

Midwest Airlines, Inc. (2)**
Condensed Consolidated Statements of Cash Flows
(Dollars in thousands)
(Unaudited)

	Three Months Ended <u>March 31,</u> <u>2006</u>
Operating activities:	
Net loss	\$ (5,264)
Items not involving the use of cash:	
Depreciation and amortization	2,630
Deferred income taxes	(1,224)
Impairment loss	-
Other, net	(1,288)
Changes in operating assets and liabilities:	
Accounts receivable	(3,857)
Inventories	1,120
Prepaid expenses and other assets	(5,418)
Other noncurrent assets	-
Accounts payable	(329)
Deferred frequent flyer partner revenue	225
Accrued liabilities	(1,023)
Unearned revenue	(5,281)
Accrued pension	1,091
Air traffic liability	23,836
Other noncurrent liabilities	<u>2,464</u>
Net cash provided by (used in) operating activities	<u>7,682</u>
Investing activities:	
Capital expenditures	(738)
Aircraft purchase deposits and pre-delivery progress payments	-
Return of purchase deposits and pre-delivery progress payments	7,272
Restricted cash	(20,844)
Other, net	<u>915</u>
Net cash (used in) provided by investing activities	<u>(13,395)</u>
Financing activities:	
Proceeds from pre-delivery progress payments	-
Payment of debt associated with progress payments	(6,041)
Other, net	<u>(427)</u>
Net cash provided by (used in) financing activities	<u>(6,468)</u>
Net (decrease) increase in cash and cash equivalents	(12,181)
Cash and cash equivalents, beginning of period	<u>100,360</u>
Cash and cash equivalents, end of period	<u>\$ 88,179</u>