

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

FIFTH 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 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 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**”). 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**”). A copy of the Third Extension Order is attached in Exhibit “A”. A copy of the Third Extension Order was made available on the Information Officer’s website.
10. 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.
11. This fifth report of the Information Officer (the “**Fifth Report**”) has been prepared in connection with the Company’s motion to be heard on July 8, 2011, in which it is seeking an extension of the time under the Canadian Recognition Order (the “**Fourth Extension Motion**”). The purpose of this Fifth Report is to provide the Canadian Court and Mexicana’s stakeholders with an update on the Mexican Proceedings and the Chapter 15 Proceedings since the filing of the Information Officer’s Fourth Report. This Fifth Report is to be read in conjunction with the First Report, the Second Report, the Third Report and the Fourth Report of the Information Officer.

TERMS OF REFERENCE

12. In preparing the Fifth 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.

13. Some of the information referred to in this Fifth 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.
14. 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 Fifth Report is based solely on the information (financial or otherwise) made available to Deloitte.
15. All references to dollars in this Fifth Report are in Canadian currency unless otherwise noted. Capitalized terms not defined in this Fifth Report are defined in the Initial Order, in the Gonzales Affidavit, in the First Report, in the Second Report, in the Third Report or in the Fourth Report.

UPDATE ON MEXICAN PROCEEDINGS

16. As described in the Fourth Report, in the beginning of March 2011, after Mexicana and PC Capital failed to conclude a transaction, in an effort of attracting new investors that could be interested in taking over Mexicana's operations, the Conciliador re-opened the bidding process to all other potential interested parties.
17. On March 9, 2011, few days after the bidding process was re-opened, Mexicana announced by press release that it had received six official offers. The interested parties were: TG Group, BMC, Avanza Capital, Ivan Barona, Ahcore Int'l and Logistica International.
18. On May 27, 2011, Mexicana issued a press release (Exhibit "B") declaring that Avanza Capital, Ivan Barona and Altus Prot, a new interested party, (collectively "The Revised Final Potential Investors") had expressed an interest in participating in the recapitalization of the Company and had already submitted the required documentation, and that their proposals would undergo an exhaustive evaluation. It is also declared in the press release that notwithstanding, the deadline for the reception of proposals from the Final Potential Investors had been extended a few days to allow TG Group to submit all required information.
19. Management of the Company advised the Information Officer that TG Group has not yet supplied all required information for its proposal to be considered.
20. Management of the Company advised the Information Officer that the final selection process of the Revised Final Potential Investors should be completed in the coming weeks.
21. As mentioned in our Fourth Report, Mexicana advised the Information Officer that the new investor would have to largely adopt the business plan previously elaborated with PC Capital which, amongst other things, includes the agreements that have been reached with its three unions, namely, pilots, flight attendants and ground personnel, concerning new collective agreements.

22. The Information Officer has requested from the Company that it be provided with a copy of the remaining Revised Final Potential Investors' proposals. The Company has advised that it could not provide a copy of these proposals as a result of a confidentiality clause contained in such document, until such time as a formal agreement has been reached. Therefore, the Information Officer has not been able to review any agreements or correspondence regarding these proposals. Moreover, the Information Officer was not provided with any of the proposed financial terms.
23. In addition, Mexicana advised the Information Officer that the Company has scheduled station certification re-inspections during the current and next weeks in seven (7) airports from which it operates in Mexico, Central America and the United States in order to comply with the requirements of the U.S. Federal Aviation Administration and its Mexican counterpart, the Dirección General de Aeronáutica Civil (DGAC).
24. Mexicana advised the Information Officer that the Company plans to schedule similar station certification inspections for Canadian cities it historically served in late fall, assuming the current business plan is put forward.
25. The situation regarding the Post-filing debt remains unchanged since the filing of the Information Officer's Fourth Report. Moreover, Mexicana was not able to confirm that it presently has the financial capabilities to pay the Post-filing debt and ongoing costs. Mexicana advised the Information Officer that Mexicana is processing payments to suppliers presently, providing post-filing goods and services.
26. The stay period under Mexican Proceedings expires on August 10, 2011. Mexicana has advised the Information Officer that it would seek an additional 90-day stay of period extension in the beginning of August 2011.

ACTIVITIES OF THE INFORMATION OFFICER

27. Since the date of the First Report, the Information Officer's activities have included:
 - Reviewing the draft materials for the CCAA Proceedings and communicating with Mexicana's Canadian counsel, Borden Ladner Gervais ("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 September 15, 2011 to allow the Company to conclude a transaction with one of the Revised Final Potential Investors.

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

DATED AT MONTREAL, this 7th day
of July, 2011.

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

Exhibit A

SUPERIOR COURT
(Commercial Division)

CANADA
PROVINCE OF QUEBEC
DISTRICT OF MONTREAL

No: 500-11-039418-104

DATE: APRIL 14, 2011

PRESIDING: THE HONOURABLE CLAUDE AUCLAIR, J.S.C.

IN THE MATTER OF THE JUDICIAL REORGANIZATION PROCEEDINGS OF:

COMPANIA MEXICANA DE AVIACION, S.A. DE C.V.

Insolvent Debtor

And

MARU E. JOHANSEN

Foreign Representative / Petitioner

And

SAMSON BELAIR DELOITTE & TOUCHE INC.

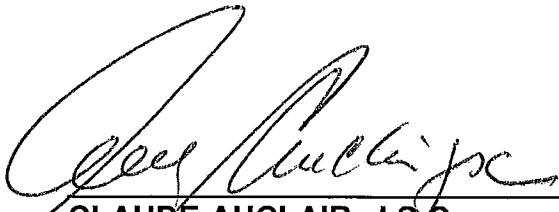
Information Officer

THIRD STAY PERIOD EXTENSION ORDER
(TO JULY 15, 2011)

- [1] **CONSIDERING** the Foreign Representative / Petitioner's *Third Motion for the extension of the Stay Period* dated April 7, 2011;
- [2] **CONSIDERING** the affidavit of Maru E. Johansen dated April 7, 2011, and the exhibits produced in support of said motion;
- [3] **CONSIDERING** the representations of the attorneys for the Foreign Representative / Petitioner;
- [4] **GIVEN** the provisions of the *Companies' Creditors Arrangement Act*, R.S.C., 1985, c. C-36, as amended;

THE COURT:

- [5] **GRANTS** the *Third Motion for the extension of the Stay Period*;
- [6] **EXTENDS** the Stay Period (as defined in the Order on a Motion for recognition of Foreign Proceedings rendered by this court in this matter on August 5th, 2010, as amended) until July 15, 2011, the whole subject to all the other terms thereof;
- [7] **ORDERS** that the present order shall be executory notwithstanding appeal;
- [8] **THE WHOLE WITHOUT COSTS.**



CLAUDE AUCLAIR, J.S.C.

Me Mathieu Lévesque and
Me Simon-Luc Dallaire
BORDEN LADNER GERVAIS s.e.n.c.r.l., l.l.p.
Attorneys for Foreign Representative / Petitioner

Hearing Date : April 14, 2011

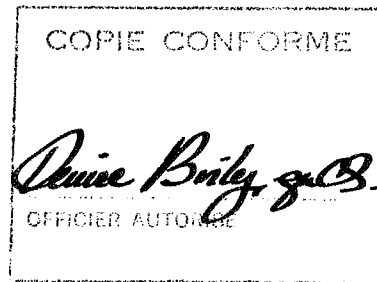


Exhibit B



Xola 535, Col. del Valle
México, D.F. 03100

Mexicana Airlines Reports on Status of Investor Assessment Process

Mexico City, May 27, 2011. According to the conciliator appointed to oversee the restructuring of Mexicana Airlines, three groups —Avanza Capital, Ivan Barona and Altus Prot— have expressed an interest in participating in the recapitalization of the airline and have already submitted the required information.

The restructuring proposals presented by these three groups will go on to the next stage of the process, during which they will undergo an exhaustive evaluation.

Notwithstanding, the deadline for the reception of proposals has been extended a few days to give TG Group —which has said on several occasions that it is still interested in taking part in the process— a chance to submit the required documentation.

This is in keeping with the initial extension granted under Mexico's bankruptcy laws, which stipulate that this stage of the process must be completed by August 5, 2011, and is indicative of the responsible, transparent manner in which the process has been conducted in general.

The group chosen to capitalize the company will be obliged to meet certain regulatory requirements before it can be certified as an airline operator, pursuant to the provisions of the Civil Aeronautics Law and its regulations.

We would like to assure you that management is working round the clock to make an informed decision in the interests of its employees, the airline and Mexico's commercial aviation industry.

PRESS RELEASE