

BALANCE SHEET

As At: December 31, 2005
 Schedule B-1

Air Carrier: Hawaiian Airlines
 Operation : Domestic HAD

ACCT#	DESCRIPTION	AMOUNT

	ASSETS	
	CURRENT ASSETS	
1010	Cash	23,483,996
1100	Short-Term Investments	173,832,633
1200	Notes Receivable	0
1270	Accounts Receivable	36,676,173
1290	Less Allow. for Bad Debts	1,397,473
1299	Net Notes & Accounts Receivable	35,278,700
1399	Net Spare Parts & Supplies	14,577,538
1410	Prepaid Items	21,171,711
1420	Other Current Assets	9,767,603
1499	Total Current Assets	278,112,181
	INVESTMENTS IN SPECIAL FUNDS	
1510	Inv. in Associated Companies	586,655
1530	Other Investments & Receivables	32,987
1550	Special Funds	5,710,647
1599	Total Inv. & Special Funds	6,330,289
	OPERATING PROPERTY & EQUIPMENT	
1609	Flight Equipment	11,074,552
1649	Ground-Property and Equipment	33,882,122
1668	Less Allowance for Depreciation	5,473,336
1675	Property & Equipment - Net	39,483,338
1679	Land	0
1685	Purchase Dep. & Adv. Payments	0
1689	Construction Work-in-progress	8,752,053
1695	Leased Property - Cap. Leases	3,319,169
1696	Accum. Amort. Capital Leases	277,788
1699	Total Oper. Prop. & Equipment	51,276,772
1791	NONOPERATING PROP. & EQUIPMENT	0
1792	Less Allow. for Depr. - Nonop.	0
1799	Net Nonoperating Prop. & Eqmt.	0
	OTHER ASSETS	
1820	Long-term Prepayments	17,881,846
1830	Unamort. Dev. & Preop. Costs	3,370,335
1890	Other Assets and Def. Charges	298,530,524
1895	Total Other Assets	319,782,705
1899	TOTAL ASSETS	655,501,947

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LIABILITIES & STOCKHOLDERS' EQ.		
CURRENT LIABILITIES		
2000	Curr. Maturities of L-T Debt	12,833,884
2005	Notes Payable - Banks	0
2015	Notes Payable - Others	0
2021	Trade Accts. Payable	37,969,241
2025	Accts. Payable - Other	0
2080	Curr. Oblig. Under Cap. Leases	230,556
2110	Accrued Salaries & Wages	13,110,936
2120	Accrued Vacation Pay	14,848,545
2125	Accrued Interest	255,263
2130	Accrued Taxes	13,897,483
2140	Dividends Declared	0
2160	Air Traffic Liability	130,772,594
2190	Other Current Liabilities	51,933,445
2199	Total Current Liabilities	275,851,947
NONCURRENT LIABILITIES		
2210	Long-term Debt	58,530,256
2240	Advances from Assoc. Companies	43,427,579
2250	Pension Liability	138,333,669
2280	Noncurrent Obgl.-Capital Leases	923,170
2290	Other Noncurrent Liabilities	115,513,632
2299	Total Noncurrent Liabilities	356,728,306
DEFERRED CREDITS		
2340	Deferred Income Taxes	9,268,592
2345	Deferred Investment Tax Credits	0
2390	Other Deferred Credits	0
2399	Total Deferred Credits	9,268,592
STOCKHOLDERS' EQUITY		
2820	Preferred Shares Issued	0
2840	Common Shares Issued	0
2860	Subscribed & Unissued	0
2869	Total Capital Stock	0
2890	Additional Capital Invested	19,082,362
2899	Total Paid in Capital	19,082,362
2900	Retained Earnings	-5,429,260
2959	Total Stockholders' Equity	13,653,102
2990	Less Treasury Stock	0
2995	Net Stockholders' Equity	13,653,102
2999	Total Liab. & Stockholders' Eq.	655,501,947
2820A	No. of Preferred Shares Issued	0
2840A	No. of Common Shares Issued	0

STATEMENT OF CASH FLOWS

Cash Flows From Operating Activities:	
Net Loss.....	\$ (11,533)
Adjustments to reconcile net loss to net cash provided by operating activities:	
Depreciation	2,576
Amortization	5,097
Stock compensation.....	1,059
Amortization of debt discounts and issuance costs.....	513
Net periodic postretirement benefit cost	605
Other operating assets and liabilities, net.....	(928)
Increase in intercompany receivable.....	-
Increase in restricted cash.....	-
Decrease in accounts receivable	18,652
Increase in inventory.....	(986)
Decrease in prepaid expenses and other	7,432
Decrease in long term prepaid assets.....	
Decrease in accounts payable.....	(2,209)
Decrease in air traffic liability.....	(14,816)
Decrease in due (to) from related parties.....	(7,927)
Decrease in accrued liabilities.....	(1,000)
Other assets and liabilities, net.....	4,272
Net cash provided by operating activities.....	<u>807</u>
Cash Flows From Investing Activities:	
Purchases of property and equipment	(3,225)
Net cash used in investing activities	<u>(3,225)</u>
Cash Flows From Financing Activities:	
Repayments of long-term debt and capital lease obligations.....	(3,218)
Net cash used in financing activities	<u>(3,218)</u>
Net increase in cash and cash equivalents.....	<u>(5,636)</u>
Cash and Cash Equivalents - Beginning of Period	<u>202,952</u>
Cash and Cash Equivalents - End of Period	<u>\$ 197,316</u>