

U. S. Department of Transportation
 Research and Special Programs Administration

CONTINENTAL MICRONESIA, INC.
 STATEMENT OF CASH FLOWS (UNAUDITED)
 FOR THE QUARTER ENDED 31 MARCH 2006
 (IN THOUSANDS)

Cash Flows from Operating Activities -		
Net income.....	\$8,752	1
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	629	2
Deferred income tax provision.....	-	3
Provision for Doubtfull Receivables.....	128	4
Amortization of Deferred Credits.....	-	5
Other, net.....	-	6
Changes in operating assets and liabilities:		
Decrease in accounts receivable, net.....	(18,988)	7
Decrease in spare parts and supplies.....	-	8
Increase in prepayments and other assets.....	199	9
Decrease in accounts payable.....	5,409	10
Decrease in air traffic liability.....	(526)	11
Increase in accrued interest, other current liabilities, deferred credits and other.....	5,896	12
Net cash provided by operating activities.....	<u>1,499</u>	13
Cash Flows from Investing Activities -		
Capital expenditures.....	(394)	14
Proceeds from disposition of property & equipment and other assets.....	-	15
Net cash used by investing activities.....	<u>(394)</u>	16
Cash Flows from Financing Activities -		
Dividends paid to minority interest holder.....	-	17
Proceeds from issuance of long-term debt.....	-	18
Payments on long-term debt, capital leases and notes to affiliates.....	-	19
Net cash used by financing activities.....	<u>0</u>	20
Net increase in cash and cash equivalents	1,105	21
Cash and cash equivalents at beginning of period.....	3,862	22
Cash and cash equivalents at end of period.....	<u>\$4,967</u>	23
Supplemental Cash Flow Information:		
Interest paid	<u>\$6,132</u>	24
Taxes Paid	<u>\$0</u>	25

Submitted in lieu of:
 RSPA Form 41 Schedule B-12