

Form 41 Schedule B-12
Pinnacle Airlines, 9E
9/30/2007

Q307

Operating activities

Net Income	\$ 11,322,384
Adjustments to reconcile net income to cash provided by operating activities:	
Depreciation and amortization	1,550,236
Deferred income tax benefit	256,590
Recognition of deferred revenue	(5,949,836)
Excess tax benefits from exercise of stock options	(36,564)
Other	1,889,414
Changes in operating assets and liabilities:	
Receivables	(3,275,810)
Notes receivable	27,311,890
Spare parts and supplies	(169,902)
Prepaid expenses and other assets	3,153,857
Accounts payable and accrued expenses	3,581,421
Other liabilities	(484,148)
Income taxes payable	(18,114,086)
Cash provided by operating activities	\$ 21,035,446

Investing activities

Purchases of property and equipment	(2,554,967)
Aircraft pre-delivery payments	(6,030,776)
Purchases of short term investments	(150,275,000)
Proceeds from short term investments	119,750,000
Cash used in investing activities	\$ (39,110,743)

Financing activities

Payments on debt	(2,500,000)
Proceeds from exercise of stock options	489,602
Excess tax benefits from exercise of stock options	36,564
Treasury stock	(7,984,458)
Cash provided by (used in) financing activities	\$ (9,958,292)

Net increase (decrease) in cash and cash equivalents

	\$ (28,033,590)
Cash and cash equivalents at beginning of period	29,815,935
Cash and cash equivalents at end of period	<u><u>\$ 1,782,345</u></u>