

EXPRESSJET AIRLINES, INC.
STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE QUARTER ENDED

Cash Flows from Operating Activities

Net income	\$ 23,205,951
Adjustments to reconcile NI to net cash provided by operating activities:	
Depreciation & amortization	6,130,502
Deferred income tax provision	4,688,438
Other, net	559,996
Changes in operating assets and liabilities:	
(Increase) decrease in accounts receivable, net	(813,844)
(Increase) decrease in spare parts & supplies	2,367,919
(Increase) decrease in prepaid	1,890,729
(Increase) decrease in other current assets	(8,908,206)
(Increase) decrease in other long-term assets	(48,474)
Increase (decrease) in accounts payable	(4,300,416)
Increase (decrease) in advances from associated companies	5,066,405
Increase (decrease) in accrued liabilities and other	2,021,756
Net cash provided by operating activities	<u>31,860,756</u>

Cash Flows from Investing Activities

Capital expenditures	(12,229,891)
Proceeds from disposition of property & equipment and other assets to Continental Airlines, Inc.	-
Proceeds from disposition of property & equipment and other assets	-
Net cash used in investing activities	<u>(12,229,891)</u>

Cash Flows from Financing Activities

Payments on long-term debt	(432,414)
Payment on note payable to Continental Airlines, Inc.	-
Proceeds from engine sale/leaseback transactions	-
Payments on capital lease obligations	(197,187)
Net cash used in financing activities	<u>(629,601)</u>

Net increase (decrease) in cash and cash equivalents

19,001,264

Cash and cash equivalents at beginning of period

283,471,897

Cash and cash equivalents at end of period

\$ 302,473,161

Supplemental Cash Flow Information:

Interest paid	\$ 18,934
Income taxes paid, net of refunds	<u>\$ 10,086,097</u>