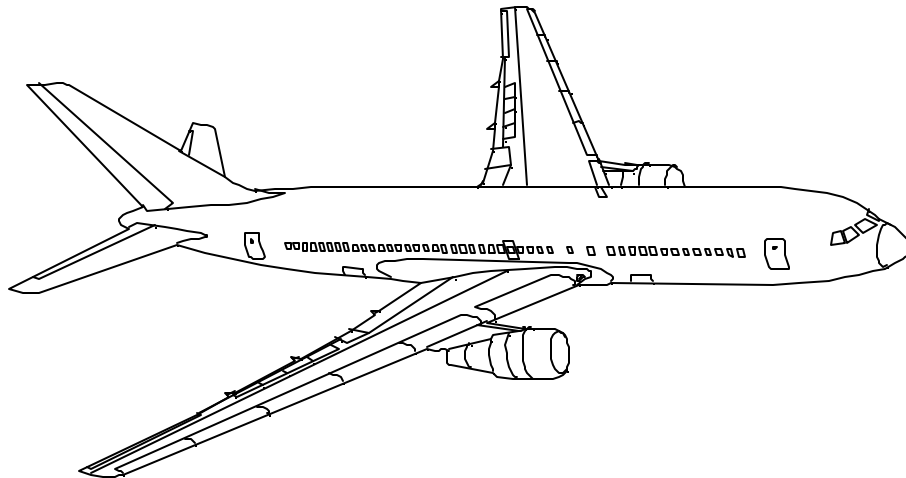


AIRLINE QUARTERLY FINANCIAL REVIEW

FIRST QUARTER 2002



MAJORS



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

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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 now included in this review. 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
SYSTEM OPERATIONS
TOTAL PASSENGER & ALL-CARGO MAJORS**

ITEMS	QUARTER ENDED		12 MONTHS ENDED					
	2002/03	2001/03	2002/03	2001/12	2001/09	2001/06	2001/03	
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	22,738.1	28,233.9	99,438.3	104,934.1	112,533.3	117,481.9	118,754.9
2	Operating Expenses	25,298.7	28,847.2	111,012.9	114,561.4	117,717.7	116,245.3	113,678.0
3	Operating Profit (Loss)	-2,560.6	-613.3	-11,574.7	-9,627.3	-5,184.4	1,236.6	5,076.9
4	Net Income (Loss)	-3,260.7	-812.8	-9,586.8	-7,139.0	-4,128.2	-865.7	1,779.4
<u>TRAFFIC: (Billions)</u>								
5	RPMs - Scheduled Rev. Svc.	135.00	151.25	592.80	609.05	640.55	655.34	656.63
6	ASMs - Scheduled Rev. Svc.	191.81	221.06	837.39	866.65	900.15	909.69	902.51
7	Overall RTMs (All Svc.)	18.97	20.85	81.64	83.52	87.45	89.73	90.25
8	Overall ATMs (All Svc.)	34.66	38.02	148.63	151.99	156.07	156.97	155.24
<u>YIELD & UNIT COST & PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	119.9	135.4	121.8	125.6	128.7	130.9	131.6
10	Operating Expense per RTM	133.4	138.4	136.0	137.2	134.6	129.6	126.0
11	Operating Profit (Loss) per RTM	-13.5	-2.9	-14.2	-11.5	-5.9	1.4	5.6
12	Operating Expense per ATM	73.0	75.9	74.7	75.4	75.4	74.1	73.2
13	Passenger Revenue per RPM	11.76	13.53	11.86	12.30	12.76	13.13	13.34
<u>FINANCIAL RATIOS:</u>								
14	Operating Revenues to Total Investment	*	*	1.22	1.32	1.46	1.59	1.63
15	Times Interest Earned	*	*	-2.23	-2.02	-1.11	0.71	2.10
16	Current Assets to Current Liabilities	*	*	0.81	0.80	0.79	0.66	0.70
17	No. of Days Cash Coverage of Cash Exp.	*	*	47.9	52.0	49.0	29.6	32.6
<u>FINANCIAL PERCENTAGES:</u>								
18	Operating Profit (Loss) to Operating Revenue	-11.3	-2.2	-11.6	-9.2	-4.6	1.1	4.3
19	Net Income to Stockholders Equity	*	*	-29.6	-21.2	-11.7	-2.4	5.0
20	Corporate Return on Investment	*	*	-8.7	-6.1	-2.7	1.5	5.1
21	Debt to Total Investment	*	*	64.5	62.9	59.2	53.0	52.2
<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>								
22	Actual	70.4	68.4	70.8	70.3	71.2	72.0	72.8
23	Breakeven	83.7	73.0	84.8	81.8	78.0	73.2	70.5
<u>Employment & Productivity:</u>								
24	Employment, Total Weighted Avg CY	497,734	545,489	528,015	539,952	547,569	544,031	544,366
25	Overall RTM's per Employee (000)	38.1	38.2	154.6	154.7	159.7	164.9	165.8

CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER								
26	Operating Revenues (%)	-19.5	3.1	-16.3	-11.0	-2.9	3.9	7.8
27	Operating Expenses (%)	-12.3	9.0	-2.3	2.9	8.5	10.2	10.5
28	Operating Profit (Loss) (in Millions \$)	-1,947.4	-1,527.2	-16,651.6	-16,231.3	-12,557.9	-6,296.3	-2,224.1
29	Net Income (Loss)(in Millions \$)	-2,447.9	-886.0	-11,366.3	-9,804.4	-7,793.4	-5,061.9	-2,802.0
30	RPMs (Sch. Svc.) (%)	-10.7	2.0	-9.7	-6.8	-1.2	2.4	4.9
31	ASMs (Sch. Svc.) (%)	-13.2	2.2	-7.2	-3.5	0.9	2.6	2.8
32	Operating Revenues per RTM (%)	-11.5	2.6	-7.4	-3.9	-0.5	2.4	3.4
33	Operating Expense per RTM (%)	-3.6	8.4	8.0	11.1	11.2	8.5	6.0
34	Passenger Revenue per RPM (Sch. Svc.)(%)	-13.1	0.9	-11.1	-7.6	-3.0	1.3	4.2

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

ITEMS	QUARTER ENDED		12 MONTHS ENDED				
	2002/03	2001/03	2002/03	2001/12	2001/09	2001/06	2001/03
<u>FINANCIAL RESULTS: (\$Millions)</u>							
1 Operating Revenues	17,255.5	21,436.8	74,418.5	78,599.8	84,362.4	88,340.5	89,647.8
2 Operating Expenses	19,376.7	21,934.8	83,951.5	86,509.6	88,737.9	87,847.9	85,885.2
3 Operating Profit (Loss)	-2,121.2	-498.1	-9,532.9	-7,909.8	-4,375.6	492.6	3,762.6
4 Net Income (Loss)	-2,617.7	-752.4	-8,231.8	-6,366.5	-3,777.1	-1,190.0	1,086.4
<u>TRAFFIC: (Billions)</u>							
5 RPMs - Scheduled Rev. Svc.	98.11	109.22	427.83	438.94	458.70	468.92	470.92
6 ASMs - Scheduled Rev. Svc.	143.32	162.37	614.22	633.27	655.91	662.83	658.64
7 Overall RTMs (All Svc.)	12.63	13.67	53.76	54.80	57.00	58.43	58.92
8 Overall ATMs (All Svc.)	23.84	25.48	99.52	101.16	103.36	104.03	103.17
<u>YIELD & UNIT COST & PROFITS: (Cents)</u>							
9 Operating Revenue per RTM	136.6	156.8	138.4	143.4	148.0	151.2	152.1
10 Operating Expense per RTM	153.4	160.5	156.2	157.9	155.7	150.3	145.8
11 Operating Profit (Loss) per RTM	-16.8	-3.6	-17.7	-14.4	-7.7	0.8	6.4
12 Operating Expense per ATM	81.3	86.1	84.4	85.5	85.9	84.4	83.2
13 Passenger Revenue per RPM	12.61	14.63	12.66	13.16	13.72	14.17	14.41
<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 Revenue	-12.3	-2.3	-12.8	-10.1	-5.2	0.6	4.2
19 Net Income to Stockholders Equity	*	*	**	**	**	**	**
20 Corporate Return on Investment	*	*	-9.8	-7.3	-3.6	0.5	4.3
21 Debt to Total Investment	*	*	**	**	**	**	**
<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>							
22 Actual	68.5	67.3	69.7	69.3	69.9	70.7	71.5
23 Breakeven	81.7	71.9	84.2	81.3	77.0	72.3	69.3
<u>Employment & Productivity:</u>							
24 Employment, Total Weighted Avg CY	*	*	**	**	**	**	**
25 Overall RTM's per Employee (000)	*	*	**	**	**	**	**

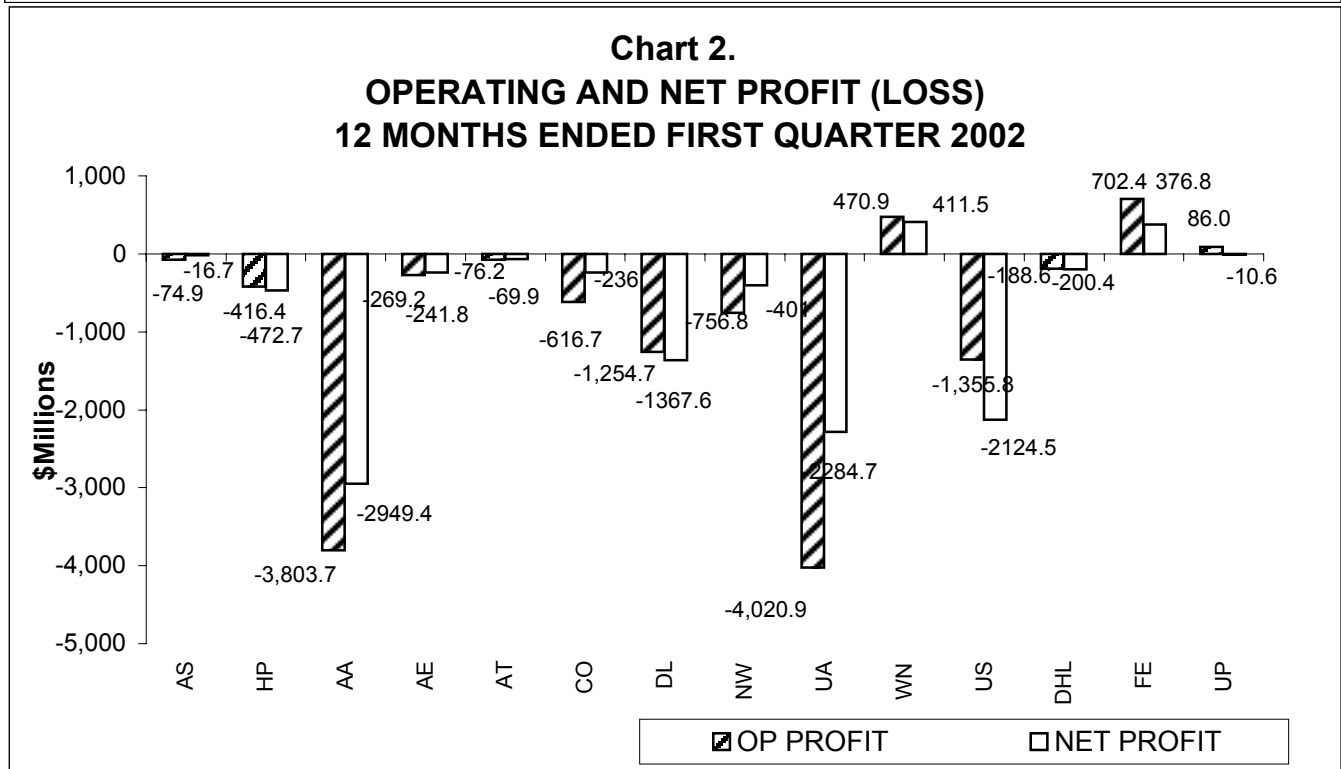
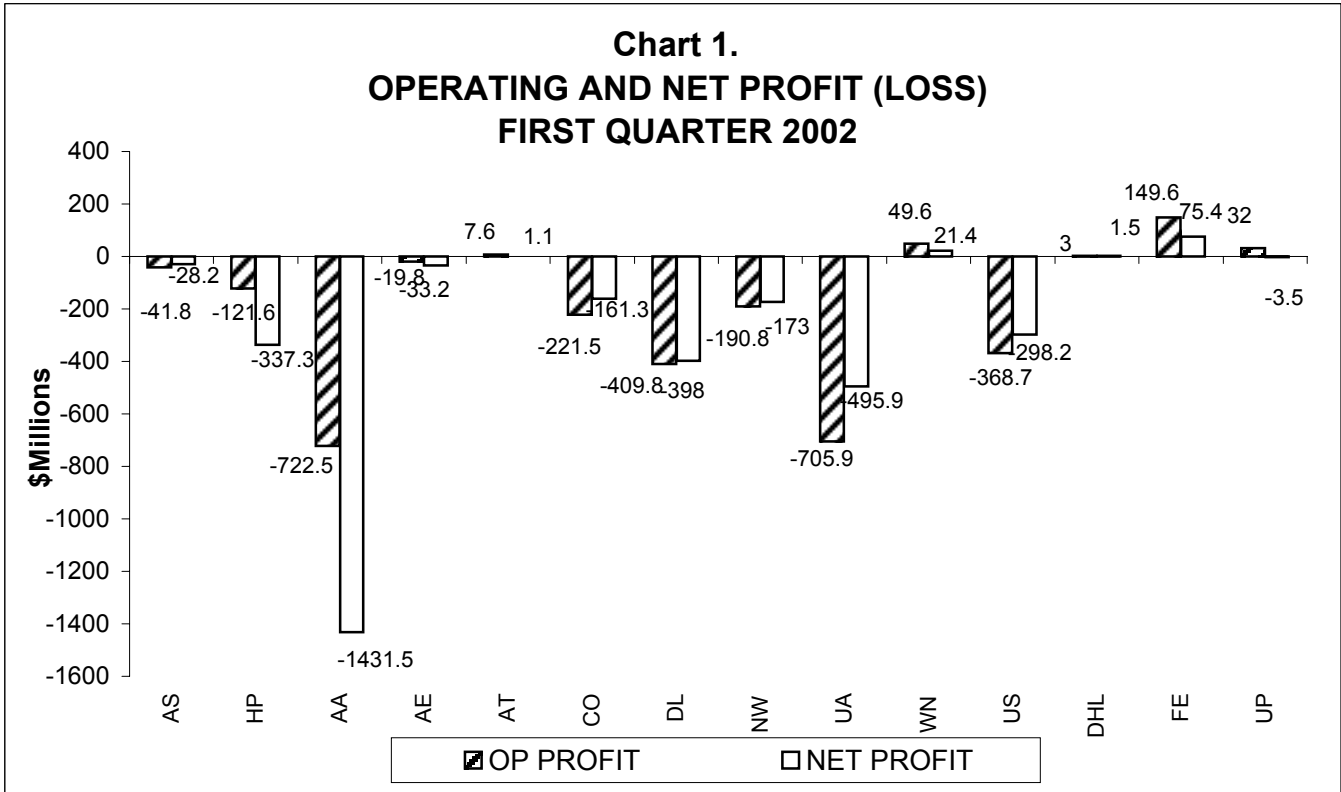
CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER							
26 Operating Revenues (%)	-19.5	1.7	-17.0	-12.0	-4.0	2.5	6.4
27 Operating Expenses (%)	-11.7	8.3	-2.3	2.7	7.9	9.3	9.4
28 Operating Profit (Loss) (in Millions \$)	-1,623.2	-1,319.5	-13,295.5	-12,991.8	-10,019.9	-5,278.0	-1,931.7
29 Net Income (Loss)(in Millions \$)	-1,865.3	-910.6	-9,318.1	-8,363.4	-6,704.6	-4,681.8	-2,773.0
30 RPMs (Sch. Svc.) (%)	-10.2	0.4	-9.1	-6.7	-2.0	1.2	3.5
31 ASMs (Sch. Svc.) (%)	-11.7	0.9	-6.7	-3.6	0.0	1.5	1.5
32 Operating Revenues per RTM (%)	-12.9	3.0	-9.0	-5.1	-0.6	2.7	3.9
33 Operating Expense per RTM (%)	-4.4	9.6	7.1	10.8	11.7	9.4	6.7
34 Passenger Revenue per RPM (Sch. Svc.)(%)	-13.8	0.9	-12.2	-8.5	-3.1	1.3	4.4

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

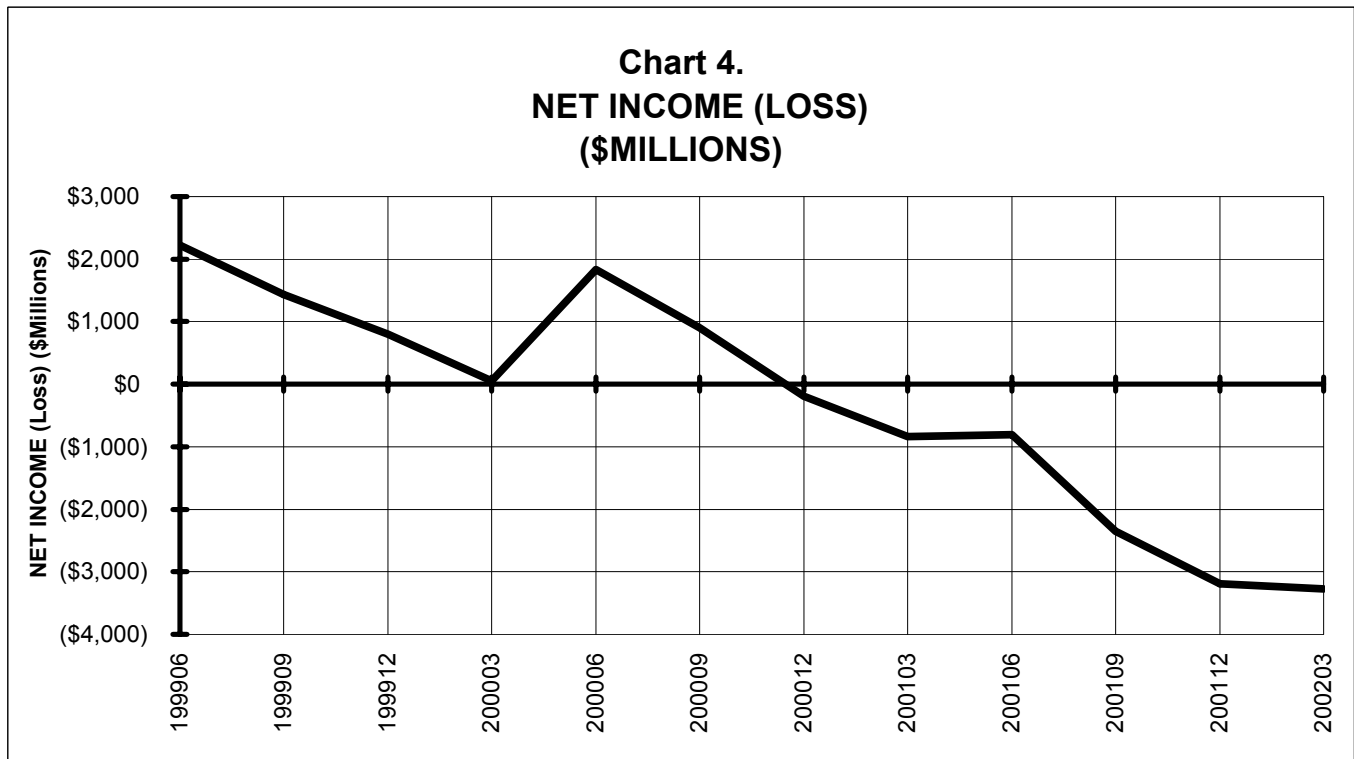
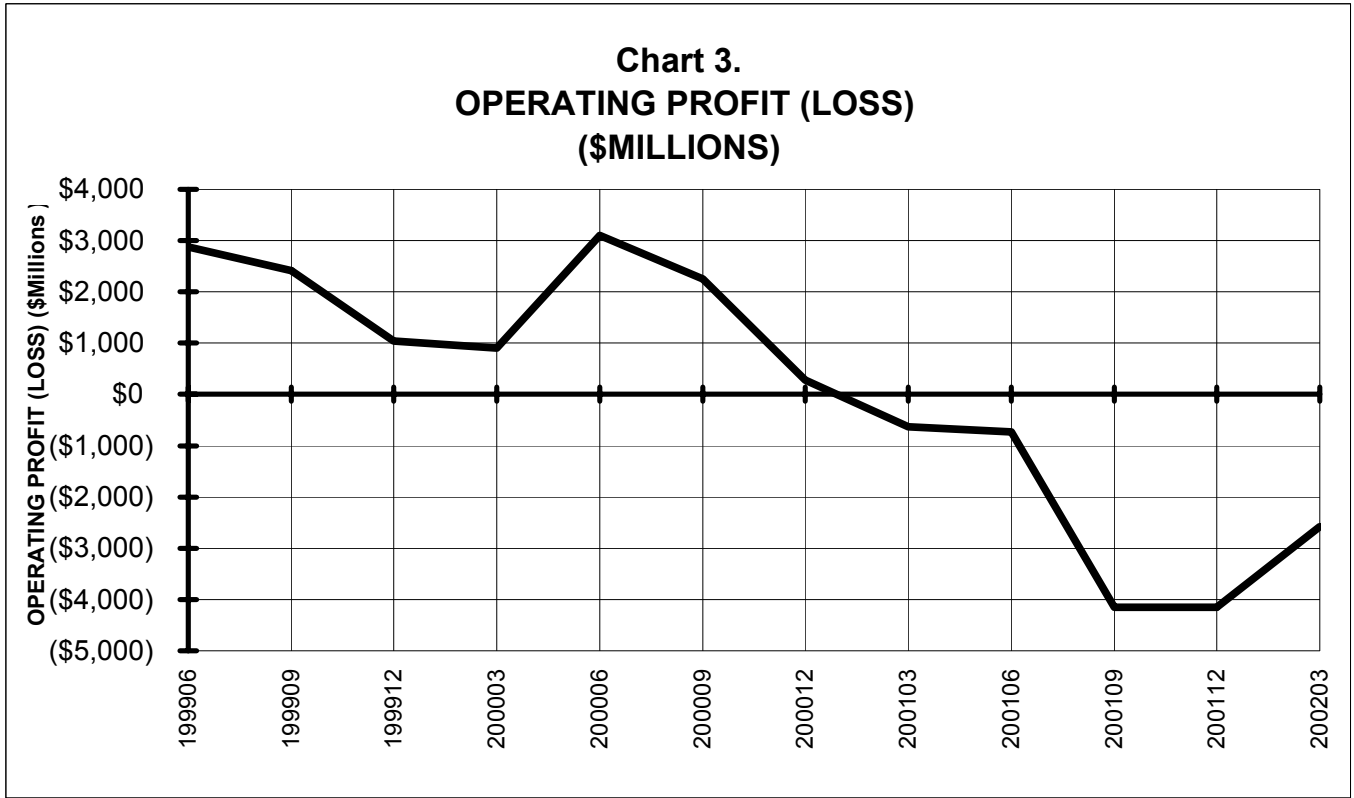
ITEMS	QUARTER ENDED		12 MONTHS ENDED					
	2002/03	2001/03	2002/03	2001/12	2001/09	2001/06	2001/03	
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	5,482.6	6,797.2	25,019.7	26,334.3	28,170.9	29,141.4	29,107.2
2	Operating Expenses	5,922.0	6,912.4	27,061.5	28,051.8	28,979.7	28,397.3	27,792.8
3	Operating Profit (Loss)	-439.4	-115.2	-2,041.8	-1,717.5	-808.8	744.0	1,314.3
4	Net Income (Loss)	-643.0	-60.4	-1,355.1	-772.5	-351.1	324.3	693.1
<u>TRAFFIC: (Billions)</u>								
5	RPMs - Scheduled Rev. Svc.	36.89	42.03	164.97	170.11	181.85	186.43	185.71
6	ASMs - Scheduled Rev. Svc.	48.48	58.69	223.17	233.38	244.24	246.86	243.87
7	Overall RTMs (All Svc.)	6.34	7.18	27.88	28.72	30.45	31.29	31.33
8	Overall ATMs (All Svc.)	10.82	12.54	49.11	50.84	52.70	52.94	52.07
<u>YIELD & UNIT COST & PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	86.5	94.7	89.7	91.7	92.5	93.1	92.9
10	Operating Expense per RTM	93.4	96.3	97.1	97.7	95.2	90.7	88.7
11	Operating Profit (Loss) per RTM	-6.9	-1.6	-7.3	-6.0	-2.7	2.4	4.2
12	Operating Expense per ATM	54.7	55.1	55.1	55.2	55.0	53.6	53.4
13	Passenger Revenue per RPM	9.50	10.67	9.79	10.07	10.32	10.52	10.63
<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 Revenue	-8.0	-1.7	-8.2	-6.5	-2.9	2.6	4.5
19	Net Income to Stockholders Equity	*	*	**	**	**	**	**
20	Corporate Return on Investment	*	*	-5.4	-1.7	1.1	6.0	8.9
21	Debt to Total Investment	*	*	**	**	**	**	**
<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>								
22	Actual	76.1	71.6	73.9	72.9	74.5	75.5	76.2
23	Breakeven	89.3	75.9	86.0	82.6	80.2	75.2	73.6
<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 (%)	-19.3	7.8	-14.0	-8.0	0.8	8.3	12.3
27	Operating Expenses (%)	-14.3	11.3	-2.6	3.5	10.5	13.0	14.3
28	Operating Profit (Loss) (in Millions \$)	-324.2	-207.6	-3,356.1	-3,239.5	-2,537.9	-1,018.3	-292.4
29	Net Income (Loss)(in Millions \$)	-582.6	24.6	-2,048.1	-1,441.0	-1,088.8	-380.0	-29.1
30	RPMs (Sch. Svc.) (%)	-12.2	6.6	-11.2	-7.1	1.0	5.8	8.5
31	ASMs (Sch. Svc.) (%)	-17.4	6.0	-8.5	-3.0	3.3	5.9	6.3
32	Operating Revenues per RTM (%)	-8.7	3.7	-3.4	-0.5	1.1	3.4	4.0
33	Operating Expense per RTM (%)	-3.0	7.0	9.4	11.9	10.9	7.8	5.9
34	Passenger Revenue per RPM (Sch. Svc.)(%)	-11.0	2.8	-7.9	-4.7	-1.6	2.3	4.8

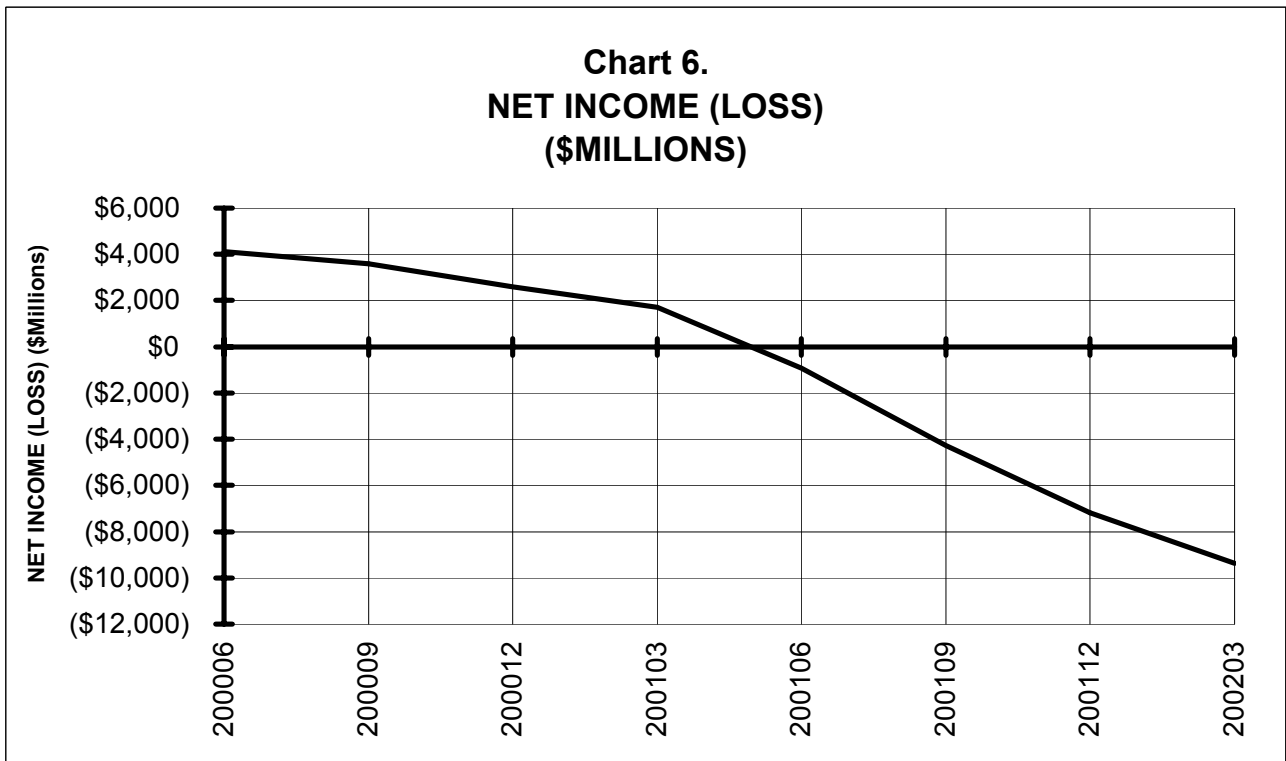
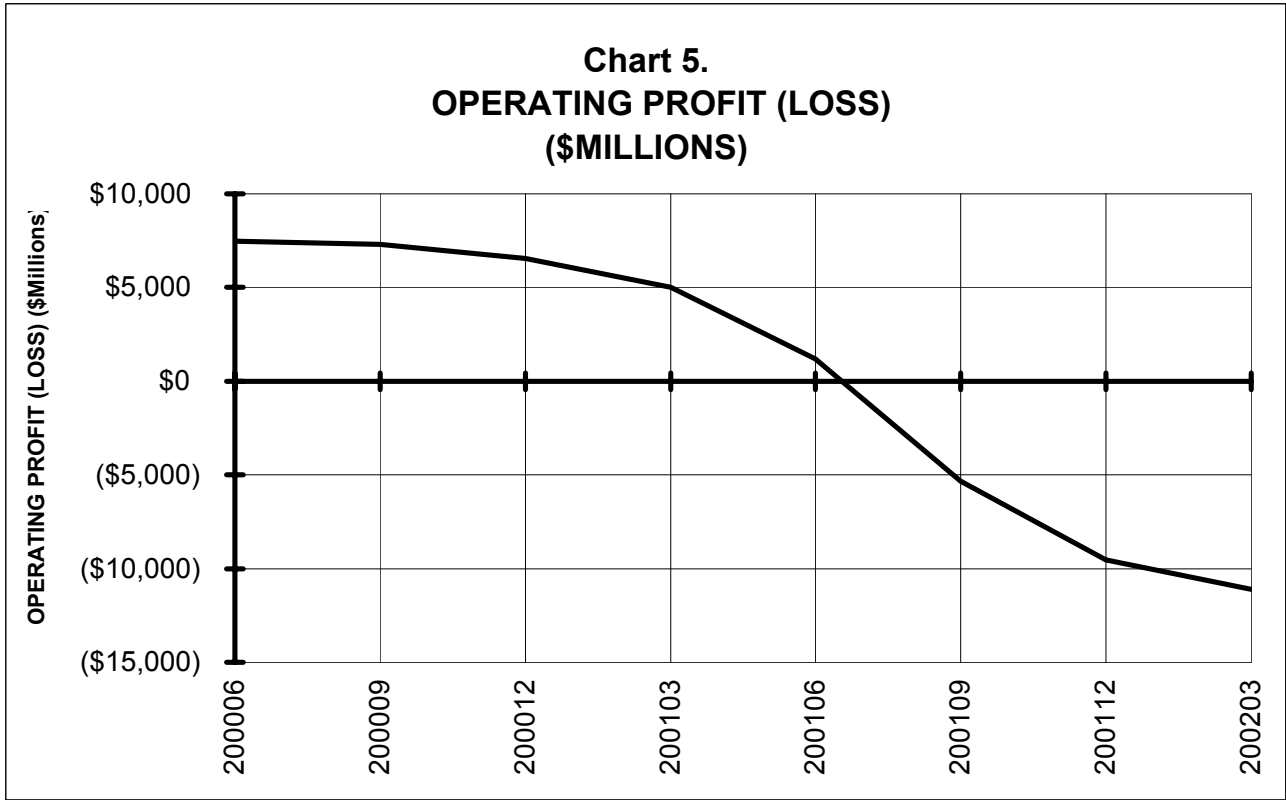
COMPARISONS AMONG MAJOR GROUP AIRLINES



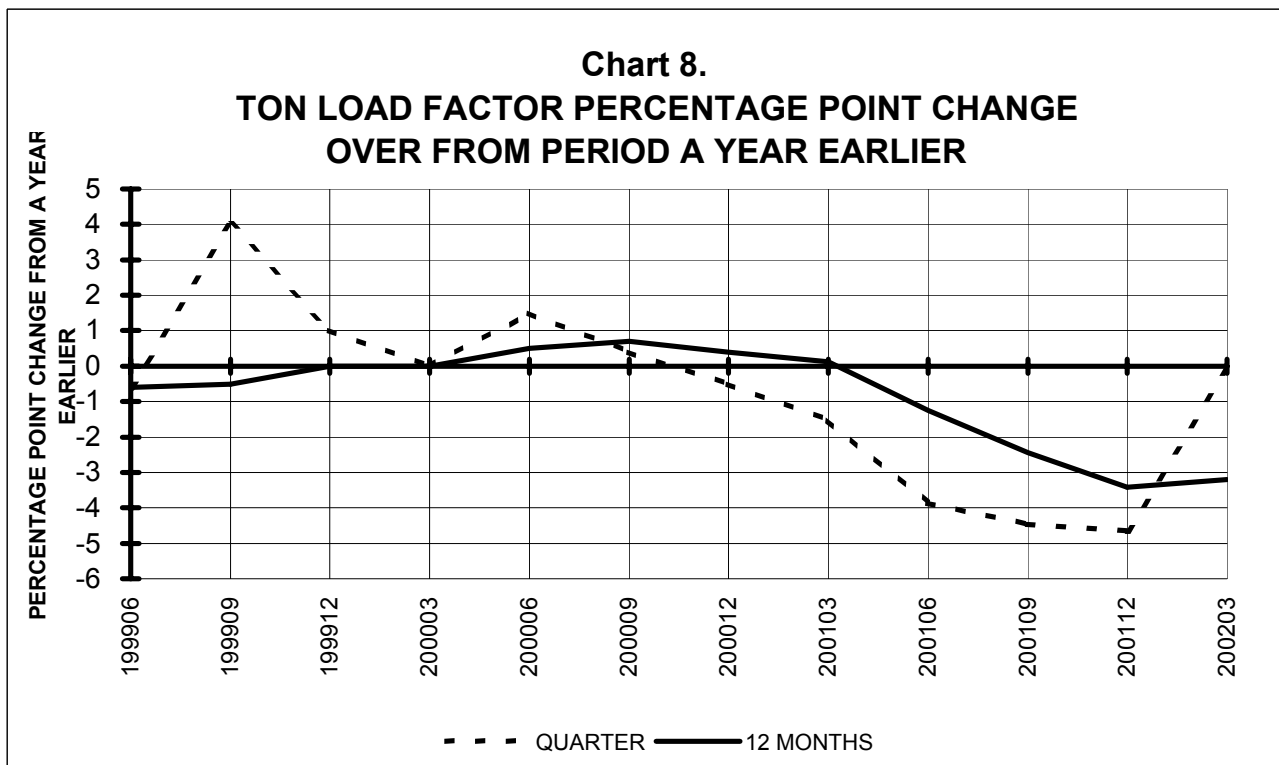
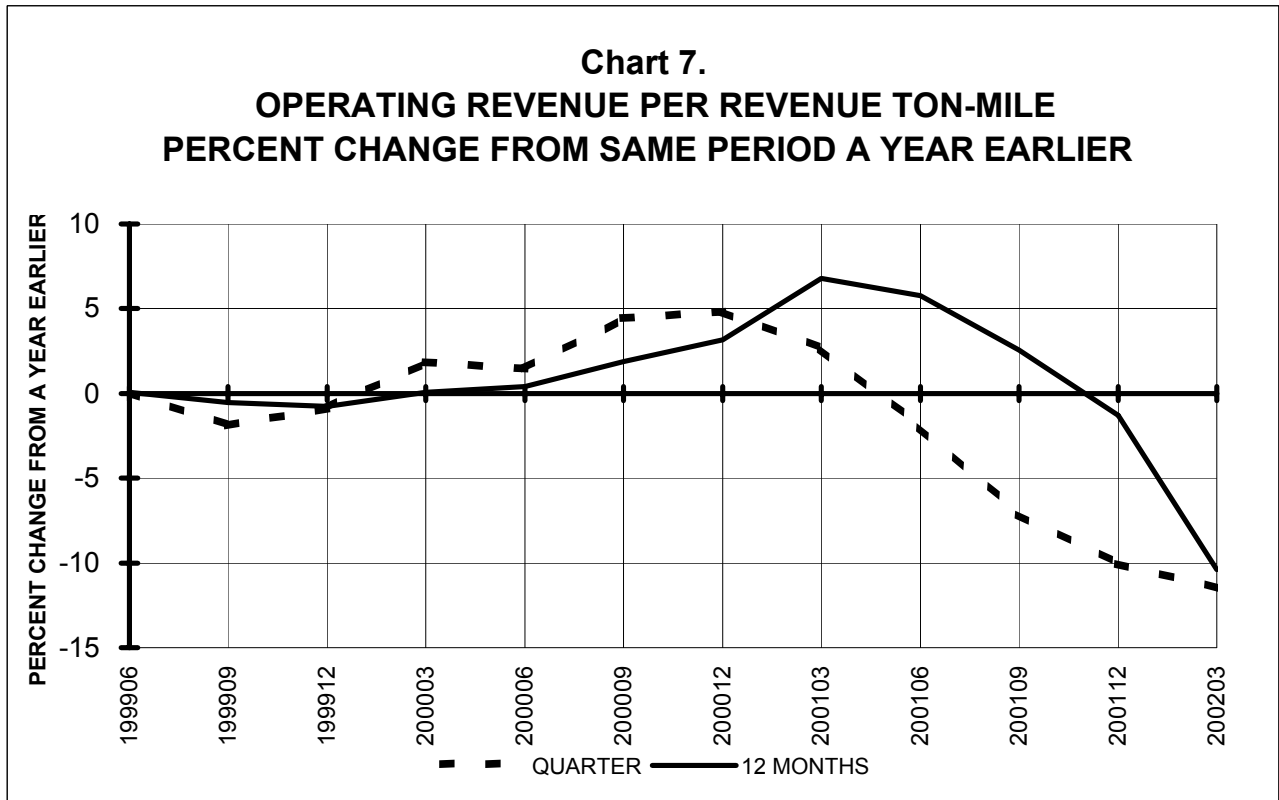
TOTAL ALL MAJORS (SYSTEM) BY QUARTER



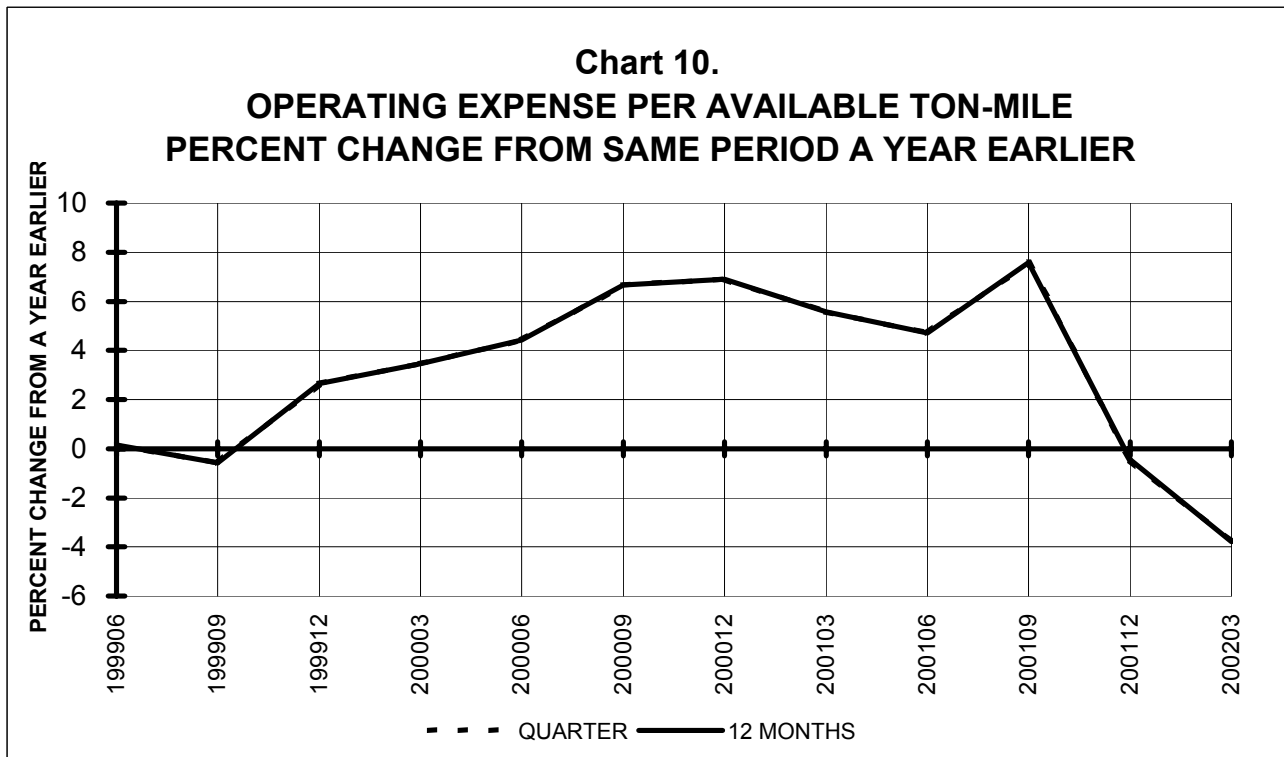
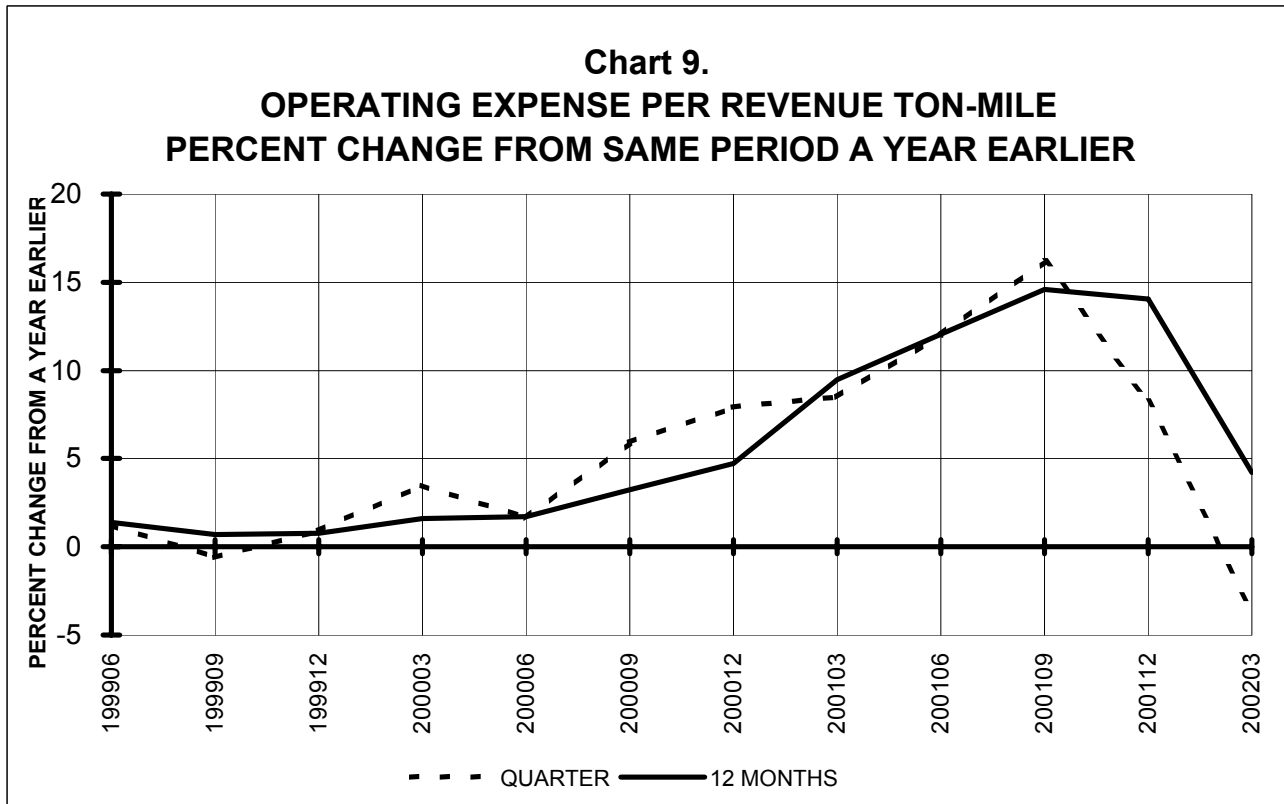
**TOTAL ALL MAJORS (SYSTEM)
BY 12-MONTH ENDING PERIODS**



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



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



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

ITEMS	QUARTER ENDED		12 MONTHS ENDED				
	2002/03	2001/03	2002/03	2001/12	2001/09	2001/06	2001/03
<u>FINANCIAL RESULTS: (\$Millions)</u>							
1 Operating Revenues	18,196.2	23,328.4	80,457.9	85,590.0	93,148.6	97,835.0	99,005.3
2 Operating Expenses	20,941.5	24,168.6	92,632.3	95,859.4	98,833.4	97,379.1	95,013.3
3 Operating Profit (Loss)	-2,745.3	-840.3	-12,174.4	-10,269.4	-5,684.8	455.9	3,992.1
4 Net Income (Loss)	-3,334.0	-935.4	-9,752.7	-7,354.0	-4,306.5	-1,175.7	1,223.5
<u>TRAFFIC: (Billions)</u>							
5 RPMs - Scheduled Rev. Svc.	135.0	151.3	592.8	609.1	640.6	655.3	656.6
6 ASMs - Scheduled Rev. Svc.	191.8	221.1	837.4	866.7	900.2	909.7	902.5
7 Overall RTMs (All Svc.)	15.8	17.9	69.1	71.2	75.2	77.3	77.7
8 Overall ATMs (All Svc.)	29.2	33.0	127.3	131.1	135.6	136.5	134.9
<u>YIELD & UNIT COST & PROFITS: (Cents)</u>							
9 Operating Revenue per RTM	115.4	130.6	116.5	120.2	123.9	126.6	127.5
10 Operating Expense per RTM	132.8	135.3	134.1	134.7	131.4	126.0	122.4
11 Operating Profit (Loss) per RTM	-17.4	-4.7	-17.6	-14.4	-7.6	0.6	5.1
12 Operating Expense per ATM	71.7	73.2	72.8	73.1	72.9	71.4	70.5
13 Passenger Revenue per RPM	11.76	13.53	11.86	12.30	12.76	13.13	13.34
<u>FINANCIAL RATIOS:</u>							
14 Operating Revenues to Total Investment	*	*	1.13	1.23	1.39	1.52	1.57
15 Times Interest Earned	*	*	-2.55	-2.39	-1.43	0.37	1.66
16 Current Assets to Current Liabilities	*	*	0.79	0.78	0.76	0.63	0.66
17 No. of Days Cash Coverage of Cash Exp.	*	*	57.05	61.61	57.94	34.87	38.42
<u>FINANCIAL PERCENTAGES:</u>							
18 Operating Profit (Loss) to Operating Revenue	-15.1	-3.6	-15.1	-12.0	-6.1	0.5	4.0
19 Net Income to Stockholders Equity	*	*	-36.2	-25.9	-14.3	-3.8	4.0
20 Corporate Return on Investment	*	*	-10.3	-7.4	-3.5	1.1	4.8
21 Debt to Total Investment	*	*	67.2	65.6	60.7	53.8	52.8
<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>							
22 Actual	70.4	68.4	70.8	70.3	71.2	72.0	72.8
23 Breakeven	85.0	73.6	85.9	82.7	78.5	73.5	70.8
<u>Employment & Productivity:</u>							
24 Employment, Total Weighted Avg CY	397,949	437,390	421,538	431,397	439,341	436,708	437,444
25 Overall RTM's per Employee (000)	39.6	40.8	163.9	165.0	171.2	176.9	177.5

CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER							
26 Operating Revenues (%)	-22.0	3.2	-18.7	-12.9	-3.4	4.0	8.1
27 Operating Expenses (%)	-13.4	10.5	-2.5	3.4	9.6	11.2	11.3
28 Operating Profit (Loss) (in Millions \$)	-1,905.0	-1,567.7	-16,166.5	-15,829.1	-11,907.7	-6,025.6	-2,272.4
29 Net Income (Loss)(in Millions \$)	-2,398.7	-926.3	-10,976.2	-9,503.8	-7,331.4	-4,775.8	-2,788.0
30 RPMs (Sch. Svc.) (%)	-10.7	2.0	-9.7	-6.8	-1.2	2.4	4.9
31 ASMs (Sch. Svc.) (%)	-13.2	2.2	-7.2	-3.5	0.9	2.6	2.8
32 Operating Revenues per RTM (%)	-11.6	2.3	-8.7	-5.2	-1.1	2.4	3.6
33 Operating Expense per RTM (%)	-1.8	9.5	9.6	12.5	12.2	9.4	6.8
34 Passenger Revenue per RPM (Sch. Svc.)(%)	-13.1	0.9	-11.1	-7.6	-3.0	1.3	4.2

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

ITEMS	QUARTER ENDED		12 MONTHS ENDED				
	2002/03	2001/03	2002/03	2001/12	2001/09	2001/06	2001/03
<u>FINANCIAL RESULTS: (\$Millions)</u>							
1 Operating Revenues	13,980.4	17,922.4	60,976.0	64,918.1	70,539.3	74,243.3	75,389.1
2 Operating Expenses	16,156.5	18,527.5	70,613.8	72,984.8	75,054.8	74,129.5	72,225.0
3 Operating Profit (Loss)	-2,176.2	-605.1	-9,637.8	-8,066.7	-4,515.5	113.8	3,164.1
4 Net Income (Loss)	-2,625.3	-756.9	-8,108.7	-6,240.3	-3,687.0	-1,184.7	901.2
<u>TRAFFIC: (Billions)</u>							
5 RPMs - Scheduled Rev. Svc.	98.11	109.22	427.83	438.94	458.70	468.92	470.92
6 ASMs - Scheduled Rev. Svc.	143.32	162.37	614.22	633.27	655.91	662.83	658.64
7 Overall RTMs (All Svc.)	10.57	11.89	46.06	47.37	49.74	51.00	51.32
8 Overall ATMs (All Svc.)	20.19	22.35	85.85	88.00	90.67	91.29	90.37
<u>YIELD & UNIT COST & PROFITS: (Cents)</u>							
9 Operating Revenue per RTM	132.2	150.8	132.4	137.0	141.8	145.6	146.9
10 Operating Expense per RTM	152.8	155.9	153.3	154.1	150.9	145.4	140.7
11 Operating Profit (Loss) per RTM	-20.6	-5.1	-20.9	-17.0	-9.1	0.2	6.2
12 Operating Expense per ATM	80.0	82.9	82.3	82.9	82.8	81.2	79.9
13 Passenger Revenue per RPM	12.61	14.63	12.66	13.16	13.72	14.17	14.41
<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 Revenue	-15.6	-3.4	-15.8	-12.4	-6.4	0.2	4.2
19 Net Income to Stockholders Equity	*	*	**	**	**	**	**
20 Corporate Return on Investment	*	*	-10.9	-8.2	-4.0	0.5	4.4
21 Debt to Total Investment	*	*	**	**	**	**	**
<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>							
22 Actual	68.5	67.3	69.7	69.3	69.9	70.7	71.5
23 Breakeven	82.6	71.9	84.7	81.6	77.1	72.2	69.2
<u>Employment & Productivity:</u>							
24 Employment, Total Weighted Avg CY	*	*	**	**	**	**	**
25 Overall RTM's per Employee (000)	*	*	**	**	**	**	**

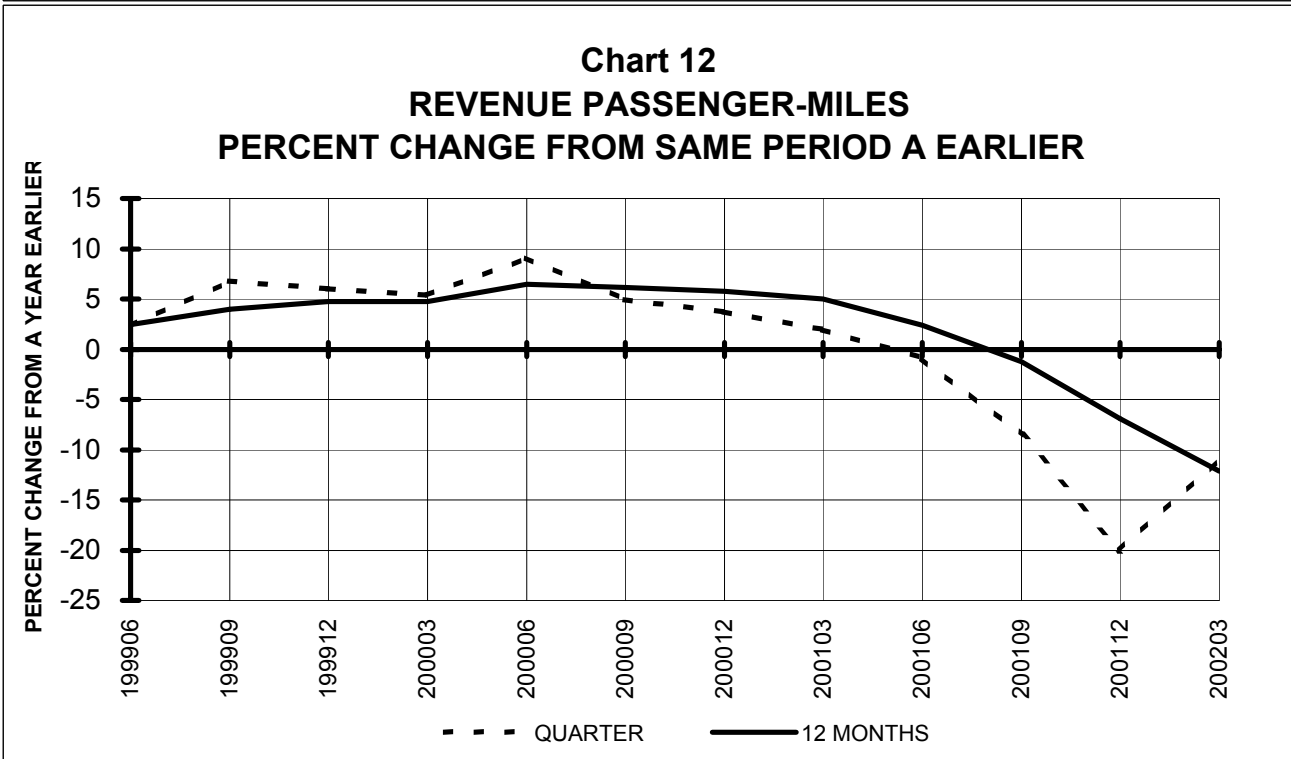
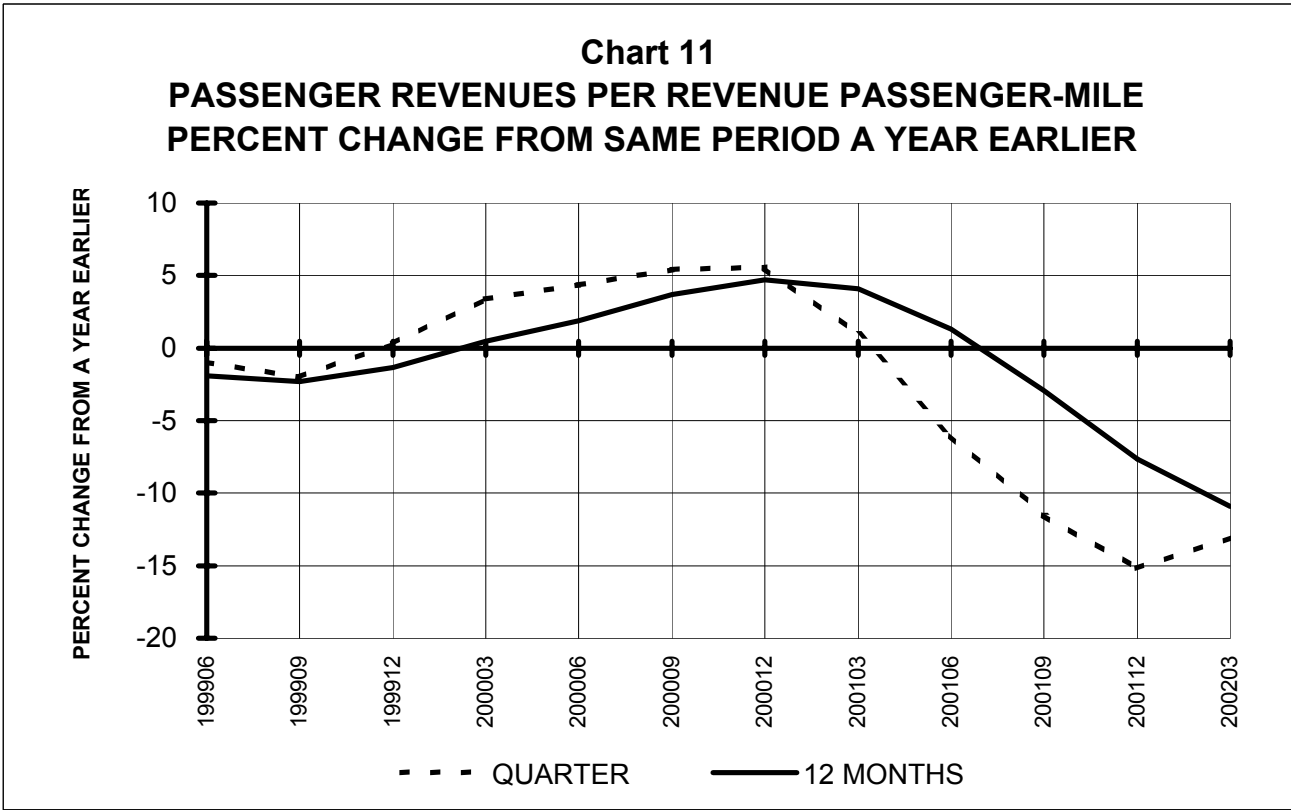
CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER							
26 Operating Revenues (%)	-22.0	1.7	-19.1	-13.6	-4.4	2.7	6.9
27 Operating Expenses (%)	-12.8	10.1	-2.2	3.5	9.3	10.7	10.6
28 Operating Profit (Loss) (in Millions \$)	-1,571.1	-1,406.8	-12,801.9	-12,637.6	-9,608.7	-5,217.9	-2,075.1
29 Net Income (Loss)(in Millions \$)	-1,868.4	-887.9	-9,009.9	-8,029.4	-6,336.5	-4,323.0	-2,561.9
30 RPMs (Sch. Svc.) (%)	-10.2	0.4	-9.1	-6.7	-2.0	1.2	3.5
31 ASMs (Sch. Svc.) (%)	-11.7	0.9	-6.7	-3.6	0.0	1.5	1.5
32 Operating Revenues per RTM (%)	-12.3	2.1	-9.9	-6.2	-1.5	2.3	3.8
33 Operating Expense per RTM (%)	-2.0	10.6	8.9	12.2	12.6	10.3	7.5
34 Passenger Revenue per RPM (Sch. Svc.)(%)	-13.8	0.9	-12.2	-8.5	-3.1	1.3	4.4

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

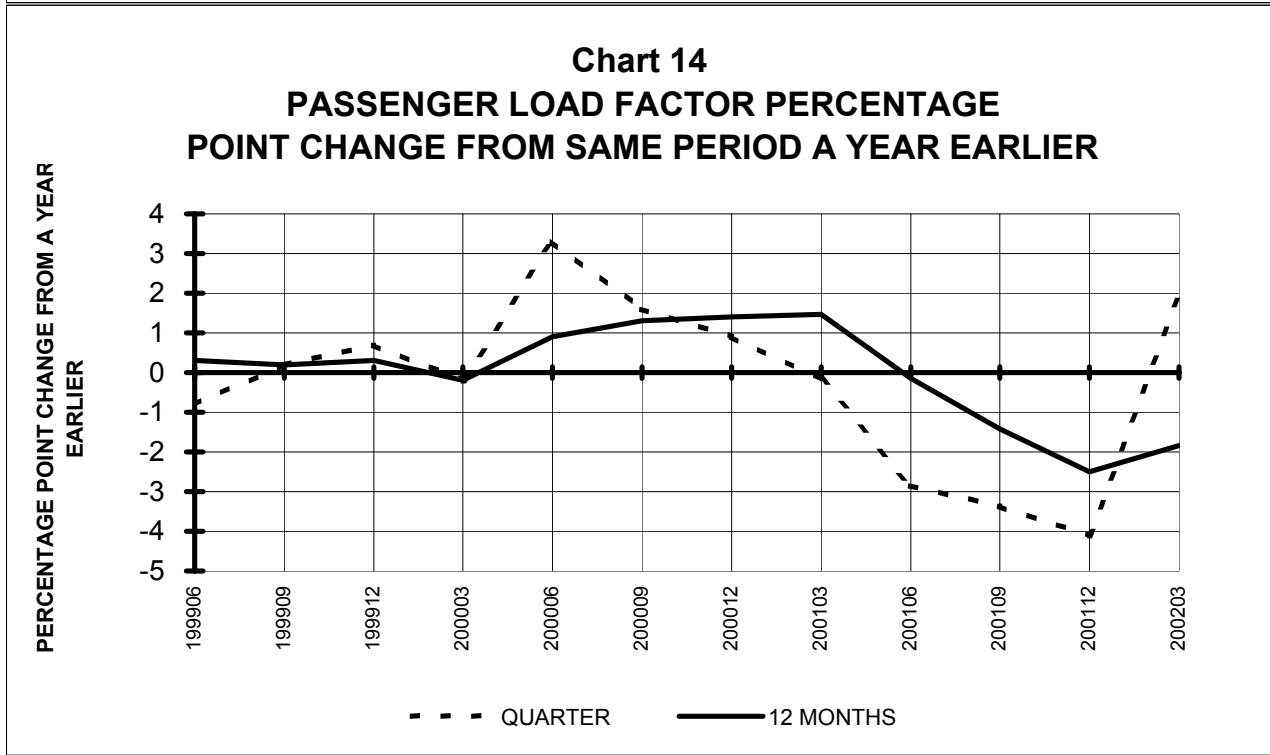
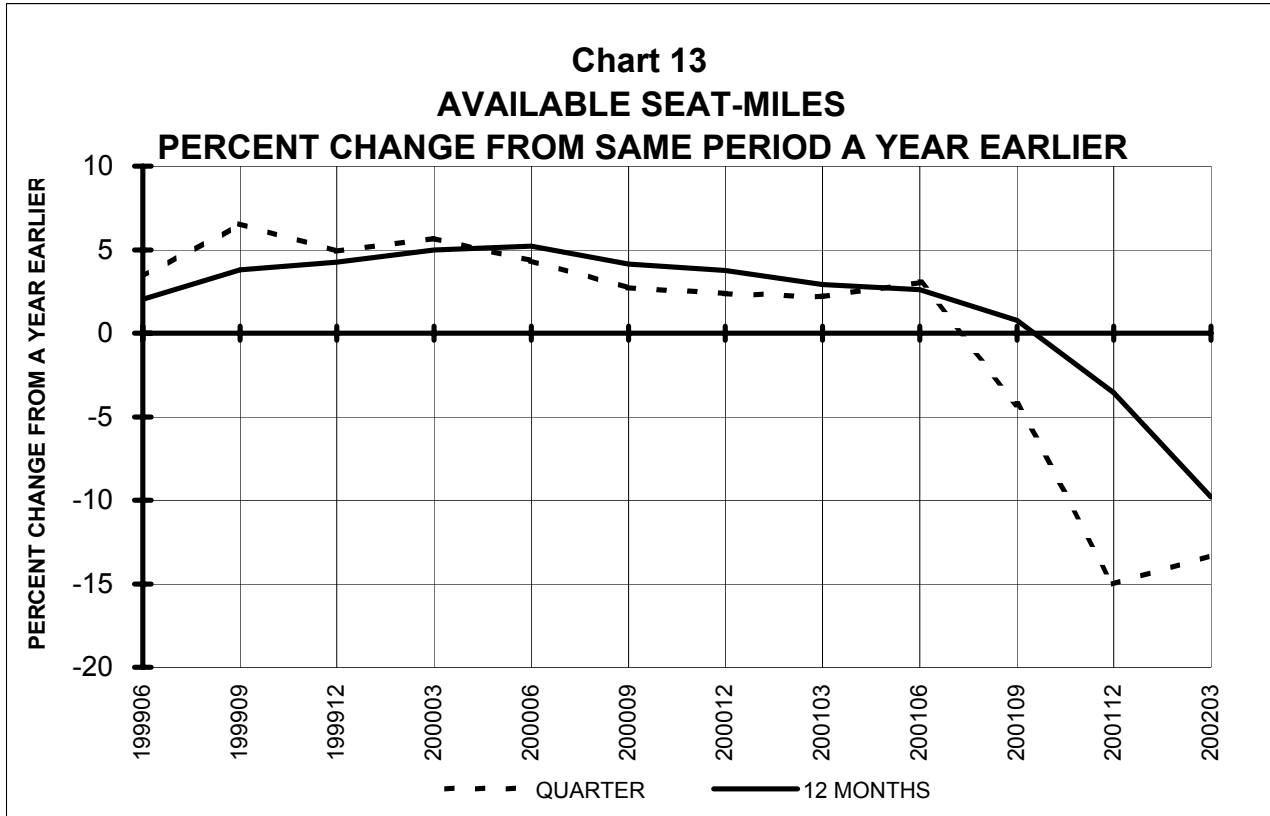
ITEMS	QUARTER ENDED		12 MONTHS ENDED				
	2002/03	2001/03	2002/03	2001/12	2001/09	2001/06	2001/03
<u>FINANCIAL RESULTS: (\$Millions)</u>							
1 Operating Revenues	4,215.8	5,406.0	19,481.8	20,672.0	22,609.3	23,591.7	23,616.3
2 Operating Expenses	4,784.9	5,641.1	22,018.4	22,874.6	23,778.6	23,249.6	22,788.3
3 Operating Profit (Loss)	-569.1	-235.2	-2,536.6	-2,202.7	-1,169.2	342.1	828.0
4 Net Income (Loss)	-708.8	-178.4	-1,644.0	-1,113.7	-619.5	9.1	322.3
<u>TRAFFIC: (Billions)</u>							
5 RPMs - Scheduled Rev. Svc.	36.89	42.03	164.97	170.11	181.85	186.43	185.71
6 ASMs - Scheduled Rev. Svc.	48.48	58.69	223.17	233.38	244.24	246.86	243.87
7 Overall RTMs (All Svc.)	5.19	5.98	23.03	23.82	25.47	26.27	26.33
8 Overall ATMs (All Svc.)	9.01	10.65	41.44	43.08	44.88	45.17	44.48
<u>YIELD & UNIT COST & PROFITS: (Cents)</u>							
9 Operating Revenue per RTM	81.2	90.4	84.6	86.8	88.8	89.8	89.7
10 Operating Expense per RTM	92.2	94.4	95.6	96.0	93.4	88.5	86.5
11 Operating Profit (Loss) per RTM	-11.0	-3.9	-11.0	-9.2	-4.6	1.3	3.1
12 Operating Expense per ATM	53.1	53.0	53.1	53.1	53.0	51.5	51.2
13 Passenger Revenue per RPM	9.50	10.67	9.79	10.07	10.32	10.52	10.63
<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 Revenue	-13.5	-4.4	-13.0	-10.7	-5.2	1.5	3.5
19 Net Income to Stockholders Equity	*	*	**	**	**	**	**
20 Corporate Return on Investment	*	*	-9.7	-5.5	-1.5	4.2	7.2
21 Debt to Total Investment	*	*	**	**	**	**	**
<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>							
22 Actual	76.1	71.6	73.9	72.9	74.5	75.5	76.2
23 Breakeven	92.3	78.4	88.9	85.5	82.3	77.0	75.4
<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 (%)	-22.0	8.7	-17.5	-10.8	-0.1	8.2	12.1
27 Operating Expenses (%)	-15.2	11.7	-3.4	3.1	10.6	12.6	13.7
28 Operating Profit (Loss) (in Millions \$)	-333.9	-160.9	-3,364.6	-3,191.5	-2,299.0	-807.7	-197.3
29 Net Income (Loss)(in Millions \$)	-530.3	-38.4	-1,966.3	-1,474.4	-994.9	-452.8	-226.1
30 RPMs (Sch. Svc.) (%)	-12.2	6.6	-11.2	-7.1	1.0	5.8	8.5
31 ASMs (Sch. Svc.) (%)	-17.4	6.0	-8.5	-3.0	3.3	5.9	6.3
32 Operating Revenues per RTM (%)	-10.2	4.8	-5.7	-2.2	1.1	4.1	4.7
33 Operating Expense per RTM (%)	-2.3	7.8	10.5	13.0	11.9	8.3	6.2
34 Passenger Revenue per RPM (Sch. Svc.)(%)	-11.0	2.8	-7.9	-4.7	-1.6	2.3	4.8

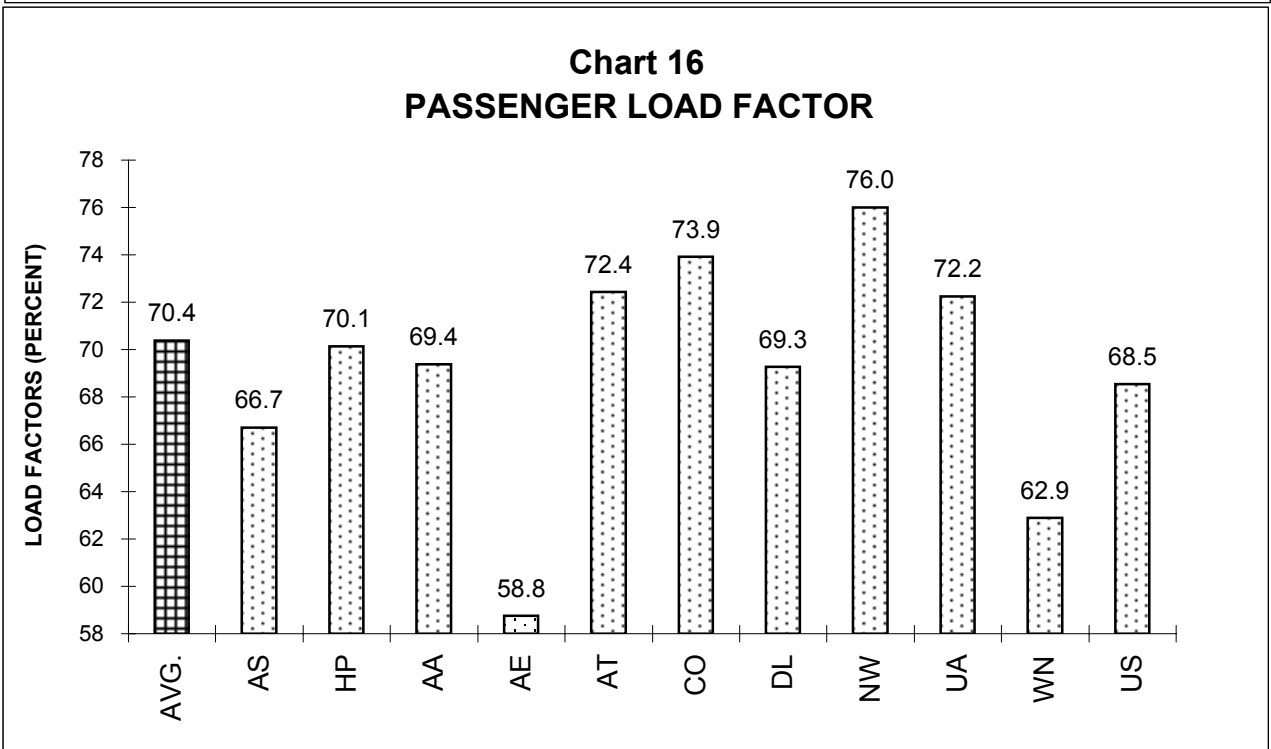
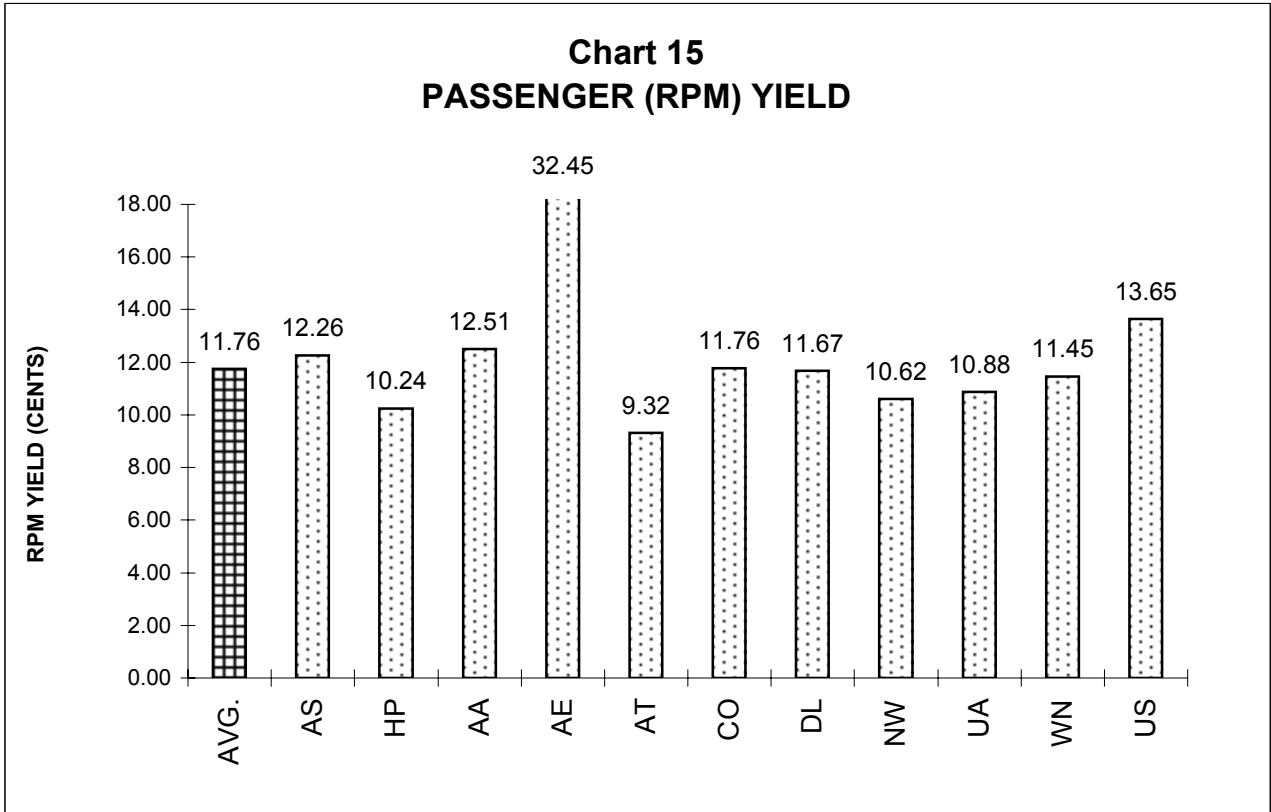
**TOTAL PASSENGER MAJORS (SYSTEM)
QUARTERLY AND 12-MONTH BASIS (SCH. SVC.)**



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



**TOTAL PASSENGER MAJORS (SYSTEM)
FIRST QUARTER 2002 (SCH. SVC.)**



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

ITEMS	QUARTER ENDED		12 MONTHS ENDED					
	2002/03	2001/03	2002/03	2001/12	2001/09	2001/06	2001/03	
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	412.4	420.7	1,754.8	1,763.1	1,810.9	1,813.6	1,785.5
2	Operating Expenses	454.2	452.4	1,829.7	1,827.8	1,854.3	1,839.8	1,814.5
3	Operating Profit (Loss)	-41.8	-31.6	-74.9	-64.8	-43.4	-26.2	-29.1
4	Net Income (Loss)	-28.2	-21.6	-16.7	-10.1	-18.2	-22.0	-20.8
<u>TRAFFIC: (Billions)</u>								
5	RPMs - Scheduled Rev. Svc.	2.97	2.89	12.31	12.23	12.40	12.30	12.06
6	ASMs - Scheduled Rev. Svc.	4.46	4.42	17.92	17.88	18.16	17.97	17.49
7	Overall RTMs (All Svc.)	0.31	0.30	1.29	1.29	1.31	1.30	1.27
8	Overall ATMs (All Svc.)	0.58	0.58	2.35	2.34	2.37	2.35	2.29
<u>YIELD & UNIT COST & PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	132.5	138.0	135.5	136.8	138.7	139.8	140.2
10	Operating Expense per RTM	145.9	148.4	141.3	141.9	142.0	141.8	142.5
11	Operating Profit (Loss) per RTM	-13.4	-10.4	-5.8	-5.0	-3.3	-2.0	-2.3
12	Operating Expense per ATM	77.7	78.3	77.9	78.1	78.2	78.3	79.2
13	Passenger Revenue per RPM	12.26	13.01	12.62	12.80	13.03	13.21	13.28
<u>FINANCIAL RATIOS:</u>								
14	Operating Revenues to Total Investment	*	*	1.18	1.21	1.33	1.47	1.54
15	Times Interest Earned	*	*	0.47	0.68	0.11	0.09	0.00
16	Current Assets to Current Liabilities	*	*	1.30	1.29	1.44	1.07	1.12
17	No. of Days Cash Coverage of Cash Exp.	*	*	131.3	139.8	138.6	77.4	82.8
<u>FINANCIAL PERCENTAGES:</u>								
18	Operating Profit (Loss) to Operating Revenue	-10.1	-7.5	-4.3	-3.7	-2.4	-1.4	-1.6
19	Net Income to Stockholders Equity	*	*	-2.4	-1.5	-2.7	-3.3	-3.2
20	Corporate Return on Investment	*	*	1.9	2.3	1.4	0.9	0.7
21	Debt to Total Investment	*	*	57.5	56.8	56.2	50.3	47.4
<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>								
22	Actual	66.7	65.4	68.7	68.4	68.3	68.5	68.9
23	Breakeven	78.7	74.3	75.6	74.6	73.1	72.3	72.9
<u>Employment & Productivity:</u>								
24	Employment, Total Weighted Avg CY	9,169	9,313	9,405	9,441	9,384	9,176	8,921
25	Overall RTM's per Employee (000)	33.9	32.7	137.7	136.5	139.2	141.4	142.7

CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER								
26	Operating Revenues (%)	-2.0	6.5	-1.7	0.2	4.2	4.9	4.2
27	Operating Expenses (%)	0.4	10.3	0.8	3.1	9.6	12.1	14.9
28	Operating Profit (Loss) (in Millions \$)	-10.1	-16.7	-45.8	-52.4	-89.4	-114.4	-164.6
29	Net Income (Loss)(in Millions \$)	-6.6	43.5	4.1	54.2	8.3	-27.0	-56.3
30	RPMs (Sch. Svc.) (%)	2.9	2.9	2.1	2.1	4.1	2.9	1.5
31	ASMs (Sch. Svc.) (%)	0.9	4.7	2.4	3.4	5.4	3.4	0.4
32	Operating Revenues per RTM (%)	-4.0	3.8	-3.3	-1.6	0.6	2.4	3.2
33	Operating Expense per RTM (%)	-1.7	7.5	-0.8	1.3	5.7	9.5	13.9
34	Passenger Revenue per RPM (Sch. Svc.)(%)	-5.8	4.1	-5.0	-2.8	0.6	3.3	4.8

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

ITEMS	QUARTER ENDED		12 MONTHS ENDED					
	2002/03	2001/03	2002/03	2001/12	2001/09	2001/06	2001/03	
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	456.3	581.0	1,910.8	2,035.5	2,208.0	2,308.4	2,340.4
2	Operating Expenses	577.8	606.3	2,327.2	2,355.6	2,463.0	2,463.4	2,390.3
3	Operating Profit (Loss)	-121.6	-25.3	-416.4	-320.1	-255.0	-155.0	-49.9
4	Net Income (Loss)	-337.3	-13.1	-472.7	-148.4	-131.0	-100.7	-29.1
<u>TRAFFIC: (Billions)</u>								
5	RPMs - Scheduled Rev. Svc.	4.26	4.88	18.44	19.06	19.76	19.83	19.66
6	ASMs - Scheduled Rev. Svc.	6.07	7.05	25.53	26.50	27.53	27.72	27.65
7	Overall RTMs (All Svc.)	0.44	0.51	1.92	1.98	2.06	2.07	2.05
8	Overall ATMs (All Svc.)	0.80	0.92	3.36	3.47	3.59	3.60	3.56
<u>YIELD & UNIT COST & PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	102.6	113.8	99.6	102.6	107.2	111.7	114.2
10	Operating Expense per RTM	129.9	118.8	121.4	118.8	119.6	119.2	116.7
11	Operating Profit (Loss) per RTM	-27.3	-5.0	-21.7	-16.1	-12.4	-7.5	-2.4
12	Operating Expense per ATM	72.0	66.1	69.3	67.8	68.6	68.5	67.1
13	Passenger Revenue per RPM	10.24	11.31	9.86	10.14	10.61	11.01	11.26
<u>FINANCIAL RATIOS:</u>								
14	Operating Revenues to Total Investment	*	*	1.66	1.80	1.94	2.07	2.07
15	Times Interest Earned	*	*	-6.35	-5.60	-5.41	-4.69	-0.61
16	Current Assets to Current Liabilities	*	*	1.26	0.86	0.97	1.00	1.08
17	No. of Days Cash Coverage of Cash Exp.	*	*	67.9	23.9	21.2	24.8	20.6
<u>FINANCIAL PERCENTAGES:</u>								
18	Operating Profit (Loss) to Operating Revenue	-26.6	-4.4	-21.8	-15.7	-11.5	-6.7	-2.1
19	Net Income to Stockholders Equity	*	*	-64.7	-18.1	-15.2	-11.4	-3.2
20	Corporate Return on Investment	*	*	-37.1	-10.1	-8.8	-6.7	-0.4
21	Debt to Total Investment	*	*	66.5	31.8	37.6	19.2	20.5
<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>								
22	Actual	70.1	69.2	72.2	71.9	71.8	71.6	71.1
23	Breakeven	94.2	74.5	92.9	87.2	83.4	79.1	74.6
<u>Employment & Productivity:</u>								
24	Employment, Total Weighted Avg CY	9,881	11,393	10,480	10,858	11,159	11,065	10,833
25	Overall RTM's per Employee (000)	45.0	44.8	183.0	182.7	184.5	186.8	189.1

CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER								
26	Operating Revenues (%)	-21.5	5.6	-18.4	-11.9	-4.0	2.4	6.2
27	Operating Expenses (%)	-4.7	12.7	-2.6	1.4	11.8	16.3	17.0
28	Operating Profit (Loss) (in Millions \$)	-96.3	-37.1	-366.5	-307.4	-351.3	-291.0	-210.7
29	Net Income (Loss)(in Millions \$)	-324.3	-28.6	-443.6	-147.9	-202.9	-194.6	-136.3
30	RPMs (Sch. Svc.) (%)	-12.7	12.9	-6.2	-0.2	4.5	6.9	9.3
31	ASMs (Sch. Svc.) (%)	-13.9	8.8	-7.7	-2.1	3.0	5.0	6.1
32	Operating Revenues per RTM (%)	-9.8	-6.0	-12.7	-11.4	-7.8	-3.7	-1.9
33	Operating Expense per RTM (%)	9.3	0.3	4.0	2.0	7.3	9.4	8.2
34	Passenger Revenue per RPM (Sch. Svc.)(%)	-9.5	-4.9	-12.5	-10.9	-6.9	-3.3	-1.7

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

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2002/03	2001/03	2002/03	2001/12	2001/09	2001/06	2001/03
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	3,807.8	5,165.6	15,069.0	18,271.6	20,088.7	21,439.5	21,856.3
2	Operating Expenses	4,530.3	5,286.7	18,354.2	21,332.9	22,297.3	21,811.0	21,049.1
3	Operating Profit (Loss)	-722.5	-121.1	-3,285.1	-3,061.3	-2,208.5	-371.5	807.2
4	Net Income (Loss)	-1,431.5	-211.5	-2,693.9	-1,729.3	-1,150.9	-499.4	270.9
<u>TRAFFIC: (Billions)</u>								
5	RPMs - Scheduled Rev. Svc.	27.79	32.20	107.50	126.91	135.39	141.08	142.92
6	ASMs - Scheduled Rev. Svc.	40.04	47.89	154.02	184.32	193.27	197.67	197.43
7	Overall RTMs (All Svc.)	3.25	3.83	12.74	12.69	13.38	13.80	13.89
8	Overall ATMs (All Svc.)	6.58	7.73	25.68	25.54	26.35	26.57	26.16
<u>YIELD & UNIT COST & PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	117.3	135.0	118.3	144.0	150.1	155.3	157.3
10	Operating Expense per RTM	139.6	138.1	144.1	168.1	166.6	158.0	151.5
11	Operating Profit (Loss) per RTM	-22.3	-3.2	-25.8	-24.1	-16.5	-2.7	5.8
12	Operating Expense per ATM	68.8	68.4	71.5	83.5	84.6	82.1	80.5
13	Passenger Revenue per RPM	12.51	14.37	12.68	12.95	13.35	13.69	13.81
<u>FINANCIAL RATIOS:</u>								
14	Operating Revenues to Total Investment	*	*	1.10	1.45	1.67	1.84	1.88
15	Times Interest Earned	*	*	1.00	-11.07	-8.82	-1.17	30.94
16	Current Assets to Current Liabilities	*	*	0.98	1.00	0.99	0.64	0.65
17	No. of Days Cash Coverage of Cash Exp.	*	*	49.0	54.1	40.3	25.9	27.8
<u>FINANCIAL PERCENTAGES:</u>								
18	Operating Profit (Loss) to Operating Revenue	-19.0	-2.3	-21.8	-16.8	-11.0	-1.7	3.7
19	Net Income to Stockholders Equity	*	*	-54.6	-27.7	-17.6	-7.6	4.0
20	Corporate Return on Investment	*	*	-18.0	-12.4	-8.6	-3.7	2.6
21	Debt to Total Investment	*	*	64.2	57.8	48.0	46.9	41.0
<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>								
22	Actual	69.4	67.3	69.8	68.9	70.1	71.4	72.4
23	Breakeven	88.4	72.2	91.4	83.4	80.0	73.4	71.7
<u>Employment & Productivity:</u>								
24	Employment, Total Weighted Avg CY	89,660	86,458	86,043	85,243	86,708	86,004	84,974
25	Overall RTM's per Employee (000)	36.2	37.0	148.0	148.8	154.4	160.5	163.5

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	-26.3	3.1	-31.1	-15.8	-5.8	3.9	9.1
27	Operating Expenses (%)	-14.3	7.3	-12.8	3.1	10.0	10.3	9.2
28	Operating Profit (Loss) (in Millions \$)	-601.3	-203.1	-4,092.4	-4,071.6	-3,260.5	-1,240.8	53.6
29	Net Income (Loss)(in Millions \$)	-1,220.0	-240.4	-2,964.8	-2,240.6	-1,664.4	-900.3	-18.7
30	RPMs (Sch. Svc.) (%)	-13.7	-2.5	-24.8	-11.7	-5.7	-0.2	2.9
31	ASMs (Sch. Svc.) (%)	-16.4	-2.3	-22.0	-7.2	-3.2	-0.8	-0.2
32	Operating Revenues per RTM (%)	-13.1	-12.4	-24.8	-7.4	-1.8	3.4	5.7
33	Operating Expense per RTM (%)	1.0	-8.9	-4.9	13.4	14.7	9.8	5.8
34	Passenger Revenue per RPM (Sch. Svc.)(%)	-12.9	5.4	-8.2	-5.1	-0.5	3.9	6.5

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

ITEMS	QUARTER ENDED		12 MONTHS ENDED					
	2002/03	2001/03	2002/03	2001/12	2001/09	2001/06	2001/03	
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	272.6	318.0	1,198.6	1,244.0	1,309.9	1,343.3	1,286.9
2	Operating Expenses	292.4	324.6	1,467.8	1,500.0	1,500.3	1,395.3	1,230.3
3	Operating Profit (Loss)	-19.8	-6.6	-269.2	-255.9	-190.4	-52.0	56.6
4	Net Income (Loss)	-33.2	-17.6	-241.8	-226.2	-186.1	-93.5	-23.3
<u>TRAFFIC: (Billions)</u>								
5	RPMs - Scheduled Rev. Svc.	0.81	0.75	3.34	3.28	3.29	3.29	3.18
6	ASMs - Scheduled Rev. Svc.	1.37	1.38	5.67	5.67	5.64	5.54	5.33
7	Overall RTMs (All Svc.)	0.08	0.07	0.34	0.33	0.33	0.33	0.32
8	Overall ATMs (All Svc.)	0.16	0.16	0.66	0.66	0.65	0.64	0.61
<u>YIELD & UNIT COST & PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	336.0	424.0	357.1	377.5	396.4	407.1	402.6
10	Operating Expense per RTM	360.5	432.8	437.3	455.2	454.0	422.9	384.9
11	Operating Profit (Loss) per RTM	-24.5	-8.8	-80.2	-77.7	-57.6	-15.8	17.7
12	Operating Expense per ATM	180.1	203.5	222.3	228.2	231.1	219.5	201.6
13	Passenger Revenue per RPM	32.45	40.91	34.47	36.43	38.38	39.43	38.93
<u>FINANCIAL RATIOS:</u>								
14	Operating Revenues to Total Investment	*	*	0.45	0.47	0.50	0.51	0.50
15	Times Interest Earned	*	*	-3.86	-4.19	-3.79	-1.58	0.59
16	Current Assets to Current Liabilities	*	*	0.19	0.24	0.75	0.81	0.88
17	No. of Days Cash Coverage of Cash Exp.	*	*	0.6	1.7	10.0	29.9	43.4
<u>FINANCIAL PERCENTAGES:</u>								
18	Operating Profit (Loss) to Operating Revenue	-7.3	-2.1	-22.5	-20.6	-14.5	-3.9	4.4
19	Net Income to Stockholders Equity	*	*	-199.2	-132.3	-86.7	-37.9	-8.9
20	Corporate Return on Investment	*	*	-6.2	-6.0	-4.9	-1.6	0.9
21	Debt to Total Investment	*	*	99.3	98.1	96.1	93.2	90.7
<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>								
22	Actual	58.8	54.0	59.0	57.8	58.3	59.3	59.7
23	Breakeven	63.8	55.3	74.3	71.6	68.1	61.9	56.7
<u>Employment & Productivity:</u>								
24	Employment, Total Weighted Avg CY	7,915	8,266	8,214	8,302	8,355	8,192	13,972
25	Overall RTM's per Employee (000)	10.2	9.1	40.9	39.7	39.6	40.3	22.9

CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER								
26	Operating Revenues (%)	-14.3	14.9	-6.9	-0.1	9.5	18.3	18.6
27	Operating Expenses (%)	-9.9	16.8	19.3	26.7	34.7	30.5	19.9
28	Operating Profit (Loss) (in Millions \$)	-13.3	-5.5	-325.8	-318.0	-272.9	-118.2	-1.9
29	Net Income (Loss)(in Millions \$)	-15.6	-1.8	-218.5	-204.7	-187.7	-97.9	-31.5
30	RPMs (Sch. Svc.) (%)	8.1	5.4	5.0	4.4	7.2	11.7	49.2
31	ASMs (Sch. Svc.) (%)	-0.6	15.2	6.3	10.2	13.1	15.9	51.5
32	Operating Revenues per RTM (%)	-20.8	8.9	-11.3	-4.3	2.2	6.0	-16.4
33	Operating Expense per RTM (%)	-16.7	10.7	13.6	21.4	25.7	16.9	-15.5
34	Passenger Revenue per RPM (Sch. Svc.)(%)	-20.7	9.0	-11.4	-4.5	2.5	6.4	-20.2

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

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2002/03	2001/03	2002/03	2001/12	2001/09	2001/06	2001/03
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	293.6	306.4	1,141.4	1,154.3	1,194.6	1,221.9	1,202.0
2	Operating Expenses	286.0	307.1	1,217.7	1,238.8	1,194.4	1,212.5	1,187.6
3	Operating Profit (Loss)	7.6	-0.7	-76.2	-84.5	0.1	9.4	14.3
4	Net Income (Loss)	1.1	-7.0	-69.9	-78.0	-22.3	-15.5	-11.7
<u>TRAFFIC: (Billions)</u>								
5	RPMs - Scheduled Rev. Svc.	2.09	2.04	8.39	8.34	8.36	8.02	7.77
6	ASMs - Scheduled Rev. Svc.	2.89	2.69	11.04	10.84	10.90	10.53	10.18
7	Overall RTMs (All Svc.)	0.29	0.26	1.16	1.13	1.13	1.06	1.01
8	Overall ATMs (All Svc.)	0.49	0.42	1.84	1.77	1.70	1.55	1.40
<u>YIELD & UNIT COST & PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	100.6	115.9	98.8	102.4	106.1	114.8	119.4
10	Operating Expense per RTM	98.0	116.2	105.4	109.9	106.1	114.0	118.0
11	Operating Profit (Loss) per RTM	2.6	-0.3	-6.6	-7.5	0.0	0.9	1.4
12	Operating Expense per ATM	58.8	73.8	66.1	69.9	70.3	78.4	84.8
13	Passenger Revenue per RPM	9.32	9.95	9.17	9.33	9.54	9.95	9.96
<u>FINANCIAL RATIOS:</u>								
14	Operating Revenues to Total Investment	*	*	1.95	2.00	2.01	2.27	2.35
15	Times Interest Earned	*	*	-2.87	-3.34	-0.20	0.28	0.52
16	Current Assets to Current Liabilities	*	*	0.88	1.02	0.93	0.59	0.60
17	No. of Days Cash Coverage of Cash Exp.	*	*	50.7	67.7	55.5	36.5	43.4
<u>FINANCIAL PERCENTAGES:</u>								
18	Operating Profit (Loss) to Operating Revenue	2.6	-0.2	-6.7	-7.3	0.0	0.8	1.2
19	Net Income to Stockholders Equity	*	*	-110.1	-96.6	-22.2	-15.1	-11.2
20	Corporate Return on Investment	*	*	-7.3	-8.8	0.7	2.0	2.9
21	Debt to Total Investment	*	*	98.3	94.9	86.8	84.1	84.1
<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>								
22	Actual	72.4	75.9	76.0	76.9	76.7	76.1	76.3
23	Breakeven	69.3	76.2	84.3	86.2	77.5	75.9	75.6
<u>Employment & Productivity:</u>								
24	Employment, Total Weighted Avg CY	6,474	7,203	6,610	6,792	6,987	6,947	6,781
25	Overall RTM's per Employee (000)	45.1	36.7	174.8	166.0	161.1	153.2	148.5

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	-4.2	6.9	-5.0	-2.4	4.4	11.4	15.4
27	Operating Expenses (%)	-6.9	8.8	2.5	6.5	8.7	16.8	21.6
28	Operating Profit (Loss) (in Millions \$)	8.3	-5.0	-90.6	-103.9	-45.6	-49.3	-50.9
29	Net Income (Loss)(in Millions \$)	8.1	-6.2	-58.2	-72.5	-33.6	-38.2	-40.5
30	RPMs (Sch. Svc.) (%)	2.6	15.8	8.0	11.3	15.0	9.9	10.3
31	ASMs (Sch. Svc.) (%)	7.5	16.2	8.5	10.6	16.1	12.5	11.9
32	Operating Revenues per RTM (%)	-13.2	0.3	-17.2	-14.3	-9.3	5.1	14.0
33	Operating Expense per RTM (%)	-15.7	2.0	-10.7	-6.4	-5.6	10.3	20.2
34	Passenger Revenue per RPM (Sch. Svc.)(%)	-6.3	-2.5	-7.9	-6.9	-3.4	4.2	6.2

**QUARTERLY FINANCIAL & TRAFFIC REVIEW
SYSTEM OPERATIONS
CONTINENTAL AIR LINES 1/**

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2002/03	2001/03	2002/03	2001/12	2001/09	2001/06	2001/03
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	1,817.1	2,377.8	7,861.9	8,422.6	9,204.8	9,682.5	9,785.1
2	Operating Expenses	2,038.6	2,262.4	8,478.6	8,702.4	9,033.2	9,093.8	9,063.6
3	Operating Profit (Loss)	-221.5	115.4	-616.7	-279.8	171.6	588.6	721.5
4	Net Income (Loss)	-161.3	26.3	-236.0	-48.4	154.3	276.9	379.7
<u>TRAFFIC: (Billions)</u>								
5	RPMs - Scheduled Rev. Svc.	14.03	15.34	60.19	61.49	64.33	65.72	65.44
6	ASMs - Scheduled Rev. Svc.	18.98	21.75	82.20	84.96	88.47	89.12	88.00
7	Overall RTMs (All Svc.)	1.62	1.79	6.90	7.08	7.45	7.66	7.66
8	Overall ATMs (All Svc.)	2.49	2.82	10.66	10.99	11.47	11.68	11.62
<u>YIELD & UNIT COST & PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	112.3	132.6	113.9	119.0	123.5	126.4	127.7
10	Operating Expense per RTM	126.0	126.1	122.8	122.9	121.2	118.8	118.3
11	Operating Profit (Loss) per RTM	-13.7	6.4	-8.9	-4.0	2.3	7.7	9.4
12	Operating Expense per ATM	81.9	80.3	79.5	79.2	78.7	77.9	78.0
13	Passenger Revenue per RPM	11.76	13.66	11.81	12.29	12.74	13.04	13.18
<u>FINANCIAL RATIOS:</u>								
14	Operating Revenues to Total Investment	*	*	1.19	1.47	1.61	1.77	1.81
15	Times Interest Earned	*	*	1.00	1.00	1.00	1.00	1.00
16	Current Assets to Current Liabilities	*	*	0.67	0.64	0.69	0.67	0.65
17	No. of Days Cash Coverage of Cash Exp.	*	*	49.9	46.7	47.6	39.5	39.4
<u>FINANCIAL PERCENTAGES:</u>								
18	Operating Profit (Loss) to Operating Revenue	-12.2	4.9	-7.8	-3.3	1.9	6.1	7.4
19	Net Income to Stockholders Equity	*	*	-20.4	-4.1	12.2	20.9	27.6
20	Corporate Return on Investment	*	*	0.4	3.5	6.5	8.9	10.9
21	Debt to Total Investment	*	*	84.4	79.8	78.0	76.9	77.8
<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>								
22	Actual	73.9	70.5	73.2	72.4	72.7	73.7	74.4
23	Breakeven	82.7	68.3	79.2	75.4	72.2	69.9	69.7
<u>Employment & Productivity:</u>								
24	Employment, Total Weighted Avg CY	32,100	36,378	34,379	35,448	36,511	36,307	35,902
25	Overall RTM's per Employee (000)	47.7	46.9	190.8	190.0	194.3	201.5	204.6

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	-23.6	6.4	-19.7	-12.6	-2.0	6.7	12.1
27	Operating Expenses (%)	-9.9	3.4	-6.5	-3.2	1.9	5.5	9.0
28	Operating Profit (Loss) (in Millions \$)	-336.9	68.2	-1,338.2	-933.0	-348.9	140.6	303.9
29	Net Income (Loss)(in Millions \$)	-187.6	5.7	-615.6	-422.4	-333.0	-178.4	-61.5
30	RPMs (Sch. Svc.) (%)	-8.5	0.5	-8.0	-5.9	-1.1	2.6	4.7
31	ASMs (Sch. Svc.) (%)	-12.7	1.9	-6.6	-3.0	1.4	3.1	3.3
32	Operating Revenues per RTM (%)	-15.3	6.8	-10.8	-5.4	0.6	5.0	7.3
33	Operating Expense per RTM (%)	-0.1	3.8	3.8	4.9	4.5	3.7	4.4
34	Passenger Revenue per RPM (Sch. Svc.)(%)	-13.9	6.3	-10.4	-5.4	0.3	5.5	8.8

1/ Includes financial and traffic data for Continental Micronesia.

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

ITEMS	QUARTER ENDED		12 MONTHS ENDED					
	2002/03	2001/03	2002/03	2001/12	2001/09	2001/06	2001/03	
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	2,923.2	3,569.1	12,565.3	13,211.2	14,251.4	15,031.9	15,294.4
2	Operating Expenses	3,333.1	3,696.3	13,820.0	14,183.2	14,533.1	14,526.7	14,235.6
3	Operating Profit (Loss)	-409.8	-127.2	-1,254.7	-972.0	-281.8	505.2	1,058.7
4	Net Income (Loss)	-398.0	-137.5	-1,367.6	-1,107.1	-439.5	-144.7	316.5
<u>TRAFFIC: (Billions)</u>								
5	RPMs - Scheduled Rev. Svc.	21.87	24.06	95.41	97.60	102.35	105.68	107.36
6	ASMs - Scheduled Rev. Svc.	31.57	35.73	137.12	141.28	145.66	147.62	147.34
7	Overall RTMs (All Svc.)	2.53	2.84	11.02	11.33	11.94	12.34	12.57
8	Overall ATMs (All Svc.)	4.82	5.39	20.91	21.49	22.09	22.37	22.28
<u>YIELD & UNIT COST & PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	115.5	125.8	114.0	116.6	119.4	121.8	121.7
10	Operating Expense per RTM	131.7	130.3	125.4	125.2	121.8	117.7	113.3
11	Operating Profit (Loss) per RTM	-16.2	-4.5	-11.4	-8.6	-2.4	4.1	8.4
12	Operating Expense per ATM	69.2	68.5	66.1	66.0	65.8	64.9	63.9
13	Passenger Revenue per RPM	11.67	13.45	11.73	12.17	12.61	12.88	13.17
<u>FINANCIAL RATIOS:</u>								
14	Operating Revenues to Total Investment	*	*	1.07	1.13	1.24	1.36	1.40
15	Times Interest Earned	*	*	-3.51	-3.37	-0.83	0.93	2.76
16	Current Assets to Current Liabilities	*	*	0.57	0.63	0.65	0.56	0.57
17	No. of Days Cash Coverage of Cash Exp.	*	*	33.0	51.1	65.0	33.3	21.0
<u>FINANCIAL PERCENTAGES:</u>								
18	Operating Profit (Loss) to Operating Revenue	-14.0	-3.6	-10.0	-7.4	-2.0	3.4	6.9
19	Net Income to Stockholders Equity	*	*	-29.3	-22.2	-8.4	-2.7	6.1
20	Corporate Return on Investment	*	*	-7.7	-6.1	-0.6	2.0	6.4
21	Debt to Total Investment	*	*	69.1	66.9	60.1	51.9	52.2
<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>								
22	Actual	69.3	67.3	69.6	69.1	70.3	71.6	72.9
23	Breakeven	81.8	71.2	78.7	76.0	72.5	69.3	66.0
<u>Employment & Productivity:</u>								
24	Employment, Total Weighted Avg CY	60,281	66,547	66,345	67,911	68,400	67,730	66,362
25	Overall RTM's per Employee (000)	42.0	42.6	166.2	166.8	174.5	182.2	189.4

CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER								
26	Operating Revenues (%)	-18.1	-0.7	-17.8	-13.8	-6.1	0.3	2.4
27	Operating Expenses (%)	-9.8	11.3	-2.9	2.3	7.2	8.7	7.2
28	Operating Profit (Loss) (in Millions \$)	-282.7	-400.6	-2,313.4	-2,431.3	-1,901.2	-1,109.7	-591.5
29	Net Income (Loss)(in Millions \$)	-260.5	-369.9	-1,684.1	-1,793.5	-1,514.8	-1,515.4	-984.1
30	RPMs (Sch. Svc.) (%)	-9.1	-1.7	-11.1	-9.4	-5.0	-1.0	2.4
31	ASMs (Sch. Svc.) (%)	-11.6	0.8	-6.9	-3.9	-0.8	0.8	1.4
32	Operating Revenues per RTM (%)	-8.2	1.0	-6.3	-4.0	-0.8	1.7	0.1
33	Operating Expense per RTM (%)	1.1	13.3	10.6	13.9	13.2	10.1	4.7
34	Passenger Revenue per RPM (Sch. Svc.)(%)	-13.2	1.6	-10.9	-7.3	-2.4	0.6	4.3

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

ITEMS	QUARTER ENDED		12 MONTHS ENDED					
	2002/03	2001/03	2002/03	2001/12	2001/09	2001/06	2001/03	
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	2,065.8	2,510.9	9,146.7	9,591.8	10,302.1	10,856.7	11,048.3
2	Operating Expenses	2,256.6	2,741.5	9,903.5	10,388.4	10,696.5	10,736.8	10,632.9
3	Operating Profit (Loss)	-190.8	-230.6	-756.8	-796.6	-394.5	119.9	415.4
4	Net Income (Loss)	-173.0	-190.1	-401.0	-418.1	-280.8	-98.4	85.8
<u>TRAFFIC: (Billions)</u>								
5	RPMs - Scheduled Rev. Svc.	16.53	18.26	71.38	73.11	76.98	79.20	79.59
6	ASMs - Scheduled Rev. Svc.	21.76	24.98	95.11	98.33	102.33	103.88	103.78
7	Overall RTMs (All Svc.)	2.14	2.37	9.25	9.49	10.02	10.35	10.45
8	Overall ATMs (All Svc.)	3.53	4.03	15.55	16.04	16.63	16.76	16.66
<u>YIELD & UNIT COST & PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	96.7	106.0	98.8	101.1	102.8	104.9	105.8
10	Operating Expense per RTM	105.6	115.7	107.0	109.5	106.7	103.8	101.8
11	Operating Profit (Loss) per RTM	-8.9	-9.7	-8.2	-8.4	-3.9	1.2	4.0
12	Operating Expense per ATM	63.9	68.1	63.7	64.7	64.3	64.1	63.8
13	Passenger Revenue per RPM	10.62	11.87	10.94	11.24	11.52	11.85	12.04
<u>FINANCIAL RATIOS:</u>								
14	Operating Revenues to Total Investment	*	*	0.97	1.05	1.16	1.26	1.29
15	Times Interest Earned	*	*	-0.74	-0.93	-0.34	0.56	1.51
16	Current Assets to Current Liabilities	*	*	0.94	0.86	0.92	0.62	0.71
17	No. of Days Cash Coverage of Cash Exp.	*	*	98.2	94.4	102.1	45.7	81.2
<u>FINANCIAL PERCENTAGES:</u>								
18	Operating Profit (Loss) to Operating Revenue	-9.2	-9.2	-8.3	-8.3	-3.8	1.1	3.8
19	Net Income to Stockholders Equity	*	*	-8.6	-8.7	-5.7	-2.0	1.7
20	Corporate Return on Investment	*	*	-0.5	-0.9	0.4	2.4	4.6
21	Debt to Total Investment	*	*	58.0	54.7	52.3	44.4	42.3
<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>								
22	Actual	76.0	73.1	75.1	74.3	75.2	76.2	76.7
23	Breakeven	88.5	84.4	85.9	85.0	81.5	77.7	75.3
<u>Employment & Productivity:</u>								
24	Employment, Total Weighted Avg CY	42,869	50,104	46,088	47,896	49,460	49,960	49,808
25	Overall RTM's per Employee (000)	49.9	47.3	200.8	198.1	202.7	207.1	209.7

CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER								
26	Operating Revenues (%)	-17.7	3.8	-17.2	-12.5	-4.6	3.7	8.9
27	Operating Expenses (%)	-17.7	14.1	-6.9	0.9	6.6	10.8	13.5
28	Operating Profit (Loss) (in Millions \$)	39.8	-248.1	-1,172.3	-1,460.1	-1,156.4	-653.9	-356.3
29	Net Income (Loss)(in Millions \$)	17.1	-184.2	-486.8	-688.0	-612.9	-411.7	-219.5
30	RPMs (Sch. Svc.) (%)	-9.5	2.8	-10.3	-7.6	-1.7	2.6	5.3
31	ASMs (Sch. Svc.) (%)	-12.9	1.9	-8.4	-4.8	-0.2	2.0	2.8
32	Operating Revenues per RTM (%)	-8.8	2.3	-6.6	-3.9	-1.5	2.2	3.9
33	Operating Expense per RTM (%)	-8.7	12.5	5.1	10.8	10.0	9.3	8.2
34	Passenger Revenue per RPM (Sch. Svc.)(%)	-10.5	0.2	-9.2	-6.6	-4.0	0.3	3.0

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

ITEMS	QUARTER ENDED		12 MONTHS ENDED					
	2002/03	2001/03	2002/03	2001/12	2001/09	2001/06	2001/03	
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	1,257.3	1,428.6	5,383.9	5,555.2	5,785.0	5,928.7	5,835.6
2	Operating Expenses	1,207.7	1,218.7	4,913.0	4,924.1	4,940.7	4,877.4	4,760.7
3	Operating Profit (Loss)	49.6	209.9	470.9	631.2	844.3	1,051.3	1,074.9
4	Net Income (Loss)	21.4	121.0	411.5	511.2	602.3	635.6	650.6
<u>TRAFFIC: (Billions)</u>								
5	RPMs - Scheduled Rev. Svc.	10.39	10.67	44.23	44.50	44.57	44.28	43.44
6	ASMs - Scheduled Rev. Svc.	16.53	15.87	66.06	65.40	64.42	63.35	61.65
7	Overall RTMs (All Svc.)	1.07	1.11	4.56	4.59	4.61	4.59	4.51
8	Overall ATMs (All Svc.)	2.26	2.00	9.02	8.77	8.48	8.18	7.80
<u>YIELD & UNIT COST & PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	117.0	129.2	118.1	121.0	125.5	129.2	129.4
10	Operating Expense per RTM	112.4	110.2	107.7	107.3	107.2	106.3	105.6
11	Operating Profit (Loss) per RTM	4.6	19.0	10.3	13.7	18.3	22.9	23.8
12	Operating Expense per ATM	53.5	60.8	54.5	56.1	58.3	59.6	61.1
13	Passenger Revenue per RPM	11.45	12.76	11.58	11.89	12.38	12.78	12.83
<u>FINANCIAL RATIOS:</u>								
14	Operating Revenues to Total Investment	*	*	1.03	1.13	1.27	1.38	1.42
15	Times Interest Earned	*	*	12.01	17.80	24.90	24.94	25.64
16	Current Assets to Current Liabilities	*	*	1.40	1.12	0.91	0.81	0.70
17	No. of Days Cash Coverage of Cash Exp.	*	*	168.1	180.6	117.5	77.3	55.9
<u>FINANCIAL PERCENTAGES:</u>								
18	Operating Profit (Loss) to Operating Revenue	3.9	14.7	8.7	11.4	14.6	17.7	18.4
19	Net Income to Stockholders Equity	*	*	10.5	13.5	16.7	18.5	20.2
20	Corporate Return on Investment	*	*	9.0	11.4	14.1	15.8	16.9
21	Debt to Total Investment	*	*	29.8	31.5	23.9	18.4	19.2
<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>								
22	Actual	62.9	67.2	67.0	68.0	69.2	69.9	70.5
23	Breakeven	60.0	55.5	60.1	58.9	57.3	55.3	55.3
<u>Employment & Productivity:</u>								
24	Employment, Total Weighted Avg CY	31,565	29,037	30,762	30,130	29,469	28,794	28,231
25	Overall RTM's per Employee (000)	34.1	38.1	148.2	152.4	156.4	159.4	159.7

CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER								
26	Operating Revenues (%)	-12.0	15.0	-7.7	-1.7	7.4	15.3	19.0
27	Operating Expenses (%)	-0.9	12.1	3.2	6.4	10.7	13.1	15.2
28	Operating Profit (Loss) (in Millions \$)	-160.3	54.4	-604.0	-389.3	-80.1	220.3	304.4
29	Net Income (Loss)(in Millions \$)	-99.7	47.5	-239.1	-91.9	60.1	150.7	198.6
30	RPMs (Sch. Svc.) (%)	-2.6	12.8	1.8	5.4	9.4	12.4	14.6
31	ASMs (Sch. Svc.) (%)	4.2	12.1	7.2	9.1	10.8	12.3	12.8
32	Operating Revenues per RTM (%)	-9.4	2.3	-8.8	-6.0	-1.3	3.0	4.3
33	Operating Expense per RTM (%)	2.0	-0.3	2.0	1.7	1.8	1.1	1.0
34	Passenger Revenue per RPM (Sch. Svc.)(%)	-10.3	1.9	-9.8	-7.0	-1.9	2.7	4.2

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

ITEMS	QUARTER ENDED		12 MONTHS ENDED					
	2002/03	2001/03	2002/03	2001/12	2001/09	2001/06	2001/03	
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	3,195.6	4,417.7	14,865.3	16,087.4	17,947.5	18,766.3	19,216.0
2	Operating Expenses	3,901.5	4,845.8	18,886.2	19,830.5	20,959.3	19,747.1	19,190.5
3	Operating Profit (Loss)	-705.9	-428.1	-4,020.9	-3,743.1	-3,011.9	-980.8	25.5
4	Net Income (Loss)	-495.9	-321.4	-2,284.7	-2,110.2	-1,881.3	-813.2	-188.7
<u>TRAFFIC: (Billions)</u>								
5	RPMs - Scheduled Rev. Svc.	24.68	28.76	112.51	116.60	123.91	126.04	126.65
6	ASMs - Scheduled Rev. Svc.	34.16	42.08	156.85	164.77	173.59	175.60	174.98
7	Overall RTMs (All Svc.)	2.98	3.52	13.51	14.05	15.06	15.51	15.70
8	Overall ATMs (All Svc.)	5.47	6.52	24.90	25.95	27.24	27.53	27.47
<u>YIELD & UNIT COST & PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	107.4	125.4	110.1	114.5	119.2	121.0	122.4
10	Operating Expense per RTM	131.1	137.6	139.8	141.1	139.2	127.3	122.2
11	Operating Profit (Loss) per RTM	-23.7	-12.2	-29.8	-26.6	-20.0	-6.3	0.2
12	Operating Expense per ATM	71.4	74.3	75.9	76.4	76.9	71.7	69.9
13	Passenger Revenue per RPM	10.88	12.97	11.04	11.55	12.16	12.62	12.99
<u>FINANCIAL RATIOS:</u>								
14	Operating Revenues to Total Investment	*	*	1.10	1.23	1.41	1.52	1.60
15	Times Interest Earned	*	*	-6.36	-6.22	-6.00	-2.21	0.18
16	Current Assets to Current Liabilities	*	*	0.69	0.65	0.63	0.52	0.63
17	No. of Days Cash Coverage of Cash Exp.	*	*	55.8	48.0	48.4	18.9	29.3
<u>FINANCIAL PERCENTAGES:</u>								
18	Operating Profit (Loss) to Operating Revenue	-22.1	-9.7	-27.0	-23.3	-16.8	-5.2	0.1
19	Net Income to Stockholders Equity	*	*	-52.5	-45.9	-37.2	-14.7	-3.3
20	Corporate Return on Investment	*	*	-13.3	-12.6	-11.5	-3.4	1.5
21	Debt to Total Investment	*	*	70.6	74.9	72.9	60.1	59.1
<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>								
22	Actual	72.2	68.4	71.7	70.8	71.4	71.8	72.4
23	Breakeven	94.1	79.3	99.3	94.7	89.4	78.8	74.4
<u>Employment & Productivity:</u>								
24	Employment, Total Weighted Avg CY	75,372	90,795	84,962	88,818	91,045	90,702	90,138
25	Overall RTM's per Employee (000)	39.5	38.8	159.0	158.2	165.4	171.0	174.2

CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER								
26	Operating Revenues (%)	-27.7	-2.5	-22.6	-16.8	-5.5	-0.8	4.7
27	Operating Expenses (%)	-19.5	14.1	-1.6	6.7	17.0	14.9	13.9
28	Operating Profit (Loss) (in Millions \$)	-277.8	-715.3	-4,046.4	-4,483.9	-4,101.0	-2,708.6	-1,481.1
29	Net Income (Loss)(in Millions \$)	-174.5	-240.3	-2,096.0	-2,161.8	-2,131.5	-1,528.6	-1,236.6
30	RPMs (Sch. Svc.) (%)	-14.2	-0.8	-11.2	-8.1	-2.0	-1.1	1.1
31	ASMs (Sch. Svc.) (%)	-18.8	-1.0	-10.4	-6.1	-1.1	-0.5	-1.0
32	Operating Revenues per RTM (%)	-14.4	1.2	-10.1	-6.2	-0.7	1.8	4.4
33	Operating Expense per RTM (%)	-4.7	18.6	14.4	20.2	23.1	17.8	13.6
34	Passenger Revenue per RPM (Sch. Svc.)(%)	-16.1	-3.2	-15.0	-11.8	-5.8	-1.4	3.4

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

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2002/03	2001/03	2002/03	2001/12	2001/09	2001/06	2001/03
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	1,694.6	2,232.6	7,715.3	8,253.4	9,045.8	9,442.3	9,355.0
2	Operating Expenses	2,063.3	2,426.9	9,071.1	9,434.8	9,441.5	9,675.4	9,458.2
3	Operating Profit (Loss)	-368.7	-194.3	-1,355.8	-1,181.4	-395.7	-233.1	-103.2
4	Net Income (Loss)	-298.2	-163.1	-2,124.5	-1,989.4	-1,033.5	-300.7	-206.4
<u>TRAFFIC: (Billions)</u>								
5	RPMs - Scheduled Rev. Svc.	9.58	11.40	44.11	45.93	49.21	49.90	48.57
6	ASMs - Scheduled Rev. Svc.	13.97	17.23	63.42	66.68	70.18	70.70	68.68
7	Overall RTMs (All Svc.)	1.05	1.25	4.82	5.02	5.36	5.43	5.28
8	Overall ATMs (All Svc.)	2.02	2.43	9.13	9.53	9.95	9.96	9.60
<u>YIELD & UNIT COST & PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	160.9	177.9	160.1	164.4	168.8	173.7	177.1
10	Operating Expense per RTM	195.9	193.4	188.2	187.9	176.2	178.0	179.1
11	Operating Profit (Loss) per RTM	-35.0	-15.5	-28.1	-23.5	-7.4	-4.3	-2.0
12	Operating Expense per ATM	101.9	99.7	99.4	99.0	94.8	97.2	98.5
13	Passenger Revenue per RPM	13.65	15.88	13.78	14.32	14.87	15.46	15.82
<u>FINANCIAL RATIOS:</u>								
14	Operating Revenues to Total Investment	*	*	1.90	1.88	1.95	2.01	2.03
15	Times Interest Earned	*	*	-5.33	-5.04	-3.17	-0.68	-0.17
16	Current Assets to Current Liabilities	*	*	0.58	0.61	0.78	0.90	0.85
17	No. of Days Cash Coverage of Cash Exp.	*	*	21.2	41.6	39.8	47.1	42.6
<u>FINANCIAL PERCENTAGES:</u>								
18	Operating Profit (Loss) to Operating Revenue	-21.8	-8.7	-17.6	-14.3	-4.4	-2.5	-1.1
19	Net Income to Stockholders Equity	*	*	-347.0	-182.1	-67.1	-17.6	-12.1
20	Corporate Return on Investment	*	*	-44.8	-38.7	-16.2	-0.8	1.0
21	Debt to Total Investment	*	*	120.2	111.1	79.7	67.4	66.3
<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>								
22	Actual	68.5	66.2	69.5	68.9	70.1	70.6	70.7
23	Breakeven	90.3	76.5	89.0	85.2	77.2	76.3	75.0
<u>Employment & Productivity:</u>								
24	Employment, Total Weighted Avg CY	32,663	41,896	38,250	40,558	41,863	41,831	41,522
25	Overall RTM's per Employee (000)	32.2	29.9	126.0	123.8	128.0	129.9	127.2

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	-24.1	8.4	-17.5	-10.1	1.2	9.4	10.3
27	Operating Expenses (%)	-15.0	10.6	-4.1	2.3	5.5	10.4	11.2
28	Operating Profit (Loss) (in Millions \$)	-174.4	-58.9	-1,252.6	-1,137.0	-380.7	-100.6	-77.3
29	Net Income (Loss)(in Millions \$)	-135.1	48.4	-1,918.1	-1,734.6	-799.3	-34.4	-201.5
30	RPMs (Sch. Svc.) (%)	-16.0	18.0	-9.2	-1.9	9.3	16.5	16.8
31	ASMs (Sch. Svc.) (%)	-18.9	14.6	-7.7	0.3	9.2	15.0	14.4
32	Operating Revenues per RTM (%)	-9.6	-8.9	-9.6	-9.0	-7.8	-6.7	-5.9
33	Operating Expense per RTM (%)	1.3	-7.1	5.1	3.5	-3.9	-5.8	-5.2
34	Passenger Revenue per RPM (Sch. Svc.)(%)	-14.0	-8.9	-12.9	-11.2	-8.4	-5.5	-4.3

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

ITEMS	QUARTER ENDED		12 MONTHS ENDED					
	2002/03	2001/03	2002/03	2001/12	2001/09	2001/06	2001/03	
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	4,541.9	4,905.6	18,980.4	19,344.1	19,384.6	19,646.9	19,749.6
2	Operating Expenses	4,357.2	4,678.6	18,380.7	18,702.0	18,884.3	18,866.2	18,664.8
3	Operating Profit (Loss)	184.6	227.0	599.7	642.1	500.4	780.7	1,084.8
4	Net Income (Loss)	73.4	122.6	165.9	215.0	178.3	309.9	555.9
<u>TRAFFIC: (Billions)</u>								
5	RTMs - Scheduled Rev. Svc.	2.52	2.28	9.77	9.53	9.34	9.40	9.42
6	ATMs - Scheduled Rev. Svc.	4.16	3.78	16.19	15.81	15.33	15.21	14.99
7	Overall RTMs (All Services)	3.20	2.98	12.57	12.35	12.25	12.46	12.60
8	Overall ATMs (All Services)	5.46	5.02	21.38	20.95	20.55	20.51	20.39
<u>YIELD & UNIT COST & PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	141.8	164.5	151.0	156.6	158.2	157.7	156.8
10	Operating Expense per RTM	136.0	156.9	146.2	151.4	154.1	151.4	148.1
11	Operating Profit (Loss) per RTM	5.8	7.6	4.8	5.2	4.1	6.3	8.6
12	Operating Expense per ATM	79.9	93.1	86.0	89.3	91.9	92.0	91.5
13	Passenger Revenue per RPM	++	++	++	++	++	++	++
<u>FINANCIAL RATIOS:</u>								
14	Operating Revenues to Total Investment	*	*	1.87	1.93	1.98	2.04	2.06
15	Times Interest Earned	*	*	5.62	6.72	5.14	6.43	8.99
16	Current Assets to Current Liabilities	*	*	1.07	1.03	1.20	1.02	1.29
17	No. of Days Cash Coverage of Cash Exp.	*	*	2.9	3.5	3.0	2.7	3.0
<u>FINANCIAL PERCENTAGES:</u>								
18	Operating Profit (Loss) to Operating Revenue	4.1	4.6	3.2	3.3	2.6	4.0	5.5
19	Net Income to Stockholders Equity	*	*	3.1	4.1	3.5	6.1	10.8
20	Corporate Return on Investment	*	*	2.6	3.1	2.9	4.3	7.0
21	Debt to Total Investment	*	*	45.0	44.8			
<u>TON LOAD FACTOR: (Sch. Svc. %)</u>								
22	Actual	58.7	59.4	58.8	59.0	59.6	60.8	61.8
23	Breakeven	++	++	++	++	++	++	++
<u>Employment & Productivity:</u>								
24	Employment, Total Weighted Avg CY	99,785	108,099	106,477	108,555	108,228	107,323	106,922
25	Overall RTM's per Employee (000)	32.1	27.6	118.1	113.8	113.2	116.1	117.8

CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER								
26	Operating Revenues (%)	-7.4	2.6	-3.9	-1.4	-0.4	3.4	6.5
27	Operating Expenses (%)	-6.9	1.9	-1.5	0.7	3.1	5.1	6.6
28	Operating Profit (Loss) (in Millions \$)	-42.4	40.5	-485.1	-402.2	-650.2	-270.7	48.3
29	Net Income (Loss)(in Millions \$)	-49.2	40.3	-390.1	-300.6	-462.0	-286.1	-14.0
30	RTMs (All Svc.) (%)	10.2	2.3	3.7	1.8	1.2	4.1	6.7
31	ATMs (All Svc.) (%)	10.2	5.1	8.0	6.7	5.0	5.1	4.5
32	Operating Revenues per RTM (%)	-13.8	4.5	-3.7	1.0	2.3	2.5	1.9
33	Operating Expense per RTM (%)	-13.3	3.7	-1.3	3.2	6.0	4.2	2.0
34	Passenger Revenue per RPM (Sch. Svc.)(%)	++	++	++	++	++	++	++

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

ITEMS	QUARTER ENDED		12 MONTHS ENDED					
	2002/03	2001/03	2002/03	2001/12	2001/09	2001/06	2001/03	
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	3,275.1	3,514.4	13,442.5	13,681.8	13,823.0	14,097.2	14,258.7
2	Operating Expenses	3,220.2	3,407.4	13,337.6	13,524.8	13,683.1	13,718.5	13,660.2
3	Operating Profit (Loss)	55.0	107.0	104.9	156.9	139.9	378.8	598.5
4	Net Income (Loss)	7.6	4.5	-123.1	-126.2	-90.0	-5.3	185.2
<u>TRAFFIC: (Billions)</u>								
5	RTMs - Scheduled Rev. Svc.	1.40	1.12	5.03	4.75	4.54	4.60	4.69
6	ATMs - Scheduled Rev. Svc.	2.41	1.97	8.72	8.27	7.84	7.85	7.86
7	Overall RTMs (All Services)	2.06	1.78	7.72	7.45	7.27	7.43	7.60
8	Overall ATMs (All Services)	3.65	3.13	13.71	13.19	12.73	12.73	12.80
<u>YIELD & UNIT COST & PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	159.4	197.3	174.1	183.8	190.0	189.6	187.5
10	Operating Expense per RTM	156.7	191.3	172.8	181.7	188.1	184.5	179.6
11	Operating Profit (Loss) per RTM	2.7	6.0	1.4	2.1	1.9	5.1	7.9
12	Operating Expense per ATM	88.3	108.8	97.3	102.5	107.5	107.7	106.7
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 Revenue	1.7	3.0	0.8	1.1	1.0	2.7	4.2
19	Net Income to Stockholders Equity	*	*	**	**	**	**	**
20	Corporate Return on Investment	*	*	-0.8	-0.9	-0.3	1.0	3.8
21	Debt to Total Investment	*	*	**	**	**	**	**
<u>TON LOAD FACTOR: (Sch. Svc. %)</u>								
22	Actual	56.3	56.9	56.3	56.4	57.1	58.4	59.4
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 (%)	-6.8	1.9	-5.7	-3.6	-2.2	1.5	4.2
27	Operating Expenses (%)	-5.5	-0.7	-2.4	-1.2	0.7	1.9	3.2
28	Operating Profit (Loss) (in Millions \$)	-52.1	87.3	-493.6	-354.2	-411.2	-60.1	143.4
29	Net Income (Loss)(in Millions \$)	3.1	-22.7	-308.3	-334.0	-368.1	-358.8	-211.1
30	RTMs (All Svc.) (%)	24.7	-2.4	7.3	0.7	-3.7	-0.9	2.6
31	ATMs (All Svc.) (%)	22.6	1.6	10.9	5.7	0.5	1.3	2.0
32	Operating Revenues per RTM (%)	-19.2	8.6	-7.1	0.0	4.9	5.8	4.6
33	Operating Expense per RTM (%)	-18.1	5.9	-3.8	2.5	8.1	6.2	3.6
34	Passenger Revenue per RPM (Sch. Svc.)(%)	++	++	++	++	++	++	++

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

ITEMS	QUARTER ENDED		12 MONTHS ENDED					
	2002/03	2001/03	2002/03	2001/12	2001/09	2001/06	2001/03	
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	1,266.7	1,391.2	5,537.9	5,662.4	5,561.6	5,549.6	5,490.9
2	Operating Expenses	1,137.1	1,271.2	5,043.1	5,177.2	5,201.2	5,147.7	5,004.5
3	Operating Profit (Loss)	129.7	120.0	494.9	485.2	360.4	401.9	486.4
4	Net Income (Loss)	65.8	118.0	288.9	341.2	268.4	315.2	370.7
<u>TRAFFIC: (Billions)</u>								
5	RTMs - Scheduled Rev. Svc.	1.12	1.16	4.74	4.78	4.80	4.80	4.73
6	ATMs - Scheduled Rev. Svc.	1.75	1.81	7.47	7.53	7.50	7.36	7.13
7	Overall RTMs (All Services)	1.15	1.20	4.85	4.90	4.98	5.03	4.99
8	Overall ATMs (All Services)	1.81	1.89	7.67	7.76	7.83	7.77	7.59
<u>YIELD & UNIT COST & PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	110.4	115.8	114.1	115.4	111.6	110.4	109.9
10	Operating Expense per RTM	99.1	105.8	103.9	105.6	104.4	102.4	100.2
11	Operating Profit (Loss) per RTM	11.3	10.0	10.2	9.9	7.2	8.0	9.7
12	Operating Expense per ATM	62.9	67.1	65.7	66.7	66.5	66.2	65.9
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 Revenue	10.2	8.6	8.9	8.6	6.5	7.2	8.9
19	Net Income to Stockholders Equity	*	*	**	**	**	**	**
20	Corporate Return on Investment	*	*	10.7	12.7	10.6	12.7	15.2
21	Debt to Total Investment	*	*	**	**	**	**	**
<u>TON LOAD FACTOR: (Sch. Svc. %)</u>								
22	Actual	63.5	63.4	63.2	63.2	63.7	64.7	65.8
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 (%)	-8.9	4.7	0.9	4.3	4.3	8.8	12.9
27	Operating Expenses (%)	-10.6	9.3	0.8	5.7	9.9	14.7	16.9
28	Operating Profit (Loss) (in Millions \$)	9.7	-46.8	8.5	-48.0	-238.9	-210.6	-95.0
29	Net Income (Loss)(in Millions \$)	-52.3	62.9	-81.8	33.4	-93.9	72.7	197.0
30	RTMs (All Svc.) (%)	-3.8	7.3	0.2	2.9	6.3	9.5	11.0
31	ATMs (All Svc.) (%)	-3.4	9.2	4.8	7.9	10.2	9.5	7.3
32	Operating Revenues per RTM (%)	-4.7	-0.8	3.8	4.9	0.4	-0.5	0.1
33	Operating Expense per RTM (%)	-6.4	3.7	3.7	6.3	5.8	4.9	3.6
34	Passenger Revenue per RPM (Sch. Svc.)(%)	++	++	++	++	++	++	++

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

ITEMS	QUARTER ENDED		12 MONTHS ENDED					
	2002/03	2001/03	2002/03	2001/12	2001/09	2001/06	2001/03	
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	63.9	370.5	1,155.1	1,461.6	1,490.3	1,509.2	1,497.2
2	Operating Expenses	60.9	416.3	1,343.7	1,699.1	1,679.7	1,661.6	1,598.9
3	Operating Profit (Loss)	3.0	-45.9	-188.6	-237.5	-189.3	-152.4	-101.7
4	Net Income (Loss)	1.5	-49.9	-200.4	-251.9	-226.1	-186.6	-106.8
<u>TRAFFIC: (Billions)</u>								
5	RTMs - Scheduled Rev. Svc.	0.04	0.12	0.36	0.44	0.47	0.47	0.45
6	ATMs - Scheduled Rev. Svc.	0.13	0.22	0.79	0.88	0.89	0.89	0.88
7	Overall RTMs (All Services)	0.04	0.12	0.37	0.45	0.48	0.49	0.46
8	Overall ATMs (All Services)	0.13	0.23	0.81	0.90	0.91	0.91	0.90
<u>YIELD & UNIT COST & PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	148.9	315.2	310.7	327.4	313.5	310.8	322.9
10	Operating Expense per RTM	141.9	354.2	361.4	380.6	353.3	342.2	344.8
11	Operating Profit (Loss) per RTM	7.0	-39.0	-50.7	-53.2	-39.8	-31.4	-21.9
12	Operating Expense per ATM	45.7	183.6	166.9	189.0	185.6	181.8	178.5
13	Passenger Revenue per RPM	++	++	++	++	++	++	++
<u>FINANCIAL RATIOS:</u>								
14	Operating Revenues to Total Investment	*	*	8.82	8.32	8.40	6.22	5.24
15	Times Interest Earned	*	*	-20.32	-15.94	-12.20	-9.08	-5.94
16	Current Assets to Current Liabilities	*	*	0.93	0.00	0.02	0.52	1.20
17	No. of Days Cash Coverage of Cash Exp.	*	*	2.0	3.6	3.0	0.2	0.2
<u>FINANCIAL PERCENTAGES:</u>								
18	Operating Profit (Loss) to Operating Revenue	4.7	-12.4	-16.3	-16.2	-12.7	-10.1	-6.8
19	Net Income to Stockholders Equity	*	*	-634.0	-1,005.5	0.0	-328.0	-121.4
20	Corporate Return on Investment	*	*	-146.0	-135.1	-117.0	-68.3	-30.4
21	Debt to Total Investment	*	*	19.1	15.1	-38.0	351.8	97.2
<u>TON LOAD FACTOR: (Sch. Svc. %)</u>								
22	Actual	32.2	51.8	46.2	49.7	52.5	53.1	51.8
23	Breakeven	++	++	++	++	++	++	++
<u>Employment & Productivity:</u>								
24	Employment, Total Weighted Avg CY	923	9,078	6,954	8,993	9,018	8,957	8,814
25	Overall RTM's per Employee (000)	46.5	12.9	53.5	49.6	52.7	54.2	52.6

CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER								
26	Operating Revenues (%)	-82.7	0.0	-22.8	-2.4	0.7	3.8	5.4
27	Operating Expenses (%)	-85.4	8.0	-16.0	8.4	11.6	14.1	14.0
28	Operating Profit (Loss) (in Millions \$)	48.9	-30.9	-86.9	-166.7	-163.7	-150.1	-119.7
29	Net Income (Loss)(in Millions \$)	51.5	-39.9	-93.6	-184.9	-206.5	-196.4	-127.8
30	RTMs (Sch. Svc.) (%)	-63.9	5.2	-19.4	-1.6	7.0	10.3	6.5
31	ATMs (Sch. Svc.) (%)	-41.6	10.4	-10.0	3.2	7.1	12.9	15.9
32	Operating Revenues per RTM (%)	-52.8	-4.0	-3.8	0.4	-4.8	-5.6	-0.6
33	Operating Expense per RTM (%)	-59.9	3.7	4.8	11.4	5.5	3.8	7.5
34	Passenger Revenue per RPM (Sch. Svc.)(%)	++	++	++	++	++	++	++

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

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2002/03	2001/03	2002/03	2001/12	2001/09	2001/06	2001/03
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	3,814.6	3,835.0	15,146.5	15,166.9	15,184.9	15,424.9	15,606.2
2	Operating Expenses	3,665.0	3,609.2	14,444.2	14,388.4	14,600.6	14,639.9	14,582.4
3	Operating Profit (Loss)	149.6	225.7	702.4	778.5	584.3	785.0	1,023.7
4	Net Income (Loss)	75.4	151.5	376.8	453.0	395.5	451.6	595.3
<u>TRAFFIC: (Billions)</u>								
5	RTMs - Scheduled Rev. Svc.	2.07	1.78	7.73	7.44	7.23	7.31	7.42
6	ATMs - Scheduled Rev. Svc.	3.43	2.98	12.94	12.49	12.05	12.01	11.93
7	Overall RTMs (All Services)	2.12	1.83	7.89	7.61	7.49	7.63	7.79
8	Overall ATMs (All Services)	3.51	3.08	13.21	12.79	12.51	12.56	12.54
<u>YIELD & UNIT COST & PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	180.3	209.6	191.9	199.3	202.7	202.1	200.3
10	Operating Expense per RTM	173.2	197.2	183.0	189.1	194.9	191.8	187.1
11	Operating Profit (Loss) per RTM	7.1	12.3	8.9	10.2	7.8	10.3	13.1
12	Operating Expense per ATM	104.5	117.2	109.3	112.5	116.7	116.5	116.3
13	Passenger Revenue per RPM	++	++	++	++	++	++	++
<u>FINANCIAL RATIOS:</u>								
14	Operating Revenues to Total Investment	*	*	2.79	2.84	2.91	3.02	3.05
15	Times Interest Earned	*	*	11.22	14.70	12.14	12.69	14.88
16	Current Assets to Current Liabilities	*	*	1.14	1.09	1.10	0.99	1.18
17	No. of Days Cash Coverage of Cash Exp.	*	*	2.8	3.5	2.8	2.7	3.3
<u>FINANCIAL PERCENTAGES:</u>								
18	Operating Profit (Loss) to Operating Revenue	3.9	5.9	4.6	5.1	3.8	5.1	6.6
19	Net Income to Stockholders Equity	*	*	8.6	10.6	9.5	11.1	14.7
20	Corporate Return on Investment	*	*	8.0	9.4	8.6	10.0	13.0
21	Debt to Total Investment	*	*	18.4	20.1	19.4	19.8	20.0
<u>TON LOAD FACTOR: (Sch. Svc. %)</u>								
22	Actual	60.3	59.4	59.8	59.5	59.9	60.8	62.1
23	Breakeven	++	++	++	++	++	++	++
<u>Employment & Productivity:</u>								
24	Employment, Total Weighted Avg CY	93,340	93,667	93,938	94,019	93,784	93,089	92,975
25	Overall RTM's per Employee (000)	22.7	19.5	84.0	80.9	79.9	82.0	83.8

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	-0.5	0.3	-2.9	-2.8	-1.9	1.5	4.9
27	Operating Expenses (%)	1.5	-0.4	-0.9	-1.4	0.8	2.7	4.4
28	Operating Profit (Loss) (in Millions \$)	-76.1	24.4	-321.4	-220.9	-411.2	-162.5	112.7
29	Net Income (Loss)(in Millions \$)	-76.1	49.9	-218.5	-92.4	-153.4	-76.0	104.1
30	RTMs (Sch. Svc.) (%)	16.5	-1.0	4.2	0.0	-2.2	0.3	3.6
31	ATMs (Sch. Svc.) (%)	15.0	3.6	8.4	5.6	3.1	3.8	3.8
32	Operating Revenues per RTM (%)	-14.0	2.7	-4.2	0.2	1.9	0.9	-0.6
33	Operating Expense per RTM (%)	-12.2	2.0	-2.2	1.5	4.7	2.1	-1.1
34	Passenger Revenue per RPM (Sch. Svc.)(%)	++	++	++	++	++	++	++

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

ITEMS	QUARTER ENDED		12 MONTHS ENDED					
	2002/03	2001/03	2002/03	2001/12	2001/09	2001/06	2001/03	
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	663.3	700.1	2,678.8	2,715.6	2,709.4	2,712.7	2,646.2
2	Operating Expenses	631.3	653.0	2,592.8	2,614.5	2,604.0	2,564.7	2,483.4
3	Operating Profit (Loss)	32.0	47.1	86.0	101.1	105.4	148.0	162.8
4	Net Income (Loss)	-3.5	21.0	-10.6	14.0	8.9	44.9	67.5
<u>TRAFFIC: (Billions)</u>								
5	RTMs - Scheduled Rev. Svc.	0.40	0.39	1.67	1.66	1.64	1.62	1.55
6	ATMs - Scheduled Rev. Svc.	0.60	0.57	2.47	2.44	2.39	2.30	2.19
7	Overall RTMs (All Services)	1.04	1.03	4.30	4.30	4.29	4.34	4.34
8	Overall ATMs (All Services)	1.82	1.72	7.36	7.27	7.14	7.03	6.96
<u>YIELD & UNIT COST & PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	63.5	67.6	62.2	63.2	63.2	62.5	60.9
10	Operating Expense per RTM	60.5	63.1	60.2	60.9	60.7	59.0	57.2
11	Operating Profit (Loss) per RTM	3.1	4.6	2.0	2.4	2.5	3.4	3.7
12	Operating Expense per ATM	34.8	38.0	35.2	36.0	36.5	36.5	35.7
13	Passenger Revenue per RPM	++	++	++	++	++	++	++
<u>FINANCIAL RATIOS:</u>								
14	Operating Revenues to Total Investment	*	*	0.58	0.60	0.61	0.63	0.63
15	Times Interest Earned	*	*	2.22	3.62	2.63	4.45	5.13
16	Current Assets to Current Liabilities	*	*	0.69	0.66	2.76	2.45	2.90
17	No. of Days Cash Coverage of Cash Exp.	*	*	4.5	4.0	4.2	4.6	3.1
<u>FINANCIAL PERCENTAGES:</u>								
18	Operating Profit (Loss) to Operating Revenue	4.8	6.7	3.2	3.7	3.9	5.5	6.2
19	Net Income to Stockholders Equity	*	*	-1.1	1.4	0.9	4.6	6.9
20	Corporate Return on Investment	*	*	0.4	0.9	0.8	1.7	2.3
21	Debt to Total Investment	*	*	77.2	76.5	80.5	79.2	78.3
<u>TON LOAD FACTOR: (Sch. Svc. %)</u>								
22	Actual	57.5	60.3	58.5	59.1	60.1	61.8	62.4
23	Breakeven	++	++	++	++	++	++	++
<u>Employment & Productivity:</u>								
24	Employment, Total Weighted Avg CY	5,522	5,354	5,585	5,543	5,426	5,277	5,133
25	Overall RTM's per Employee (000)	189.1	193.3	770.7	774.9	790.4	823.1	846.2

CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER								
26	Operating Revenues (%)	-5.3	19.9	1.2	7.3	7.6	15.7	17.5
27	Operating Expenses (%)	-3.3	11.9	4.4	8.3	11.4	14.6	15.8
28	Operating Profit (Loss) (in Millions \$)	-15.1	47.0	-76.8	-14.6	-75.3	41.9	55.3
29	Net Income (Loss)(in Millions \$)	-24.5	30.3	-78.1	-23.3	-102.1	-13.7	9.6
30	RTMs (Sch. Svc.) (%)	3.9	19.6	8.1	11.7	16.9	23.5	24.2
31	ATMs (Sch. Svc.) (%)	5.4	11.7	12.8	14.5	14.7	9.2	3.7
32	Operating Revenues per RTM (%)	-6.1	21.6	2.2	8.8	9.7	15.1	14.7
33	Operating Expense per RTM (%)	-4.1	13.5	5.3	9.9	13.5	13.9	13.0
34	Passenger Revenue per RPM (Sch. Svc.)(%)	++	++	++	++	++	++	++

**Comparison of Operating Profit (Loss) and Net Income (Loss)
For Individual Passenger and All-Cargo Majors
Quarterly and 12-Month Ended Periods
March 2001 and 2002**

Operating Profit (Loss) (\$Millions)						
Group/Carrier	Quarterly Data			12 Month Ended Data		
	3/2001	3/2002	\$Chg	3/2001	3/2002	\$Chg
System Passenger Majors	(840.3)	(2,745.3)	(1,905.0)	3,992.1	(12,174.4)	(16,166.5)
Alaska	(31.6)	(41.8)	(10.1)	(29.1)	(74.9)	(45.8)
America West	(25.3)	(121.6)	(96.3)	(49.9)	(416.4)	(366.5)
American	(121.1)	(722.5)	(601.3)	807.2	(3,803.7)	(4,610.9)
American Eagle	(6.6)	(19.8)	(13.3)	56.6	(269.2)	(325.8)
American Trans Air	(0.7)	7.6	8.3	14.3	(76.2)	(90.6)
Continental	115.4	(221.5)	(336.9)	721.5	(616.7)	(1,338.2)
Delta	(127.2)	(409.8)	(282.7)	1,058.7	(1,254.7)	(2,313.4)
Northwest	(230.6)	(190.8)	39.8	415.4	(756.8)	(1,172.3)
Southwest	209.9	49.6	(160.3)	1,074.9	470.9	(604.0)
United	(428.1)	(705.9)	(277.8)	25.5	(4,020.9)	(4,046.4)
US Airways	(194.3)	(368.7)	(174.4)	(103.2)	(1,355.8)	(1,252.6)
System Cargo Majors	227.0	184.6	(42.4)	1,084.8	599.7	(485.1)
DHL	(45.9)	3.0	48.9	(101.7)	(188.6)	(86.9)
Federal Express	225.7	149.6	(76.1)	1,023.7	702.4	(321.4)
UPS	47.1	32.0	(15.1)	162.8	86.0	(76.8)
System Total Majors	(613.3)	(2,560.6)	(1,947.4)	5,076.9	(11,574.7)	(16,651.6)

Net Income (Loss) (\$Millions)						
Group/Carrier	Quarterly Data			12 Month Ended Data		
	3/2001	3/2002	\$Chg	3/2001	3/2002	\$Chg
System Passenger Majors	(935.4)	(3,334.0)	(2,398.7)	1,223.5	(9,752.7)	(10,976.2)
Alaska	(21.6)	(28.2)	(6.6)	(20.8)	(16.7)	4.1
America West	(13.1)	(337.3)	(324.3)	(29.1)	(472.7)	(443.6)
American	(211.5)	(1,431.5)	(1,220.0)	270.9	(2,949.4)	(3,220.2)
American Eagle	(17.6)	(33.2)	(15.6)	(23.3)	(241.8)	(218.5)
American Trans Air	(7.0)	1.1	8.1	(11.7)	(69.9)	(58.2)
Continental	26.3	(161.3)	(187.6)	379.7	(236.0)	(615.6)
Delta	(137.5)	(398.0)	(260.5)	316.5	(1,367.6)	(1,684.1)
Northwest	(190.1)	(173.0)	17.1	85.8	(401.0)	(486.8)
Southwest	121.0	21.4	(99.7)	650.6	411.5	(239.1)
United	(321.4)	(495.9)	(174.5)	(188.7)	(2,284.7)	(2,096.0)
US Airways	(163.1)	(298.2)	(135.1)	(206.4)	(2,124.5)	(1,918.1)
System Cargo Majors	122.6	73.4	(49.2)	555.9	165.9	(390.1)
DHL	(49.9)	1.5	51.5	(106.8)	(200.4)	(93.6)
Federal Express	151.5	75.4	(76.1)	595.3	376.8	(218.5)
UPS	21.0	(3.5)	(24.5)	67.5	(10.6)	(78.1)
System Total Majors	(812.8)	(3,260.7)	(2,447.9)	1,779.4	(9,586.8)	(11,366.3)

**Comparison of Passenger Load Factors and Passenger Yields
For Individual Passenger and All-Cargo Majors
Quarterly and 12-Month Ended Periods
March 2001 and 2002**

Passenger Load Factor (Percent)						
Group/Carrier	Quarterly Data			12 Month Ended Data		
	3/2001	3/2002	Pt.Chg.	3/2001	3/2002	Pt.Chg.
System Passenger Majors	68.4	70.4	2.0	72.8	70.8	(2.0)
Alaska	65.4	66.7	1.3	68.9	68.7	(0.2)
America West	69.2	70.1	0.9	71.1	72.2	1.1
American	67.3	69.4	2.1	72.4	69.4	(3.0)
American Eagle	54.0	58.8	4.8	59.7	59.0	(0.7)
American Trans Air	75.9	72.4	(3.5)	76.3	76.0	(0.3)
Continental	70.5	73.9	3.4	74.4	73.2	(1.1)
Delta	67.3	69.3	1.9	72.9	69.6	(3.3)
Northwest	73.1	76.0	2.9	76.7	75.1	(1.6)
Southwest	67.2	62.9	(4.3)	70.5	67.0	(3.5)
United	68.4	72.2	3.9	72.4	71.7	(0.6)
US Airways	66.2	68.5	2.4	70.7	69.5	(1.2)
System Cargo Majors	-	-	-	-	-	-
DHL	-	-	-	-	-	-
Federal Express	-	-	-	-	-	-
UPS	-	-	-	-	-	-
System Total Majors	68.4	70.4	2.0	72.8	70.8	(2.0)

Scheduled Passenger Yield (Cents)						
Group/Carrier	Quarterly Data			12 Month Ended Data		
	3/2001	3/2002	Pct.Chg.	3/2001	3/2002	Pct.Chg.
System Passenger Majors	13.5	11.8	(13.1)	13.3	11.9	(11.1)
Alaska	13.0	12.3	(5.8)	13.3	12.6	(5.0)
America West	11.3	10.2	(9.5)	11.3	9.9	(12.5)
American	14.4	12.5	(12.9)	13.8	12.5	(9.7)
American Eagle	40.9	32.4	(20.7)	38.9	34.5	(11.4)
American Trans Air	10.0	9.3	(6.4)	10.0	9.2	(7.9)
Continental	13.7	11.8	(13.9)	13.2	11.8	(10.4)
Delta	13.5	11.7	(13.2)	13.2	11.7	(10.9)
Northwest	11.9	10.6	(10.5)	12.0	10.9	(9.2)
Southwest	12.8	11.4	(10.3)	12.8	11.6	(9.8)
United	13.0	10.9	(16.1)	13.0	11.0	(15.0)
US Airways	15.9	13.6	(14.1)	15.8	13.8	(12.9)
System Cargo Majors	-	-	-	-	-	-
DHL	-	-	-	-	-	-
Federal Express	-	-	-	-	-	-
UPS	-	-	-	-	-	-
System Total Majors	13.5	11.8	(13.1)	13.3	11.9	(11.1)

**Comparison of Operating Profit Margin, Debt-to-Investment and Total Debt
For Individual Passenger and All-Cargo Majors
Quarterly and 12-Month Ended Periods
March 2001 and 2002**

Operating Profit Margin (Percent)						
Group/Carrier	Quarterly Data			12 Month Ended Data		
	3/2001	3/2002	Pt. Chg	3/2001	3/2002	Pt. Chg.
System Passenger Majors	(3.6)	(15.1)	(11.5)	4.0	(15.1)	(19.2)
Alaska	(7.5)	(10.1)	(2.6)	(1.6)	(4.3)	(2.7)
America West	(4.4)	(26.6)	(22.2)	(2.1)	(21.8)	(19.7)
American	(2.3)	(19.0)	(16.6)	3.7	(22.5)	(26.2)
American Eagle	(2.1)	(7.3)	(5.2)	4.4	(22.5)	(26.9)
American Trans Air	(0.2)	2.6	2.8	1.2	(6.7)	(7.9)
Continental	4.9	(12.2)	(17.0)	7.4	(7.8)	(15.2)
Delta	(3.6)	(14.0)	(10.4)	6.9	(10.0)	(16.9)
Northwest	(9.2)	(9.2)	8.0	3.8	(8.3)	(12.1)
Southwest	14.7	3.9	(10.8)	18.4	8.7	(9.7)
United	(9.7)	(22.1)	(12.4)	0.1	(27.0)	(27.1)
US Airways	(8.7)	(21.8)	(13.1)	(1.1)	(17.6)	(16.5)
System Cargo Majors	4.6	4.1	(0.6)	5.5	3.2	(2.3)
DHL	(12.4)	4.7	17.1	(6.8)	(16.3)	(9.5)
Federal Express	5.9	3.9	(2.0)	6.6	4.6	(2.0)
UPS	6.7	4.8	(1.9)	6.2	3.2	(3.0)
System Total Majors	(2.2)	(11.3)	(9.1)	4.3	(11.6)	(15.9)

Group/Carrier	Debt To Investment (Percent)			Total Debt (\$Millions)		
	Quarterly Data			Quarterly Data		
	3/2001	3/2002	Pt.Chg.	3/2001	3/2002	\$ Chg.
System Passenger Majors	53.7	68.4	14.7	34,371.8	49,636.2	15,264.4
Alaska	47.4	57.5	10.1	614.3	906.3	292.0
America West	20.5	66.5	45.9	224.0	855.5	631.5
American	48.3	64.2	15.8	5,505.2	8,828.3	3,323.1
American Eagle	90.7	99.3	8.6	2,444.0	2,716.0	272.1
American Trans Air	84.1	98.3	14.1	488.9	577.8	88.9
Continental	77.8	84.4	6.7	4,032.1	5,455.2	1,423.1
Delta	52.2	69.1	17.0	5,795.4	8,341.3	2,545.8
Northwest	42.3	58.0	15.7	3,576.5	5,901.0	2,324.5
Southwest	19.2	29.8	10.6	864.8	1,742.0	877.1
United	59.1	70.6	11.5	7,652.0	10,579.9	2,927.9
US Airways	66.3	120.2	53.9	3,174.5	3,733.0	558.4
System Cargo Majors	48.4	45.0	(3.4)	4,878.4	4,710.3	(168.1)
DHL	97.2	19.1	(78.1)	372.5	22.1	(350.4)
Federal Express	20.0	18.4	(1.6)	1,058.1	1,031.9	(26.2)
UPS	78.3	77.2	(1.0)	3,447.8	3,656.4	208.6
System Total Majors	53.0	65.4	12.5	39,250.2	54,346.5	15,096.3

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 expense (Account 8182)
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' equity (Account 2995) - unamortized debt expense (Account 1840). (A five-quarter average is used).</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> <hr/> <p>Total investment (See line 20)</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>