

Air Carrier: Capital Cargo International AirlinesQuarter Ended: 30-Sep-07

STATEMENT OF CASH FLOWS		(\$000)
CASH AND CASH EQUIVALENTS AT BEGINNING OF QUARTER	\$	2,698
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income (loss)		181
Adjustments to reconcile net income to net cash provided (used) by operating activities:		
Increase (decrease) in accounts payable to affiliates		(527)
Depreciation and amortization		1,628
Amortization of discount on warrants		-
Loss on disposal of fixed assets		-
Deferred income taxes		-
Decrease (increase) in receivables		37
Decrease (increase) spare parts and supplies, prepaid items and other current assets		172
Decrease (increase) purchase deposits and advance payments		345
Decrease (increase) in cash held in escrow		-
Increase (decrease) in air traffic liability		-
Increase (decrease) in other accounts payable and accrued liabilities ..		(16)
Increase (decrease) in accrued taxes		-
Other, net		11
Net cash provided (used) by operating activities		1,831
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property and equipment		(1,294)
Proceeds from disposition of property and equipment		-
Cash received (advanced) affiliates		-
Other, net		-
Net cash provided (used) by investing activities		(1,294)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of preferred stock, net		-
Payments on long-term debt		-
Payments under capital lease obligations		-
Borrowings on long-term debt		-
Proceeds from issuance of common stock		-
Redemption of common stock for overhaul reserves		-
Dividends paid		-
Other, net		-
Net cash provided (used) by financing activities		0
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		537
CASH AND CASH EQUIVALENTS AT END OF QUARTER	\$	3,235