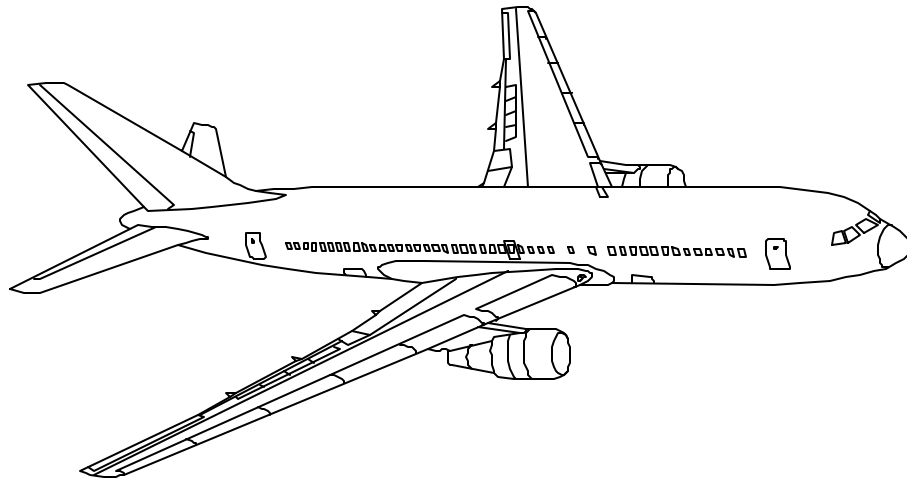


AIRLINE QUARTERLY FINANCIAL REVIEW

FIRST QUARTER 2000



MAJORS



DEPARTMENT OF TRANSPORTATION
OFFICE OF AVIATION ANALYSIS
ECONOMIC AND FINANCIAL ANALYSIS DIVISION

TABLE OF CONTENTS

<u>DESCRIPTION</u>	<u>PAGE</u>
Introduction	3
Total System Passenger & All-Cargo Majors	4
Chart 1 Operating and Net Profit (Loss) First Quarter 2000 ...	8
Chart 2 Operating and Net Profit (Loss)	
12 Months Ended First Quarter 2000	8
Chart 3 Operating Profit (Loss) By Quarter	9
Chart 4 Net Income (Loss) By Quarter	9
Chart 5 Operating Profit (Loss) By 12-Month Ending Periods ...	10
Chart 6 Net Income (Loss) By 12-Month Ending Periods	10
Chart 7 Operating Revenue Per Revenue Ton-Mile	
Percent Change From Same Period A Year Earlier	11
Chart 8 Ton Load Factor Percentage Point	
Change From Same Period A Year Earlier	11
Chart 9 Operating Expense Per Revenue Ton-Mile,	
Percent Change From Same Period A Year Earlier	12
Chart 10 Operating Expense Per Available Ton-Mile,	
Percent Change From Same Period A Year Earlier	12
Total Passenger Majors	13
Chart 11 Passenger Revenues Per Revenue Passenger-Mile,	
Percent Change From Same Period A Year Earlier	17
Chart 12 Revenue Passenger-Miles,	
Percent Change From Same Period A Year Earlier	17
Chart 13 Available Seat-Miles,	
Percent Change From Same Period A Year Earlier	18
Chart 14 Passenger Load Factor, Percentage	
Point Change From Same Period A Year Earlier	18
Chart 15 Passenger (RPM) Yield	19
Chart 16 Passenger Load Factor	19
Alaska Airlines, Inc.	20
America West Airlines, Inc.	22
American Airlines, Inc.	24
American Eagle, Inc.	26
American Trans Air	28
Continental Airlines, Inc.	30
Delta Air Lines, Inc.	32
Northwest Airlines, Inc.	34
Southwest Airlines Co.	36
Trans World Airlines, Inc.	38
United Air Lines, Inc.	40
US Airways, Inc.	42
Total All-Cargo Majors	44
DHL Airways	48
Federal Express Corp.	50
United Parcel Service	52
<u>Appendix</u>	
Footnotes	54
Explanation of Line Items	55

INTRODUCTION

This report contains staff comments, tables and charts on the financial condition of the U.S. major airlines.

The data are presented on both a carrier group and an individual carrier basis, but the primary focus is on the individual major carrier and its performance. Data are presented for the most recent quarterly period and the comparable quarter a year earlier and also on a 12-month ended basis as at the end of the five most recent quarters. In addition, data on charges over comparable periods 12-months earlier are presented. A graphic presentation of comparative trends, on a carrier group basis, is made for several unit and overall financial indicators. In the case of merged carriers, data for the carriers involved have been combined and presented under the name of the surviving carrier so that meaningful comparisons could be made.

All data presented in this financial and traffic review are derived from data reported to the U.S. Department of Transportation on Form 41 Schedules by Large Certificated Air Carriers. For comparison purposes, this analysis is limited to the major scheduled passenger and all-cargo air carriers only. Alaska Airlines, with revenues exceeding \$1 billion in calendar year 1995, became a major airline effective January 1, 1996, and is included in this review for the first time. All financial and traffic results have been retroactively restated to include the operations of Alaska. Certain data in this review is classified in two broad categories : namely "domestic" and "international". "Domestic" encompasses operations within and between the 50 states of the United States, the District of Columbia, the Commonwealth of Puerto Rico, and the U.S. Virgin Islands. It also encompasses Canadian transborder operations and for certain carriers Mexican transborder operations. All other operations are considered "international", which is separated into Atlantic, Latin, and Pacific.

Suggestions from users for the improving either the scope, presentation, or utility of this review are invited. It will also be appreciated if suggestions, discrepancies, and errors in the data are called to the attention of the Economic & Financial Division, Office of Aviation Analysis, Office of the Secretary, U.S. Department of Transportation, Washington, D.C. 20590.

QUARTERLY FINANCIAL & TRAFFIC REVIEW

TOTAL SYSTEM PASSENGER & ALL-CARGO MAJORS

QUARTERLY RESULTS

- American Eagle and American Trans Air achieved major airline status effective January 1, 2000. Beginning with the first quarter 2000, this report will include the results of these carriers. For comparison purposes, all prior period results have been adjusted to include these carriers as well.
- For the first quarter 2000, operating expenses, up 11.1 percent, grew faster than operating revenues, up 9.4 percent, resulting in a \$298.6 million decline in operating profit to \$901.4 million. The passenger major group dropped \$271.6 million to \$714.9 million, and the all-cargo major group slid \$27.1 million to \$186.5 million.
- Soaring fuel expenses were largely responsible for the sharp rise in total operating expenses. Unit fuel prices jumped 67.4 percent to an average of 73.71 cents per gallon, while consumption increased 4.3 percent boosting total fuel expense \$1.36 billion (74.7 percent).
- Net income tumbled \$534.5 million to \$115.6 million. The passenger majors fell \$542.8 million to \$33.3 million, but the all-cargo group climbed \$8.3 million to \$82.3 million.

OPERATING PROFIT (LOSS) AND NET INCOME (LOSS) 1/ (\$MILLIONS)						
CARRIER	OPERATING PROFIT (LOSS)			NET INCOME (LOSS)		
	1Q 1999	1Q 2000	\$CHANGE	1Q 1999	1Q 2000	\$CHANGE
TOTAL ALL MAJORS	1200.0	901.4	-298.6	650.1	115.6	-534.5
TOTAL PASSENGER MAJORS	986.5	714.9	-271.6	576.1	33.3	-542.8
ALASKA	26.2	-12.2	-38.4	18.7	-6.6	-25.3
AMERICA WEST	48.9	11.9	-37.0	24.9	15.5	-9.4
AMERICAN	26.8	185.9	159.1	33.7	105.1	71.4
AMERICAN EAGLE	-5.2	-1.1	4.1	-5.6	-15.8	-10.2
AMERICAN TRANS AIR	25.4	4.3	-21.1	-0.8	13.7	14.5
CONTINENTAL	136.3	31.9	-104.4	81.7	4.5	-77.2
DELTA	353.2	273.4	-79.8	216.4	232.5	16.1
NORTHWEST	14.6	17.5	2.9	-23.4	-5.9	17.5
SOUTHWEST	166.5	155.5	-11.0	95.8	73.5	-22.3
TRANS WORLD	-37.6	-103.9	-66.3	-21.6	-76.1	-54.5
UNITED	138.5	287.2	148.7	74.7	-81.1	-155.8
US AIRWAYS	92.9	-135.4	-228.3	67.0	-211.5	-278.5
TOTAL ALL-CARGO MAJORS	213.6	186.5	-27.1	74.0	82.3	8.3
DHL AIRWAYS	3.9	-15.0	-18.9	0.8	-10.1	-10.9
FEDERAL EXPRESS	200.2	201.3	1.1	74.2	101.7	27.5
UNITED PARCEL SERVICE	9.5	0.1	-9.4	-1.0	-9.3	-8.3

- The passenger load factor dipped 0.2 percentage points to 68.6 percent, as ASM capacity, up 5.7 percent, grew slight faster than RPM traffic, up 5.4 percent.
- Passenger (RPM) yield rose 3.4 percent to 13.42 cents.
- Interest expense jumped \$112.8 million to \$536.1 million.
- Total debt soared upward \$5.8 billion to \$33.9 billion, resulting in an increase of 1.8 percentage point in the debt-to-investment ratio to 48.7 percent.

12-MONTH RESULTS

- Operating results declined from a year ago for the sixth consecutive period, but net results again were improved.
- Operating profit dropped \$1.51 billion to \$6.76 billion. The passenger group declined \$1.45 billion to \$5.7 billion, and the all-cargo group declined \$68 million to \$1.04 billion. Northwest, Southwest, United and UPS were the only majors to report a year-to-year improvement
- Net results, on the other hand, rose \$82.1 million to \$4.5 billion. The passenger group declined \$16 million to \$4 billion, and the all-cargo group rose \$98.1 million to \$538.7 million.

Note: Beginning in 1998, The Airline Quarterly Financial Review of the Majors includes DHL Airways, which achieved major airline status (*i.e.*, annual operating revenues exceeding \$1 billion), effective January 1, 1997. Beginning January 1, 2000, American Eagle and American Trans Air achieved major airline status and are included.

**QUARTERLY FINANCIAL & TRAFFIC REVIEW
SYSTEM OPERATIONS
TOTAL PASSENGER & ALL-CARGO MAJORS**

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2000/03	1999/03	2000/03	1999/12	1999/09	1999/06	1999/03
FINANCIAL RESULTS: (\$Millions)								
1	Operating Revenues	27,344.4	24,997.8	109,982.9	107,636.3	105,903.8	104,549.2	103,847.2
2	Operating Expenses	26,443.0	23,797.7	103,221.7	100,576.4	98,165.2	96,471.3	95,572.2
3	Operating Profit (Loss)	901.4	1,200.0	6,761.2	7,059.9	7,738.6	8,078.0	8,275.0
4	Net Income (Loss)	115.6	650.1	4,540.7	5,075.2	4,876.6	4,913.6	4,458.6
TRAFFIC: (Billions)								
5	RPMs - Scheduled Rev. Svc.	147.80	140.26	624.32	616.78	609.40	599.68	595.47
6	ASMs - Scheduled Rev. Svc.	215.53	203.94	875.30	863.70	855.29	840.76	832.86
7	Overall RTMs (All Svc.)	21.84	19.31	87.59	85.07	83.61	82.09	81.50
8	Overall ATMs (All Svc.)	36.95	34.23	149.02	146.30	144.31	141.53	140.17
YIELD & UNIT COST & PROFITS: (Cents)								
9	Operating Revenue per RTM	125.2	129.4	125.6	126.5	126.7	127.4	127.4
10	Operating Expense per RTM	121.1	123.2	117.8	118.2	117.4	117.5	117.3
11	Operating Profit (Loss) per RTM	4.1	6.2	7.7	8.3	9.3	9.8	10.2
12	Operating Expense per ATM	71.6	69.5	69.3	68.7	68.0	68.2	68.2
13	Passenger Revenue per RPM	13.42	12.98	12.82	12.71	12.68	12.73	12.77
FINANCIAL RATIOS:								
14	Operating Revenues to Total Investment	*	*	1.69	1.73	1.78	1.82	1.88
15	Times Interest Earned	*	*	5.88	6.46	6.36	6.43	5.89
16	Current Assets to Current Liabilities	*	*	0.71	0.77	0.74	0.71	0.71
17	No. of Days Cash Coverage of Cash Exp.	*	*	34.2	33.0	34.0	32.9	29.7
FINANCIAL PERCENTAGES:								
18	Operating Profit (Loss) to Operating Reven	3.3	4.8	6.1	6.6	7.3	7.7	8.0
19	Net Income to Stockholders Equity	*	*	13.1	15.1	15.0	15.7	14.9
20	Corporate Return on Investment	*	*	9.5	10.6	10.7	11.2	10.8
21	Debt to Total Investment	*	*	48.7	47.2	45.0	45.1	46.9
PASSENGER LOAD FACTOR: (Sch. Svc. %)								
22	Actual	68.6	68.8	71.3	71.4	71.3	71.3	71.5
23	Breakeven	67.8	67.3	68.0	67.9	67.3	66.9	66.8
Employment & Productivity:								
24	Employment, Total Weighted Avg CY	538,999	514,824	533,965	525,514	519,273	513,153	507,588
25	Overall RTM's per Employee (000)	40.5	37.5	164.0	161.9	161.0	160.0	160.6

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	9.4	1.8	5.9	4.1	2.8	1.9	2.6
27	Operating Expenses (%)	11.1	3.9	8.0	6.2	4.3	3.2	3.4
28	Operating Profit (Loss) (in Millions \$)	-298.6	-451.6	-1,513.8	-1,666.7	-1,167.4	-1,107.8	-554.3
29	Net Income (Loss)(in Millions \$)	-534.5	-221.6	82.1	394.9	-460.1	-941.7	-1,174.1
30	RPMs (Sch. Svc.) (%)	5.4	3.7	4.8	4.4	3.9	2.6	3.1
31	ASMs (Sch. Svc.) (%)	5.7	2.1	5.1	4.2	4.0	2.2	1.8
32	Operating Revenues per RTM (%)	-3.3	-0.5	-1.4	-0.8	-0.7	0.0	0.2
33	Operating Expense per RTM (%)	-1.7	1.6	0.4	1.2	0.7	1.3	1.1
34	Passenger Revenue per RPM (Sch. Svc.)(	3.4	-2.6	0.4	-1.1	-2.2	-1.9	-1.5

QUARTERLY FINANCIAL & TRAFFIC REVIEW
DOMESTIC OPERATIONS
TOTAL PASSENGER & ALL-CARGO MAJORS

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2000/03	1999/03	2000/03	1999/12	1999/09	1999/06	1999/03
FINANCIAL RESULTS: (\$Millions)								
1	Operating Revenues	21,079.4	19,465.0	84,226.0	82,611.7	81,475.8	80,521.5	79,761.8
2	Operating Expenses	20,255.4	18,229.1	78,942.6	76,916.3	74,859.5	73,297.6	72,367.5
3	Operating Profit (Loss)	824.0	1,236.0	5,283.4	5,695.4	6,616.3	7,223.9	7,394.4
4	Net Income (Loss)	217.5	687.7	3,868.7	4,338.9	4,376.8	4,373.2	3,974.5
TRAFFIC: (Billions)								
5	RPMs - Scheduled Rev. Svc.	108.80	102.89	455.03	449.11	443.42	437.23	433.66
6	ASMs - Scheduled Rev. Svc.	160.86	151.15	648.74	639.03	631.26	619.26	611.26
7	Overall RTMs (All Svc.)	14.97	13.09	58.77	56.88	56.07	55.25	54.91
8	Overall ATMs (All Svc.)	25.24	23.24	100.80	98.80	97.25	95.37	94.26
YIELD & UNIT COST & PROFITS: (Cents)								
9	Operating Revenue per RTM	140.8	148.7	143.3	145.2	145.3	145.7	145.3
10	Operating Expense per RTM	135.3	139.3	134.3	135.2	133.5	132.7	131.8
11	Operating Profit (Loss) per RTM	5.5	9.4	9.0	10.0	11.8	13.1	13.5
12	Operating Expense per ATM	80.2	78.5	78.3	77.9	77.0	76.9	76.8
13	Passenger Revenue per RPM	14.49	14.06	13.80	13.70	13.66	13.70	13.71
FINANCIAL RATIOS:								
14	Operating Revenues to Total Investment	*	*	**	**	**	**	**
15	Times Interest Earned	*	*	**	**	**	**	**
16	Current Assets to Current Liabilities	*	*	**	**	**	**	**
17	No. of Days Cash Coverage of Cash Exp.	*	*	**	**	**	**	**
FINANCIAL PERCENTAGES:								
18	Operating Profit (Loss) to Operating Reven	3.9	6.3	6.3	6.9	8.1	9.0	9.3
19	Net Income to Stockholders Equity	*	*	**	**	**	**	**
20	Corporate Return on Investment	*	*	10.4	11.6	12.2	12.7	12.2
21	Debt to Total Investment	*	*	**	**	**	**	**
PASSENGER LOAD FACTOR: (Sch. Svc. %)								
22	Actual	67.6	68.1	70.1	70.3	70.2	70.6	70.9
23	Breakeven	66.1	65.2	66.8	66.6	65.7	65.3	65.2
Employment & Productivity:								
24	Employment, Total Weighted Avg CY	*	*	**	**	**	**	**
25	Overall RTM's per Employee (000)	*	*	**	**	**	**	**

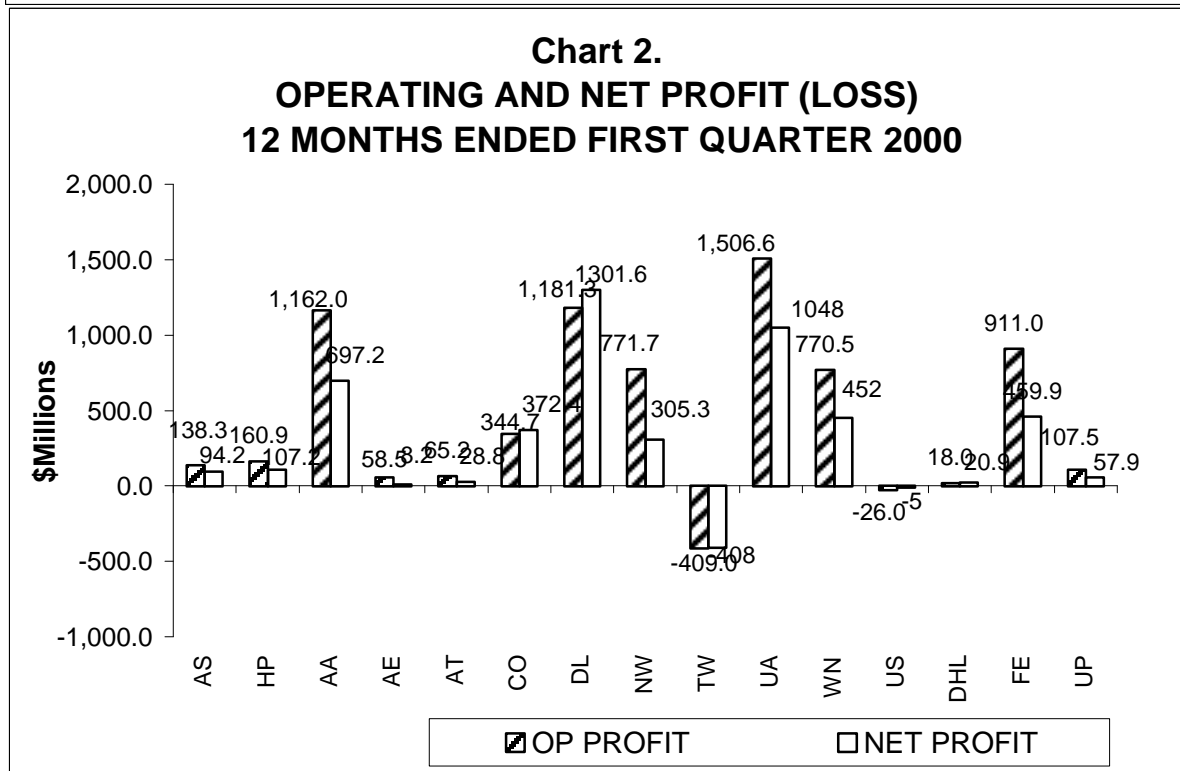
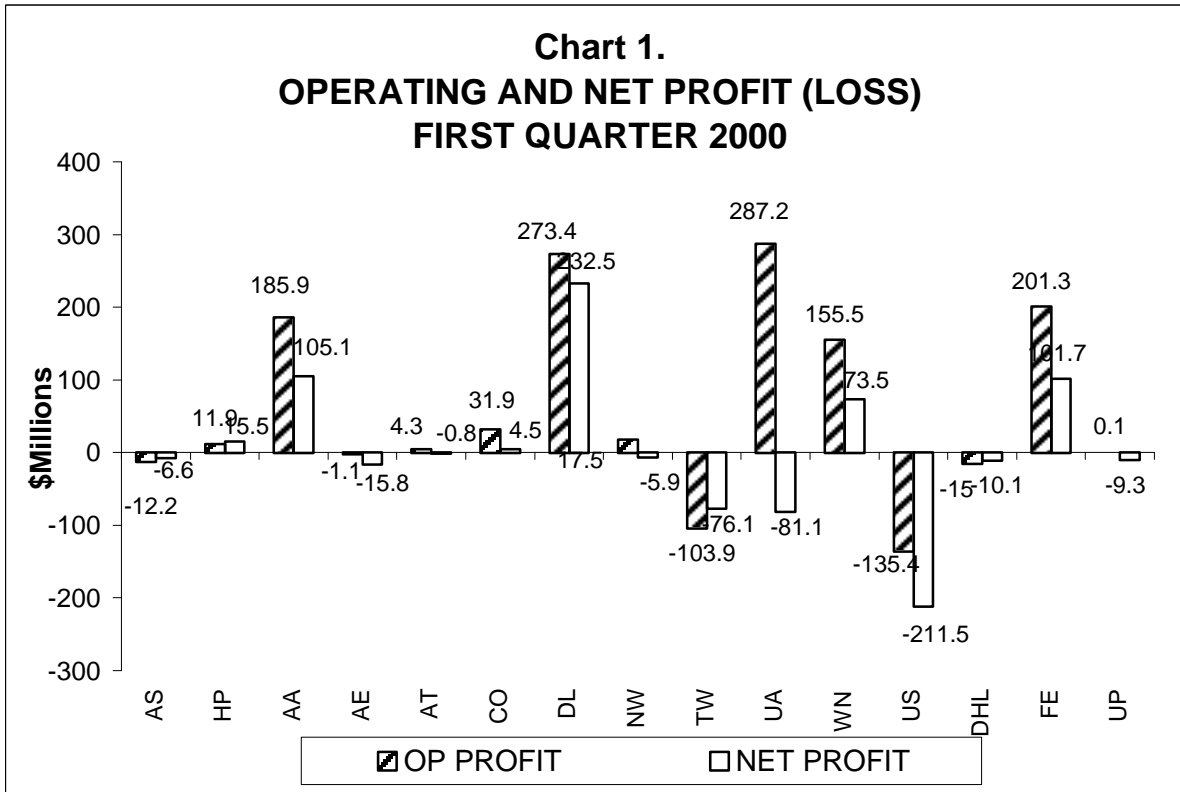
		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	8.3	2.8	5.6	4.3	3.6	3.4	4.2
27	Operating Expenses (%)	11.1	5.0	9.1	7.6	5.4	4.2	4.0
28	Operating Profit (Loss) (in Millions \$)	-412.0	-341.7	-2,111.0	-2,040.7	-1,032.5	-280.5	453.1
29	Net Income (Loss)(in Millions \$)	-470.2	-209.3	-105.8	155.0	-210.6	-540.2	-690.7
30	RPMs (Sch. Svc.) (%)	5.7	4.3	4.9	4.6	4.2	3.3	3.6
31	ASMs (Sch. Svc.) (%)	6.4	2.5	6.1	5.2	4.8	2.6	1.5
32	Operating Revenues per RTM (%)	-5.3	-0.3	-1.4	-0.1	0.1	0.9	1.4
33	Operating Expense per RTM (%)	-2.9	1.9	1.9	3.1	1.8	1.7	1.2
34	Passenger Revenue per RPM (Sch. Svc.)(	3.1	-2.3	0.7	-0.7	-1.7	-0.9	-0.2

QUARTERLY FINANCIAL & TRAFFIC REVIEW
INTERNATIONAL OPERATIONS
TOTAL PASSENGER & ALL-CARGO MAJORS

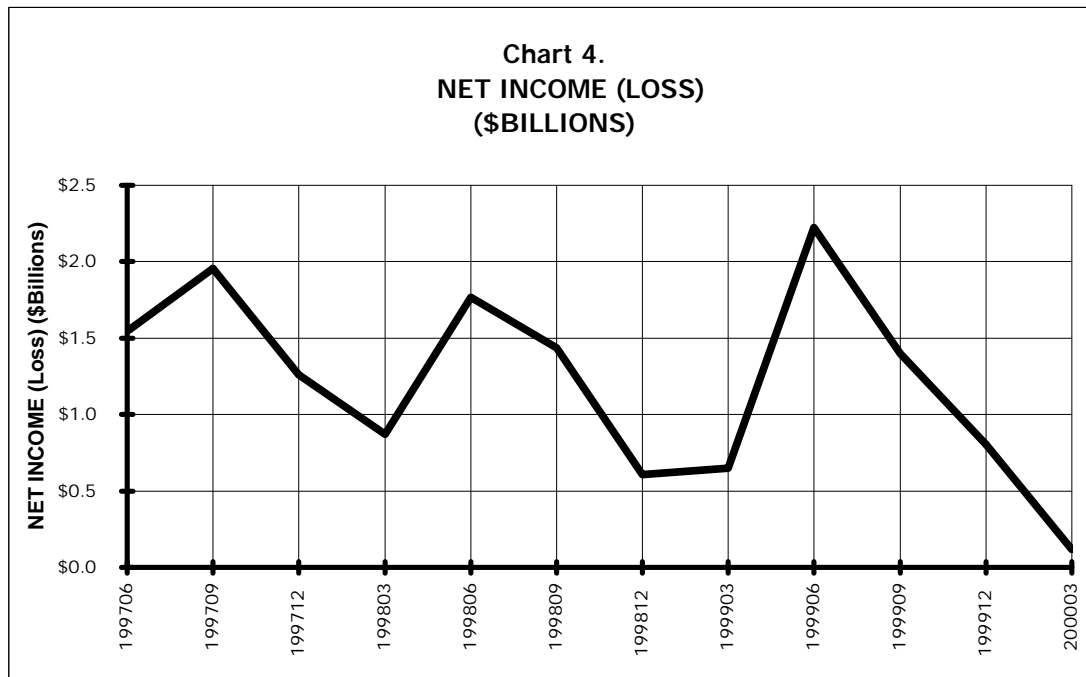
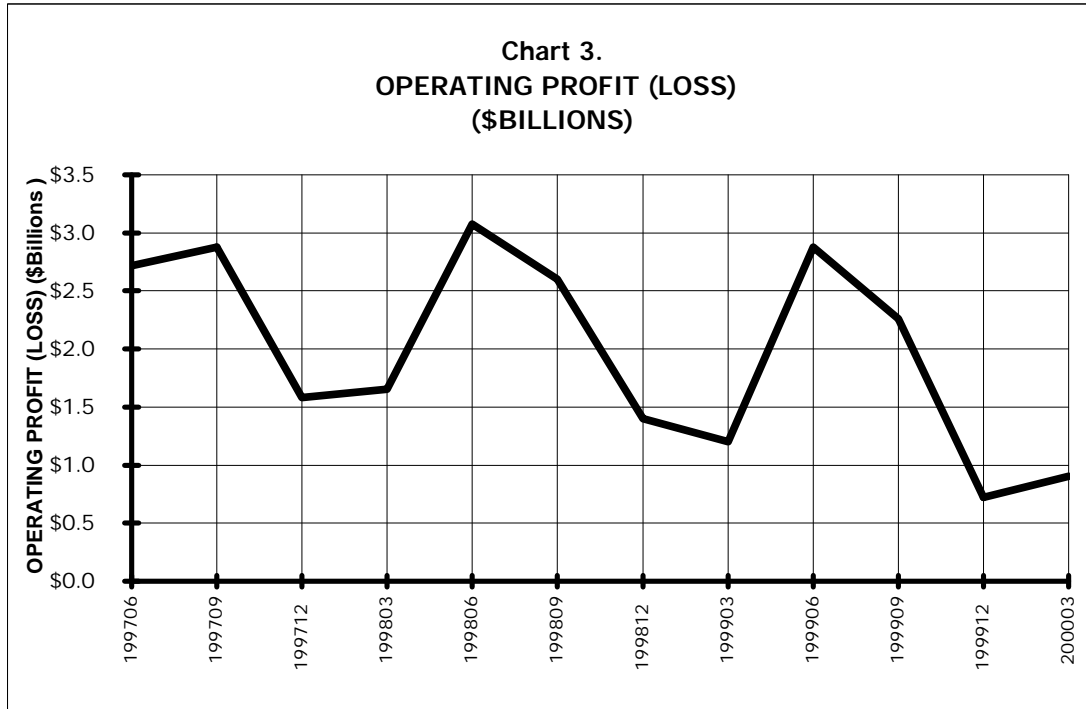
ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2000/03	1999/03	2000/03	1999/12	1999/09	1999/06	1999/03
FINANCIAL RESULTS: (\$Millions)								
1	Operating Revenues	6,265.0	5,532.7	25,756.9	25,024.6	24,428.0	24,027.7	24,085.4
2	Operating Expenses	6,187.6	5,568.6	24,279.1	23,660.1	23,305.7	23,173.7	23,204.7
3	Operating Profit (Loss)	77.4	-35.9	1,477.8	1,364.5	1,122.3	854.1	880.7
4	Net Income (Loss)	-101.9	-37.6	672.0	736.3	499.8	540.4	484.1
TRAFFIC: (Billions)								
5	RPMs - Scheduled Rev. Svc.	39.00	37.37	169.30	167.67	165.98	162.45	161.81
6	ASMs - Scheduled Rev. Svc.	54.67	52.79	226.55	224.67	224.03	221.50	221.59
7	Overall RTMs (All Svc.)	6.87	6.22	28.83	28.18	27.54	26.84	26.59
8	Overall ATMs (All Svc.)	11.71	10.99	48.22	47.50	47.06	46.16	45.91
YIELD & UNIT COST & PROFITS: (Cents)								
9	Operating Revenue per RTM	91.2	88.9	89.3	88.8	88.7	89.5	90.6
10	Operating Expense per RTM	90.1	89.5	84.2	83.9	84.6	86.3	87.3
11	Operating Profit (Loss) per RTM	1.1	-0.6	5.1	4.8	4.1	3.2	3.3
12	Operating Expense per ATM	52.9	50.7	50.4	49.8	49.5	50.2	50.5
13	Passenger Revenue per RPM	10.42	10.00	10.17	10.07	10.04	10.11	10.25
FINANCIAL RATIOS:								
14	Operating Revenues to Total Investment	*	*	**	**	**	**	**
15	Times Interest Earned	*	*	**	**	**	**	**
16	Current Assets to Current Liabilities	*	*	**	**	**	**	**
17	No. of Days Cash Coverage of Cash Exp.	*	*	**	**	**	**	**
FINANCIAL PERCENTAGES:								
18	Operating Profit (Loss) to Operating Reven	1.2	-0.6	5.7	5.5	4.6	3.6	3.7
19	Net Income to Stockholders Equity	*	*	**	**	**	**	**
20	Corporate Return on Investment	*	*	6.8	7.4	6.1	6.6	6.5
21	Debt to Total Investment	*	*	**	**	**	**	**
PASSENGER LOAD FACTOR: (Sch. Svc. %)								
22	Actual	71.3	70.8	74.7	74.6	74.1	73.3	73.0
23	Breakeven	73.5	75.2	71.5	71.8	72.2	72.7	72.4
Employment & Productivity:								
24	Employment, Total Weighted Avg CY	*	*	**	**	**	**	**
25	Overall RTM's per Employee (000)	*	*	**	**	**	**	**

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	13.2	-1.5	6.9	3.5	0.1	-3.1	-2.5
27	Operating Expenses (%)	11.1	0.4	4.6	2.1	0.7	0.2	1.7
28	Operating Profit (Loss) (in Millions \$)	113.3	-109.8	597.1	374.0	-134.9	-827.3	-1,007.2
29	Net Income (Loss)(in Millions \$)	-64.3	-12.3	187.9	239.9	-249.5	-401.5	-483.4
30	RPMs (Sch. Svc.) (%)	4.4	2.0	4.6	4.1	3.2	0.7	1.9
31	ASMs (Sch. Svc.) (%)	3.6	0.9	2.2	1.6	1.9	1.0	2.7
32	Operating Revenues per RTM (%)	2.6	-2.2	-1.4	-2.4	-3.3	-3.9	-3.8
33	Operating Expense per RTM (%)	0.7	-0.2	-3.6	-3.9	-2.8	-0.6	0.3
34	Passenger Revenue per RPM (Sch. Svc.)(	4.2	-4.8	-0.8	-2.9	-4.5	-6.1	-6.2

COMPARISONS AMONG MAJOR GROUP AIRLINES



TOTAL ALL MAJORS (SYSTEM) BY QUARTER



TOTAL ALL MAJORS (SYSTEM) BY 12-MONTH ENDING PERIODS

Chart 5.
OPERATING PROFIT (LOSS)
(\$BILLIONS)

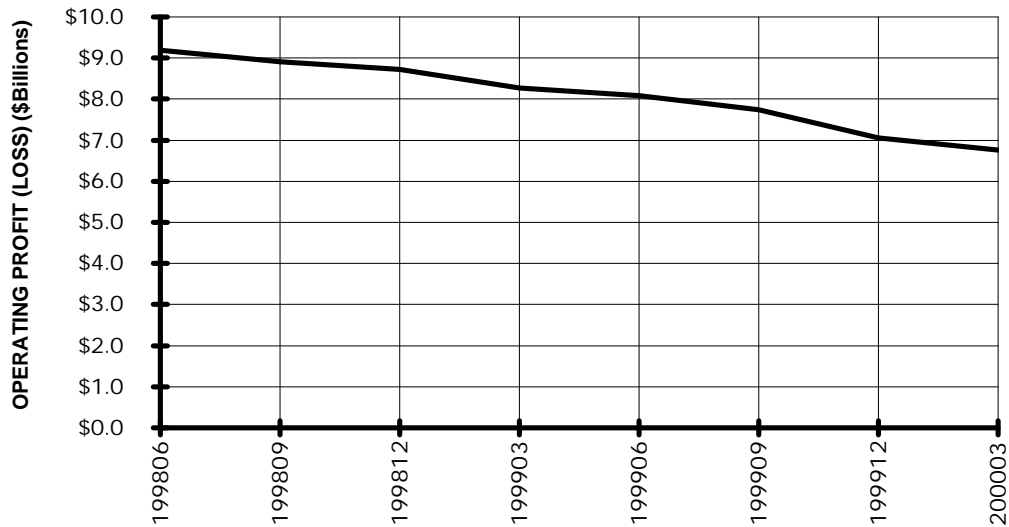
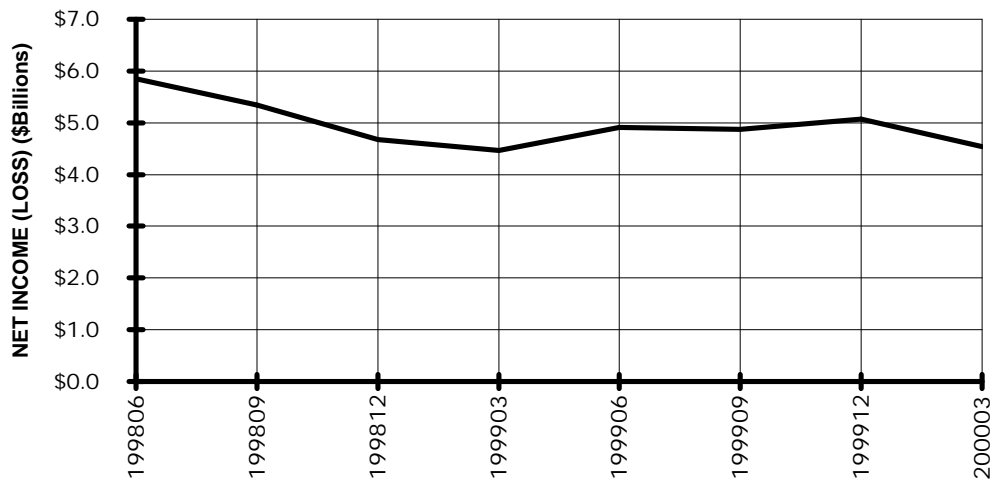
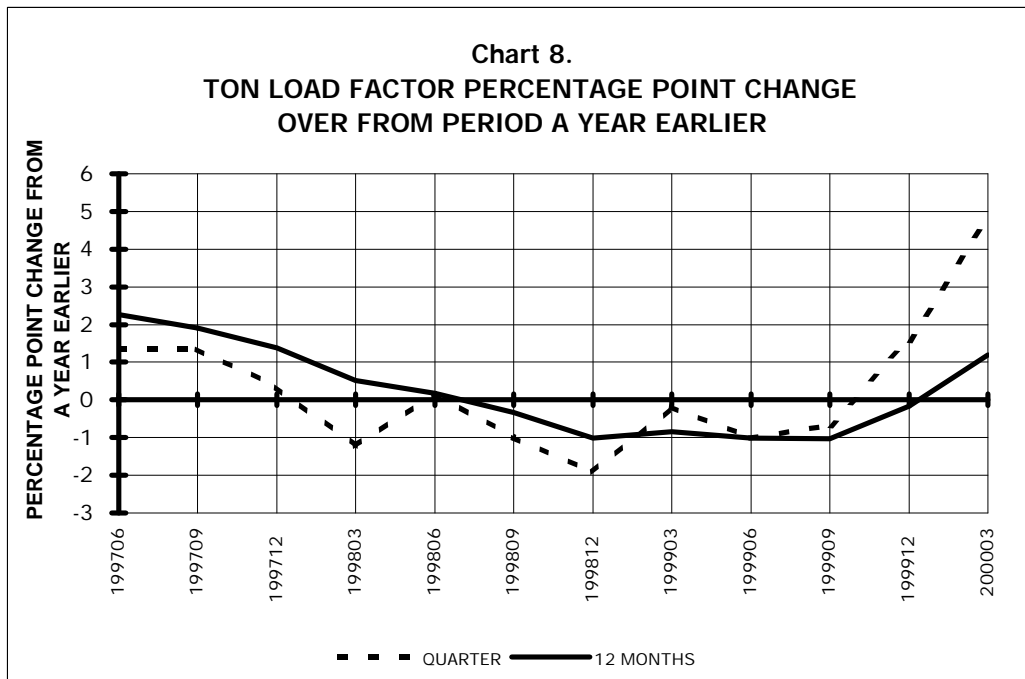
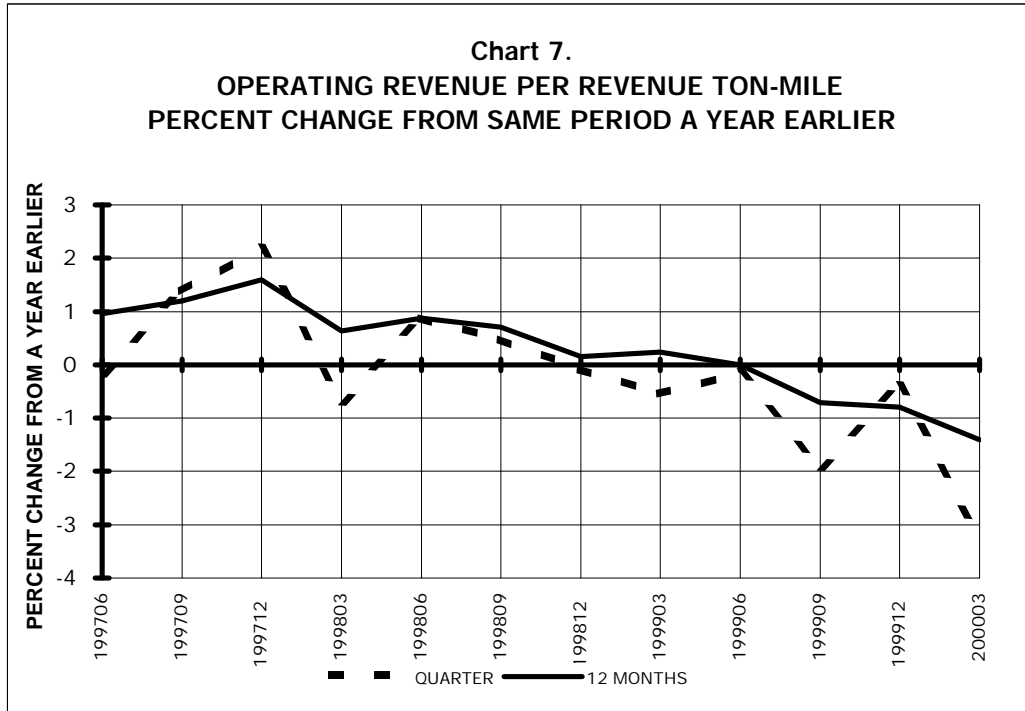


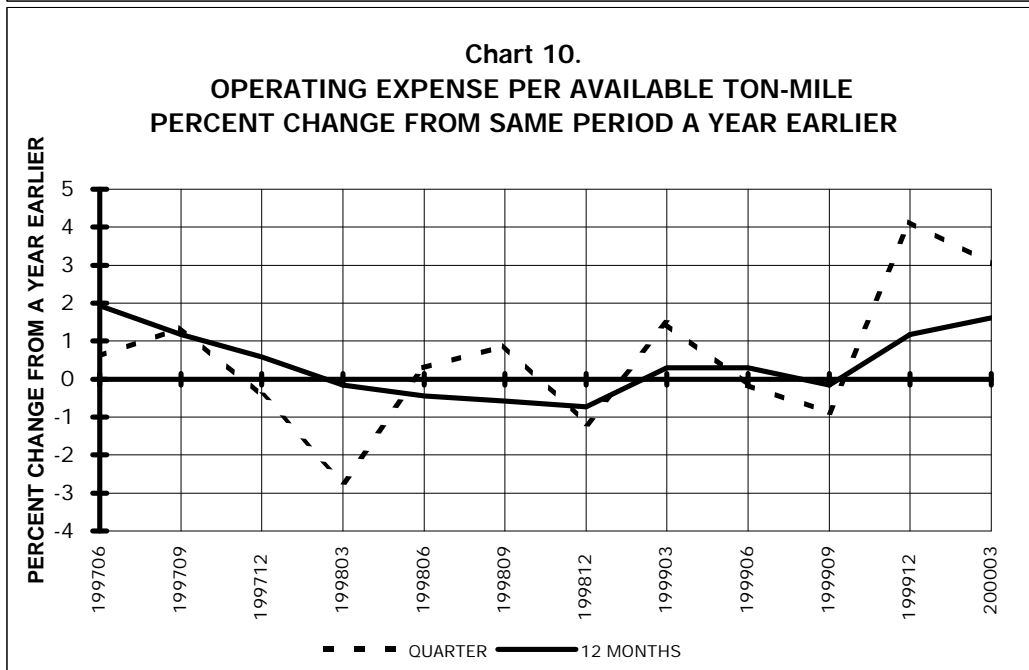
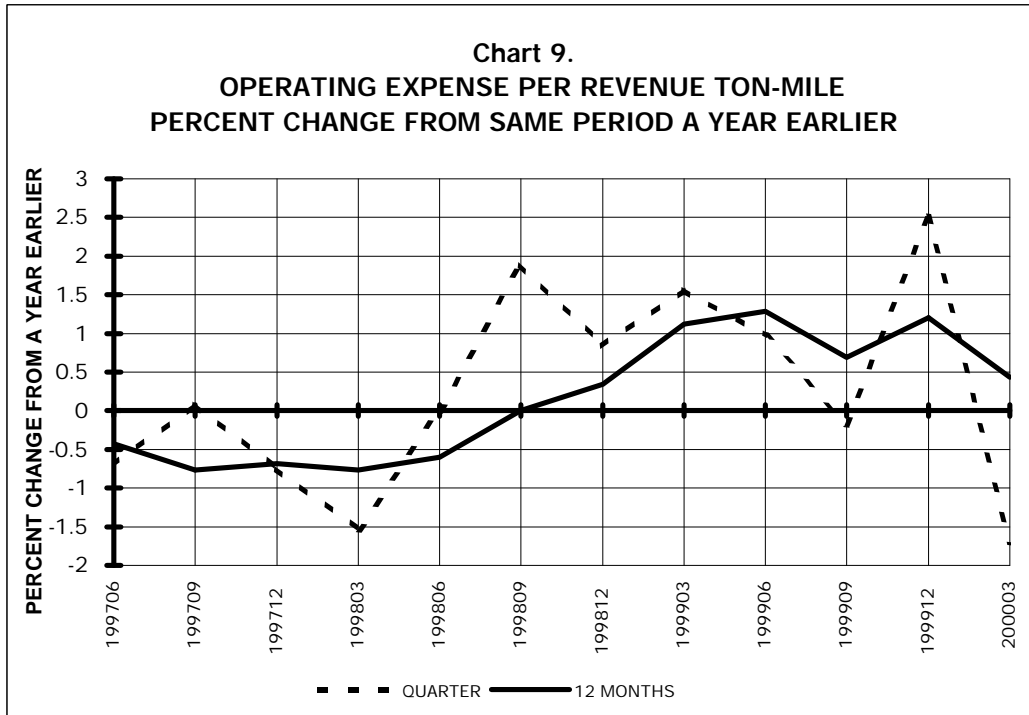
Chart 6.
NET INCOME (LOSS)
(\$BILLIONS)



TOTAL ALL MAJORS (SYSTEM) QUARTERLY AND 12-MONTH BASIS



TOTAL ALL MAJORS (SYSTEM) QUARTERLY AND 12-MONTH BASIS



QUARTERLY FINANCIAL & TRAFFIC REVIEW

TOTAL PASSENGER MAJORS 1/

QUARTERLY RESULTS

- For the quarter, nine of the twelve passenger majors reported an operating profit. Alaska, American Eagle, Trans World and US Airways reported an operating loss. Only five passenger majors – America West, American, Continental, Delta and Southwest -- reported a net profit.
- Four majors – American Eagle, American, Northwest and United – reported year-to-year gains in operating results, while only two majors – Delta and Northwest -- experienced a year-to-year improvement in net results.
- For the group, operating profit fell \$271.6 million to \$714.9 million, as operating expense growth, up 10.6 percent, exceeded operating revenue growth, up 8.8 percent.
- Rapid increases in total fuel expense continue to play a major role in the rise in total operating expenses. Unit fuel prices jumped 63.9 percent to an average of 72.84 cents, and consumption rose 3.8 percent, boosting total fuel expense \$1.19 billion (70.3 percent) comprising 13.1 percent of total operating expenses, up from 8.5 percent a year earlier.
- Net income dropped \$542.8 million to \$33.3 million.

Quarter Ended	OPERATING PROFIT (LOSS)			NET INCOME (LOSS)		
	LAST YEAR 1999	THIS YEAR 2000	\$ Change	LAST YEAR 1999	THIS YEAR 2000	\$ Change
March	986.5	714.9	-271.6	576.1	33.3	-542.8
June	2,590.4	0.0	-	2,079.7	0.0	-
Sept.	2,045.6	0.0	-	1,312.7	0.0	-
Dec.	373.9	0.0	-	576.3	0.0	-

- The passenger load factor dipped 0.2 percentage points to 68.6 percent as ASM capacity, up 5.7 percent, rose slightly faster than RPM traffic, up 5.4 percent.
- Passenger (RPM) yield rose 3.4 percent to 13.42 cents. American Trans Air and Southwest reported the only declines from a year ago.
- The domestic and Latin entity reported both an operating and net profit during the quarter. The Pacific entity, however, was the only entity to report a gain in either operating profit or net income.

ENTITY	\$ Millions						TRAFFIC (Billions)			CAPACITY (Billions)			PAX. L.F.
	OPERATING PROFIT (LOSS)			NET INCOME (LOSS)			RPMs (Sch. Svc.)			ASMs (Sch. Svc.)			
	1999	2000	\$ Change	1999	2000	\$ Change	1999	2000	Change %	1999	2000	Change %	
Domestic	1,132.6	804.2	-328.4	684.3	190.3	-494.0	102.9	108.8	5.7	151.1	160.9	6.4	67.6%
Int'l	-146.1	-89.3	56.8	-108.3	-157.0	-48.8	37.4	39.0	4.4	52.8	54.7	3.6	71.3%
Atlantic	-80.2	-130.2	-49.9	-52.1	-114.4	-62.3	15.8	17.0	7.7	22.1	24.0	8.7	70.7%
Latin	77.2	74.4	-2.8	50.4	32.8	-17.6	8.6	9.0	5.2	12.8	13.0	1.9	69.3%
Pacific	-143.1	-33.6	109.5	-106.5	-75.4	31.1	13.1	13.0	-0.3	17.9	17.6	-1.6	73.8%
System	986.5	714.9	-271.6	576.1	33.3	-542.8	140.3	147.8	5.4	203.9	215.5	5.7	68.6%

- Interest expense increased \$117.3 million to \$513.5 million.
- The operating profit margin declined 1.4 percentage points to 3.2 percent. Only American, American Eagle and United were up from last year while Northwest was unchanged.

12-MONTH RESULTS

- All majors, except for Trans World and US Airways, reported an operating and net profit for 12-months ended March 2000.
- Operating expenses, up 7.9 percent, continued to grow at a faster rate than operating revenues, up 5.6 percent, resulting in a \$1.45 billion drop in operating profit to a still strong \$5.7 billion. US Airways alone was down \$919 million.
- Reflecting large capital gains of recent quarters, net results was down only \$16 million to \$4 billion.
- The passenger load factor dipped 0.2 percentage points to 71.3 percent as ASM capacity rose 5.1 percent and RPM traffic was up a lesser 4.8 percent.
- For the first time in six periods, passenger (RPM) yield was up from the same period a year earlier, rising 0.6 percent to 12.75 cents.

1/ American Eagle and American Trans Air became major air carriers effective January 1, 2000. For comparison purposes, all financial and traffic data for prior periods have been adjusted to include these carrier results.

**QUARTERLY FINANCIAL & TRAFFIC REVIEW
SYSTEM OPERATIONS
TOTAL PASSENGER MAJORS**

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2000/03	1999/03	2000/03	1999/12	1999/09	1999/06	1999/03
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	22,564.7	20,736.8	91,433.1	89,605.2	88,274.6	87,118.8	86,625.1
2	Operating Expenses	21,849.8	19,750.3	85,708.4	83,609.0	81,597.9	80,156.0	79,454.5
3	Operating Profit (Loss)	714.9	986.5	5,724.7	5,996.3	6,676.6	6,962.8	7,170.6
4	Net Income (Loss)	33.3	576.1	4,002.0	4,544.8	4,464.6	4,454.5	4,018.0
<u>TRAFFIC: (Billions)</u>								
5	RPMs - Scheduled Rev. Svc.	147.80	140.26	624.32	616.78	609.40	599.68	595.47
6	ASMs - Scheduled Rev. Svc.	215.53	203.94	875.30	863.70	855.29	840.76	832.86
7	Overall RTMs (All Svc.)	18.80	16.67	75.52	73.39	72.27	70.88	70.42
8	Overall ATMs (All Svc.)	31.91	29.61	128.81	126.51	124.80	122.21	121.07
<u>YIELD & UNIT COST & PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	120.0	124.4	121.1	122.1	122.1	122.9	123.0
10	Operating Expense per RTM	116.2	118.5	113.5	113.9	112.9	113.1	112.8
11	Operating Profit (Loss) per RTM	3.8	5.9	7.6	8.2	9.2	9.8	10.2
12	Operating Expense per ATM	68.5	66.7	66.5	66.1	65.4	65.6	65.6
13	Passenger Revenue per RPM	13.42	12.98	12.82	12.71	12.68	12.73	12.77
<u>FINANCIAL RATIOS:</u>								
14	Operating Revenues to Total Investment	*	*	1.65	1.69	1.75	1.80	1.87
15	Times Interest Earned	*	*	5.70	6.33	6.50	6.57	6.07
16	Current Assets to Current Liabilities	*	*	0.67	0.73	0.71	0.68	0.67
17	No. of Days Cash Coverage of Cash Exp.	*	*	40.7	39.2	40.3	38.6	34.9
<u>FINANCIAL PERCENTAGES:</u>								
18	Operating Profit (Loss) to Operating Reven	3.2	4.8	6.3	6.7	7.6	8.0	8.3
19	Net Income to Stockholders Equity	*	*	13.5	15.9	16.2	16.8	15.9
20	Corporate Return on Investment	*	*	10.0	11.2	11.5	11.9	11.5
21	Debt to Total Investment	*	*	49.5	47.6	44.7	44.6	46.8
<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>								
22	Actual	68.6	68.8	71.3	71.4	71.3	71.3	71.5
23	Breakeven	68.1	67.5	68.4	68.3	67.5	67.1	66.9
<u>Employment & Productivity:</u>								
24	Employment, Total Weighted Avg CY	431,772	411,654	428,159	420,723	415,443	410,242	405,772
25	Overall RTM's per Employee (000)	43.5	40.5	176.4	174.4	174.0	172.8	173.5

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	8.8	1.1	5.6	3.7	2.2	1.2	1.9
27	Operating Expenses (%)	10.6	3.8	7.9	6.2	4.1	2.9	2.9
28	Operating Profit (Loss) (in Millions \$)	-271.6	-494.1	-1,445.9	-1,668.4	-1,313.5	-1,262.0	-663.2
29	Net Income (Loss)(in Millions \$)	-542.8	-224.0	-16.0	302.8	-454.1	-1,014.1	-1,186.1
30	RPMs (Sch. Svc.) (%)	5.4	3.7	4.8	4.4	3.9	2.6	3.1
31	ASMs (Sch. Svc.) (%)	5.7	2.1	5.1	4.2	4.0	2.2	1.8
32	Operating Revenues per RTM (%)	-3.5	-1.4	-1.6	-1.1	-1.3	-0.3	0.0
33	Operating Expense per RTM (%)	-2.0	1.3	0.6	1.2	0.5	1.4	1.0
34	Passenger Revenue per RPM (Sch. Svc.)	3.4	-2.6	0.4	-1.1	-2.2	-1.9	-1.5

QUARTERLY FINANCIAL & TRAFFIC REVIEW
DOMESTIC OPERATIONS
TOTAL PASSENGER MAJORS

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2000/03	1999/03	2000/03	1999/12	1999/09	1999/06	1999/03
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	17,628.9	16,254.9	70,539.6	69,165.6	68,119.8	67,253.8	66,617.0
2	Operating Expenses	16,824.7	15,122.3	65,711.3	64,008.9	62,160.2	60,790.0	60,014.4
3	Operating Profit (Loss)	804.2	1,132.6	4,828.3	5,156.7	5,959.6	6,463.8	6,602.6
4	Net Income (Loss)	190.3	684.3	3,472.5	3,966.5	4,024.7	4,116.3	3,795.9
<u>TRAFFIC: (Billions)</u>								
5	RPMs - Scheduled Rev. Svc.	108.80	102.89	455.03	449.11	443.42	437.23	433.66
6	ASMs - Scheduled Rev. Svc.	160.86	151.15	648.74	639.03	631.26	619.26	611.26
7	Overall RTMs (All Svc.)	13.07	11.36	51.12	49.40	48.75	48.01	47.73
8	Overall ATMs (All Svc.)	21.97	20.12	87.54	85.70	84.30	82.52	81.56
<u>YIELD & UNIT COST & PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	134.9	143.1	138.0	140.0	139.7	140.1	139.6
10	Operating Expense per RTM	128.7	133.2	128.6	129.6	127.5	126.6	125.7
11	Operating Profit (Loss) per RTM	6.2	10.0	9.4	10.4	12.2	13.5	13.8
12	Operating Expense per ATM	76.6	75.1	75.1	74.7	73.7	73.7	73.6
13	Passenger Revenue per RPM	14.49	14.06	13.80	13.70	13.66	13.70	13.71
<u>FINANCIAL RATIOS:</u>								
14	Operating Revenues to Total Investment	*	*	**	**	**	**	**
15	Times Interest Earned	*	*	**	**	**	**	**
16	Current Assets to Current Liabilities	*	*	**	**	**	**	**
17	No. of Days Cash Coverage of Cash Exp.	*	*	**	**	**	**	**
<u>FINANCIAL PERCENTAGES:</u>								
18	Operating Profit (Loss) to Operating Reven	4.6	7.0	6.8	7.5	8.7	9.6	9.9
19	Net Income to Stockholders Equity	*	*	**	**	**	**	**
20	Corporate Return on Investment	*	*	11.0	12.6	13.3	14.1	13.8
21	Debt to Total Investment	*	*	**	**	**	**	**
<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>								
22	Actual	67.6	68.1	70.1	70.3	70.2	70.6	70.9
23	Breakeven	65.6	64.9	66.6	66.5	65.4	65.0	64.9
<u>Employment & Productivity:</u>								
24	Employment, Total Weighted Avg CY	*	*	**	**	**	**	**
25	Overall RTM's per Employee (000)	*	*	**	**	**	**	**

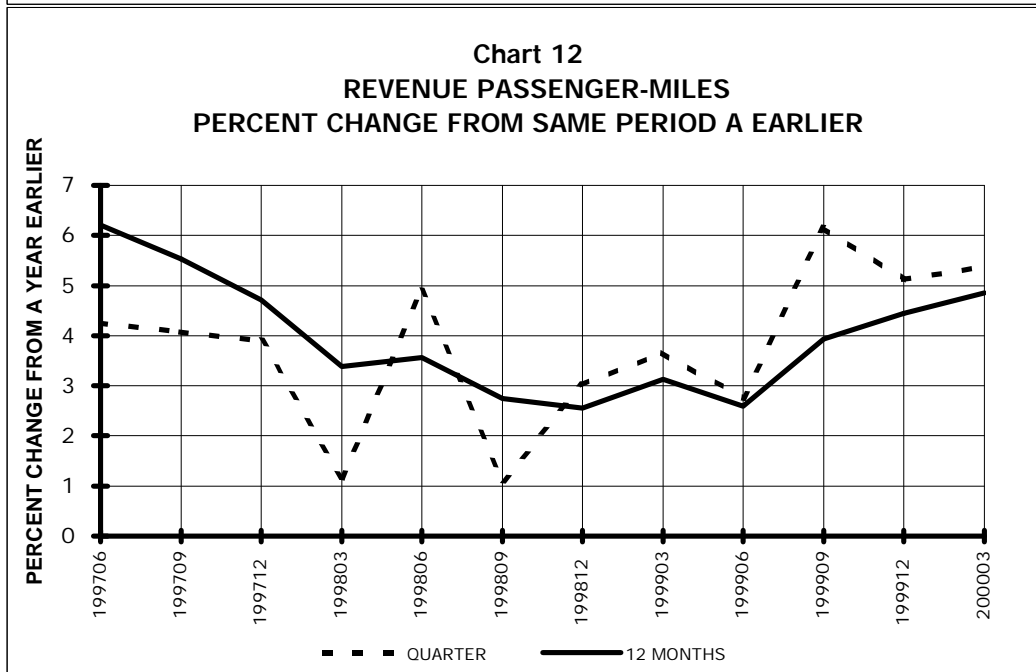
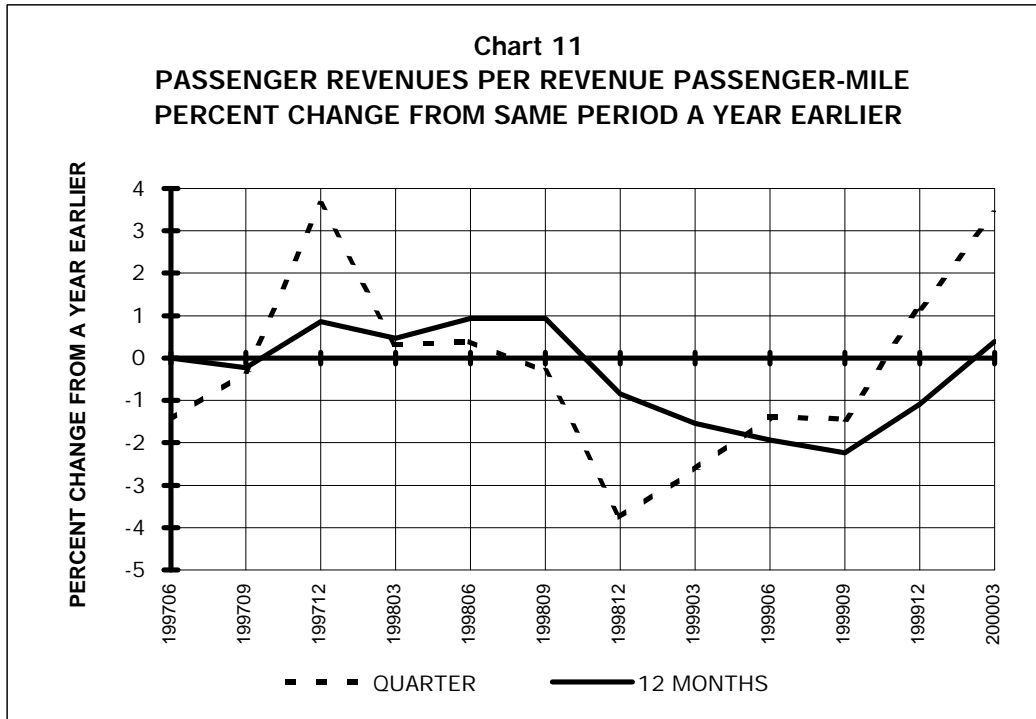
		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	8.5	2.5	5.9	4.4	3.2	3.1	3.8
27	Operating Expenses (%)	11.3	5.1	9.5	8.0	5.4	4.0	3.5
28	Operating Profit (Loss) (in Millions \$)	-328.4	-331.7	-1,774.3	-1,777.6	-1,036.2	-304.8	428.0
29	Net Income (Loss)(in Millions \$)	-494.0	-129.9	-323.4	40.7	-350.0	-446.7	-403.1
30	RPMs (Sch. Svc.) (%)	5.7	4.3	4.9	4.6	4.2	3.3	3.6
31	ASMs (Sch. Svc.) (%)	6.4	2.5	6.1	5.2	4.8	2.6	1.5
32	Operating Revenues per RTM (%)	-5.7	-0.8	-1.2	0.1	-0.3	0.9	1.3
33	Operating Expense per RTM (%)	-3.4	1.7	2.3	3.5	1.8	1.8	0.9
34	Passenger Revenue per RPM (Sch. Svc.)	3.1	-2.3	0.7	-0.7	-1.7	-0.9	-0.2

**QUARTERLY FINANCIAL & TRAFFIC REVIEW
INTERNATIONAL OPERATIONS
TOTAL PASSENGER MAJORS**

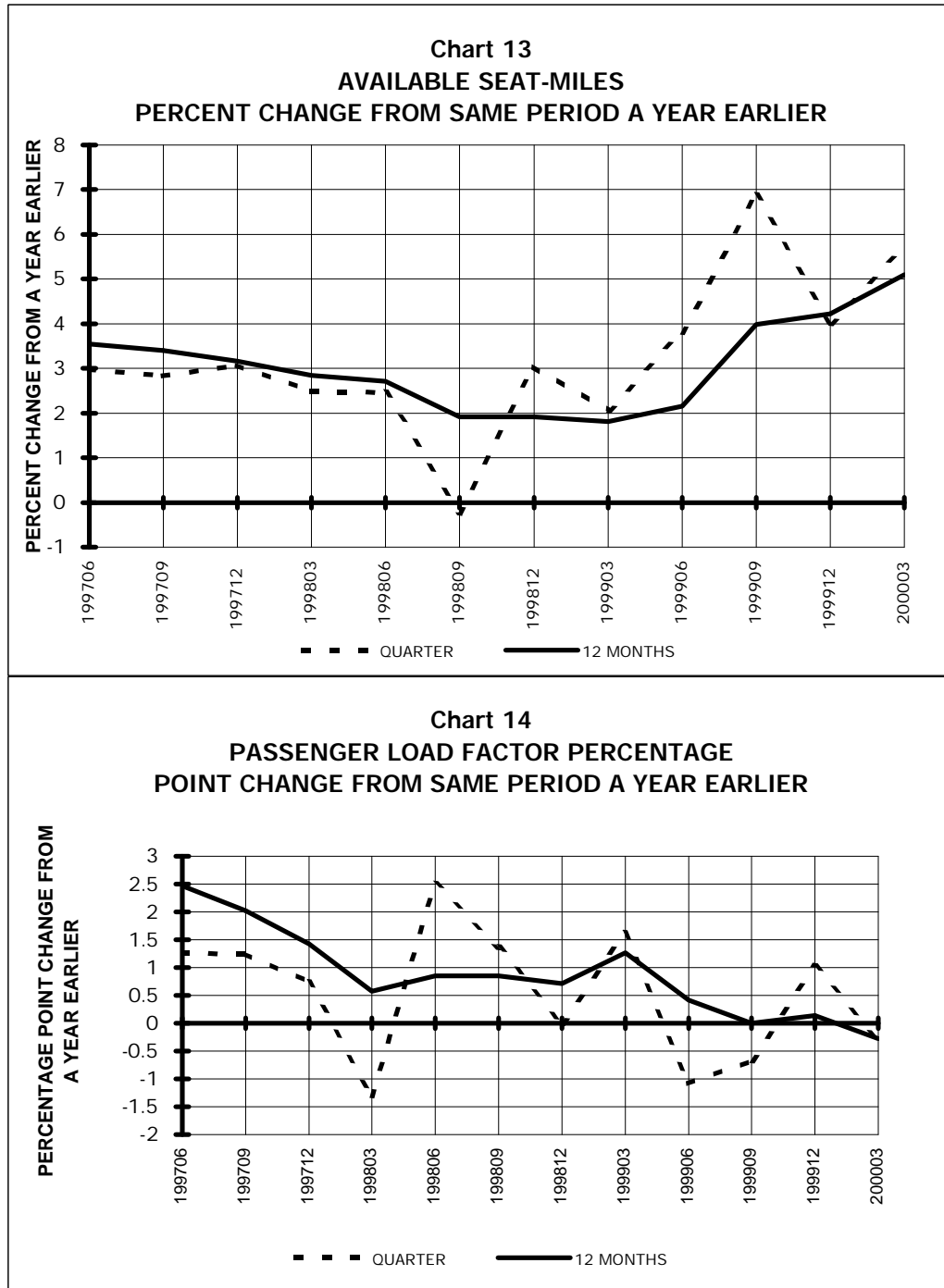
ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2000/03	1999/03	2000/03	1999/12	1999/09	1999/06	1999/03
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	4,935.7	4,481.9	20,893.5	20,439.7	20,154.8	19,864.9	20,008.1
2	Operating Expenses	5,025.1	4,628.0	19,997.1	19,600.1	19,437.8	19,366.0	19,440.1
3	Operating Profit (Loss)	-89.3	-146.1	896.4	839.6	717.0	499.0	568.0
4	Net Income (Loss)	-157.0	-108.3	529.5	578.3	439.9	338.2	222.1
<u>TRAFFIC: (Billions)</u>								
5	RPMs - Scheduled Rev. Svc.	39.00	37.37	169.30	167.67	165.98	162.45	161.81
6	ASMs - Scheduled Rev. Svc.	54.67	52.79	226.55	224.67	224.03	221.50	221.59
7	Overall RTMs (All Svc.)	5.73	5.32	24.40	23.99	23.52	22.88	22.69
8	Overall ATMs (All Svc.)	9.95	9.49	41.27	40.82	40.51	39.69	39.51
<u>YIELD & UNIT COST & PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	86.1	84.3	85.6	85.2	85.7	86.8	88.2
10	Operating Expense per RTM	87.7	87.0	81.9	81.7	82.6	84.7	85.7
11	Operating Profit (Loss) per RTM	-1.6	-2.7	3.7	3.5	3.0	2.2	2.5
12	Operating Expense per ATM	50.5	48.8	48.5	48.0	48.0	48.8	49.2
13	Passenger Revenue per RPM	10.42	10.00	10.17	10.07	10.04	10.11	10.25
<u>FINANCIAL RATIOS:</u>								
14	Operating Revenues to Total Investment	*	*	**	**	**	**	**
15	Times Interest Earned	*	*	**	**	**	**	**
16	Current Assets to Current Liabilities	*	*	**	**	**	**	**
17	No. of Days Cash Coverage of Cash Exp.	*	*	**	**	**	**	**
<u>FINANCIAL PERCENTAGES:</u>								
18	Operating Profit (Loss) to Operating Reven	-1.8	-3.3	4.3	4.1	3.6	2.5	2.8
19	Net Income to Stockholders Equity	*	*	**	**	**	**	**
20	Corporate Return on Investment	*	*	6.6	7.2	6.2	5.5	4.7
21	Debt to Total Investment	*	*	**	**	**	**	**
<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>								
22	Actual	71.3	70.8	74.7	74.6	74.1	73.3	73.0
23	Breakeven	76.5	77.2	74.2	74.2	74.3	74.4	73.8
<u>Employment & Productivity:</u>								
24	Employment, Total Weighted Avg CY	*	*	**	**	**	**	**
25	Overall RTM's per Employee (000)	*	*	**	**	**	**	**

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	10.1	-3.6	4.4	1.3	-1.2	-4.9	-4.2
27	Operating Expenses (%)	8.6	-0.1	2.9	0.8	0.2	-0.3	1.2
28	Operating Profit (Loss) (in Millions \$)	56.8	-162.4	328.4	109.2	-277.3	-957.2	-1,091.2
29	Net Income (Loss)(in Millions \$)	-48.7	-94.2	307.4	262.1	-104.1	-567.4	-783.1
30	RPMs (Sch. Svc.) (%)	4.4	2.0	4.6	4.1	3.2	0.7	1.9
31	ASMs (Sch. Svc.) (%)	3.6	0.9	2.2	1.6	1.9	1.0	2.7
32	Operating Revenues per RTM (%)	2.1	-4.5	-3.0	-4.4	-4.6	-4.9	-4.7
33	Operating Expense per RTM (%)	0.8	-1.1	-4.4	-4.9	-3.3	-0.2	0.7
34	Passenger Revenue per RPM (Sch. Svc.)	4.2	-4.8	-0.8	-2.9	-4.5	-6.1	-6.2

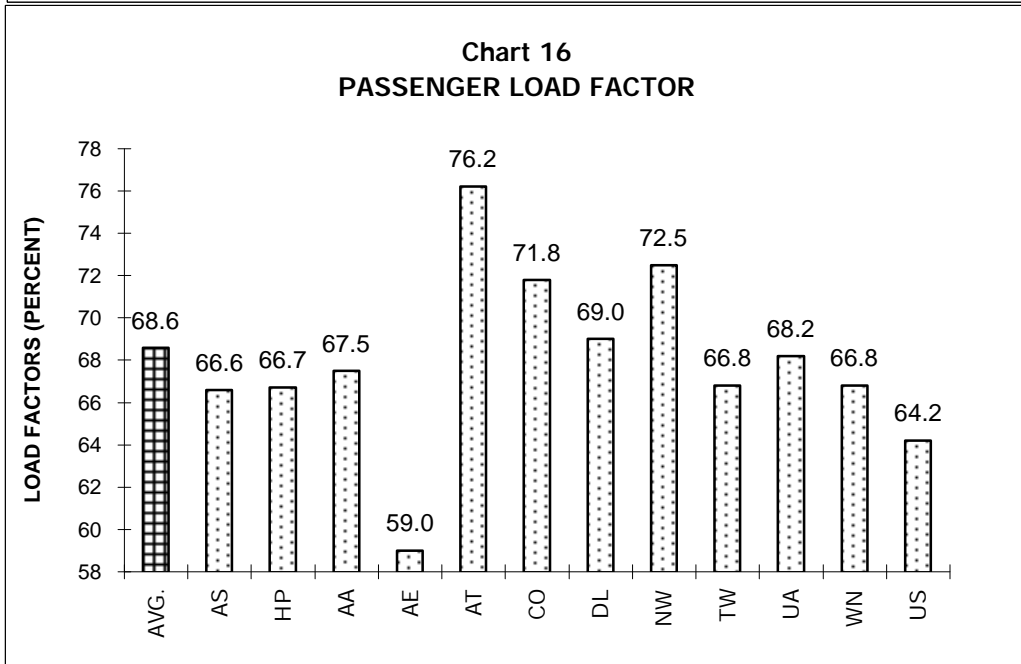
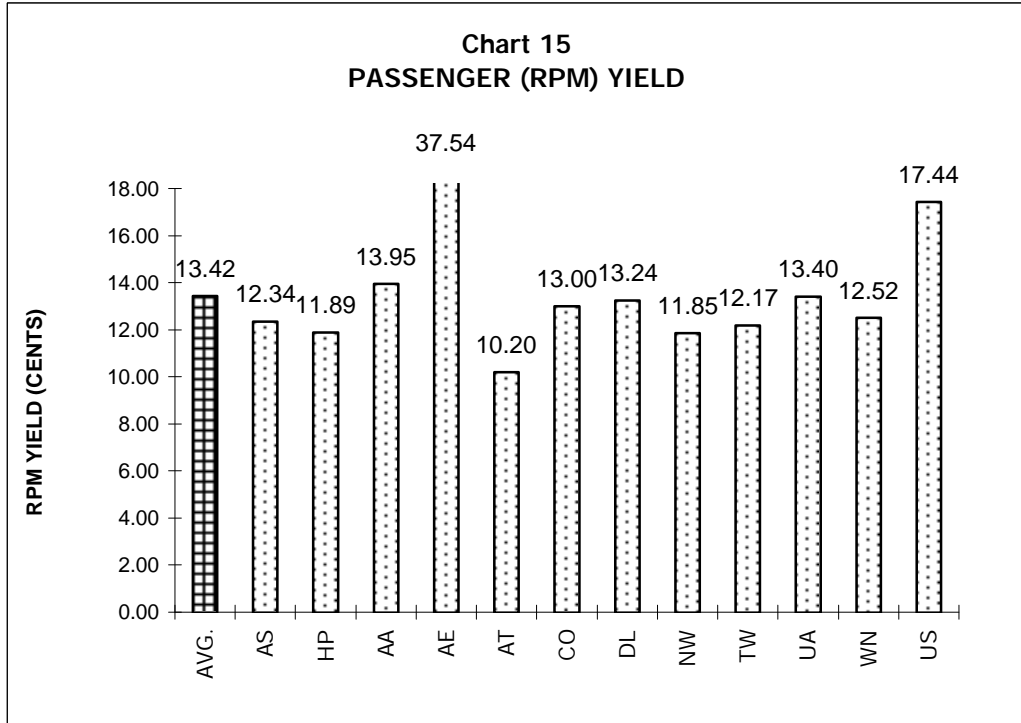
TOTAL PASSENGER MAJORS (SYSTEM) QUARTERLY AND 12-MONTH BASIS (SCH. SVC.)



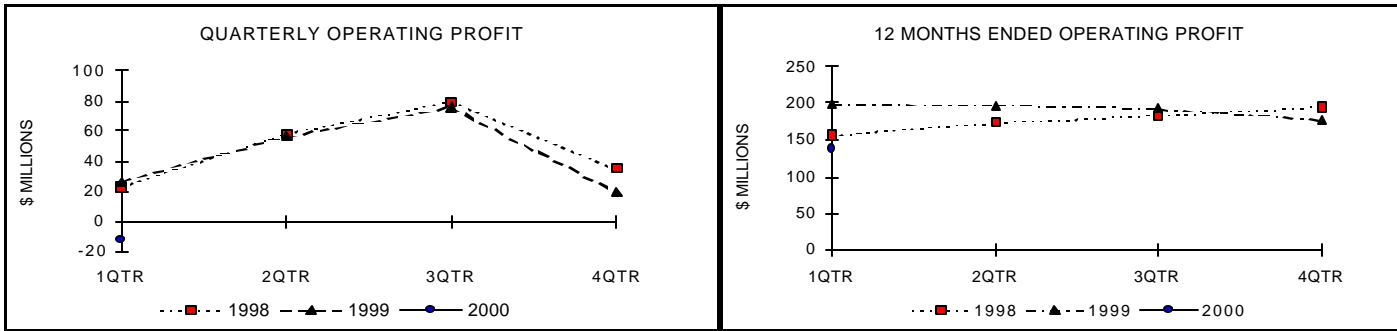
TOTAL PASSENGER MAJORS (SYSTEM) QUARTERLY AND 12-MONTH BASIS (SCH. SVC.)



TOTAL PASSENGER MAJORS (SYSTEM) FIRST QUARTER 2000 (SCH. SVC.)



QUARTERLY FINANCIAL & TRAFFIC REVIEW **SYSTEM OPERATIONS** **ALASKA AIRLINES**



QUARTERLY RESULTS

- Operating expense growth, up 17 percent, tripled operating revenue growth, up 5.7 percent, resulting in a \$38.4 million drop in operating results to a loss of \$12.2 million.
- This profit decline was largely the result of soaring fuel expenses, up 124.1 percent (\$36.9 million) as unit fuel prices more than doubled, up 120 percent and fuel consumption rose 4 percent.
- Net results also fell into the red, falling \$25.3 million to a loss of \$6.6 million.
- The operating and net losses were the first for any quarter in three years and the largest losses in five years.
- Both entities reported operating and net deteriorations and losses with domestic operations leading the way. Domestic operating profit declined \$30.9 million to a loss of \$8.5 million and domestic net results were down \$20.5 million to a \$4.4 million loss.

ENTITY	\$ Millions						TRAFFIC (Billions)			CAPACITY (Billions)			PAX. L.F.
	OPERATING PROFIT (LOSS)			NET INCOME (LOSS)			RPMs (Sch. Svc.)			ASMs (Sch. Svc.)			
	1999	2000	\$ Change	1999	2000	\$ Change	1999	2000	Change %	1999	2000	Change %	
Domestic	22.4	-8.5	-30.9	16.1	-4.4	-20.5	2.4	2.5	3.8	3.7	3.7	1.6	66.2%
Int'l	3.8	-3.7	-7.5	2.6	-2.2	-4.7	0.3	0.3	7.3	0.4	0.5	12.5	69.4%
Atlantic	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Latin	3.8	-3.7	-7.5	2.6	-2.2	-4.7	0.3	0.3	7.3	0.4	0.5	12.5	69.4%
Pacific	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
System	26.2	-12.2	-38.4	18.7	-6.6	-25.3	2.7	2.8	4.2	4.1	4.2	2.8	66.6%

- RPM traffic, up 4.2 percent, grew faster ASM capacity, up 2.8 percent, causing the passenger load factor to rise 0.9 percentage points to 66.6 percent.
- The operating profit margin dropped 10.1 percentage points from a year ago to a negative 3.1 percent.
- RTM unit cost growth, up 12.7 percent, far exceeded RTM yield growth, up 1.7 percent, eroding profits.
- Interest expense rose \$4 million to \$7.8 million.
- Passenger (RPM) yield increased 2.2 percent to 12.34 cents.

12-MONTH RESULTS

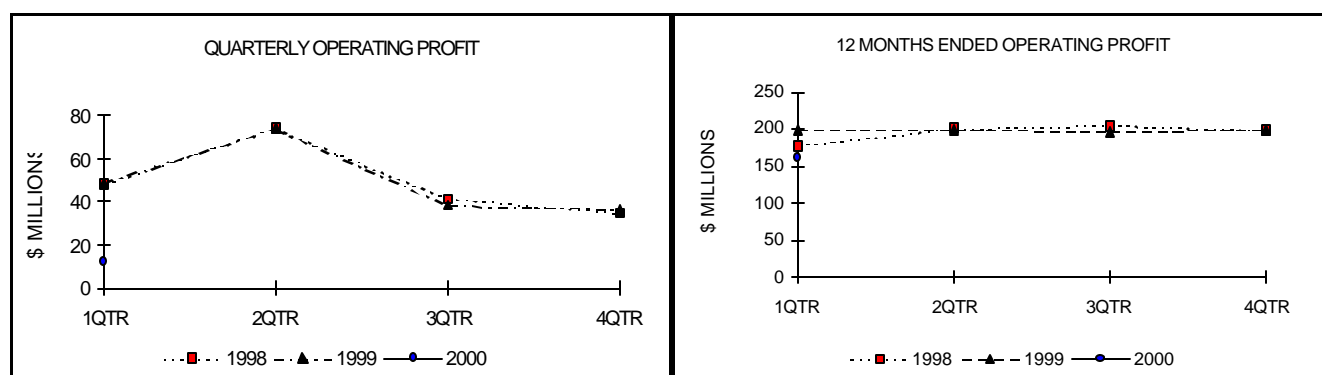
- Operating expense growth continues to accelerate, up 11.8 percent, while operating revenue growth slowed further, up only 6.6 percent, resulting in a decline in operating profit of \$60.4 million to \$138.3 million.
- Net income fell \$26.4 million to \$94.2 million.
- The passenger load factor rose 0.9 percentage points to a major group low 68.2 percent, as RPM traffic growth, up 3.2 percent, grew faster than ASM capacity, up 2 percent.
- Passenger (RPM) yield increased 4.2 percent to 12.64 cents.
- Alaska continues to benefit from the lowest interest expense among the passenger majors, up a slight \$0.5 million to \$16.8 million.
- Total debt more than doubled, rising \$204.7 million to \$397.2 million, but was still the lowest among the majors. This increase more than offset rising equity causing the debt-to-investment ratio to jumped 12.2 percentage points to 37.5 percent.

**QUARTERLY FINANCIAL & TRAFFIC REVIEW
SYSTEM OPERATIONS
ALASKA AIRLINES**

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2000/03	1999/03	2000/03	1999/12	1999/09	1999/06	1999/03
FINANCIAL RESULTS: (\$Millions)								
1	Operating Revenues	397.9	376.6	1,716.9	1,695.6	1,666.2	1,636.7	1,611.0
2	Operating Expenses	410.1	350.4	1,578.6	1,518.9	1,473.1	1,440.1	1,412.4
3	Operating Profit (Loss)	-12.2	26.2	138.3	176.7	193.1	196.6	198.7
4	Net Income (Loss)	-6.6	18.7	94.2	119.4	128.9	120.7	120.6
TRAFFIC: (Billions)								
5	RPMs - Scheduled Rev. Svc.	2.81	2.70	11.88	11.77	11.68	11.61	11.51
6	ASMs - Scheduled Rev. Svc.	4.22	4.11	17.43	17.31	17.20	17.19	17.09
7	Overall RTMs (All Svc.)	0.30	0.29	1.26	1.25	1.24	1.24	1.23
8	Overall ATMs (All Svc.)	0.56	0.54	2.29	2.27	2.26	2.25	2.24
YIELD & UNIT COST & PROFITS: (Cents)								
9	Operating Revenue per RTM	133.9	131.6	136.0	135.5	134.1	132.4	131.1
10	Operating Expense per RTM	138.0	122.4	125.1	121.4	118.5	116.5	115.0
11	Operating Profit (Loss) per RTM	-4.1	9.2	11.0	14.1	15.5	15.9	16.2
12	Operating Expense per ATM	73.6	64.9	69.0	66.9	65.3	63.9	63.0
13	Passenger Revenue per RPM	12.34	12.07	12.64	12.58	12.43	12.25	12.13
FINANCIAL RATIOS:								
14	Operating Revenues to Total Investment	*	*	1.90	2.01	2.11	2.15	2.18
15	Times Interest Earned	*	*	12.83	20.44	22.33	17.80	17.98
16	Current Assets to Current Liabilities	*	*	0.77	0.83	0.69	0.81	0.82
17	No. of Days Cash Coverage of Cash Exp.	*	*	66.0	82.7	63.9	85.1	78.1
FINANCIAL PERCENTAGES:								
18	Operating Profit (Loss) to Operating Reven	-3.1	7.0	8.1	10.4	11.6	12.0	12.3
19	Net Income to Stockholders Equity	*	*	14.9	19.6	22.2	22.1	23.4
20	Corporate Return on Investment	*	*	11.9	15.4	17.6	17.4	17.9
21	Debt to Total Investment	*	*	37.5	37.6	21.7	23.6	25.3
PASSENGER LOAD FACTOR: (Sch. Svc. %)								
22	Actual	66.6	65.7	68.2	68.0	67.9	67.5	67.3
23	Breakeven	73.6	64.0	65.4	63.1	61.9	61.1	60.6
Employment & Productivity:								
24	Employment, Total Weighted Avg CY	8,376	8,028	8,399	8,312	8,199	8,073	7,949
25	Overall RTM's per Employee (000)	35.5	35.6	150.3	150.5	151.6	153.1	154.5

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	5.7	8.6	6.6	7.2	7.3	7.2	8.1
27	Operating Expenses (%)	17.0	8.0	11.8	9.6	7.5	6.3	6.0
28	Operating Profit (Loss) (in Millions \$)	-38.4	3.7	-60.4	-18.3	9.8	23.9	41.7
29	Net Income (Loss)(in Millions \$)	-25.3	4.2	-26.4	2.9	22.7	14.9	27.9
30	RPMs (Sch. Svc.) (%)	4.2	10.0	3.2	4.4	6.2	8.2	9.9
31	ASMs (Sch. Svc.) (%)	2.8	8.6	2.0	3.2	4.9	7.8	9.5
32	Operating Revenues per RTM (%)	1.7	-0.2	3.7	3.3	2.0	0.0	-0.8
33	Operating Expense per RTM (%)	12.7	-0.7	8.8	5.6	2.2	-0.8	-2.8
34	Passenger Revenue per RPM (Sch. Svc.)(	2.2	-1.7	4.2	3.4	1.4	-0.6	-1.4

QUARTERLY FINANCIAL & TRAFFIC REVIEW **SYSTEM OPERATIONS** **AMERICA WEST AIRLINES**



QUARTERLY RESULTS

- Operating expense growth, up 16.6 percent, was more than double the growth in operating revenues, up 7.7 percent, resulting in a \$37 million deterioration in operating profit to \$11.9 million.
- This decline can be attributed in part to rising fuel expenses, which shot up 118.5 percent (\$46.3 million) as unit fuel prices jumped 116 percent and fuel consumption rose 1.1 percent.
- Net income declined \$9.4 million to \$15.5 million.
- Both entities reported declines in operating and net results, but only domestic operations remained positive, down \$31.4 million to \$15.3 million, and down \$3.9 million to \$19.1 million, respectively.

ENTITY	\$ Millions						TRAFFIC (Billions)			CAPACITY (Billions)			PAX. L.F.
	OPERATING PROFIT (LOSS)			NET INCOME (LOSS)			RPMs (Sch. Svc.)			ASMs (Sch. Svc.)			
	1999	2000	\$ Change	1999	2000	\$ Change	1999	2000	Change %	1999	2000	Change %	
Domestic	46.8	15.3	-31.4	23.0	19.1	-3.9	3.9	4.2	7.8	6.1	6.3	3.6	66.6%
Int'l	2.1	-3.5	-5.6	2.0	-3.5	-5.5	0.1	0.1	-4.1	0.2	0.1	-12.7	71.3%
Atlantic	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Latin	2.1	-3.5	-5.6	2.0	-3.5	-5.5	0.1	0.1	-4.1	0.2	0.1	-12.7	71.3%
Pacific	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
System	48.9	11.9	-37.0	24.9	15.5	-9.4	4.0	4.3	7.5	6.3	6.5	3.2	66.7%

- RPM traffic growth, up 7.5 percent, more than doubled ASM capacity growth, up 3.2 percent, producing a major group high 2.7 percentage point increase in the passenger to 66.7 percent.
- Passenger (RPM) yield climbed 0.3 percent to 12.34 cents.
- Interest expense declined \$1.9 million to a major group low \$7.8 million.

12-MONTH RESULTS

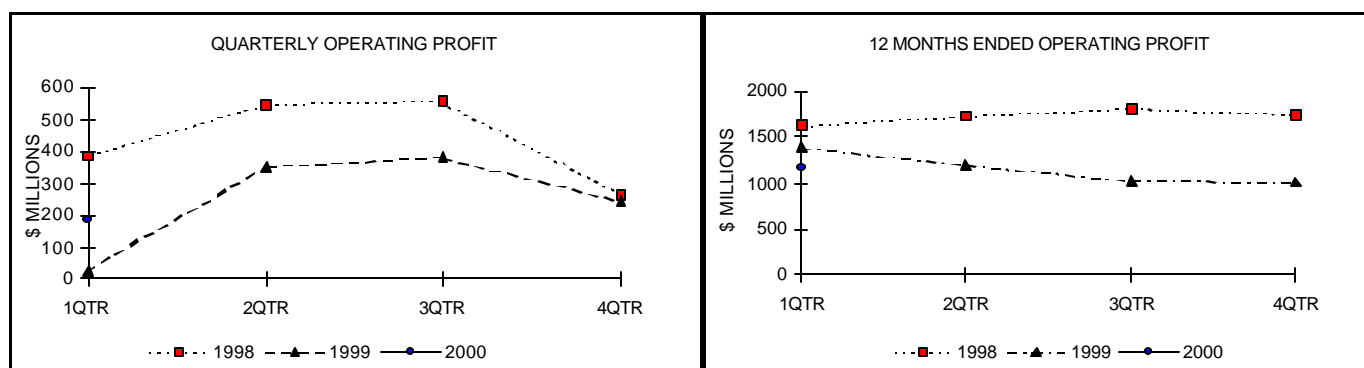
- For the fourth consecutive period, operating expenses, up 12.2 percent, grew faster than operating revenues, up 9.1 percent, resulting in a \$38 million decline in operating profit to \$160.9 million.
- Net income rose \$3.7 million to \$107.2 million.
- Interest expense was down \$4 million to \$33.6 million.
- RPM traffic, up 7.4 percent, grew faster than ASM capacity, up 5.5 percent, causing the passenger load factor to increase 1.2 percentage points to 69 percent.
- Passenger (RPM) yield was up 1.6 percent to 11.50 cents.
- Total debt was reduced \$173.4 million to \$202.9 million (only DHL Airways reported lower debt). This, coupled with rising equity, caused the debt-to-investment ratio to fall 13.8 percentage points, the largest decline among all majors, to 18.4 percent, the lowest among all passenger majors.

**QUARTERLY FINANCIAL & TRAFFIC REVIEW
SYSTEM OPERATIONS
AMERICA WEST AIRLINES**

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2000/03	1999/03	2000/03	1999/12	1999/09	1999/06	1999/03
FINANCIAL RESULTS: (\$Millions)								
1	Operating Revenues	549.9	510.5	2,203.4	2,164.0	2,103.5	2,054.6	2,019.3
2	Operating Expenses	538.1	461.6	2,042.5	1,966.1	1,906.9	1,855.4	1,820.4
3	Operating Profit (Loss)	11.9	48.9	160.9	197.9	196.6	199.2	198.9
4	Net Income (Loss)	15.5	24.9	107.2	116.6	106.9	104.9	103.5
TRAFFIC: (Billions)								
5	RPMs - Scheduled Rev. Svc.	4.32	4.02	17.99	17.69	17.19	16.94	16.75
6	ASMs - Scheduled Rev. Svc.	6.48	6.28	26.07	25.87	25.53	25.12	24.71
7	Overall RTMs (All Svc.)	0.45	0.43	1.89	1.87	1.81	1.79	1.77
8	Overall ATMs (All Svc.)	0.83	0.79	3.32	3.28	3.23	3.17	3.11
YIELD & UNIT COST & PROFITS: (Cents)								
9	Operating Revenue per RTM	121.1	119.6	116.4	116.0	115.9	114.8	113.8
10	Operating Expense per RTM	118.5	108.1	107.9	105.4	105.1	103.6	102.6
11	Operating Profit (Loss) per RTM	2.6	11.5	8.5	10.6	10.8	11.1	11.2
12	Operating Expense per ATM	64.8	58.1	61.6	59.9	59.1	58.6	58.5
13	Passenger Revenue per RPM	11.89	11.86	11.45	11.44	11.45	11.35	11.27
FINANCIAL RATIOS:								
14	Operating Revenues to Total Investment	*	*	1.97	1.95	1.91	1.91	1.92
15	Times Interest Earned	*	*	7.76	7.85	6.97	6.95	6.80
16	Current Assets to Current Liabilities	*	*	1.14	1.12	1.04	0.88	0.86
17	No. of Days Cash Coverage of Cash Exp.	*	*	22.3	23.3	48.8	36.3	51.7
FINANCIAL PERCENTAGES:								
18	Operating Profit (Loss) to Operating Reven	2.2	9.6	7.3	9.1	9.3	9.7	9.9
19	Net Income to Stockholders Equity	*	*	12.6	14.1	13.4	13.5	13.8
20	Corporate Return on Investment	*	*	12.0	13.2	12.6	12.7	12.9
21	Debt to Total Investment	*	*	18.4	18.5	23.7	24.9	32.2
PASSENGER LOAD FACTOR: (Sch. Svc. %)								
22	Actual	66.7	64.0	69.0	68.4	67.3	67.4	67.8
23	Breakeven	66.8	58.6	64.9	62.9	61.7	61.5	61.7
Employment & Productivity:								
24	Employment, Total Weighted Avg CY	10,134	9,442	9,922	9,749	9,530	9,248	9,026
25	Overall RTM's per Employee (000)	44.8	45.2	190.7	191.3	190.4	193.6	196.6

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	7.7	7.7	9.1	9.1	7.2	6.0	6.5
27	Operating Expenses (%)	16.6	8.3	12.2	10.1	8.5	6.7	5.9
28	Operating Profit (Loss) (in Millions \$)	-37.0	1.1	-38.0	0.1	-8.0	-0.9	22.0
29	Net Income (Loss)(in Millions \$)	-9.4	0.5	3.7	13.6	2.6	1.9	17.7
30	RPMs (Sch. Svc.) (%)	7.5	10.8	7.4	8.2	6.2	6.1	5.8
31	ASMs (Sch. Svc.) (%)	3.2	7.7	5.5	6.6	6.5	5.7	5.0
32	Operating Revenues per RTM (%)	1.3	-1.2	2.3	1.8	2.0	1.5	2.1
33	Operating Expense per RTM (%)	9.6	-0.7	5.2	2.6	3.3	2.2	1.5
34	Passenger Revenue per RPM (Sch. Svc.)(	0.3	-2.6	1.6	1.0	1.1	0.5	1.3

QUARTERLY FINANCIAL & TRAFFIC REVIEW **SYSTEM OPERATIONS** **AMERICAN AIRLINES**



QUARTERLY RESULTS

- Operating revenues, up 11.9 percent, grew faster than operating expenses, up 11.9 percent, resulting in a \$159.1 gain in operating profit to \$185.9 million.
- This improvement occurred despite a major group high increase in total fuel expense of \$192.1 million (65.2 percent) as unit fuel prices more than doubled, up 117.9 percent, while fuel consumption remained relatively flat, up 0.3 percent.
- Net income was up \$71.4 million to \$105.1 million.
- All entities reported improvements and profits in both operating a net results. Domestic operations experienced an improvement in operating profit of \$72.2 million to \$123.3 million, and in net income, up \$29.5 million to \$69.6 million.

ENTITY	\$ Millions						TRAFFIC (Billions)			CAPACITY (Billions)			PAX. L.F.
	OPERATING PROFIT (LOSS)			NET INCOME (LOSS)			RPMs (Sch. Svc.)			ASMs (Sch. Svc.)			
	1999	2000	\$ Change	1999	2000	\$ Change	1999	2000	Change %	1999	2000	Change %	
Domestic	51.0	123.3	72.2	40.1	69.6	29.5	16.9	18.5	9.4	25.1	27.5	9.5	67.3%
Int'l	-24.3	62.6	86.9	-6.4	35.5	41.9	7.7	8.5	10.3	11.5	12.5	8.7	68.1%
Atlantic	-36.2	1.3	37.4	-16.5	0.4	16.9	2.9	3.3	12.3	4.3	4.9	14.1	68.2%
Latin	26.3	41.4	15.1	16.9	23.6	6.6	4.1	4.3	6.4	6.1	6.4	4.6	67.8%
Pacific	-14.4	20.0	34.3	-6.9	11.5	18.3	0.7	0.9	24.7	1.1	1.2	10.0	68.8%
System	26.8	185.9	159.1	33.7	105.1	71.4	24.6	27.0	9.7	36.6	40.0	9.2	67.5%

- For the third consecutive quarter, passenger (RPM) yield rose from the same quarter a year ago, up 6.3 percent to 13.95 cents.
- The operating profit margin rose a major group high 3.7 percentage points to 4.4 percent.
- RPM traffic, up 9.7 percent, rose slightly faster than ASM capacity, up 9.2 percent, causing the passenger load factor to climb 0.2 percentage points to 67.4 percent.
- Interest expense rose \$6.3 million to \$39.6 million.

12-MONTH RESULTS

- Operating and net profits declined from a year ago for the fifth consecutive period after two consecutive years of improvements.
- Operating revenues rose for the first time in over a year, up 4.5 percent, but operating expenses, reflecting the continued rise in fuel expenses, jumped 6.5 percent resulting in a \$228.9 million drop in operating profit to \$1.1 billion.
- Net income declined \$178.3 million to \$697.2 million.
- ASM capacity rose 4.9 percent, exceeding the 4.1 percent gain in RPM traffic, up 1.2 percent, causing the passenger load factor to decrease 0.6 percentage points to 69.6 percent.
- Passenger (RPM) yield inched upward 0.5 percent to 13.32 cents.
- Interest expense rose \$41.6 million to \$137.3 million.
- Total debt jumped \$1.25 billion to \$3.82 billion, outpacing equity growth causing the debt-to-investment ratio to rise 6 percentage points to 34.5 percent.

**QUARTERLY FINANCIAL & TRAFFIC REVIEW
SYSTEM OPERATIONS
AMERICAN AIRLINES**

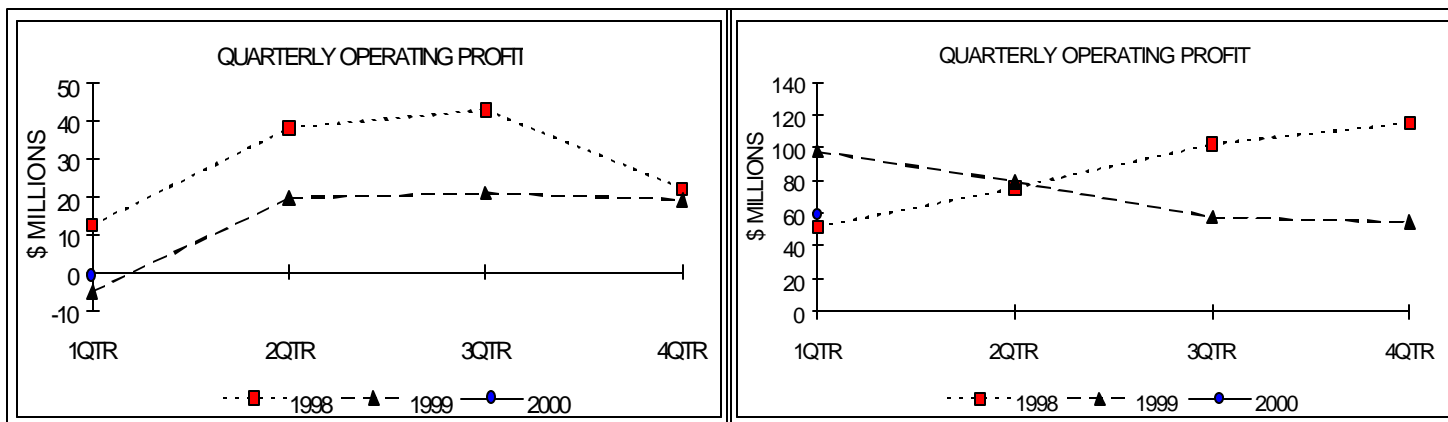
ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2000/03	1999/03	2000/03	1999/12	1999/09	1999/06	1999/03
FINANCIAL RESULTS: (\$Millions)								
1	Operating Revenues	4,202.0	3,616.0	16,671.5	16,085.5	15,824.1	15,845.1	15,954.8
2	Operating Expenses	4,016.2	3,589.2	15,509.5	15,082.6	14,802.4	14,649.4	14,564.0
3	Operating Profit (Loss)	185.9	26.8	1,162.0	1,002.9	1,021.7	1,195.8	1,390.9
4	Net Income (Loss)	105.1	33.7	697.2	625.8	635.4	758.5	875.5
TRAFFIC: (Billions)								
5	RPMs - Scheduled Rev. Svc.	27.00	24.62	112.53	110.15	109.12	108.42	108.13
6	ASMs - Scheduled Rev. Svc.	39.98	36.60	161.60	158.22	156.19	154.48	154.10
7	Overall RTMs (All Svc.)	3.25	2.90	13.61	13.26	13.03	12.77	12.74
8	Overall ATMs (All Svc.)	6.24	5.62	25.38	24.76	24.28	23.66	23.50
YIELD & UNIT COST & PROFITS: (Cents)								
9	Operating Revenue per RTM	129.3	124.8	122.5	121.3	121.4	124.0	125.2
10	Operating Expense per RTM	123.5	123.8	114.0	113.8	113.6	114.7	114.3
11	Operating Profit (Loss) per RTM	5.7	0.9	8.5	7.6	7.8	9.4	10.9
12	Operating Expense per ATM	64.4	63.9	61.1	60.9	61.0	61.9	62.0
13	Passenger Revenue per RPM	13.95	13.12	13.32	13.12	12.99	13.11	13.26
FINANCIAL RATIOS:								
14	Operating Revenues to Total Investment	*	*	1.62	1.63	1.68	1.77	1.86
15	Times Interest Earned	*	*	-72.81	-42.47	-56.63	-41.39	-59.46
16	Current Assets to Current Liabilities	*	*	0.89	0.92	0.85	0.79	0.75
17	No. of Days Cash Coverage of Cash Exp.	*	*	48.0	44.4	39.1	31.2	22.4
FINANCIAL PERCENTAGES:								
18	Operating Profit (Loss) to Operating Reven	4.4	0.7	7.0	6.2	6.5	7.5	8.7
19	Net Income to Stockholders Equity	*	*	10.1	9.3	9.7	12.0	14.3
20	Corporate Return on Investment	*	*	6.6	6.1	6.6	8.1	9.9
21	Debt to Total Investment	*	*	34.5	35.4	33.6	32.1	28.5
PASSENGER LOAD FACTOR: (Sch. Svc. %)								
22	Actual	67.5	67.3	69.6	69.6	69.9	70.2	70.2
23	Breakeven	67.5	69.6	66.3	66.8	67.2	66.5	65.4
Employment & Productivity:								
24	Employment, Total Weighted Avg CY	81,981	76,055	80,238	78,757	77,296	76,008	75,006
25	Overall RTM's per Employee (000)	39.7	38.1	169.6	168.3	168.6	168.1	169.9

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	16.2	-8.7	4.5	-1.3	-3.5	-2.4	-0.7
27	Operating Expenses (%)	11.9	0.4	6.5	3.7	1.6	1.1	0.9
28	Operating Profit (Loss) (in Millions \$)	159.1	-357.5	-228.9	-745.5	-798.6	-538.3	-241.4
29	Net Income (Loss)(in Millions \$)	71.4	-187.4	-178.3	-437.1	-461.9	-259.5	-51.7
30	RPMs (Sch. Svc.) (%)	9.7	-3.0	4.1	1.2	0.8	0.7	1.0
31	ASMs (Sch. Svc.) (%)	9.2	-2.9	4.9	2.0	1.0	0.2	0.1
32	Operating Revenues per RTM (%)	3.6	-4.2	-2.2	-4.1	-4.8	-2.1	-0.4
33	Operating Expense per RTM (%)	-0.3	5.2	-0.3	0.8	0.3	1.5	1.2
34	Passenger Revenue per RPM (Sch. Svc.)(	6.3	-7.0	0.5	-2.7	-5.0	-3.6	-2.1

QUARTERLY FINANCIAL & TRAFFIC REVIEW

SYSTEM OPERATIONS

AMERICAN EAGLE 1/



QUARTERLY RESULTS

- American Eagle (along with American Trans Air) became a major air carrier effective January 1, 2000.
- Operating revenue growth, up 21.1 percent, outpaced operating expense growth, up 18.9 percent, resulting in a \$4.1 million gain in operating profit to a loss of \$1.1 million.
- This gain occurred even though total fuel expense more than doubled from the prior year, up 102.7 percent (\$10.3 million). Fuel consumption rose 26.1 percent while unit fuel prices jumped 60.7 percent.
- Net results fell further into the red, down \$10.2 million to a loss of \$15.8 million.
- RPM traffic jumped a very strong 21.1 percent, but ASM capacity rose slightly faster, up 21.5 percent, causing the passenger load factor to dip 0.2 percentage points to a major group low 59 percent.
- Passenger (RPM) yield climbed 0.6 percent to 37.54 cents, a major group high far exceeding US Airways, the former major group leader for years prior to the American Eagle becoming a major.
- Interest expense rose \$14.7 million to \$21.3 million.
- Productivity (RTMs per full-time employee) was a very low 9.4, far below the major group average of 43.5.

12-MONTH RESULTS

- Operating profit was down from a year ago for the third consecutive period, declining \$39.2 million to \$58.5 million, as operating expenses, up 11.7 percent, continued to grow faster than operating revenues, up 6.7 percent.
- Net income was down \$39.3 million to \$8.2 million.
- ASM capacity growth, up 19.1 percent, exceeded RPM traffic growth, up 17.2 percent, causing the passenger load factor to slip 1 percentage points to 61.7 percent.
- Passenger (RPM) yield declined 8.8 percent to 36.79 cents, still a major group high.
- The debt-to-investment ratio shot up 21.3 percentage points to 89.2 percent (only TWA was higher) as total debt jumped \$1.6 billion to \$2.1 billion, far outpacing the rise in equity.
- Interest expense rose \$19.7 million to \$49.6 million.

1/ American Eagle became a major group air carrier effective January 1, 2000.

**QUARTERLY FINANCIAL & TRAFFIC REVIEW
SYSTEM OPERATIONS
AMERICAN EAGLE AIRLINES**

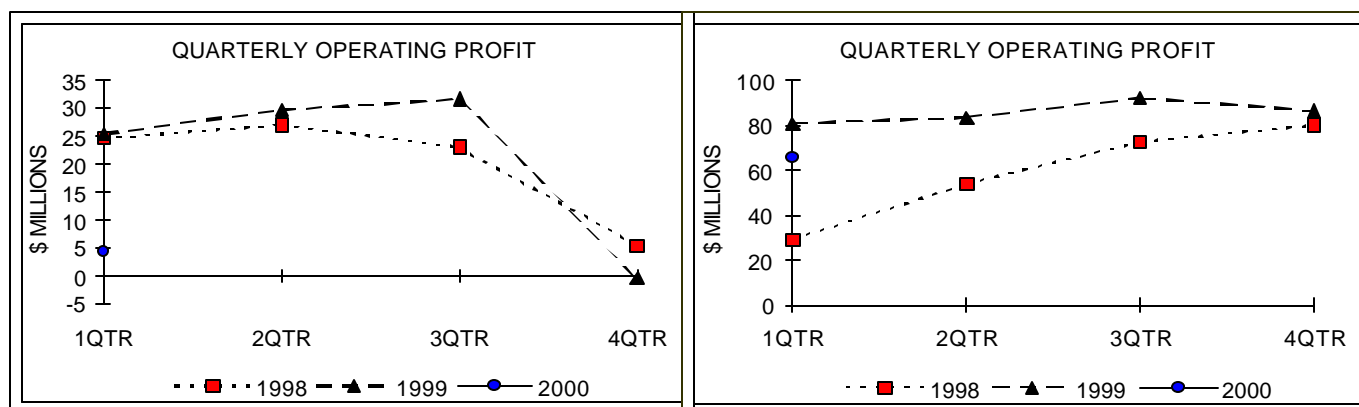
ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2000/03	1999/03	2000/03	1999/12	1999/09	1999/06	1999/03
FINANCIAL RESULTS: (\$Millions)								
1	Operating Revenues	276.8	228.5	1,084.9	1,036.5	1,017.8	1,019.4	1,016.5
2	Operating Expenses	277.9	233.7	1,026.3	982.1	960.5	940.2	918.8
3	Operating Profit (Loss)	-1.1	-5.2	58.5	54.4	57.3	79.2	97.7
4	Net Income (Loss)	-15.8	-5.6	8.2	18.4	21.3	35.4	47.5
TRAFFIC: (Billions)								
5	RPMs - Scheduled Rev. Svc.	0.71	0.58	2.83	2.70	2.66	2.61	2.41
6	ASMs - Scheduled Rev. Svc.	1.20	0.99	4.58	4.37	4.27	4.15	3.85
7	Overall RTMs (All Svc.)	0.07	0.06	0.28	0.27	0.27	0.26	0.26
8	Overall ATMs (All Svc.)	0.14	0.11	0.52	0.49	0.48	0.47	0.45
YIELD & UNIT COST & PROFITS: (Cents)								
9	Operating Revenue per RTM	389.2	389.3	381.8	381.5	381.8	388.8	398.4
10	Operating Expense per RTM	390.8	398.2	361.2	361.5	360.3	358.6	360.2
11	Operating Profit (Loss) per RTM	-1.5	-8.9	20.6	20.0	21.5	30.2	38.3
12	Operating Expense per ATM	203.2	210.5	197.4	198.7	199.7	201.9	202.8
13	Passenger Revenue per RPM	37.54	37.30	36.79	36.70	36.68	37.36	40.34
FINANCIAL RATIOS:								
14	Operating Revenues to Total Investment	*	*	0.82	1.18	1.31	1.48	1.92
15	Times Interest Earned	*	*	1.80	2.53	2.89	4.05	5.47
16	Current Assets to Current Liabilities	*	*	1.38	1.34	1.17	1.27	1.26
17	No. of Days Cash Coverage of Cash Exp.	*	*	75.4	78.8	79.5	78.2	65.9
FINANCIAL PERCENTAGES:								
18	Operating Profit (Loss) to Operating Reven	-0.4	-2.3	5.4	5.2	5.6	7.8	9.6
19	Net Income to Stockholders Equity	*	*	3.1	7.1	8.5	14.6	23.8
20	Corporate Return on Investment	*	*	2.7	4.6	5.3	8.0	12.3
21	Debt to Total Investment	*	*	89.2	75.1	72.6	70.0	67.9
PASSENGER LOAD FACTOR: (Sch. Svc. %)								
22	Actual	59.0	59.2	61.7	61.9	62.2	63.0	62.7
23	Breakeven	59.3	60.8	57.8	58.1	58.1	57.3	55.7
Employment & Productivity:								
24	Employment, Total Weighted Avg CY	7,560	6,732	9,626	7,013	6,852	6,735	6,320
25	Overall RTM's per Employee (000)	9.4	8.7	29.5	38.7	38.9	38.9	40.4

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	21.1	83.1	6.7	13.6	28.7	58.0	98.7
27	Operating Expenses (%)	18.9	107.7	11.7	23.1	39.4	65.1	99.7
28	Operating Profit (Loss) (in Millions \$)	4.1	-17.5	-39.2	-60.8	-44.6	3.7	46.1
29	Net Income (Loss)(in Millions \$)	-10.2	-11.9	-39.3	-41.0	-22.0	2.2	22.6
30	RPMs (Sch. Svc.) (%)	21.1	92.7	17.2	26.9	48.0	76.7	82.7
31	ASMs (Sch. Svc.) (%)	21.5	81.7	19.1	28.4	48.1	71.0	74.4
32	Operating Revenues per RTM (%)	0.0	-5.0	-4.2	-5.2	-6.8	-2.8	3.3
33	Operating Expense per RTM (%)	-1.9	7.8	0.3	2.8	1.0	1.6	3.9
34	Passenger Revenue per RPM (Sch. Svc.)(	0.6	-4.9	-8.8	-10.5	-13.1	-10.4	9.2

QUARTERLY FINANCIAL & TRAFFIC REVIEW

SYSTEM OPERATIONS

AMERICAN TRANS AIR 1/



QUARTERLY RESULTS

- American Trans Air became a major group air carrier effective January 1, 2000.
- Operating revenues grew 16.4 percent from a year ago, but operating expenses jumped 27.8 percent, resulting in a \$21.1 million decline in operating profit to \$4.3 million.
- This decline was due in part to rapidly rising fuel expenses, which jumped 77 percent (\$27.3 million) as fuel consumption rose 11.9 percent and unit fuel prices were up 58.1 percent.
- Net income fell into the red, sliding \$14.5 million to a loss of \$0.8 million.
- The deteriorations in total system results resulted solely from domestic operations as Atlantic operating results rose \$7.3 million to a profit of \$4.4 million and Atlantic net results gained \$8.8 million to a positive \$3.3 million.

ENTITY	\$ Millions						TRAFFIC (Billions)			CAPACITY (Billions)			TON L.F.
	OPERATING PROFIT (LOSS)			NET INCOME (LOSS)			RTMs (All Svc.)			ATMs (All Svc.)			
	1999	2000	\$ Change	1999	2000	\$ Change	1999	2000	Change %	1999	2000	Change %	
Domestic	28.3	-0.1	-28.4	19.3	-4.1	-23.3	1.5	1.8	16.0	2.0	2.3	16.4	76.3%
Int'l	-2.9	4.4	7.3	-5.6	3.3	8.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Atlantic	-2.9	4.4	7.3	-5.6	3.3	8.8	0.0	0.0	-47.7	0.0	0.0	-42.5	68.7%
Latin	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Pacific	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
System	25.4	4.3	-21.1	13.7	-0.8	-14.5	1.5	1.8	15.4	2.0	2.3	15.8	76.2%

- RPM traffic gained 15.4 percent, but ASM capacity rose slightly faster, up 15.8 percent, causing the passenger load factor to dip 0.3 percentage points to a 76.2 percent.
- Passenger (RPM) yield fell 19.8 percent to 10.2 cents.
- Interest expense rose \$2.6 million to \$7.7 million.

12-MONTH RESULTS

- Operating profit was down from a year ago for the first time since the 12-month period ended June 1997, declining \$15.7 million to \$65.2 million, as operating expenses, up 18.3 percent, grew faster than operating revenues, up 14.7 percent.
- Net income declined for the second consecutive period, down \$14.7 million to \$28.8 million.
- Strong RPM traffic growth, up 25.1 percent, offset the 22.3 percent jump in ASM capacity growth causing the passenger load factor to climb 1.7 percentage points to a group high 77.4 percent.
- Passenger (RPM) yield fell 10 percent to 9.38 cents.
- Total debt rose \$112.4 million to \$359 million, but rising equity resulted in a 0.7 percentage point decline in the debt-to-investment ratio to 78 percent.
- Interest expense rose \$9 million to \$23.6 million.

1/ American Trans Air became a major air carrier effective January 1, 2000.

**QUARTERLY FINANCIAL & TRAFFIC REVIEW
SYSTEM OPERATIONS
AMERICAN TRANS AIR**

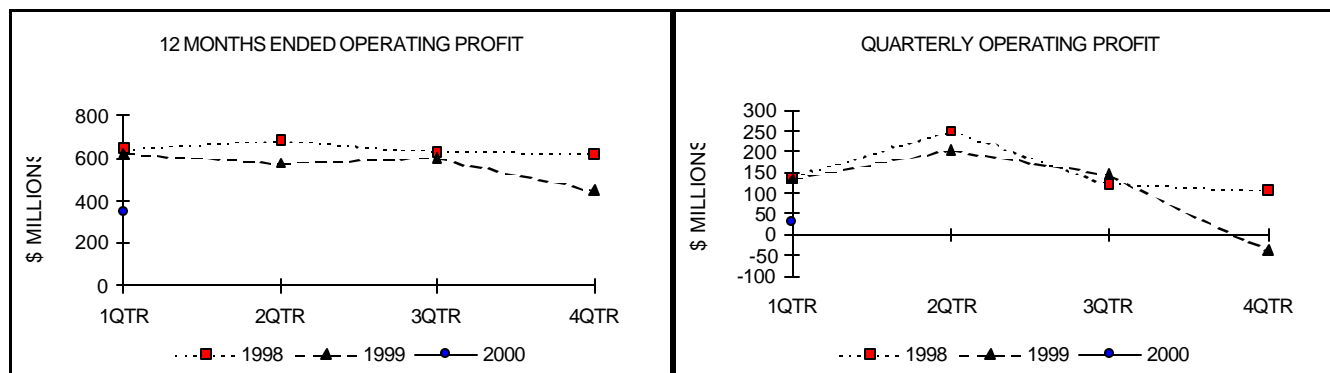
ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2000/03	1999/03	2000/03	1999/12	1999/09	1999/06	1999/03
	FINANCIAL RESULTS: (\$Millions)							
1	Operating Revenues	286.5	246.2	1,041.7	1,001.3	973.6	929.3	906.4
2	Operating Expenses	282.2	220.8	976.5	915.0	881.5	845.7	825.4
3	Operating Profit (Loss)	4.3	25.4	65.2	86.3	92.1	83.6	80.9
4	Net Income (Loss)	-0.8	13.7	28.8	43.3	50.0	44.0	43.5
	TRAFFIC: (Billions)							
5	RPMs - Scheduled Rev. Svc.	1.76	1.53	7.04	6.81	6.63	5.89	5.63
6	ASMs - Scheduled Rev. Svc.	2.31	2.00	9.09	8.78	8.64	7.70	7.43
7	Overall RTMs (All Svc.)	0.29	0.26	1.07	1.05	1.04	1.00	0.99
8	Overall ATMs (All Svc.)	0.40	0.36	1.46	1.42	1.43	1.39	1.39
	YIELD & UNIT COST & PROFITS: (Cents)							
9	Operating Revenue per RTM	99.8	93.2	97.1	95.4	93.7	93.1	91.9
10	Operating Expense per RTM	98.3	83.6	91.0	87.2	84.8	84.8	83.7
11	Operating Profit (Loss) per RTM	1.5	9.6	6.1	8.2	8.9	8.4	8.2
12	Operating Expense per ATM	70.2	61.0	66.7	64.3	61.6	60.7	59.3
13	Passenger Revenue per RPM	10.20	12.72	9.38	9.91	9.96	10.53	10.42
	FINANCIAL RATIOS:							
14	Operating Revenues to Total Investment	*	*	2.67	2.81	3.11	3.34	3.61
15	Times Interest Earned	*	*	3.74	5.86	7.42	7.84	8.81
16	Current Assets to Current Liabilities	*	*	0.90	0.89	0.85	0.86	0.81
17	No. of Days Cash Coverage of Cash Exp.	*	*	54.7	54.3	50.0	57.5	64.4
	FINANCIAL PERCENTAGES:							
18	Operating Profit (Loss) to Operating Reven	1.5	10.3	6.3	8.6	9.5	9.0	8.9
19	Net Income to Stockholders Equity	*	*	31.6	53.5	71.1	76.8	97.4
20	Corporate Return on Investment	*	*	12.1	16.5	20.1	19.8	21.1
21	Debt to Total Investment	*	*	78.0	77.3	73.6	75.3	78.7
	PASSENGER LOAD FACTOR: (Sch. Svc. %)							
22	Actual	76.2	76.5	77.4	77.6	76.7	76.4	75.7
23	Breakeven	74.3	66.3	70.1	67.9	65.9	66.1	65.1
	Employment & Productivity:							
24	Employment, Total Weighted Avg CY	6,032	5,135	5,500	5,296	5,118	4,984	4,848
25	Overall RTM's per Employee (000)	47.6	51.4	195.1	198.2	203.1	200.2	203.4

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	16.4	12.7	14.9	14.0	13.8	12.7	16.3
27	Operating Expenses (%)	27.8	13.8	18.3	14.6	12.6	9.7	10.0
28	Operating Profit (Loss) (in Millions \$)	-21.1	0.8	-15.7	6.2	19.4	29.5	51.6
29	Net Income (Loss)(in Millions \$)	-14.5	0.1	-14.7	-0.1	9.4	15.3	30.8
30	RPMs (Sch. Svc.) (%)	15.4	17.7	25.1	26.0	29.2	12.1	15.5
31	ASMs (Sch. Svc.) (%)	15.8	15.3	22.3	22.4	26.0	7.7	11.0
32	Operating Revenues per RTM (%)	7.1	2.2	5.7	4.4	3.5	6.8	8.0
33	Operating Expense per RTM (%)	17.6	3.2	8.7	4.9	2.4	4.0	2.2
34	Passenger Revenue per RPM (Sch. Svc.)(	-19.8	40.7	-10.0	5.0	5.7	23.2	25.5

QUARTERLY FINANCIAL & TRAFFIC REVIEW

SYSTEM OPERATIONS

CONTINENTAL AIR LINES 1/



QUARTERLY RESULTS

- Operating revenues rose 8.8 percent, but operating expenses grew faster, up 14.9 percent, resulting in a \$104.4 million drop in operating profit to \$31.9 million, the lowest first quarter profit in four years.
- Most, if not all, of this decline can be attributed to soaring fuel expenses, which jumped 118.8 percent (\$172.1 million) as unit fuel prices jumped 118 percent. Fuel consumption was relatively unchanged, up 0.3 percent.
- Net income fell \$77.2 million barely remaining positive at \$4.5 million.
- Except for the Pacific entity, all entities reported a decline in operating and net results. The domestic entity remained positive while the Atlantic and Latin entities fell into the red.

ENTITY	\$ Millions						TRAFFIC (Billions)			CAPACITY (Billions)			PAX. L.F.
	OPERATING PROFIT (LOSS)			NET INCOME (LOSS)			RPMs (Sch. Svc.)			ASMs (Sch. Svc.)			
	1999	2000	\$ Change	1999	2000	\$ Change	1999	2000	Change %	1999	2000	Change %	
Domestic	107.6	33.1	-74.5	62.7	9.9	-52.8	9.0	9.4	4.5	12.7	13.2	4.1	71.5%
Int'l	28.7	-1.2	-29.9	19.0	-5.4	-24.4	4.7	5.4	14.4	6.5	7.4	15.2	72.4%
Atlantic	6.5	-13.5	-20.0	6.0	-12.6	-18.6	2.1	2.7	30.6	2.9	3.9	35.6	70.7%
Latin	13.1	-3.1	-16.2	10.8	0.0	-10.8	1.7	1.8	6.4	2.4	2.5	3.6	72.1%
Pacific 1/	9.1	15.4	6.3	2.2	7.2	5.0	0.9	0.8	-8.2	1.2	1.0	-11.0	79.2%
System	136.3	31.9	-104.4	81.7	4.5	-77.2	13.7	14.8	7.9	19.1	20.6	7.9	71.8%

- Both RPM traffic and ASM capacity grew by 9.6 percent, causing the passenger load factor to remain unchanged at 71.8 percent.
- Passenger (RPM) yield rose 2.5 percent to 13.00 cents.
- Interest expense increased \$19.3 million to \$60.8 million.

12-MONTH RESULTS

- Operating profit declined from a year ago for the sixth consecutive period, falling \$274 million to \$344.7 million, as operating expenses, up 10.2 percent, continued to grow faster than operating revenues, up 6 percent.
- Reflecting in part the fourth quarter 1999 capital gain of \$182 million arising from the sale of the company's interest in Amadeus Global Travel, net income had a modest gain, rising \$21.6 million to \$372.4 million.
- RPM traffic growth, up 7.5 percent, outpaced ASM capacity growth, up 6.5 percent, causing the passenger load factor to climb 0.7 percentage points to 73.5 percent.
- Passenger (RPM) yield declined from a year ago for the twelfth consecutive 12-month period, down 0.9 percent to 12.25 cents.
- Total debt increased \$376.2 million to \$3.54 billion, but rising equity offset much of this increase, causing the debt-to-investment ratio to decline 1 percentage point to 68.7 percent.

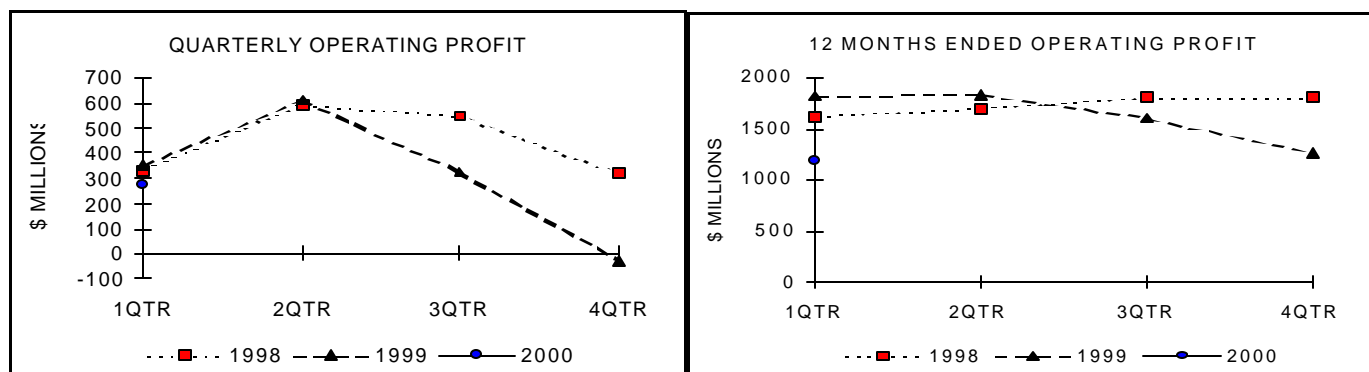
1/ Beginning in 1993, all of Continental's Pacific operations are reported by Air Micronesia which now reports its results separately. To be consistent for internal and analytical purposes, all of Continental's financial and traffic results for all quarterly and 12-month ended periods have been retroactively adjusted to include the Pacific operations of Air Micronesia.

**QUARTERLY FINANCIAL & TRAFFIC REVIEW
SYSTEM OPERATIONS
CONTINENTAL AIR LINES**

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2000/03	1999/03	2000/03	1999/12	1999/09	1999/06	1999/03
FINANCIAL RESULTS: (\$Millions)								
1	Operating Revenues	2,193.2	2,016.5	8,558.2	8,381.5	8,248.1	8,161.2	8,070.3
2	Operating Expenses	2,161.3	1,880.2	8,213.5	7,932.5	7,651.4	7,589.2	7,451.5
3	Operating Profit (Loss)	31.9	136.3	344.7	449.1	596.7	572.0	618.7
4	Net Income (Loss)	4.5	81.7	372.4	449.6	362.0	318.9	350.8
TRAFFIC: (Billions)								
5	RPMs - Scheduled Rev. Svc.	14.82	13.74	60.57	59.49	58.11	57.22	56.35
6	ASMs - Scheduled Rev. Svc.	20.65	19.14	82.46	80.95	79.59	78.43	77.44
7	Overall RTMs (All Svc.)	1.73	1.58	7.05	6.90	6.71	6.59	6.51
8	Overall ATMs (All Svc.)	2.70	2.49	10.77	10.56	10.34	10.21	10.13
YIELD & UNIT COST & PROFITS: (Cents)								
9	Operating Revenue per RTM	126.6	127.7	121.4	121.5	123.0	123.9	124.0
10	Operating Expense per RTM	124.8	119.0	116.5	115.0	114.1	115.2	114.5
11	Operating Profit (Loss) per RTM	1.8	8.6	4.9	6.5	8.9	8.7	9.5
12	Operating Expense per ATM	80.0	75.4	76.3	75.1	74.0	74.3	73.6
13	Passenger Revenue per RPM	13.00	12.68	12.25	12.16	12.20	12.29	12.36
FINANCIAL RATIOS:								
14	Operating Revenues to Total Investment	*	*	1.71	1.75	1.84	1.93	2.07
15	Times Interest Earned	*	*	3.33	4.23	4.44	4.35	4.96
16	Current Assets to Current Liabilities	*	*	0.72	0.79	0.90	0.89	1.00
17	No. of Days Cash Coverage of Cash Exp.	*	*	65.5	76.5	64.9	63.1	71.1
FINANCIAL PERCENTAGES:								
18	Operating Profit (Loss) to Operating Reven	1.5	6.8	4.0	5.4	7.2	7.0	7.7
19	Net Income to Stockholders Equity	*	*	22.5	28.2	24.3	22.8	27.4
20	Corporate Return on Investment	*	*	11.7	13.4	11.8	11.3	12.8
21	Debt to Total Investment	*	*	68.7	67.2	66.6	64.4	67.7
PASSENGER LOAD FACTOR: (Sch. Svc. %)								
22	Actual	71.8	71.8	73.5	73.5	73.0	73.0	72.8
23	Breakeven	72.8	69.6	73.1	72.3	70.4	70.4	69.2
Employment & Productivity:								
24	Employment, Total Weighted Avg CY	35,124	33,183	34,924	34,438	33,756	33,048	32,322
25	Overall RTM's per Employee (000)	49.3	47.6	201.8	200.2	198.7	199.3	201.3

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	8.8	8.8	6.0	6.0	5.8	8.2	11.1
27	Operating Expenses (%)	14.9	9.6	10.2	8.9	6.8	10.7	12.5
28	Operating Profit (Loss) (in Millions \$)	-104.4	-1.9	-274.0	-171.6	-30.8	-110.4	-23.8
29	Net Income (Loss)(in Millions \$)	-77.2	4.9	21.6	103.8	22.9	-80.4	-12.6
30	RPMs (Sch. Svc.) (%)	7.9	11.8	7.5	8.4	8.1	10.4	12.9
31	ASMs (Sch. Svc.) (%)	7.9	7.4	6.5	6.3	6.6	8.0	10.1
32	Operating Revenues per RTM (%)	-0.9	0.6	-2.1	-1.9	-0.8	-0.1	-0.3
33	Operating Expense per RTM (%)	4.9	1.3	1.7	0.8	0.1	2.1	1.0
34	Passenger Revenue per RPM (Sch. Svc.)(	2.5	-3.1	-0.9	-2.3	-3.2	-3.5	-3.3

QUARTERLY FINANCIAL & TRAFFIC REVIEW **SYSTEM OPERATIONS** **DELTA AIR LINES**



QUARTERLY RESULTS

- Operating revenues climbed a slight 0.8 percent, while operating expenses were up 3.4 percent, resulting in a \$79.8 million drop in operating profit to \$273.4 million.
- Like all majors, rapidly rising fuel expenses adversely impacted Delta's profitability for the first quarter 2000. For Delta, however, the impact was less severe as total fuel expenses was up only 21.9 percent (\$70.1 million), the smallest increase among all majors.
- Net income, however, rose \$16.1 million to \$232.5 million.
- Only the Atlantic entity reported a decline in both operating and net results, while the Latin entity experienced a decline in only operating results. The domestic and Latin entities had the only operating and/or net profits.

ENTITY	\$ Millions						TRAFFIC (Billions)			CAPACITY (Billions)			PAX. L.F.
	OPERATING PROFIT (LOSS)			NET INCOME (LOSS)			RPMs (Sch. Svc.)			ASMs (Sch. Svc.)			
	1999	2000	\$ Change	1999	2000	\$ Change	1999	2000	Change %	1999	2000	Change %	
Domestic	398.8	343.0	-55.8	244.7	274.2	29.5	19.2	19.1	-0.1	27.4	28.1	2.7	68.1%
Int'l	-45.5	-69.5	-24.0	-28.3	-41.8	-13.5	5.1	5.3	3.8	7.4	7.3	-1.0	72.8%
Atlantic	-34.4	-69.5	-35.0	-21.4	-42.6	-21.3	3.7	3.8	4.8	5.0	5.2	3.4	73.6%
Latin	16.9	16.1	-0.7	10.0	10.9	0.8	0.6	0.8	15.9	1.0	1.1	8.7	67.1%
Pacific	-28.0	-16.2	11.8	-17.0	-10.0	7.0	0.8	0.7	-10.4	1.3	1.0	-25.1	74.9%
System	353.2	273.4	-79.8	216.4	232.5	16.1	24.3	24.5	0.7	34.8	35.5	1.9	69.0%

- The passenger load factor slid 0.9 percentage points to 69 percent as ASM capacity, up 1.9 percent, grew slightly faster than RPM traffic, up 0.7 percent.
- Passenger (RPM) yield dipped 0.6 percent to 12.53 cents.
- Interest expense soared a major group high \$68.8 million to \$112.1 million, also a major group high.

12-MONTH RESULTS

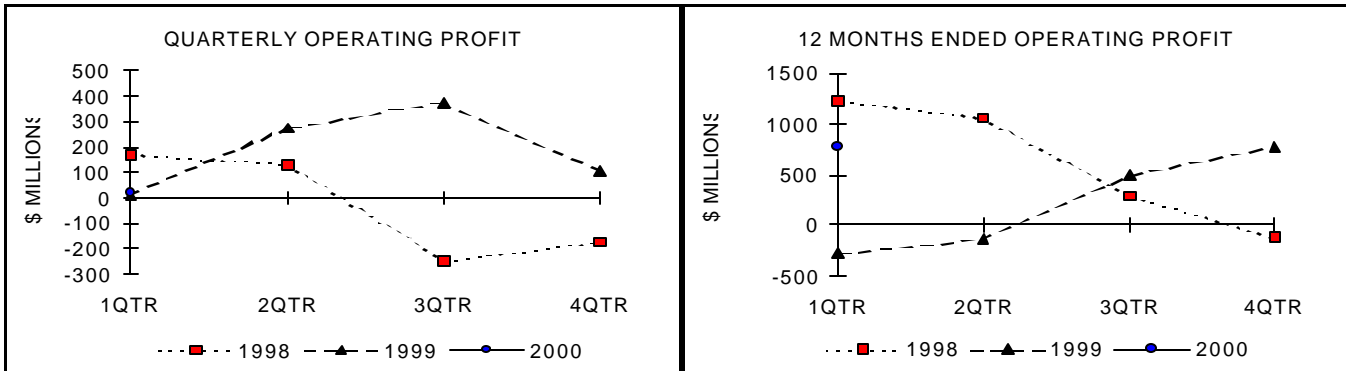
- After five consecutive years of growth, operating profit declined from a year ago for the third consecutive period, dropping \$631.2 million to \$1.18 billion. Operating expenses, up 6.1 percent, grew more than four times faster than operating revenues, up 1.1 percent.
- Net income, however, advanced \$203.1 million to \$1.3 billion, reflecting the fourth quarter 1999 capital gain of \$596 million from the sale of a portion of its investment in Priceline.com.
- Both RPM traffic growth, up 0.6 percent, and ASM capacity growth, up 1.8 percent, continued to slow, resulting in the passenger load factor slipping 0.8 percentage points to 72.2 percent. This was only the third time since March 1996 that the passenger load factor has declined on a year-to-year basis.
- Passenger (RPM) yield was down 0.8 percent to 12.63 cents, the sixth consecutive period of decline.
- Total debt soared a major group high \$2.82 billion to \$5.41 billion, more than offsetting growth in total equity, causing the debt-to-investment ratio to jump 14.6 percentage points to 52.2 percent.

**QUARTERLY FINANCIAL & TRAFFIC REVIEW
SYSTEM OPERATIONS
DELTA AIR LINES**

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2000/03	1999/03	2000/03	1999/12	1999/09	1999/06	1999/03
	FINANCIAL RESULTS: (\$Millions)							
1	Operating Revenues	3,595.6	3,567.3	14,929.6	14,901.4	14,849.7	14,875.6	14,764.9
2	Operating Expenses	3,322.2	3,214.1	13,748.3	13,640.3	13,243.1	13,044.4	12,952.4
3	Operating Profit (Loss)	273.4	353.2	1,181.3	1,261.1	1,606.5	1,831.2	1,812.5
4	Net Income (Loss)	232.5	216.4	1,301.6	1,285.6	1,126.7	1,101.1	1,098.5
	TRAFFIC: (Billions)							
5	RPMs - Scheduled Rev. Svc.	24.48	24.31	104.87	104.70	104.34	104.15	104.20
6	ASMs - Scheduled Rev. Svc.	35.46	34.80	145.31	144.65	144.34	143.26	142.75
7	Overall RTMs (All Svc.)	2.89	2.84	12.28	12.23	12.15	12.12	12.13
8	Overall ATMs (All Svc.)	5.29	4.97	21.36	21.03	20.83	20.56	20.45
	YIELD & UNIT COST & PROFITS: (Cents)							
9	Operating Revenue per RTM	124.5	125.6	121.6	121.9	122.2	122.8	121.8
10	Operating Expense per RTM	115.0	113.2	112.0	111.6	109.0	107.7	106.8
11	Operating Profit (Loss) per RTM	9.5	12.4	9.6	10.3	13.2	15.1	14.9
12	Operating Expense per ATM	62.8	64.7	64.4	64.9	63.6	63.4	63.3
13	Passenger Revenue per RPM	13.24	13.15	12.63	12.61	12.63	12.74	12.73
	FINANCIAL RATIOS:							
14	Operating Revenues to Total Investment	*	*	1.74	1.93	2.18	2.30	2.40
15	Times Interest Earned	*	*	8.19	10.37	11.34	12.01	13.05
16	Current Assets to Current Liabilities	*	*	0.51	0.70	0.60	0.50	0.53
17	No. of Days Cash Coverage of Cash Exp.	*	*	38.8	48.5	40.3	28.1	24.6
	FINANCIAL PERCENTAGES:							
18	Operating Profit (Loss) to Operating Reven	7.6	9.9	7.9	8.5	10.8	12.3	12.3
19	Net Income to Stockholders Equity	*	*	27.6	28.3	26.0	26.1	26.9
20	Corporate Return on Investment	*	*	18.6	19.6	19.2	19.6	20.3
21	Debt to Total Investment	*	*	52.2	51.2	40.9	37.4	37.6
	PASSENGER LOAD FACTOR: (Sch. Svc. %)							
22	Actual	69.0	69.9	72.2	72.4	72.3	72.7	73.0
23	Breakeven	64.1	63.5	67.9	67.8	65.4	64.2	64.1
	Employment & Productivity:							
24	Employment, Total Weighted Avg CY	64,448	63,445	64,050	63,799	63,631	63,378	62,940
25	Overall RTM's per Employee (000)	44.8	44.8	191.7	191.7	191.0	191.2	192.7

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	0.8	3.9	1.1	1.9	1.8	3.8	4.4
27	Operating Expenses (%)	3.4	3.7	6.1	6.3	3.6	3.2	3.4
28	Operating Profit (Loss) (in Millions \$)	-79.8	19.3	-631.2	-532.0	-200.8	141.0	200.4
29	Net Income (Loss)(in Millions \$)	16.1	20.9	203.1	208.0	53.2	100.6	158.6
30	RPMs (Sch. Svc.) (%)	0.7	4.1	0.6	1.4	1.7	3.1	4.4
31	ASMs (Sch. Svc.) (%)	1.9	2.3	1.8	1.9	2.4	2.3	2.7
32	Operating Revenues per RTM (%)	-0.9	1.1	-0.2	0.4	0.7	1.7	0.8
33	Operating Expense per RTM (%)	1.6	1.0	4.9	4.8	2.4	1.0	-0.2
34	Passenger Revenue per RPM (Sch. Svc.)(	0.7	-1.4	-0.8	-1.2	-1.6	-0.5	-0.2

QUARTERLY FINANCIAL & TRAFFIC REVIEW SYSTEM OPERATIONS NORTHWEST AIRLINES



QUARTERLY RESULTS

- Operating revenues, up 12.8 percent, grew slightly faster than operating expenses, up 12.7 percent, resulting in a \$2.9 million increase in operating profit to \$17.5 million.
- The gain was attained despite an 89.8 percent (\$185.5 million) jump in total fuel expense, as unit fuel prices were up 80.8 percent, and fuel consumption 4.9 percent.
- Net income improved \$17.6 million, narrowing the year ago loss from \$23.4 million to a loss of \$5.9 million.
- Both the domestic and Pacific entities reported gains in operating and/or net results, but only the domestic entity had an operating profit, up \$13.9 million to \$100.9 million, or net income, up \$25 million to \$58.9 million.

ENTITY	\$ Millions						TRAFFIC (Billions)			CAPACITY (Billions)			PAX. L.F.
	OPERATING PROFIT (LOSS)			NET INCOME (LOSS)			RPMs (Sch. Svc.)			ASMs (Sch. Svc.)			
	1999	2000	\$ Change	1999	2000	\$ Change	1999	2000	Change %	1999	2000	Change %	
Domestic	87.0	100.9	13.9	33.9	58.9	25.0	9.6	10.7	10.9	14.2	15.4	7.9	69.4%
Int'l	-72.4	-83.4	-11.0	-57.3	-64.8	-7.5	6.7	7.1	6.0	8.8	9.1	4.4	77.6%
Atlantic	17.8	-0.1	-17.9	13.2	0.8	-12.4	1.8	1.9	5.8	2.5	2.5	2.8	75.7%
Latin	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Pacific	-90.2	-83.3	6.9	-70.5	-65.7	4.9	4.9	5.2	6.0	6.3	6.6	4.9	78.3%
System	14.6	17.5	2.9	-23.4	-5.9	17.5	16.3	17.8	8.9	23.0	24.5	6.6	72.5%

- Interest expense fell \$6.1 million, the largest decline among the majors, to \$77.7 million.
- The passenger load factor gained 1.6 percentage points to a major group high 72.5 percent, as RPM traffic, up 8.9 percent, grew faster than ASM capacity, up 6.6 percent.
- Passenger (RPM) yield rose 4.1 percent but was still a major group low 11.85 cents.

12-MONTH RESULTS

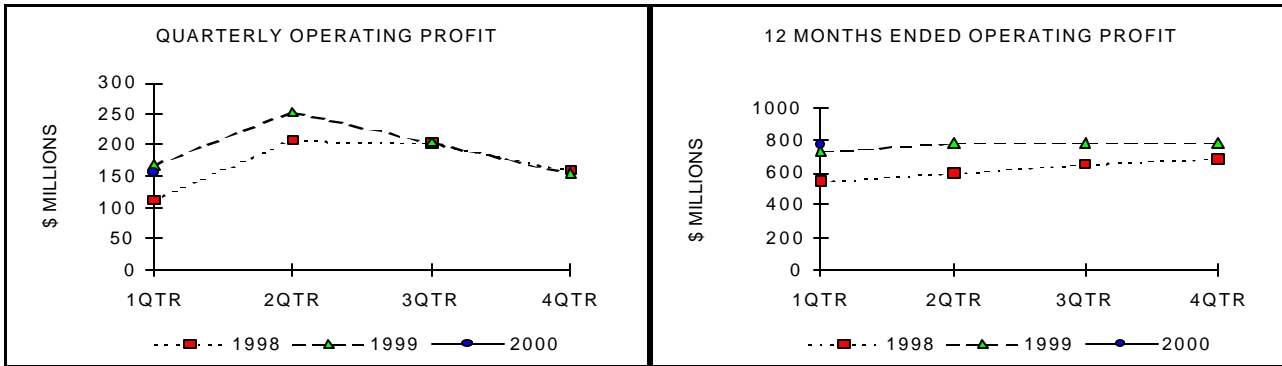
- Northwest experienced the largest improvements among all majors in both operating and net results, as the impact of the August/September strike is still reflected in year ago results.
- Operating profit soared \$1.05 billion to a positive \$771.7 million as operating revenue growth, up 18.8 percent, more than tripled operating expenses growth, up 6.2 percent.
- Net income jumped \$645.2 million to a positive \$305.3 million.
- The passenger load factor increased 1.7 percentage points to a group high 74.9 percent as RPM traffic growth, up 14.1 percent, outpaced ASM capacity growth, up 11.5 percent.
- Passenger (RPM) yield rose 5.4 percent to 11.69 cents.
- Interest expense rose \$21.6 million to a major group high \$317.9 million.

**QUARTERLY FINANCIAL & TRAFFIC REVIEW
SYSTEM OPERATIONS
NORTHWEST AIRLINES**

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2000/03	1999/03	2000/03	1999/12	1999/09	1999/06	1999/03
	FINANCIAL RESULTS: (\$Millions)							
1	Operating Revenues	2,419.2	2,145.2	10,142.1	9,868.1	9,531.1	8,643.5	8,538.4
2	Operating Expenses	2,401.7	2,130.6	9,370.4	9,099.2	9,042.8	8,784.0	8,821.2
3	Operating Profit (Loss)	17.5	14.6	771.7	768.8	488.3	-140.4	-282.7
4	Net Income (Loss)	-5.9	-23.4	305.3	287.8	108.2	-275.3	-339.9
	TRAFFIC: (Billions)							
5	RPMs - Scheduled Rev. Svc.	17.77	16.32	75.60	74.14	72.85	67.09	66.24
6	ASMs - Scheduled Rev. Svc.	24.53	23.01	100.92	99.41	98.62	91.90	90.52
7	Overall RTMs (All Svc.)	2.35	2.13	9.98	9.76	9.53	8.74	8.59
8	Overall ATMs (All Svc.)	3.87	3.62	16.07	15.81	15.64	14.56	14.39
	YIELD & UNIT COST & PROFITS: (Cents)							
9	Operating Revenue per RTM	103.1	100.6	101.7	101.1	100.0	98.8	99.4
10	Operating Expense per RTM	102.3	99.9	93.9	93.2	94.9	100.5	102.7
11	Operating Profit (Loss) per RTM	0.7	0.7	7.7	7.9	5.1	-1.6	-3.3
12	Operating Expense per ATM	62.0	58.9	58.3	57.5	57.8	60.3	61.3
13	Passenger Revenue per RPM	11.85	11.38	11.69	11.58	11.37	11.10	11.09
	FINANCIAL RATIOS:							
14	Operating Revenues to Total Investment	*	*	1.14	1.10	1.08	1.00	1.02
15	Times Interest Earned	*	*	2.46	2.37	1.54	-0.19	-0.59
16	Current Assets to Current Liabilities	*	*	0.56	0.54	0.54	0.49	0.55
17	No. of Days Cash Coverage of Cash Exp.	*	*	35.1	31.8	30.7	26.7	35.1
	FINANCIAL PERCENTAGES:							
18	Operating Profit (Loss) to Operating Reven	0.7	0.7	7.6	7.8	5.1	-1.6	-3.3
19	Net Income to Stockholders Equity	*	*	6.6	6.3	2.4	-6.0	-7.2
20	Corporate Return on Investment	*	*	7.3	7.1	5.2	0.9	-0.1
21	Debt to Total Investment	*	*	44.5	45.4	46.8	49.1	52.4
	PASSENGER LOAD FACTOR: (Sch. Svc. %)							
22	Actual	72.5	70.9	74.9	74.6	73.9	73.0	73.2
23	Breakeven	74.2	73.5	69.9	69.6	71.8	77.9	80.2
	Employment & Productivity:							
24	Employment, Total Weighted Avg CY	48,783	48,426	48,573	48,483	48,329	47,793	47,751
25	Overall RTM's per Employee (000)	48.1	44.0	205.4	201.4	197.2	183.0	179.9

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	12.8	-7.3	18.8	13.3	5.9	-12.5	-14.5
27	Operating Expenses (%)	12.7	-0.7	6.2	3.0	3.9	-0.5	0.7
28	Operating Profit (Loss) (in Millions \$)	2.9	-153.4	1,054.4	898.2	197.6	-1,197.2	-1,507.7
29	Net Income (Loss)(in Millions \$)	17.5	-98.6	645.2	529.1	74.3	-811.7	-957.4
30	RPMs (Sch. Svc.) (%)	8.9	-2.8	14.1	11.1	8.0	-7.4	-8.3
31	ASMs (Sch. Svc.) (%)	6.6	-3.2	11.5	8.9	7.7	-5.5	-7.3
32	Operating Revenues per RTM (%)	2.5	-5.1	2.3	0.3	-2.4	-5.2	-5.1
33	Operating Expense per RTM (%)	2.4	1.6	-8.6	-8.9	-4.2	8.1	11.8
34	Passenger Revenue per RPM (Sch. Svc.)(	4.1	-5.5	5.4	2.8	-1.5	-6.6	-8.0

QUARTERLY FINANCIAL & TRAFFIC REVIEW **SYSTEM OPERATIONS** **SOUTHWEST AIRLINES**



QUARTERLY RESULTS

- Southwest has reported a quarterly operating and net profit in every quarter since March 1991, a nine-year period.
- Operating revenues rose 15.5 percent, but operating expenses grew faster, up 19.6 percent, resulting in an \$11 million decline in operating profit to \$155.5 million.
- Much of the cause of the jump in operating expenses can be attributed to the increase in total fuel expense, up a passenger group high 130.4 percent (\$111.2 million). Without this increase, operating profit would have gained nearly \$100 million.
- Net income fell \$22.3 million to \$73.5 million.

ENTITY	\$ Millions						TRAFFIC (Billions)			CAPACITY (Billions)			PAX. L.F.
	OPERATING PROFIT (LOSS)			NET INCOME (LOSS)			RPMs (Sch. Svc.)			ASMs (Sch. Svc.)			
	1999	2000	\$ Change	1999	2000	\$ Change	1999	2000	Change %	1999	2000	Change %	
Domestic	-5.2	-1.1	4.1	-5.6	-15.8	-10.2	0.6	0.7	21.1	1.0	1.2	21.5	59.0%
Int'l	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-	0.0	0.0	-	-
Atlantic	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Latin	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Pacific	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
System	-5.2	-1.1	4.1	-5.6	-15.8	-10.2	0.6	0.7	21.1	1.0	1.2	21.5	59.0%

- Interest expense rose \$3.8 million to \$17.1 million.
- Although down 3 percentage point, the operating profit margin was still the highest among all majors at 12.5 percent.
- Southwest reported the largest increases in both RPM traffic, up 17.5 percent, and ASM capacity, up 14.2 percent, leading to a 0.7 percentage point increase in the passenger load to 66.8 percent.
- Passenger (RPM) yield declined 1.2 percent to 12.52 cents, one of only two majors (the other was American Trans Air) experiencing a decline.

12-MONTH RESULTS

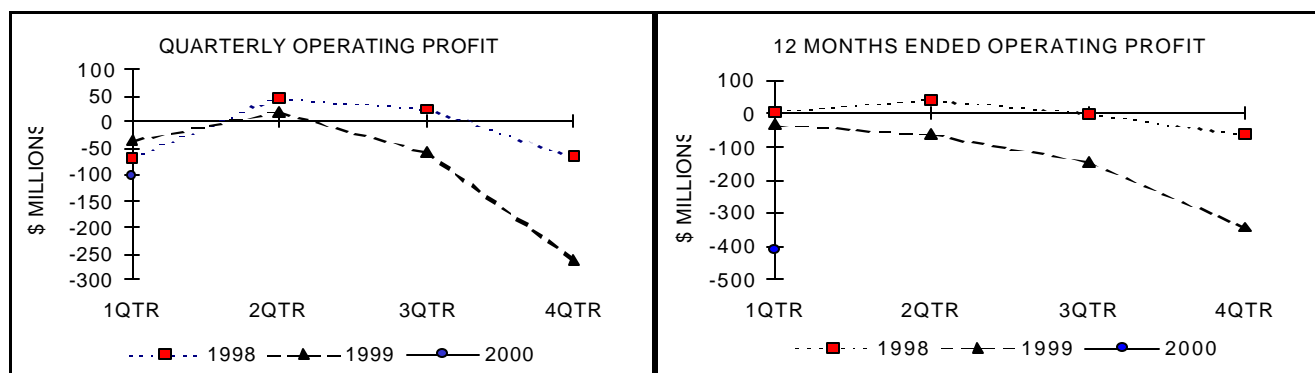
- For the first time in eleven periods, operating expense growth, up 16.1 percent, outpaced operating revenue growth, up 14.1 percent, but operating profit still rose \$32.1 million to \$770.5 million.
- Net income, however, slid \$7.3 million to \$452 million, the first year-to-year decline since September 1995.
- The passenger load factor gained a major group high 2.4 percentage points to 69.3 percent. RPM traffic rose 16.3 percent as ASM capacity was up a lesser 12.3 percent.
- Passenger (RPM) yield declined 1.9 percent to 12.31 cents.

**QUARTERLY FINANCIAL & TRAFFIC REVIEW
SYSTEM OPERATIONS
SOUTHWEST AIRLINES**

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2000/03	1999/03	2000/03	1999/12	1999/09	1999/06	1999/03
	FINANCIAL RESULTS: (\$Millions)							
1	Operating Revenues	1,242.7	1,075.6	4,902.7	4,735.6	4,578.9	4,438.6	4,297.0
2	Operating Expenses	1,087.2	909.0	4,132.2	3,954.1	3,792.2	3,654.4	3,558.6
3	Operating Profit (Loss)	155.5	166.5	770.5	781.5	786.7	784.1	738.4
4	Net Income (Loss)	73.5	95.8	452.0	474.4	481.0	483.6	459.3
	TRAFFIC: (Billions)							
5	RPMs - Scheduled Rev. Svc.	9.46	8.05	37.89	36.48	34.96	33.82	32.57
6	ASMs - Scheduled Rev. Svc.	14.16	12.39	54.66	52.90	51.29	49.95	48.67
7	Overall RTMs (All Svc.)	0.98	0.84	3.92	3.78	3.63	3.52	3.40
8	Overall ATMs (All Svc.)	1.78	1.57	6.90	6.68	6.48	6.33	6.18
	YIELD & UNIT COST & PROFITS: (Cents)							
9	Operating Revenue per RTM	126.8	128.3	124.9	125.2	126.1	126.1	126.5
10	Operating Expense per RTM	110.9	108.5	105.3	104.5	104.5	103.8	104.8
11	Operating Profit (Loss) per RTM	15.9	19.9	19.6	20.7	21.7	22.3	21.7
12	Operating Expense per ATM	60.9	58.0	59.9	59.2	58.5	57.8	57.6
13	Passenger Revenue per RPM	12.52	12.67	12.31	12.33	12.44	12.47	12.55
	FINANCIAL RATIOS:							
14	Operating Revenues to Total Investment	*	*	1.42	1.43	1.45	1.46	1.46
15	Times Interest Earned	*	*	29.97	34.81	36.20	32.84	28.06
16	Current Assets to Current Liabilities	*	*	0.62	0.66	0.48	0.64	0.60
17	No. of Days Cash Coverage of Cash Exp.	*	*	51.4	41.3	27.2	51.8	44.4
	FINANCIAL PERCENTAGES:							
18	Operating Profit (Loss) to Operating Reven	12.5	15.5	15.7	16.5	17.2	17.7	17.2
19	Net Income to Stockholders Equity	*	*	16.6	17.9	19.0	20.0	20.0
20	Corporate Return on Investment	*	*	13.9	15.0	15.9	16.7	16.6
21	Debt to Total Investment	*	*	23.7	23.7	18.2	18.9	20.0
	PASSENGER LOAD FACTOR: (Sch. Svc. %)							
22	Actual	66.8	64.9	69.3	69.0	68.2	67.7	66.9
23	Breakeven	57.0	53.0	56.5	55.6	54.4	53.6	53.4
	Employment & Productivity:							
24	Employment, Total Weighted Avg CY	27,433	25,936	26,880	26,506	26,008	25,460	24,879
25	Overall RTM's per Employee (000)	35.7	32.3	146.0	142.7	139.6	138.2	136.5

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	15.5	14.1	14.1	13.7	11.9	11.1	11.0
27	Operating Expenses (%)	19.6	9.4	16.1	13.6	10.3	7.7	7.1
28	Operating Profit (Loss) (in Millions \$)	-11.0	54.6	32.1	97.8	133.5	183.2	189.4
29	Net Income (Loss)(in Millions \$)	-22.3	25.8	-7.3	41.0	67.4	107.1	122.4
30	RPMs (Sch. Svc.) (%)	17.5	16.6	16.3	16.1	13.4	13.0	13.4
31	ASMs (Sch. Svc.) (%)	14.2	10.0	12.3	11.3	9.7	8.6	7.6
32	Operating Revenues per RTM (%)	-1.2	-1.5	-1.3	-1.3	-0.6	-1.0	-1.6
33	Operating Expense per RTM (%)	2.2	-5.5	0.5	-1.5	-2.0	-4.1	-5.0
34	Passenger Revenue per RPM (Sch. Svc.)(	-1.2	-2.3	-1.9	-2.2	-1.6	-1.9	-2.2

QUARTERLY FINANCIAL & TRAFFIC REVIEW **SYSTEM OPERATIONS** **TRANS WORLD AIRLINES**



QUARTERLY RESULTS

- Trans World, along with US Airways, reported the only operating loss among the majors and its worst first quarter operating loss since 1991. Operating expense growth, up 13.8 percent, far surpassed operating revenue growth, up 5.8 percent, resulting in a \$66.3 million decline in operating results to a loss of \$103.9 million.
- Most, if not all, of this decline can be directly attributed to rapidly rising fuel expense, which rose \$66.3 million (101.3 percent) as unit fuel prices jumped 108.3 percent. Consumption was down 3.4 percent.
- The net loss more than tripled from a year ago, widening \$54.5 million to a loss of \$76.1 million.
- Operating and net results for both entities remained in the red. The domestic entity experienced the sharpest declines and largest losses, but the Atlantic entity has produced nearly continuous operating and net losses since 1990, reporting an operating profit in only one quarter (September 1994), and a net profit in only four quarters.

ENTITY	\$ Millions						TRAFFIC (Billions)			CAPACITY (Billions)			PAX. L.F.
	OPERATING PROFIT (LOSS)			NET INCOME (LOSS)			RPMs (Sch. Svc.)			ASMs (Sch. Svc.)			
	1999	2000	\$ Change	1999	2000	\$ Change	1999	2000	Change %	1999	2000	Change %	
Domestic	-9.4	-56.9	-47.4	1.8	-45.0	-46.8	4.9	5.3	8.8	7.2	8.0	11.9	66.5%
Int'l	-28.2	-47.1	-18.9	-23.4	-31.1	-7.8	0.8	0.7	-15.9	1.1	1.0	-12.3	69.4%
Atlantic	-28.2	-47.1	-18.9	-23.4	-31.1	-7.8	0.8	0.7	-15.9	1.1	1.0	-12.3	69.4%
Latin	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Pacific	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
System	-37.6	-103.9	-66.3	-21.6	-76.1	-54.6	5.7	6.0	5.3	8.3	9.0	8.6	66.8%

- The passenger load factor slid 2.1 percentage points to 66.8 percent.
- The operating profit margin fell 7.9 percentage points to a negative 12.8 percent, the worst among the majors.
- Passenger (RPM) yield rose 2.2 percent to 12.17 cents.
- Interest on debt declined \$2.2 million to \$23.6 million.

12-MONTH RESULTS

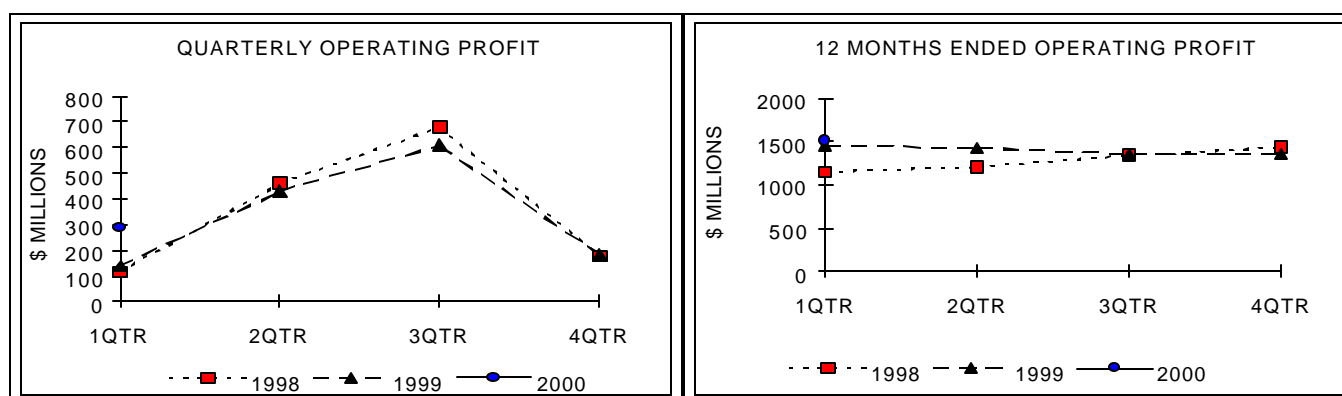
- Operating revenues have risen at a slower rate, or fallen at a faster rate than operating expenses, for the last six consecutive periods, leading to a steadily deteriorating financial position for the carrier. For the 12 months ended March 2000, Trans World reported the largest deteriorations and losses among all majors in both operating and net results.
- Operating revenues rose 2.9 percent but operating expenses jumped 14.3 percent resulting in a sharp \$375 million deterioration in operating results to a \$409 million loss.
- Net results fell \$321.5 million to a \$408 million loss.
- Passenger (RPM) yield declined from a year ago for the third consecutive period, down 3.8 percent to 11.45 cents.
- RPM traffic, up 7.9 percent, grew slightly faster than ASM capacity, up 5.9 percent, causing the passenger load factor to rise 1.4 percentage points to 72.5 percent.
- The company's cash position worsened from a year ago, with days cash coverage declining from 24.5 to 16.6. This compares with an average of 32.9 days for all majors combined.
- Total debt was reduced \$120 million, but falling equity boosted the debt-to-investment ratio up a group high 64.9 percentage to 148.4 percent, the highest among the majors. Trans World is the only major with a negative equity position.

**QUARTERLY FINANCIAL & TRAFFIC REVIEW
SYSTEM OPERATIONS
TRANS WORLD AIRLINES**

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2000/03	1999/03	2000/03	1999/12	1999/09	1999/06	1999/03
FINANCIAL RESULTS: (\$Millions)								
1	Operating Revenues	809.0	764.6	3,353.1	3,308.7	3,254.1	3,240.8	3,258.3
2	Operating Expenses	912.9	802.2	3,762.1	3,651.4	3,397.9	3,302.0	3,292.4
3	Operating Profit (Loss)	-103.9	-37.6	-409.0	-342.7	-143.8	-61.2	-34.0
4	Net Income (Loss)	-76.1	-21.6	-408.0	-353.4	-160.6	-112.2	-86.5
TRAFFIC: (Billions)								
5	RPMs - Scheduled Rev. Svc.	6.02	5.72	26.31	26.01	25.20	24.59	24.38
6	ASMs - Scheduled Rev. Svc.	9.01	8.30	36.30	35.59	34.88	34.36	34.28
7	Overall RTMs (All Svc.)	1.78	0.70	4.01	2.93	2.84	2.78	2.76
8	Overall ATMs (All Svc.)	1.42	1.19	5.24	5.02	4.90	4.83	4.82
YIELD & UNIT COST & PROFITS: (Cents)								
9	Operating Revenue per RTM	45.4	109.3	83.6	113.0	114.6	116.6	118.0
10	Operating Expense per RTM	51.2	114.7	93.8	124.8	119.6	118.8	119.2
11	Operating Profit (Loss) per RTM	-5.8	-5.4	-10.2	-11.7	-5.1	-2.2	-1.2
12	Operating Expense per ATM	64.4	67.2	71.7	72.7	69.3	68.4	68.3
7	Passenger Revenue per RPM	12.17	11.91	11.45	11.39	11.54	11.76	11.90
FINANCIAL RATIOS:								
14	Operating Revenues to Total Investment	*	*	4.05	3.52	3.12	2.89	2.74
15	Times Interest Earned	*	*	-3.34	-2.62	-0.70	0.00	0.52
16	Current Assets to Current Liabilities	*	*	0.49	0.51	0.60	0.63	0.60
17	No. of Days Cash Coverage of Cash Exp.	*	*	16.6	18.8	26.9	33.4	24.5
FINANCIAL PERCENTAGES:								
18	Operating Profit (Loss) to Operating Reven	-12.8	-4.9	-12.2	-10.4	-4.4	-1.9	-1.0
19	Net Income to Stockholders Equity	*	*	0.0	-387.9	-89.7	-55.5	-41.0
20	Corporate Return on Investment	*	*	-37.6	-27.3	-6.0	-0.7	2.1
21	Debt to Total Investment	*	*	148.4	125.8	88.5	83.7	83.5
PASSENGER LOAD FACTOR: (Sch. Svc. %)								
22	Actual	66.8	68.9	72.5	73.1	72.2	71.6	71.1
23	Breakeven	78.7	75.0	85.1	84.3	77.9	74.9	73.8
Employment & Productivity:								
24	Employment, Total Weighted Avg CY	19,254	19,545	19,393	19,466	19,548	19,767	19,999
25	Overall RTM's per Employee (000)	92.6	35.8	206.8	150.4	145.3	140.6	138.1

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	5.8	-0.1	2.9	1.5	-2.1	-3.8	-2.3
	Operating Expenses (%)	13.8	-3.8	14.3	9.8	2.2	-0.8	-1.1
28	Operating Profit (Loss) (in Millions \$)	-66.3	31.1	-375.0	-277.5	-144.9	-102.3	-37.9
29	Net Income (Loss)(in Millions \$)	-54.5	33.9	-321.5	-232.9	-88.1	-51.3	6.0
30	RPMs (Sch. Svc.) (%)	5.3	-0.8	7.9	6.5	1.0	-3.6	-3.2
31	ASMs (Sch. Svc.) (%)	8.6	-2.0	5.9	3.3	-0.4	-4.6	-5.8
32	Operating Revenues per RTM (%)	-58.5	-7.1	-29.2	-5.9	-4.0	-0.8	1.1
33	Operating Expense per RTM (%)	-55.4	-10.6	-21.3	1.9	0.2	2.3	2.3
34	Passenger Revenue per RPM (Sch. Svc.)(	2.2	1.4	-3.8	-3.9	-2.5	0.8	2.3

QUARTERLY FINANCIAL & TRAFFIC REVIEW **SYSTEM OPERATIONS** **UNITED AIR LINES**



QUARTERLY RESULTS

- United reported the largest gain in first quarter operating profit among all majors.
- Operating revenues rose 9.2 percent outpacing the 5.9 percent increase in operating expenses causing operating profit to more than double from a year ago, up \$148.7 million to \$287.2 million.
- This gain was even more impressive as operating results were adversely impacted by a \$136.4 million (38.4 percent) jump in total fuel expense. Unit fuel prices rose 36.1 percent and consumption rose 1.6 percent.
- Net income, however, moved in the opposite direction, falling \$155.8 million to a loss of \$81.1 million, United's first March quarter loss since 1996.
- All entities reported gains in operating results and declines in net results. Domestic operations led the way with an improvement in operating profit of \$74.3 million to \$214.6 million and a deterioration in net results of \$131.1 million to a loss of \$48.3 million.

ENTITY	\$ Millions						TRAFFIC (Billions)			CAPACITY (Billions)			PAX. L.F.
	OPERATING PROFIT (LOSS)			NET INCOME (LOSS)			RPMs (Sch. Svc.)			ASMs (Sch. Svc.)			
	1999	2000	\$ Change	1999	2000	\$ Change	1999	2000	Change %	1999	2000	Change %	
Domestic	140.2	214.6	74.3	82.8	-48.3	-131.1	18.4	18.6	1.2	26.9	27.6	2.4	67.6%
Int'l	-1.8	72.6	74.4	-8.1	-32.8	-24.7	10.7	10.4	-3.2	15.3	14.9	-2.3	69.4%
Atlantic	6.4	18.2	11.8	0.5	-16.7	-17.1	3.5	3.5	0.7	5.0	5.1	2.6	68.3%
Latin	11.5	23.8	12.3	5.8	2.3	-3.5	1.5	1.5	-1.5	2.3	2.1	-10.4	70.8%
Pacific	-19.6	30.6	50.2	-14.4	-18.4	-4.0	5.7	5.4	-6.0	8.0	7.7	-3.0	69.8%
System	138.5	287.2	148.7	74.7	-81.1	-155.8	29.1	29.0	-0.4	42.2	42.5	0.7	68.2%

- Interest expense rose \$1.2 million to \$81.8 million.
- ASM capacity was relatively unchanged, up 0.7 percent, but RPM traffic was down 0.4 percent, the only decline among the majors, causing the passenger load factor to slide 0.8 percentage points to 68.2 percent.
- Passenger (RPM) yield jumped a major group high 8.4 percent to 13.40 cents.

12-MONTH RESULTS

- Operating revenues grew 4.1 percent, slightly less than the 4.2 percent increase in operating expenses, but operating profit still rose \$49.3 million to \$1.51 billion.
- Net income advanced \$228 million to \$1.05 billion. Current year results were favorably impacted by the large non-operating gain of \$428 million arising from the sale of its ownership share in the Apollo CRS during the second quarter 1999.
- Passenger (RPM) yield growth accelerated, rising 3.4 percent to 12.56 cents.
- ASM capacity rose 1.1 percent while RPM traffic dipped 0.6 percent causing the passenger load to go down 1.2 percentage points to 70.8 percent.
- Interest expense rose \$2.3 million to \$317.2 million.
- Total debt declined \$180.3 million but was still a major group high \$5.47 billion. As equity continued to rise, however, the debt-to-investment ratio fell 9 percentage points to 49.4 percent.

**QUARTERLY FINANCIAL & TRAFFIC REVIEW
SYSTEM OPERATIONS
UNITED AIR LINES**

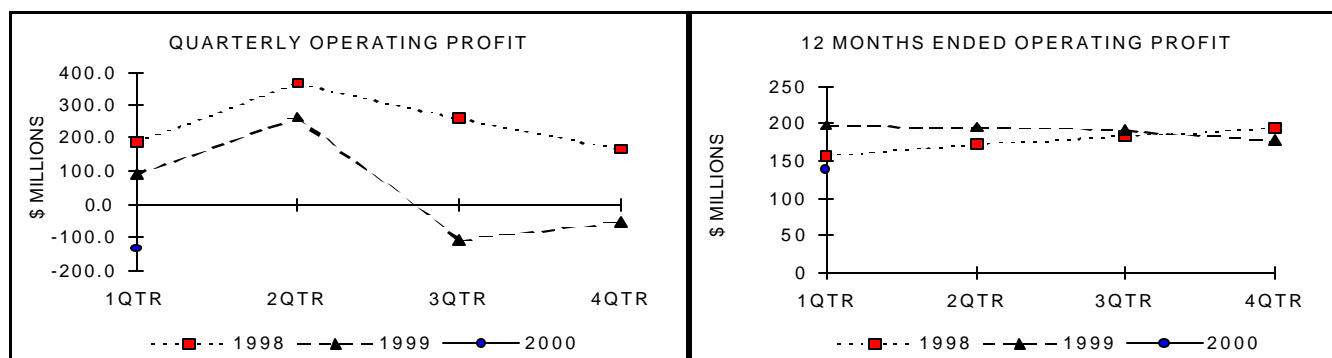
ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2000/03	1999/03	2000/03	1999/12	1999/09	1999/06	1999/03
FINANCIAL RESULTS: (\$Millions)								
1	Operating Revenues	4,533.0	4,149.5	18,350.2	17,966.7	17,783.6	17,722.2	17,623.1
2	Operating Expenses	4,245.8	4,011.1	16,843.5	16,608.8	16,427.1	16,294.7	16,165.8
3	Operating Profit (Loss)	287.2	138.5	1,506.6	1,357.9	1,356.5	1,427.5	1,457.3
4	Net Income (Loss)	-81.1	74.7	1,048.0	1,203.8	1,140.2	1,206.0	820.0
TRAFFIC: (Billions)								
5	RPMs - Scheduled Rev. Svc.	29.00	29.12	125.25	125.37	125.58	125.98	125.95
6	ASMs - Scheduled Rev. Svc.	42.50	42.21	176.82	176.54	176.50	176.41	174.87
7	Overall RTMs (All Svc.)	3.66	3.61	15.66	15.61	15.56	15.60	15.56
8	Overall ATMs (All Svc.)	6.61	6.44	27.31	27.13	27.01	26.93	26.62
YIELD & UNIT COST & PROFITS: (Cents)								
9	Operating Revenue per RTM	123.9	114.9	117.2	115.1	114.3	113.6	113.2
10	Operating Expense per RTM	116.0	111.0	107.6	106.4	105.6	104.5	103.9
11	Operating Profit (Loss) per RTM	7.8	3.8	9.6	8.7	8.7	9.2	9.4
12	Operating Expense per ATM	64.2	62.3	61.7	61.2	60.8	60.5	60.7
13	Passenger Revenue per RPM	13.40	12.36	12.56	12.32	12.23	12.18	12.15
FINANCIAL RATIOS:								
14	Operating Revenues to Total Investment	*	*	1.70	1.74	1.79	1.89	2.00
15	Times Interest Earned	*	*	7.51	7.35	7.09	7.49	5.51
16	Current Assets to Current Liabilities	*	*	0.54	0.55	0.64	0.61	0.48
17	No. of Days Cash Coverage of Cash Exp.	*	*	16.6	12.2	31.2	30.9	13.9
FINANCIAL PERCENTAGES:								
18	Operating Profit (Loss) to Operating Reven	6.3	3.3	8.2	7.6	7.6	8.1	8.3
19	Net Income to Stockholders Equity	*	*	19.9	24.8	25.5	30.1	23.3
20	Corporate Return on Investment	*	*	12.5	14.5	14.5	15.9	12.5
21	Debt to Total Investment	*	*	49.4	49.3	49.0	50.6	58.4
PASSENGER LOAD FACTOR: (Sch. Svc. %)								
22	Actual	68.2	69.0	70.8	71.0	71.1	71.4	72.0
23	Breakeven	64.5	69.0	66.4	67.5	67.5	67.3	67.5
Employment & Productivity:								
24	Employment, Total Weighted Avg CY	88,784	84,538	87,673	86,611	85,434	84,358	83,408
25	Overall RTM's per Employee (000)	41.2	42.7	178.6	180.3	182.1	184.9	186.6

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	9.2	2.6	4.1	2.6	1.8	2.3	2.0
27	Operating Expenses (%)	5.9	2.1	4.2	3.3	1.8	1.1	0.3
28	Operating Profit (Loss) (in Millions \$)	148.7	22.1	49.3	-77.3	15.7	218.8	304.6
29	Net Income (Loss)(in Millions \$)	-155.8	17.4	228.0	401.2	366.1	281.1	-66.3
30	RPMs (Sch. Svc.) (%)	-0.4	5.1	-0.6	0.7	1.9	3.5	4.2
31	ASMs (Sch. Svc.) (%)	0.7	2.4	1.1	1.5	2.3	3.2	2.9
32	Operating Revenues per RTM (%)	7.8	-1.3	3.5	1.3	0.3	-0.7	-1.4
33	Operating Expense per RTM (%)	4.5	-1.9	3.6	2.0	0.3	-1.8	-3.0
34	Passenger Revenue per RPM (Sch. Svc.)(	8.4	-2.0	3.4	0.9	-0.7	-1.7	-2.0

QUARTERLY FINANCIAL & TRAFFIC REVIEW

SYSTEM OPERATIONS

US AIRWAYS



QUARTERLY RESULTS

- For the first quarter 2000, US Airways reported the largest operating and net deteriorations and losses among all majors.
- Operating revenues rose only 0.9 percent, while operating expenses jumped 12.7 percent, resulting in a \$228.3 million drop in operating results to a loss of \$135.4 million.
- Much of this decline stemmed from the \$132.3 million (a major group high 129.6 percent) surge in total fuel expense. Unit fuel prices soared 120.5 percent and consumption rose 4 percent.
- Net income tumbled \$278.5 million to a loss of \$211.5 million
- Except for Latin operations, all entities reported operating and net losses and deteriorations from a year ago. The domestic entity, however, was the leading cause of the poor quarterly results, as operating results fell \$213.5 million to a \$213.5 million loss, and net results dropped \$267.1 million to a \$197.4 million loss.

ENTITY	\$ Millions						TRAFFIC (Billions)			CAPACITY (Billions)			PAX. L.F.
	OPERATING PROFIT (LOSS)			NET INCOME (LOSS)			RPMs (Sch. Svc.)			ASMs (Sch. Svc.)			
	1999	2000	\$ Change	1999	2000	\$ Change	1999	2000	Change %	1999	2000	Change %	
Domestic	98.7	-114.8	-213.5	69.7	-197.4	-267.1	8.4	8.5	0.9	12.5	13.4	6.9	63.6%
Int'l	-5.8	-20.7	-14.8	-2.7	-14.1	-11.3	1.1	1.2	2.4	1.6	1.7	4.0	69.6%
Atlantic	-9.3	-24.0	-14.7	-5.0	-15.9	-10.8	0.9	1.0	4.9	1.4	1.4	5.4	68.8%
Latin	3.5	3.3	-0.2	2.3	1.8	-0.5	0.2	0.2	-8.9	0.3	0.2	-3.4	74.1%
Pacific	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
System	92.9	-135.4	-228.3	67.0	-211.5	-278.4	9.6	9.7	1.1	14.1	15.0	6.6	64.2%

- Passenger (RPM) yield was still the highest among the majors, climbing 0.3 percent to 17.44 cents.
- The operating profit margin tumbled 11.2 percentage points, the largest decline among the majors, to a negative 6.6 percent.
- RPM traffic rose 1.1 percent as ASM capacity increased 6.6 percent causing a major group high decline in the passenger load factor of 3.5 percentage points to 64.2 percent.
- US Airways had the lowest productivity among all majors, declining from 28.6 RTM's per employee a year ago to 26.5 RTM's per employee in the current quarter.

12-MONTH RESULTS

- For the 12 months ended March 2000, US Airways reported its first operating and net loss after a period of profitability exceeding four years.
- Operating results tumbled \$919.5 million, the largest deterioration among all majors, to a loss of \$26 million, as operating revenues declined 1 percent and operating expenses jumped 10.9 percent.
- Net income fell \$530.5 million to a loss \$5 million. This decline would have been much worse if not for the \$274 million non-operating gain reported in the second quarter 1999 related to the sale of its interest in Galileo International, Inc.
- For the eleventh time in the past twelve quarter-ended 12-month periods, passenger (RPM) yield was down from a year ago, declining 2.4 percent to 16.53 cents, but nevertheless remained a major group high.
- The passenger load factor slid a group high 3.2 percentage points to 69.2 percent.

**QUARTERLY FINANCIAL & TRAFFIC REVIEW
SYSTEM OPERATIONS
US AIRWAYS**

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2000/03	1999/03	2000/03	1999/12	1999/09	1999/06	1999/03
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	2,058.9	2,040.4	8,478.8	8,460.4	8,444.0	8,551.8	8,565.1
2	Operating Expenses	2,194.3	1,947.5	8,504.8	8,258.0	8,019.0	7,756.6	7,671.7
3	Operating Profit (Loss)	-135.4	92.9	-26.0	202.3	424.9	795.3	893.5
4	Net Income (Loss)	-211.5	67.0	-5.0	273.5	464.7	668.9	525.3
<u>TRAFFIC: (Billions)</u>								
5	RPMs - Scheduled Rev. Svc.	9.66	9.55	41.57	41.47	41.09	41.36	41.36
6	ASMs - Scheduled Rev. Svc.	15.03	14.10	60.05	59.12	58.26	57.81	57.13
7	Overall RTMs (All Svc.)	1.05	1.04	4.50	4.49	4.45	4.48	4.48
8	Overall ATMs (All Svc.)	2.06	1.91	8.20	8.04	7.92	7.85	7.78
<u>YIELD & UNIT COST & PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	195.2	196.7	188.3	188.6	189.9	191.0	191.0
10	Operating Expense per RTM	208.1	187.8	188.8	184.1	180.4	173.2	171.1
11	Operating Profit (Loss) per RTM	-12.8	9.0	-0.6	4.5	9.6	17.8	19.9
12	Operating Expense per ATM	106.5	102.0	103.8	102.7	101.3	98.8	98.6
13	Passenger Revenue per RPM	17.44	17.39	16.53	16.51	16.67	16.86	16.94
<u>FINANCIAL RATIOS:</u>								
14	Operating Revenues to Total Investment	*	*	2.12	2.20	2.24	2.26	2.28
15	Times Interest Earned	*	*	1.99	3.59	5.45	6.99	4.90
16	Current Assets to Current Liabilities	*	*	0.79	0.93	0.80	0.93	0.98
17	No. of Days Cash Coverage of Cash Exp.	*	*	60.0	39.3	48.2	56.4	64.5
<u>FINANCIAL PERCENTAGES:</u>								
18	Operating Profit (Loss) to Operating Reven	-6.6	4.6	-0.3	2.4	5.0	9.3	10.4
19	Net Income to Stockholders Equity	*	*	-0.3	15.0	26.1	39.3	33.5
20	Corporate Return on Investment	*	*	4.5	11.7	17.0	22.5	20.0
21	Debt to Total Investment	*	*	63.9	54.8	51.1	50.2	52.2
<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>								
22	Actual	64.2	67.7	69.2	70.1	70.5	71.5	72.4
23	Breakeven	72.5	68.7	74.5	73.5	71.4	68.1	67.8
<u>Employment & Productivity:</u>								
24	Employment, Total Weighted Avg CY	39,895	36,324	38,481	37,589	36,860	36,374	36,172
25	Overall RTM's per Employee (000)	26.4	28.6	117.0	119.3	120.6	123.1	124.0

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	0.9	0.5	-1.0	-1.1	-1.3	0.7	1.5
27	Operating Expenses (%)	12.7	5.8	10.9	9.2	4.6	-0.4	-2.2
28	Operating Profit (Loss) (in Millions \$)	-228.3	-96.5	-919.5	-787.7	-461.7	87.1	292.0
29	Net Income (Loss)(in Millions \$)	-278.5	-33.8	-530.3	-285.6	-500.5	-334.3	-484.0
30	RPMs (Sch. Svc.) (%)	1.1	1.1	0.5	0.5	0.1	0.8	0.6
31	ASMs (Sch. Svc.) (%)	6.6	3.0	5.1	4.2	3.5	1.8	-0.6
32	Operating Revenues per RTM (%)	-0.8	0.5	-1.4	-1.2	-0.7	0.8	1.6
33	Operating Expense per RTM (%)	10.8	5.7	10.3	9.1	5.2	-0.2	-2.0
34	Passenger Revenue per RPM (Sch. Svc.)(	0.3	-2.0	-2.4	-3.0	-3.1	-1.8	-1.0

QUARTERLY FINANCIAL & TRAFFIC REVIEW
SYSTEM OPERATIONS
TOTAL ALL-CARGO MAJORS 1/

QUARTERLY RESULTS

- All major cargo carriers reported an operating and net profit for the fourth quarter 1999. All carriers also reported an improvement in net income, but only UPS managed a gain in operating profit.
- For the all-cargo group, operating revenues rose 9 percent, but operating expenses grew faster, up 9.7 percent. Still, operating profit climbed \$1.7 million to \$349.5 million.
- Operating results were negatively impacted by a sharp rise in total fuel expense, up \$114.2 million (6.2 percent), due mostly to a large jump in unit fuel prices, up 61.2 percent, as fuel consumption rose 6.2 percent.
- Net income nearly doubled from a year ago, rising \$118.4 million to \$227.8 million.

Quarter Ended	\$ Millions					
	OPERATING PROFIT (LOSS)			NET INCOME (LOSS)		
	LAST YEAR 1999	THIS YEAR 2000	\$ Change	LAST YEAR 1999	THIS YEAR 2000	\$ Change
March	213.6	186.5	-27.1	74.0	82.3	8.3
June	285.7	0.0	-	141.8	0.0	-
Sept.	214.8	0.0	-	86.8	0.0	-
Dec.	349.5	0.0	-	227.8	0.0	-

- The only decline among all entity results was in domestic operating profit, which fell \$117.9 million to \$149 million.

ENTITY	\$ Millions						TRAFFIC (Billions)			CAPACITY (Billions)			TON L.F.
	OPERATING PROFIT (LOSS)			NET INCOME (LOSS)			RTMs (All Svc.)			ATMs (All Svc.)			
	1999	2000	\$ Change	1999	2000	\$ Change	1999	2000	Change %	1999	2000	Change %	
Domestic	103.4	19.7	-83.6	3.3	27.2	23.8	1.7	1.9	9.6	3.1	3.3	5.3	57.9%
Int'l	110.2	166.8	56.5	70.7	55.1	-15.6	0.9	1.1	25.3	1.5	1.8	17.2	64.6%
Atlantic	107.3	99.7	-7.6	81.6	48.2	-33.3	0.3	0.4	21.7	0.4	0.5	19.1	66.0%
Latin	0.7	41.1	40.4	-4.2	34.1	38.3	0.1	0.1	79.7	0.1	0.2	69.5	51.9%
Pacific	2.3	26.0	23.7	-6.7	-27.3	-20.6	0.6	0.7	21.8	1.0	1.0	10.1	66.2%
System	213.6	186.5	-27.1	74.0	82.3	8.3	2.6	3.0	15.0	4.6	5.0	9.2	60.3%

- RTM traffic growth, up 11.8 percent, was more than twice ATM capacity growth, up 5.5 percent, causing the ton load factor to increase 3.4 percentage points to 60.7 percent.
- Profitability was relatively unchanged as RTM yield fell 2.6 percent while RTM unit costs declined 1.9 percent.

12-MONTH RESULTS

- All three all-cargo carriers experienced an operating and net profit for the year ended December 1999. DHL Airways reported the only decline in operating profit, while Federal Express experienced a small decline in net profit.
- Operating expense growth, up 6.4 percent, slightly exceeded operating revenue growth, up 6 percent, resulting in a \$1.7 million increase in operating profit to \$1.06 billion.
- Net income jumped \$92.2 million to \$530.4 million.
- Interest on debt dropped \$84.2 million to \$101.4 million.
- The ton load factor rose 0.7 percentage points to 59 percent as RTM traffic was up 5.5 percent and ATM capacity rose a lesser 4.2 percent.
- A small decline in total debt, down \$37.4 million, combined with rising equity caused the debt-to-investment ratio to decline 2.8 percentage points to 45 percent.

1/ On January 1, 1997, DHL Airways became a major airline with annual operating revenues exceeding \$1 billion.

**QUARTERLY FINANCIAL & TRAFFIC REVIEW
SYSTEM OPERATIONS
TOTAL ALL-CARGO MAJORS**

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2000/03	1999/03	2000/03	1999/12	1999/09	1999/06	1999/03
FINANCIAL RESULTS: (\$Millions)								
1	Operating Revenues	4,779.7	4,261.0	18,549.8	18,031.0	17,629.2	17,430.5	17,222.1
2	Operating Expenses	4,593.2	4,047.4	17,513.3	16,967.4	16,567.3	16,315.3	16,117.7
3	Operating Profit (Loss)	186.5	213.6	1,036.5	1,063.6	1,061.9	1,115.2	1,104.5
4	Net Income (Loss)	82.3	74.0	538.7	530.4	412.0	459.1	440.6
TRAFFIC: (Billions)								
5	RTMs - Scheduled Rev. Svc.	2.23	1.93	8.83	8.53	8.29	8.15	8.03
6	ATMs - Scheduled Rev. Svc.	3.59	3.28	14.35	14.04	13.87	13.65	13.38
7	Overall RTMs (All Services)	3.04	2.64	12.08	11.68	11.34	11.21	11.09
8	Overall ATMs (All Services)	5.04	4.62	20.21	19.78	19.51	19.32	19.10
YIELD & UNIT COST & PROFITS: (Cents)								
9	Operating Revenue per RTM	157.4	161.4	153.6	154.4	155.5	155.5	155.3
10	Operating Expense per RTM	151.3	153.3	145.0	145.3	146.1	145.6	145.4
11	Operating Profit (Loss) per RTM	6.1	8.1	8.6	9.1	9.4	10.0	10.0
12	Operating Expense per ATM	91.2	87.7	86.7	85.8	84.9	84.4	84.4
13	Passenger Revenue per RPM	++	++	++	++	++	++	++
FINANCIAL RATIOS:								
14	Operating Revenues to Total Investment	*	*	1.96	1.92	1.91	1.92	1.91
15	Times Interest Earned	*	*	8.11	7.78	5.34	5.47	4.73
16	Current Assets to Current Liabilities	*	*	1.21	1.14	1.15	1.06	1.09
17	No. of Days Cash Coverage of Cash Exp.	*	*	2.0	2.5	2.7	4.8	3.8
FINANCIAL PERCENTAGES:								
18	Operating Profit (Loss) to Operating Reven	3.9	5.0	5.6	5.9	6.0	6.4	6.4
19	Net Income to Stockholders Equity	*	*	10.6	10.7	8.5	9.7	9.5
20	Corporate Return on Investment	*	*	7.0	7.1	6.4	7.1	7.2
21	Debt to Total Investment	*	*	44.0	45.0	46.6	48.0	47.6
TON LOAD FACTOR: (Sch. Svc. %)								
22	Actual	60.3	57.2	59.8	59.0	58.1	58.0	58.0
23	Breakeven	++	++	++	++	++	++	++
Employment & Productivity:								
24	Employment, Total Weighted Avg CY	107,227	103,170	105,806	104,791	103,830	102,911	101,816
25	Overall RTM's per Employee (000)	28.3	25.6	114.1	111.5	109.2	108.9	108.9

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	12.2	5.2	7.7	6.0	5.7	5.4	6.5
27	Operating Expenses (%)	13.5	4.3	8.7	6.4	5.1	4.7	6.2
28	Operating Profit (Loss) (in Millions \$)	-27.1	42.6	-68.0	1.7	146.0	154.3	109.0
29	Net Income (Loss)(in Millions \$)	8.3	2.4	98.1	92.2	-6.0	72.4	12.1
30	RTMs (All Svc.) (%)	15.0	0.5	8.9	5.5	3.3	4.8	5.8
31	ATMs (All Svc.) (%)	9.2	2.6	5.8	4.2	4.4	6.9	8.5
32	Operating Revenues per RTM (%)	-2.5	4.7	-1.1	0.5	2.4	0.5	0.6
33	Operating Expense per RTM (%)	-1.3	3.8	-0.3	0.9	1.7	-0.1	0.4
34	Passenger Revenue per RPM (Sch. Svc.)(++	++	++	++	++	++	++

QUARTERLY FINANCIAL & TRAFFIC REVIEW
DOMESTIC OPERATIONS
TOTAL ALL-CARGO MAJORS

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2000/03	1999/03	2000/03	1999/12	1999/09	1999/06	1999/03
	<u>FINANCIAL RESULTS: (\$Millions)</u>							
1	Operating Revenues	3,450.4	3,210.1	13,686.4	13,446.1	13,356.0	13,267.7	13,144.8
2	Operating Expenses	3,430.7	3,106.8	13,231.3	12,907.4	12,699.3	12,507.6	12,353.1
3	Operating Profit (Loss)	19.7	103.4	455.1	538.7	656.7	760.1	791.8
4	Net Income (Loss)	27.2	3.3	396.3	372.4	352.1	256.9	178.6
	<u>TRAFFIC: (Billions)</u>							
5	RTMs - Scheduled Rev. Svc.	1.15	1.05	4.57	4.47	4.37	4.32	4.29
6	ATMs - Scheduled Rev. Svc.	1.94	1.82	7.71	7.59	7.49	7.40	7.28
7	Overall RTMs (All Services)	1.90	1.73	7.65	7.48	7.32	7.24	7.19
8	Overall ATMs (All Services)	3.28	3.11	13.26	13.10	12.95	12.85	12.71
	<u>YIELD & UNIT COST & PROFITS: (Cents)</u>							
9	Operating Revenue per RTM	181.7	185.3	178.9	179.7	182.5	183.2	182.9
10	Operating Expense per RTM	180.7	179.4	173.0	172.5	173.5	172.7	171.9
11	Operating Profit (Loss) per RTM	1.0	6.0	5.9	7.2	9.0	10.5	11.0
12	Operating Expense per ATM	104.7	99.8	99.8	98.5	98.0	97.3	97.2
13	Passenger Revenue per RPM	++	++	++	++	++	++	++
	<u>FINANCIAL RATIOS:</u>							
14	Operating Revenues to Total Investment	*	*	**	**	**	**	**
15	Times Interest Earned	*	*	**	**	**	**	**
16	Current Assets to Current Liabilities	*	*	**	**	**	**	**
17	No. of Days Cash Coverage of Cash Exp.	*	*	**	**	**	**	**
	<u>FINANCIAL PERCENTAGES:</u>							
18	Operating Profit (Loss) to Operating Reven	0.6	3.2	3.3	4.0	4.9	5.7	6.0
19	Net Income to Stockholders Equity	*	*	**	**	**	**	**
20	Corporate Return on Investment	*	*	6.8	6.5	6.7	5.5	4.5
21	Debt to Total Investment	*	*	**	**	**	**	**
	<u>TON LOAD FACTOR: (Sch. Svc. %)</u>							
22	Actual	57.9	55.6	57.7	57.1	56.5	56.4	56.6
23	Breakeven	++	++	++	++	++	++	++
	<u>Employment & Productivity:</u>							
24	Employment, Total Weighted Avg CY	*	*	**	**	**	**	**
25	Overall RTM's per Employee (000)	*	*	**	**	**	**	**

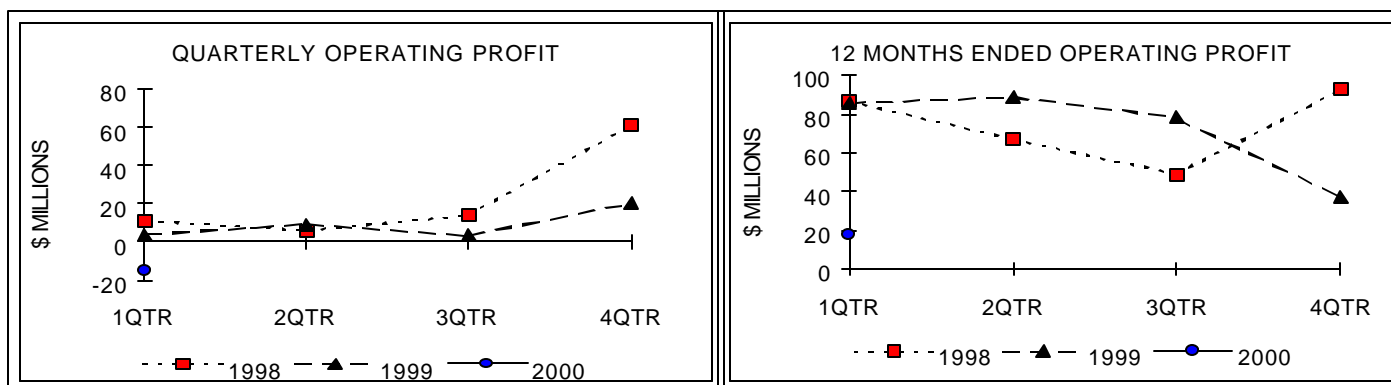
		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	7.5	4.2	4.1	3.3	5.4	5.1	6.4
27	Operating Expenses (%)	10.4	4.7	7.1	5.7	5.7	5.2	6.6
28	Operating Profit (Loss) (in Millions \$)	-83.7	-10.0	-336.7	-263.1	3.7	24.3	25.0
29	Net Income (Loss)(in Millions \$)	23.9	-79.5	217.7	114.3	139.4	-93.6	-287.6
30	RTMs (All Svc.) (%)	9.6	1.3	6.5	4.5	3.3	4.5	5.2
31	ATMs (All Svc.) (%)	5.3	3.8	4.4	4.0	4.6	6.8	7.3
32	Operating Revenues per RTM (%)	-2.0	2.8	-2.2	-1.1	2.1	0.5	1.2
33	Operating Expense per RTM (%)	0.7	3.4	0.6	1.2	2.3	0.7	1.4
34	Passenger Revenue per RPM (Sch. Svc.)(++	++	++	++	++	++	++

**QUARTERLY FINANCIAL & TRAFFIC REVIEW
INTERNATIONAL OPERATIONS
TOTAL ALL-CARGO MAJORS**

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2000/03	1999/03	2000/03	1999/12	1999/09	1999/06	1999/03
FINANCIAL RESULTS: (\$Millions)								
1	Operating Revenues	1,329.3	1,050.8	4,863.3	4,584.9	4,273.2	4,162.8	4,077.3
2	Operating Expenses	1,162.5	940.6	4,281.9	4,060.0	3,868.0	3,807.7	3,764.6
3	Operating Profit (Loss)	166.8	110.2	581.4	524.9	405.3	355.1	312.7
4	Net Income (Loss)	55.1	70.7	142.4	158.0	59.9	202.2	262.0
TRAFFIC: (Billions)								
5	RTMs - Scheduled Rev. Svc.	1.08	0.89	4.26	4.06	3.92	3.83	3.74
6	ATMs - Scheduled Rev. Svc.	1.66	1.47	6.64	6.45	6.38	6.24	6.11
7	Overall RTMs (All Services)	1.14	0.91	4.43	4.20	4.02	3.96	3.90
8	Overall ATMs (All Services)	1.76	1.50	6.94	6.69	6.55	6.47	6.39
YIELD & UNIT COST & PROFITS: (Cents)								
9	Operating Revenue per RTM	116.8	115.8	109.9	109.3	106.3	105.1	104.5
10	Operating Expense per RTM	102.2	103.6	96.7	96.8	96.2	96.1	96.5
11	Operating Profit (Loss) per RTM	14.7	12.1	13.1	12.5	10.1	9.0	8.0
12	Operating Expense per ATM	66.0	62.6	61.7	60.7	59.0	58.9	58.9
13	Passenger Revenue per RPM	++	++	++	++	++	++	++
FINANCIAL RATIOS:								
14	Operating Revenues to Total Investment	*	*	**	**	**	**	**
15	Times Interest Earned	*	*	**	**	**	**	**
16	Current Assets to Current Liabilities	*	*	**	**	**	**	**
17	No. of Days Cash Coverage of Cash Exp.	*	*	**	**	**	**	**
FINANCIAL PERCENTAGES:								
18	Operating Profit (Loss) to Operating Reven	12.5	10.5	12.0	11.4	9.5	8.5	7.7
19	Net Income to Stockholders Equity	*	*	**	**	**	**	**
20	Corporate Return on Investment	*	*	7.9	9.0	5.6	12.8	16.9
21	Debt to Total Investment	*	*	**	**	**	**	**
TON LOAD FACTOR: (Sch. Svc. %)								
22	Actual	64.6	60.4	63.7	62.8	61.3	61.2	61.0
23	Breakeven	++	++	++	++	++	++	++
Employment & Productivity:								
24	Employment, Total Weighted Avg CY	*	*	**	**	**	**	**
25	Overall RTM's per Employee (000)	*	*	**	**	**	**	**

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	26.5	8.4	19.3	14.7	6.7	6.4	6.7
27	Operating Expenses (%)	23.6	3.2	13.7	8.7	3.3	3.3	4.8
28	Operating Profit (Loss) (in Millions \$)	56.6	52.5	268.7	264.8	142.4	129.9	84.0
29	Net Income (Loss)(in Millions \$)	-15.6	81.9	-119.6	-22.1	-145.3	165.9	299.7
30	RTMs (All Svc.) (%)	25.3	-0.9	13.5	7.3	3.4	5.3	6.9
31	ATMs (All Svc.) (%)	17.2	0.1	8.6	4.6	4.1	7.2	10.8
32	Operating Revenues per RTM (%)	0.9	9.5	5.2	6.9	3.2	1.1	-0.2
33	Operating Expense per RTM (%)	-1.4	4.1	0.2	1.3	0.0	-1.9	-1.9
34	Passenger Revenue per RPM (Sch. Svc.)(++	++	++	++	++	++	++

QUARTERLY FINANCIAL & TRAFFIC REVIEW
SYSTEM OPERATIONS
DHL AIRWAYS



QUARTERLY RESULTS

- Operating expenses jumped 8.3 percent while operating revenues slid 3.7 percent, resulting in a \$41.2 million drop in operating profit to \$20.2 million.
- Net results, however, gained \$20.5 million to a \$12.6 million profit.
- The domestic entity reported the only decline in both operating and net results. Operating results fell \$95.5 million to a loss of \$62.9 million while net results were down \$40.2 million to a loss of \$47 million.

ENTITY	\$ Millions						TRAFFIC (Billions)			CAPACITY (Billions)			TON L.F.
	OPERATING PROFIT (LOSS)			NET INCOME (LOSS)			RTMs (All Svc.)			ATMs (All Svc.)			
	1999	2000	\$ Change	1999	2000	\$ Change	1999	2000	Change %	1999	2000	Change %	
Domestic	-62.6	-97.2	-34.6	-54.7	-55.3	-0.6	0.1	0.1	12.3	0.1	0.1	19.2	48.9%
Int'l	66.5	82.2	15.7	55.5	45.2	-10.3	0.6	0.7	20.2	1.0	1.1	10.0	66.0%
Atlantic	87.1	84.6	-2.5	73.6	46.8	-26.8	0.0	0.0	4.3	0.1	0.1	4.4	69.6%
Latin	-20.7	-2.4	18.3	-18.1	-1.5	16.5	0.0	0.0	-6.5	0.0	0.0	23.6	43.2%
Pacific	0.0	0.0	0.0	0.0	0.0	0.0	0.6	0.7	21.8	1.0	1.0	10.1	66.2%
System	3.9	-15.0	-18.8	0.8	-10.1	-10.9	0.7	0.8	19.6	1.1	1.3	10.8	64.3%

- Total fuel expenses jumped 69.8 percent (\$7.3 million), due largely to the 55.9 percent jump in unit fuel prices, as fuel consumption was rose 8.9 percent.
- RTM traffic grew 8.1 percent, but ATM capacity rose slight faster, up 9.5 percent, causing a decline in the ton load factor of 0.8 percentage points to 56.7 percent.
- Profitability was eroded as RTM yield fell 10.9 percent and RTM unit costs rose 0.2 percent.
- Interest expense dropped \$48.8 million to a low \$2.8 million.

12-MONTH RESULTS

- Operating expense growth, up 6.1 percent, grew faster than operating revenues, up 1.6 percent, resulting in operating profit declining \$55.8 million to \$36.8 million.
- Net income, however, rose \$37 million to \$31.8 million.
- The ton load factor rose 1.1 percentage points to 59.7 percent as RTM traffic growth, up 12 percent, outpaced ATM capacity growth, up 9.9 percent.
- Interest expense fell \$67.4 million to \$17.6 million.
- Total debt remained the lowest among all majors, although up \$60.5 million to \$82 million. This gain more than offset the increase in equity, causing the debt-to-investment ratio to soar 24.8 percentage points to 36.4 percent.

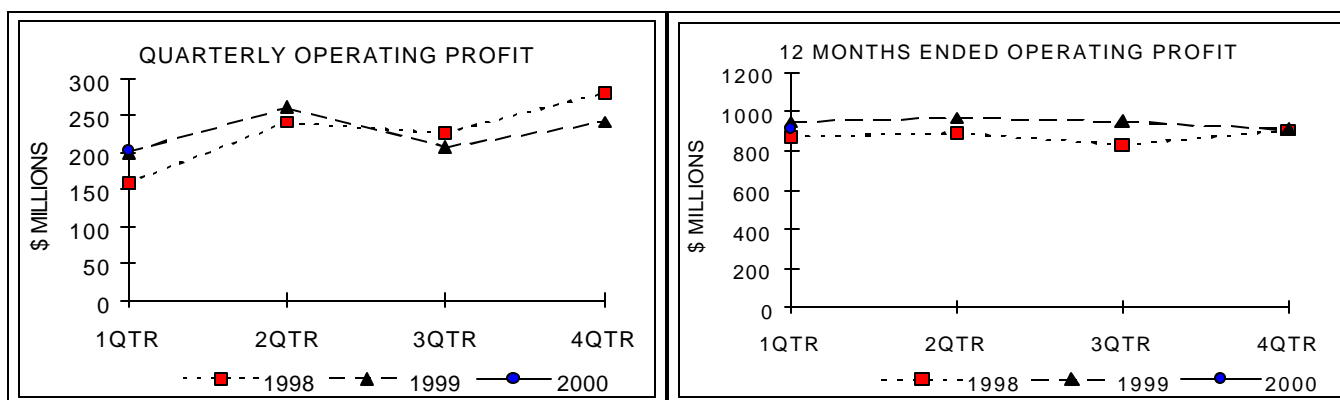
Note: Beginning with the first quarter 1998, The Airline Quarterly Financial Review of the Majors includes DHL Airways, which achieved major airline status (*i.e.*, annual operating revenues exceeding \$1 billion), effective January 1, 1997.

**QUARTERLY FINANCIAL & TRAFFIC REVIEW
SYSTEM OPERATIONS
DHL AIRWAYS**

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2000/03	1999/03	2000/03	1999/12	1999/09	1999/06	1999/03
	FINANCIAL RESULTS: (\$Millions)							
1	Operating Revenues	370.5	319.4	1,420.9	1,369.8	1,384.1	1,367.3	1,354.7
2	Operating Expenses	385.4	315.5	1,402.9	1,333.0	1,306.1	1,278.6	1,269.4
3	Operating Profit (Loss)	-15.0	3.9	18.0	36.8	78.0	88.8	85.4
4	Net Income (Loss)	-10.1	0.8	20.9	31.8	11.2	3.0	-11.8
	TRAFFIC: (Billions)							
5	RTMs - Scheduled Rev. Svc.	0.11	0.10	0.42	0.41	0.40	0.38	0.38
6	ATMs - Scheduled Rev. Svc.	0.20	0.17	0.76	0.72	0.70	0.68	0.65
7	Overall RTMs (All Services)	0.11	0.11	0.46	0.45	0.44	0.43	0.41
8	Overall ATMs (All Services)	0.21	0.18	0.78	0.75	0.73	0.72	0.70
	YIELD & UNIT COST & PROFITS: (Cents)							
9	Operating Revenue per RTM	328.3	303.9	311.7	305.7	315.2	321.7	329.8
10	Operating Expense per RTM	341.5	300.2	307.7	297.5	297.4	300.8	309.0
11	Operating Profit (Loss) per RTM	-13.3	3.7	3.9	8.2	17.8	20.9	20.8
12	Operating Expense per ATM	186.8	175.3	180.5	177.6	178.2	177.6	180.6
13	Passenger Revenue per RPM	++	++	++	++	++	++	++
	FINANCIAL RATIOS:							
14	Operating Revenues to Total Investment	*	*	7.46	7.50	7.82	7.58	6.55
15	Times Interest Earned	*	*	2.99	3.80	1.69	1.50	1.09
16	Current Assets to Current Liabilities	*	*	1.04	1.04	0.97	0.85	0.77
17	No. of Days Cash Coverage of Cash Exp.	*	*	0.6	1.3	1.8	25.0	13.4
	FINANCIAL PERCENTAGES:							
18	Operating Profit (Loss) to Operating Reven	-4.0	1.2	1.3	2.7	5.6	6.5	6.3
19	Net Income to Stockholders Equity	*	*	15.5	22.6	7.9	2.0	-6.8
20	Corporate Return on Investment	*	*	19.3	27.1	43.9	37.8	36.7
21	Debt to Total Investment	*	*	40.8	36.4	33.7	12.4	12.8
	TON LOAD FACTOR: (Sch. Svc. %)							
22	Actual	54.7	58.4	58.7	59.7	59.9	59.1	58.5
23	Breakeven	++	++	++	++	++	++	++
	Employment & Productivity:							
24	Employment, Total Weighted Avg CY	8,354	7,979	8,257	8,163	8,085	7,969	7,841
25	Overall RTM's per Employee (000)	13.5	13.2	55.2	54.9	54.3	53.3	52.4

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	16.0	2.0	4.9	1.6	7.6	6.4	7.7
27	Operating Expenses (%)	22.2	4.5	10.5	6.1	5.6	5.0	8.4
28	Operating Profit (Loss) (in Millions \$)	-18.9	-7.2	-67.4	-55.8	29.0	22.1	-1.2
29	Net Income (Loss)(in Millions \$)	-10.9	-6.6	32.7	37.0	-7.0	36.0	-6.0
30	RTMs (Sch. Svc.) (%)	7.4	11.2	11.0	12.0	12.9	8.1	5.6
31	ATMs (Sch. Svc.) (%)	14.7	12.2	10.6	9.9	10.4	10.4	11.3
32	Operating Revenues per RTM (%)	8.0	-8.3	-5.5	-9.3	-4.6	-1.5	2.0
33	Operating Expense per RTM (%)	13.8	-6.1	-0.4	-5.2	-6.5	-2.9	2.7
34	Passenger Revenue per RPM (Sch. Svc.)(++	++	++	++	++	++	++

QUARTERLY FINANCIAL & TRAFFIC REVIEW
SYSTEM OPERATIONS
FEDERAL EXPRESS



QUARTERLY RESULTS

- Operating expenses, up 11.3 percent, grew faster than operating revenues, up 10.6 percent, but operating expenses still rose \$1.1 million to \$201.3 million.
- Total fuel expense more than double from a year earlier, jumping 134.3 percent (\$103.5 million) as unit fuel prices soared 110.5 million percent and fuel consumption was up 11.3 percent.
- Net results advanced \$27.5 million to \$101.7 million.
- The Latin and Pacific entities reported gains in both operating and net results, but only the Pacific entity reported an operating or net loss for the quarter.

ENTITY	\$ Millions						TRAFFIC (Billions)			CAPACITY (Billions)			TON L.F.
	OPERATING PROFIT (LOSS)			NET INCOME (LOSS)			RTMs (All Svc.)			ATMs (All Svc.)			
	1999	2000	\$ Change	1999	2000	\$ Change	1999	2000	Change %	1999	2000	Change %	
Domestic	190.5	153.9	-36.7	79.0	77.6	-1.4	1.0	1.1	12.0	1.7	1.9	7.4	60.3%
Int'l	9.7	47.5	37.8	-4.9	24.1	28.9	0.6	0.8	28.7	0.9	1.2	24.4	65.4%
Atlantic	17.8	10.1	-7.7	7.1	4.4	-2.8	0.2	0.2	26.2	0.3	0.3	33.2	63.6%
Latin	20.5	42.0	21.5	11.7	24.8	13.1	0.0	0.1	91.2	0.1	0.1	89.4	54.7%
Pacific	-28.6	-4.6	24.0	-23.7	-5.1	18.6	0.4	0.5	25.4	0.6	0.7	15.7	67.7%
System	200.2	201.3	1.1	74.2	101.7	27.5	1.6	1.9	18.2	2.7	3.0	13.3	62.3%

- RTM traffic was up 18.2 percent, exceeding the 13.4 percent increase in ATM capacity, causing the ton load factor to rise 2.6 percentage points to 62.3 percent.
- Profitability was eroded despite a 5.9 percent decline in RTM unit costs as RTM yield dropped 6.4 percent.
- Interest expense declined \$2.6 million to \$19.7 million.

12-MONTH RESULTS

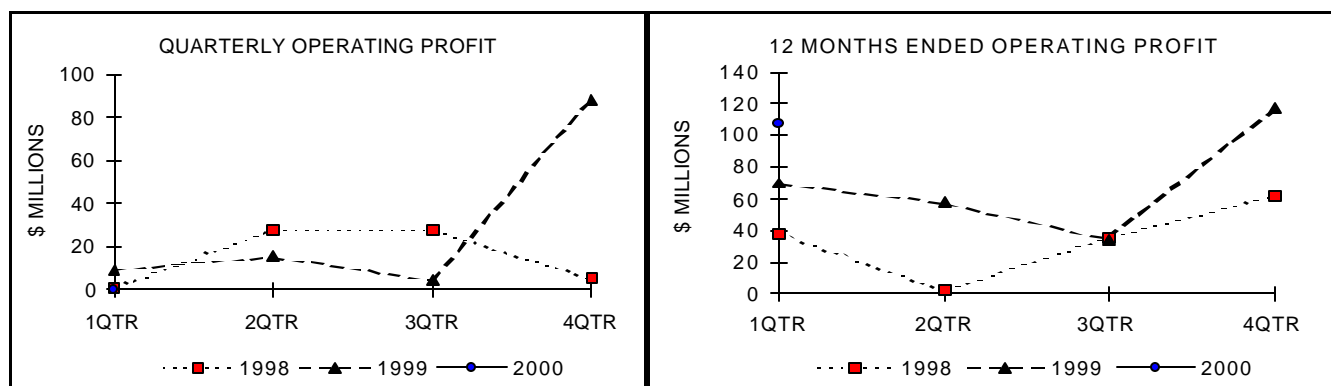
- Operating profit declined \$37.7 million to \$911 million as operating expenses, up 8.2 percent, rose faster than operating revenues, up 7.4 percent.
- Net income, however, rose \$17.4 million to \$459.9 million.
- Interest expense declined \$10.7 million to \$81.6 million.
- The ton load factor rose 1.1 percentage points to 62.2 percent as RTM traffic was up 8.7 percent and ATM capacity increased a lesser 6.9 percent.
- Total debt was reduced \$213.3 million and equity rose causing the debt-to-investment ratio to decline 5.4 percentage points to 19.9 percent.

**QUARTERLY FINANCIAL & TRAFFIC REVIEW
SYSTEM OPERATIONS
FEDERAL EXPRESS CORP.**

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2000/03	1999/03	2000/03	1999/12	1999/09	1999/06	1999/03
	FINANCIAL RESULTS: (\$Millions)							
1	Operating Revenues	3,825.3	3,457.3	14,876.4	14,508.4	14,229.8	14,048.9	13,853.2
2	Operating Expenses	3,624.0	3,257.1	13,965.4	13,598.5	13,280.4	13,080.0	12,904.5
3	Operating Profit (Loss)	201.3	200.2	911.0	909.9	949.3	968.9	948.7
4	Net Income (Loss)	101.7	74.2	459.9	432.4	422.0	460.3	442.5
	TRAFFIC: (Billions)							
5	RTMs - Scheduled Rev. Svc.	1.80	1.57	7.16	6.93	6.76	6.68	6.61
6	ATMs - Scheduled Rev. Svc.	2.88	2.62	11.49	11.24	11.09	10.96	10.81
7	Overall RTMs (All Services)	1.87	1.59	7.38	7.09	6.87	6.82	6.79
8	Overall ATMs (All Services)	3.01	2.66	11.87	11.52	11.28	11.21	11.10
	YIELD & UNIT COST & PROFITS: (Cents)							
9	Operating Revenue per RTM	204.1	218.1	201.6	204.6	207.2	205.9	204.1
10	Operating Expense per RTM	193.4	205.4	189.2	191.7	193.4	191.7	190.1
11	Operating Profit (Loss) per RTM	10.7	12.6	12.3	12.8	13.8	14.2	14.0
12	Operating Expense per ATM	120.4	122.6	117.7	118.1	117.7	116.7	116.2
13	Passenger Revenue per RPM	++	++	++	++	++	++	++
	FINANCIAL RATIOS:							
14	Operating Revenues to Total Investment	*	*	2.87	2.84	2.84	2.84	2.81
15	Times Interest Earned	*	*	10.72	9.94	9.58	9.59	8.89
16	Current Assets to Current Liabilities	*	*	1.18	1.12	1.15	1.09	1.09
17	No. of Days Cash Coverage of Cash Exp.	*	*	2.1	2.3	2.4	2.8	2.9
	FINANCIAL PERCENTAGES:							
18	Operating Profit (Loss) to Operating Reven	5.3	5.8	6.1	6.3	6.7	6.9	6.8
19	Net Income to Stockholders Equity	*	*	11.5	11.1	11.2	12.6	12.4
20	Corporate Return on Investment	*	*	10.5	10.1	10.2	11.1	10.9
21	Debt to Total Investment	*	*	19.9	21.8	22.4	25.3	25.3
	TON LOAD FACTOR: (Sch. Svc. %)							
22	Actual	62.3	59.7	62.2	61.6	60.9	60.9	61.1
23	Breakeven	++	++	++	++	++	++	++
	Employment & Productivity:							
24	Employment, Total Weighted Avg CY	94,012	90,472	92,753	91,868	91,000	90,215	89,286
25	Overall RTM's per Employee (000)	19.9	17.5	79.6	77.2	75.5	75.6	76.0

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	10.6	5.7	7.4	6.2	5.8	4.7	6.0
27	Operating Expenses (%)	11.3	4.7	8.2	6.6	5.3	4.4	5.8
28	Operating Profit (Loss) (in Millions \$)	1.1	41.4	-37.7	2.6	118.1	76.8	77.0
29	Net Income (Loss)(in Millions \$)	27.5	7.0	17.4	-3.0	17.4	18.4	9.5
30	RTMs (Sch. Svc.) (%)	18.2	-3.3	8.7	3.7	0.9	1.4	3.5
31	ATMs (Sch. Svc.) (%)	13.3	-0.5	6.9	3.6	3.1	4.4	6.5
32	Operating Revenues per RTM (%)	-6.4	9.3	-1.2	2.5	4.9	3.3	2.5
33	Operating Expense per RTM (%)	-5.9	8.2	-0.5	2.8	4.4	3.0	2.3
34	Passenger Revenue per RPM (Sch. Svc.)	++	++	++	++	++	++	++

QUARTERLY FINANCIAL & TRAFFIC REVIEW
SYSTEM OPERATIONS
UNITED PARCEL SERVICE



QUARTERLY RESULTS

- Operating revenues were up a strong 20.6 percent, but operating expenses jumped 23 percent, resulting in a \$9.4 million decline in operating profit to \$0.1 million.
- Total fuel expense more than doubled from a year ago, up 124.5 percent (\$58.8 million) more than accounting for the decline in operating profit. Unit fuel prices increased 110.9 percent, and fuel consumption was up 6.4 percent.
- Net results fell further into the red, declining \$8.3 million to a \$9.3 million loss.
- Entity results were mixed as domestic operations experienced a \$12.4 million decline in operating results to a \$37 million loss, and Pacific operations experienced a \$39.1 million drop in net results to a loss of \$22.1 million. Except for a small net loss in Latin operations, all other entity results were positive.

ENTITY	\$ Millions						TRAFFIC (Billions)			CAPACITY (Billions)			TON L.F.
	OPERATING PROFIT (LOSS)			NET INCOME (LOSS)			RTMs (All Svc.)			ATMs (All Svc.)			
	1999	2000	\$ Change	1999	2000	\$ Change	1999	2000	Change %	1999	2000	Change %	
Domestic	-24.6	-37.0	-12.4	-21.0	4.9	25.9	0.7	0.7	5.9	1.3	1.3	1.3	55.4%
Int'l	34.1	37.1	3.0	20.0	-14.2	-34.2	0.3	0.3	22.4	0.5	0.5	5.2	63.0%
Atlantic	2.3	5.0	2.7	0.8	-2.9	-3.8	0.1	0.1	21.6	0.1	0.1	-0.3	70.2%
Latin	0.8	1.5	0.7	2.2	10.9	8.7	0.0	0.0	105.3	0.1	0.1	63.6	50.8%
Pacific	30.9	30.6	-0.4	17.0	-22.1	-39.1	0.2	0.2	13.7	0.3	0.3	-1.1	62.9%
System	9.5	0.1	-9.4	-1.0	-9.3	-8.3	1.0	1.1	10.5	1.8	1.8	2.3	57.6%

- The ton load factor rose 3.5 percentage points to 56.8 percent as RTM traffic growth, up 10.5 percent, nearly tripled ATM capacity growth, up 3.8 percent.
- Profitability was eroded as RTM unit costs, up 11.2 percent, rose faster than RTM yield, up 9 percent.
- UPS continues to report the highest productivity (RTMs per employee) among all the majors at 216.4.

12-MONTH RESULTS

- Operating revenues, up 11.8 percent, grew faster than operating expenses, up 10.4 percent, resulting in a \$37.1 million gain in operating profit to \$107.5 million.
- Net income was up nearly six-fold from a year ago, improving \$48 million to \$57.9 million.
- RTM traffic growth, up 9.1 percent, was much stronger than ATM capacity growth, up 4 percent, causing the ton load factor to increase 2.6 percentage points to 55.9 percent.
- Rising equity coupled with declining total debt, down \$21.3 million, causing the debt-to-investment ratio to decline 1.3 percentage points to 75.6 percent.
- Productivity (RTMs per employee) continued to be very high when compared with all other majors, rising from 829 a year ago to 884.5.

**QUARTERLY FINANCIAL & TRAFFIC REVIEW
SYSTEM OPERATIONS
UNITED PARCEL SERVICE**

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2000/03	1999/03	2000/03	1999/12	1999/09	1999/06	1999/03
	FINANCIAL RESULTS: (\$Millions)							
1	Operating Revenues	583.9	484.3	2,252.5	2,152.9	2,015.3	2,014.3	2,014.2
2	Operating Expenses	583.8	474.8	2,145.0	2,036.0	1,980.8	1,956.7	1,943.8
3	Operating Profit (Loss)	0.1	9.5	107.5	116.9	34.6	57.6	70.4
4	Net Income (Loss)	-9.3	-1.0	57.9	66.3	-21.2	-4.2	9.9
	TRAFFIC: (Billions)							
5	RTMs - Scheduled Rev. Svc.	0.32	0.26	1.24	1.18	1.13	1.09	1.04
6	ATMs - Scheduled Rev. Svc.	0.51	0.49	2.11	2.08	2.08	2.00	1.92
7	Overall RTMs (All Services)	1.05	0.95	4.24	4.14	4.03	3.96	3.89
8	Overall ATMs (All Services)	1.82	1.78	7.56	7.52	7.49	7.39	7.30
	YIELD & UNIT COST & PROFITS: (Cents)							
9	Operating Revenue per RTM	55.6	51.0	53.1	52.0	50.0	50.9	51.8
10	Operating Expense per RTM	55.6	50.0	50.6	49.2	49.1	49.4	50.0
11	Operating Profit (Loss) per RTM	0.0	1.0	2.5	2.8	0.9	1.5	1.8
12	Operating Expense per ATM	32.1	26.7	28.4	27.1	26.4	26.5	26.6
13	Passenger Revenue per RPM	++	++	++	++	++	++	++
	FINANCIAL RATIOS:							
14	Operating Revenues to Total Investment	*	*	0.55	0.53	0.50	0.51	0.52
15	Times Interest Earned	*	*	3.17	3.62	0.73	1.73	2.27
16	Current Assets to Current Liabilities	*	*	2.22	1.56	1.45	1.05	1.65
17	No. of Days Cash Coverage of Cash Exp.	*	*	2.9	4.4	5.0	4.0	3.1
	FINANCIAL PERCENTAGES:							
18	Operating Profit (Loss) to Operating Reven	0.0	2.0	4.8	5.4	1.7	2.9	3.5
19	Net Income to Stockholders Equity	*	*	6.1	7.0	-2.3	-0.4	1.1
20	Corporate Return on Investment	*	*	2.1	2.3	0.2	0.6	1.0
21	Debt to Total Investment	*	*	75.6	75.7	77.6	77.2	76.9
	TON LOAD FACTOR: (Sch. Svc. %)							
22	Actual	57.6	53.3	56.1	55.1	53.8	53.5	53.3
23	Breakeven	++	++	++	++	++	++	++
	Employment & Productivity:							
24	Employment, Total Weighted Avg CY	4,861	4,719	4,796	4,760	4,745	4,727	4,689
25	Overall RTM's per Employee (000)	215.9	201.2	883.9	869.6	849.6	837.2	829.0

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	20.6	3.6	11.8	7.8	3.8	9.3	8.9
27	Operating Expenses (%)	23.0	1.8	10.4	5.2	4.0	6.3	7.3
28	Operating Profit (Loss) (in Millions \$)	-9.4	8.4	37.1	54.9	-1.1	55.4	33.2
29	Net Income (Loss)(in Millions \$)	-8.3	1.9	48.0	58.4	-16.5	18.0	8.6
30	RTMs (Sch. Svc.) (%)	10.5	6.3	9.1	8.0	6.7	10.8	10.2
31	ATMs (Sch. Svc.) (%)	2.3	6.5	3.6	4.6	5.9	10.6	11.3
32	Operating Revenues per RTM (%)	9.0	-2.5	2.5	-0.2	-2.7	-1.4	-1.2
33	Operating Expense per RTM (%)	11.2	-4.2	1.2	-2.6	-2.6	-4.1	-2.5
34	Passenger Revenue per RPM (Sch. Svc.)(++	++	++	++	++	++	++

FOOTNOTES

- * Not calculated on a quarterly basis.
- ** Cannot be calculated because balance sheet data not presented on an entity basis.
Data presented only on a system basis.
- ++ Not calculated for all-cargo carriers.
- # Meaningful calculation cannot be made because of negative data.
- & Over +/- 500 percent.

EXPLANATION OF LINE ITEMS

LINE #	DESCRIPTION OF LINE ITEM	DERIVATION OF LINE ITEM
1	Operating Revenues	Operating Revenues (Account 4999)
2	Operating Expenses	Operating Expenses (Account 7199)
3	Operating Profit or Loss	Operating Profit (Account 7999)
4	Net Income or Loss	Net Income (Account 9899)
5	Overall Revenue Ton-miles	Overall Revenue Ton-miles (Item Z-240)
6	Overall Available Ton-miles	Overall Available Ton-miles (Item Z-280)
7	Revenue Passenger-Miles (Scheduled Service)	Total scheduled revenue passenger-miles (Item K-140)
8	Available Seat-Miles (Scheduled Service)	Total scheduled available seat-miles (Item K-280)
9	Operating revenue per revenue ton-mile	<u>Operating revenues (Account 4999)</u> Overall revenue ton-miles (Item Z-240)
10	Operating expense per revenue ton-mile	<u>Operating expenses (Account 7199)</u> Overall revenue ton-miles (Item Z-240)
11	Operating profit per revenue ton-mile	<u>Operating profit (Account 7999)</u> Overall revenue ton-miles (Item Z-240)
12	Operating expense per available ton-mile	<u>Operating expenses (Account 7199)</u> Overall available ton-miles (Item Z-280)
13	Passenger revenue per revenue passenger-mile (scheduled service)	<u>Passenger revenues (scheduled service) (Account 3901)</u> Total revenue passenger-miles (scheduled service (Item K-140)
14	Operating revenues to total investment	<u>Operating revenue (Account 4999)</u> Total investment (See line 20)
15	Times interest earned	<u>Income Before income taxes (Account 8999) + interest on long-term debt and capital leases (Account 8181) + Other interest expense (Account 8182)</u> Interest on long-term debt and capital leases (Account 8181) + Other interest
16	Current assets to current liabilities	<u>Current assets (Account 1499)</u> Current liabilities (Account 2199)
17	Number of days coverage of cash operating expenses	<u>Cash (Account 1010) + short-term investments (Account 1100)</u> [Total operating expenses (Account 7199) less depreciation and amortization (Account 7000)]/365
18	Operating Profit to operating revenues	<u>Operating profit (Account 7999)</u> Operating revenues (Account 4999)
19	Net income to stockholders' equity	<u>Net income (Account 9999)</u> Stockholders' equity (Account 2995) (5 Quarter average)

EXPLANATION OF LINE ITEMS

LINE #	DESCRIPTION OF LINE ITEM	DERIVATION OF LINE ITEM
20	Overall corporate rate of return	<p>Net income plus interest expense</p> <hr/> <p>Total investment</p> <p>Net income plus interest expense is: Net income (Account 9899) + interest on long-term debt and capital leases (Account 8181) + other interest expense (Account 8182) + amortization of debt discount, premium and expense (Account 8184).</p> <p>Total investment is: Current maturities of long-term debt (Account 2000) + current obligations under capital leases (Account 2080) + long-term debt (Account 2210) + advances from associated companies (Account 2240) + noncurrent obligations under capital leases (Account 2280) + stockholders'</p>
21	Debt to total investment (end of period)	<p>Current maturities of long-term debt (Account 2000) + current obligations under capital leases (Account 2080) + long-term debt (Account 2210) + advances from associated companies (Account 2240) + noncurrent obligations under capital leases (Account 2280) - unamortized debt expense (Account 1840)</p>
22	Actual passenger load factor (scheduled service)	<p>Revenue passenger-miles (scheduled service (Item K-140)</p> <hr/> <p>Available seat-miles (scheduled service (Item K-280)</p>
23	Operating breakeven load factor (scheduled service)	<p>Capacity operating expense, scheduled service (passenger)</p> <hr/> <p>[Scheduled passenger revenue (Account 3901) - Traffic operating expense, passenger scheduled service] / Actual passenger load factor, scheduled service</p>
24	Difference, actual-breakeven load factor	<p>Actual (Line 22) - Breakeven (Line 23)</p>
25	Employees	<p>Number of full time employees (Average for 12-month ended period)</p>
26	Overall revenue ton-miles per employee	<p>Overall revenue ton-miles (Item Z-240)</p> <hr/> <p>Average # of employees (See Line 25)</p>