. Chavenson
Title: Chief Financial Officer

By: /s/ Donna Reeves

Name: Donna Reeves
Title: Vice President and Controller
(principal accounting officer)

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INDEX TO EXHIBITS

<TABLE>
<CAPTION>
Exhibit No.

Description

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10.1 Executive Employment agreement dated May 17, 2000
between Worldwide Flight Services, Inc. and David F.
Chavenson

10.2 Executive Employment agreement dated June 1, 2000
between Worldwide Flight Services, Inc. and Bradley
G. Stanius

10.3 AMENDMENT NO. 2 dated as of August 14, 2000, to the
Credit Agreement dated as of August 12, 1999 (as
amended, supplemented or otherwise modified from
time to time, the "Credit Agreement"), among WFS
HOLDINGS, INC., a Delaware corporation ("Holdings"),
WORLDWIDE FLIGHT SERVICES, INC., a Delaware
corporation (the "Borrower"), the lenders party
thereto (the "Lenders") and THE CHASE MANHATTAN BANK,
a New York banking corporation, as administrative
agent for the Lenders (in such capacity, the
"Administrative Agent").

27 Financial Data Schedule

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EXECUTIVE EMPLOYMENT AGREEMENT

EMPLOYMENT AGREEMENT ("Agreement") dated as of May 17, 2000 between Worldwide Flight Services, Inc., a Delaware corporation, together with its subsidiaries (the "Company") and DAVID F. CHAVENSON (the "Executive").

WHEREAS, the parties wish to establish the terms of Executive's future employment with the Company.

Accordingly, the parties agree as follows:

1. Employment, Duties and Acceptance.

1.1 Employment by the Company. The Company shall employ the Executive effective as of the first day he reports to work at the Company as agreed upon by the Company and the Executive (the "Effective Date") (which date shall not be later than (DATE) to render exclusive and full-time services to the Company. The Executive will serve in the capacity of SENIOR VICE PRESIDENT, CHIEF FINANCIAL OFFICER and TREASURER of the Company and shall report to the CHIEF EXECUTIVE OFFICER. The Executive will perform such duties as are imposed on the holder of that office by the By-laws of the Company and such other duties as are customarily performed by one holding such positions in the same or similar businesses or enterprises as those of the Company, including, but not limited to, the responsibilities outlined in the "Position and Candidate Specifications" attached hereto. The Executive will perform such other duties as may be assigned to him from time to time by the Board of Directors of the Company. The Executive will devote all his full working-time and attention to the performance of such duties and to the promotion of the business and interests of the Company. This provision, however, will not prevent the Executive from investing his funds or assets in any form or manner, or from acting as a member of the board of directors of any companies, businesses, or charitable organizations, so long as such actions do not violate the provisions of Section 5 of this Agreement.

1.2 Location. The Executive's principal place of employment shall be the Company's headquarters located in the Dallas/Fort Worth, Texas area, subject to any travel required in connection with providing services under this Agreement.

1.3 Acceptance of Employment by the Executive. The Executive accepts such employment and shall render the services described above.

2. Duration of Employment.

This Agreement and the employment relationship

hereunder will continue in effect for THREE (3) years from the Effective Date (the "Initial Term"). The terms of this Agreement shall continue beyond the Initial Term in the following manner: upon the expiration of the Initial Term and on each calendar year thereafter (each an "Anniversary Date"), the Term shall be automatically extended by one (1) year (the "Extended Term") unless either party gives the other party written notice at least three (3) months prior to the expiration of the Initial Term

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or the Anniversary Date, as applicable. If such notice is given, the Initial Term or the Extended Term then in effect, as the case may be, shall not be extended. Any extensions thereafter shall require a written contract or written amendment hereto. The Initial Term and any extended term are sometimes referred to in this Agreement as the "Term". In the event of the Executive's termination of employment during the Term, the Company's obligation to continue to pay all base salary, bonus and other benefits then accrued shall terminate except as may be provided for in Section 4 of this Agreement.

3. Compensation by the Company.

3.1 Base Salary. As compensation for all services rendered pursuant to this Agreement, the Company will pay to the Executive an annual base salary of TWO HUNDRED THOUSAND (\$200,000.00), subject to an upward adjustment by the Board of Directors of the Company, in its sole discretion, and payable in accordance with the payroll practices of the Company ("Base Salary").

3.2. Bonuses. The Executive shall be entitled to receive from the Company an annual cash bonus in an amount determined by the Compensation Committee of the Board of Directors of the Company, up to a maximum amount of FIFTY percent (50%) of Base Salary. For calendar year 2000, the Executive shall be entitled to receive a bonus of no less than 25% of his Base Salary earned in 2000 to be accrued during the calendar year 2000 and paid during the calendar year 2001, if the Company, at all times, is in full compliance after taking into account such accrual or payment with all of the Covenants ("Covenant Compliance") contained in (i) its credit facilities with Chase Manhattan Bank and DLJ Capital Funding Inc. including without limitation the Credit Agreement among WFS Holdings Inc. ("Holdings"), the Company, the lenders party thereto, the Chase Manhattan Bank as administrative agent and DLJ Capital Funding Inc. as syndication agent, dated as of August 12, 1999 (as such Credit Agreement has been amended to the date thereof) and (ii) the Indenture among the Company, the Guarantors, listed therein and the Bank of New York as Trustee, dated as of August 12, 1999 relating to the 12 1/4% senior notes due 2007 (as such Indenture may have been amended to the date thereof).

3.3 Signing Bonus. The Company shall pay to the Executive a onetime bonus of Twenty Five Thousand Dollars (\$25,000) on the SIX month anniversary of the Effective Date, provided that the Executive will at the same time purchase TWENTY FIVE THOUSAND DOLLARS (\$25,000) of stock on the same terms as the Units contained in Section 3.6 herein. The taxes associated with

Signing Bonus shall be for the Executives account.

3.4 Participation in Employee Benefit Plans. The Executive shall be permitted, during the Term, if and to the extent eligible, to participate in any group life, hospitalization or disability insurance plan, health program, pension plan or similar benefit plan of the Company, which may be available to other executives of the Company generally, on the same terms as such other executives.

3.5 Stock Options. Over a period of time of not less than FIVE (5) years and provided the Executive remains employed by the Company, the Executive shall be granted options under the WFS Holdings, Inc. 1999 Stock Option Plan (the "Stock Option Plan")

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for the purchase of NINE THOUSAND (9,000) shares of non-voting common stock of WFS Holdings, Inc. ("Holdings"). All terms and conditions applicable to such stock options shall be governed by the provisions of the Stock Option Plan and any stock option agreements thereunder, as approved by the Compensation Committee of the Board of Directors of Holdings.

3.6 Purchase of Stock. For a period of ONE (1) month from the Effective Date, the Executive shall be provided with the opportunity to purchase additional equity in Holdings in the form of units ("Units"), up to a number of Units as agreed with the Compensation Committee of the Board of Directors of Holdings. Each Unit shall consist of one share of voting common stock of Holdings, priced at \$3.25, and 2.5 shares of preferred stock of Holdings, priced at \$10.00 per share, yielding a Unit price of \$28.25. The purchase of the Units shall be subject to the Management Subscription Agreement and the Stock Buy Back Agreement between Holdings and the Executive. The Company and Executive may agree to have the Company finance, with full recourse, up to FIFTY percent (50%) of the purchase price of such Units.

3.7 Car Allowance. The Executive shall be entitled to a monthly car allowance equal to FOUR HUNDRED Dollars (\$400).

3.8 Club Membership. The Company shall pay the ongoing annual dues for a Dallas / Fort Worth, Texas area club membership, during the Term, up to a maximum of TWENTY FIVE HUNDRED Dollars (\$2,500) per annum. Such reimbursement will be subject to required withholding taxes (including FICA and Medicare), which are to be for the Executives account.

3.9 Vacation. The Executive shall be entitled to TWENTY (20) days of vacation per year.

3.10 Expense Reimbursement. During the Term, the Executive shall be entitled to receive prompt reimbursement of all reasonable

out-of-pocket expenses properly incurred by him in connection with his duties under this Agreement, including reasonable expenses of entertainment and travel, provided that such expenses are properly approved, documented and reported in accordance with the policies and procedures of the Company applicable at the time the expenses are incurred.

4. Termination.

4.1 Termination Upon Death. If the Executive dies during the Term, the Executive's legal representatives shall be entitled to receive the Executive's Base Salary and accrued bonus for the period ending on the last day of the month in which the death of the Executive occurs.

4.2 Termination Upon Disability. If during the Term the Executive meets the requirements for physical or mental disability under the Company's long-term disability plan and is eligible to receive benefits thereunder, the Company may at any time prior

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to the Executive's recovery but after the last day of the sixth consecutive month of such disability, by written notice to the Executive, terminate the Executive's employment hereunder.

Additionally, in such event, the Executive (or his legal representatives) shall be entitled to receive the Executive's Base salary and accrued bonus for the period ending on the date such termination occurred. Nothing in this Section 4.2 shall be deemed to in any way affect the Executive's right to participate in any disability plan maintained by the Company and for which the Executive is otherwise eligible.

4.3 Termination for Cause. The Executive's employment hereunder may be terminated by the Company for "Cause" (as herein defined) at any time. "Cause" shall mean with respect to the Executive, (a) the Executive's willful and continued failure to substantially perform the Executive's duties, (b) repeated acts of insubordination, or willful failure to execute Company plans and/or strategies, (c) acts of dishonesty resulting or intending to result in personal gain or enrichment at the expense of the Company, (d) conviction of; or pleading guilty or no contest to, a felony, all as determined by the Board of Directors of the Company in its reasonable judgment; (e) reasonable evidence presented in writing to the Executive that the Executive engaged in a criminal act involving moral turpitude or willful misconduct or (f) conduct not conforming to standards of good citizenship or good moral character, or which is potentially detrimental to the Company's business, reputation, character or standing, provided that, in the case of clauses (a) and (b), the Executive shall be entitled to written notice from the Company and twenty (20) days to cure such deficiency. Breach of this Agreement and to the extent that an Executive is subject to a non-competition and confidentiality agreement, breach of such

non-competition and confidentiality agreement, shall constitute Cause under this Agreement.

Upon termination for Cause hereunder, the Executive shall be entitled to receive the Executive's Base Salary through the date of termination.

4.4 Voluntary Termination. The Executive may upon at least ninety (90) days prior written notice to the Company terminate employment hereunder.

(a) Upon a voluntary termination the Executive shall be entitled to receive the Executive's Base Salary through the date of termination other than for Good Reason.

(b) Upon a voluntary termination for Good Reason prior to the second anniversary of the Effective Date, the Executive shall be entitled to receive his Base Salary for the remaining duration of the Term and a pro rata portion of the bonus pursuant to the annual bonus program (as approved by the Compensation Committee of the Board of Directors of the Company) (the "Bonus Program") through the date of termination. Such bonus shall be paid to the Executive at the time bonuses are paid to other senior executive employees of the Company. Upon a voluntary termination for Good Reason on or after the second anniversary of the Effective Date, the Executive shall be entitled to receive his Base Salary and a pro rata portion of the bonus pursuant to the Bonus Program through the date of termination, for a period of twelve (12) months after the date of termination. Such bonus shall be paid to the Executive at the time bonuses are paid to other senior executive employees of the Company. For the length of

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the period for which payments are made after termination pursuant to this Section 4.4 (b), the Company shall arrange to provide the Executive with life, disability, accident and group health insurance benefits substantially similar to those, which the Executive was receiving immediately prior to the notice of termination. Benefits otherwise receivable by the Executive pursuant to this provision (b) shall be reduced to the extent comparable benefits are actually received by the Executive during the period following the Executive's termination, and any such benefits actually received by the Executive shall be reported to the Company.

The term "Good Reason" shall mean the requirement, without the Executive's consent, that he relocate or perform a significant portion of his duties under this Agreement outside a fifty (50) mile radius from Euless, Texas.

(c) In the event of a Change in Control, the

Executive shall have the right (by written notice to the Company within ten (10) business days of such Change in Control) to terminate his employment with the Company upon his election. In that event, the Executive shall be entitled to receive his Base Salary and a pro rata portion of the bonus pursuant to the Bonus Program through the date of termination, for a period of twelve (12) months after the date of termination. Such bonus shall be paid to the Executive at the time bonuses are paid to other senior executive employees of the Company. For the length of the period for which payments are made after termination pursuant to this Section 4.4(c), the Company shall arrange to provide the Executive with life, disability, accident and group health insurance benefits substantially similar to those, which the Executive was receiving immediately prior to the notice of termination. Benefits otherwise receivable by the Executive pursuant to this provision (c) shall be reduced to the extent comparable benefits are actually received by the Executive during the period following the Executive's termination, and any such benefits actually received by the Executive shall be reported to the Company.

The term "Change in Control" shall be as defined in Section 2 of the Stock Option Plan.

4.5 Termination by the Company Other Than For Cause.

(a) If the Company terminates the Executives employment for any reason other than Cause on or after the second anniversary of the Effective Date, the Company shall pay the Executive his Base Salary for a period of twelve (12) months from the date of Termination, and a pro rata portion of the bonus pursuant to the annual Bonus through the date of termination. Such bonus shall be paid to the Executive at the time bonuses are paid to other senior executive employees of the Company.

(b) For the length of the period for which payments are provided after any termination pursuant to this Section 4.5, the Company shall arrange to provide the Executive with life, disability, accident and group health insurance benefits substantially similar to those which the Executive was receiving immediately prior to the notice of termination. Benefits otherwise receivable by the Executive pursuant to this paragraph (b) shall be reduced to the extent comparable benefits are actually received by the Executive during the

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period following the Executive's termination, and any such benefits actually received by the Executive shall be reported to the Company.

(c) Nothing contained in this Section 4.5 shall prevent the Executive from receiving any and all benefits payable under any severance benefit plan or program maintained by the Company to which the Executive is entitled.

5. Restrictions and Obligations of the Executive.

5.1 Confidentiality. (a) During the course of the Executive's employment by the Company, the Executive will have access to certain trade secrets and confidential information relating to the Company, which is not readily available from sources outside the Company. The confidential and proprietary information and, in any material respect, trade secrets of the Company are among its most valuable assets, including but not limited to, its customer and vendor lists, database, engineering, computer programs, frameworks, models, its marketing programs, its sales, financial, marketing, training and technical information, and any other information, whether communicated orally, electronically, in writing or in other tangible forms concerning how the Company creates, develops, acquires or maintains its products and marketing plans, targets its potential customers and operates its retail and other businesses. The Company invested, and continues to invest, considerable amounts of time and money in its process, technology, know-how, obtaining and developing the goodwill of its customers, its other external relationships, its data systems and data bases, and all the information described above (hereinafter collectively referred to as "Confidential Information"), and any misappropriation or unauthorized disclosure of Confidential Information in any form would irreparably harm the Company. The Executive acknowledges that such Confidential Information constitutes valuable, highly confidential, special and unique property of the Company. The Executive shall hold in a fiduciary capacity for the benefit of the Company all Confidential Information relating to the Company and its business, which shall have been obtained by the Executive during the Executive's employment by the Company and which shall not be or become public knowledge (other than by acts by the Executive or representatives of the Executive in violation of this Agreement). Except as required by law or an order of a court or governmental agency with jurisdiction, the Executive shall not, during the period the Executive is employed by the Company or at any time thereafter, disclose any Confidential Information, directly or indirectly, to any person or entity for any reason or purpose whatsoever, nor shall the Executive use it in any way, except as necessary in the course of the Executive's employment with the Company. The Executive shall take all reasonable steps to safeguard the Confidential Information and to protect it against disclosure, misuse, espionage, loss and theft. The Executive understands and agrees that the Executive shall acquire no rights to any such Confidential Information.

(b) All files, records, documents, drawings, specifications, data, computer programs, evaluation mechanisms and analytics and similar items relating thereto or to the Business (for the purposes of this Agreement, "Business" shall be as defined in any non competition and confidentiality agreement that may be established between the Executive and the Company and/or Holdings), as well as all customer lists, specific customer information, compilations of product research and marketing techniques of the Company, whether prepared by the Executive or otherwise coming into the Executive's possession, shall remain the exclusive

property of the Company, and the Executive shall not remove any such items from the premises of the Company, except in furtherance of the Executive's duties under any employment agreement.

(c) It is understood that while employed by the Company the Executive will promptly disclose to it, and assign to it the Executive's interest in any invention, improvement or discovery made or conceived by the Executive, either alone or jointly with others, which arises out of the Executive's employment. At the Company's request and expense, the Executive will assist the Company during the period of the Executive's employment by the Company and thereafter in connection with any controversy or legal proceeding relating to such invention, improvement or discovery and in obtaining domestic and foreign patent or other protection covering the same.

(d) As requested by the Company from time to time and upon the termination of the Executive's employment with the Company for any reason, the Executive will promptly deliver to the Company all copies and embodiments, in whatever form, of all Confidential Information in the Executive's possession or within his control (including, but not limited to, memoranda, records, notes, plans, photographs, manuals, notebooks, documentation, program listings, flow charts, magnetic media, disks, diskettes, tapes and all other materials containing any Confidential Information) irrespective of the location or form of such material. If requested by the Company, the Executive will provide the Company with written confirmation that all such materials have been delivered to the Company as provided herein.

5.2 Non-Solicitation or Hire. During the Term and for a one (1) year period following the termination of the Executive's employment for any reason, the Executive shall not, (a) solicit, directly or indirectly, any party who is a customer of the Company or its subsidiaries, or who was a customer of the Company or its subsidiaries at any time during the twelve (12) month period immediately prior to the relevant date, for the purpose of marketing, selling or providing to any party any services or products offered by or available from the Company or its subsidiaries and relating to the Business (provided that if the Executive intends to solicit any such party for any other purpose, it shall notify the Company of such intention) or (b) employ or solicit, directly or indirectly, for employment any person who is an employee of the Company or any of its subsidiaries or who was an employee of the Company or any of its subsidiaries at any time during the twelve (12) month period immediately prior to any such solicitation or employment.

5.3 Non-Competition. The Executive shall be bound by the terms of any non-competition and confidentiality agreement that is established between the Executive and the Company and/or Holdings.

5.4 The Executive agrees not to engage in any act

that is intended, or may reasonably be expected to harm the reputation, business, prospects or operations of the Company, its officers, directors, stockholders or employees. The Company further agrees that it will engage in no act, which is intended, or may reasonably be expected to harm the reputation, business or prospects of the Executive.

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5.5 Property. The Executive acknowledges that all originals and copies of materials, records and documents generated by him or coming into his possession during his employment by the Company are the sole property of the Company ("Company Property"). During the Term, and at all times there after, the Executive shall not remove, or cause to be removed, from the premises of the Company, copies of any record, file, memorandum, document, computer related information or equipment, or any other item relating to the business of the Company, or any affiliate, except in furtherance of his duties under the Agreement. When the Executive terminates his employment with the Company, or upon request of the Company at any time, the Executive shall promptly deliver to the Company all copies of Company Property in his possession or control.

5.6 Work Product. The Executive agrees that all inventions, discoveries, systems, interfaces, protocols, concepts, formats, creations, developments, designs, programs, products, processes, investment strategies, materials, computer programs or software, data bases, improvements, or other properties related to the business of the Company or any of its affiliates, conceived, made or developed during the term of his employment with the Company, whether conceived by the Executive alone or working with others, and whether patentable or not (the "Work Product"), shall be owned by and belong exclusively to the Company. The Executive hereby assigns to the Company his entire rights to the Work Product and agrees to execute any documents and take any action reasonably requested by the Company to protect the rights of the Company in any Work Product. The Executive acknowledges that any copyrightable subject matter created by the Executive within the scope of his employment, whether containing or involving Confidential Information or not, is deemed a work-made-for-hire under Chapter 17 of the United States Code, entitled "Copyrights," as amended, and the Company shall be deemed the sole author and owner thereof for any purposes whatsoever. In the event of any unauthorized publication of any Confidential Information, the Company shall automatically own the copyright in such publication. Further, the Company shall automatically hold all patents and/or trademarks, if any, with respect to any Work Product.

5.7 Tax Withholding. The Company or other payor is authorized to withhold, from any benefit provided or payment due hereunder, the amount of withholding taxes due any federal, state or local authority in respect of such benefit or payment and to take such other action as may be necessary in the opinion of the Board of Directors of the Company to satisfy all obligations for the payment of such withholding taxes.

6. Other Provisions.

6.1. Notices. Any notice or other communication required or which may be given hereunder shall be in writing and shall be delivered personally, telegraphed, telexed, sent by facsimile transmission or sent by certified, registered or express mail, postage prepaid, and shall be deemed given when so delivered personally, telegraphed, telexed, or sent by facsimile transmission or, if mailed, four (4) days after the date of mailing, as follows:

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(a) If the Company, to:

Worldwide Flight Services, Inc.
1001 West Eules Boulevard
Suite 320
Eules, Texas 76040
Attention: Peter A. Pappas
Telephone: 817-665-3534
Fax: 817-665-3423

With a copy to:

WFS Holdings, Inc.
c/o Castle Harlan Partners III, L.P.
150 B. 58th Street
New York, NY 10155
Attention: Marcel Fournier
Telephone: (212) 644-8600
Fax: (212) 207-8042

(b) If the Executive, to his home address set forth in the records of the Company.

6.2 Entire Agreement. Except as provided in Sections 3.5, 3.6 and 5.3 hereof, this Agreement contains the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior agreements, written or oral, with respect thereto.

6.3 Representations and Warranties by Executive. The Executive represents and warrants that he is not a party to or subject to any restrictive covenants, legal restrictions or other agreements in favor of any entity or person which would in any way preclude, inhibit, impair or limit the Executive's ability to perform his obligations under this Agreement, including, but not limited to, non-competition agreements, non-solicitation agreements or

confidentiality agreements.

6.4 Waiver and Amendments. This Agreement may be amended, modified, superseded, canceled, renewed or extended, and the terms and conditions hereof may be waived, only by a written instrument signed by the parties or, in the case of a waiver, by the party waiving compliance. No delay on the part of any party in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any waiver on the part of any right, power or privilege hereunder, nor any single or partial exercise of any right, power or privilege hereunder, preclude any other or farther exercise thereof or the exercise of any other right, power or privilege hereunder.

6.5 Governing Law. This Agreement shall be governed and construed in accordance with the laws of the State of New York.

6.6 Assignability. This Agreement, and the Executive's rights and may not be assigned by the Executive. The Company may assign this Agreement and its rights,

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together with its obligations, to any other entity that will substantially carry on the business of the Company.

6.7 Counterparts. This Agreement may be executed in two (2) or more counterparts, each of which shall be deemed an original but all of which shall constitute one and the same instrument, and it shall not be necessary in making proof of this Agreement to produce or account for more than one such counterpart.

6.8 Headings. The headings in this Agreement are for convenience of reference only and shall not limit or otherwise affect the meaning of terms contained herein.

6.9 Remedies: Specific Performance. The parties hereto hereby acknowledge that the provisions of Section 5 are reasonable and necessary for the protection of the Company. In addition, the Executive further acknowledges that the Company will be irrevocably damaged if such covenants are not specifically enforced. Accordingly, the Executive agrees that, in addition to any other relief to which the Company may be entitled, the Company will be entitled to seek and obtain injunctive relief (without the requirement of any bond) from a court of competent jurisdiction for the purposes of restraining the Executive from any actual or threatened breach of such covenants. In addition, without limiting the Company's remedies for any breach of any restriction on the Executive set forth in Section 5, except as required by law, the Executive shall not be entitled to any payments set forth in Section 4 hereof if the Executive breaches any of the covenants applicable to the Executive contained in Section 5, the Executive will immediately return to the Company any such payments

previously received under Section 4.5 upon such a breach, and, in the event of such breach, the Company will have no obligation to pay any of the amounts that remain payable by the Company under Section 4.

6.10 Tax Gross-Up. In the event that any payment made to the Executive pursuant to this Agreement with the Company becomes subject to excise taxes under Section 4999 of the Internal Revenue Code of 1986, as amended (the "Code"), the Company will pay to the Executive the amount of such excise taxes plus all federal, state and local taxes applicable to the Company's payment of such excise taxes including any additional excise taxes due under Section 4999 of the Code with respect to payments made pursuant to this Agreement.

6.11 Severability. If any term, provision, covenant or restriction of this Agreement, or any part thereof, is held by a court of competent jurisdiction of any foreign, federal, state, county or local government or any other governmental, regulatory or administrative agency or authority to be invalid, void, unenforceable or against public policy for any reason, the remainder of the terms, provisions, covenants and restrictions of this Agreement shall remain in full force and effect and shall in no way be affected or impaired or invalidated. The Executive acknowledges that the restrictive covenants contained in Section 5 are a condition of this Agreement and are reasonable and valid in geographical and temporal scope and in all other respects.

6.12 Judicial Modification. If any court or arbitrator determines that any of the covenants in Section 5, or any part of any of them, is invalid or unenforceable, the remainder of such covenants and parts thereof shall not thereby be affected and shall be given

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full effect, without regard to the invalid portion. If any court or arbitrator determines that any of such covenants, or any part thereof, is invalid or unenforceable because of the geographic or temporal scope of such provision, such court or arbitrator shall reduce such scope to the minimum extent necessary to make such covenants valid and enforceable.

IN WITNESS WHEREOF, the parties hereto, intending to be legally bound hereby, have executed this Agreement as of the day and year first above mentioned.

EXECUTIVE

/s/ DAVID F. CHAVENSON

David F. Chavenson

WORLDWIDE FLIGHT SERVICES, INC.

By: /s/ PETER A. PAPPAS

Name: Peter A. Pappas
Title: Chairman and CEO

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EXECUTIVE EMPLOYMENT AGREEMENT

EMPLOYMENT AGREEMENT ("Agreement") dated as of June 1, 2000 (the "Effective Date") between Worldwide Flight Services, Inc., a Delaware corporation, together with its subsidiaries (the "Company") and Bradley G. Stanius (the "Executive").

WHEREAS, the parties wish to establish the terms of Executive's future employment with the Company.

Accordingly, the parties agree as follows:

1. Employment, Duties and Acceptance.

1.1 Employment by the Company. The Company shall employ the Executive effective as of June 1, 2000 (the "Effective Date") to render exclusive and full-time services to the Company. The Executive will serve in the capacity of Executive Chairman of the Company and shall serve as a member of the Board of Directors of the Company. The Executive will perform such duties as may be assigned to him from time to time by the Board of Directors of the Company. The Executive will devote all his full working-time and attention to the performance of such duties and to the promotion of the business and interests of the Company. This provision, however, will not prevent the Executive from investing his funds or assets in any form or manner, or from acting as a member of the board of directors of any companies, businesses, or charitable organizations, so long as such actions do not violate the provisions of Section 5 of this Agreement and are otherwise in accordance with the provisions of Section 3.6 of this Agreement.

1.2 Acceptance of Employment by the Executive. The Executive accepts such employment and shall render the services described above.

2. Duration of Employment.

Subject to Section 4 of this Agreement, (i) this Agreement and the employment relationship hereunder will continue in effect for two (2) years from the Effective Date (the "Initial Term") and (ii) the terms of this Agreement shall continue beyond the Initial Term in the following manner: starting with the day immediately after the first anniversary of the Effective Date and on each calendar day thereafter, the Term shall be automatically extended by one (1) day to always be not less than one (1) year (the "Extended Term") unless either party gives the other party written notice at least three (3) months prior to the expiration of the Initial Term or the date beyond which such Agreement shall not be extended. If such notice is given, the Initial Term or the Extended Term then in effect, as the case may be, shall not be extended.

Any extensions thereafter shall require a written contract or written amendment hereto. The Initial Term and any extended term are sometimes referred to in this Agreement as the "Term". In the event of the Executive's termination of employment during the Term, the Company's obligation to continue to pay all base salary, bonus and other benefits then accrued shall terminate except as may be provided for in Section 4 of this Agreement.

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3. Compensation by the Company.

3.1 Base Salary. As compensation for all services rendered pursuant to this Agreement, the Company will pay to the Executive an annual base salary ("Base Salary") of Four Hundred Thousand Dollars (\$400,000), subject to an upward adjustment by the Board of Directors of the Company, in its sole discretion of not less than 5% per annum, and payable in accordance with the payroll practices of the Company (the "Base Salary").

3.2. Bonus for Calendar Year 2000. (a) For calendar year 2000, the Executive shall be entitled to receive a bonus of \$500,000 to be accrued during the calendar year 2000, and paid during the calendar year 2001, when the Company is in full compliance after taking into account such accrual or payment, with all of the covenants ("Covenant Compliance") contained in (i) its credit facilities with Chase Manhattan Bank and DLJ Capital Funding, Inc., including without limitation, the Credit Agreement among WFS Holdings, Inc. ("Holdings"), the Company, the lenders party thereto, The Chase Manhattan Bank, as administrative agent and DLJ Capital Funding, Inc., as syndication agent, dated as of August 12, 1999 (as such Credit Agreement may have been amended to the date thereof) and (ii) the Indenture among the Company, the guarantors listed therein and the Bank of New York, as trustee, dated as of August 12, 1999 relating to the 12 1/4% senior notes due 2007 (as such Indenture may have been amended to the date thereof).

(b) For calendar year 2000, the Executive shall be entitled to receive an additional bonus of \$250,000 if, after accruing for such bonus, the Company is in Covenant Compliance and CHP III's investment in Holdings has achieved, after accruing for such bonus, a 30% IRR ("IRR") (as such term is defined in the WFS Holdings, Inc. 1999 Stock Option Plan) for calendar year 2000.

(c) For calendar year 2000, the Executive shall be entitled to receive an additional annual bonus (in addition to any bonus earned pursuant to subsections (a) and (b) of this Section 3.2) of \$10,000 for every 1% by which the IRR CHP III's investment in Holdings achieves, after accruing for such bonus, exceeds a 30% IRR, provided that the Company, after accruing for such bonus, is in Covenant Compliance for such calendar year. For example, if CHP III's investment in Holdings achieves a 35% IRR, the Executive shall be entitled to an additional bonus of \$50,000.

3.3. Bonus for Calendar Years After 2000. (a) For each calendar year after 2000, the Executive shall be entitled to receive an annual bonus of \$250,000 if the Company, at all times and after accruing for such bonus, is in Covenant Compliance for such calendar year.

(b) For each calendar year after 2000, the Executive shall be entitled to receive an additional annual bonus of \$250,000, if the Company, after accruing for such bonus, is in Covenant Compliance at all times during such calendar year and CHP III's investment in Holdings has achieved a 30% IRR.

(c) For each calendar year after 2000, the Executive shall be entitled to receive an additional annual bonus (in addition to any bonus earned pursuant to subsections (a)

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and (b) of this Section 3.3) of \$20,000 for every 1% by which the IRR CHP III's investment in Holdings achieves, after accruing for such bonus, exceeds a 30% IRR, provided that the Company, after accruing for such bonus, is in Covenant Compliance at all times during such calendar year. For example, if the CHP III's investment in Holdings achieves a 35% IRR, the Executive shall be entitled to an additional bonus of \$100,000.

3.4 Payment of Bonuses. Any bonuses earned by the Executive pursuant to Section 3.2 or 3.3 shall be paid by the Company as soon as practicable after the Compensation Committee of the Board of Directors of the Company determines that all conditions contained in this Section 3 relating to the bonuses have been met, provided, however, that if the payment of all or any portion of a bonus would cause the Company to fail to be in Covenant Compliance, the Company shall defer such payment until the payment of such bonus or portion of such bonus would not cause the Company to fail to be in Covenant Compliance. Any amounts, with regard to Sections 3.2 and 3.3, not accrued in the calendar year to which they relate, shall remain available and will be accrued in future calendar years, subject to the same conditions as above.

3.5 Bonus Upon Sale of Holdings. (a) If a sale of Holdings to a third party that is not an affiliate of Castle Harlan Partners III, L.P. ("CHP III") whether by sale of stock, sale of all or substantially all of the assets of Holdings or by merger (a "Realization Event") occurs before the first anniversary of the Effective Date, the Company shall pay to the Executive an amount equal to \$2 million.

(b) If a Realization Event occurs after the first anniversary of the Effective Date and CHP III receives a cash payment equal to or exceeding 2 times (2x) the amount which CHP III invested in Holdings (such multiple shall be referred to as the "Multiple"), the Company shall pay to the Executive an amount equal to: ((the Multiple x \$1 million) + \$500,000).

3.6 Contributions. During the Term, the Company shall pay the Executive up to twenty-five thousand dollars (\$25,000) per year solely for the purpose of the Executive to use the after-tax dollars remaining from such a payment for contributions to be made by the Executive.

3.7 Participation in Employee Benefit Plans. The Executive shall be permitted, during the Term, if and to the extent eligible, to participate in any group life, hospitalization or disability insurance plan, health program, pension plan or similar benefit plan of the Company, which may be available to other executives of the Company generally, on the same terms as such other executives. In addition, during the Term, the Company shall pay the premiums associated with the whole life insurance policy maintained by the Executive for the purpose of providing benefits upon the Executive's death equal to two times Base Salary.

3.8 Stock Options. Over a period of time of not less than three (3) years and provided the Executive remains employed by the Company, the Executive shall be allocated options under the WFS Holdings, Inc. 1999 Stock Option Plan (the "Stock Option Plan") for the purchase of up to thirty-seven thousand five hundred (37,500) shares of non-voting common stock of Holdings. All terms and conditions applicable to such stock options shall be

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governed by the provisions of the Stock Option Plan and any stock option agreements thereunder, as approved by the Compensation Committee of the Board of Directors of Holdings. The Company shall finance, with full recourse, the full exercise price of any Options that are exercised by the Executive one (1) day after the Options are vested, subject to mutually agreeable terms, with an interest rate equal to eight percent (8%) per annum, paid on a current basis; provided, however, if Holdings is sold to a third party that is not an affiliate of CHP III by a sale of Holdings' stock, sale of all or substantially all of Holdings' assets or by merger and the Executive has not been terminated by the Company for Cause and the Executive has not terminated his employment with the Company without Good Reason, any loan, with interest, from the Company to the Executive under this Section 3.8 shall be cancelled. If the Executive is terminated for Cause or has terminated his employment without Good Reason, the loan will be due within 15 days of such termination.

3.9 Purchase of Stock. For a period of one (1) month from the Effective Date, the Executive shall be provided with the opportunity to purchase 62,500 shares of voting common stock of Holdings, at the price of \$3.25 per share (the "Common Stock"). The Company shall finance, with full recourse, up to fifty percent (50%) of the purchase price of such Common Stock, subject to mutually agreeable terms, with an interest rate equal to eight percent (8%) per annum, paid on a current basis. The purchase of the Common Stock shall be subject to the Management Subscription Agreement and the Stock Buy-Back

Agreement between Holdings and the Executive, the Stockholders' Agreement among Holdings, the Executive and other stockholders of Holdings and the Voting Trust Agreement among Holdings, the Executive, other stockholders of Holdings and Leonard Harlan. Upon termination of the Executive's employment for any reason other than termination by the Company without Cause or by the Executive with Good Reason, the remaining balance on any outstanding loan under this Section 3.9 shall be paid by the Executive to the Company within fifteen (15) days of such termination. If the Executive's employment is terminated by the Company without Cause or the Executive terminates his employment with Good Reason, any loan under this Section 3.9 shall continue, provided, however, that the loan shall be paid by the Executive immediately upon a sale of Holdings to a third party that is not an affiliate of CHP III by a sale of Holdings' stock, sale of all or substantially all of Holdings' assets or by merger.

3.10 Car Allowance. The Executive shall be entitled to a monthly car allowance equal to \$(750).

3.11 Vacation. The Executive shall be entitled to twenty (20) business days of paid vacation per year.

3.12 Expense Reimbursement. During the Term, the Executive shall be entitled to receive prompt reimbursement of all reasonable out-of-pocket expenses properly incurred by him in connection with his duties under this Agreement, including reasonable expenses of entertainment and travel, provided that such expenses are properly approved, documented and reported in accordance with the policies and procedures of the Company applicable at the time the expenses are incurred.

3.13 Location and Commuting Expenses. For a period not to exceed eighteen (18) months from the Effective Date, the Company shall provide reimbursement to the

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Executive for (i) a furnished rental apartment in the Dallas/Fort Worth, Texas, area at a cost not to exceed Two Thousand Five Hundred Dollars (\$2,500) per month and (ii) travel to and from Forest Lake, Minnesota to Dallas/Fort Worth for the Executive or his family at a cost not to exceed Three Thousand Five Hundred Dollars (\$3,500) per month, with the Executive using his best reasonable efforts to coordinate personal travel with Company business related travel.

3.14 Relocation Package. The Company shall offer to the Executive a comprehensive relocation package (including, but not limited to, real estate fees and expenses on the sale and purchase of his residence) in the event that the Executive chooses to move from Minnesota to the Dallas/Fort Worth area.

4. Termination.

4.1 Termination Upon Death. If the Executive dies during the term hereof, the Executive's legal representatives shall be entitled to receive the Executive's Base Salary, as adjusted, and accrued bonus and unpaid vacation days for the period ending on the last day of the month in which the death of the Executive occurs.

4.2 Termination Upon Disability. If during the Term the Executive meets the requirements for physical or mental disability under the Company's long-term disability plan and is eligible to receive benefits thereunder, the Company may at any time prior to the Executive's recovery but after the last day of the sixth consecutive month of such disability, by written notice to the Executive, terminate the Executive's employment hereunder.

Additionally, in such event, the Executive (or his legal representatives) shall be entitled to receive the Executive's Base Salary, as adjusted, and accrued bonus and unpaid vacation days and other benefits for the period ending on the date such termination occurred. Nothing in this Section 4.2 shall be deemed to in any way affect the Executive's right to participate in any disability plan maintained by the Company and for which the Executive is otherwise eligible.

4.3 Termination for Cause. The Executive's employment hereunder may be terminated by the Company for "Cause" (as herein defined) at any time. "Cause" shall mean with respect to the Executive, (a) the Executive's continued failure to substantially perform the Executive's duties, (b) repeated acts of insubordination, or failure to execute Company plans and/or strategies, (c) acts of dishonesty resulting or intending to result in personal gain or enrichment at the expense of the Company, (d) conviction of, or pleading guilty or no contest to, a felony, all as determined by the Board of Directors of the Company in its reasonable judgment; (e) if the Executive engaged in a criminal act constituting a felony or (f) conduct, including with respect to non-Company matters, which is potentially materially adverse to the Company's business, reputation, character or standing, provided that, in the case of clauses (a) and (b), the Executive shall be entitled to written notice from the Company and twenty (20) days to cure such deficiency. Breach of this Agreement and to the extent that an Executive is subject to a non-competition and confidentiality agreement, breach of such non-competition and confidentiality agreement, shall constitute Cause under this Agreement.

Upon termination for Cause hereunder the Executive shall be entitled to receive the Executive's Base Salary, as adjusted, other benefits and pro rated bonus through the date of termination.

4.4 Voluntary Termination by the Executive. The Executive may upon at least thirty (30) days' prior written notice to the

Company terminate employment hereunder.

(a) Upon a voluntary termination for other than Good Reason, the Executive shall be entitled to receive the Executive's Base Salary, as adjusted, other benefits and pro rated bonus through the date of termination.

(b) Upon a voluntary termination for Good Reason (other than the Executive's election to terminate his employment following a Change in Control as provided in Section 4.5 hereof), the Executive shall be entitled to receive, (i) for a period of twelve months of such termination, his Base Salary, as adjusted, other benefits and accrued vacation days, (ii) a pro rated bonus to the date of termination and (iii) for the period of twelve months after such voluntary termination for Good Reason, the Company shall arrange to provide the Executive with life, disability, accident and group health insurance benefits substantially similar to those which the Executive was receiving immediately prior to the notice of termination. Benefits otherwise receivable by the Executive pursuant to this provision (iii) shall be reduced to the extent comparable benefits are actually received by the Executive during the period following the Executive's termination, and any such benefits actually received by the Executive shall be reported to the Company.

The term "Good Reason" shall mean (1) a reduction in Base Salary or any agreed upon benefit under this Agreement without the Executive's consent; provided, that the Company may at any time or from time to time amend, modify, suspend or terminate any bonus, incentive compensation or other benefit plan or program provided to the Executive for any reason and without the Executive's consent if such modification, suspension or termination is consistent with similarly situated senior executive employees of the Company or (2) a material adverse change in the Executive's responsibilities, position, duties, resources, personnel, reporting responsibilities or support assigned to the Executive without his or her prior consent.

4.5 Voluntary Termination by the Executive upon a Change in Control.

In the event of a Change in Control, the Executive shall have the right (by written notice to the Company within ten (10) business days of such Change in Control) to terminate his employment with the Company upon his election. In that event, the Executive shall be entitled to (a) receive for a period of twelve (12) months after such termination, his Base Salary, as adjusted, other benefits and accrued vacation days, (b) a pro rated bonus to the date of termination and (c) for the period of twelve (12) months after such voluntary termination upon a Change in Control, the Company shall arrange to provide the Executive with life, disability, accident and group health insurance benefits substantially similar to those which the Executive was receiving immediately prior to the notice of termination. Benefits otherwise receivable by the Executive pursuant to this provision (c) shall be reduced to the extent comparable benefits are actually received by the Executive during the period following the Executive's termination, and

any such benefits actually received by the Executive shall be reported to the Company. The term "Change in Control" shall be as defined in Section 2 of the Stock Option Plan.

4.6 Termination by the Company Other Than For Cause.

(a) If, prior to the expiration of this Agreement, the Company terminates the Executive's employment for any reason other than Cause, the Company shall pay to the Executive (i) his Base Salary, as adjusted and other benefits for the remaining duration of the Term and (ii) a pro rated bonus to the date of termination.

(b) For the period after any termination pursuant to this Section 4.6, the Company shall arrange to provide the Executive with life, disability, accident and group health insurance benefits substantially similar to those which the Executive was receiving immediately prior to the notice of termination. Benefits otherwise receivable by the Executive pursuant to this paragraph (b) shall be reduced to the extent comparable benefits are actually received by the Executive during the period following the Executive's termination, and any such benefits actually received by the Executive shall be reported to the Company.

(c) Nothing contained in this Section 4.6 shall prevent the Executive from receiving any and all benefits or bonus payable under any severance benefit plan or program maintained by the Company to which the Executive is entitled.

5. Restrictions and Obligations of the Executive.

5.1 Confidentiality. (a) During the course of the Executive's employment by the Company, the Executive will have access to certain trade secrets and confidential information relating to the Company which is not readily available from sources outside the Company. The confidential and proprietary information and, in any material respect, trade secrets of the Company are among its most valuable assets, including but not limited to, its customer and vendor lists, database, engineering, computer programs, frameworks, models, its marketing programs, its sales, financial, marketing, training and technical information, and any other information, whether communicated orally, electronically, in writing or in other tangible forms concerning how the Company creates, develops, acquires or maintains its products and marketing plans, targets its potential customers and operates its retail and other businesses. The Company invested, and continues to invest, considerable amounts of time and money in its process, technology, know-how, obtaining and developing the goodwill of its customers, its other external relationships, its data systems and data bases, and all the information described above (hereinafter collectively referred to as "Confidential Information"), and any

misappropriation or unauthorized disclosure of Confidential Information in any form would irreparably harm the Company. The Executive acknowledges that such Confidential Information constitutes valuable, highly confidential, special and unique property of the Company. The Executive shall hold in a fiduciary capacity for the benefit of the Company all Confidential Information relating to the Company and its business, which shall have been obtained by the Executive during the Executive's employment by the Company and which shall not be or become public knowledge (other than by acts by the Executive or representatives of the Executive in violation of this Agreement). Except as required by law or an order of a court or governmental agency with jurisdiction, the Executive shall not, during the period the Executive is employed by the

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Company or at any time thereafter, disclose any Confidential Information, directly or indirectly, to any person or entity for any reason or purpose whatsoever, nor shall the Executive use it in any way, except as necessary in the course of the Executive's employment with the Company. The Executive shall take all reasonable steps to safeguard the Confidential Information and to protect it against disclosure, misuse, espionage, loss and theft. The Executive understands and agrees that the Executive shall acquire no rights to any such Confidential Information.

(b) All files, records, documents, drawings, specifications, data, computer programs, evaluation mechanisms and analytics and similar items relating thereto or to the Business (for the purposes of this Agreement, "Business" shall be as defined in any non-competition and confidentiality agreement that may be established between the Executive and the Company and/or Holdings), as well as all customer lists, specific customer information, compilations of product research and marketing techniques of the Company, whether prepared by the Executive or otherwise coming into the Executive's possession, shall remain the exclusive property of the Company, and the Executive shall not remove any such items from the premises of the Company, except in furtherance of the Executive's duties under any employment agreement.

(c) It is understood that while employed by the Company the Executive will promptly disclose to it, and assign to it the Executive's interest in any invention, improvement or discovery made or conceived by the Executive, either alone or jointly with others, which arises out of the Executive's employment. At the Company's request and expense, the Executive will assist the Company during the period of the Executive's employment by the Company and thereafter in connection with any controversy or legal proceeding relating to such invention, improvement or discovery and in obtaining domestic and foreign patent or other protection covering the same.

(d) As requested by the Company from time to time and upon the termination of the Executive's employment with the Company for any reason, the Executive will promptly deliver to the Company all copies and

embodiments, in whatever form, of all Confidential Information in the Executive's possession or within his control (including, but not limited to, memoranda, records, notes, plans, photographs, manuals, notebooks, documentation, program listings, flow charts, magnetic media, disks, diskettes, tapes and all other materials containing any Confidential Information) irrespective of the location or form of such material. If requested by the Company, the Executive will provide the Company with written confirmation that all such materials have been delivered to the Company as provided herein.

5.2 Non-Solicitation or Hire. During the Term and for a three (3) year period following the termination of the Executive's employment for any reason, the Executive shall not, (a) solicit, directly or indirectly, any party who is a customer of the Company or its subsidiaries, or who was a customer of the Company or its subsidiaries at any time during the twelve (12) month period immediately prior to the relevant date, for the purpose of marketing, selling or providing to any party any services or products offered by or available from the Company or its subsidiaries and relating to the Business (provided that if the Executive intends to solicit any such party for any other purpose, it shall notify the Company of such intention) or (b) employ or solicit, directly or indirectly, for employment any person who is an employee of the Company or any of its subsidiaries or who was an employee of the

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Company or any of its subsidiaries at any time during the twelve (12) month period immediately prior to any such solicitation or employment.

5.3 Non-Competition. The Executive shall be bound by the terms of any non-competition and confidentiality agreement that may be established between the Executive and the Company and/or Holdings.

5.4 The Executive agrees not to engage in any act that is intended, or may reasonably be expected to harm the reputation, business, prospects or operations of the Company, its officers, directors, stockholders or employees. The Company further agrees that it will engage in no act which is intended, or may reasonably be expected to harm the reputation, business or prospects of the Executive.

5.5 Property. The Executive acknowledges that all originals and copies of materials, records and documents generated by him or coming into his possession during his employment by the Company are the sole property of the Company ("Company Property"). During the Term, and at all times thereafter, the Executive shall not remove, or cause to be removed, from the premises of the Company, copies of any record, file, memorandum, document, computer related information or equipment, or any other item relating to the business of the Company, or any affiliate, except in furtherance of his duties under the Agreement. When the Executive terminates his employment with the Company, or upon request of the Company at any time, the Executive shall

promptly deliver to the Company all copies of Company Property in his possession or control.

5.6 Work Product. The Executive agrees that all inventions, discoveries, systems, interfaces, protocols, concepts, formats, creations, developments, designs, programs, products, processes, investment strategies, materials, computer programs or software, data bases, improvements, or other properties related to the business of the Company or any of its affiliates, conceived, made or developed during the term of his employment with the Company, whether conceived by the Executive alone or working with others, and whether patentable or not (the "Work Product"), shall be owned by and belong exclusively to the Company. The Executive hereby assigns to the Company his entire rights to the Work Product and agrees to execute any documents and take any action reasonably requested by the Company to protect the rights of the Company in any Work Product. The Executive acknowledges that any copyrightable subject matter created by the Executive within the scope of his employment, whether containing or involving Confidential Information or not, is deemed a work-made-for-hire under Chapter 17 of the United States Code, entitled "Copyrights," as amended, and the Company shall be deemed the sole author and owner thereof for any purposes whatsoever. In the event of any unauthorized publication of any Confidential Information, the Company shall automatically own the copyright in such publication. Further, the Company shall automatically hold all patents and/or trademarks, if any, with respect to any Work Product.

5.7 Tax Withholding. The Company or other payor is authorized to withhold, from any benefit provided or payment due hereunder, the amount of withholding taxes due any federal, state or local authority in respect of such benefit or payment and to take such

other action as may be necessary in the opinion of the Board of Directors of the Company to satisfy all obligations for the payment of such withholding taxes.

6. Other Provisions.

6.1. Notices. Any notice or other communication required or which may be given hereunder shall be in writing and shall be delivered personally, telegraphed, telexed, sent by facsimile transmission or sent by certified, registered or express mail, postage prepaid, and shall be deemed given when so delivered personally, telegraphed, telexed, or sent by facsimile transmission or, if mailed, four (4) days after the date of mailing, as follows:

(a) If the Company, to:

Worldwide Flight Services, Inc.
1001 West Eules Boulevard

Suite 320
Eules, Texas 76040

Attention: Peter A. Pappas
Telephone: (817) 665-3234
Fax: (817) 665-3423

With a copy to:

WFS Holdings, Inc.
c/o Castle Harlan Partners III, L.P.
150 E. 58th Street
New York, NY 10155

Attention: Marcel Fournier
Telephone: (212) 644-8600
Fax: (212) 207-8042

and

Attention: Howard Weiss
Telephone: (212) 644-8600
Fax: (212) 759-0486

And a copy to:

Schulte Roth & Zabel LLP
900 Third Avenue
New York, NY 10022

Attention: Marc Weingarten, Esq.
Telephone: (212) 756-2000
Fax: (212) 593-5955

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(b) If the Executive, to his home address set forth in the records of the Company.

6.2 Entire Agreement. Except as provided in Sections 3.8, 3.9 and 5.3 hereof, this Agreement contains the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior agreements, written or oral, with respect thereto.

6.3 Representations and Warranties by Executive. The Executive represents and warrants that he is not a party to or subject to any restrictive covenants, legal restrictions or other agreements in favor of any entity or person which would in any way preclude, inhibit, impair or limit the

Executive's ability to perform his obligations under this Agreement, including, but not limited to, non-competition agreements, non-solicitation agreements or confidentiality agreements.

6.4 Waiver and Amendments. This Agreement may be amended, modified, superseded, canceled, renewed or extended, and the terms and conditions hereof may be waived, only by a written instrument signed by the parties or, in the case of a waiver, by the party waiving compliance. No delay on the part of any party in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any waiver on the part of any right, power or privilege hereunder, nor any single or partial exercise of any right, power or privilege hereunder, preclude any other or further exercise thereof or the exercise of any other right, power or privilege hereunder.

6.5 Governing Law. This Agreement shall be governed and construed in accordance with the laws of the State of New York applicable to agreements made and to be performed entirely within such state, without regard to conflicts of laws principles.

6.6 Assignability. This Agreement, and the Executive's rights and obligations hereunder, may not be assigned by the Executive. Subject to the Executive's rights under Section 4.5, the Company may assign this Agreement and its rights, together with its obligations, to any other entity which will substantially carry on the business of the Company.

6.7 Counterparts. This Agreement may be executed in two (2) or more counterparts, each of which shall be deemed an original but all of which shall constitute one and the same instrument, and it shall not be necessary in making proof of this Agreement to produce or account for more than one such counterpart.

6.8 Headings. The headings in this Agreement are for convenience of reference only and shall not limit or otherwise affect the meaning of terms contained herein.

6.9 Remedies; Specific Performance. The parties hereto hereby acknowledge that the provisions of Section 5 are reasonable and necessary for the protection of the Company. In addition, the Executive further acknowledges that the Company will be irrevocably damaged if such covenants are not specifically enforced. Accordingly, the Executive agrees that, in addition to any other relief to which the Company may be entitled, the Company

will be entitled to seek and obtain injunctive relief (without the requirement of any bond) from a court of competent jurisdiction for the purposes of restraining the Executive from any actual or threatened breach of such covenants. In addition, without limiting the Company's remedies for any breach

of any restriction on the Executive set forth in Section 5, except as required by law, the Executive shall not be entitled to any payments set forth in Section 4 hereof if the Executive breaches any of the covenants applicable to the Executive contained in Section 5, the Executive will immediately return to the Company any such payments previously received under Sections 4.4, 4.5 and 4.6 upon such a breach, and, in the event of such breach, the Company will have no obligation to pay any of the amounts that remain payable by the Company under Section 4.

6.10 Tax Gross-Up. In the event that any payment made to the Executive pursuant to this Agreement with the Company becomes subject to excise taxes under Section 4999 of the Internal Revenue Code of 1986, as amended (the "Code"), the Company will pay to the Executive the amount of such excise taxes plus all federal, state and local taxes applicable to the Company's payment of such excise taxes including any additional excise taxes due under Section 4999 of the Code with respect to payments made pursuant to this Agreement.

6.11 Severability. If any term, provision, covenant or restriction of this Agreement, or any part thereof, is held by a court of competent jurisdiction of any foreign, federal, state, county or local government or any other governmental, regulatory or administrative agency or authority to be invalid, void, unenforceable or against public policy for any reason, the remainder of the terms, provisions, covenants and restrictions of this Agreement shall remain in full force and effect and shall in no way be affected or impaired or invalidated. The Executive acknowledges that the restrictive covenants contained in Section 5 are a condition of this Agreement and are reasonable and valid in geographical and temporal scope and in all other respects.

6.12 Judicial Modification. If any court or arbitrator determines that any of the covenants in Section 5, or any part of any of them, is invalid or unenforceable, the remainder of such covenants and parts thereof shall not thereby be affected and shall be given full effect, without regard to the invalid portion. If any court or arbitrator determines that any of such covenants, or any part thereof, is invalid or unenforceable because of the geographic or temporal scope of such provision, such court or arbitrator shall reduce such scope to the minimum extent necessary to make such covenants valid and enforceable.

6.13 Attorney Fees. The prevailing party in any litigation between the Company and the Executive with respect to this Agreement shall be entitled to an award of the reasonable legal fees and disbursements incurred by such party with respect to third party claims.

legally bound hereby, have executed this Agreement as of the day and year first above mentioned.

EXECUTIVE

/s/ BRADLEY G. STANIUS

Bradley G. Stanius

WORLDWIDE FLIGHT SERVICES, INC.

By: /s/ MARCEL FOURNIER

Name: Marcel Fournier
Title:

By: /s/ LEONARD M. HARLAN

Name: Leonard M. Harlan
Title:

AMENDMENT NO. 2 dated as of August 14, 2000, to the

Credit Agreement dated as of August 12, 1999 (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement"), among WFS HOLDINGS, INC., a Delaware corporation ("Holdings"), WORLDWIDE FLIGHT SERVICES, INC., a Delaware corporation (the "Borrower"), the lenders party thereto (the "Lenders") and THE CHASE MANHATTAN BANK, a New York banking corporation, as administrative agent for the Lenders (in such capacity, the "Administrative Agent").

The Borrower has requested that certain provisions of the Credit Agreement be amended in the manner provided for in this Amendment, and the undersigned Lenders are willing to agree to such amendments as provided for in this Amendment.

Accordingly, on the terms and subject to the conditions set forth herein, the parties hereto hereby agree as follows:

SECTION 1. Defined Terms. Capitalized terms used and not defined herein shall have the meanings given to them in the Credit Agreement.

SECTION 2. Amendments. (a) Section 1.01 of the Credit Agreement is hereby amended by replacing the pricing grid included in the definition of "Applicable Rate" in its entirety with the following:

<TABLE>

<CAPTION>

Leverage Ratio: -----	ABR Spread -----	Eurodollar Spread -----
<S>	<C>	<C>
Category 1 >3.50 to 1.0	2.25%	3.25%
Category 2 >2.50 to 1.0 and < or equal to 3.50 to 1.0	1.75%	2.75%
Category 3 < or equal to 2.50 to 1.0	1.50%	2.50%

</TABLE>

(b) Section 1.01 of the Credit Agreement is hereby amended by inserting the following definitions in the appropriate alphabetical order:

"Eligible Foreign Currency" means either Belgian Francs, Euros, Hong Kong Dollars, French Francs, Spanish Pesetas or UK Sterling.

"Eligible Non-Dollar Accounts Receivable" means, as of any date of determination, the aggregate amount of Eligible Accounts Receivable as of such date that are denominated in an Eligible Foreign Currency. The amount of Eligible Non-Dollar Accounts Receivable as of any date of determination shall be expressed in dollars by converting the component amounts thereof from the applicable Eligible Foreign Currency to dollars at the applicable Spot Exchange Rate as of such date of determination.

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"Eligible Non-Dollar Accounts Value" means, as of any date of determination, the lesser of (a) 85% of the excess of (i) the aggregate amount of the Eligible Non-Dollar Accounts Receivable as of such date minus (ii) the Dilution Reserve with respect thereto, and (b) \$10,000,000.

"Non-Cash Charge" means any charge (or portion of a charge) that (a) does not involve a cash payment in the period that such charge is taken and does not consist of or require an accrual of or reserve for cash payments to be made in any future period and (b) does not involve the write down or writeoff of any current assets; provided that any write down or write off of the accounts receivable (in an aggregate amount of \$1,000,000) purchased by the Borrower from American Airlines in March, 1999, shall constitute a "Non-Cash Charge".

"Spot Exchange Rate" means, as of any date of determination, the rate at which a specified Eligible Foreign Currency may be exchanged into dollars as set forth in The Wall Street Journal published on such day (or, if The Wall Street Journal is not published on such day, then in The Wall Street Journal most recently published prior to such day).

(c) The definition of "Consolidated EBITDA" in Section 1.01 of the Credit Agreement is hereby amended as follows:

(i) by deleting the text "and" at the end of clause (iv);

(ii) by substituting the text "Non-Cash Charges" for the existing text "non-cash charges" in clause (v); and

(iii) by inserting the text "and (vi) the severance charge in the amount of approximately \$250,000 taken during the fiscal quarter ended March

31, 2000 and the restructuring charges (not exceeding \$7,675,000) announced in August 2000," after clause (v).

(d) The definition of "Eligible Accounts Receivable" in Section 1.01 of the Credit Agreement is hereby amended as follows:

(i) by inserting the text "or an Eligible Foreign Currency" after the existing text "such account is denominated in dollars" in clause (c); and

(ii) by inserting the text "(or in the ordinary course of business of a Foreign Subsidiary and assigned to the Borrower or a Subsidiary Loan Party)" after the existing text "in the ordinary course of business of the Borrower or a Subsidiary Loan Party" in clause (f).

(e) The definition of "Eligible Domestic Accounts Value" in Section 1.01 of the Credit Agreement is hereby amended to read in its entirety as follows:

"Eligible Domestic Accounts Value" means, as of any date of determination, the sum of (a) the excess of (i) the aggregate amount of the Eligible Accounts Receivable (excluding Foreign Accounts and excluding Accounts that are not denominated in dollars) as of such date, minus (ii) the Dilution Reserve with respect thereto, plus (b) the portion of the Eligible Non-

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Dollar Accounts Value as of such date that is not attributable to Foreign Accounts.

(f) The definition of "Eligible Foreign Accounts Value" in Section 1.01 of the Credit Agreement is hereby amended to read in its entirety as follows:

"Eligible Foreign Accounts Value" means, as of any date of determination, the lesser of (a) the sum of (i) the excess of (A) the aggregate amount of the Eligible Accounts Receivable (excluding Accounts that are not denominated in dollars) as of such date that are Foreign Accounts, minus (B) the Dilution Reserve with respect thereto, plus (ii) the portion of the Eligible Non-Dollar Accounts Value as of such date that is attributable to Foreign Accounts and (b) \$10,000,000.

(g) Clause (b) of Section 2.03 of the Credit Agreement is hereby amended by substituting the text "11:00 a.m., New York City time, on the date of the proposed Borrowing" for the existing text "12:00 (noon), New York City time, one Business Day before the date of the proposed Borrowing" following the text "(b) in the case of an ABR Borrowing, not later than".

(h) Clause (a) of Section 5.01 of the Credit Agreement is hereby amended by (a) substituting the text "Holdings' unaudited, and the Borrower's"

for the existing text "its" after the text "after the end of each fiscal year of Holdings or the Borrower, respectively," and (b) inserting the text "(in the case of the Borrower's financial statements)" after the existing text "for the previous fiscal year, all reported on".

(i) Section 6.15 of the Credit Agreement is hereby amended by adding the following sentence at the end of such Section:

For purposes of determining compliance with this Section, Capital Expenditures (or portions thereof) that are financed by incurring Indebtedness (including Capital Lease Obligations) permitted by clause (vi) of Section 6.01(a) shall be treated as Capital Expenditures in the amounts and during the periods that the principal of such Indebtedness (including payments of Capital Lease Obligations allocable to principal) is paid, instead of during the period incurred.

(j) The form of Borrowing Base Certificate attached to the Credit Agreement as Exhibit G is hereby replaced by the form of Borrowing Base Certificate attached to this Amendment as Exhibit G.

SECTION 3. Amendment Fee. In consideration of the agreements of the Lenders contained in this Amendment, the Borrower agrees to pay to the Administrative Agent, for the account of each Lender that delivers an executed counterpart of this Amendment on or prior to August 14, 2000, an amendment fee in an amount equal to 0.25% of such Lender's Revolving Commitment as of such date; provided that such fee shall not be payable unless and until this Amendment becomes effective as provided in Section 6 below.

SECTION 4. No Other Amendments; Confirmation. Except as expressly amended or waived hereby, the provisions of the Credit Agreement are and shall remain in full force and effect.

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SECTION 5. Representations and Warranties. Each of Holdings and the Borrower hereby represents and warrants to the Administrative Agent and the Lenders as of the date hereof that, after giving effect to the amendments provided for herein:

(a) No Default has occurred and is continuing.

(b) All representations and warranties of each of Holdings and the Borrower contained in the Credit Agreement (other than representations or warranties expressly made as of an earlier date) are true and correct in all material respects on and as of the date hereof with the same force and effect as if made on and as of the date hereof.

SECTION 6. Effectiveness. This Amendment shall become effective only

upon the receipt by the Administrative Agent (or its counsel) of counterparts hereof, duly executed and delivered by each of Holdings, the Borrower and Lenders having Revolving Commitments representing in the aggregate more than 66b% of the total Revolving Commitments.

SECTION 7. Expenses. The Borrower agrees to reimburse the Administrative Agent for its out-of-pocket expenses in connection with this Amendment, including the reasonable fees, charges and disbursements of Cravath, Swaine & Moore, counsel for the Administrative Agent.

SECTION 8. Governing Law; Counterparts. (a) This Amendment and the rights and obligations of the parties hereto shall be governed by, and construed and interpreted in accordance with, the laws of the State of New York.

(b) This Amendment may be executed by one or more of the parties hereto on any number of separate counterparts, and all of said counterparts taken together shall be deemed to constitute one and the same instrument.

This Amendment may be delivered by facsimile transmission of the relevant signature pages hereof.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed and delivered by their respective proper and duly authorized officers as of the day and year first above written.

WFS HOLDINGS, INC.,

By:

Name:
Title:

WORLDWIDE FLIGHT SERVICES, INC.,

By:

Name:
Title:

THE CHASE MANHATTAN BANK,
individually and as Administrative Agent,

By:

Name:
Title:

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