

STATEMENT OF CASH FLOW  
Carrier: PSA Airlines, Inc.  
Quarter Ended: March 31, 2006  
FORM 41, B-12

**OPERATING ACTIVITIES**

Net Income (Loss)	(319,364)
Adjustments to Reconcile Net Income (Loss) to Net Cash	
Provided by Operating Activities:	
Depreciation and Amortization	737,054
Impairment Loss	0
Deferred Income Taxes (Credit)	0
Other Noncash Items, Net	4,196
Changes in Operating Assets and Liabilities:	
Receivables	(7,746,096)
Intercompany Note	11,824,151
Inventories	(279,742)
Aircraft Held for Sale	0
Prepaid Expenses	(18,197)
Accounts Payable	288,516
Air Traffic Liability	0
Accrued Expenses	520,131
Net Cash Provided by (Used in) Operating Activities	5,010,649

**INVESTING ACTIVITIES**

Proceeds from sales of equipment	-
Aircraft Pre-Delivery Payments	0
Capital Expenditures	(5,061,932)
Investment in BATA	0
Noncurrent Prepaid Aircraft Rent	0
(Additions)/Reduction to Other Assets	61,342
Net Cash Provided by (Used in) Investing Activities	(5,000,590)

**FINANCING ACTIVITIES**

Restricted Cash	0
Short Term Borrowings (Payments)	0
Proceeds from Sale/Leaseback Transactions	0
Proceeds from Short Term Debt	0
Proceeds from Long Term Debt	0
Intercompany Notes Receivable	0
Intercompany Notes Payable	0
Payments on Long Term Debt	0
I/C Dividend Distribution	0
Paydown INB	0
Issuance of Stock	0
Purchase of Treasury Stock	0
Net Cash Provided by (Used in) Financing Activities	0

Increase (Decrease) in Cash and Cash Equivalents	10,059
Cash and Cash Equivalents at Beginning of Period	134,412
Cash and Cash Equivalents at End of Period	144,471