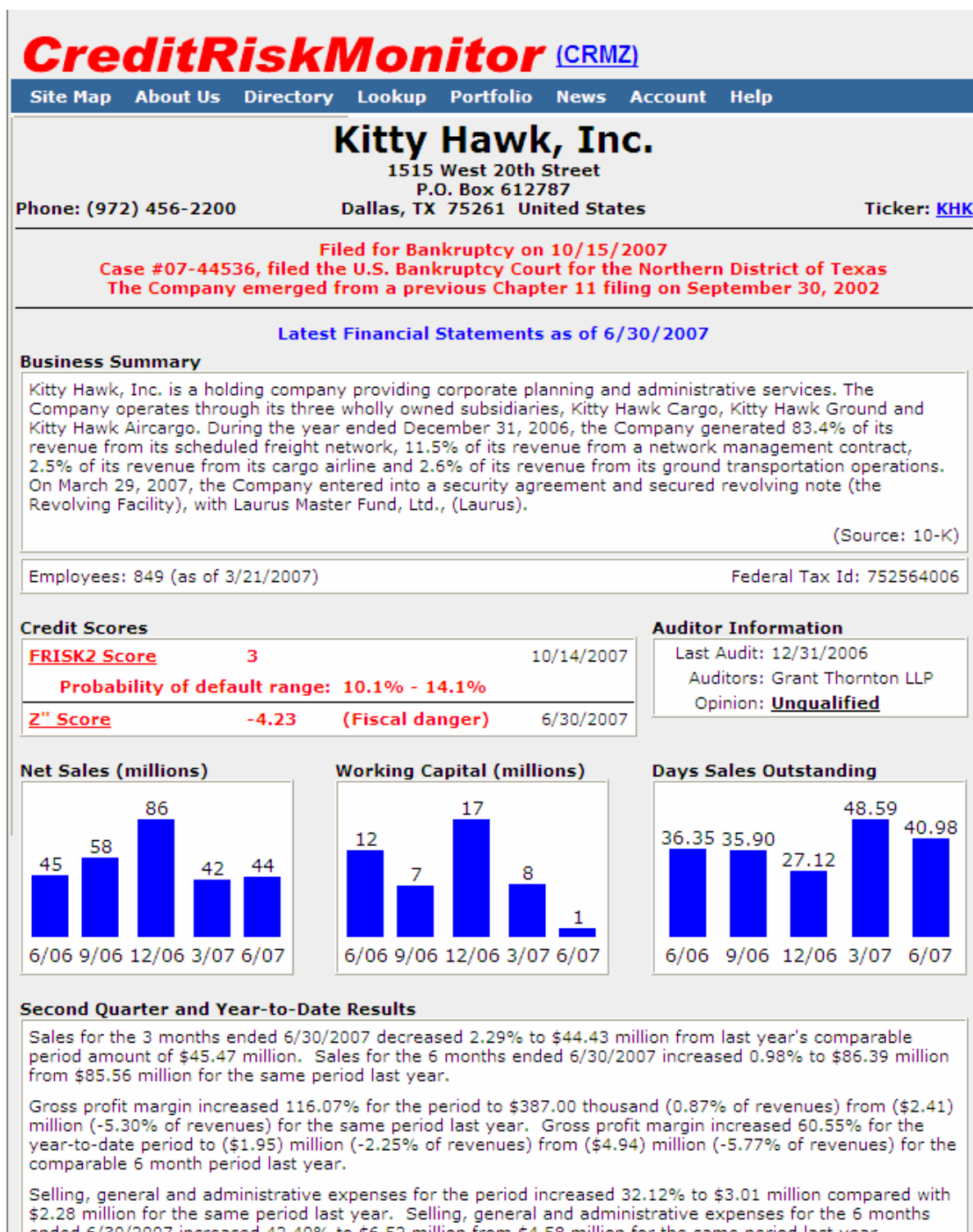
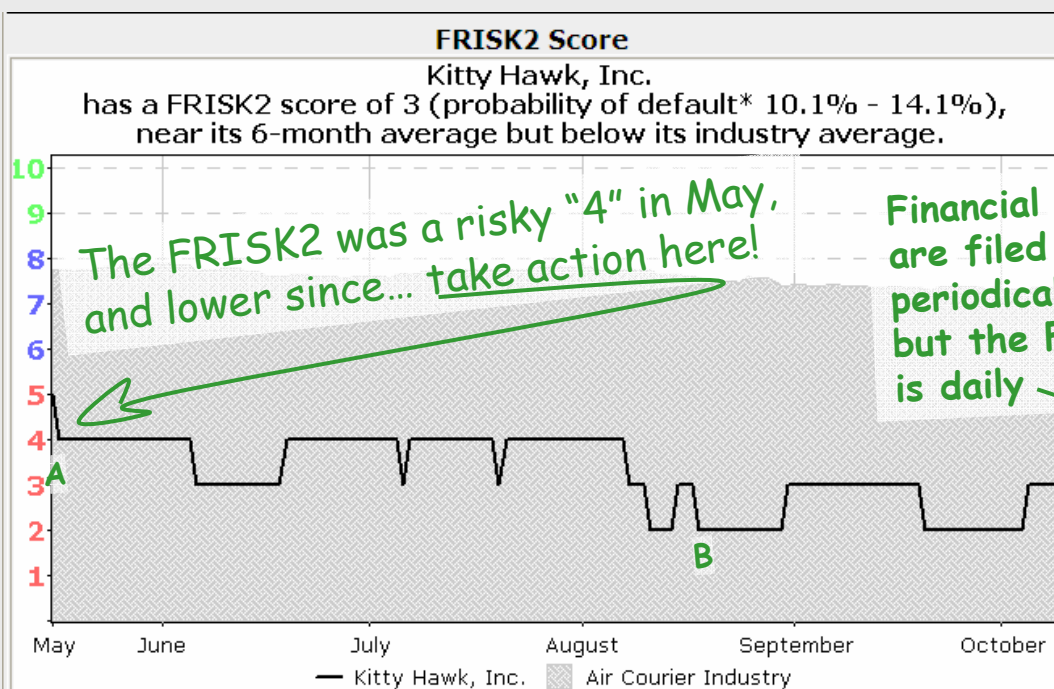
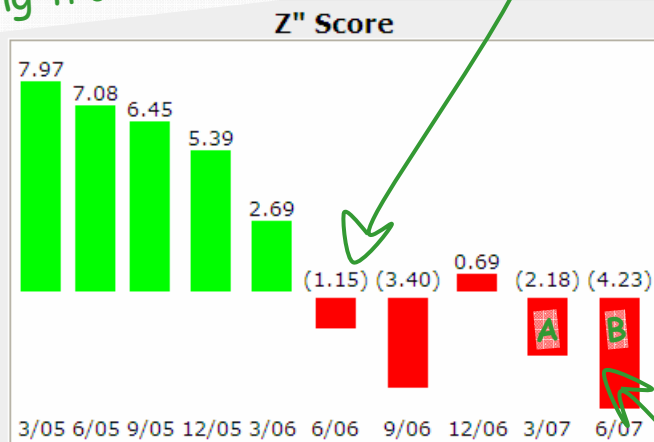


Here's our report on Kitty Hawk, Inc., just after they filed for bankruptcy protection... for the 2nd time this decade



The Altman Z" was signaling trouble back in 2006

LEGEND:
 Financially sound: 2.60 or higher
 Neutral: 1.10 to 2.60
 Fiscal danger: less than 1.10



FRISK2 Score - an estimate of the probability of default for the company over a 12 month horizon, based on the most recently available information in the CRMZ database, as calculated by a model created by Dr. Camilo Gomez.

The FRISK2 score is reported on a 1 to 10 scale:

	FRISK2	Probability of default within 12 months	
		From	To
Best	10	0%	0.3%
	9	0.3%	0.4%
	8	0.4%	0.9%
	7	0.9%	1.9%
	6	1.9%	3.7%
	5	3.7%	7.4%
	4	7.4%	10.1%
	3	10.1%	14.1%
	2	14.1%	21.0%
Worst	1	21.0%	30.0%

Want an automatic alert when this is happening?

Try our Credit Limit Service.

CreditRiskMonitor

(845) 230-3021
 info@crmz.com

... plus, look at the news alerts you would have seen...

#	Date	Source	Headline
1	10/15/2007	CRM News Service	<u>KITTY HAWK INC FILES (8-K) Disclosing Bankruptcy or Receivership, Financial Statements and Exhibits</u>
2	10/15/2007	PR Newswire	<u>Kitty Hawk, Inc. and Its Subsidiaries to Restructure Operations</u>
3	10/9/2007	CRM News Service	<u>KITTY HAWK INC FILES (8-K) Disclosing Change in Directors or Principal Officers</u>
4	9/25/2007	CRM News Service	<u>KITTY HAWK INC FILES (8-K) Disclosing Notice of Delisting or Failure to Satisfy a Continued Listing Rule or Standard; Transfer of Listing, Financial Statements and Exhibits</u>
5	9/25/2007	Business Wire	<u>Kitty Hawk Receives Notice from AMEX</u>
6	9/13/2007	CRM News Service	<u>Kitty Hawk, Inc. -- updated financials available</u>
7	9/6/2007	CRM News Service	<u>KITTY HAWK INC FILES (8-K) Disclosing Change in Directors or Principal Officers</u>
8	8/20/2007	CRM News Service	<u>KITTY HAWK INC: a Form 10-Q has been Filed with the SEC</u>
9	8/15/2007	CRM News Service	<u>KITTY HAWK INC Files Notification of Late Filing for its Form 10-Q with the Securities and Exchange Commission.</u>
10	7/19/2007	CRM News Service	<u>KITTY HAWK INC FILES (8-K) Disclosing Regulation FD Disclosure</u>
11	7/19/2007	Business Wire	<u>Kitty Hawk Announces Exploration of Strategic Alternatives</u>
12	7/3/2007	CRM News Service	<u>KITTY HAWK INC FILES (8-K) Disclosing Entry into a Material Definitive Agreement, Financial Statements and Exhibits</u>
13	6/6/2007	CRM News Service	<u>Kitty Hawk, Inc. -- updated financials available</u>
14	5/15/2007	CRM News Service	<u>KITTY HAWK INC FILES (8-K) Disclosing Results of Operations and Financial Condition</u>
15	5/15/2007	CRM News Service	<u>KITTY HAWK INC: a Form 10-Q has been Filed with the SEC</u>
16	4/30/2007	CRM News Service	<u>KITTY HAWK INC: a Form 10-K/A has been Filed with the SEC</u>
17	4/26/2007	CRM News Service	<u>KITTY HAWK INC FILES (8-K) Disclosing Termination of a Material Definitive Agreement, Other Events</u>
18	4/21/2007	CRM News Service	<u>Kitty Hawk, Inc. -- updated financials available</u>
19	4/3/2007	CRM News Service	<u>KITTY HAWK INC FILES (8-K) Disclosing Results of Operations and Financial Condition</u>
20	4/2/2007	CRM News Service	<u>KITTY HAWK INC: a Form 10-K has been Filed with the SEC</u>
21	3/7/2007	CRM News Service	<u>KITTY HAWK INC FILES (8-K) Disclosing Change in Directors or Principal Officers</u>
22	3/7/2007	CRM News Service	<u>KITTY HAWK INC FILES (8-K) Disclosing Change in Directors or Principal Officers</u>
23	1/5/2007	CRM News Service	<u>KITTY HAWK INC FILES (8-K) Disclosing Results of Operations and Financial Condition</u>
24	12/2/2006	CRM News Service	<u>Kitty Hawk, Inc. -- updated financials available</u>
25	11/21/2006	CRM News Service	<u>KITTY HAWK INC FILES (8-K) Disclosing Entry into a Material Definitive Agreement</u>
26	11/14/2006	CRM News Service	<u>KITTY HAWK INC: a Form 10-Q has been Filed with the SEC</u>

Bankrupt, again

...to be delisted...

"company for sale" ...

CEO Zoller to resign, with "mutual non-disparagement agreement."

... need more? Look at the Performance Ratios...
large negative operating margins, pretax losses, shrinking
CapEx, negative free cash flow...

Performance Ratios - Sequential Quarters					
(Thousands of U.S. Dollars)					
Period Ended	3 mos 6/30/2007	3 mos 3/31/2007	3 mos 12/31/2006	3 mos 9/30/2006	3 mos 6/30/2006
Net sales \$	\$44,425	\$41,965	\$86,166	\$57,921	\$45,468
% change	5.86%	-51.30%	48.76%	27.39%	13.42%
Gross margin \$	\$387	(\$2,334)	\$16,973	\$2,870	(\$2,408)
% change	116.58%	-113.75%	491.39%	219.19%	4.71%
% of sales	0.87%	-5.56%	19.70%	4.96%	-5.30%
SG&A \$	\$3,007	\$3,512	\$2,613	\$2,713	\$2,276
% change	-14.38%	34.40%	-3.69%	19.20%	-1.13%
% of sales	6.77%	8.37%	3.03%	4.68%	5.01%
Operating margin \$	(\$7,936)	(\$11,372)	\$8,694	(\$5,885)	(\$8,758)
% change	30.21%	-230.80%	247.73%	32.80%	-1.80%
% of sales	-17.86%	-27.10%	10.09%	-10.16%	-19.26%
EBITDA \$	(\$6,987)	(\$10,261)	\$9,816	(\$4,732)	(\$7,787)
% change	31.91%	-204.53%	307.44%	38.60%	-2.99%
% of sales	-15.73%	-24.45%	11.39%	-8.17%	-16.95%
Pre-tax income \$	(\$8,541)	(\$11,347)	\$8,614	(\$6,026)	(\$8,637)
% change	24.73%	-231.73%	242.95%	30.23%	-3.02%
% of sales	-19.23%	-27.04%	10.00%	-10.40%	-19.00%
Net income (loss) \$	(\$8,541)	(\$11,347)	\$8,614	(\$6,026)	(\$8,637)
% change	24.73%	-231.73%	242.95%	30.23%	-3.02%
% of sales	-19.23%	-27.04%	10.00%	-10.40%	-19.00%
Depreciation expense \$	\$822	\$1,016	\$1,198	\$1,041	\$776
% of sales	1.85%	2.42%	1.39%	1.80%	1.71%
% of capital expenses	967.06%	570.79%	460.77%	285.21%	104.72%
% of PP&E, net (annualized)	53.97%	58.87%	60.47%	47.55%	38.95%
Capital expenditures \$	\$85	\$178	\$260	\$365	\$741
% change	-52.25%	-31.54%	-28.77%	-50.74%	72.73%
% of PP&E, net (annualized)	5.58%	10.31%	13.12%	16.67%	37.19%
% of working capital (annualized)	7.61%	5.80%	8.61%	14.88%	15.89%
Interest coverage ratio	(11.18)	(146.59)	39.58	(28.00)	(105.58)
% change	92.37%	-470.35%	241.36%	73.48%	2.65%
Free cash flow \$	(\$11,997)	(\$9,703)	\$16,972	(\$11,483)	(\$11,594)
% change	-23.64%	-157.17%	247.80%	0.96%	-110.84%
Source:	10-Q 8/20/2007	10-Q 5/15/2007	10-K 4/2/2007	10-Q 11/14/2006	10-Q 8/14/2006