

CANADA
PROVINCE OF QUEBEC
DISTRICT OF MONTREAL
COURT No.: 500-11-039418-104

SUPERIOR COURT
Commercial Division

**IN THE MATTER OF THE JUDICIAL
REORGANIZATION PROCEEDINGS OF:**

COMPANÍA MEXICANA DE AVIACIÓN, S.A. DE C.V., a legal person incorporated under the laws of Mexico, having its head office at av. Xola 535 Col., Del Valle, Mexico D.F., Mexico 03100 and a place of business at 975 Romeo-Vachon Street North, Suite 413, Dorval, Quebec, H4Y 1H1

Debtor

– and –

SAMSON BÉLAIR/DELOITTE & TOUCHE INC., having a place of business at 1 Place Ville Marie, Suite 3000, Montreal, Quebec, H3B 4T9

Information Officer

TENTH INFORMATION OFFICER'S REPORT

INTRODUCTION

1. On August 2, 2010, *Compañía Mexicana de Aviación, S.A. de C.V.* (“**Mexicana**” or the “**Company**”) commenced proceedings under Mexico’s *Ley de Concursos Mercantiles* (“**Mexican Proceedings**”).
2. On August 2, 2010, Maru E. Johansen (the “**Foreign Representative**”) sought certain protections in the United States pursuant to Chapter 15 of Title 11 of the United States Bankruptcy Code (“**Bankruptcy Code**”). On August 3, 2010, the U.S. Bankruptcy Court granted an interim recognition order recognizing the Foreign Representative and the Mexican Proceedings as a foreign main proceeding pursuant to Chapter 15 of the U.S. Bankruptcy Code (“**Chapter 15 Proceedings**”).
3. On August 5, 2010, the Foreign Representative brought an application (the “**CCAA Proceedings**”) before the Canadian Court pursuant to Part IV of the *Companies’ Creditors Arrangement Act*, R.S.C. 195, c. C-36, as amended (“**CCAA**”), and obtained an order (the “**Canadian Recognition Order**”), which among other things: (i) recognized the Mexican Proceedings as a “foreign main proceedings”; (ii) recognized Maru E. Johansen as a foreign

representative as defined in section 45 of the amended CCAA; (iii) granted a stay of proceedings against the Company until November 10, 2010; (iv) appointed Samson Bélair/Deloitte & Touche Inc. ("**Deloitte**") as Information Officer; and (v) declared an administrative charge of \$250,000.

4. On November 5, 2010, in accordance with the Canadian Recognition Order of August 5, 2010, the Information Officer filed a First Report to the Court. A copy of the First Report was made available on the Information Officer's website.
5. On November 10, 2010, Mexicana obtained an interim first stay of period extension order (the "**Interim First Stay Extension Order**") until November 16, 2010. A copy of the Interim First Stay Extension Order was made available on the Information Officer's website.
6. On November 16, 2010, in accordance with the Canadian Recognition Order of August 5, 2010, the Information Officer filed a Second Report to the Court. A copy of the Second Report was made available on the Information Officer's website.
7. On November 16, 2010, Mexicana obtained a first stay of period extension order (the "**First Stay Extension Order**") until January 14, 2011. A copy of the First Stay Extension Order was made available on the Information Officer's website.
8. On January 13, 2011, Mexicana obtained a second stay of period extension order (the "**Second Extension Order**") until April 15, 2011. A copy of the Second Extension Order was made available on the Information Officer's website.
9. On April 14, 2011, Mexicana obtained a third stay of period extension order (the "**Third Extension Order**") until July 15, 2011. A copy of the Third Extension Order was made available on the Information Officer's website.
10. On July 8, 2011, Mexicana obtained a fourth stay of period extension order (the "**Fourth Extension Order**") until September 20, 2011. A copy of the Fourth Extension Order was made available on the Information Officer's website.
11. On July 27, 2011, the Mexican Court overseeing the Mexican Proceedings suspended, temporarily, the 90-day stay period. Consequently, a Sixth Report was filed and was made available on the Information Officer's website.
12. On September 20, 2011, Mexicana obtained a fifth stay of period extension order (the "**Fifth Extension Order**") until November 30, 2011. A copy of the Fifth Extension Order was made available on the Information Officer's website.
13. On November 28, 2011, Mexicana obtained a sixth stay of period extension order (the "**Sixth Extension Order**") until February 20, 2012. A copy of the Sixth Extension Order was made available on the Information Officer's website.
14. On February 15, 2012, Mexicana obtained a seventh stay of period extension order (the "**Seventh Extension Order**") until May 21, 2012. A copy of the Seventh Extension Order was made available on the Information Officer's website.

15. The Canadian Recognition Order requires that the Information Officer deliver a report to the Court at such times and intervals as it deems appropriate and, in any event, at least once every three months on the status of the proceedings, the foreign proceedings and such other information that the Information Officer deem to be material. This report is filed pursuant to the requirements of the Canadian Recognition Order.
16. This tenth report of the Information Officer (the “**Tenth Report**”) has been prepared in view of providing the Canadian Court with information on the status of the Mexican Proceedings. The purpose of this Tenth Report is to provide the Canadian Court and Mexicana’s stakeholders with an update on the Mexican Proceedings since the filing of the Information Officer’s Ninth Report. This Tenth Report is to be read in conjunction with the First Report, the Second Report, the Third Report, the Fourth Report, the Fifth Report, the Sixth Report, the Seventh Report, the Eighth Report and the Ninth Report of the Information Officer.

TERMS OF REFERENCE

17. In preparing the Tenth Report, Deloitte has relied upon unaudited financial information, the Company’s books and records, financial information prepared by the Company and its advisors, discussions with management of Mexicana and its representatives and advisors. In addition, Deloitte has reviewed the publicly available information filed in the Mexican Proceedings and the CCAA Proceedings. Deloitte has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the information and, accordingly, Deloitte expresses no opinion or other form of assurance on the information contained in this report.
18. Some of the information referred to in this Tenth Report may consist of or include forecasts and/or projections. An examination or review of financial forecasts and projections, as outlined in the Canadian Institute of Chartered Accountants Handbook, has not been performed. Readers are cautioned that since projections are based upon assumptions about future events and conditions that are not ascertainable, actual results will vary from the projections, even if the assumptions materialize, and the variations could be significant.
19. Deloitte has requested that Mexicana bring to its attention any significant matters that were not addressed in the course of its specific inquiries. Accordingly, this Tenth Report is based solely on the information (financial or otherwise) made available to Deloitte.
20. All references to dollars in this Tenth Report are in Canadian currency unless otherwise noted. Capitalized terms not defined in this Tenth Report are defined in the Initial Order, the Gonzales Affidavit, the First Report, the Second Report, the Third Report, the Fourth Report, the Fifth Report, the Sixth Report, the Seventh Report, the Eighth Report or the Ninth Report.

UPDATE ON THE MEXICAN PROCEEDINGS

21. On November 14, 2011, the Mexican Court rendered an order to establish an expiration date for Mexicana to conclude a transaction with a potential investor. As a consequence, the expiration date for Mexicana to restructure its operations had been extended to February 10, 2012.

22. As mentioned in the Ninth Report, on February 8, 2012, the Mexican Court announced it has temporarily suspended the expiration date for Mexicana to conclude a transaction with a potential investor. The suspension was to allow, amongst others, Group Med Atlantica to demonstrate to the Mexican Court that the funds were deposited.
23. On May 11, 2012, Mexicana issued a press release confirming that a signed agreement has been reached between Group Med Atlantica and Tenedora K in regard to the transfer of Mexicana's shares. As a result, Group Med Atlantica is now the new owner of the shares of Mexicana. The Information Officer has not been provided with a copy of the signed agreement. A copy of the press release is attached as Appendix A.
24. According to the Foreign Representative, the next important milestone in Mexicana's restructuring, in addition to resuming operations, is the filing to the Mexican Court of the debt reduction agreements.
25. Although Mexicana has yet to provide the Information Officer with the debt reduction agreements as mentioned in the Ninth Report, or any documentation in that regard, the Company's representatives have indicated that the foreign creditors should receive equal treatment. The Information Officer will report on the treatment of Canadian creditors as soon as the information is provided by Mexicana.
26. Mexicana was not able to confirm that it presently has the financial capabilities to pay the Post-filing debt and ongoing costs. Mexicana was not able to advise the Information Officer that the Company is processing payments to suppliers presently, providing post-filing goods and services.

ACTIVITIES OF THE INFORMATION OFFICER

27. Since August 5, 2010, the Information Officer's activities have included:
 - Reviewing the draft materials for the CCAA Proceedings and communicating with Mexicana's Canadian counsel, BLG, regarding same;
 - Posting a copy of the Court-filed documents in these CCAA Proceedings to the Information Officer's website at <http://www.deloitte.com/ca/mexicana-airlines>;
 - Various discussions and correspondence with BLG;
 - Responding to inquiries of Mexicana's stakeholders;
 - Preparing and mailing a notice to creditors entitled *Supplemental Disclosure Regarding the Credit Recognition Application Process*;
 - Preparing and updating the service list and posting same to the Information Officer's website;
 - Participating in conference calls with management of the Company, BLG, the Foreign Representative and the Company's management and advisors to discuss matters relevant to the Mexican Proceedings and CCAA Proceedings;

- Preparing the Information Officer's reports and communicating with BLG regarding the same; and
- Attending at Court hearings.

CONCLUSION

28. Since the Company was not able to provide the Information Officer with any financial information, the Information Officer is not in a position to conclude on the financial and liquidity situation of the Company.
29. The Company notified the Information Officer of its intention to request a further extension of the Stay Period until August 20, 2012 or for an indefinite time period ending ten (10) days following the new termination date to be established by the Mexican Court, to allow the Company to conclude a transaction.

The Information Officer respectfully submits to the Court, this, its Tenth Report.

DATED AT MONTREAL, this 15th day of May, 2012.

SAMSON BÉLAIR/DELOITTE & TOUCHE INC.

In its capacity as Information Officer of Compañía Mexicana De Aviación, S.A. de C.V.

Per:



Pierre Laporte, CA, CIRP
President



Jean-François Nadon, CA, CIRP
Senior Vice-President

Appendix A

TRANSFER OF MEXICANA'S SHARES IS COMPLETED

- Shares transferred to MED Atlántica

México City, May 11, 2012. - Mexicana Airlines announced that the Eleventh District Judge for Civil Proceedings, Felipe Consuelo Soto, informed that today 95% shares of Nuevo Grupo Aeronáutico (NGA) have been formally transferred to the investment group MED Atlántica. This is the result of negotiations and agreements which have been taking place between the Investment Group and Tenedora K, former holder of the majority of the shares. Similarly, the 5% of the shares held by the pilots union, Asociación Sindical de Pilotos Aviadores de México (ASPA), is being transferred to the Investment Group through a process that will automatically start a sale-purchase transaction.

Accordingly, Med Atlántica, effective today, becomes the owner of 100% of NGA's shares, the parent company of Mexicana Airlines and other affiliates.