

Air Carrier: Capital Cargo International AirlinesQuarter Ended: 31-Dec-06

STATEMENT OF CASH FLOWS		(\$000)
CASH AND CASH EQUIVALENTS AT BEGINNING OF QUARTER	\$	1,758
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Net income (loss) .....		473
Adjustments to reconcile net income to net cash provided (used) by operating activities:		
Increase (decrease) in accounts payable to affiliates .....		(2,117)
Depreciation and amortization.....		1,258
Amortization of discount on warrants.....		-
Loss on disposal of fixed assets.....		(4)
Deferred income taxes.....		1,939
Decrease (increase) in receivables .....		(1,567)
Decrease (increase) spare parts and supplies, prepaid items and other current assets .....		82
Decrease (increase) purchase deposits and advance payments.....		164
Decrease (increase) in cash held in escrow .....		-
Increase (decrease) in air traffic liability .....		-
Increase (decrease) in other accounts payable and accrued liabilities..		(4,507)
Increase (decrease) in accrued taxes .....		(239)
Other, net .....		6,922
Net cash provided (used) by operating activities .....		2,404
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of property and equipment .....		1,126
Proceeds from disposition of property and equipment .....		-
Cash received (advanced) affiliates .....		(3,264)
Other, net .....		-
Net cash provided (used) by investing activities .....		(2,138)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issuance of preferred stock, net .....		-
Payments on long-term debt .....		(250)
Payments under capital lease obligations .....		-
Borrowings on long-term debt .....		-
Proceeds from issuance of common stock .....		-
Redemption of CCIH common stock for overhaul reserves .....		-
Dividends paid .....		-
Other, net .....		(11)
Net cash provided (used) by financing activities .....		(261)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS .....		5
CASH AND CASH EQUIVALENTS AT END OF QUARTER .....	\$	1,763