

ATLANTIC COAST AIRLINES HOLDINGS INC
Form PRRN14A
December 09, 2003

SCHEDULE 14A INFORMATION

CONSENT STATEMENT PURSUANT TO SECTION 14(a)
OF THE SECURITIES EXCHANGE ACT OF 1934

Filed by the Registrant
Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Consent Statement
- Confidential, for Use of the Commission only (as permitted by rule 14a-6(e)(2))
- Definitive Consent Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to sec. 240.14a-11(c) or Rule 14a-12

ATLANTIC COAST AIRLINES HOLDINGS, INC.

(Name of Registrant as Specified in Its Charter)

MESA AIR GROUP, INC.

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

- (1) Title of each class of securities to which transaction applies:

- (2) Aggregate number of securities to which transaction applies:

- (3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (Set forth the amount on which the filing fee is calculated and state how it was determined):

- (4) Proposed maximum aggregate value of transaction:

- (5) Total fee paid:

- Fee paid previously with preliminary materials.
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- (1) Amount Previously Paid:

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(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

PRELIMINARY COPY; SUBJECT TO COMPLETION
December 9, 2003

CONSENT STATEMENT
OF
MESA AIR GROUP, INC.

To the Stockholders of Atlantic Coast Airlines Holdings, Inc.:

This Consent Statement and the enclosed WHITE consent card are from Mesa Air Group, Inc. ("Mesa," "we" or "us"), for the solicitation by Mesa of written consents from you, the holders of shares of common stock of Atlantic Coast Airlines Holdings, Inc. ("Atlantic Coast"), to take the following actions without a stockholders' meeting, as authorized by Delaware law:

(1) Remove each member of Atlantic Coast's board and any person (other than those elected by this consent) elected or appointed to the Atlantic Coast board pursuant to a vacancy caused by the removal or resignation of any of the directors from the Atlantic Coast board or any newly-created directorships;

(2) Elect the nominees described in this Consent Statement to serve as directors of Atlantic Coast (or, if any such nominee is unable to serve as a director of Atlantic Coast, any other person designated as a nominee by the remaining nominee or nominees); and

(3) Repeal each provision of the Atlantic Coast by-laws or amendments, if any, adopted after August 14, 1998 (the last date the by-laws were filed with the Securities and Exchange Commission ("SEC")) and before the effectiveness of these three proposals.

This Consent Statement and the enclosed WHITE consent card are first being furnished to Atlantic Coast's stockholders on or about [], 2003.

Mesa Exchange Offer/Merger Proposal

On October 6, 2003, Mesa advised the Atlantic Coast board of our intention to enter into a business combination with Atlantic Coast (the "Mesa proposal"). This business combination would have taken the form of either an exchange offer or a merger agreement (the "Mesa exchange offer/merger proposal"), in each case pursuant to which each Atlantic Coast share of common stock would be exchanged for 0.90 of a share of Mesa common stock (subject to adjustment as set forth in Annex IV) (the "Exchange Ratio") in a transaction expected to be tax-free to Atlantic Coast stockholders. Based on the closing prices of shares of Mesa and Atlantic Coast common stock on October 3, 2003, the last trading day before our announcement of our intention to enter into a business combination with Atlantic Coast, an offer to exchange 0.90 of a share of Mesa common stock for each share of Atlantic Coast common stock represented a 25% premium over the price of

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shares of Atlantic Coast's common stock. Furthermore, an offer to exchange 0.90 of a share of Mesa common stock for each share of Atlantic Coast common stock represented a premium of 35.7% over the average closing price of Atlantic Coast stock between July 28, 2003, the day Atlantic Coast announced its intention to transform itself into a low-fare independent airline, and October 3, 2003.

The Atlantic Coast board rejected the Mesa proposal and has also taken a number of steps that Mesa believes are designed to hinder our efforts to proceed with this consent solicitation and our ability to proceed with an exchange offer, including inappropriately setting a record date for this consent solicitation, and on October 27, 2003, filing a lawsuit in the United States District Court for the District of Columbia (the "DC Lawsuit") to enjoin Mesa from proceeding with this consent solicitation and from making an exchange offer to the stockholders of Atlantic Coast. Furthermore, on November 18, 2003, Atlantic Coast announced that it had entered into a binding memorandum of understanding with Airbus for a firm order of ten new A319 aircraft; five new A320 aircraft; and leasing commitments from operating lessors for ten additional A319 aircraft, as part of their plan to operate as a low-fare independent airline (the "Airbus MOU"). On November 19, 2003, Mesa announced that, notwithstanding this action by Atlantic Coast, we are moving forward expeditiously with our consent solicitation to replace Atlantic Coast's board. See "Background of this Consent Solicitation" beginning on

page []. We also intend to proceed with making an exchange offer, subject to considering the impact of these developments on the value of Atlantic Coast and consequently, on our exchange offer.

MESA BELIEVES THAT CONSENTING TO EACH OF THE PROPOSALS WILL GIVE THE STOCKHOLDERS OF ATLANTIC COAST THE OPPORTUNITY TO ELECT A BOARD THAT WILL CONSIDER RETURNING ATLANTIC COAST TO ITS HISTORIC BUSINESS STRATEGY OF OPERATING PURSUANT TO REVENUE GUARANTEE CODE SHARE AGREEMENTS WITH MAJOR AIRLINES SERVING HUB NETWORKS.

MESA RECOMMENDS THAT YOU CONSENT TO EACH OF THE PROPOSALS

Approval of each of the proposals ("proposals") requires the affirmative consent of a majority of the outstanding shares of Atlantic Coast common stock. Both proposals 1 and 2 must be approved for either of them to be effective. Proposals 1 and 2 may be adopted and become effective independent of proposal 3, and proposal 3 may be adopted and become effective independent of proposals 1 and 2. The purpose of the proposals is to elect the nominees to the Atlantic Coast board. The nominees, if elected to the Atlantic Coast board, are expected to act in the best interest of Atlantic Coast stockholders. The nominees are independent persons who are not affiliated with Mesa and who believe that, to the extent taking such action is consistent with their fiduciary duties: (i) Atlantic Coast should be returned to its historic business strategy of operating pursuant to revenue guarantee code share agreements with major airlines serving hub networks; (ii) Atlantic Coast should consider, and if appropriate, negotiate a business combination transaction with Mesa or any other party; and (iii) if appropriate, any impediments to the ability of Atlantic Coast stockholders to consider any business combination transaction with Mesa or any other party should be removed.

WHY DO YOU NEED TO CONSENT TO THESE PROPOSALS?

Mesa believes that the current Atlantic Coast business strategy to operate as an independent low-fare airline hurts the value of Atlantic Coast. The current directors have recently determined to abandon Atlantic Coast's profitable strategy of operating as a regional airline pursuant to revenue guarantee code share agreements with major airlines serving hub networks.

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According to airline industry analysts, Atlantic Coast's strategy has never been successfully implemented by a domestic air carrier operating primarily with regional jets. The value of Atlantic Coast common stock dropped 33.8% between July 25, 2003, the last trading day prior to Atlantic Coast's announcement of its intention to become an independent low-fare airline, and July 29, 2003, the day after such announcement. The value of Atlantic Coast common stock dropped 15% between July 25, 2003 and October 3, 2003, the last full trading day prior to our announcement of our intention to acquire Atlantic Coast. The value of Mesa common stock increased 27.6% between July 25, 2003 and October 3, 2003. You are urged to obtain current market quotations for Mesa and Atlantic Coast common stock.

If elected to the Atlantic Coast board, we believe that the nominees will, to the extent taking such action is consistent with their fiduciary duties:

1. Return Atlantic Coast to its historic business strategy of operating pursuant to revenue guarantee code share agreements with major airlines serving hub networks. In that regard, they intend to:
 - o review the Airbus MOU to determine if it can be rescinded or terminated and the consequences thereof;
 - o consider an agreement with United Air Lines, Inc. ("United Airlines") on terms substantially comparable with the non-binding memorandum of understanding Mesa entered into with United Airlines on November 12, 2003 (the "United MOU") and described under "Mesa Strategic Plans" beginning on page []; and
 - o attempt to solidify a code share relationship with Delta Air Lines, Inc. ("Delta Air Lines") on commercially reasonable terms satisfactory to all parties.
2. Consider and, if appropriate, negotiate a business combination transaction with Mesa or any other party. In that regard, they intend to:
 - o attempt to minimize any damages arising from the entering into and/or termination of the Airbus MOU;
 - o allow Mesa to proceed with an exchange offer (which we have indicated we are still committed to making); and
 - o if Mesa has not already commenced an exchange offer, promptly enter into discussions with Mesa with respect to a business combination transaction.
3. Remove impediments to the consideration by Atlantic Coast stockholders of any appropriate business combination transaction, including either an exchange offer or a merger with Mesa or any other party, if appropriate, by:
 - o considering, to the extent that it is in the best interest of the Atlantic Coast stockholders, taking action to remove the impediments to the consummation of an exchange offer or a merger proposal from Mesa and any alternative proposals arising pursuant to that certain Rights Agreement, dated as of January 27, 1999, between Atlantic Coast and Continental Stock Transfer & Trust Company, referred to herein as the "poison pill"; and
 - o considering taking action to exempt an exchange offer or a merger proposal from Mesa, or any other alternative transaction that they

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believe to be in your best interest, from the restrictions of Section 203 of the Delaware General Corporation Law (the "Delaware anti-takeover law").

ACT NOW TO PROTECT YOUR INVESTMENT AND YOUR RIGHT TO DECIDE THE BUSINESS STRATEGY EMPLOYED BY ATLANTIC COAST

As of October 10, 2003, Mesa was the beneficial owner of 1,603,529 shares of Atlantic Coast common stock, representing approximately 3.5% of the outstanding shares as of November 1, 2003. According to Atlantic Coast's Quarterly Report on Form 10-Q for the quarter ended September 30, 2003, as of November 1, 2003, there were 45,333,310 shares of Atlantic Coast common stock outstanding. On December [9], 2003, Mesa, in its capacity as a record holder of Atlantic Coast common stock, requested that the Atlantic Coast board fix a proper record date. If the Atlantic Coast board does not set a new record date in accordance with our request, the record date for the solicitation will be the date on which the first signed consent is delivered to Atlantic Coast. We intend to notify you by press release as promptly as possible of the actual record date when determined.

YOUR CONSENT IS IMPORTANT! TO CONSENT TO OUR PROPOSALS PLEASE DO THE FOLLOWING:

- o PROMPTLY SIGN AND RETURN THE ENCLOSED WHITE CONSENT CARD
- o DO NOT RETURN ANY CARD SENT TO YOU BY ATLANTIC COAST MANAGEMENT

If your shares of Atlantic Coast common stock are held in your own name, please sign, DATE and mail the enclosed WHITE consent card today in the postage-paid envelope provided or mail the completed card to MacKenzie Partners, Inc. ("MacKenzie") at the address below.

If your shares of Atlantic Coast common stock are held in "Street-Name," only your bank or broker can execute a consent on your behalf, but only upon receipt of your specific instructions. To ensure that your consent is effective, please contact the persons responsible for your account and instruct them to execute the WHITE consent card on your behalf. Mesa urges you to confirm in writing your instructions to the person responsible for your account and provide a copy of those instructions to Mesa in care of MacKenzie at the address set forth below so that Mesa will be aware of all instructions given and can attempt to ensure that such instructions are followed.

IF YOU HAVE ANY QUESTIONS OR REQUIRE ANY ASSISTANCE IN EXECUTING OR DELIVERING YOUR CONSENT, PLEASE WRITE TO OR CALL:

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MacKenzie Partners, Inc.
105 Madison Avenue
New York, New York 10016
(212) 929-5500
Call Toll-Free: (800) 322-2885

IF YOU DO NOTHING, THE EFFECT WILL BE A VOTE AGAINST THE PROPOSALS. THE AFFIRMATIVE VOTE OF A MAJORITY OF ALL OUTSTANDING SHARES IS NEEDED IN ORDER TO REMOVE AND REPLACE THE CURRENT DIRECTORS OF ATLANTIC COAST.

QUESTIONS AND ANSWERS ABOUT THIS CONSENT SOLICITATION

Q: WHO IS MAKING THE SOLICITATION?

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A: Mesa. Mesa is a holding company whose principal subsidiaries operate as regional air carriers providing scheduled passenger and airfreight service. Mesa currently operates 151 aircraft with 982 daily system departures to 155 cities in 39 states, the District of Columbia, Canada, Mexico and the Bahamas. Mesa operates in the West and Midwest as America West Express; in the Midwest and East as US Airways Express; in Denver and the West as United Express; in Denver as Frontier JetExpress until December 31, 2003; in Kansas City with Midwest Express and in New Mexico and Texas as Mesa Airlines. As of October 10, 2003, Mesa was the beneficial owner of 1,603,529 shares of Atlantic Coast common stock, representing approximately 3.5% of the outstanding shares as of November 1, 2003.

Q: WHAT ARE WE ASKING YOU TO CONSENT TO?

A: You are being asked to consent to three proposals in order to replace Atlantic Coast's current directors with independent persons who are not affiliated with Mesa and who have indicated they will act in your best interest.

Q: WHY ARE WE SOLICITING YOUR CONSENT?

A: We are soliciting your consent because we believe that the current members of the Atlantic Coast board have embarked on a misguided strategy that has contributed to a steep decline in the value of Atlantic Coast's common stock and therefore have failed to act in your best interest. Mesa believes this is the case based on the following:

- o Atlantic Coast has announced its intention to transform itself from a regional airline operating pursuant to revenue guarantee code share relationships with major airlines serving hub networks to an independent low-fare airline. According to airline industry analysts, (i) this strategy has never been successfully implemented by a domestic air carrier which operates primarily with regional jets and (ii) Atlantic Coast faces significant challenges in establishing reservations, sales and marketing functions and in generating sufficient revenue while operating regional jets with limited passenger capacity.
- o We believe Atlantic Coast's announced strategy to operate as an independent low-fare airline has contributed to a loss of value of 33.8% between July 25, 2003, the last trading day prior to Atlantic Coast's announcement of its intention to become an independent low-fare airline and July 29, 2003, the day after such announcement. Furthermore, the value of Atlantic Coast common stock dropped 15% between July 25, 2003 and October 3, 2003, the last full trading day prior to our announcement of our intention to acquire Atlantic Coast. During the period from July 25, 2003 through October 3, 2003, the value of Mesa's common stock increased 27.6%. You are urged to obtain current market quotations for Mesa and Atlantic Coast common stock.
- o The current Atlantic Coast board rejected the Mesa proposal even though Mesa stated in correspondence with the Chief Executive Officer and directors of Atlantic Coast that Mesa was

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interested in a business combination with Atlantic Coast that would provide a significant premium to you and that Mesa was willing to

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negotiate the terms and structure of any such business combination with the Atlantic Coast board.

- o Atlantic Coast announced it entered into the Airbus MOU, creating further impediments to your ability to make your own decision regarding the future of Atlantic Coast's business, an exchange offer or merger proposal by Mesa and any other business combination transaction.

Q: WHO ARE THE NOMINEES?

A: The nominees are Nathaniel A. Davis, Andre V. Duggin, Theodore F. Kahan, James R. Link, David T. McLaughlin, Peter F. Nostrand and Archille R. Paquette. The nominees are independent persons who are not affiliated with Mesa. The principal occupation and business experience of each nominee is set forth in this Consent Statement under the section entitled "Additional Information Regarding our Proposals" beginning on page [], which we urge you to read. We believe you are entitled and it is in your best interest to give the nominees a chance to review the current strategy embarked on by the current Atlantic Coast board and an opportunity to maximize stockholder value.

Q: WHY SHOULD ATLANTIC COAST COMBINE WITH MESA?

A: If the current board of directors are replaced as a result of this Consent Statement, the new board will consider, if appropriate, an exchange offer or merger proposal from Mesa. We believe that an exchange offer or merger proposal made by Mesa should be attractive to Atlantic Coast stockholders for the following reasons:

- o according to airline industry analysts, the outlook of Atlantic Coast on a stand-alone basis is not favorable due to the strategic decision by Atlantic Coast's current directors to abandon its profitable strategy of operating as a regional airline pursuant to revenue guarantee code share relationships with major airlines serving hub networks and transform itself into an independent low-fare airline;
- o if we successfully complete the offer, you will hold shares in a larger combined company:
 - o which we believe will have greater access to capital to pursue strategic growth opportunities than would Atlantic Coast on a stand-alone basis;
 - o which we believe will become the leading regional airline in the United States; and
 - o which we believe will create an enhanced capital structure and a more liquid market for its shares than Atlantic Coast on a stand-alone basis; and
- o you will have the opportunity to continue to participate in Atlantic Coast's growth through your ownership of shares of Mesa common stock. Moreover, we expect that Mesa will be better positioned than Atlantic Coast on a stand-alone basis to develop and exploit Atlantic Coast's assets and partnerships.

These benefits can be realized only upon the consummation of an exchange offer or merger transaction with Mesa. We cannot give any assurance that these benefits will be achieved or realized in the near term, or at all. We recommend that you approve the 3 proposals contained in this Consent

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Statement so that the nominees can be seated as directors of Atlantic Coast and consider an exchange offer or merger proposal from Mesa and any alternative transaction that may be in your best interest. Mesa is considering the effects of the Airbus MOU on the value of Atlantic Coast, but continues to be committed to making an exchange offer. For a description of certain terms of our exchange offer, a discussion of the Exchange Ratio as a result of the Airbus MOU and other information related to the exchange offer, see Annex IV.

Q: WHO CAN CONSENT TO THIS MATTER?

A: If you owned shares of Atlantic Coast common stock on the record date, you have the right to consent to the proposals.

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Section 2.8 of the Atlantic Coast by-laws and Section 213 of the Delaware General Corporation Law ("DGCL") provide that any stockholder seeking to have the stockholders of Atlantic Coast authorize or take action by written consent is required to request that the Atlantic Coast board fix a record date. The Atlantic Coast board is required to promptly, but in all events within 10 days after the date on which the request is received, adopt a resolution fixing the record date for the solicitation (which may not be more than 10 days after the date of the resolution). If the Atlantic Coast board does not fix a record date within 10 days after the receipt of the request, the record date for the solicitation will be the date on which the first signed consent is delivered to Atlantic Coast.

On October 23, 2003, the Atlantic Coast board announced that it set October 23, 2003 as the record date for the solicitation made hereby and that it had received the first written consent in connection with the solicitation made hereby. This announcement was made notwithstanding the fact that Mesa had not requested that a record date be set. On October 29, 2003, Mesa filed a lawsuit in the Court of Chancery of the State of Delaware (the "Delaware Lawsuit") seeking to require the Atlantic Coast board to comply with the proper procedures under Delaware law and the Atlantic Coast by-laws with respect to (i) fixing a record date for this consent solicitation and (ii) commencing the 60-day solicitation period. The Delaware Lawsuit alleges that the action taken by the Atlantic Coast board to set a record date of October 23, 2003, manipulates the proxy solicitation process and impedes your ability to exercise your voting rights and may impede your right to receive superior value for your shares. On November 25, 2003, Atlantic Coast announced that the consent it received on October 23, 2003 had been revoked and that therefore the 60-day consent solicitation period has not yet commenced. Further, on December 2, 2003, the day before the Delaware Court of Chancery was scheduled to determine if the Atlantic Coast directors had breached their fiduciary duty, Atlantic Coast announced (i) the cancellation of the October 23, 2003 record date it had previously set in connection with Mesa's consent solicitation and (ii) that a new record date for Mesa's consent solicitation has not been established.

On December [9], 2003, Mesa, in its capacity as a record holder of Atlantic Coast common stock, requested that the Atlantic Coast board fix a proper record date. If the Atlantic Coast board, within 10 days of the Mesa request, does not set a new record date in accordance with our request, the record date for the solicitation will be the date on which the first signed consent is delivered to Atlantic Coast. We intend to notify you by press release as promptly as possible of the actual record date when determined.

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Q: WHEN IS THE DEADLINE FOR SUBMITTING CONSENTS?

A: Section 228 of the DGCL requires that, in order for the proposals to be adopted, Atlantic Coast must receive written consents signed by a sufficient number of stockholders to adopt the proposals within 60 days of the date of the earliest dated consent delivered to Atlantic Coast. Although Mesa had not yet commenced this consent solicitation, on October 23, 2003, Atlantic Coast announced that it had received the first signed consent. As described above, Mesa has filed the Delaware Lawsuit to (i) require that Atlantic Coast set a proper record date and (ii) establish the appropriate date for commencement of the 60-day solicitation period. On November 25, 2003, Atlantic Coast announced that the consent it received on October 23, 2003 had been revoked and that therefore the 60-day consent solicitation period has not yet commenced.

Mesa, in its capacity as a record holder of Atlantic Coast common stock, intends to sign a consent in favor of the proposals as of the record date. We expect to deliver this consent to Atlantic Coast immediately after a proper record date for our consent solicitation has been set, or if the Atlantic Coast board does not set a record date, 10 days after the date of Mesa's request for a proper record date. We will inform you by press release of the date the earliest dated consent delivered to Atlantic Coast was signed once such information becomes available to us. Atlantic Coast stockholders will have 60 days from such date to consent to our proposals. Because the proposals will become effective upon our delivery to Atlantic Coast of valid and unrevoked consent cards totaling more than 50% of the outstanding shares of common stock as of the record date, and because this may occur before the expiration of the 60-day period, WE URGE YOU TO ACT PROMPTLY to assure that your vote will count.

Q: HOW MANY SHARES MUST BE VOTED IN FAVOR OF THE PROPOSALS TO EFFECT THEM?

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A: We must receive the consents of a majority of Atlantic Coast's shares of common stock outstanding on the record date in order for the proposals to be adopted. As of November 1, 2003, Atlantic Coast had 45,333,310 shares of common stock outstanding. Based on publicly available information, we are not aware of any change in the number of outstanding shares of Atlantic Coast common stock. Assuming that the number of outstanding shares of Atlantic Coast common stock is 45,333,310, the consent of at least 22,666,656 shares is necessary to effect the proposals. Abstentions, failures to execute and return a consent and broker non-votes will have the same effect as withholding consent. Mesa owns beneficially 1,603,529 shares of Atlantic Coast common stock, which it intends to vote in favor of the proposals. Consequently, we estimate that at least 21,063,127 additional shares will need to consent to the proposals in order for them to be adopted. However, the actual number of consents necessary to effect the proposals will depend on the actual facts as they exist on the record date.

Q: WILL PROPOSAL 1 BE EFFECTIVE IF PROPOSAL 2 IS NOT ALSO ADOPTED?

A: No. In order for either proposal 1 or proposal 2 to be effective, both must be adopted by the Atlantic Coast stockholders. In other words, a vote to remove the present board will not be effective unless the nominees also are elected. Proposals 1 and 2 may be adopted and become effective independent of proposal 3, and proposal 3 may be adopted and become effective independent of proposals 1 and 2.

Q: WHAT SHOULD YOU DO TO CONSENT?

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- A: Sign, DATE and return the enclosed WHITE consent card TODAY to MacKenzie in the envelope provided. In order for your consent to be valid, it must be dated.
- Q: IF YOU CONSENT TO THE PROPOSALS, ARE YOU ACCEPTING EITHER AN EXCHANGE OFFER OR A MERGER PROPOSAL?
- A: No. If the proposals are adopted, the nominees will consider, in their independent judgment and good faith, taking action to provide you with the opportunity to make your own decision regarding any exchange offers or merger proposals from Mesa (which we have indicated we are still committed to making) and any alternative proposals.
- Q: HOW DOES SECTION 203 OF THE DELAWARE GENERAL CORPORATION LAW AFFECT MESA'S ABILITY TO CONSUMMATE AN EXCHANGE OFFER OR MERGER TRANSACTION?
- A: Atlantic Coast is subject to the Delaware anti-takeover law, which provides that certain business combinations, including the transactions contemplated by an exchange offer or merger proposal by Mesa, between a Delaware corporation whose stock is traded on the Nasdaq Stock Market, Inc. (the "NASDAQ"), such as Atlantic Coast, and an interested stockholder (generally defined as a stockholder who beneficially owns 15% or more of a Delaware corporation's voting stock) are prohibited for a three-year period following the date that such stockholder became an interested stockholder, unless certain exceptions apply.

If elected to the Atlantic Coast board, we believe that the nominees will consider taking board action to exempt an exchange offer or merger proposal from Mesa, or any other proposed transaction that they believe to be in your best interest, from the restrictions of the Delaware anti-takeover law.

- Q: WHAT ARE THE MOST SIGNIFICANT CONDITIONS TO THE CONSUMMATION OF AN EXCHANGE OFFER FROM MESA?
- A: If Mesa commences an exchange offer with respect to Atlantic Coast, such transaction will be conditioned upon, among other things, (i) there being validly tendered and not withdrawn prior to the expiration date that number of shares of Atlantic Coast common stock so that, after the completion of the exchange offer, Mesa owns a majority of the then outstanding shares of Atlantic Coast common stock on a fully-diluted basis; (ii) the registration statement pursuant to which Mesa will offer its common stock to Atlantic Coast stockholders being declared effective by the SEC; (iii) the shares of Mesa common stock to be issued in an exchange offer by Mesa being approved for listing on the NASDAQ; (iv) the expiration or termination of any waiting periods under the Hart-Scott-Rodino Improvements Act of 1976 and any other applicable laws

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and regulations; (v) the approval of an amendment to Mesa's articles of incorporation to increase its authorized share capital and the approval of the issuance of shares of Mesa common stock pursuant to the exchange offer by the stockholders of Mesa; (vi) Atlantic Coast's board of directors redeeming the poison pill or our being satisfied, in our sole discretion, that the poison pill has been invalidated or amended so as not to be applicable to the exchange offer or subsequent merger; (vii) the absence of any event that would be expected to have an adverse effect on Atlantic Coast such that, regardless of the circumstances, in our good faith judgment, it would be inadvisable to proceed with the exchange offer;

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(viii) Mesa being satisfied, in its sole discretion, that, after the consummation of an exchange offer, the provisions of the Delaware anti-takeover law would not prohibit for any period of time, or impose any voting requirements in excess of majority stockholder approval with respect to, a subsequent business combination; (ix) Mesa having entered into an agreement with United Airlines regarding Atlantic Coast's code share agreement substantially consistent with the terms of the United MOU; (x) Delta Air Lines not having terminated, or notified Atlantic Coast or Mesa that it intends to terminate, its code share agreement with Atlantic Coast (other than for performance) and/or having entered into a new code share agreement with Atlantic Coast on commercially reasonable terms acceptable to the parties and (xi) the absence of legal or other impediments to the consummation of the exchange offer or subsequent merger.

Q: WHO SHOULD YOU CALL IF YOU HAVE QUESTIONS ABOUT THE SOLICITATION?

A: Please call MacKenzie toll free at (800) 322-2885.

REASONS FOR THE SOLICITATION OF CONSENTS

Mesa is soliciting your consent to the proposals because we believe that the current members of the Atlantic Coast board have embarked on a misguided strategy that has contributed to a steep decline in the value of Atlantic Coast's common stock and therefore have failed to act in your best interest. Mesa believes this is the case based on the following:

- o Atlantic Coast has announced its intention to transform itself from a regional airline operating pursuant to revenue guarantee code share relationships with major airlines serving hub networks to an independent low-fare airline. According to airline industry analysts, (i) this strategy has never been successfully implemented by a domestic air carrier which operates primarily with regional jets and (ii) Atlantic Coast faces significant challenges in establishing reservations, sales and marketing functions and in generating sufficient revenue while operating regional jets with limited passenger capacity.
- o We believe Atlantic Coast's announced strategy to operate as an independent low-fare airline has contributed to a loss of value of 33.8% between July 25, 2003, the last trading day prior to Atlantic Coast's announcement of its intention to become an independent low-fare airline and July 29, 2003, the day after such announcement. Furthermore, the value of Atlantic Coast common stock dropped 15% between July 25, 2003 and October 3, 2003, the last full trading day prior to our announcement of our intention to acquire Atlantic Coast. During the period from July 25, 2003 through October 3, 2003, the value of Mesa's common stock increased 27.6%. You are urged to obtain current market quotations for Mesa and Atlantic Coast common stock.
- o The current Atlantic Coast board rejected the Mesa proposal even though Mesa stated in correspondence with the Chief Executive Officer and directors of Atlantic Coast that Mesa was interested in a business combination with Atlantic Coast that would provide a significant premium to you and that Mesa was willing to negotiate the terms and structure of any such business combination with the Atlantic Coast board.
- o Atlantic Coast announced it entered into the Airbus MOU, creating further impediments to your ability to make your own decision

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regarding the future of Atlantic Coast's business, an exchange offer or merger proposal by Mesa and any other business combination transaction.

Therefore, we believe that all the current directors should be removed and replaced with a board that will consider returning Atlantic Coast to its historic business strategy of operating pursuant to revenue guarantee code

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share agreements with major airlines serving hub networks. Mesa believes that the adoption of the proposals will accomplish this goal.

BACKGROUND OF THIS CONSENT SOLICITATION

A number of developments and opportunities have led to our decision to undertake this consent solicitation at the present time. We believe that the removal of the current Atlantic Coast board of directors and the election of the nominees as directors of Atlantic Coast will be beneficial to the stockholders of Atlantic Coast. By consenting to the 3 proposals contained in this Consent Statement, Atlantic Coast stockholders will be electing directors who will consider returning Atlantic Coast to its historically profitable business strategy of operating as a regional airline pursuant to revenue guarantee code share agreements with major airlines serving hub networks, as well as the removal of any impediments to the consideration of a business combination transaction with Mesa or other strategic partners. We believe that if the nominees enter into a business combination transaction with Mesa, Atlantic Coast stockholders would receive a premium for their shares and would hold shares of a combined company that would have:

- o a potential to realize synergies, cost savings and risk diversification opportunities;
- o a potential for increased operational efficiency and flexibility; and
- o a potential to provide lower costs to strategic partners.

The combined company is expected to increase its profitability through operating and scale synergies, including the consolidation of certain corporate, administrative, operational and support functions. Cost savings will reflect the realization of cost reduction opportunities and efficiencies through the ability to consolidate separate stand-alone operations into a single entity. While we expect that there will be cost savings and synergies as a result of a business combination transaction with Atlantic Coast, we cannot at this time estimate such amounts or can give any assurance that such cost savings and synergies will be realized.

The combined company is expected to benefit from the scale of a larger organization. Scale offers potential benefits in many areas, including:

- o greater financial strength;
- o increased logistical and operational efficiencies;
- o decreased maintenance costs per aircraft;
- o an enhanced ability to finance aircraft deliveries;
- o an increased ability to attract airline partners; and

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- o an enhanced ability to attract and retain strong management.

We believe the increased scale of the combined company, and the benefits in the areas mentioned above, could result in greater efficiency and an enhanced potential for revenue growth. The combined company is expected to have partnerships with five airlines, which results in decreased risk and increased revenue opportunities for the combined company. If the combined company achieves greater efficiency and lower costs through the realization of the factors described above, the combined entity will have the potential to provide lower costs to its strategic partners, as well as be able to be more competitive with respect to pricing when seeking new opportunities. In addition, the United MOU gives both Mesa and Atlantic Coast the ability to increase revenue through the substitution of 30 70-seat RJ70s for a like number of 50-seat RJ50s and the delivery of up to 20 additional RJ70s. While we expect that we will be able to realize enhanced revenues, no assurance can be given that we will actually be able to do so.

These benefits cannot be realized unless a Mesa/Atlantic Coast business combination transaction is consummated. We cannot give any assurance that these benefits will be achieved or realized in the near term, or at all.

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Immediately following Atlantic Coast's announcement of a change in business strategy, to establish an independent low-fare airline on July 28, 2003, Mesa contacted Richard Surratt, Atlantic Coast's Chief Financial Officer expressing our interest in acquiring any RJs that would become surplus to Atlantic Coast's needs as a result of their change in strategy. Mesa was informed by Atlantic Coast that their RJs were "part & parcel" of their new strategy and therefore they had no surplus RJs. Atlantic Coast, however, did mention that it has some surplus turboprops but thought that they would not be of any interest to Mesa.

Again on August 5, 2003, through a financial intermediary, Mesa approached Atlantic Coast to explore the idea of Mesa purchasing Atlantic Coast's operations with respect to United Airlines (aircraft, gates and other support materials). Once again, Atlantic Coast informed Mesa that Atlantic Coast had no interest in parting with any portion of its fleet or gates.

Our board of directors determined at a telephonic meeting held on October 3, 2003 that it was in the best interest of Mesa and its stockholders to proceed with the Mesa exchange offer/merger proposal. The board authorized us to propose the business combination through an offer in which Atlantic Coast's common stockholders would be offered 0.90 of a share of Mesa common stock for each share of Atlantic Coast common stock they own. The exchange for Mesa common stock was expected to be tax-free to Atlantic Coast stockholders.

In announcing the Mesa proposal, our board believed that greater value could be achieved for both Mesa and Atlantic Coast stockholders by combining Mesa's financial strength, management experience and business strategy with Atlantic Coast's attractive assets and operations. In the Mesa board's judgment, with our larger asset base, earnings potential and cash flow, the combined company would have more efficient access to capital and improved operations to execute its strategic plans.

On October 6, 2003, Jonathan G. Ornstein, Mesa's Chief Executive Officer, delivered a letter to Atlantic Coast's Chairman and Chief Executive Officer, Kerry B. Skeen, and Atlantic Coast's board of directors, outlining our intention to enter into a business combination transaction with Atlantic Coast and indicating that we were prepared to be flexible on deal terms and structure.

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Simultaneously, we issued a press release disclosing to the public the Mesa proposal and its material terms. The following is the text of Mr. Ornstein's letter to Mr. Skeen and the Atlantic Coast board of directors:

October 6, 2003

Mr. Kerry B. Skeen
Chairman and Chief Executive Officer
Atlantic Coast Airlines Holdings, Inc.
45200 Business Court
Dulles, Virginia 20166

Dear Kerry,

I tried to reach you this morning to tell you first hand about our intentions. Mesa Air Group, Inc. ("Mesa Air") believes that a combination with Atlantic Coast Airlines Holdings, Inc. ("ACA" or the "Company") is compelling and in the best interests of both companies, our respective shareholders, employees and customers. While we have reviewed only publicly available data to this point, we are prepared to move forward promptly with a business combination between the two companies.

Accordingly, Mesa Air is seeking to enter into an agreement with ACA to acquire all the outstanding stock of ACA in a tax-free transaction whereby Mesa Air would issue 0.9 of a share of its common stock for each ACA share. Based on our closing share price of \$12.55 and based on ACA's closing share price of \$9.02 on October 3, 2003, our offer represents a premium to your shareholders of 25% over the current value of their shares. This price also represents a premium of 35% over the average closing price of ACA since late July, and we believe shares in the combined company will provide exceptional future value to the ACA shareholders.

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There are clear strategic benefits. A combination would form the basis to leverage each company's assets, franchise, partners and management expertise to better position the combined company in today's competitive marketplace. It is clear that such a transaction would enable us to service the needs of our airline partners more efficiently and profitably. If we can realize only a small portion of the potential strategic benefits, we believe our combined earnings could improve by over 25%. Furthermore, our focus will remain in the business of providing cost effective regional feed for our airline partners.

Our proposal will be subject to only customary conditions, including among others, obtaining necessary regulatory approvals, the redemption of the ACA Right's Plan in accordance with its terms, the completion of satisfactory due diligence, negotiation of definitive agreements and necessary shareholder approvals.

Although we are offering a full and fair price to ACA shareholders, we may have flexibility on deal terms and structure if you are willing to work with us towards consummating a transaction. In connection with our proposal, we have retained Cadwalader, Wickersham & Taft LLP as counsel and Merrill Lynch & Co. as financial advisor.

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In light of the compelling benefits to our respective shareholders and the materiality of this proposal, we are publicly releasing the text of this letter. Our strong preference would be to work with you to reach a mutually acceptable transaction. I would be happy to meet with you or to meet with your Board at its convenience to discuss in greater detail our thoughts with respect to a possible business combination and the future role that you and your management team would have in the combined entity. I look forward to hearing from you or one of your representatives as soon as possible.

Sincerely,

/s/ Jonathan G. Ornstein

Jonathan G. Ornstein
Chairman of the Board & Chief
Executive Officer

cc: Board of Directors, ACA

On October 6, 2003, Atlantic Coast issued a press release confirming that it had received the letter from Mr. Ornstein containing the Mesa proposal. The press release claimed that Atlantic Coast's board of directors was considering the Mesa proposal, and indicated that Atlantic Coast was continuing with the implementation of its plans to operate as an independent low-fare airline.

On October 14, 2003, Mr. Ornstein wrote a second letter to the Atlantic Coast board of directors expressing our disappointment and asking your board to remove the poison pill so we could make a proposal directly to you. A copy of Mr. Ornstein's letter dated October 14, 2003, is set forth below.

October 14, 2003

Board of Directors
Atlantic Coast Airlines Holdings, Inc.
45200 Business Court
Dulles, Virginia, 20166

Ladies and Gentlemen:

We are very disappointed that we have not received a response from Mr. Skeen or the Board of Directors of Atlantic Coast Airlines Holdings, Inc. ("ACA") to our letter of October 6, 2003 outlining an acquisition proposal for

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ACA. Specifically, we proposed that Mesa Air Group, Inc. ("Mesa") acquire all of the outstanding stock of ACA in a tax-free transaction whereby Mesa would issue 0.9 of a share of its common stock for each ACA share of common stock. We now feel compelled to direct this proposal to the ACA board of directors.

We have made a full and fair proposal to merge with ACA based on a proven strategy of long-term profitability. Our focused business model, based on

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revenue-guarantee codeshare relationships with major airlines serving hub networks, applied to an enlarged asset base and a broader portfolio of client partnerships, will offer more balanced revenue distribution and strong synergies. As the leading operator in the regional aviation sector, we would have greater access to capital to fund our combined growth. Employees of both companies would have a stronger, more secure employer and greater advancement opportunities; our major airline customers would benefit from our ability to provide lower cost services; our shareholders an enhanced capital structure. Consequently, we believe that both Mesa and ACA shareholders, who would receive shares of Mesa common stock in the transaction, will benefit from our successful execution of the merger.

We and our advisors are prepared to send you a merger agreement and promptly sit down to discuss all aspects of our current thinking on the terms and structure of the transaction. We are committed to working with you to negotiate a definitive agreement and to complete this transaction as soon as practicable thereafter.

Although it is our desire to enter into direct discussions about this transaction with you, because Mr. Skeen has not responded to my letter, we are now taking steps to give ACA shareholders the opportunity to replace existing directors with those who are committed to fairly considering our offer or any similarly attractive alternative that they believe is in the best interests of ACA shareholders. As you know, ACA currently has in place a "poison pill" which effectively prevents us from consummating an exchange offer directly with your shareholders. We therefore urge you to remove the "poison pill" and allow your shareholders the opportunity to voice their opinion on this transaction.

Because we have not yet received a response to our proposal, we are filing with the Securities and Exchange Commission the necessary documents to commence a shareholder consent solicitation to replace ACA's current Board of Directors with independent directors who we believe will give fair consideration to our attractive proposal. We also intend to file with the SEC an offer to exchange Mesa shares directly with ACA shareholders.

Sincerely,

/s/ Jonathan G. Ornstein

Jonathan G. Ornstein
Chairman of the Board & Chief Executive
Officer

On October 14, 2003, Atlantic Coast issued a press release advising you to take no action in response to our announcement of our intent to commence the Mesa exchange offer/merger proposal. The press release claimed that Atlantic Coast's board of directors would consider the Mesa exchange offer/merger proposal.

On October 23, 2003, Atlantic Coast (i) issued a press release announcing that its board of directors had decided to reject our offer and reaffirmed its strategy to establish a new, independent low-fare airline, (ii) filed with the SEC a preliminary proxy statement urging you to reject the proposals set forth in this Consent Statement and (iii) issued a press release announcing that it has set October 23, 2003 as the record date for the solicitation made hereby and that it had received the first written consent in connection with the solicitation made hereby.

On October 24, 2003, Mesa issued a press release in response to the

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Atlantic Coast announcement that its board of directors had rejected our acquisition proposal, reaffirming our commitment to the validity, prudence and sufficiency of our acquisition proposal, as well as acknowledging our disappointment in the management and board of directors of Atlantic Coast.

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On October 27, 2003, Atlantic Coast filed the DC Lawsuit alleging that Mesa has made materially false and misleading statements and omissions in violation of the federal securities laws in connection with its proposed consent solicitation and potential exchange offer. Atlantic Coast's complaint alleges, among other things, that (i) Mesa failed to disclose United Airlines as a participant in its consent solicitation and proposed transaction; (ii) Mesa's bid to acquire all of Atlantic Coast's outstanding stock is motivated by its desire to use Atlantic Coast's cash on hand to resolve Mesa's difficulties in obtaining financing for additional aircraft purchases; (iii) Mesa Chief Executive Officer Jonathan Ornstein and other Mesa insiders sold a substantial number of Mesa shares in September 2003, shortly before Mesa announced its takeover bid of Atlantic Coast; (iv) other stock transactions produced short-swing profits subject to Section 16(b) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), which requires a corporate insider to disgorge any profit from such transactions; (v) Mesa's directors, who have determined that an acquisition of Atlantic Coast would be in Mesa's best interest and are proposing a transaction in which the stockholders of Atlantic Coast would receive shares of Mesa common stock, are not sufficiently independent and have engaged in self-dealing; and (vi) several of Mesa's nominees to Atlantic Coast's board of directors are subject to conflicts of interest that would impair their ability to fulfill their fiduciary obligations to Atlantic Coast.

Atlantic Coast in its complaint seeks to (i) obtain a declaration that Mesa's Consent Statement as well as our other statements in conjunction with our proposed consent solicitation violate Section 14(a) of the Exchange Act and SEC Rule 14a-9; (ii) obtain a declaration that Mesa's Consent Statement as well as our other statements in conjunction with our proposed consent solicitation and exchange offer violate Section 14(e) of the Exchange Act; (iii) require Mesa to correct our alleged material misstatements and omissions; (iv) enjoin Mesa from disseminating our Consent Statements and from making material misstatements or omissions; and (v) enjoin Mesa from making a proxy consent solicitation and/or tender offer to Atlantic Coast's stockholders. We believe the Atlantic Coast lawsuit is without merit, and we intend to contest the allegations set forth in Atlantic Coast's complaint.

On October 29, 2003, Mesa filed the Delaware Lawsuit seeking to require the Atlantic Coast board to comply with the proper procedures under Delaware law and the Atlantic Coast by-laws with respect to (i) fixing a record date for this consent solicitation and (ii) commencing the 60-day solicitation period. The Delaware Lawsuit alleges that the action taken by the Atlantic Coast board to set a record date of October 23, 2003 impedes your ability to exercise your voting rights and may impede your right to receive superior value for your shares.

On October 31, 2003, Mesa asked Atlantic Coast for its stockholder list and security position listing in order to communicate with stockholders and to distribute this Consent Statement to the Atlantic Coast stockholders.

On November 13, 2003, Mr. Ornstein wrote another letter to the Atlantic Coast board of directors asking your board to not take any action that would make it more difficult or expensive for you to consider an exchange offer or merger proposal by Mesa. A copy of Mr. Ornstein's letter, which we released

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publicly, dated November 13, 2003, is set forth below.

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November 13, 2003

Board of Directors
Atlantic Coast Airlines Holdings, Inc.
45200 Business Court
Dulles, Virginia, 20166

Ladies and Gentlemen:

As you are aware, we announced yesterday that we have entered into a memorandum of understanding (MOU) with United Air Lines, Inc. ("United Airlines") which provides that Mesa Air will provide or cause Atlantic Coast Airlines Holdings, Inc. ("ACA") to provide for the operation of regional jet and turboprop aircraft in code-share service under the United Express mark in the event that Mesa Air is successful in its acquisition of ACA. If Mesa Air's nominees are elected pursuant to our consent solicitation, they will have the right to consider the proposal set forth in the above mentioned MOU.

Your stockholders are in a truly unique position today. Very rarely are the stockholders of a publicly held corporation offered such a stark and contrasting choice of strategic courses. One vision, as articulated by your management, is to sever the historically stable and profitable relationship with UAL enjoyed by ACA as an alliance partner and pursue the course of a "startup", low cost air carrier with all risks attendant thereto. Your management's actions ignore, in our opinion, conclusions of leading Wall Street financial analysts who consider the financial projections to be questionable. Another vision, represented by Mesa's proposal, is to return ACA to what it has done best: provide high quality regional air service to major airlines under long-term revenue guaranty agreements. From our vantage point, the choice is straightforward and simple.

We believe that your stockholders are entitled to decide the future of a company in this situation. Accordingly, in our opinion, any action taken by you to impede the ability of your stockholders to make this fundamental choice or to receive a premium for their shares may cause irreparable damage to ACA and stockholder value.

In that regard, both as a significant shareholder and potential bidder for ACA, we are very concerned that in light of your recent announcements you may choose to impede your stockholders ability to continue as a regional carrier by committing to the purchase of inappropriate aircraft. We believe that entering into an aircraft purchase commitment or taking other action that would preclude your stockholders from fairly considering the exchange offer/merger proposal we have previously communicated to you would constitute an impermissible "shark repellent" and would be inconsistent with your fiduciary duties under Delaware law. We believe that by entering into any binding aircraft purchase agreement with penalty clauses or non-refundable deposits the ACA board would be wasting valuable corporate assets and would be acting contrary to the best interests of its stockholders solely for the purpose of entrenching yourselves and management. I am sure you have heard and will continue to hear from your shareholders on this issue.

We urge you to not take any action that would make it more difficult or

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expensive for stockholders to consider our proposal and receive the premium that would result. We will take such action as is necessary to protect ACA stockholder value and insure that you comply with your fiduciary duty to the ACA stockholder, including us.

Sincerely,

/s/ Jonathan G. Ornstein

Jonathan G. Ornstein
Chairman of the Board & Chief Executive
Officer

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On November 13, 2003, Atlantic Coast issued a press release which included a letter to the Mesa board of directors in response to the above letter Mesa sent to Atlantic Coast's board of directors. Atlantic Coast's letter to Mesa stated that it takes its fiduciary duties to its stockholders seriously. The letter further stated that the Atlantic Coast board of directors has previously reviewed and rejected an agreement with United Airlines for the following reasons: (i) greater risk over the life of the contract, particularly with respect to costs that would be required to be borne by Atlantic Coast but that would be solely within United Airlines' control; (ii) margins based on operating performance standards that could be reset by United Airlines in its discretion; and (iii) no assurance that the terms of the non-binding agreement would not be renegotiated by United Airlines when and if it finalizes its reorganization plan and actually emerges from bankruptcy.

On November 17, 2003, Mr. Ornstein wrote a letter to the Atlantic Coast board of directors in response to Atlantic Coast's letter dated November 13, 2003. A copy of Mr. Ornstein's letter is set forth below.

November 17, 2003

Board of Directors
Atlantic Coast Airlines Holdings, Inc.
45200 Business Court
Dulles, Virginia, 20166

Ladies and Gentlemen:

I am in receipt of your letter dated November 13, 2003.

Firstly, let me say that we are delighted with the results of the non-binding memorandum of understanding (MOU) that we have recently negotiated with United Airlines (UAL). The concerns raised in your above-mentioned letter with respect to certain contract terms previously offered by UAL to Atlantic Coast Airlines Holdings, Inc. ("ACA"), while interesting, are not particularly relevant to the Mesa-negotiated version of the MOU. Simply stated, your concerns are either unfounded or have been addressed satisfactorily.

Finally, contrary to your management's self-serving and incorrect conclusion that we are working with UAL to try to "squash" your efforts to

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establish a low-fare airline at Dulles International Airport, please be assured that the MOU was negotiated with UAL on an arms length basis with the view to effecting the acquisition of ACA. The terms of the MOU are in our view in the best interests of the stockholders of ACA and the combined company in the event a business combination transaction between ACA and Mesa is consummated.

Sincerely,

/s/ Jonathan G. Ornstein

Jonathan G. Ornstein
Chairman of the Board & Chief Executive
Officer

On November 18, 2003, Atlantic Coast issued a press release announcing that it had entered into the Airbus MOU. Atlantic Coast took such actions despite being informed in our letter of November 13, 2003 of our belief that by entering into binding aircraft purchases which contain penalty clauses or non-refundable deposits, the Atlantic Coast board would be acting contrary to the best interests of its stockholders.

On November 19, 2003, Mesa issued a press release denouncing the recent aircraft order by Atlantic Coast. Mesa also announced we are moving forward with our consent solicitation to replace the current board of Atlantic

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Coast with the nominees. Mesa also intends to proceed with making our exchange offer, subject to considering the impact of these developments on the value of Atlantic Coast and consequently, our exchange offer.

On November 25, 2003, Atlantic Coast announced that the consent it received on October 23, 2003 had been revoked and that therefore the 60-day consent solicitation period has not yet commenced.

On November 26, 2003, Atlantic Coast amended its complaint in the DC Lawsuit. The amended complaint, in addition to the allegations contained in its initial complaint filed on October 27, 2003, claims that (i) United Airlines and Mesa acted in concert and conspired in violation of Section 1 of the Sherman Antitrust Act and (ii) Mesa's attempt to acquire Atlantic Coast is in violation of Section 7 of the Clayton Act. Atlantic Coast simultaneously filed a motion for a preliminary injunction that would, among other things, prohibit Mesa from commencing our consent solicitation and from taking any other action to attempt to acquire control of Atlantic Coast or its board of directors. We believe the DC Lawsuit is without merit, and we intend to contest the allegations set forth in Atlantic Coast's amended complaint.

On November 30, 2003, Mesa filed a counterclaim against Atlantic Coast in the DC Lawsuit. Mesa's counterclaim alleges that Atlantic Coast's preliminary proxy statement and other public statements made in connection with Mesa's consent solicitation and Atlantic Coast's new business model of becoming an independent low-fare airline are materially false and misleading, in violation of Section 14(a) of the Exchange Act.

On December 2, 2003, the day before the Delaware Court of Chancery was scheduled to determine if the Atlantic Coast directors had breached their

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fiduciary duty, Atlantic Coast announced (i) the cancellation of the October 23, 2003 record date it had previously set in connection with Mesa's consent solicitation and (ii) that a new record date for Mesa's consent solicitation has not been established.

MESA AIR GROUP, INC.

Mesa is a holding company whose principal subsidiaries operate as regional air carriers providing scheduled passenger and airfreight service. Mesa serves 155 cities in 39 states, the District of Columbia, Canada, and Mexico. Mesa operates a fleet of 151 aircraft and has approximately 982 daily system departures. Mesa operates in the West and Midwest as America West Express; the Midwest and East as US Airways Express; in Denver and the West as United Express; in Denver as Frontier JetExpress until December 31, 2003; in Kansas City with Midwest Express and in New Mexico and Texas as Mesa Airlines. Mesa, which was founded in New Mexico in 1982, has approximately 3,600 employees. Mesa is a member of the Regional Airline Association and Regional Aviation Partners.

Mesa is a Nevada corporation with its principal executive offices located at 410 North 44th Street, Suite 700, Phoenix, Arizona 85008.

We intend to file a registration statement on Form S-4 (the "Offer to Purchase") to register the shares of common stock of Mesa to be exchanged for shares of Atlantic Coast common stock in our exchange offer and preliminary proxy materials with the SEC so as to obtain necessary approval for the issuance of the shares of Mesa common stock to the stockholders of Atlantic Coast when the Mesa exchange offer is consummated. For a description of certain terms of our exchange offer, a discussion of the Exchange Ratio as a result of the Airbus MOU and other information related to the exchange offer, see Annex IV. This summary highlights selected information from our exchange offer and may not contain all the information that is important to you.

Complete information about our exchange offer will be contained in the Offer to Purchase, which will be available upon request from the Information Agent for our exchange offer, MacKenzie, and in the Tender Offer Statement on Schedule TO, which we intend to file with the SEC. The Tender Offer Statement on Schedule TO and any amendments thereto, including exhibits, will be available for inspection and copies will be obtainable in the manner set forth under "Where you can find more information."

THIS CONSENT STATEMENT IS NEITHER A REQUEST FOR THE TENDER OF SHARES NOR AN OFFER WITH RESPECT THERETO. THE OFFER IS BEING MADE ONLY BY MEANS OF THE OFFER TO PURCHASE AND THE RELATED LETTER OF TRANSMITTAL THAT WILL BE

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DELIVERED TO YOU SEPARATELY AND WILL BE AVAILABLE FROM THE INFORMATION AGENT FOR OUR EXCHANGE OFFER, MACKENZIE.

MESA STRATEGIC PLANS

If the nominees are elected to the Atlantic Coast board of directors, they will consider entering into a business combination transaction with Mesa if such a transaction is in the best interest of Atlantic Coast stockholders. If there is ultimately a business combination, the combined company will manage its business (including the code sharing agreements) in the best interest of its combined stockholders. Prior to any business combination transaction, the relationships of Mesa and Atlantic Coast with their respective code share partners will continue to be managed separately.

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While both Mesa and Atlantic Coast are party to code share agreements with United Airlines, the companies currently serve divergent geographical markets pursuant to these agreements. Mesa is party to a code share agreement with United Airlines primarily with respect to United Airlines' hub in Denver, Colorado. Atlantic Coast is party to a code share agreement with United Airlines primarily with respect to United Airlines' hubs in Dulles, Virginia and Chicago, Illinois. While Mesa and Atlantic Coast may operate flights to the same destination pursuant to our respective code share agreements, those flights generally originate from different hubs. As United Airlines controls the pricing, scheduling and cities served for its code share partners, Mesa and Atlantic Coast generally do not compete for passengers.

If Mesa is successful in acquiring Atlantic Coast, Mesa will take immediate steps to refocus Atlantic Coast's business model to one based on revenue guarantee code share relationships with major airlines serving hub networks. We believe that by bringing these two companies together, and maintaining the successful revenue guarantee code share business model, we will create the leading regional airline in the United States. In our view, this business model, applied to an enlarged asset base and a broader portfolio of client partnerships, will offer more balanced revenue distribution and strong synergies. As the leading operator in the regional aviation sector, we would have a stronger balance sheet and greater access to capital to fund our combined growth. Employees of both companies would have a stronger, more secure employer and greater advancement opportunities; our major airline customers would benefit from our ability to provide cost efficient services; our stockholders would benefit from an enhanced capital structure and greater growth prospects. Consequently, we believe the forgoing factors will enhance the company's profitability and stockholder value, both in the short and long term. However, these benefits cannot be realized unless a Mesa/Atlantic Coast business combination transaction is consummated. We cannot give any assurance that these benefits and/or savings will be achieved or realized in the near term, or at all.

We are engaged in preliminary discussions with Delta Air Lines regarding the terms of a potential code share agreement in the event that Mesa is successful in acquiring Atlantic Coast.

Delta Air Lines has informed Atlantic Coast that if it operates aircraft with more than 70 seats, Delta Air Lines may seek alternatives to the services provided by Atlantic Coast. Delta Air Lines has the right under its code share agreement with Atlantic Coast to terminate the agreement at any time without cause by providing 180 days notice to Atlantic Coast, in which case Atlantic Coast has the right to require Delta Air Lines to purchase and assume the lease on all or some of the aircraft used in the code share agreement. Atlantic Coast's binding memorandum of understanding with Airbus for A319 and A320 aircraft, which seat 132 passengers and 156 passengers, respectively, could cause Delta Air Lines to terminate its code share agreement with Atlantic Coast and could complicate Mesa's efforts to reach a code share agreement with Delta Air Lines with respect to the operation of Atlantic Coast aircraft in the event that our exchange offer is successfully consummated.

On November 12, 2003, Mesa entered into the United MOU in which Mesa will provide or would cause Atlantic Coast to provide for the operation of regional jet and turboprop aircraft in code share and pro-rate service under the United Express mark in the event that our exchange offer is successfully consummated or if the Mesa nominees are elected to the Atlantic Coast board of directors pursuant to this consent solicitation and enter into a definitive code share agreement with United Airlines on terms substantially similar to those contained in the United MOU. The United MOU contemplates: (i) the use of 87 RJ50s for terms expiring as late as December 31, 2015; (ii) the use of 12 Contract J41 Turboprops and the right to fly up to 16 Pro-Rate Turboprops, all 28 aircraft for a term through the expiration of their respective leases; and (iii) a

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conversion option pursuant to which 30 of the 87 RJ50s

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may be substituted for RJ70s. The United MOU also ensures cost reimbursement for any contractual commitments with respect to outsourced maintenance, pilots, flight attendants, line mechanics and dispatchers, as well as Atlantic Coast receiving profit margins with respect to all contract aircraft except Pro-Rate J41 Turboprops. The profit margins to be received by Atlantic Coast are based on performance criteria and will be adjusted to margins that, although a reduction from Atlantic Coast current margins, are no less favorable than the profit margins to be received by any other regional carrier pursuant to recently negotiated code share agreements with United Airlines.

In addition, Mesa negotiated the following modifications to its current code share relationship with United Airlines: (i) an extended term with respect to 15 Short-term RJ50s for up to 2 years at Mesa's discretion; (ii) the delivery of both 10 Replacement RJ70s in lieu of 10 Long-term RJ50s, as well as the last 5 RJ70s under its current agreement, for a term expiring 10 years after the date of delivery, but no later than 2018; and (iii) a right to fly up to 20 Beech 1900 Pro-Rate Turboprops in mutually agreeable markets at mutually agreeable pro-rate terms. Furthermore, in the event that a Mesa/Atlantic Coast business combination is successfully consummated or if the Mesa nominees are elected to the Atlantic Coast board of directors pursuant to this consent solicitation and enter into a definitive code share agreement with United Airlines on terms substantially similar to those contained in the United MOU, the adjusted margins will also apply to all Mesa aircraft that fly code share services for United Airlines. The revised margins are an improvement in the current Mesa relationship with United Airlines.

In addition, the United MOU contemplates (i) the delivery of up to 10 Growth RJ70s after October 2006 with a term expiring on December 31, 2016; and (ii) a right of first refusal on an Additional 10 Growth RJ70s. The allocation between Mesa and/or Atlantic Coast of such aircraft will be determined by the parties and set forth in a definitive agreement.

The nominees have indicated that if elected to the Atlantic Coast board, they will consider entering into a definitive code share agreement with United Airlines on terms substantially similar to those contained in the United MOU.

ADDITIONAL INFORMATION REGARDING THE PROPOSALS

Proposal 1: Removal of Directors

Atlantic Coast stockholders are being asked to adopt a proposal to remove the current directors of Atlantic Coast: Kerry B. Skeen, Thomas J. Moore, C. Edward Acker, Robert E. Buchanan, Susan MacGregor Coughlin, Caroline Devine, Daniel L. McGinnis, James C. Miller III, and William Anthony Rice and any director elected or appointed to the Atlantic Coast board pursuant to a vacancy caused by the removal or resignation of any of the directors from the Atlantic Coast board or any newly-created directorships prior to the effective time of this stockholder action. As explained in this Consent Statement, Mesa strongly believes that the current directors are not acting, and will not act, in the best interest of the Atlantic Coast stockholders and should, therefore, be removed.

Proposal 1 will not become effective unless proposal 2 is adopted and becomes effective. However, proposal 1 may be adopted and become effective independent of proposal 3.

WE ARE SEEKING YOUR CONSENT TO REMOVE THE CURRENT DIRECTORS OF ATLANTIC

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COAST WITHOUT CAUSE NOTWITHSTANDING SECTION 3.11 OF THE ATLANTIC COAST BY-LAWS, WHICH PROVIDES THAT DIRECTORS MAY BE REMOVED ONLY FOR CAUSE. SECTION 141(k) OF THE DGCL PROVIDES THAT DIRECTORS MAY BE REMOVED WITH OR WITHOUT CAUSE BY A MAJORITY OF THE STOCKHOLDERS. WE HAVE BEEN ADVISED BY COUNSEL THAT SECTION 3.11 OF THE ATLANTIC COAST BY-LAWS CONFLICTS WITH SECTION 141(k) OF THE DGCL AND IS THEREFORE INVALID. THE DELAWARE LAWSUIT SEEKS TO DECLARE SECTION 3.11 OF THE ATLANTIC COAST BY-LAWS INVALID.

Mesa urges Atlantic Coast stockholders to consent to the removal of all of Atlantic Coast's directors.

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Proposal 2: Election of Nominees

Atlantic Coast stockholders are being asked to elect as directors of Atlantic Coast each of the seven nominees named below, each of whom has consented to being named in this Consent Statement and our other solicitation materials and to serve as a director, if elected, until the next annual meeting of stockholders or until his successor has been elected and qualified. The Atlantic Coast by-laws provide that a single class of directors will be elected at the annual meeting and hold office until the following annual meeting or until his successor is elected and qualified. If elected, the nominees would serve together as a single class of directors in accordance with these by-law provisions.

Mesa's primary purpose in seeking to elect the nominees to Atlantic Coast's board is to enhance the value of Atlantic Coast for the benefit of all stockholders. If elected, the nominees would be responsible for managing the business and affairs of Atlantic Coast and would consider any and all feasible alternatives to Atlantic Coast's current business operations and practices. Each director of Atlantic Coast has an obligation under Delaware law to discharge his duties as a director in good faith, in a manner he reasonably believes to be in the best interest of Atlantic Coast and with such care, including reasonable inquiry, skill and diligence, as a person of ordinary prudence would use under similar circumstances.

Although Mesa has no reason to believe that any of the nominees may be unable or unwilling to serve as directors, if any of the nominees is unable to serve as a director of Atlantic Coast due to death, disability or otherwise, the remaining nominee or nominees may designate another person or persons to replace the nominee or nominees unable to serve.

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The name, age, present principal occupation and business address and employment history of each of the nominees for at least the past five years are as follows:

Name	Age	Present Principal Occupation and Fiv History
Nathaniel A. Davis	49	President, Chief Operating Officer, XO through June 2003. Prior to June 2003,

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of XO Communications, Inc. From 1998 to
 President of Technical Services for Nex
 is currently a director of XM Satellite

<p>Andre V. Duggin A.V. Consultants, Inc. 985 Old Eagle School Road Suite 504 Wayne, PA 19355</p>	<p>58</p>	<p>Chairman of the Board of Directors a A.V. Consultants, Inc., 1982 throu</p>
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<p>Theodore F. Kahan El Camino Capital Group 130 S. El Monte Dr. Beverly Hills, CA 90212</p>	<p>42</p>	<p>Senior Managing Director, El Camino Cap as Executive Vice President, Real Estat 2000-2003. Mr. Kahan also served as Gen executive management committee of Ameri</p>
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<p>James R. Link 2931 N. Gouverneur Street, Bldg C, Apt. 103 Wichita, KS 67226</p>	<p>58</p>	<p>Consultant, JLink Associates, a financi 2002 through the present. Mr. Link has Officer of PAC/AV from 2002 through the Officer of TRW Investments, a venture c present. Mr. Link served as Chief Execu 2001. From 1998 through 2001, Mr. Link Sales, of Raytheon Aircraft.</p>
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<p>David T. McLaughlin</p>	<p>71</p>	<p>Chairman of the Board of Directors, Ori Chief Executive Officer, 2001. Mr. McLa Dartmouth College from 1981 through 198 on the Board of Directors of Viacom, In Infinity Broadcasting. Mr. McLaughlin i Cross.</p>
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<p>Peter F. Nostrand Suntrust Banks, Inc. 303 Peachtree St., N.E. Atlanta, Georgia 30308</p>	<p>56</p>	<p>Chairman of the Board of Directors, Pre SunTrust Banks, Inc., Greater Washingto Greater Washington) from 1995 through t President of Crestar Bank Washington, D merged into Crestar's Virginia Bank) fr through 1995, Mr. Nostrand served as Se Crestar Bank.</p>
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<p>Archille R. Paquette</p>	<p>60</p>	<p>Mr. Paquette has been retired since 199 Paquette served in various positions at Midwest, Inc. in 1977 and</p>
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Name	Age	Present Principal Occupation and Fiv History
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serving as President and Chief Operating Officer of Air Midwest, Inc. is a subsidiary of Mesa Air Group, Inc. Mr. Link was a military aviator and pilot officer in the US Army from 1965-1975.

The following table sets forth all purchases and sales during the past two years of Mesa common stock deemed to be beneficially owned by the nominees. All transactions were effected in open market transactions. To the best of our knowledge, none of the nominees beneficially owns any common stock of Atlantic Coast.

Name	Transaction Date	Number of Shares	Purchase/Sale
James R. Link	5/19/03	200	Purchase
James R. Link	6/24/03	800	Purchase
James R. Link	7/22/03	1,000	Purchase
James R. Link	9/2/03	1,000	Purchase
James R. Link	9/19/03	1,500	Sale
James R. Link	9/29/03	1,500	Sale
Archille R. Paquette(1)	3/8/02	2,100	Sale
Archille R. Paquette(1)	3/18/02	7,900	Sale
Archille R. Paquette(1)	3/28/02	10,000	Sale
Archille R. Paquette(1)	4/12/02	10,000	Sale
Archille R. Paquette(1)	4/16/02	5,000	Sale

(1) Cashless exercise of stock option and simultaneous sale.

Except as discussed below, none of the nominees has been involved in any legal proceedings which must be disclosed as material for purposes of an evaluation of the integrity or ability of any person nominated to become a director under the federal securities laws.

Name	Legal Proceedings
Nathaniel A. Davis	In January 2002, shareholder lawsuits were filed against the executive officers and board of directors of XO Communications, Inc., including Mr. Davis, alleging breaches of fiduciary duty in connection with his position as President and Chief Operating Officer of XO Communications, Inc. These cases were dismissed in June 2002. XO Communications, Inc. was the subject of an insolvency proceeding in the United States Bankruptcy Court for the Southern District of New York in 2002 and 2003 while Mr. Davis was an executive officer.

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This information has been furnished to Mesa by the respective nominees. Each of the nominees has consented to being named herein to serve as a nominee and as a director, if elected. None of the nominees nor any of their current employers is an affiliate of Mesa and, if elected, none of the nominees would represent Mesa on the Atlantic Coast board.

Mesa has agreed to indemnify and hold harmless, to the fullest extent permitted by law, each of the nominees against expenses, judgments, fines and amounts paid in settlement actually and reasonably incurred by

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him in connection with his position as a nominee. Mesa will also pay out-of-pocket expenses of the nominees incurred in their capacity as such. It is expected that each nominee, if elected and seated on the Atlantic Coast Board, will thereafter be reimbursed by Atlantic Coast, based on its current fee structure, for his reasonable out-of-pocket expenses incurred in the performance of his service as director. Such directors will also be entitled to indemnification by Atlantic Coast in accordance with its certificate of incorporation and by-laws.

Proposal 2 will not become effective unless proposal 1 is adopted and becomes effective. However, proposal 2 may be adopted and become effective independent of proposal 3.

In accordance with applicable regulations of the SEC, the WHITE consent card delivered with this Consent Statement provides each stockholder of Atlantic Coast with the opportunity to designate the names of any of the nominees whom he or she does not desire to elect to the Atlantic Coast board. Mesa urges Atlantic Coast stockholders to vote for all of the nominees on the WHITE consent card delivered with this Consent Statement.

Proposal 3: Repeal of Each Provision of the Atlantic Coast By-laws or Amendments, if any, Adopted After August 14, 1998 (the last date the by-laws were filed with the SEC) Prior to the Effective Time of this Stockholder Action

Stockholders are being asked to adopt a proposal which would repeal any amendment to the Atlantic Coast by-laws adopted by the current Atlantic Coast board after August 14, 1998 and before the effectiveness of the proposals and the seating of the nominees. This proposal is designed to prevent the current Atlantic Coast directors from taking actions to amend the Atlantic Coast by-laws to attempt to nullify or delay the actions taken by the stockholders under these proposals or to create new obstacles to the ability of the stockholders to freely elect a board of directors that act in their best interest. Based on publicly available information, the most recent version of the Atlantic Coast by-laws were adopted on July 22, 1998, and no alterations after that date have been publicly disclosed. The approval of this proposal could result in the repeal of by-laws which may be in the best interests of stockholders, although we believe that such a possibility is unlikely in view of the failure of the current board to disclose any such by-law amendments. If the current board adopts any material amendments to the by-laws that would be subject to repeal under this proposal and such amendments are made available to us or the general public, we will provide you with additional materials regarding such amendments. Proposal 3 may be adopted and become effective independent of proposals 1 and 2.

Mesa urges Atlantic Coast stockholders to repeal any amendment to the Atlantic Coast by-laws adopted by the current Atlantic Coast board after August 14, 1998 and before the effectiveness of the proposals and the seating of the nominees.

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VOTING SECURITIES

According to Atlantic Coast's certificate of incorporation, the shares of Atlantic Coast common stock constitute the only class of outstanding voting securities of Atlantic Coast. Accordingly, only holders of Atlantic Coast common stock are entitled to execute consents. Atlantic Coast stated in its Quarterly Report on Form 10-Q for the quarter ended September 30, 2003, that as of November 1, 2003, there were 45,333,310 shares of Atlantic Coast common stock outstanding. Each share of Atlantic Coast common stock is entitled to one vote. Stockholders of Atlantic Coast do not have cumulative voting rights. On December [9], 2003, Mesa, in its capacity as a record holder of Atlantic Coast common stock, requested that the Atlantic Coast board fix a proper record date. If the Atlantic Coast board does not set a new record date in accordance with our request, the record date for the solicitation will be the date on which the first signed consent is delivered to Atlantic Coast. We intend to notify you by press release as promptly as possible of the actual record date when determined.

The following table sets forth the interests of Mesa in the shares of Atlantic Coast, as of October 10, 2003.

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Name of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percent of Class
Mesa Air Group, Inc..... 401 North 44th Street, Suite 700 Phoenix, Arizona 85008	1,603,529	3.5%*

*Based on the number of shares of Atlantic Coast common stock outstanding on November 1, 2003.

The following table sets forth all purchases and sales by Mesa of Atlantic Coast common stock during the past two years. All transactions were effected in open market transactions.

Date of Transaction	Amount of Securities	Transaction Type	Price Per S
11/20/01	1,000	Sale	\$19.1
11/21/01	6,000	Purchase	\$22.5
11/21/01	1,000	Sale	\$20.2
11/23/01	100	Sale	\$21.3
11/23/01	900	Sale	\$21.3
11/26/01	300	Sale	\$21.5
11/26/01	400	Sale	\$21.4
11/26/01	1,300	Sale	\$21.4
12/10/01	100	Sale	\$22.6
12/10/01	900	Sale	\$22.6
01/07/02	50	Put	\$20.0
01/15/02	5,000	Sale	\$25.6
02/01/02	200	Sale	\$28.8
02/04/02	100	Sale	\$29.2
02/04/02	1,900	Sale	\$29.2

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02/05/02	50	Put	\$22.5
02/06/02	600	Purchase	\$26.4
02/06/02	400	Purchase	\$26.4
02/07/02	900	Purchase	\$25.4
02/07/02	100	Purchase	\$25.4
02/07/02	25	Put	\$25.0
02/07/02	25	Put	\$25.0
02/07/02	25	Put	\$25.0
02/07/02	25	Put	\$25.0
02/28/02	3,000	Sale	\$28.7
03/08/02	25	Put	\$25.0
03/08/02	25	Put	\$25.0
03/08/02	10	Put	\$22.5
03/08/02	10	Put	\$25.0
03/12/02	2,000	Purchase	\$27.5
03/12/02	900	Purchase	\$27.4
03/12/02	300	Purchase	\$27.4
03/12/02	100	Purchase	\$27.4
03/12/02	100	Purchase	\$27.4
03/18/02	1,000	Purchase	\$25.9
03/18/02	900	Purchase	\$25.9
03/18/02	100	Purchase	\$25.9
03/22/02	2,000	Purchase	\$25.6
03/25/02	2,200	Purchase	\$24.6

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Date of Transaction	Amount of Securities	Transaction Type	Price Per S
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03/26/02	2,000	Purchase	\$24.1
03/27/02	2,100	Purchase	\$24.1
03/28/02	5,000	Purchase	\$23.7
04/02/02	40	Put	\$22.5
04/02/02	15	Put	\$25.0
04/04/02	5,500	Purchase	\$22.8
02/04/03	10,000	Purchase	\$8.6
04/07/03	2,000	Sale	\$7.3
04/30/03	8,000	Sale	\$8.2
08/04/03	20,000	Purchase	\$7.3
08/05/03	42,200	Purchase	\$7.3
08/06/03	75,092	Purchase	\$7.5
08/07/03	68,994	Purchase	\$7.4
08/08/03	2,300	Purchase	\$7.5
08/08/03	1,386	Sale	\$8.0
08/08/03	17,200	Sale	\$8.0
08/11/03	5,000	Sale	\$8.3
08/12/03	10,000	Sale	\$8.4
08/13/03	3,000	Purchase	\$8.2
08/14/03	185,000	Purchase	\$7.9
08/14/03	5,000	Purchase	\$8.0
08/14/03	4,500	Purchase	\$7.8
08/21/03	62,000	Purchase	\$8.1
08/21/03	22,656	Purchase	\$8.1
08/22/03	168,000	Purchase	\$8.1
08/25/03	40,000	Purchase	\$7.6
08/25/03	100,600	Purchase	\$7.8

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08/26/03	2,500	Purchase	\$7.8
08/26/03	4,000	Purchase	\$7.8
08/27/03	92,500	Purchase	\$7.9
08/27/03	35,800	Purchase	\$7.8
08/28/03	61,577	Purchase	\$7.8
08/29/03	37,500	Purchase	\$8.0
08/29/03	7,000	Purchase	\$7.9
09/02/03	117,500	Purchase	\$8.1
09/02/03	9,100	Purchase	\$8.2
09/03/03	30,000	Sale	\$8.7
09/04/03	20,000	Sale	\$8.6
09/04/03	4,500	Sale	\$8.6
09/05/03	30,000	Sale	\$8.7
09/08/03	221,000	Purchase	\$8.4
09/09/03	3,500	Purchase	\$8.3
09/09/03	42,700	Purchase	\$8.3
09/10/03	5,000	Purchase	\$8.4
09/10/03	9,278	Purchase	\$8.4
09/11/03	35,000	Sale	\$8.8
09/12/03	20,000	Purchase	\$8.9
09/12/03	5,000	Sale	\$9.1
09/17/03	5,000	Sale	\$9.2
09/17/03	15,000	Sale	\$9.1
09/17/03	45,000	Sale	\$9.0
09/18/03	20,000	Sale	\$9.1
09/18/03	25,000	Sale	\$9.1

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Date of Transaction	Amount of Securities	Transaction Type	Price Per S
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09/19/03	5,000	Sale	\$9.0
09/19/03	5,000	Sale	\$9.1
09/23/03	17,000	Sale	\$9.1
09/24/03	70,000	Sale	\$9.2
09/25/03	7,500	Purchase	\$8.5
09/25/03	7,500	Purchase	\$8.5
09/25/03	4,014	Purchase	\$8.5
09/26/03	6,500	Purchase	\$8.2
09/26/03	78,500	Purchase	\$8.3
09/26/03	40,200	Purchase	\$8.3
09/26/03	5,000	Purchase	\$8.2
09/29/03	45,000	Sale	\$8.5
09/30/03	5,000	Sale	\$8.4
10/02/03	25,000	Sale	\$8.7
10/03/03	304,000	Purchase	\$9.0
10/03/03	10,000	Sale	\$9.2
10/03/03	12,100	Purchase	\$9.0
10/03/03	3,500	Purchase	\$9.0
10/03/03	3,500	Sale	\$12.0
10/03/03	20,000	Sale	\$9.0
10/06/03	140,000	Purchase	\$9.4

WHERE YOU CAN FIND MORE INFORMATION

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Mesa and Atlantic Coast file annual, quarterly and special reports, proxy statements and other information with the SEC. You may read and copy any reports, statements or other information Mesa and Atlantic Coast files at the SEC's public reference room located 450 Fifth Street, N.W., Washington D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the public reference rooms. The respective SEC filings are also available to the public from commercial document retrieval services and at the web site maintained by the SEC at <http://www.sec.gov>.

You can also get more information by visiting Mesa's web site at <http://www.mesa-air.com> and Atlantic Coast's web site at <http://www.atlanticcoast.com>. Web site materials are not part of this Consent Statement.

Mesa intends to file a Registration Statement on Form S-4 to register with the SEC the Mesa common stock to be issued to Atlantic Coast common stockholders if our exchange offer is consummated and a Tender Offer Statement on Schedule TO. The Form S-4 and Schedule TO will be available to Atlantic Coast stockholders at the SEC's public reference rooms, from commercial document retrieval services and at the web site maintained by the SEC at <http://www.sec.gov>.

The SEC allows Mesa to "incorporate by reference" information into this Consent Statement, which means that we can disclose important information to you by referring you to another document filed separately with the SEC. The information incorporated by reference is deemed to be part of this Consent Statement, except for any information superseded by information in, or incorporated by reference in, this Consent Statement. This Consent Statement incorporates by reference the documents set forth below that we have previously filed with the SEC. These documents contain important information about Mesa and its finances.

MESA SEC FILINGS (FILE NO. 000-15495)

Annual Report on Form 10-K	For the fiscal year ended September 30, 2002, updated by financial information included in the Current Report on Form 8-K dated June 10, 2003.
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Quarterly Reports on Form 10-Q	For the fiscal quarters ended December 31, 2002, March 31, 2003 and June 30, 2003.
Current Reports on Form 8-K	Filed on May 1, 2003, June 10, 2003, June 10, 2003, June 12, 2003, July 30, 2003, October 17, 2003, November 13, 2003, November 26, 2003 and December 2, 2003, respectively.
Definitive Proxy Statement on Schedule 14A for the 2003 Annual Meeting of Stockholders	Filed on January 10, 2003.

ATLANTIC COAST SEC FILINGS (FILE NO. 000-21976)

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Annual Report on Form 10-K, as amended	For the fiscal year ended December 31, 2002.
Quarterly Reports on Form 10-Q	For the fiscal quarters ended March 31, 2003, June 30, 2003 and September 30, 2003.
Current Reports on Form 8-K	Filed on January 27, 2003, January 29, 2003, January 31, 2003, February 10, 2003, February 27, 2003, April 15, 2003, April 23, 2003, May 15, 2003, May 23, 2003, May 28, 2003, June 24, 2003, July 2, 2003, July 21, 2003, July 28, 2003, July 30, 2003, August 22, 2003, October 6, 2003, October 22, 2003, November 10, 2003, November 19, 2003 and November 21, 2003, respectively.
Definitive Proxy Statement on Schedule 14A for the 2003 Annual Meeting of Stockholders	Filed on April 30, 2003.

All documents filed by Mesa and Atlantic Coast pursuant to Section 13(a), 13(c), 14 or 15(d) of the Exchange Act with the SEC from the date of this consent solicitation to the date that shares of Atlantic Coast common stock are accepted for exchange pursuant to our exchange offer or the date that our offer is terminated are also deemed to be incorporated by reference into this Consent Statement.

All information contained in, or incorporated by reference into, this Consent Statement relating to Mesa was provided by Mesa. While Mesa has included or incorporated by reference in this Consent Statement information concerning Atlantic Coast known to Mesa based on publicly available information (primarily filings by Atlantic Coast with the SEC), Mesa is not affiliated with Atlantic Coast, and Atlantic Coast has not permitted Mesa to have access to its books and records. Therefore, non-public information concerning Atlantic Coast was not available to Mesa for the purpose of preparing this Consent Statement. Although Mesa has no knowledge that would indicate that statements relating to Atlantic Coast contained or incorporated by reference in this consent solicitation are inaccurate or incomplete, Mesa was not involved in the preparation of those statements and cannot verify them.

Documents incorporated by reference are available from us without charge upon written or oral request of Atlantic Coast stockholders to the Information Agent for the proposed transaction, MacKenzie Partners, Inc., 105 Madison Avenue, New York, NY 10016, call collect at (212) 929-5405 or toll-free at (800) 322-2885. Exhibits to these documents will only be furnished if they are specifically incorporated by reference in this document. If you request any incorporated documents from us, we will mail them to you by first class mail, or another equally prompt means, within one business day after we receive your request.

Certain information about the employees and representatives of Mesa who may assist Mesa in soliciting consents is set forth in the attached Annex II. Annex III sets forth certain information relating to the ownership of Atlantic Coast common stock by certain of Mesa's employees and representatives, and about any transactions between any of them and Atlantic Coast.

INFORMATION REGARDING FORWARD-LOOKING STATEMENTS

Our disclosure in this Consent Statement contains some forward-looking statements. Forward-looking statements give our current expectations or forecasts of future events. You can identify these statements by the fact that they do not relate strictly to historical or current facts. They use words such as "anticipate," "estimate," "expect," "intend," "believe," and other words and terms of similar meaning in connection with any discussion of future operating or financial performance.

Any and all of our forward-looking statements in this Consent Statement can be affected by inaccurate assumptions we might make or by known or unknown risks and uncertainties. Consequently, no forward-looking statement can be guaranteed. Because these statements are subject to risks and uncertainties, actual results may differ materially from those expected or implied by the forward-looking statements. We caution you not to place undue reliance on the statements, which speak only as of the date of this Consent Statement.

From time to time, we also may provide oral or written forward-looking statements in other materials we release to the public.

We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise. You are advised, however, to consult any further disclosures we make on related subjects in our reports to the SEC in, among other places, "Management's Discussion and Analysis of Financial Condition and Results of Operations" in our periodic reports filed with the SEC.

The cautionary statements contained or referred to in this section should be considered in connection with any subsequent written or oral forward-looking statements that Mesa or persons acting on its behalf may issue. Mesa undertakes no obligation to review or confirm analysts' expectations or estimates or to release publicly any revisions to any forward-looking statements to reflect events or circumstances after the date of this document or to reflect the occurrence of unanticipated events.

SOLICITATION

Solicitation of consents may be made by the directors, officers, investor relations personnel and other employees of Mesa, its subsidiaries and their affiliates and by the nominees. Consents will be solicited by mail, advertisement, telephone or telecopier and in person. No such persons will receive additional compensation for such solicitation.

In addition, Mesa has retained MacKenzie to assist in the solicitation, for which services MacKenzie will be paid customary fees. MacKenzie will be reimbursed for its reasonable out-of-pocket expenses. Mesa has also agreed to indemnify MacKenzie against certain liabilities and expenses, including certain liabilities and expenses under the federal securities laws. It is anticipated that 45 persons will be employed by MacKenzie to solicit stockholders.

Banks, brokers, custodians, nominees and fiduciaries will be requested to forward solicitation material to the beneficial owners of shares of Atlantic Coast common stock. Mesa will reimburse banks, brokers, custodians, nominees and fiduciaries for their reasonable expenses for sending solicitation material to the beneficial owners.

Merrill Lynch & Co. ("Merrill Lynch") is acting as financial advisor for Mesa in connection with the proposed acquisition of Atlantic Coast. In connection with its engagement, Mesa has agreed to pay Merrill Lynch customary

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fees for its services. Mesa has also agreed to reimburse Merrill Lynch for its reasonable expenses, including the reasonable fees and expenses of its legal counsel, resulting from or arising out of their engagements, and to indemnify Merrill Lynch and certain related persons against certain liabilities and expenses, including liabilities and expenses under the federal securities laws arising out of their respective engagements. In addition, Merrill Lynch has, in the past, provided financial services to Mesa, for which services it has received customary compensation.

Certain employees of Merrill Lynch may also assist Mesa in the solicitation of consents, including by communicating in person, by telephone or otherwise, with a limited number of institutions, brokers or other persons who are stockholders of Atlantic Coast. Merrill Lynch does not believe that any of its directors, officers, employees

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or affiliates are a "participant" as defined in Schedule 14A promulgated under the Securities Exchange Act of 1934 by the SEC, or that Schedule 14A requires the disclosure of certain information concerning Merrill Lynch. Merrill Lynch will not receive any additional fee for or in connection with such solicitation activities by its representatives apart from the fees it is otherwise entitled to receive as described above.

Certain information about the directors and executive officers of Mesa who are not nominees and certain representatives of Mesa who will assist MacKenzie in soliciting consents is contained in Annex II. Annex III sets forth certain information relating to the ownership of shares of Atlantic Coast common stock by Mesa's directors, officers, employees and representatives who may participate in the solicitation, and about any transactions between any of them and Atlantic Coast.

The cost of the solicitation of consents to the proposals will be borne by Mesa. Mesa may seek reimbursement of the costs of this solicitation from Atlantic Coast. If such reimbursement is sought, the question of whether such reimbursement will be made may be submitted to Atlantic Coast's stockholders. Costs related to the solicitation of consents to the proposals include expenditures for attorneys, accountants, financial advisors, consent solicitors, public relations advisors, printing, advertising, postage, litigation and related expenses and filing fees and are expected to aggregate approximately \$7.5 million, of which approximately \$1.5 million has been spent to date. The portion of such costs allocable solely to the solicitation of consents to the proposals is not readily determinable.

Atlantic Coast has accused United Airlines of being a participant in Mesa's consent solicitation and has asserted that the non-binding United MOU which is described more fully in the "Mesa Strategic Plans" section is evidence of collusion between Mesa and United Airlines. It is clear that the non-binding United MOU will provide the benefits to Mesa, United Airlines and Atlantic Coast described in our discussion of the United MOU if Mesa's consent solicitation is successful and the United MOU is ultimately committed to a binding agreement. However, United Airlines is free to negotiate and enter into any agreement with any other regional airline (including Atlantic Coast) for regional jet service to replace Atlantic Coast's current United Airlines operations and Mesa has no commitment that United Airlines will not do so. United Airlines has provided no financial or other support to Mesa in connection with our consent solicitation other than the negotiation of the United MOU. United Airlines owns no shares of Atlantic Coast common stock and no employees of United Airlines will solicit any consents from Atlantic Coast stockholders on behalf of Mesa or otherwise. United Airlines has categorically denied that they participated in the consent process.

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CONSENT PROCEDURE

Section 228 of the DGCL provides that, absent a contrary provision in Atlantic Coast's certificate of incorporation, any action that may be taken at a meeting of the stockholders may be taken by the written consent of at least the minimum number of votes that would be necessary to take such action at a meeting in which all shares entitled to vote were present and voting. Atlantic Coast's certificate of incorporation contains no contrary provision.

The proposals will become effective upon delivery to Atlantic Coast of signed, dated and unrevoked consents consenting to such proposals, of a majority of the shares of Atlantic Coast common stock outstanding on the record date. Consents may be executed by the holders of record of common stock as of the record date, or by their duly authorized proxy. Section 228(c) of the DGCL provides that no written consent will be effective unless delivered to Atlantic Coast within 60 days of the date of the earliest dated consent delivered to Atlantic Coast in the manner provided by Delaware law.

Mesa, in its capacity as a record holder of Atlantic Coast common stock, intends to sign a consent in favor of the proposals as of the record date. We expect to deliver this consent to Atlantic Coast immediately after a proper record date for our consent solicitation has been set, or if the Atlantic Coast board does not set a record

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date, 10 days after the date of Mesa's request for a proper record date. We will inform you by press release of the date the earliest dated consent delivered to Atlantic Coast was signed once such information becomes available to us. Atlantic Coast stockholders will have 60 days from such date to consent to our proposals. Because the proposals will become effective upon our delivery to Atlantic Coast of valid and unrevoked consents totaling more than 50% of the outstanding shares of common stock as of the record date, and because this may occur before the expiration of the 60-day period, WE URGE YOU TO ACT PROMPTLY to assure that your vote will count. Both proposals 1 and 2 must be approved by the holders of record, as of the close of business on the record date, of a majority of the shares of Atlantic Coast common stock then outstanding for either proposal to be effective.

Any failure to execute and return a consent, and all abstentions and broker non-votes, will have the same effect as voting against the proposals.

EFFECTIVENESS AND REVOCATION OF CONSENTS

An executed consent card may be revoked by signing, dating and delivering a written revocation at any time prior to the date that Atlantic Coast has received the required number of properly completed, unrevoked consents to authorize the proposed actions. The delivery of a subsequently dated consent card that is properly completed and signed will constitute a revocation of any earlier consent card delivered by such holder. The revocation may be delivered either to Mesa, in care of MacKenzie, or to an address provided by Atlantic Coast. Although a revocation is effective if delivered to Atlantic Coast, Mesa requests that either the original or photostatic copies of all revocations of consents be mailed or delivered to Mesa in care of MacKenzie at the address set forth above, so that Mesa will be aware of all revocations and can more accurately determine if and when unrevoked consents to the actions described in this Consent Statement have been received from the holders of record of a majority of outstanding shares of Atlantic Coast common stock.

SPECIAL INSTRUCTIONS

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If you were a record holder of shares of Atlantic Coast common stock as of the close of business on the record date, you may elect to consent to, withhold consent to or abstain with respect to each proposal by marking the "CONSENT," "DOES NOT CONSENT" or "ABSTAIN" box, as applicable, underneath each such proposal on the accompanying WHITE consent card and signing, dating and returning it promptly in the enclosed postage-paid envelope or by mailing the consent card to MacKenzie at the address stated below.

If the stockholder signing, dating and returning the WHITE consent card has failed to check a box marked "CONSENT," "DOES NOT CONSENT" or "ABSTAIN" for any of the proposals, such stockholder will be deemed to have consented to each such proposal, except that such stockholder will not be deemed to have consented to the removal of any current Atlantic Coast director or to the election of any nominee whose name is written in on the cons