

US Department of Transportation  
 Research and Special Program  
 Administration

**REPORTING OF FINANCIAL  
 AND OPERATING STATISTICS  
 FOR LARGE CERTIFICATED  
 AIR CARRIERS**

Quarter ended September 30, 2006

Capital Cargo International Airlines  
 (Full name of reporting company)

**CERTIFICATION\***

I, The undersigned

Controller

(Title of officer in charge of accounts)

of

Capital Cargo International Airlines, Inc.

(Full name of reporting company)

do certify that this report and all schedules and supporting documents which are submitted herewith or have been submitted heretofore as parts of this report filed for the above indicated period have been prepared under my direction; that I have carefully examined them and declare that they correctly reflect the accounts and records of the company, and to the best of my knowledge and belief are a complete and accurate statement, after adjustments to reflect full accruals, of the operating revenue and expenses, income items, assets, liabilities, capital, surplus, and operating statistics for the periods reported in the several schedules; that the various items herein reported were determined in accordance with the Uniform System of Accounts and Reports for Large Certificated Air Carriers prescribed by the Department of Transportation; and that the data contained herein are reported on a basis consistent with that of the preceding report except as specifically noted in explanations accompanying the financial and STATISTICAL statements.

  
 (Signature)

7100 TPC Dr. Suite #200; Orlando FL 32822

(Air Carrier Post Office Address)

Dated Nov 9, 2006

\*Title 18 U.S.C. Sec. 1001, Crimes and Criminal Procedures, makes it a criminal offense subject to a maximum fine of \$10,000 or imprisonment for not more than 5 years, or both, to knowingly and willfully make or cause to be made any false or fraudulent statements or representations in any matter within jurisdiction of any agency of the United States.

US Department  
of Transportation

Air Carrier: Capital Cargo International Airlines

Operation: ALL

Period Ended: September-06

NOTES TO FORM 41 REPORT

- Note 1 Since inception, Capital Cargo International Airlines (CCIA) provides airport-to-airport transportation services. The contracts CCIA enters into generally require CCIA to supply aircraft, crew, maintenance and insurance, while its customers are responsible for substantially all other operating expenses, including fuel. As a result, CCIA incurs no fuel, oil, landing, navigation, parking or ground handling costs for operational purposes. These costs are passed through costs and remain on the balance sheet until reimbursement is obtained by the customer.
- Note 2 Schedule P1.2 account 5400 includes CCIA's expense for fuel and oil that is incurred for maintenance purposes.
- Note 3 Schedule P5.1, line 7 includes CCIA's expense for fuel and oil that is incurred for maintenance.

BALANCE SHEET		30-Sep-06		Air Carrier: Capital Cargo International Airlines		
AS AT:	ASSETS	Account No.	AMOUNT (\$000)	LIABILITIES AND STOCKHOLDERS' EQUITY	Account No.	AMOUNT (\$000)
	<b>CURRENT ASSETS:</b>			<b>CURRENT LIABILITIES:</b>		
	Cash	1010	1,013	Current maturities of long-term debt	2000	1,027
	Short-term investments	1100	-	Notes payable - Banks	2005	-
	Notes receivable	1200	1,649	Notes payable - Others	2015	-
	Accounts receivable	1270	1,649	Trade accounts payable	2021	659
	Less: Allowance for uncollectible accounts	1290	-	Accounts payable - Others	2025	795
	Notes and accounts receivable - net	1299	1,649	Current obligations under capital lease	2080	-
	Spare parts and supplies - net	1399	68	Accrued salaries, wages	2110	148
	Prepaid items	1410	202	Accrued vacation liability	2120	472
	Other current assets	1420	216	Accrued interest	2125	-
	Total current assets	1499	3,148	Accrued taxes	2130	42
				Dividends declared	2140	-
	<b>INVESTMENTS AND SPECIAL FUNDS:</b>			Air traffic liability	2160	-
	Investments in associated companies	1510	(925)	Other current liabilities	2190	1,330
	Other investments and receivables	1530	-	Total current liabilities	2199	4,473
	Special Funds	1550	-			
	Total investments and special funds	1599	(925)	<b>NONCURRENT LIABILITIES:</b>		
				Long - term debt	2210	2,327
	<b>OPERATING PROPERTY AND EQUIPMENT:</b>			Advances from associated companies	2240	-
	Flight Equipment	1609	16,846	Pension liability	2250	-
	Ground-property and equipment	1649	853	Noncurrent obligations under capital leases	2280	-
	Less: Allowance for depreciation	1668	(8,122)	Other noncurrent liabilities	2290	-
	Property and equipment - net	1675	9,577	Total noncurrent liabilities	2299	2,327
	Land	1679	-			
	Equipment purchase deposits & advanced payments	1685	393	<b>DEFERRED CREDITS:</b>		
	Construction work in progress	1689	-	Deferred income taxes	2340	-
	Leased property under capital lease	1695	-	Deferred investment tax credits	2345	-
	Leased property under capital lease	1695	-	Other deferred credits	2390	20
	accumulated amortization	1696	-		2399	20
	Total operating property and equipment	1699	9,970	<b>STOCKHOLDERS' EQUITY:</b>		
				Capital Stock:		
	<b>NONOPERATING PROPERTY AND EQUIPMENT:</b>			Preferred shares issued	2820	-
	Less: Allowance for depreciation/amortization	1791	-	Common shares issued	2840	1
	Nonoperating property and equipment	1792	-	Subscribed and unissued	2860	-
		1799	-	Additional capital invested	2890	40,299
				Total paid-in capital	2899	40,299
	<b>OTHER ASSETS:</b>			Dividends	2900	(31,500)
	Long-term prepayment	1820	55	Retained earnings	2900	(2,842)
	Unamortized development and preoperating costs	1830	-	Total stockholders' equity	2959	5,958
	Other assets and intangibles	1890	530	Less: Treasury stock shares	2990	-
	Total other assets	1895	585	Net stockholders' equity	2995	5,958
	<b>TOTAL ASSETS</b>	1899	12,778	<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	2999	12,778