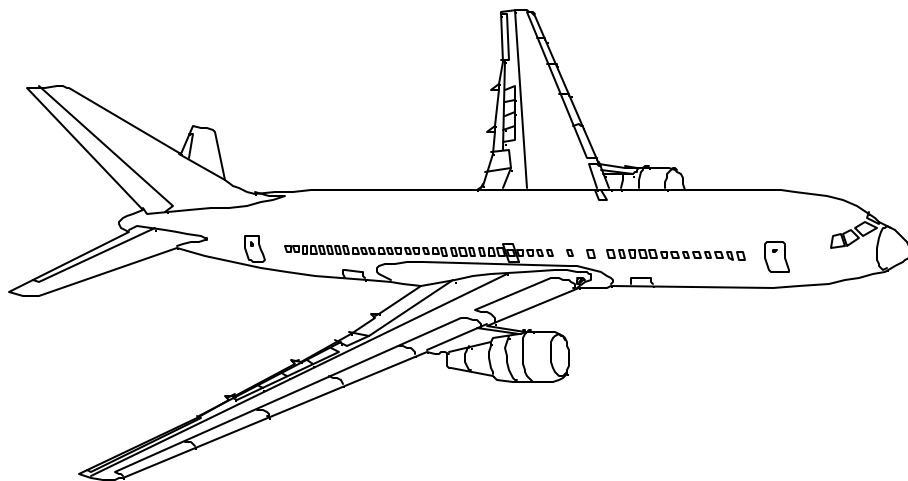


AIRLINE QUARTERLY FINANCIAL REVIEW

FIRST QUARTER 2003



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					
	2003/03	2002/03	2003/03	2002/12	2002/09	2002/06	2002/03	
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	23,776.4	22,738.1	97,514.2	96,475.9	94,290.1	95,323.8	99,438.3
2	Operating Expenses	26,703.6	25,308.7	106,526.8	105,132.0	104,533.6	107,299.6	110,792.2
3	Operating Profit (Loss)	-2,927.2	-2,570.6	-9,012.6	-8,656.1	-10,243.6	-11,975.8	-11,353.9
4	Net Income (Loss)	-1,887.6	-2,381.4	-9,736.4	-10,230.2	-9,505.6	-9,305.6	-8,707.6
<u>TRAFFIC: (Billions)</u>								
5	RPMs - Scheduled Rev. Svc.	133.23	135.00	584.67	586.44	572.11	574.80	592.78
6	ASMs - Scheduled Rev. Svc.	191.65	191.81	811.83	811.99	803.64	811.91	837.38
7	Overall RTMs (All Svc.)	19.07	19.01	82.42	82.36	80.03	79.85	81.56
8	Overall ATMs (All Svc.)	35.08	34.66	147.68	147.26	145.07	145.39	148.31
<u>YIELD & UNIT COST & PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	124.7	119.6	118.3	117.1	117.8	119.4	121.9
10	Operating Expense per RTM	140.1	133.2	129.2	127.6	130.6	134.4	135.8
11	Operating Profit (Loss) per RTM	-15.4	-13.5	-10.9	-10.5	-12.8	-15.0	-13.9
12	Operating Expense per ATM	76.1	73.0	72.1	71.4	72.1	73.8	74.7
13	Passenger Revenue per RPM	11.64	11.76	11.41	11.44	11.44	11.58	11.86
<u>FINANCIAL RATIOS:</u>								
14	Operating Revenues to Total Investment	*	*	1.22	1.17	1.10	1.12	1.18
15	Times Interest Earned	*	*	-2.61	-3.05	-3.23	-3.62	-3.70
16	Current Assets to Current Liabilities	*	*	0.71	0.73	0.80	0.83	0.82
17	No. of Days Cash Coverage of Cash Exp.	*	*	43.9	47.8	50.5	52.9	48.1
<u>FINANCIAL PERCENTAGES:</u>								
18	Operating Profit (Loss) to Operating Revenue	-12.3	-11.3	-9.2	-9.0	-10.9	-12.6	-11.4
19	Net Income to Stockholders Equity	*	*	-44.7	-40.5	-32.7	-29.9	-26.7
20	Corporate Return on Investment	*	*	-8.2	-8.6	-7.7	-7.8	-7.4
21	Debt to Total Investment	*	*	81.6	80.8	69.6	67.0	67.0
<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>								
22	Actual	69.5	70.4	72.0	72.2	71.2	70.8	70.8
23	Breakeven	83.6	83.1	84.3	82.6	83.6	85.0	83.5
<u>Employment & Productivity:</u>								
24	Employment, Total Weighted Avg CY	523,266	548,016	542,648	548,833	556,993	574,921	595,294
25	Overall RTM's per Employee (000)	36.4	34.7	151.9	150.1	143.7	138.9	137.0

CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER								
26	Operating Revenues (%)	4.6	-19.5	-1.9	-8.1	-16.2	-18.9	-16.3
27	Operating Expenses (%)	5.5	-12.3	-3.8	-8.0	-11.0	-7.7	-2.5
28	Operating Profit (Loss) (in Millions \$)	-356.6	-1,957.4	2,341.2	740.4	-5,290.0	-13,212.4	-16,430.8
29	Net Income (Loss)(in Millions \$)	493.8	-1,568.6	-1,028.9	-3,091.2	-5,377.4	-8,439.8	-10,487.0
30	RPMs (Sch. Svc.) (%)	-1.3	-10.7	-1.4	-3.7	-10.7	-12.3	-9.7
31	ASMs (Sch. Svc.) (%)	-0.1	-13.2	-3.1	-6.3	-10.7	-10.7	-7.2
32	Operating Revenues per RTM (%)	4.2	-11.6	-3.0	-6.9	-8.4	-8.7	-7.1
33	Operating Expense per RTM (%)	5.2	-3.7	-4.8	-6.9	-2.7	3.9	8.1
34	Passenger Revenue per RPM (Sch. Svc.)(%)	-1.0	-13.1	-3.8	-7.0	-10.3	-11.8	-11.1

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

ITEMS	QUARTER ENDED		12 MONTHS ENDED				
	2003/03	2002/03	2003/03	2002/12	2002/09	2002/06	2002/03
<u>FINANCIAL RESULTS: (\$Millions)</u>							
1 Operating Revenues	17,855.5	17,255.5	72,437.4	71,837.4	70,500.7	71,254.6	74,418.5
2 Operating Expenses	20,038.3	19,384.1	79,993.6	79,339.4	79,415.4	81,137.7	83,737.2
3 Operating Profit (Loss)	-2,182.8	-2,128.6	-7,556.2	-7,502.1	-8,914.7	-9,883.1	-9,318.7
4 Net Income (Loss)	-818.9	-1,980.7	-7,325.8	-8,487.6	-8,360.0	-8,077.7	-7,520.4
<u>TRAFFIC: (Billions)</u>							
5 RPMs - Scheduled Rev. Svc.	97.81	98.11	423.72	424.02	416.43	416.72	427.82
6 ASMs - Scheduled Rev. Svc.	142.22	143.32	599.38	600.49	595.14	598.66	614.21
7 Overall RTMs (All Svc.)	12.63	12.66	54.32	54.35	53.16	52.83	53.75
8 Overall ATMs (All Svc.)	23.66	23.84	99.62	99.79	98.52	98.12	99.31
<u>YIELD & UNIT COST & PROFITS: (Cents)</u>							
9 Operating Revenue per RTM	141.4	136.3	133.3	132.2	132.6	134.9	138.5
10 Operating Expense per RTM	158.6	153.1	147.3	146.0	149.4	153.6	155.8
11 Operating Profit (Loss) per RTM	-17.3	-16.8	-13.9	-13.8	-16.8	-18.7	-17.3
12 Operating Expense per ATM	84.7	81.3	80.3	79.5	80.6	82.7	84.3
13 Passenger Revenue per RPM	12.35	12.61	12.01	12.08	12.07	12.28	12.66
<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	-12.2	-12.3	-10.4	-10.4	-12.6	-13.9	-12.5
19 Net Income to Stockholders Equity	*	*	**	**	**	**	**
20 Corporate Return on Investment	*	*	-8.2	-9.9	-9.5	-9.4	-8.9
21 Debt to Total Investment	*	*	**	**	**	**	**
<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>							
22 Actual	68.8	68.5	70.7	70.6	70.0	69.6	69.7
23 Breakeven	81.7	81.6	83.4	82.1	83.8	84.6	83.0
<u>Employment & Productivity:</u>							
24 Employment, Total Weighted Avg CY	*	*	**	**	**	**	**
25 Overall RTM's per Employee (000)	*	*	**	**	**	**	**

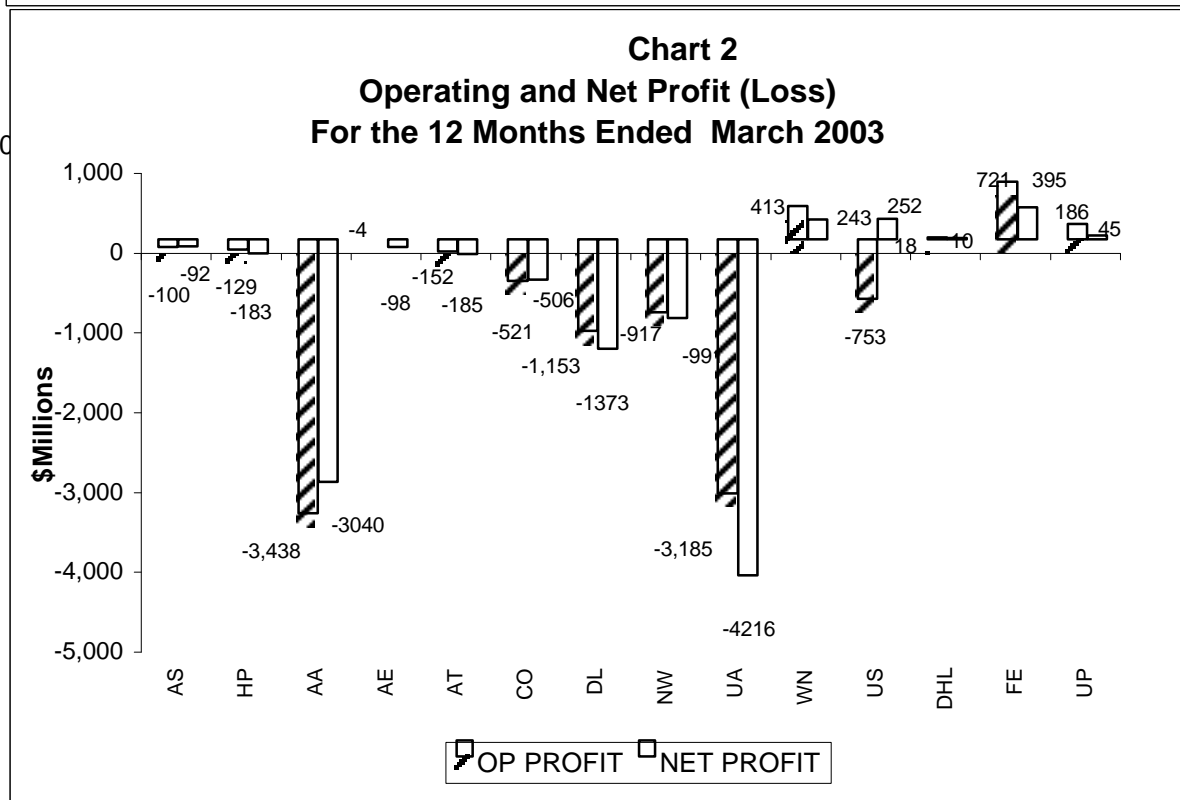
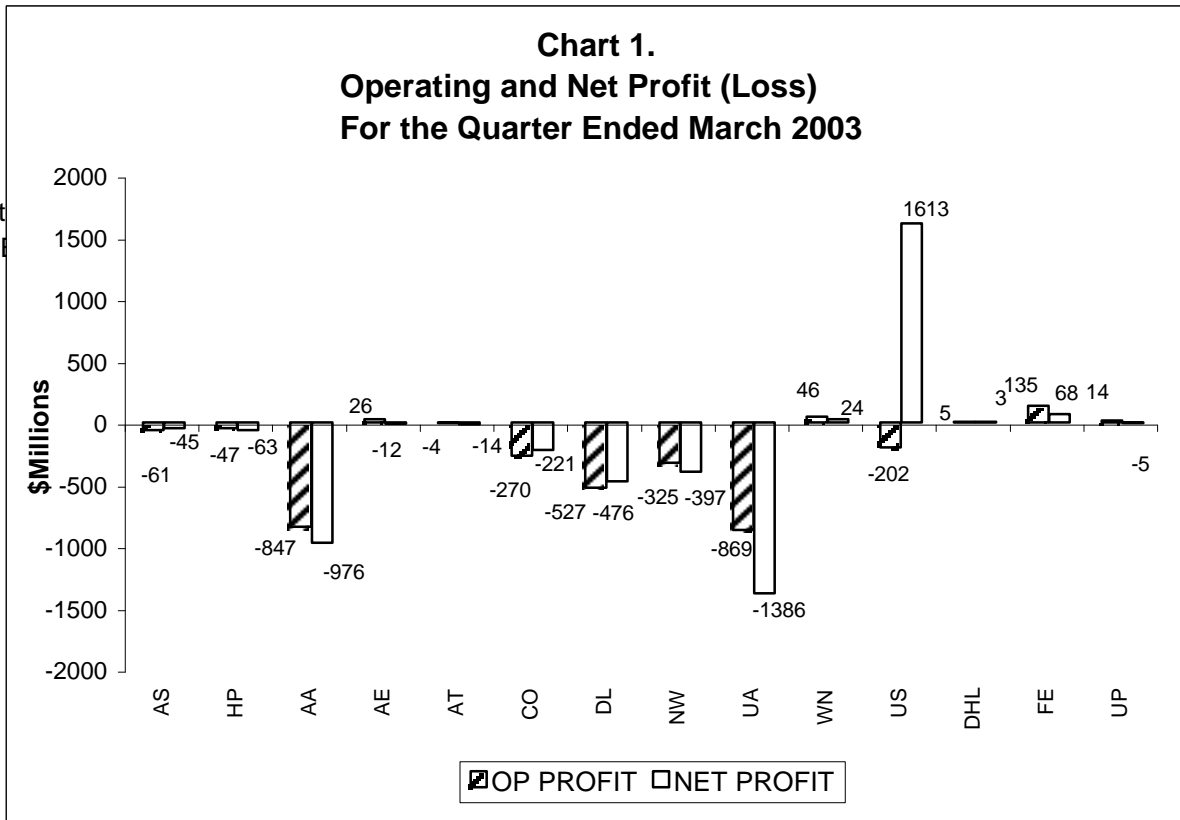
	CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER							
26 Operating Revenues (%)	3.5	-19.5	-2.7	-8.6	-16.4	-19.3	-17.0	
27 Operating Expenses (%)	3.4	-11.6	-4.5	-8.1	-10.3	-7.6	-2.5	
28 Operating Profit (Loss) (in Millions \$)	-54.2	-1,630.6	1,762.5	186.1	-4,760.8	-10,375.7	-13,081.2	
29 Net Income (Loss)(in Millions \$)	1,161.9	-1,228.3	194.6	-2,195.5	-4,657.3	-6,962.1	-8,606.7	
30 RPMs (Sch. Svc.) (%)	-0.3	-10.2	-1.0	-3.4	-9.2	-11.1	-9.2	
31 ASMs (Sch. Svc.) (%)	-0.8	-11.7	-2.4	-5.2	-9.3	-9.7	-6.7	
32 Operating Revenues per RTM (%)	3.7	-13.1	-3.7	-7.9	-10.3	-10.7	-8.9	
33 Operating Expense per RTM (%)	3.6	-4.6	-5.5	-7.4	-3.7	2.2	7.0	
34 Passenger Revenue per RPM (Sch. Svc.)(%)	-2.1	-13.8	-5.1	-8.3	-12.0	-13.3	-12.2	

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

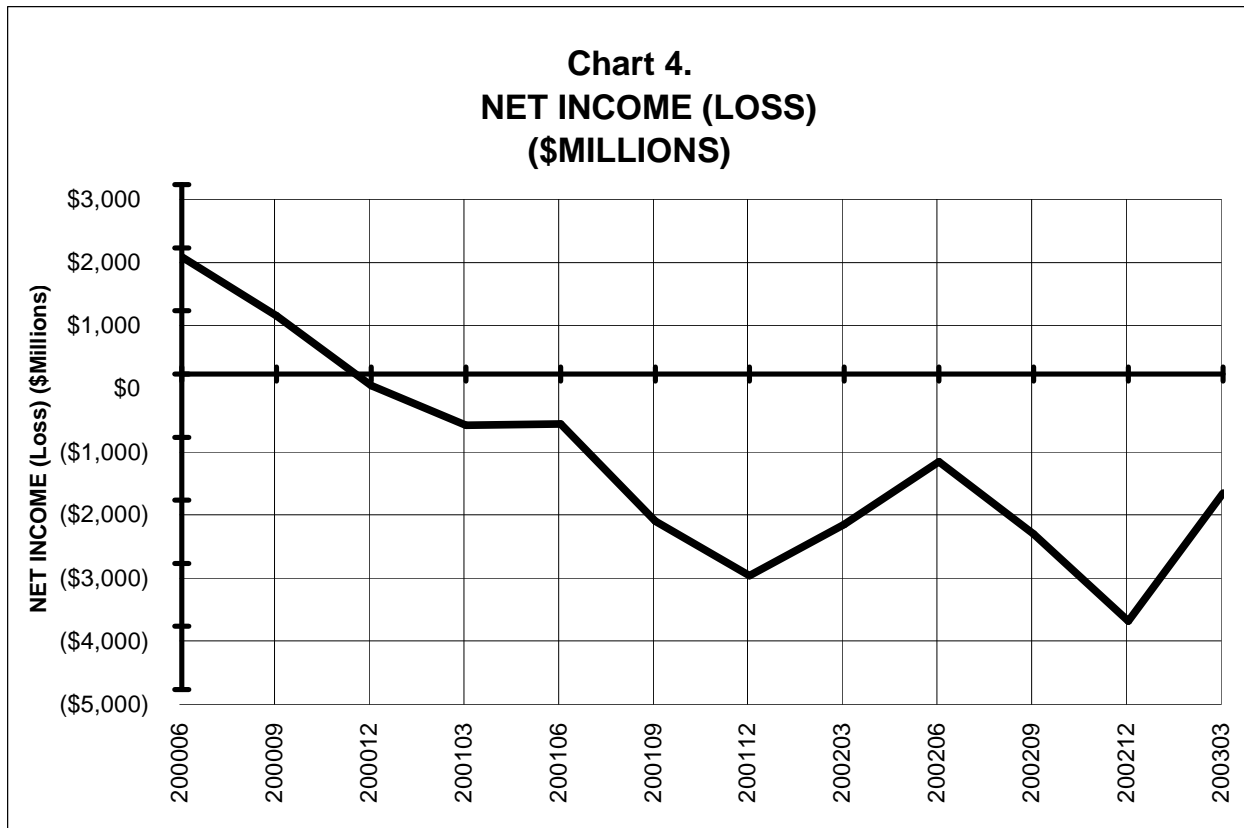
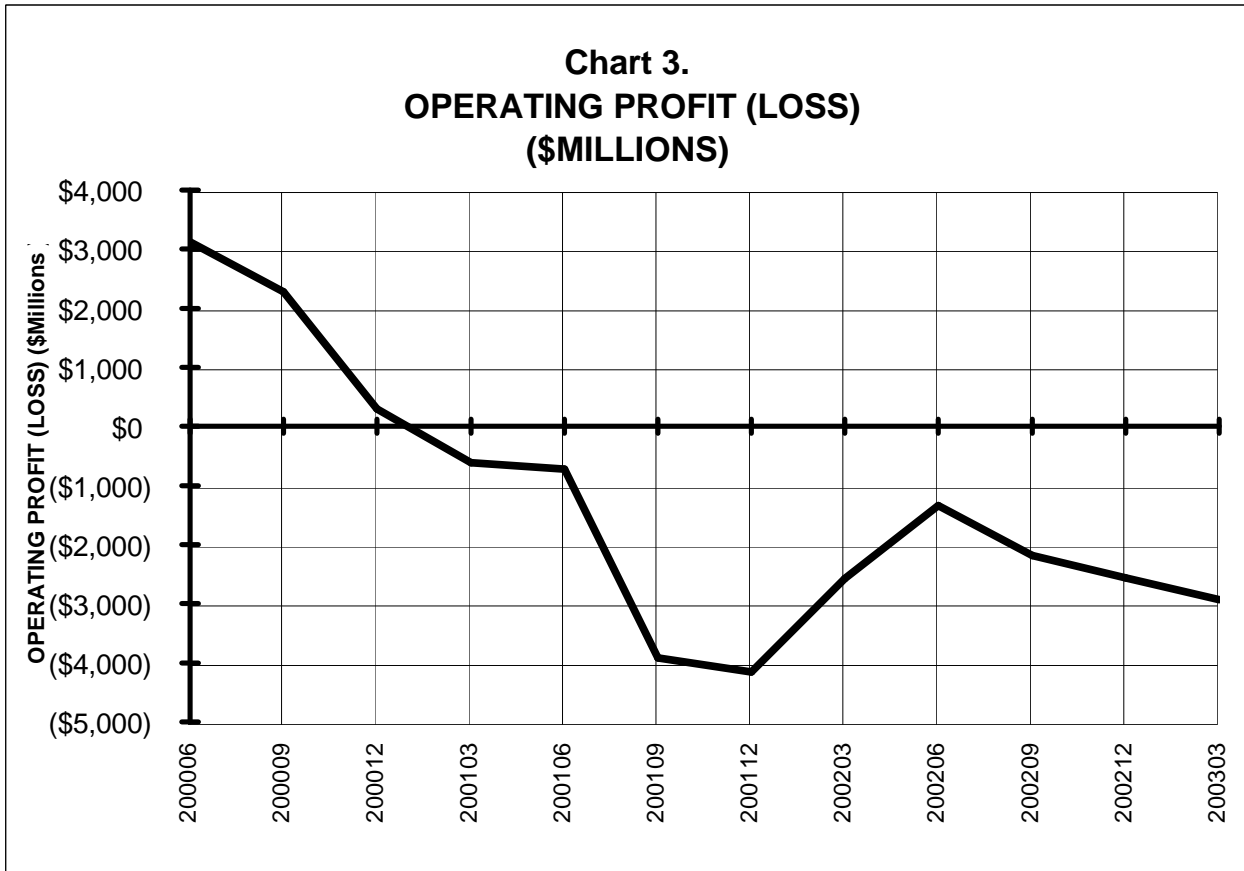
ITEMS	QUARTER ENDED		12 MONTHS ENDED					
	2003/03	2002/03	2003/03	2002/12	2002/09	2002/06	2002/03	
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	5,920.8	5,482.6	25,076.8	24,638.6	23,789.4	24,069.2	25,019.7
2	Operating Expenses	6,665.2	5,924.6	26,533.2	25,792.6	25,118.2	26,161.9	27,055.0
3	Operating Profit (Loss)	-744.4	-442.0	-1,456.4	-1,154.0	-1,328.9	-2,092.7	-2,035.2
4	Net Income (Loss)	-1,068.7	-400.7	-2,410.7	-1,742.6	-1,145.7	-1,227.9	-1,187.2
<u>TRAFFIC: (Billions)</u>								
5	RPMs - Scheduled Rev. Svc.	35.42	36.89	160.95	162.41	155.68	158.08	164.96
6	ASMs - Scheduled Rev. Svc.	49.43	48.48	212.45	211.50	208.49	213.25	223.17
7	Overall RTMs (All Svc.)	6.43	6.35	28.10	28.01	26.87	27.02	27.81
8	Overall ATMs (All Svc.)	11.42	10.83	48.06	47.47	46.55	47.27	49.00
<u>YIELD & UNIT COST & PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	92.0	86.4	89.3	88.0	88.5	89.1	90.0
10	Operating Expense per RTM	103.6	93.3	94.4	92.1	93.5	96.8	97.3
11	Operating Profit (Loss) per RTM	-11.6	-7.0	-5.2	-4.1	-4.9	-7.7	-7.3
12	Operating Expense per ATM	58.4	54.7	55.2	54.3	54.0	55.3	55.2
13	Passenger Revenue per RPM	9.68	9.50	9.83	9.78	9.75	9.73	9.79
<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	-12.6	-8.1	-5.8	-4.7	-5.6	-8.7	-8.1
19	Net Income to Stockholders Equity	*	*	**	**	**	**	**
20	Corporate Return on Investment	*	*	-8.2	-4.9	-2.2	-2.8	-3.0
21	Debt to Total Investment	*	*	**	**	**	**	**
<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>								
22	Actual	71.7	76.1	75.8	76.8	74.7	74.1	73.9
23	Breakeven	89.8	86.7	86.5	83.0	81.9	85.3	84.3
<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 (%)	8.0	-19.3	0.2	-6.4	-15.6	-17.4	-14.0
27	Operating Expenses (%)	12.5	-14.3	-1.9	-8.0	-13.3	-7.9	-2.7
28	Operating Profit (Loss) (in Millions \$)	-302.4	-326.8	578.8	554.4	-529.2	-2,836.7	-3,349.6
29	Net Income (Loss)(in Millions \$)	-668.1	-340.3	-1,223.5	-895.7	-720.1	-1,477.7	-1,880.2
30	RPMs (Sch. Svc.) (%)	-4.0	-12.2	-2.4	-4.5	-14.4	-15.2	-11.2
31	ASMs (Sch. Svc.) (%)	2.0	-17.4	-4.8	-9.4	-14.6	-13.6	-8.5
32	Operating Revenues per RTM (%)	6.6	-8.5	-0.8	-4.2	-4.2	-4.0	-2.7
33	Operating Expense per RTM (%)	11.0	-2.8	-2.9	-5.9	-1.7	7.0	10.2
34	Passenger Revenue per RPM (Sch. Svc.)(%)	1.9	-11.0	0.4	-2.8	-5.5	-7.5	-7.9

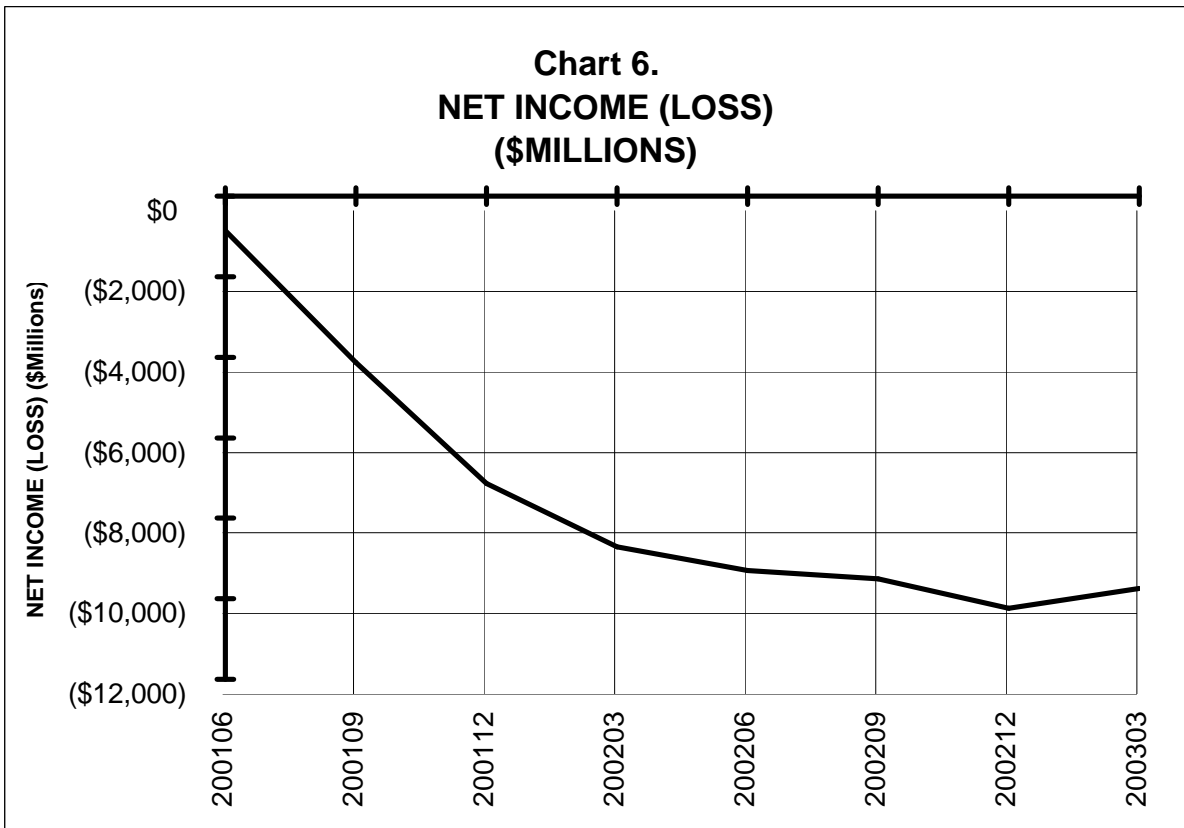
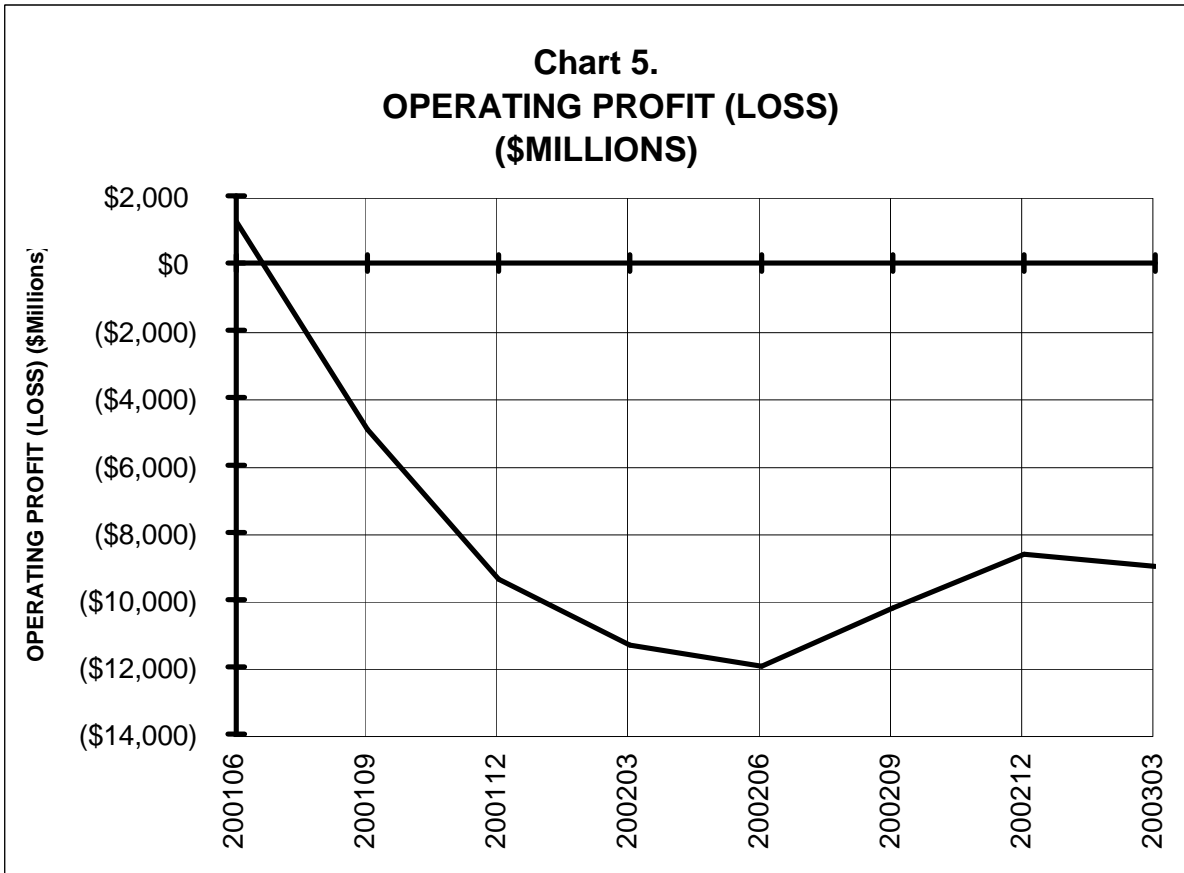
COMPARISONS AMONG MAJOR GROUP AIRLINES



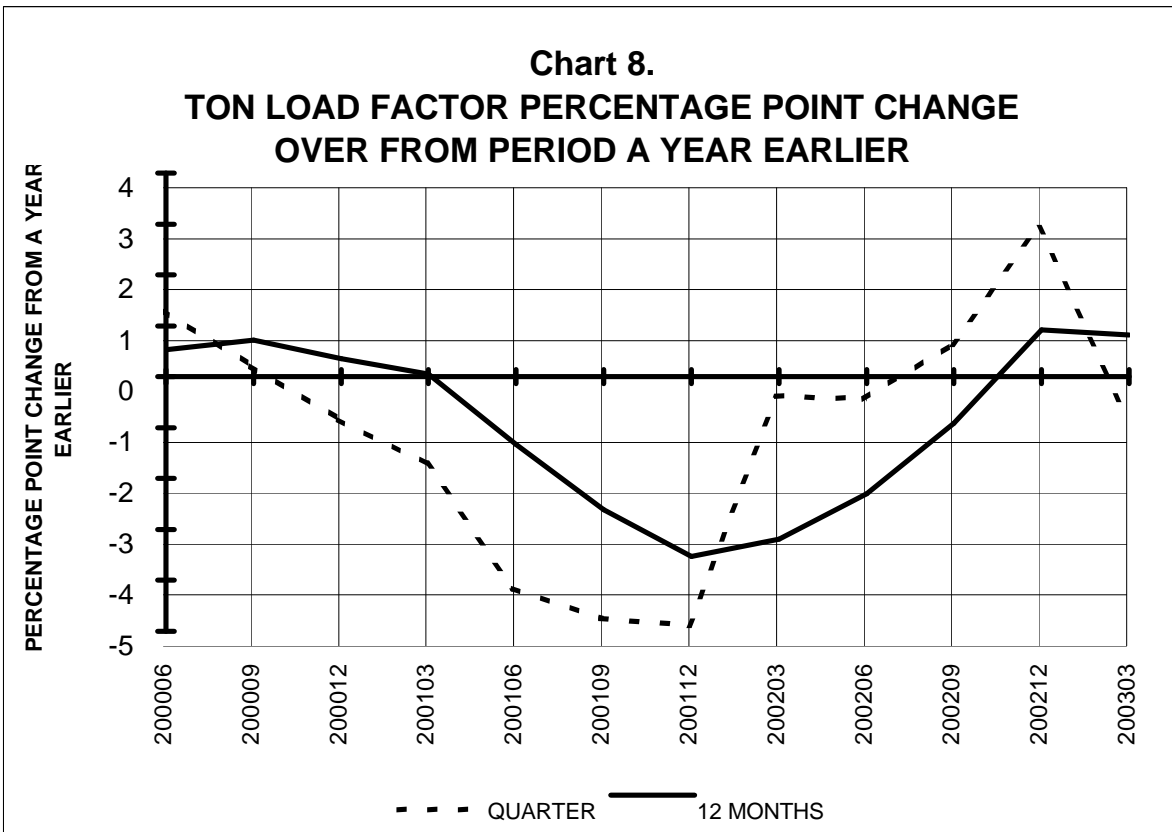
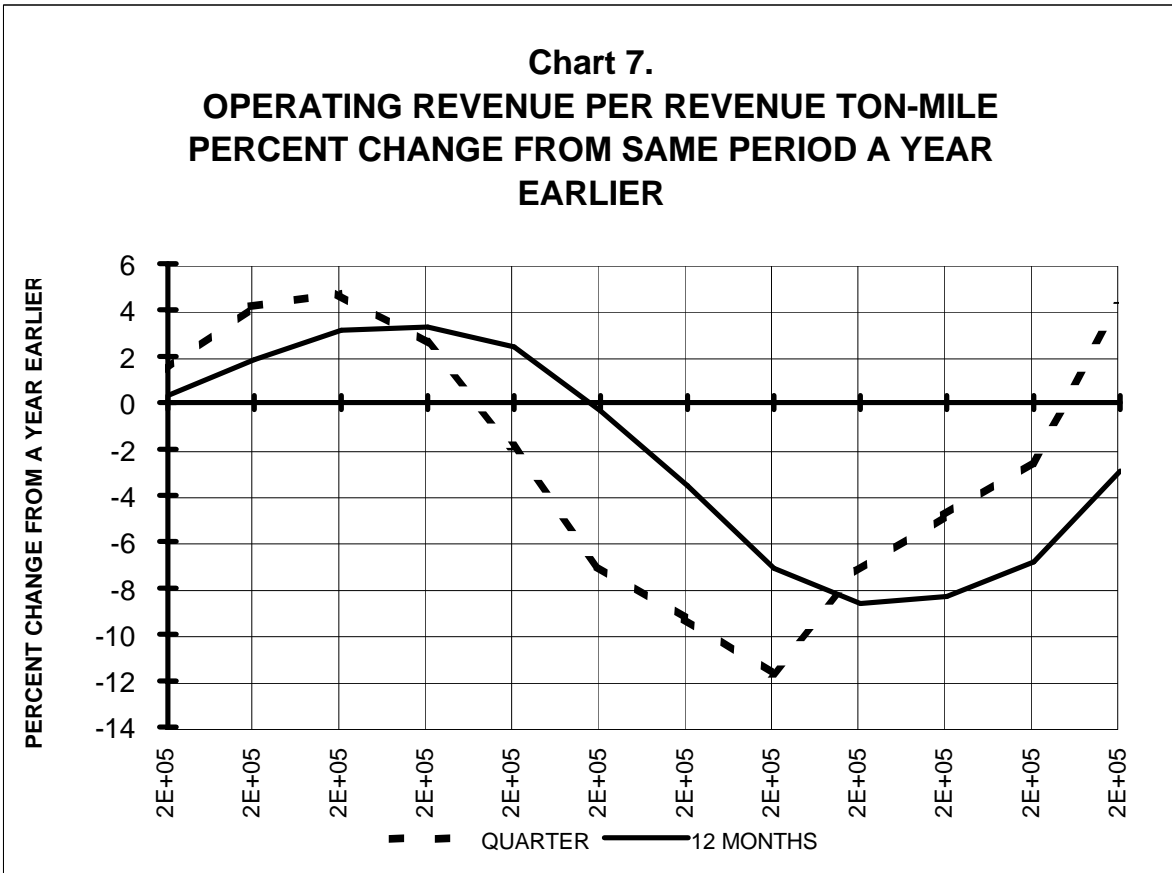
TOTAL ALL MAJORS (SYSTEM) BY QUARTER



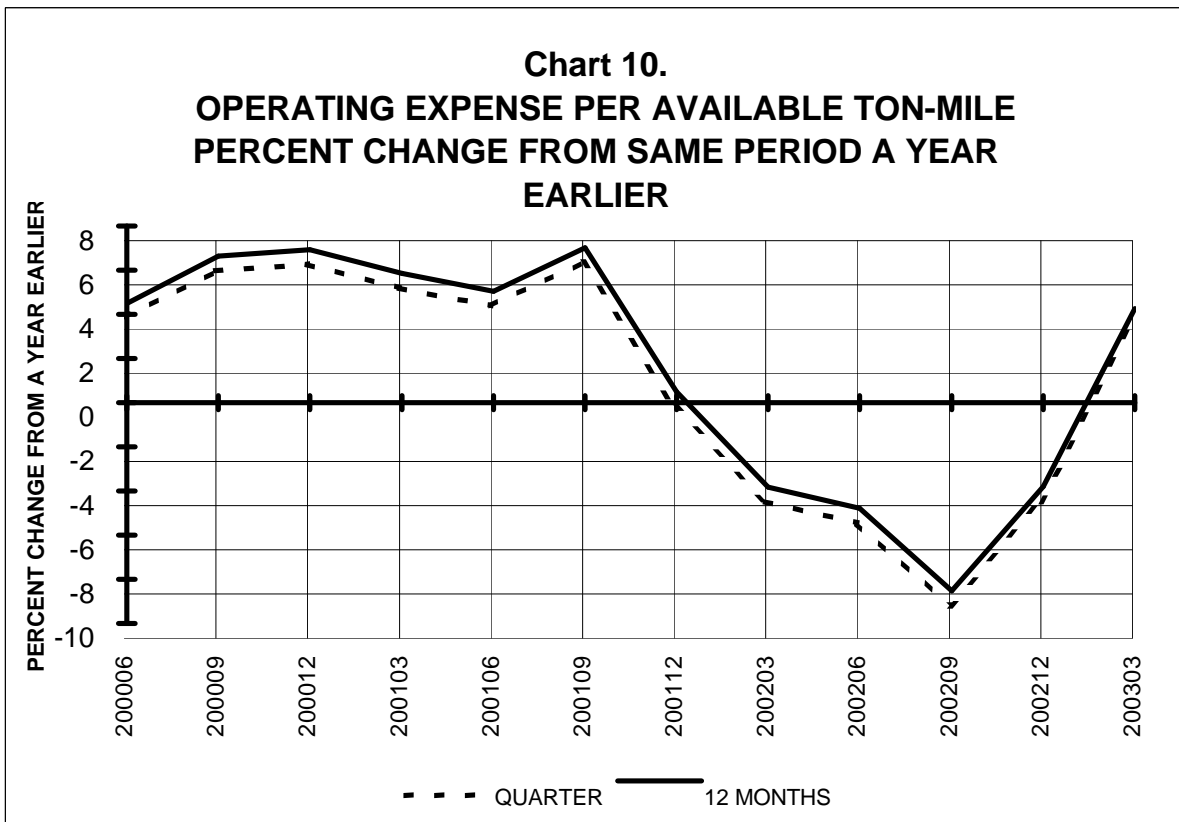
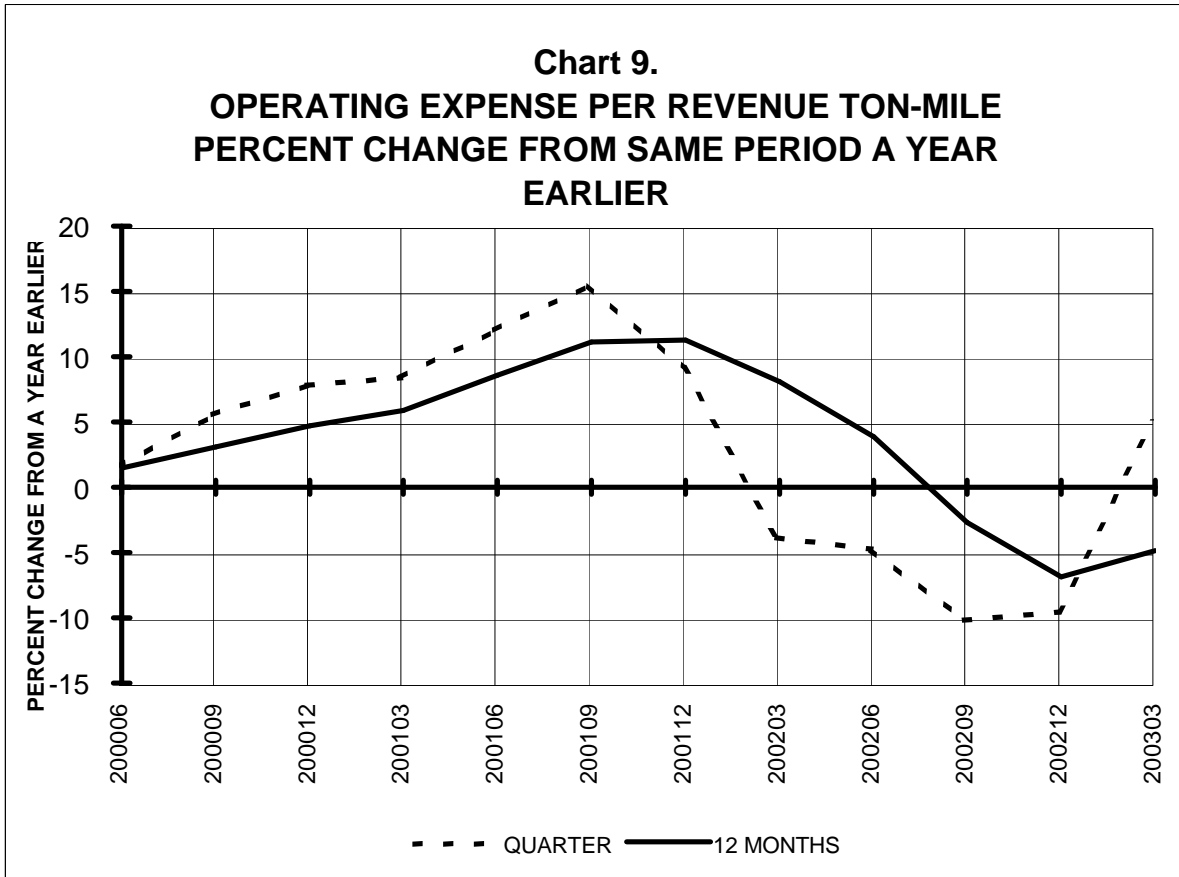
**TOTAL ALL MAJORS (SYSTEM)
BY 12-MONTH ENDING PERIODS**



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				
	2003/03	2002/03	2003/03	2002/12	2002/09	2002/06	2002/03
<u>FINANCIAL RESULTS: (\$Millions)</u>							
1 Operating Revenues	18,902.1	18,196.2	78,134.8	77,428.9	75,270.4	76,417.2	80,457.9
2 Operating Expenses	21,983.0	20,951.5	88,073.0	87,041.5	86,520.6	89,201.5	92,411.5
3 Operating Profit (Loss)	-3,080.9	-2,755.3	-9,938.2	-9,612.6	-11,250.2	-12,784.3	-11,953.6
4 Net Income (Loss)	-1,953.3	-2,454.8	-10,186.7	-10,688.2	-9,939.1	-9,651.7	-8,873.4
<u>TRAFFIC: (Billions)</u>							
5 RPMs - Scheduled Rev. Svc.	133.2	135.0	584.7	586.4	572.1	574.8	592.8
6 ASMs - Scheduled Rev. Svc.	191.7	191.8	811.8	812.0	803.6	811.9	837.4
7 Overall RTMs (All Svc.)	15.7	15.8	68.4	68.5	66.7	67.1	69.2
8 Overall ATMs (All Svc.)	29.4	29.2	124.3	124.1	122.7	123.8	127.3
<u>YIELD & UNIT COST & PROFITS: (Cents)</u>							
9 Operating Revenue per RTM	120.4	115.2	114.2	113.0	112.8	114.0	116.3
10 Operating Expense per RTM	140.0	132.7	128.7	127.1	129.7	133.0	133.6
11 Operating Profit (Loss) per RTM	-19.6	-17.4	-14.5	-14.0	-16.9	-19.1	-17.3
12 Operating Expense per ATM	74.8	71.7	70.9	70.1	70.5	72.1	72.6
13 Passenger Revenue per RPM	11.64	11.76	11.41	11.44	11.44	11.58	11.86
<u>FINANCIAL RATIOS:</u>							
14 Operating Revenues to Total Investment	*	*	1.13	1.07	1.01	1.03	1.09
15 Times Interest Earned	*	*	-2.97	-3.44	-3.64	-4.04	-4.07
16 Current Assets to Current Liabilities	*	*	0.68	0.69	0.77	0.81	0.80
17 No. of Days Cash Coverage of Cash Exp.	*	*	52.26	56.89	60.26	63.13	57.14
<u>FINANCIAL PERCENTAGES:</u>							
18 Operating Profit (Loss) to Operating Revenue	-16.3	-15.1	-12.7	-12.4	-14.9	-16.7	-14.9
19 Net Income to Stockholders Equity	*	*	-64.1	-55.0	-42.3	-37.6	-32.5
20 Corporate Return on Investment	*	*	-10.3	-10.7	-9.5	-9.5	-8.8
21 Debt to Total Investment	*	*	88.5	87.3	73.5	70.3	69.3
<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>							
22 Actual	69.5	70.4	72.0	72.2	71.2	70.8	70.8
23 Breakeven	84.1	84.0	85.1	83.7	84.8	85.9	84.2
<u>Employment & Productivity:</u>							
24 Employment, Total Weighted Avg CY	401,250	424,941	420,342	426,263	431,736	446,610	463,920
25 Overall RTM's per Employee (000)	39.1	37.2	162.8	160.7	154.6	150.1	149.1

CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER							
26 Operating Revenues (%)	3.9	-22.0	-2.9	-9.5	-19.2	-21.9	-18.7
27 Operating Expenses (%)	4.9	-13.3	-4.7	-9.0	-12.3	-8.4	-2.7
28 Operating Profit (Loss) (in Millions \$)	-325.6	-1,915.0	2,015.5	426.0	-5,796.2	-13,240.2	-15,945.7
29 Net Income (Loss)(in Millions \$)	501.5	-1,519.4	-1,313.3	-3,334.1	-5,632.6	-8,476.0	-10,096.9
30 RPMs (Sch. Svc.) (%)	-1.3	-10.7	-1.4	-3.7	-10.7	-12.3	-9.7
31 ASMs (Sch. Svc.) (%)	-0.1	-13.2	-3.1	-6.3	-10.7	-10.7	-7.2
32 Operating Revenues per RTM (%)	4.5	-11.6	-1.8	-5.9	-8.8	-9.8	-8.6
33 Operating Expense per RTM (%)	5.5	-1.8	-3.7	-5.3	-1.0	5.7	9.4
34 Passenger Revenue per RPM (Sch. Svc.)(%)	-1.0	-13.1	-3.8	-7.0	-10.3	-11.8	-11.1

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

ITEMS	QUARTER ENDED		12 MONTHS ENDED				
	2003/03	2002/03	2003/03	2002/12	2002/09	2002/06	2002/03
<u>FINANCIAL RESULTS: (\$Millions)</u>							
1 Operating Revenues	14,448.1	13,980.4	58,799.0	58,331.3	57,043.6	57,872.7	60,976.0
2 Operating Expenses	16,686.9	16,163.9	66,788.7	66,265.8	66,342.4	67,978.2	70,399.6
3 Operating Profit (Loss)	-2,238.8	-2,183.6	-7,989.7	-7,934.5	-9,298.8	-10,105.5	-9,423.5
4 Net Income (Loss)	-838.8	-1,988.3	-7,522.6	-8,672.2	-8,433.3	-8,115.4	-7,397.3
<u>TRAFFIC: (Billions)</u>							
5 RPMs - Scheduled Rev. Svc.	97.81	98.11	423.72	424.02	416.43	416.72	427.82
6 ASMs - Scheduled Rev. Svc.	142.22	143.32	599.38	600.49	595.14	598.66	614.21
7 Overall RTMs (All Svc.)	10.52	10.59	45.49	45.56	44.70	44.81	46.12
8 Overall ATMs (All Svc.)	19.98	20.19	84.34	84.55	83.75	84.00	85.82
<u>YIELD & UNIT COST & PROFITS: (Cents)</u>							
9 Operating Revenue per RTM	137.3	132.0	129.3	128.0	127.6	129.2	132.2
10 Operating Expense per RTM	158.6	152.6	146.8	145.4	148.4	151.7	152.6
11 Operating Profit (Loss) per RTM	-21.3	-20.6	-17.6	-17.4	-20.8	-22.6	-20.4
12 Operating Expense per ATM	83.5	80.1	79.2	78.4	79.2	80.9	82.0
13 Passenger Revenue per RPM	12.35	12.61	12.01	12.08	12.07	12.28	12.66
<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	-15.5	-15.6	-13.6	-13.6	-16.3	-17.5	-15.5
19 Net Income to Stockholders Equity	*	*	**	**	**	**	**
20 Corporate Return on Investment	*	*	-9.8	-11.7	-11.0	-10.8	-10.0
21 Debt to Total Investment	*	*	**	**	**	**	**
<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>							
22 Actual	68.8	68.5	70.7	70.6	70.0	69.6	69.7
23 Breakeven	81.9	81.9	83.8	82.8	84.4	84.9	83.1
<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 (%)	3.3	-22.0	-3.6	-10.1	-19.1	-22.0	-19.1
27 Operating Expenses (%)	3.2	-12.8	-5.1	-8.9	-11.3	-8.3	-2.5
28 Operating Profit (Loss) (in Millions \$)	-55.2	-1,578.5	1,433.9	-89.4	-5,004.9	-10,219.3	-12,587.6
29 Net Income (Loss)(in Millions \$)	1,149.5	-1,231.4	-125.3	-2,506.3	-4,820.7	-7,005.2	-8,298.5
30 RPMs (Sch. Svc.) (%)	-0.3	-10.2	-1.0	-3.4	-9.2	-11.1	-9.2
31 ASMs (Sch. Svc.) (%)	-0.8	-11.7	-2.4	-5.2	-9.3	-9.7	-6.7
32 Operating Revenues per RTM (%)	4.0	-12.4	-2.2	-6.5	-9.9	-11.2	-10.0
33 Operating Expense per RTM (%)	3.9	-2.1	-3.8	-5.2	-1.3	4.5	8.5
34 Passenger Revenue per RPM (Sch. Svc.)(%)	-2.1	-13.8	-5.1	-8.3	-12.0	-13.3	-12.2

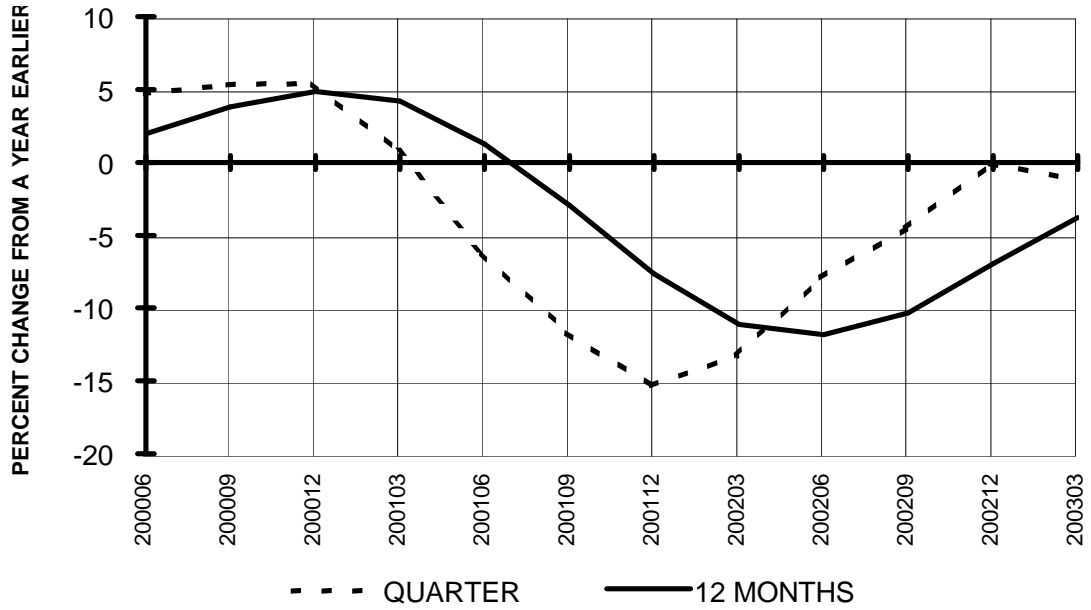
**QUARTERLY FINANCIAL & TRAFFIC REVIEW
INTERNATIONAL OPERATIONS
TOTAL PASSENGER MAJORS**

ITEMS	QUARTER ENDED		12 MONTHS ENDED				
	2003/03	2002/03	2003/03	2002/12	2002/09	2002/06	2002/03
<u>FINANCIAL RESULTS: (\$Millions)</u>							
1 Operating Revenues	4,454.0	4,215.8	19,335.8	19,097.6	18,226.8	18,544.5	19,481.8
2 Operating Expenses	5,296.1	4,787.5	21,284.3	20,775.7	20,178.2	21,223.3	22,011.9
3 Operating Profit (Loss)	-842.0	-571.7	-1,948.5	-1,678.1	-1,951.4	-2,678.8	-2,530.1
4 Net Income (Loss)	-1,114.5	-466.4	-2,664.0	-2,016.0	-1,505.8	-1,536.2	-1,476.1
<u>TRAFFIC: (Billions)</u>							
5 RPMs - Scheduled Rev. Svc.	35.42	36.89	160.95	162.41	155.68	158.08	164.96
6 ASMs - Scheduled Rev. Svc.	49.43	48.48	212.45	211.50	208.49	213.25	223.17
7 Overall RTMs (All Svc.)	5.18	5.20	22.92	22.94	22.04	22.24	23.04
8 Overall ATMs (All Svc.)	9.42	9.02	39.94	39.54	38.95	39.77	41.44
<u>YIELD & UNIT COST & PROFITS: (Cents)</u>							
9 Operating Revenue per RTM	86.0	81.1	84.3	83.2	82.7	83.4	84.5
10 Operating Expense per RTM	102.2	92.0	92.8	90.6	91.6	95.4	95.5
11 Operating Profit (Loss) per RTM	-16.2	-11.0	-8.5	-7.3	-8.9	-12.0	-11.0
12 Operating Expense per ATM	56.2	53.1	53.3	52.5	51.8	53.4	53.1
13 Passenger Revenue per RPM	9.68	9.50	9.83	9.78	9.75	9.73	9.79
<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	-18.9	-13.6	-10.1	-8.8	-10.7	-14.4	-13.0
19 Net Income to Stockholders Equity	*	*	**	**	**	**	**
20 Corporate Return on Investment	*	*	-11.7	-7.6	-4.8	-5.3	-5.3
21 Debt to Total Investment	*	*	**	**	**	**	**
<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>							
22 Actual	71.7	76.1	75.8	76.8	74.7	74.1	73.9
23 Breakeven	91.3	89.9	88.4	85.8	85.3	88.5	86.8
<u>Employment & Productivity:</u>							
24 Employment, Total Weighted Avg CY	*	*	**	**	**	**	**
25 Overall RTM's per Employee (000)	*	*	**	**	**	**	**

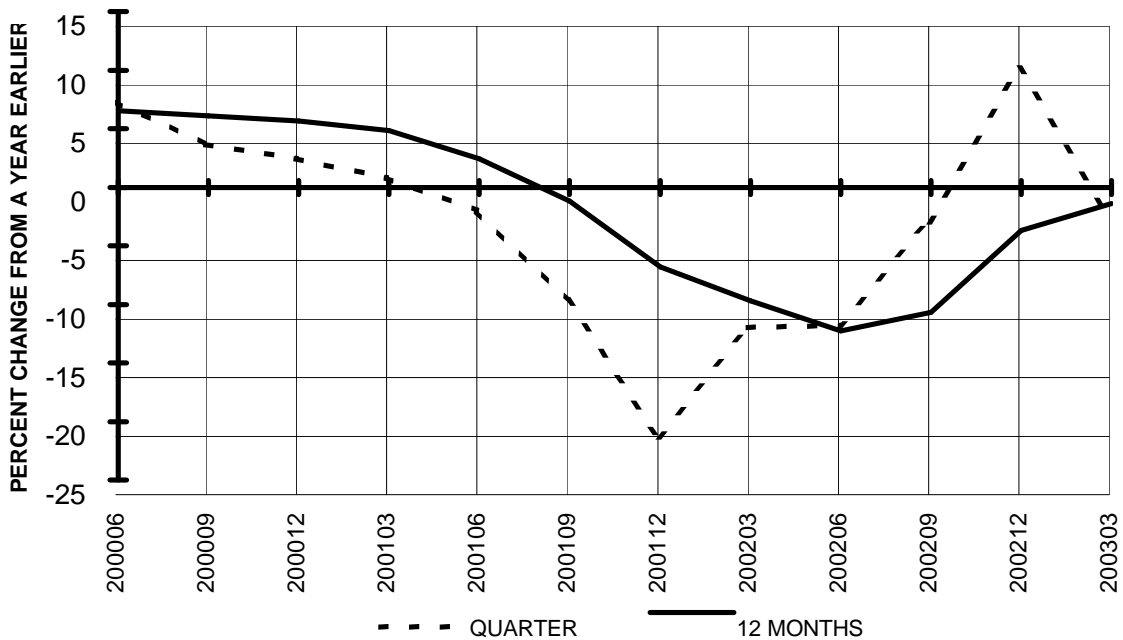
	CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26 Operating Revenues (%)	5.7	-22.0	-0.7	-7.6	-19.4	-21.4	-17.5
27 Operating Expenses (%)	10.6	-15.1	-3.3	-9.1	-15.1	-8.7	-3.4
28 Operating Profit (Loss) (in Millions \$)	-270.3	-336.5	581.6	515.4	-791.3	-3,020.9	-3,358.0
29 Net Income (Loss)(in Millions \$)	-648.0	-288.0	-1,187.9	-827.9	-811.9	-1,470.9	-1,798.4
30 RPMs (Sch. Svc.) (%)	-4.0	-12.2	-2.4	-4.5	-14.4	-15.2	-11.2
31 ASMs (Sch. Svc.) (%)	2.0	-17.4	-4.8	-9.4	-14.6	-13.6	-8.5
32 Operating Revenues per RTM (%)	6.0	-10.0	-0.2	-4.0	-6.7	-6.9	-5.2
33 Operating Expense per RTM (%)	11.0	-2.1	-2.8	-5.6	-1.8	8.1	11.0
34 Passenger Revenue per RPM (Sch. Svc.)(%)	1.9	-11.0	0.4	-2.8	-5.5	-7.5	-7.9

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

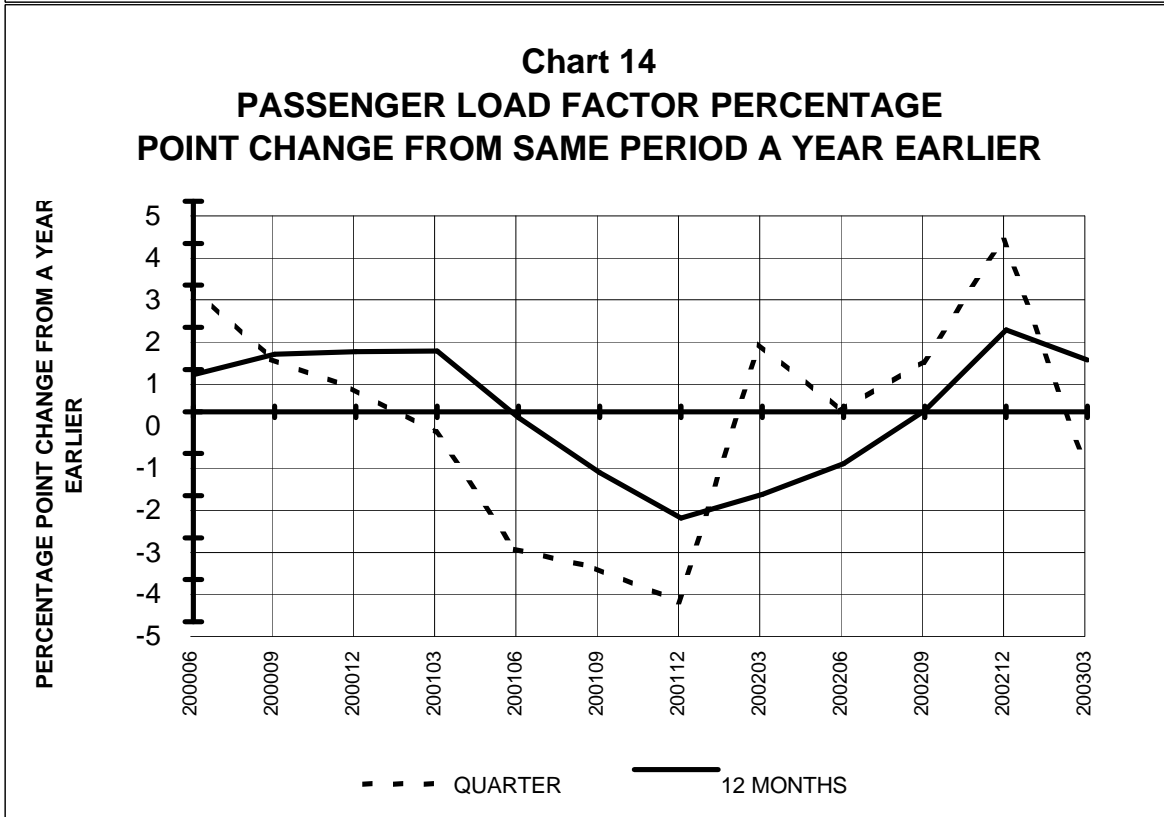
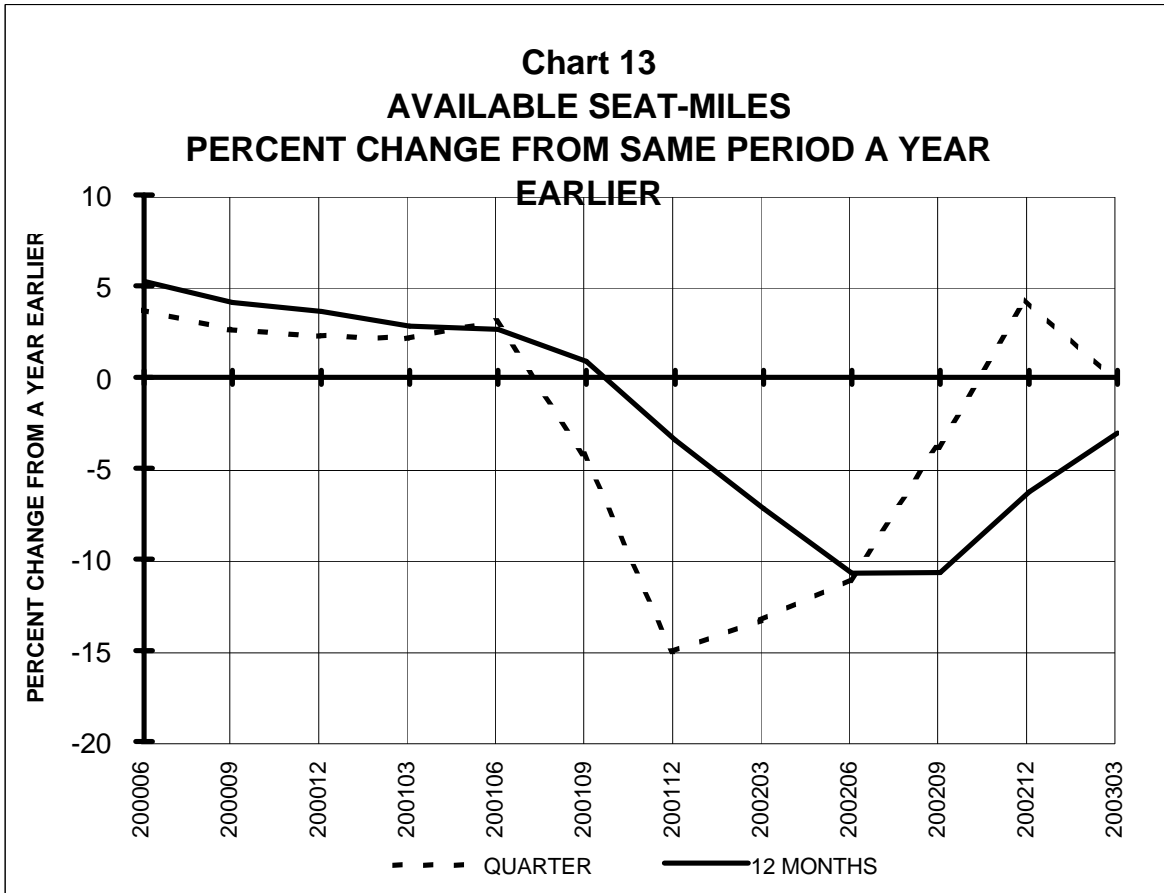
**Chart 11
PASSENGER REVENUES PER REVENUE PASSENGER-
MILE
PERCENT CHANGE FROM SAME PERIOD A YEAR
EARLIER**



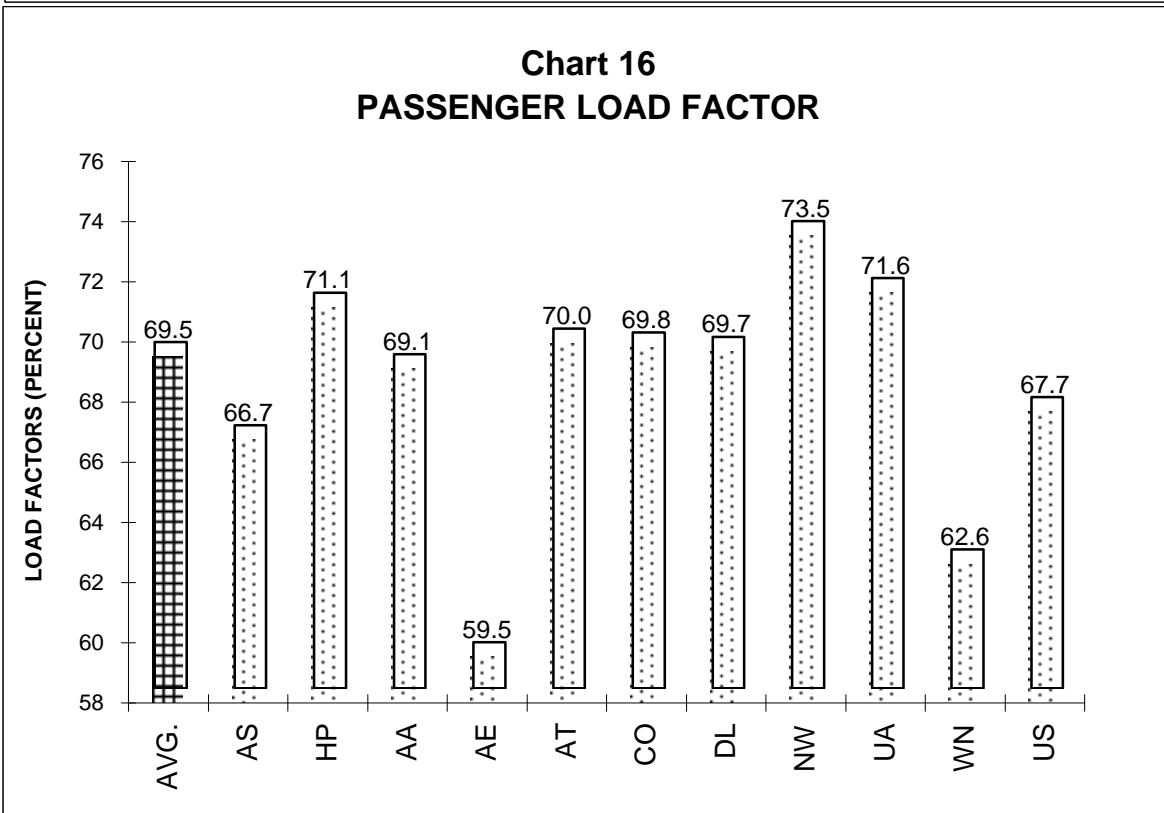
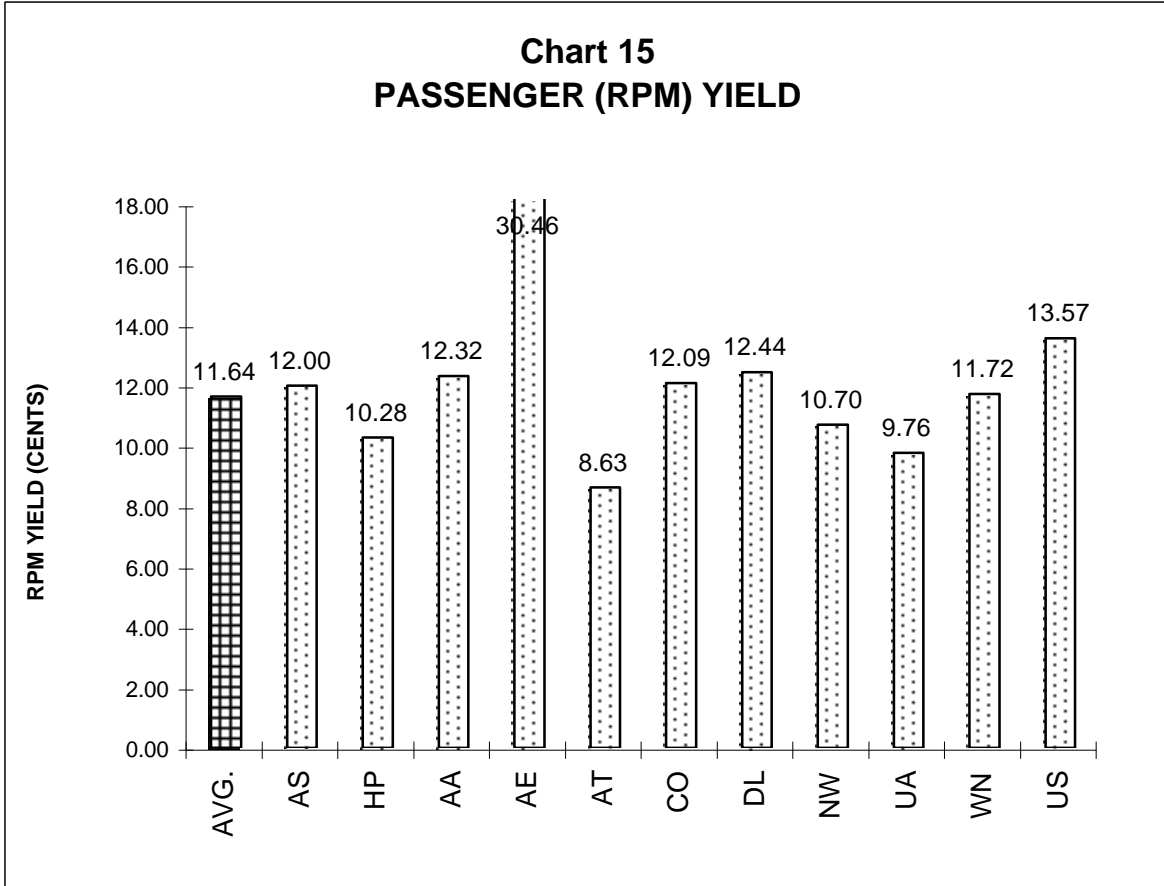
**Chart 12
REVENUE PASSENGER-MILES
PERCENT CHANGE FROM SAME PERIOD A EARLIER**



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



**TOTAL PASSENGER MAJORS (SYSTEM)
FIRST QUARTER 2003 SCH. SVC.**



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

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2003/03	2002/03	2003/03	2002/12	2002/09	2002/06	2002/03
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	427.1	412.4	1,847.0	1,832.4	1,786.0	1,758.9	1,754.8
2	Operating Expenses	488.4	454.2	1,947.4	1,913.2	1,874.9	1,848.6	1,829.7
3	Operating Profit (Loss)	-61.4	-41.8	-100.4	-80.8	-88.9	-89.8	-74.9
4	Net Income (Loss)	-45.1	-28.2	-91.9	-75.0	-38.8	-24.8	-16.7
<u>TRAFFIC: (Billions)</u>								
5	RPMs - Scheduled Rev. Svc.	3.14	2.97	13.35	13.18	12.74	12.39	12.31
6	ASMs - Scheduled Rev. Svc.	4.71	4.46	19.60	19.35	18.69	18.17	17.92
7	Overall RTMs (All Svc.)	0.33	0.31	1.40	1.38	1.34	1.30	1.33
8	Overall ATMs (All Svc.)	0.61	0.58	2.55	2.52	2.44	2.37	2.34
<u>YIELD & UNIT COST & PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	129.2	133.4	131.6	132.6	133.5	135.2	132.0
10	Operating Expense per RTM	147.8	146.9	138.8	138.4	140.1	142.1	137.6
11	Operating Profit (Loss) per RTM	-18.6	-13.5	-7.2	-5.8	-6.6	-6.9	-5.6
12	Operating Expense per ATM	79.8	78.7	76.3	76.0	76.9	77.9	78.2
13	Passenger Revenue per RPM	12.00	12.26	12.26	12.33	12.39	12.53	12.62
<u>FINANCIAL RATIOS:</u>								
14	Operating Revenues to Total Investment	*	*	1.19	1.16	1.11	1.12	1.17
15	Times Interest Earned	*	*	-1.81	-1.13	-0.22	0.23	0.47
16	Current Assets to Current Liabilities	*	*	1.30	1.32	1.34	1.34	1.30
17	No. of Days Cash Coverage of Cash Exp.	*	*	122.5	128.9	137.3	148.5	131.3
<u>FINANCIAL PERCENTAGES:</u>								
18	Operating Profit (Loss) to Operating Revenue	-14.4	-10.1	-5.4	-4.4	-5.0	-5.1	-4.3
19	Net Income to Stockholders Equity	*	*	-14.4	-11.3	-5.6	-3.6	-2.4
20	Corporate Return on Investment	*	*	-3.1	-1.9	0.5	1.4	1.9
21	Debt to Total Investment	*	*	61.4	61.4	55.7	58.5	57.7
<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>								
22	Actual	66.7	66.7	68.1	68.1	68.2	68.2	68.7
23	Breakeven	83.4	79.0	77.2	76.2	76.7	76.5	75.8
<u>Employment & Productivity:</u>								
24	Employment, Total Weighted Avg CY	10,146	9,833	10,202	10,124	10,062	10,048	10,064
25	Overall RTM's per Employee (000)	32.6	31.4	32.6	32.6	37.4	34.9	124.0

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	3.5	-2.0	5.3	3.9	-1.4	-3.0	-1.7
27	Operating Expenses (%)	7.5	0.4	6.4	4.7	1.1	0.5	0.8
28	Operating Profit (Loss) (in Millions \$)	-19.6	-10.1	-25.5	-16.0	-45.5	-63.6	-45.8
29	Net Income (Loss)(in Millions \$)	-16.9	-6.6	-75.2	-64.9	-20.6	-2.7	4.1
30	RPMs (Sch. Svc.) (%)	5.7	2.9	8.4	7.8	2.7	0.8	2.1
31	ASMs (Sch. Svc.) (%)	5.6	0.9	9.4	8.2	2.9	1.1	2.4
32	Operating Revenues per RTM (%)	-3.1	-3.4	-0.3	-0.4	-1.0	-0.6	-5.9
33	Operating Expense per RTM (%)	0.6	-1.1	0.9	0.4	1.5	3.0	-3.5
34	Passenger Revenue per RPM (Sch. Svc.)(%)	-2.1	-5.8	-2.8	-3.7	-4.9	-5.1	-5.0

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

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2003/03	2002/03	2003/03	2002/12	2002/09	2002/06	2002/03
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	516.7	456.3	2,081.4	2,021.0	1,898.5	1,868.6	1,910.8
2	Operating Expenses	563.5	577.8	2,210.0	2,224.4	2,201.4	2,230.2	2,327.2
3	Operating Profit (Loss)	-46.7	-121.6	-128.6	-203.4	-302.9	-361.6	-416.4
4	Net Income (Loss)	-62.7	-337.3	-183.1	-457.7	-465.6	-444.9	-472.7
<u>TRAFFIC: (Billions)</u>								
5	RPMs - Scheduled Rev. Svc.	4.86	4.26	20.45	19.85	18.81	18.42	18.44
6	ASMs - Scheduled Rev. Svc.	6.83	6.07	27.72	26.96	25.92	25.48	25.53
7	Overall RTMs (All Svc.)	0.50	0.44	2.12	2.06	1.95	1.91	1.92
8	Overall ATMs (All Svc.)	0.91	0.80	3.68	3.57	3.43	3.36	3.36
<u>YIELD & UNIT COST & PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	102.6	102.6	98.3	98.2	97.3	97.7	99.6
10	Operating Expense per RTM	111.8	129.9	104.4	108.1	112.8	116.6	121.4
11	Operating Profit (Loss) per RTM	-9.3	-27.3	-6.1	-9.9	-15.5	-18.9	-21.7
12	Operating Expense per ATM	62.0	72.0	60.1	62.3	64.2	66.3	69.3
13	Passenger Revenue per RPM	10.28	10.24	9.70	9.67	9.58	9.65	9.86
<u>FINANCIAL RATIOS:</u>								
14	Operating Revenues to Total Investment	*	*	1.87	1.79	1.61	1.60	1.66
15	Times Interest Earned	*	*	-1.27	-2.26	-3.35	-3.85	-6.35
16	Current Assets to Current Liabilities	*	*	1.04	1.20	1.05	1.27	1.26
17	No. of Days Cash Coverage of Cash Exp.	*	*	51.4	59.6	71.1	81.3	67.9
<u>FINANCIAL PERCENTAGES:</u>								
18	Operating Profit (Loss) to Operating Revenue	-9.0	-26.6	-6.2	-10.1	-16.0	-19.4	-21.8
19	Net Income to Stockholders Equity	*	*	-52.2	-102.1	-85.1	-69.3	-64.7
20	Corporate Return on Investment	*	*	-9.2	-33.5	-33.7	-32.8	-37.0
21	Debt to Total Investment	*	*	74.6	71.1	66.8	64.1	66.8
<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>								
22	Actual	71.1	70.1	73.8	73.6	72.6	72.3	72.2
23	Breakeven	81.3	94.2	81.8	84.9	88.7	91.1	92.9
<u>Employment & Productivity:</u>								
24	Employment, Total Weighted Avg CY	11,513	11,160	11,588	11,500	11,343	11,517	11,807
25	Overall RTM's per Employee (000)	43.8	39.8	43.8	45.1	47.1	46.8	146.0

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	13.2	-21.5	8.9	-0.7	-14.0	-19.1	-18.4
27	Operating Expenses (%)	-2.5	-4.7	-5.0	-5.6	-10.6	-9.5	-2.6
28	Operating Profit (Loss) (in Millions \$)	74.8	-96.3	287.8	116.7	-48.0	-206.7	-366.5
29	Net Income (Loss)(in Millions \$)	274.6	-324.3	289.6	-309.3	-334.6	-344.2	-443.6
30	RPMs (Sch. Svc.) (%)	14.1	-12.7	10.9	4.2	-4.8	-7.1	-6.2
31	ASMs (Sch. Svc.) (%)	12.5	-13.9	8.6	1.7	-5.8	-8.1	-7.7
32	Operating Revenues per RTM (%)	0.0	-9.9	-1.3	-4.3	-9.3	-12.5	-12.8
33	Operating Expense per RTM (%)	-13.9	9.4	-14.0	-9.0	-5.7	-2.2	4.0
34	Passenger Revenue per RPM (Sch. Svc.)(%)	0.4	-9.5	-1.6	-4.7	-9.7	-12.4	-12.5

**QUARTERLY FINANCIAL & TRAFFIC REVIEW
SYSTEM OPERATIONS
AMERICAN AIRLINES 1/**

ITEMS	QUARTER ENDED		12 MONTHS ENDED					
	2003/03	2002/03	2003/03	2002/12	2002/09	2002/06	2002/03	
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	4,164.0	3,807.8	16,226.8	15,870.6	15,548.8	15,876.0	16,913.9
2	Operating Expenses	5,011.0	4,540.3	19,664.3	19,193.5	19,299.5	19,626.6	20,727.6
3	Operating Profit (Loss)	-847.0	-732.5	-3,437.5	-3,322.9	-3,750.7	-3,750.6	-3,813.7
4	Net Income (Loss)	-975.5	-552.2	-3,039.7	-2,616.4	-2,665.9	-2,104.9	-2,070.1
<u>TRAFFIC: (Billions)</u>								
5	RPMS - Scheduled Rev. Svc.	27.76	27.79	121.62	121.65	117.61	118.06	122.49
6	ASMs - Scheduled Rev. Svc.	40.17	40.04	172.18	172.06	169.58	170.54	176.47
7	Overall RTMs (All Svc.)	3.28	3.25	14.22	14.19	13.70	13.78	14.33
8	Overall ATMs (All Svc.)	6.65	6.58	28.49	28.42	27.97	28.10	28.95
<u>YIELD & UNIT COST & PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	127.0	117.3	114.1	111.9	113.5	115.2	118.1
10	Operating Expense per RTM	152.8	139.8	138.3	135.3	140.9	142.4	144.7
11	Operating Profit (Loss) per RTM	-25.8	-22.6	-24.2	-23.4	-27.4	-27.2	-26.6
12	Operating Expense per ATM	75.3	68.9	69.0	67.5	69.0	69.9	71.6
13	Passenger Revenue per RPM	12.32	12.51	11.81	11.85	12.01	12.19	12.48
<u>FINANCIAL RATIOS:</u>								
14	Operating Revenues to Total Investment	*	*	1.21	1.11	1.04	1.07	1.15
15	Times Interest Earned	*	*	-8.97	-9.41	-11.93	-10.75	-12.37
16	Current Assets to Current Liabilities	*	*	0.59	0.77	0.98	0.91	0.98
17	No. of Days Cash Coverage of Cash Exp.	*	*	36.0	55.1	56.9	50.6	43.2
<u>FINANCIAL PERCENTAGES:</u>								
18	Operating Profit (Loss) to Operating Revenue	-20.3	-19.2	-21.2	-20.9	-24.1	-23.6	-22.5
19	Net Income to Stockholders Equity	*	*	-93.0	-59.8	-49.0	-35.6	-33.3
20	Corporate Return on Investment	*	*	-19.8	-15.8	-15.7	-12.3	-12.5
21	Debt to Total Investment	*	*	93.8	86.0	73.8	66.6	63.6
<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>								
22	Actual	69.1	69.4	70.6	70.7	69.4	69.2	69.4
23	Breakeven	91.3	85.6	92.9	91.5	91.6	90.1	88.6
<u>Employment & Productivity:</u>								
24	Employment, Total Weighted Avg CY	93,487	97,014	96,878	97,760	98,576	101,898	105,784
25	Overall RTM's per Employee (000)	35.1	33.5	35.1	35.8	38.4	37.4	126.4

CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER								
26	Operating Revenues (%)	9.4	-26.3	-4.1	-13.1	-22.6	-25.9	-22.6
27	Operating Expenses (%)	10.4	-14.1	-5.1	-10.6	-13.1	-10.0	-1.5
28	Operating Profit (Loss) (in Millions \$)	-114.6	-611.3	376.2	-120.6	-1,622.4	-3,379.0	-4,620.9
29	Net Income (Loss)(in Millions \$)	-423.3	-340.7	-969.6	-887.0	-1,595.4	-1,605.6	-2,340.9
30	RPMS (Sch. Svc.) (%)	-0.1	-13.7	-0.7	-4.1	-13.1	-16.3	-14.3
31	ASMs (Sch. Svc.) (%)	0.3	-16.4	-2.4	-6.7	-12.3	-13.7	-10.6
32	Operating Revenues per RTM (%)	8.3	-13.1	-3.3	-8.7	-9.8	-10.6	-9.1
33	Operating Expense per RTM (%)	9.3	1.2	-4.4	-6.1	1.2	8.7	15.7
34	Passenger Revenue per RPM (Sch. Svc.)(%)	-1.5	-12.9	-5.4	-8.5	-10.0	-11.0	-9.7

1/ For comparison purposes, all financial and traffic data has been retroactively adjusted to include Trans World.

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

ITEMS	QUARTER ENDED		12 MONTHS ENDED					
	2003/03	2002/03	2003/03	2002/12	2002/09	2002/06	2002/03	
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	272.3	272.6	1,199.0	1,199.2	1,159.7	1,145.0	1,198.6
2	Operating Expenses	246.2	292.4	1,203.2	1,249.4	1,301.8	1,315.3	1,467.8
3	Operating Profit (Loss)	26.1	-19.8	-4.2	-50.2	-142.0	-170.3	-269.2
4	Net Income (Loss)	-12.4	-33.2	-97.7	-118.5	-169.2	-186.5	-241.8
<u>TRAFFIC: (Billions)</u>								
5	RPMs - Scheduled Rev. Svc.	0.89	0.81	3.75	3.67	3.52	3.39	3.34
6	ASMs - Scheduled Rev. Svc.	1.49	1.37	5.93	5.82	5.69	5.64	5.67
7	Overall RTMs (All Svc.)	0.09	0.08	0.38	0.37	0.35	0.34	0.34
8	Overall ATMs (All Svc.)	0.18	0.16	0.71	0.70	0.68	0.67	0.66
<u>YIELD & UNIT COST & PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	306.9	335.9	318.1	324.8	327.8	336.2	356.9
10	Operating Expense per RTM	277.4	360.4	319.3	338.4	367.9	386.2	437.0
11	Operating Profit (Loss) per RTM	29.5	-24.5	-1.1	-13.6	-40.1	-50.0	-80.2
12	Operating Expense per ATM	139.1	180.0	169.0	179.1	191.7	197.7	222.2
13	Passenger Revenue per RPM	30.46	32.45	30.81	31.26	31.52	32.41	34.47
<u>FINANCIAL RATIOS:</u>								
14	Operating Revenues to Total Investment	*	*	0.42	0.42	0.41	0.41	0.43
15	Times Interest Earned	*	*	-0.31	-0.74	-1.80	-2.31	-3.86
16	Current Assets to Current Liabilities	*	*	0.12	0.15	0.18	0.21	0.19
17	No. of Days Cash Coverage of Cash Exp.	*	*	0.0	0.7	0.7	0.7	0.6
<u>FINANCIAL PERCENTAGES:</u>								
18	Operating Profit (Loss) to Operating Revenue	9.6	-7.3	-0.4	-4.2	-12.2	-14.9	-22.5
19	Net Income to Stockholders Equity	*	*		-2,714.4	-680.1	-253.5	-199.2
20	Corporate Return on Investment	*	*	0.2	-0.7	-2.7	-3.7	-5.9
21	Debt to Total Investment	*	*	100.4	100.0	102.1	99.6	99.3
<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>								
22	Actual	59.5	58.8	63.2	63.1	61.8	60.1	59.0
23	Breakeven	53.1	63.7	63.5	66.2	70.6	70.5	74.3
<u>Employment & Productivity:</u>								
24	Employment, Total Weighted Avg CY	7,759	8,490	8,164	8,347	8,502	8,660	8,821
25	Overall RTM's per Employee (000)	11.4	9.6	11.4	11.9	11.4	11.4	35.6

CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER								
26	Operating Revenues (%)	-0.1	-14.3	0.0	-3.6	-11.5	-14.8	-6.9
27	Operating Expenses (%)	-15.8	-9.9	-18.0	-16.7	-13.2	-5.7	19.3
28	Operating Profit (Loss) (in Millions \$)	46.0	-13.3	265.0	205.8	48.3	-118.3	-325.8
29	Net Income (Loss)(in Millions \$)	20.8	-15.6	144.1	107.7	16.9	-93.0	-218.5
30	RPMs (Sch. Svc.) (%)	9.9	8.1	12.2	11.9	6.9	3.1	5.0
31	ASMs (Sch. Svc.) (%)	8.4	-0.6	4.7	2.5	0.8	1.8	6.3
32	Operating Revenues per RTM (%)	-8.6	-20.9	-10.9	-14.0	-17.3	-17.4	-11.4
33	Operating Expense per RTM (%)	-23.0	-16.8	-26.9	-25.6	-18.9	-8.7	13.5
34	Passenger Revenue per RPM (Sch. Svc.)(%)	-6.1	-20.7	-10.6	-14.2	-17.9	-17.8	-11.4

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

ITEMS	QUARTER ENDED		12 MONTHS ENDED					
	2003/03	2002/03	2003/03	2002/12	2002/09	2002/06	2002/03	
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	343.6	293.6	1,200.0	1,150.0	1,095.8	1,103.4	1,141.4
2	Operating Expenses	347.3	286.0	1,352.1	1,290.7	1,304.2	1,254.5	1,217.7
3	Operating Profit (Loss)	-3.7	7.6	-152.1	-140.8	-208.4	-151.1	-76.2
4	Net Income (Loss)	-14.0	1.1	-184.6	-169.4	-195.7	-131.4	-69.9
<u>TRAFFIC: (Billions)</u>								
5	RPMs - Scheduled Rev. Svc.	2.61	2.09	9.93	9.42	8.85	8.50	8.37
6	ASMs - Scheduled Rev. Svc.	3.73	2.89	13.73	12.89	11.90	11.32	11.03
7	Overall RTMs (All Svc.)	0.34	0.32	1.24	1.22	1.16	1.17	1.18
8	Overall ATMs (All Svc.)	0.63	0.49	2.17	2.02	1.87	1.81	1.76
<u>YIELD & UNIT COST & PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	102.5	92.8	96.8	94.2	94.1	94.1	96.7
10	Operating Expense per RTM	103.7	90.4	109.1	105.8	112.0	106.9	103.2
11	Operating Profit (Loss) per RTM	-1.1	2.4	-12.3	-11.5	-17.9	-12.9	-6.5
12	Operating Expense per ATM	54.7	58.6	62.3	63.8	69.8	69.2	69.4
13	Passenger Revenue per RPM	8.63	9.32	8.56	8.71	8.71	8.86	9.19
<u>FINANCIAL RATIOS:</u>								
14	Operating Revenues to Total Investment	*	*	2.95	2.76	2.21	2.00	1.95
15	Times Interest Earned	*	*	-4.88	-4.92	-6.99	-4.98	-2.87
16	Current Assets to Current Liabilities	*	*	0.86	1.10	0.76	0.86	0.88
17	No. of Days Cash Coverage of Cash Exp.	*	*	48.4	63.0	37.8	54.0	50.7
<u>FINANCIAL PERCENTAGES:</u>								
18	Operating Profit (Loss) to Operating Revenue	-1.1	2.6	-12.7	-12.2	-19.0	-13.7	-6.7
19	Net Income to Stockholders Equity	*	*				-363.2	-110.1
20	Corporate Return on Investment	*	*	-36.6	-32.8	-33.1	-18.2	-7.3
21	Debt to Total Investment	*	*	145.8	140.1	130.9	110.7	98.3
<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>								
22	Actual	70.0	72.4	72.3	73.0	74.4	75.1	75.9
23	Breakeven	71.2	69.3	86.7	87.0	96.8	91.8	84.3
<u>Employment & Productivity:</u>								
24	Employment, Total Weighted Avg CY	7,010	6,866	6,862	6,825	6,804	6,934	7,174
25	Overall RTM's per Employee (000)	47.8	46.1	47.8	44.0	46.4	42.5	155.1

CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER								
26	Operating Revenues (%)	17.0	-4.2	5.1	-0.4	-8.3	-9.7	-5.0
27	Operating Expenses (%)	21.4	-6.9	11.0	4.2	9.2	3.5	2.5
28	Operating Profit (Loss) (in Millions \$)	-11.3	8.3	-75.8	-56.2	-208.5	-160.6	-90.6
29	Net Income (Loss)(in Millions \$)	-15.1	8.1	-114.7	-91.4	-173.4	-115.9	-58.2
30	RPMs (Sch. Svc.) (%)	24.8	2.6	18.6	13.1	6.1	6.0	7.8
31	ASMs (Sch. Svc.) (%)	29.2	7.5	24.6	19.1	9.3	7.5	8.3
32	Operating Revenues per RTM (%)	10.4	-12.2	0.1	-5.8	-9.3	-10.1	-6.5
33	Operating Expense per RTM (%)	14.6	-14.7	5.7	-1.5	8.0	3.0	0.9
34	Passenger Revenue per RPM (Sch. Svc.)(%)	-7.4	-6.4	-6.9	-6.8	-8.9	-10.9	-7.7

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

ITEMS	QUARTER ENDED		12 MONTHS ENDED					
	2003/03	2002/03	2003/03	2002/12	2002/09	2002/06	2002/03	
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	1,707.6	1,817.1	7,332.0	7,441.4	7,250.1	7,408.2	7,861.9
2	Operating Expenses	1,978.1	2,038.6	7,853.0	7,913.5	7,971.3	8,056.4	8,247.8
3	Operating Profit (Loss)	-270.4	-221.5	-521.0	-472.1	-721.3	-648.2	-385.9
4	Net Income (Loss)	-220.8	-161.3	-505.7	-446.2	-488.4	-423.7	-236.0
<u>TRAFFIC: (Billions)</u>								
5	RPMs - Scheduled Rev. Svc.	12.75	14.03	56.35	57.63	56.97	57.95	60.19
6	ASMs - Scheduled Rev. Svc.	18.25	18.98	76.91	77.63	77.09	79.02	82.20
7	Overall RTMs (All Svc.)	1.52	1.62	6.56	6.66	6.56	6.65	6.90
8	Overall ATMs (All Svc.)	2.45	2.49	10.19	10.22	10.12	10.30	10.66
<u>YIELD & UNIT COST & PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	112.5	112.3	111.7	111.7	110.5	111.3	113.9
10	Operating Expense per RTM	130.3	126.0	119.6	118.8	121.5	121.1	119.5
11	Operating Profit (Loss) per RTM	-17.8	-13.7	-7.9	-7.1	-11.0	-9.7	-5.6
12	Operating Expense per ATM	80.6	81.9	77.1	77.4	78.8	78.2	77.4
13	Passenger Revenue per RPM	12.09	11.76	11.63	11.56	11.44	11.55	11.81
<u>FINANCIAL RATIOS:</u>								
14	Operating Revenues to Total Investment	*	*	1.12	1.14	1.12	1.17	1.29
15	Times Interest Earned	*	*	-1.35	-1.20	-1.58	-1.44	-0.52
16	Current Assets to Current Liabilities	*	*	0.70	0.77	0.75	0.74	0.69
17	No. of Days Cash Coverage of Cash Exp.	*	*	50.9	59.3	56.0	56.3	50.7
<u>FINANCIAL PERCENTAGES:</u>								
18	Operating Profit (Loss) to Operating Revenue	-15.8	-12.2	-7.1	-6.3	-9.9	-8.7	-4.9
19	Net Income to Stockholders Equity	*	*	-55.0	-41.2	-40.0	-33.0	-17.8
20	Corporate Return on Investment	*	*	-2.6	-1.9	-2.8	-2.2	0.4
21	Debt to Total Investment	*	*	91.1	88.2	83.2	82.7	85.1
<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>								
22	Actual	69.8	73.9	73.3	74.2	73.9	73.3	73.2
23	Breakeven	80.2	85.0	78.3	79.5	82.5	81.0	77.6
<u>Employment & Productivity:</u>								
24	Employment, Total Weighted Avg CY	35,770	37,138	36,439	36,781	36,892	38,310	39,981
25	Overall RTM's per Employee (000)	42.4	43.6	42.4	43.5	47.5	46.6	154.9

CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER								
26	Operating Revenues (%)	-6.0	-23.6	-6.7	-11.7	-21.2	-23.5	-19.7
27	Operating Expenses (%)	-3.0	-9.9	-4.8	-6.6	-9.4	-11.4	-9.0
28	Operating Profit (Loss) (in Millions \$)	-48.9	-336.9	-135.2	-423.1	-1,123.7	-1,236.8	-1,107.4
29	Net Income (Loss)(in Millions \$)	-59.5	-187.6	-269.7	-397.8	-642.7	-700.6	-615.6
30	RPMs (Sch. Svc.) (%)	-9.2	-8.5	-6.4	-6.3	-11.4	-11.8	-8.0
31	ASMs (Sch. Svc.) (%)	-3.8	-12.7	-6.4	-8.6	-12.9	-11.3	-6.6
32	Operating Revenues per RTM (%)	0.1	-15.3	-1.9	-6.1	-10.6	-11.9	-10.5
33	Operating Expense per RTM (%)	3.4	-0.1	0.1	-0.8	2.8	2.0	1.4
34	Passenger Revenue per RPM (Sch. Svc.)(%)	2.8	-13.9	-1.5	-5.9	-10.2	-11.4	-10.4

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

ITEMS	QUARTER ENDED		12 MONTHS ENDED					
	2003/03	2002/03	2003/03	2002/12	2002/09	2002/06	2002/03	
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	3,349.4	2,923.2	12,836.6	12,410.4	12,011.5	12,079.6	12,565.3
2	Operating Expenses	3,876.8	3,333.1	13,989.5	13,445.8	13,360.4	13,513.9	13,820.0
3	Operating Profit (Loss)	-527.4	-409.8	-1,152.9	-1,035.4	-1,348.9	-1,434.3	-1,254.7
4	Net Income (Loss)	-476.1	-398.0	-1,373.0	-1,295.0	-1,648.8	-1,544.4	-1,367.6
<u>TRAFFIC: (Billions)</u>								
5	RPMs - Scheduled Rev. Svc.	20.89	21.87	93.28	94.26	92.56	92.83	95.41
6	ASMs - Scheduled Rev. Svc.	29.99	31.57	128.44	130.02	131.27	133.15	137.12
7	Overall RTMs (All Svc.)	2.44	2.53	10.79	10.88	10.69	10.74	11.02
8	Overall ATMs (All Svc.)	4.65	4.82	19.89	20.06	20.18	20.38	20.92
<u>YIELD & UNIT COST & PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	137.2	115.5	118.9	114.0	112.3	112.5	114.0
10	Operating Expense per RTM	158.8	131.7	129.6	123.6	125.0	125.9	125.4
11	Operating Profit (Loss) per RTM	-21.6	-16.2	-10.7	-9.5	-12.6	-13.4	-11.4
12	Operating Expense per ATM	83.3	69.1	70.3	67.0	66.2	66.3	66.1
13	Passenger Revenue per RPM	12.44	11.67	11.59	11.42	11.32	11.47	11.73
<u>FINANCIAL RATIOS:</u>								
14	Operating Revenues to Total Investment	*	*	1.08	1.02	0.96	0.99	1.06
15	Times Interest Earned	*	*	-2.14	-2.17	-3.25	-3.45	-3.51
16	Current Assets to Current Liabilities	*	*	0.57	0.63	0.65	0.67	0.57
17	No. of Days Cash Coverage of Cash Exp.	*	*	39.3	45.9	41.6	44.0	33.0
<u>FINANCIAL PERCENTAGES:</u>								
18	Operating Profit (Loss) to Operating Revenue	-15.7	-14.0	-9.0	-8.3	-11.2	-11.9	-10.0
19	Net Income to Stockholders Equity	*	*	-55.7	-41.5	-42.6	-35.9	-29.3
20	Corporate Return on Investment	*	*	-5.7	-5.3	-8.3	-8.2	-7.6
21	Debt to Total Investment	*	*	92.5	88.9	75.2	73.1	69.3
<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>								
22	Actual	69.7	69.3	72.6	72.5	70.5	69.7	69.6
23	Breakeven	72.8	81.8	78.8	81.0	81.3	80.6	78.7
<u>Employment & Productivity:</u>								
24	Employment, Total Weighted Avg CY	62,012	65,884	64,599	65,566	67,023	69,488	72,430
25	Overall RTM's per Employee (000)	39.4	38.4	39.4	39.9	44.2	43.5	140.4

CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER								
26	Operating Revenues (%)	14.6	-18.1	2.2	-6.1	-15.7	-19.6	-17.8
27	Operating Expenses (%)	16.3	-9.8	1.2	-5.2	-8.1	-7.0	-2.9
28	Operating Profit (Loss) (in Millions \$)	-117.5	-282.7	101.7	-63.4	-1,067.1	-1,939.5	-2,313.4
29	Net Income (Loss)(in Millions \$)	-78.1	-260.5	-5.4	-187.9	-1,209.4	-1,399.6	-1,684.1
30	RPMs (Sch. Svc.) (%)	-4.5	-9.1	-2.2	-3.4	-9.6	-12.2	-11.1
31	ASMs (Sch. Svc.) (%)	-5.0	-11.6	-6.3	-8.0	-9.9	-9.8	-6.9
32	Operating Revenues per RTM (%)	18.8	-8.2	4.4	-2.2	-5.9	-7.6	-6.3
33	Operating Expense per RTM (%)	20.6	1.1	3.4	-1.3	2.6	6.9	10.7
34	Passenger Revenue per RPM (Sch. Svc.)(%)	6.6	-13.2	-1.2	-6.1	-10.3	-11.0	-10.9

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

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2003/03	2002/03	2003/03	2002/12	2002/09	2002/06	2002/03
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	2,150.8	2,065.8	9,236.6	9,151.6	8,815.5	8,831.8	9,146.7
2	Operating Expenses	2,475.5	2,256.6	10,153.9	9,935.1	9,436.4	9,614.7	9,903.5
3	Operating Profit (Loss)	-324.7	-190.8	-917.3	-783.5	-620.9	-782.9	-756.8
4	Net Income (Loss)	-397.1	-173.0	-990.6	-766.4	-507.6	-442.2	-401.0
<u>TRAFFIC: (Billions)</u>								
5	RPMs - Scheduled Rev. Svc.	16.56	16.53	72.03	72.00	69.54	69.52	71.38
6	ASMs - Scheduled Rev. Svc.	22.52	21.76	94.15	93.38	91.45	92.41	95.11
7	Overall RTMs (All Svc.)	2.15	2.14	9.45	9.44	9.10	9.07	9.26
8	Overall ATMs (All Svc.)	3.64	3.53	15.35	15.24	14.96	15.13	15.56
<u>YIELD & UNIT COST & PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	100.0	96.6	97.7	97.0	96.9	97.3	98.8
10	Operating Expense per RTM	115.1	105.6	107.5	105.3	103.7	106.0	107.0
11	Operating Profit (Loss) per RTM	-15.1	-8.9	-9.7	-8.3	-6.8	-8.6	-8.2
12	Operating Expense per ATM	68.0	63.9	66.1	65.2	63.1	63.5	63.7
13	Passenger Revenue per RPM	10.70	10.62	10.79	10.77	10.76	10.80	10.94
<u>FINANCIAL RATIOS:</u>								
14	Operating Revenues to Total Investment	*	*	0.93	0.90	0.85	0.87	0.92
15	Times Interest Earned	*	*	-2.22	-1.97	-1.04	-0.83	-0.74
16	Current Assets to Current Liabilities	*	*	0.70	0.73	0.84	0.90	0.94
17	No. of Days Cash Coverage of Cash Exp.	*	*	86.7	84.1	101.3	110.6	98.2
<u>FINANCIAL PERCENTAGES:</u>								
18	Operating Profit (Loss) to Operating Revenue	-15.1	-9.2	-9.9	-8.6	-7.0	-8.9	-8.3
19	Net Income to Stockholders Equity	*	*	-29.1	-19.6	-11.7	-9.8	-8.6
20	Corporate Return on Investment	*	*	-5.8	-3.6	-1.1	-0.7	-0.4
21	Debt to Total Investment	*	*	77.9	72.1	61.0	59.7	59.8
<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>								
22	Actual	73.5	76.0	76.5	77.1	76.0	75.2	75.1
23	Breakeven	92.6	88.4	89.7	88.7	86.0	86.7	85.9
<u>Employment & Productivity:</u>								
24	Employment, Total Weighted Avg CY	42,181	43,800	43,850	44,254	44,444	45,527	47,353
25	Overall RTM's per Employee (000)	51.0	48.8	51.0	53.3	56.3	54.8	190.4

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	4.1	-17.7	1.0	-4.6	-14.4	-18.7	-17.2
27	Operating Expenses (%)	9.7	-17.7	2.5	-4.4	-11.8	-10.5	-6.9
28	Operating Profit (Loss) (in Millions \$)	-133.8	39.8	-160.5	13.1	-226.5	-902.8	-1,172.3
29	Net Income (Loss)(in Millions \$)	-224.1	17.1	-589.5	-348.3	-226.8	-343.8	-486.8
30	RPMs (Sch. Svc.) (%)	0.2	-9.5	0.9	-1.5	-9.7	-12.2	-10.3
31	ASMs (Sch. Svc.) (%)	3.5	-12.9	-1.0	-5.0	-10.6	-11.0	-8.4
32	Operating Revenues per RTM (%)	3.5	-8.8	-1.1	-4.1	-5.7	-7.2	-6.5
33	Operating Expense per RTM (%)	9.0	-8.7	0.4	-3.8	-2.8	2.1	5.2
34	Passenger Revenue per RPM (Sch. Svc.)(%)	0.8	-10.5	-1.4	-4.2	-6.6	-8.8	-9.2

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

ITEMS	QUARTER ENDED		12 MONTHS ENDED					
	2003/03	2002/03	2003/03	2002/12	2002/09	2002/06	2002/03	
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	1,351.3	1,257.3	5,615.8	5,521.8	5,358.9	5,302.9	5,383.9
2	Operating Expenses	1,305.8	1,207.7	5,202.4	5,104.3	4,991.8	4,933.9	4,913.0
3	Operating Profit (Loss)	45.5	49.6	413.4	417.6	367.2	369.0	470.9
4	Net Income (Loss)	23.9	21.4	243.4	241.0	262.1	338.2	411.5
<u>TRAFFIC: (Billions)</u>								
5	RPMs - Scheduled Rev. Svc.	10.90	10.39	45.90	45.40	45.08	44.43	44.23
6	ASMs - Scheduled Rev. Svc.	17.40	16.53	69.78	68.91	68.01	66.78	66.06
7	Overall RTMs (All Svc.)	1.12	1.07	4.73	4.68	4.64	4.58	4.56
8	Overall ATMs (All Svc.)	2.37	2.26	9.51	9.39	9.27	9.11	9.02
<u>YIELD & UNIT COST & PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	120.1	117.0	118.8	118.1	115.4	115.8	118.1
10	Operating Expense per RTM	116.1	112.4	110.0	109.1	107.5	107.8	107.8
11	Operating Profit (Loss) per RTM	4.0	4.6	8.7	8.9	7.9	8.1	10.3
12	Operating Expense per ATM	55.1	53.5	54.7	54.3	53.8	54.2	54.5
13	Passenger Revenue per RPM	11.72	11.45	11.60	11.54	11.27	11.33	11.58
<u>FINANCIAL RATIOS:</u>								
14	Operating Revenues to Total Investment	*	*	0.93	0.92	0.92	0.95	1.01
15	Times Interest Earned	*	*	5.58	5.40	5.95	8.63	12.01
16	Current Assets to Current Liabilities	*	*	1.46	1.55	1.63	1.46	1.40
17	No. of Days Cash Coverage of Cash Exp.	*	*	142.5	139.5	152.7	168.0	168.1
<u>FINANCIAL PERCENTAGES:</u>								
18	Operating Profit (Loss) to Operating Revenue	3.4	3.9	7.4	7.6	6.9	7.0	8.7
19	Net Income to Stockholders Equity	*	*	5.7	5.7	6.4	8.4	10.5
20	Corporate Return on Investment	*	*	5.5	5.5	6.0	7.3	8.9
21	Debt to Total Investment	*	*	27.3	27.6	28.1	28.6	30.9
<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>								
22	Actual	62.6	62.9	65.8	65.9	66.3	66.5	67.0
23	Breakeven	60.1	60.0	60.1	60.0	61.0	61.1	60.1
<u>Employment & Productivity:</u>								
24	Employment, Total Weighted Avg CY	33,365	31,929	33,416	33,057	32,494	31,809	31,133
25	Overall RTM's per Employee (000)	33.7	33.7	33.7	33.8	36.4	37.6	144.7

CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER								
26	Operating Revenues (%)	7.5	-12.0	4.3	-0.6	-7.4	-10.6	-7.7
27	Operating Expenses (%)	8.1	-0.9	5.9	3.7	1.0	1.2	3.2
28	Operating Profit (Loss) (in Millions \$)	-4.1	-160.3	-57.4	-213.6	-477.1	-682.4	-604.0
29	Net Income (Loss)(in Millions \$)	2.5	-99.7	-168.1	-270.2	-340.2	-297.5	-239.1
30	RPMs (Sch. Svc.) (%)	4.8	-2.6	3.8	2.0	1.1	0.3	1.8
31	ASMs (Sch. Svc.) (%)	5.3	4.2	5.6	5.4	5.6	5.4	7.2
32	Operating Revenues per RTM (%)	2.7	-9.8	0.6	-2.6	-8.2	-10.7	-9.2
33	Operating Expense per RTM (%)	3.3	1.5	2.1	1.6	0.1	1.1	1.6
34	Passenger Revenue per RPM (Sch. Svc.)(%)	2.4	-10.3	0.2	-3.0	-8.9	-11.3	-9.8

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

ITEMS	QUARTER ENDED		12 MONTHS ENDED					
	2003/03	2002/03	2003/03	2002/12	2002/09	2002/06	2002/03	
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	3,107.2	3,195.6	13,827.2	13,915.6	13,470.8	13,923.1	14,865.3
2	Operating Expenses	3,976.4	3,901.5	17,012.3	16,937.4	16,310.7	18,124.6	18,886.2
3	Operating Profit (Loss)	-869.2	-705.9	-3,185.1	-3,021.8	-2,839.9	-4,201.5	-4,020.9
4	Net Income (Loss)	-1,386.0	-495.9	-4,215.9	-3,325.8	-2,086.3	-2,354.2	-2,284.7
<u>TRAFFIC: (Billions)</u>								
5	RPMs - Scheduled Rev. Svc.	24.65	24.68	109.33	109.36	106.28	107.69	112.51
6	ASMs - Scheduled Rev. Svc.	34.40	34.16	148.86	148.62	146.46	149.63	156.85
7	Overall RTMs (All Svc.)	3.00	2.98	13.24	13.22	12.81	12.93	13.51
8	Overall ATMs (All Svc.)	5.50	5.47	23.70	23.67	23.38	23.85	24.90
<u>YIELD & UNIT COST & PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	103.4	107.4	104.4	105.3	105.2	107.7	110.1
10	Operating Expense per RTM	132.4	131.1	128.5	128.2	127.4	140.1	139.8
11	Operating Profit (Loss) per RTM	-28.9	-23.7	-24.0	-22.9	-22.2	-32.5	-29.8
12	Operating Expense per ATM	72.4	71.4	71.8	71.6	69.8	76.0	75.9
13	Passenger Revenue per RPM	9.76	10.88	10.28	10.53	10.59	10.76	11.04
<u>FINANCIAL RATIOS:</u>								
14	Operating Revenues to Total Investment	*	*	1.08	0.98	0.89	0.90	0.96
15	Times Interest Earned	*	*	-5.85	-4.77	-3.66	-6.09	-6.36
16	Current Assets to Current Liabilities	*	*	0.50	0.51	0.57	0.73	0.69
17	No. of Days Cash Coverage of Cash Exp.	*	*	25.6	33.8	36.2	52.8	55.8
<u>FINANCIAL PERCENTAGES:</u>								
18	Operating Profit (Loss) to Operating Revenue	-28.0	-22.1	-23.0	-21.7	-21.1	-30.2	-27.0
19	Net Income to Stockholders Equity	*	*	-252.7	-118.8	-56.9	-57.6	-52.5
20	Corporate Return on Investment	*	*	-28.3	-19.4	-10.1	-11.9	-11.6
21	Debt to Total Investment	*	*	124.7	108.2	77.6	72.9	73.8
<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>								
22	Actual	71.6	72.2	73.4	73.6	72.6	72.0	71.7
23	Breakeven	101.5	94.1	97.9	96.3	94.3	102.7	99.3
<u>Employment & Productivity:</u>								
24	Employment, Total Weighted Avg CY	70,369	78,583	76,674	78,727	80,674	84,873	89,240
25	Overall RTM's per Employee (000)	42.7	37.9	42.7	42.5	44.9	42.6	144.4

CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER								
26	Operating Revenues (%)	-2.8	-27.7	-7.0	-13.5	-24.9	-25.8	-22.6
27	Operating Expenses (%)	1.9	-19.5	-9.9	-14.6	-22.2	-8.2	-1.6
28	Operating Profit (Loss) (in Millions \$)	-163.3	-277.8	835.8	721.3	172.0	-3,220.7	-4,046.4
29	Net Income (Loss)(in Millions \$)	-890.1	-174.5	-1,931.2	-1,215.6	-205.0	-1,541.0	-2,096.0
30	RPMs (Sch. Svc.) (%)	-0.1	-14.2	-2.8	-6.2	-14.2	-14.6	-11.2
31	ASMs (Sch. Svc.) (%)	0.7	-18.8	-5.1	-9.8	-15.6	-14.8	-10.4
32	Operating Revenues per RTM (%)	-3.7	-14.4	-5.1	-8.0	-11.8	-11.0	-10.1
33	Operating Expense per RTM (%)	1.0	-4.7	-8.1	-9.2	-8.5	10.0	14.4
34	Passenger Revenue per RPM (Sch. Svc.)(%)	-10.2	-16.1	-6.9	-8.8	-12.9	-14.7	-15.0

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

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2003/03	2002/03	2003/03	2002/12	2002/09	2002/06	2002/03
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	1,512.1	1,694.6	6,732.5	6,914.9	6,874.7	7,119.6	7,715.3
2	Operating Expenses	1,714.0	2,063.3	7,485.0	7,834.3	8,468.2	8,682.7	9,071.1
3	Operating Profit (Loss)	-201.9	-368.7	-752.5	-919.3	-1,593.4	-1,563.0	-1,355.8
4	Net Income (Loss)	1,612.5	-298.2	251.9	-1,658.8	-1,934.8	-2,332.9	-2,124.5
<u>TRAFFIC: (Billions)</u>								
5	RPMs - Scheduled Rev. Svc.	8.23	9.58	38.68	40.02	40.15	41.61	44.11
6	ASMs - Scheduled Rev. Svc.	12.16	13.97	54.53	56.34	57.57	59.77	63.42
7	Overall RTMs (All Svc.)	0.92	1.05	4.28	4.41	4.42	4.57	4.82
8	Overall ATMs (All Svc.)	1.80	2.03	8.05	8.27	8.41	8.68	9.14
<u>YIELD & UNIT COST & PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	163.5	160.6	157.3	156.8	155.4	155.8	160.0
10	Operating Expense per RTM	185.3	195.6	174.8	177.6	191.4	190.1	188.1
11	Operating Profit (Loss) per RTM	-21.8	-35.0	-17.6	-20.8	-36.0	-34.2	-28.1
12	Operating Expense per ATM	95.2	101.7	93.0	94.7	100.7	100.1	99.3
13	Passenger Revenue per RPM	13.57	13.65	13.01	13.05	13.08	13.24	13.78
<u>FINANCIAL RATIOS:</u>								
14	Operating Revenues to Total Investment	*	*	2.51	2.55	2.08	1.91	1.88
15	Times Interest Earned	*	*	1.41	-4.87	-4.63	-5.89	-5.33
16	Current Assets to Current Liabilities	*	*	0.91	0.38	0.48	0.46	0.58
17	No. of Days Cash Coverage of Cash Exp.	*	*	63.8	30.3	39.9	24.0	21.2
<u>FINANCIAL PERCENTAGES:</u>								
18	Operating Profit (Loss) to Operating Revenue	-13.4	-21.8	-11.2	-13.3	-23.2	-22.0	-17.6
19	Net Income to Stockholders Equity	*	*				-1,997.8	-347.0
20	Corporate Return on Investment	*	*	21.3	-49.1	-48.8	-53.9	-44.2
21	Debt to Total Investment	*	*	94.5	314.4	141.9	129.1	119.8
<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>								
22	Actual	67.7	68.5	70.9	71.0	69.7	69.6	69.5
23	Breakeven	82.4	90.3	84.5	86.5	94.8	93.3	89.0
<u>Employment & Productivity:</u>								
24	Employment, Total Weighted Avg CY	27,638	34,246	31,670	33,322	34,922	37,546	40,133
25	Overall RTM's per Employee (000)	33.5	30.8	33.5	31.1	35.1	35.3	114.8

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	-10.8	-24.1	-12.7	-16.2	-24.0	-24.6	-17.5
27	Operating Expenses (%)	-16.9	-15.0	-17.5	-17.0	-10.3	-10.3	-4.1
28	Operating Profit (Loss) (in Millions \$)	166.8	-174.4	603.3	262.1	-1,197.7	-1,329.9	-1,252.6
29	Net Income (Loss)(in Millions \$)	1,910.7	-135.1	2,376.4	330.6	-901.3	-2,032.1	-1,918.1
30	RPMs (Sch. Svc.) (%)	-14.1	-16.0	-12.3	-12.9	-18.4	-16.6	-9.2
31	ASMs (Sch. Svc.) (%)	-13.0	-18.9	-14.0	-15.5	-18.0	-15.5	-7.7
32	Operating Revenues per RTM (%)	1.8	-9.6	-1.7	-4.6	-7.9	-10.3	-9.6
33	Operating Expense per RTM (%)	-5.3	1.3	-7.0	-5.4	8.7	6.8	5.1
34	Passenger Revenue per RPM (Sch. Svc.)(%)	-0.6	-14.1	-5.5	-8.9	-12.1	-14.4	-12.9

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

ITEMS	QUARTER ENDED		12 MONTHS ENDED					
	2003/03	2002/03	2003/03	2002/12	2002/09	2002/06	2002/03	
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	4,874.3	4,541.9	19,379.4	19,047.0	19,019.7	18,906.6	18,980.4
2	Operating Expenses	4,720.6	4,357.2	18,453.9	18,090.5	18,013.0	18,098.1	18,380.7
3	Operating Profit (Loss)	153.6	184.6	925.5	956.5	1,006.6	808.4	599.7
4	Net Income (Loss)	65.7	73.4	450.2	458.0	433.5	346.1	165.9
<u>TRAFFIC: (Billions)</u>								
5	RTMs - Scheduled Rev. Svc.	3.32	2.53	12.53	11.74	10.61	10.08	9.65
6	ATMs - Scheduled Rev. Svc.	5.59	4.16	20.62	19.20	17.34	16.65	16.07
7	Overall RTMs (All Services)	3.36	3.22	14.01	13.86	13.30	12.80	12.40
8	Overall ATMs (All Services)	5.68	5.46	23.39	23.17	22.36	21.61	21.05
<u>YIELD & UNIT COST & PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	144.9	141.2	138.4	137.4	143.0	147.7	153.1
10	Operating Expense per RTM	140.3	135.4	131.8	130.5	135.5	141.4	148.2
11	Operating Profit (Loss) per RTM	4.6	5.7	6.6	6.9	7.6	6.3	4.8
12	Operating Expense per ATM	83.1	79.9	78.9	78.1	80.5	83.7	87.3
13	Passenger Revenue per RPM	++	++	++	++	++	++	++
<u>FINANCIAL RATIOS:</u>								
14	Operating Revenues to Total Investment	*	*	1.82	1.78	1.79	1.78	1.79
15	Times Interest Earned	*	*	8.23	8.13	8.57	7.49	5.62
16	Current Assets to Current Liabilities	*	*	1.10	1.12	1.14	1.06	1.10
17	No. of Days Cash Coverage of Cash Exp.	*	*	4.3	4.4	4.0	3.6	3.3
<u>FINANCIAL PERCENTAGES:</u>								
18	Operating Profit (Loss) to Operating Revenue	3.2	4.1	4.8	5.0	5.3	4.3	3.2
19	Net Income to Stockholders Equity	*	*	7.6	7.9	7.7	6.3	3.1
20	Corporate Return on Investment	*	*	5.2	5.3	5.0	4.2	2.5
21	Debt to Total Investment	*	*	43.1	42.0	42.7	43.6	50.5
<u>TON LOAD FACTOR: (Sch. Svc. %)</u>								
22	Actual	59.2	59.0	59.9	59.8	59.5	59.2	58.9
23	Breakeven	++	++	++	++	++	++	++
<u>Employment & Productivity:</u>								
24	Employment, Total Weighted Avg CY	122,016	123,074	122,306	122,570	125,257	128,311	131,374
25	Overall RTM's per Employee (000)	27.6	26.1	114.5	113.1	106.2	99.7	94.4

CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER								
26	Operating Revenues (%)	7.3	-7.4	2.1	-1.5	-1.9	-3.8	-3.9
27	Operating Expenses (%)	8.3	-6.9	0.4	-3.3	-4.6	-4.1	-1.5
28	Operating Profit (Loss) (in Millions \$)	-31.0	-42.4	325.8	314.4	506.3	27.8	-485.1
29	Net Income (Loss)(in Millions \$)	-7.7	-49.2	284.4	242.9	255.2	36.2	-390.1
30	RTMs (All Svc.) (%)	31.2	10.9	29.8	24.8	14.4	7.2	2.2
31	ATMs (All Svc.) (%)	34.2	10.0	28.3	22.3	13.1	9.5	7.1
32	Operating Revenues per RTM (%)	2.6	-14.2	-9.6	-13.6	-9.6	-6.3	-2.1
33	Operating Expense per RTM (%)	3.6	-13.7	-11.1	-15.1	-12.1	-6.5	0.3
34	Passenger Revenue per RPM (Sch. Svc.)(%)	++	++	++	++	++	++	++

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

ITEMS	QUARTER ENDED		12 MONTHS ENDED					
	2003/03	2002/03	2003/03	2002/12	2002/09	2002/06	2002/03	
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	3,407.5	3,275.1	13,638.4	13,506.0	13,457.1	13,381.8	13,442.5
2	Operating Expenses	3,351.5	3,220.2	13,204.9	13,073.6	13,073.0	13,159.5	13,337.6
3	Operating Profit (Loss)	56.0	55.0	433.5	432.4	384.1	222.3	104.9
4	Net Income (Loss)	19.9	7.6	196.9	184.5	73.3	37.7	-123.1
<u>TRAFFIC: (Billions)</u>								
5	RTMs - Scheduled Rev. Svc.	2.10	1.41	7.46	6.77	5.87	5.46	5.06
6	ATMs - Scheduled Rev. Svc.	3.67	2.41	12.71	11.45	9.90	9.32	8.71
7	Overall RTMs (All Services)	2.11	2.07	8.83	8.79	8.46	8.02	7.63
8	Overall ATMs (All Services)	3.68	3.65	15.27	15.24	14.77	14.11	13.49
<u>YIELD & UNIT COST & PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	161.3	158.3	154.4	153.6	159.0	166.8	176.2
10	Operating Expense per RTM	158.7	155.6	149.5	148.7	154.5	164.0	174.8
11	Operating Profit (Loss) per RTM	2.7	2.7	4.9	4.9	4.5	2.8	1.4
12	Operating Expense per ATM	91.0	88.3	86.4	85.8	88.5	93.2	98.9
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	1.6	1.7	3.2	3.2	2.9	1.7	0.8
19	Net Income to Stockholders Equity	*	*	**	**	**	**	**
20	Corporate Return on Investment	*	*	3.7	3.5	1.9	1.4	-0.8
21	Debt to Total Investment	*	*	**	**	**	**	**
<u>TON LOAD FACTOR: (Sch. Svc. %)</u>								
22	Actual	57.3	56.7	57.8	57.7	57.3	56.9	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 (%)	4.0	-6.8	1.5	-1.3	-2.6	-5.1	-5.7
27	Operating Expenses (%)	4.1	-5.5	-1.0	-3.3	-4.5	-4.1	-2.4
28	Operating Profit (Loss) (in Millions \$)	1.1	-52.1	328.6	275.5	244.1	-156.4	-493.6
29	Net Income (Loss)(in Millions \$)	12.3	3.1	320.0	310.7	163.3	43.0	-308.3
30	RTMs (All Svc.) (%)	48.7	26.0	47.5	42.1	29.3	18.7	7.4
31	ATMs (All Svc.) (%)	52.2	22.5	45.9	38.5	26.3	18.8	10.8
32	Operating Revenues per RTM (%)	1.9	-19.8	-12.4	-17.5	-16.4	-12.1	-5.8
33	Operating Expense per RTM (%)	2.0	-18.7	-14.5	-19.3	-17.9	-11.2	-2.4
34	Passenger Revenue per RPM (Sch. Svc.)(%)	++	++	++	++	++	++	++

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

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2003/03	2002/03	2003/03	2002/12	2002/09	2002/06	2002/03
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	1,466.8	1,266.7	5,741.0	5,541.0	5,562.6	5,524.7	5,537.9
2	Operating Expenses	1,369.2	1,137.1	5,249.0	5,016.9	4,940.0	4,938.6	5,043.1
3	Operating Profit (Loss)	97.6	129.7	492.0	524.1	622.6	586.1	494.9
4	Net Income (Loss)	45.7	65.8	253.4	273.4	360.2	308.4	288.9
<u>TRAFFIC: (Billions)</u>								
5	RTMs - Scheduled Rev. Svc.	1.22	1.12	5.07	4.97	4.74	4.61	4.59
6	ATMs - Scheduled Rev. Svc.	1.92	1.75	7.91	7.75	7.44	7.34	7.36
7	Overall RTMs (All Services)	1.25	1.15	5.17	5.07	4.83	4.77	4.77
8	Overall ATMs (All Services)	2.00	1.81	8.12	7.93	7.59	7.50	7.56
<u>YIELD & UNIT COST & PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	117.2	110.4	111.0	109.3	115.1	115.7	116.1
10	Operating Expense per RTM	109.4	99.1	101.5	99.0	102.2	103.5	105.7
11	Operating Profit (Loss) per RTM	7.8	11.3	9.5	10.3	12.9	12.3	10.4
12	Operating Expense per ATM	68.5	62.9	64.6	63.3	65.1	65.8	66.7
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	6.7	10.2	8.6	9.5	11.2	10.6	8.9
19	Net Income to Stockholders Equity	*	*	**	**	**	**	**
20	Corporate Return on Investment	*	*	8.2	9.0	11.9	10.6	10.1
21	Debt to Total Investment	*	*	**	**	**	**	**
<u>TON LOAD FACTOR: (Sch. Svc. %)</u>								
22	Actual	62.6	63.5	63.7	63.9	63.7	63.6	63.1
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 (%)	15.8	-8.9	3.7	-2.1	0.0	-0.4	0.9
27	Operating Expenses (%)	20.4	-10.6	4.1	-3.1	-5.0	-4.1	0.8
28	Operating Profit (Loss) (in Millions \$)	-32.1	9.7	-2.8	39.0	262.1	184.2	8.5
29	Net Income (Loss)(in Millions \$)	-20.0	-52.3	-35.6	-67.8	91.8	-6.8	-81.8
30	RTMs (All Svc.) (%)	9.0	-3.8	10.3	7.1	0.2	-3.9	-2.9
31	ATMs (All Svc.) (%)	9.4	-3.6	7.5	4.3	-0.8	-0.5	3.1
32	Operating Revenues per RTM (%)	6.2	-4.7	-4.4	-6.9	3.0	5.0	5.8
33	Operating Expense per RTM (%)	10.4	-6.4	-4.0	-7.8	-2.2	1.2	5.7
34	Passenger Revenue per RPM (Sch. Svc.)(%)	++	++	++	++	++	++	++

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

ITEMS	QUARTER ENDED		12 MONTHS ENDED					
	2003/03	2002/03	2003/03	2002/12	2002/09	2002/06	2002/03	
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	72.2	63.9	262.1	253.9	547.1	833.9	1,155.1
2	Operating Expenses	67.0	60.9	243.9	237.8	610.6	958.0	1,343.7
3	Operating Profit (Loss)	5.1	3.0	18.2	16.1	-63.6	-124.1	-188.6
4	Net Income (Loss)	2.7	1.5	10.4	9.2	-55.7	-111.5	-200.4
<u>TRAFFIC: (Billions)</u>								
5	RTMs - Scheduled Rev. Svc.	0.04	0.06	0.20	0.22	0.26	0.31	0.39
6	ATMs - Scheduled Rev. Svc.	0.10	0.13	0.52	0.56	0.62	0.70	0.79
7	Overall RTMs (All Services)	0.05	0.06	0.22	0.23	0.27	0.32	0.40
8	Overall ATMs (All Services)	0.11	0.13	0.57	0.60	0.65	0.72	0.80
<u>YIELD & UNIT COST & PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	158.8	110.7	118.9	109.1	200.2	262.1	285.9
10	Operating Expense per RTM	147.6	105.5	110.7	102.2	223.4	301.1	332.5
11	Operating Profit (Loss) per RTM	11.2	5.2	8.3	6.9	-23.3	-39.0	-46.7
12	Operating Expense per ATM	62.3	45.3	42.5	39.6	93.9	133.8	167.5
13	Passenger Revenue per RPM	++	++	++	++	++	++	++
<u>FINANCIAL RATIOS:</u>								
14	Operating Revenues to Total Investment	*	*	2.27	1.78	5.27	9.73	8.09
15	Times Interest Earned	*	*	13.50	10.32	-11.88	-18.51	-20.30
16	Current Assets to Current Liabilities	*	*	1.41	1.16	1.31	0.98	0.93
17	No. of Days Cash Coverage of Cash Exp.	*	*	60.1	65.7	22.3	4.1	2.0
<u>FINANCIAL PERCENTAGES:</u>								
18	Operating Profit (Loss) to Operating Revenue	7.1	4.7	6.9	6.3	-11.6	-14.9	-16.3
19	Net Income to Stockholders Equity	*	*	11.0	8.0	-78.5	-233.3	-634.0
20	Corporate Return on Investment	*	*	10.1	7.5	-49.9	-123.7	-133.9
21	Debt to Total Investment	*	*	18.1	18.6	18.8	19.1	19.1
<u>TON LOAD FACTOR: (Sch. Svc. %)</u>								
22	Actual	42.2	43.0	38.4	38.7	42.0	44.4	50.4
23	Breakeven	++	++	++	++	++	++	++
<u>Employment & Productivity:</u>								
24	Employment, Total Weighted Avg CY	920	934	928	931	3,144	5,420	7,750
25	Overall RTM's per Employee (000)	49.4	61.9	49.4	84.5	69.4	34.2	47.3

CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER								
26	Operating Revenues (%)	12.8	-82.7	-77.3	-82.6	-63.3	-44.7	-22.8
27	Operating Expenses (%)	10.0	-85.4	-81.8	-86.0	-63.6	-42.3	-16.0
28	Operating Profit (Loss) (in Millions \$)	2.1	48.9	206.8	253.6	125.8	28.3	-86.9
29	Net Income (Loss)(in Millions \$)	1.2	51.5	210.8	261.1	170.4	75.0	-93.6
30	RTMs (Sch. Svc.) (%)	-26.7	-51.2	-49.1	-52.4	-43.9	-35.7	-17.4
31	ATMs (Sch. Svc.) (%)	-28.1	-41.1	-34.0	-36.7	-29.5	-22.5	-10.9
32	Operating Revenues per RTM (%)	43.5	-64.9	-58.4	-65.4	-36.3	-14.2	-5.3
33	Operating Expense per RTM (%)	39.9	-70.2	-66.7	-72.1	-37.0	-10.5	3.1
34	Passenger Revenue per RPM (Sch. Svc.)(%)	++	++	++	++	++	++	++

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

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2003/03	2002/03	2003/03	2002/12	2002/09	2002/06	2002/03
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	4,065.6	3,814.6	16,192.2	15,941.2	15,679.7	15,361.8	15,146.5
2	Operating Expenses	3,930.8	3,665.0	15,470.8	15,205.0	14,775.5	14,541.0	14,444.2
3	Operating Profit (Loss)	134.8	149.6	721.4	736.2	904.2	820.8	702.4
4	Net Income (Loss)	68.3	75.4	395.1	402.2	440.4	442.4	376.8
<u>TRAFFIC: (Billions)</u>								
5	RTMs - Scheduled Rev. Svc.	2.22	2.07	9.11	8.96	8.68	8.22	7.73
6	ATMs - Scheduled Rev. Svc.	3.65	3.43	14.75	14.52	14.20	13.56	12.93
7	Overall RTMs (All Services)	2.26	2.12	9.23	9.09	8.80	8.36	7.89
8	Overall ATMs (All Services)	3.73	3.51	14.96	14.74	14.40	13.78	13.21
<u>YIELD & UNIT COST & PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	180.1	180.3	175.3	175.3	178.1	183.7	191.9
10	Operating Expense per RTM	174.2	173.3	167.5	167.2	167.8	173.9	183.0
11	Operating Profit (Loss) per RTM	6.0	7.1	7.8	8.1	10.3	9.8	8.9
12	Operating Expense per ATM	105.5	104.5	103.4	103.1	102.6	105.5	109.3
13	Passenger Revenue per RPM	++	++	++	++	++	++	++
<u>FINANCIAL RATIOS:</u>								
14	Operating Revenues to Total Investment	*	*	2.87	2.85	2.85	2.82	2.82
15	Times Interest Earned	*	*	13.82	12.91	13.36	12.71	11.22
16	Current Assets to Current Liabilities	*	*	1.19	1.19	1.24	1.18	1.18
17	No. of Days Cash Coverage of Cash Exp.	*	*	3.1	3.1	2.9	3.2	3.3
<u>FINANCIAL PERCENTAGES:</u>								
18	Operating Profit (Loss) to Operating Revenue	3.3	3.9	4.5	4.6	5.8	5.3	4.6
19	Net Income to Stockholders Equity	*	*	8.4	8.7	9.8	10.1	8.8
20	Corporate Return on Investment	*	*	7.9	8.1	9.0	9.2	8.1
21	Debt to Total Investment	*	*	14.6	14.8	15.3	16.9	20.0
<u>TON LOAD FACTOR: (Sch. Svc. %)</u>								
22	Actual	60.6	60.3	61.7	61.7	61.1	60.7	59.7
23	Breakeven	++	++	++	++	++	++	++
<u>Employment & Productivity:</u>								
24	Employment, Total Weighted Avg CY	114,977	116,494	115,432	115,811	116,315	117,123	117,914
25	Overall RTM's per Employee (000)	19.6	18.2	19.6	21.1	19.8	19.5	55.6

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	6.6	-0.5	6.9	5.1	3.3	-0.4	-2.9
27	Operating Expenses (%)	7.3	1.5	7.1	5.7	1.2	-0.7	-0.9
28	Operating Profit (Loss) (in Millions \$)	-14.8	-76.1	19.0	-42.3	319.9	35.7	-321.4
29	Net Income (Loss)(in Millions \$)	-7.1	-76.1	18.2	-50.8	44.9	-9.2	-218.5
30	RTMs (Sch. Svc.) (%)	7.3	16.5	17.8	20.5	20.1	12.6	4.2
31	ATMs (Sch. Svc.) (%)	6.4	14.7	14.0	16.2	17.8	12.8	8.4
32	Operating Revenues per RTM (%)	-0.1	-14.0	-8.6	-12.1	-12.2	-9.1	-4.2
33	Operating Expense per RTM (%)	0.5	-12.2	-8.4	-11.6	-13.9	-9.4	-2.3
34	Passenger Revenue per RPM (Sch. Svc.)(%)	++	++	++	++	++	++	++

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

ITEMS	QUARTER ENDED		12 MONTHS ENDED					
	2003/03	2002/03	2003/03	2002/12	2002/09	2002/06	2002/03	
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	736.5	663.3	2,925.1	2,851.9	2,792.9	2,710.9	2,678.8
2	Operating Expenses	722.8	631.3	2,739.2	2,647.7	2,626.9	2,599.1	2,592.8
3	Operating Profit (Loss)	13.7	32.0	185.9	204.3	166.0	111.8	86.0
4	Net Income (Loss)	-5.3	-3.5	44.8	46.6	48.7	15.2	-10.6
<u>TRAFFIC: (Billions)</u>								
5	RTMs - Scheduled Rev. Svc.	1.06	0.40	3.22	2.56	1.67	1.55	1.53
6	ATMs - Scheduled Rev. Svc.	1.84	0.60	5.36	4.12	2.51	2.40	2.35
7	Overall RTMs (All Services)	1.06	1.04	4.55	4.53	4.22	4.12	4.10
8	Overall ATMs (All Services)	1.85	1.82	7.86	7.82	7.31	7.12	7.04
<u>YIELD & UNIT COST & PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	69.4	63.5	64.3	62.9	66.2	65.8	65.3
10	Operating Expense per RTM	68.1	60.5	60.2	58.4	62.2	63.1	63.2
11	Operating Profit (Loss) per RTM	1.3	3.1	4.1	4.5	3.9	2.7	2.1
12	Operating Expense per ATM	39.1	34.8	34.9	33.8	35.9	36.5	36.8
13	Passenger Revenue per RPM	++	++	++	++	++	++	++
<u>FINANCIAL RATIOS:</u>								
14	Operating Revenues to Total Investment	*	*	0.60	0.58	0.56	0.53	0.52
15	Times Interest Earned	*	*	2.87	2.99	3.60	2.39	2.22
16	Current Assets to Current Liabilities	*	*	0.57	0.70	0.64	0.53	0.69
17	No. of Days Cash Coverage of Cash Exp.	*	*	6.8	7.1	6.4	6.3	4.5
<u>FINANCIAL PERCENTAGES:</u>								
18	Operating Profit (Loss) to Operating Revenue	1.9	4.8	6.4	7.2	5.9	4.1	3.2
19	Net Income to Stockholders Equity	*	*	4.1	4.3	4.6	1.5	-1.1
20	Corporate Return on Investment	*	*	2.0	2.0	1.7	1.0	0.3
21	Debt to Total Investment	*	*	77.7	76.3	76.2	76.8	80.4
<u>TON LOAD FACTOR: (Sch. Svc. %)</u>								
22	Actual	57.4	57.5	57.9	58.0	57.7	57.9	58.3
23	Breakeven	++	++	++	++	++	++	++
<u>Employment & Productivity:</u>								
24	Employment, Total Weighted Avg CY	6,119	5,647	5,946	5,828	5,798	5,768	5,710
25	Overall RTM's per Employee (000)	173.4	184.9	173.4	210.2	195.2	187.3	703.0

CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER								
26	Operating Revenues (%)	11.0	-5.3	9.2	5.0	3.1	-0.1	1.2
27	Operating Expenses (%)	14.5	-3.3	5.6	1.3	0.9	1.3	4.4
28	Operating Profit (Loss) (in Millions \$)	-18.3	-15.1	99.9	103.2	60.7	-36.2	-76.8
29	Net Income (Loss)(in Millions \$)	-1.8	-24.5	55.4	32.7	39.9	-29.6	-78.1
30	RTMs (Sch. Svc.) (%)	162.3	3.9	110.8	69.6	5.7	-4.5	-1.3
31	ATMs (Sch. Svc.) (%)	205.9	5.5	127.6	77.2	5.1	4.4	7.7
32	Operating Revenues per RTM (%)	9.2	-6.1	-1.6	-5.2	4.7	5.4	7.2
33	Operating Expense per RTM (%)	12.6	-4.1	-4.8	-8.6	2.5	6.9	10.5
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 2002 and 2003**

Operating Profit (Loss) (\$Millions)						
Group/Carrier	Quarterly Data			12 Month Ended Data		
	3/2002	3/2003	\$Chg	3/2002	3/2003	\$Chg
System Passenger Majors	(2,755.3)	(3,080.9)	(325.6)	(11,953.6)	(9,938.2)	2,015.5
Alaska	(41.8)	(61.4)	(19.6)	(74.9)	(100.4)	(25.5)
America West	(121.6)	(46.7)	74.8	(416.4)	(128.6)	287.8
American	(732.5)	(847.0)	(114.6)	(3,813.7)	(3,437.5)	376.2
American Eagle	(19.8)	26.1	46.0	(269.2)	(4.2)	265.0
American Trans Air	7.6	(3.7)	(11.3)	(76.2)	(152.1)	(75.8)
Continental	(221.5)	(270.4)	(48.9)	(385.9)	(521.0)	(135.2)
Delta	(409.8)	(527.4)	(117.5)	(1,254.7)	(1,152.9)	101.7
Northwest	(190.8)	(324.7)	(133.8)	(756.8)	(917.3)	(160.5)
Southwest	49.6	45.5	(4.1)	470.9	413.4	(57.4)
United	(705.9)	(869.2)	(163.3)	(4,020.9)	(3,185.1)	835.8
US Airways	(368.7)	(201.9)	166.8	(1,355.8)	(752.5)	603.3
System Cargo Majors	184.6	153.6	(31.0)	599.7	925.5	325.8
DHL	3.0	5.1	2.1	(188.6)	18.2	206.8
Federal Express	149.6	134.8	(14.8)	702.4	721.4	19.0
UPS	32.0	13.7	(18.3)	86.0	185.9	99.9
System Total Majors	(2,570.6)	(2,927.2)	(356.6)	(11,353.9)	(9,012.6)	2,341.2

Net Income (Loss) (\$Millions)						
Group/Carrier	Quarterly Data			12 Month Ended Data		
	3/2002	3/2003	\$Chg	3/2002	3/2003	\$Chg
System Passenger Majors	(2,454.8)	(1,953.3)	501.5	(8,873.4)	(10,186.7)	(1,313.3)
Alaska	(28.2)	(45.1)	(16.9)	(16.7)	(91.9)	(75.2)
America West	(337.3)	(62.7)	274.6	(472.7)	(183.1)	289.6
American	(552.2)	(975.5)	(423.3)	(2,070.1)	(3,039.7)	(969.6)
American Eagle	(33.2)	(12.4)	20.8	(241.8)	(97.7)	144.1
American Trans Air	1.1	(14.0)	(15.1)	(69.9)	(184.6)	(114.7)
Continental	(161.3)	(220.8)	(59.5)	(236.0)	(505.7)	(269.7)
Delta	(398.0)	(476.1)	(78.1)	(1,367.6)	(1,373.0)	(5.4)
Northwest	(173.0)	(397.1)	(224.1)	(401.0)	(990.6)	(589.5)
Southwest	21.4	23.9	2.5	411.5	243.4	(168.1)
United	(495.9)	(1,386.0)	(890.1)	(2,284.7)	(4,215.9)	(1,931.2)
US Airways	(298.2)	1,612.5	1,910.7	(2,124.5)	251.9	2,376.4
System Cargo Majors	73.4	65.7	(7.7)	165.9	450.2	284.4
DHL	1.5	2.7	1.2	(200.4)	10.4	210.8
Federal Express	75.4	68.3	(7.1)	376.8	395.1	18.2
UPS	(3.5)	(5.3)	(1.8)	(10.6)	44.8	55.4
System Total Majors	(2,381.4)	(1,887.6)	493.8	(8,707.6)	(9,736.4)	(1,028.9)

**Comparison of Passenger Load Factors and Passenger Yields
For Individual Passenger and All-Cargo Majors
Quarterly and 12-Month Ended Periods
March 2002 and 2003**

Passenger Load Factor (Percent)						
Group/Carrier	Quarterly Data			12 Month Ended Data		
	3/2002	3/2003	Pt.Chg.	3/2002	3/2003	Pt.Chg.
System Passenger Majors	70.4	69.5	(0.9)	70.8	72.0	1.2
Alaska	66.7	66.7	0.1	68.7	68.1	(0.6)
America West	70.1	71.1	1.0	72.2	73.8	1.6
American	69.4	69.1	(0.3)	69.4	70.6	1.2
American Eagle	58.8	59.5	0.8	59.0	63.2	4.2
American Trans Air	72.4	70.0	(2.5)	75.9	72.3	(3.6)
Continental	73.9	69.8	(4.1)	73.2	73.3	0.0
Delta	69.3	69.7	0.4	69.6	72.6	3.0
Northwest	76.0	73.5	(2.5)	75.1	76.5	1.5
Southwest	62.9	62.6	(0.3)	67.0	65.8	(1.2)
United	72.2	71.6	(0.6)	71.7	73.4	1.7
US Airways	68.5	67.7	(0.9)	69.5	70.9	1.4
System Cargo Majors	-	-	-	-	-	-
DHL	-	-	-	-	-	-
Federal Express	-	-	-	-	-	-
UPS	-	-	-	-	-	-
System Total Majors	70.4	69.5	(0.9)	70.8	72.0	1.2

Scheduled Passenger Yield (Cents)						
Group/Carrier	Quarterly Data			12 Month Ended Data		
	3/2002	3/2003	Pct.Chg.	3/2002	3/2003	Pct.Chg.
System Passenger Majors	11.8	11.6	(1.0)	11.9	11.4	(3.8)
Alaska	12.3	12.0	(2.1)	12.6	12.3	(2.8)
America West	10.2	10.3	0.4	9.9	9.7	(1.6)
American	12.5	12.3	(1.5)	12.5	11.8	(5.4)
American Eagle	32.4	30.5	(6.1)	34.5	30.8	(10.6)
American Trans Air	9.3	8.6	(7.4)	9.2	8.6	(6.9)
Continental	11.8	12.1	2.8	11.8	11.6	(1.5)
Delta	11.7	12.4	6.6	11.7	11.6	(1.2)
Northwest	10.6	10.7	0.8	10.9	10.8	(1.4)
Southwest	11.4	11.7	2.4	11.6	11.6	0.2
United	10.9	9.8	(10.2)	11.0	10.3	(6.9)
US Airways	13.6	13.6	(0.6)	13.8	13.0	(5.5)
System Cargo Majors	-	-	-	-	-	-
DHL	-	-	-	-	-	-
Federal Express	-	-	-	-	-	-
UPS	-	-	-	-	-	-
System Total Majors	11.8	11.6	(1.0)	11.9	11.4	(3.8)

**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 2002 and 2003**

Operating Profit Margin (Percent)						
Group/Carrier	Quarterly Data			12 Month Ended Data		
	3/2002	3/2003	Pt. Chg	3/2002	3/2003	Pt. Chg.
System Passenger Majors	(15.1)	(16.3)	(1.2)	(14.9)	(12.7)	2.1
Alaska	(10.1)	(14.4)	(4.2)	(4.3)	(5.4)	(1.2)
America West	(26.6)	(9.0)	17.6	(21.8)	(6.2)	15.6
American	(19.2)	(20.3)	(1.1)	(22.5)	(21.2)	1.4
American Eagle	(7.3)	9.6	16.9	(22.5)	(0.4)	22.1
American Trans Air	2.6	(1.1)	(3.7)	(6.7)	(12.7)	(6.0)
Continental	(12.2)	(15.8)	(3.6)	(4.9)	(7.1)	(2.2)
Delta	(14.0)	(15.7)	(1.7)	(10.0)	(9.0)	1.0
Northwest	(9.2)	(15.1)	(5.9)	(8.3)	(9.9)	(1.7)
Southwest	3.9	3.4	(0.6)	8.7	7.4	(1.4)
United	(22.1)	(28.0)	(5.9)	(27.0)	(23.0)	4.0
US Airways	(21.8)	(13.4)	8.4	(17.6)	(11.2)	6.4
System Cargo Majors	4.1	3.2	(0.9)	3.2	4.8	1.6
DHL	4.7	7.1	2.4	(16.3)	6.9	23.3
Federal Express	3.9	3.3	(0.6)	4.6	4.5	(0.2)
UPS	4.8	1.9	(3.0)	3.2	6.4	3.1
System Total Majors	(11.3)	(12.3)	(1.0)	(11.4)	(9.2)	2.2

Group/Carrier	Debt To Investment (Percent)			Total Debt (\$Millions)		
	Quarterly Data			Quarterly Data		
	3/2002	3/2003	Pt.Chg.	3/2002	3/2003	\$ Chg.
System Passenger Majors	69.3	88.5	19.1	53,898.8	54,079.7	180.9
Alaska	57.7	61.4	3.7	916.4	932.6	16.2
America West	66.8	74.6	7.7	869.6	730.6	(139.0)
American	63.6	93.8	30.3	10,159.1	10,712.0	552.9
American Eagle	99.3	100.4	1.1	2,823.0	2,969.2	146.2
American Trans Air	98.3	145.8	47.5	577.8	509.4	(68.4)
Continental	85.1	91.1	6.1	5,721.2	5,596.7	(124.4)
Delta	69.3	92.5	23.2	8,404.4	9,886.6	1,482.2
Northwest	59.8	77.9	18.1	6,360.2	6,828.3	468.1
Southwest	30.9	27.3	(3.5)	1,836.7	1,678.5	(158.3)
United	73.8	124.7	50.9	12,439.9	11,216.8	(1,223.1)
US Airways	119.8	94.5	(25.3)	3,790.4	3,018.9	(771.4)
System Cargo Majors	50.5	43.1	(7.4)	5,514.7	4,697.1	(817.6)
DHL	19.1	18.1	(1.0)	22.1	21.2	(0.8)
Federal Express	20.0	14.6	(5.5)	1,058.1	851.1	(207.0)
UPS	80.4	77.7	(2.8)	4,434.5	3,824.8	(609.7)
System Total Majors	67.0	81.6	14.6	59,413.5	58,776.8	(636.6)

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>Sum of full time and one-half part 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>