

**BEFORE THE  
U. S. DEPARTMENT OF TRANSPORTATION  
WASHINGTON, D.C.**

_____	)	
Application of	)	
	)	
<b>EOS AIRLINES, INC.</b>	)	
	)	Docket No. OST-2007-0121
for a certificate of public convenience and necessity	)	
under 49 U.S.C. §41102 to engage in interstate	)	
scheduled air transportation of persons, property	)	
and mail.	)	
_____	)	

**SUPPLEMENT NO. TWO TO EOS AIRLINES, INC. APPLICATION**

Communications with respect to this document should be addressed to:

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Counsel for Eos Airlines, Inc.

Dated: January 11, 2008

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U. S. DEPARTMENT OF TRANSPORTATION  
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**SUPPLEMENT NO. TWO TO EOS AIRLINES, INC. APPLICATION**

Eos Airlines, Inc. (“Eos”) hereby files this Supplement No. Two to its application for a certificate of public convenience and necessity to engage in interstate scheduled air transportation of persons, property, and mail. The attached financial information attached hereto supplements the material in the Application of Eos Airlines, Inc. (December 19, 2007). Eos hereby withdraws “Supplement Number One to Eos Airlines, Inc. Application and Motion for Confidential Treatment Pursuant to Rule 12” dated December 20, 2007.

WHEREFORE, Eos Airlines, Inc. respectfully requests that the Department grant its request to withdraw Supplement No. One and grant its Application for a Certificate of Public Convenience and Necessity to engage in interstate scheduled air transportation of persons, property and mail, and such other relief as the Department may deem necessary.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Edward P. Faberman". The signature is written in a cursive style with a large, prominent initial "E".

Edward P. Faberman

Edwin O. Bailey

Wiley Rein LLP

1776 K Street, NW

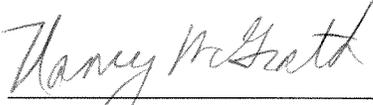
Washington, DC 20006

Counsel for Eos Airlines, Inc.

**CERTIFICATE OF SERVICE**

I hereby certify that a copy of the foregoing Supplement No. Two to Eos Airlines, Inc. Application was served this 11<sup>th</sup> day of January 2008 via email on all parties listed below:

Laura Remo  
Department of Transportation  
1200 New Jersey Avenue, SE  
9th Floor, West Tower  
Washington, DC 20590

  
\_\_\_\_\_  
Nancy McGrath

	<u>December 31</u> <u>2006</u>	<u>September 30</u> <u>2007</u>
<b>Assets</b>		
Current Assets		
Cash and cash equivalents	\$ 31,407	\$ 16,012
Short-term investments	3,785	39,742
Receivables, less allowance	3,499	9,167
Prepaid expenses and other	1,931	4,058
Total current assets	<u>40,622</u>	<u>68,979</u>
Property and Equipment		
Flight equipment	21,661	26,191
Less: accumulated depreciation	<u>4,550</u>	<u>7,430</u>
	17,111	18,761
Other property and equipment	5,574	7,136
Less: accumulated depreciation	<u>1,722</u>	<u>2,975</u>
	<u>3,852</u>	<u>4,161</u>
Total property and equipment	20,963	22,922
Other Assets		
Restricted cash	347	341
Deposits and other	<u>2,490</u>	<u>4,919</u>
Total other assets	<u>2,837</u>	<u>5,260</u>
Total assets	<u>\$ 64,422</u>	<u>\$ 97,161</u>
<b>Liabilities and Stockholders' Equity</b>		
Current Liabilities		
Current maturities of long-term and capital lease obligations	\$ 1,586	\$ 699
Accounts payable	6,630	7,776
Air traffic liability	8,470	16,635
Accrued salaries and related costs	2,458	2,330
Other accrued liabilities	<u>469</u>	<u>2,165</u>
Total current liabilities	<u>19,613</u>	<u>29,605</u>
Long-term Debt and Capital Lease Obligations		
	<u>835</u>	<u>528</u>
Long-term Liabilities		
	<u>-</u>	<u>355</u>
Stockholders' Equity		
Class A Preferred stock, \$.00001 par value	-	-
Class B Preferred stock, \$.00001 par value	-	-
Class C Preferred stock, \$.00001 par value	-	-
Common stock, \$.00001 par value	-	-
Additional paid-in capital and other	160,661	210,834
Stock receivable	(10,000)	-
Retained deficit	<u>(106,687)</u>	<u>(144,161)</u>
Total stockholders' equity	<u>43,974</u>	<u>66,673</u>
Total liabilities and stockholders' equity	<u>\$ 64,422</u>	<u>\$ 97,161</u>

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**Nine months ending  
September 30, 2007**

<b>Operating Revenues</b>	
Passenger revenues	\$ 52,862
Other revenues	5,716
Total operating revenues	<u>58,578</u>
<b>Operating Expenses</b>	
Salaries and related costs	20,271
Selling and marketing	13,054
Aircraft fuel	17,139
Aircraft rent	9,967
Landing fees and other rents	1,517
Maintenance materials and repairs	2,491
Passenger service	11,044
Depreciation and amortization	4,258
Other operating expenses	17,701
Total operating expenses	<u>97,442</u>
<b>Operating Loss</b>	(38,864)
<b>Other Income (Expense)</b>	
Interest income	1,367
Interest expense	(113)
Capitalized interest	137
Total other income (expense)	<u>1,391</u>
<b>Net Loss</b>	<u>\$ (37,473)</u>

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