



REPORT OF FINANCIAL AND OPERATING STATISTICS FOR LARGE CERTIFICATED AIR CARRIERS

Period ended June 30, 2005

Independence Air
(Full name of reporting airline)

CERTIFICATION

I, the undersigned VP Financial Planning and Controller
(Title of officer in charge of accounts)

of Atlantic Coast Airlines, do certify that this report and all schedules, ADP-media submissions, Passenger Origin-Destination Survey submissions and supporting documents which are submitted herewith or have been submitted heretofore as parts of this report filed for the above indicated period have been prepared under my direction; that I have carefully examined them and declare that they correctly reflect the accounts and records of the company, and to the best of my knowledge and belief are a complete and accurate statement, after adjustments to reflect full accruals, of the operating revenues and expenses, income items, assets, liabilities, capital, retained earnings, and operating statistics for the periods reported in the several schedules, the Schedule T-100 ADP-media submissions, and the Passenger Origin-Destination Survey; that the various items herein reported were determined in accordance with the Uniform System of Accounts and Reports for Large Certificated Air Carriers prescribed by the Department of Transportation; and that the data contained herein are reported on a basis consistent with that of the preceding report except as specifically noted in the financial and statistical statements.

David W. Asai
(Signature)

Atlantic Coast Airlines Inc
45200 Business Court
Dulles, VA 20164

Dated _____,

* Title 18 U.S.C. Sec. 1001, Crimes and Criminal Procedure, makes it a criminal offence subject to a maximum fine of \$10,000 or imprisonment for not more than 5 years, or both, to knowingly and willfully make or cause to be made any false or fraudulent statements or representations in any matter within jurisdiction of any agency of the United States.

BALANCE SHEET

As At: June 30, 2005
 Schedule B-1
 ACCT# DESCRIPTION

Air Carrier: Independence
 Operation : Domestic DHD

AMOUNT

ACCT#	DESCRIPTION	AMOUNT
ASSETS		
CURRENT ASSETS		
1010	Cash	19,285,173
1100	Short-Term Investments	45,600,000
1200	Notes Receivable	0
1270	Accounts Receivable	111,268,091
1290	Less Allow. for Bad Debts	4,028,298
1299	Net Notes & Accounts Receivable	107,239,793
1399	Net Spare Parts & Supplies	13,937,512
1410	Prepaid Items	43,548,567
1420	Other Current Assets	51,074,260
1499	Total Current Assets	280,685,305
INVESTMENTS IN SPECIAL FUNDS		
1510	Inv. in Associated Companies	0
1530	Other Investments & Receivables	0
1550	Special Funds	19,756,358
1599	Total Inv. & Special Funds	19,756,358
OPERATING PROPERTY & EQUIPMENT		
1609	Flight Equipment	233,564,699
1649	Ground-Property and Equipment	74,462,946
1668	Less Allowance for Depreciation	138,694,844
1675	Property & Equipment - Net	169,332,801
1679	Land	0
1685	Purchase Dep. & Adv. Payments	0
1689	Construction Work-in-progress	27,718
1695	Leased Property - Cap. Leases	3,469,630
1696	Accum. Amort. Capital Leases	991,084
1699	Total Oper. Prop. & Equipment	171,839,065
NONOPERATING PROP. & EQUIPMENT		
1791	NONOPERATING PROP. & EQUIPMENT	12,311,328
1792	Less Allow. for Depr. - Nonop.	0
1799	Net Nonoperating Prop. & Eqmt.	12,311,328
OTHER ASSETS		
1820	Long-term Prepayments	74,810,420
1830	Unamort. Dev. & Preop. Costs	0
1890	Other Assets and Def. Charges	13,168,134
1895	Total Other Assets	87,978,554
1899	TOTAL ASSETS	572,570,610

BALANCE SHEET

As At: June 30, 2005

Schedule B-1

Air Carrier: Independence

Operation : Domestic DHD

ACCT# DESCRIPTION

AMOUNT

ACCT#	DESCRIPTION	AMOUNT
LIABILITIES & STOCKHOLDERS' EQ.		
CURRENT LIABILITIES		
2000	Curr. Maturities of L-T Debt	17,578,548
2005	Notes Payable - Banks	0
2015	Notes Payable - Others	4,252,000
2021	Trade Accts. Payable	8,734,743
2025	Accts. Payable - Other	357,167,234
2080	Curr. Oblig. Under Cap. Leases	914,130
2110	Accrued Salaries & Wages	7,586,411
2120	Accrued Vacation Pay	8,523,519
2125	Accrued Interest	1,113,297
2130	Accrued Taxes	14,027,405
2140	Dividends Declared	0
2160	Air Traffic Liability	53,876,381
2190	Other Current Liabilities	52,592,309
2199	Total Current Liabilities	526,365,977
NONCURRENT LIABILITIES		
2210	Long-term Debt	123,244,398
2240	Advances from Assoc. Companies	14,055,412
2250	Pension Liability	0
2280	Noncurrent Obgl.-Capital Leases	1,419,579
2290	Other Noncurrent Liabilities	25,503,456
2299	Total Noncurrent Liabilities	164,222,845
DEFERRED CREDITS		
2340	Deferred Income Taxes	0
2345	Deferred Investment Tax Credits	0
2390	Other Deferred Credits	68,200,108
2399	Total Deferred Credits	68,200,108
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	7,435,000
2899	Total Paid in Capital	7,435,000
2900	Retained Earnings	-193,653,320
2959	Total Stockholders' Equity	-186,218,320
2990	Less Treasury Stock	0
2995	Net Stockholders' Equity	-186,218,320
2999	Total Liab. & Stockholders' Eq.	572,570,610
2820A	No. of Preferred Shares Issued	0
2840A	No. of Common Shares Issued	0