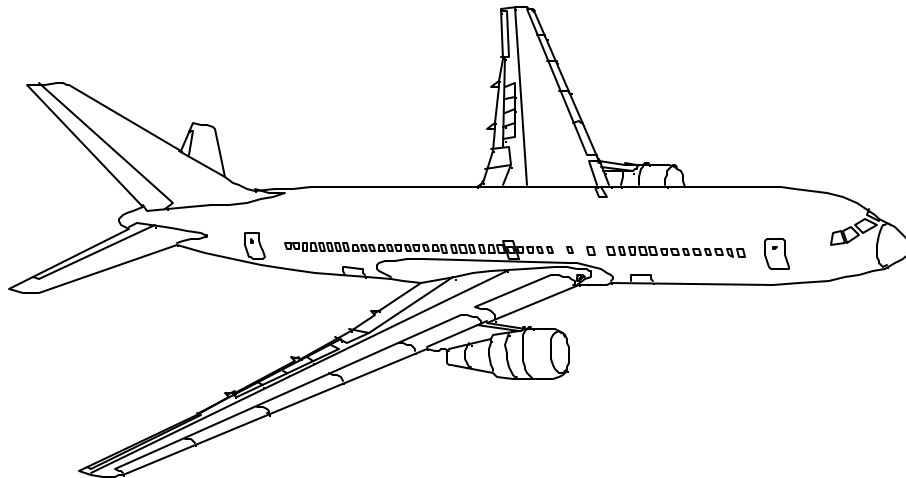


AIRLINE QUARTERLY FINANCIAL REVIEW

SECOND 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				
		2002/06	2001/06	2002/06	2002/03	2001/12	2001/09	2001/06
	<u>FINANCIAL RESULTS: (\$Millions)</u>							
1	Operating Revenues	25,071.4	29,098.1	95,411.5	99,438.3	104,934.1	112,533.3	117,481.9
2	Operating Expenses	26,403.1	29,815.6	107,600.4	111,012.9	114,561.4	117,717.7	116,245.3
3	Operating Profit (Loss)	-1,331.7	-717.5	-12,188.9	-11,574.7	-9,627.3	-5,184.4	1,236.6
4	Net Income (Loss)	-1,383.8	-796.0	-10,174.6	-9,586.8	-7,139.0	-4,128.2	-865.7
	<u>TRAFFIC: (Billions)</u>							
5	RPMs - Scheduled Rev. Svc.	152.82	170.19	575.43	592.80	609.05	640.55	655.34
6	ASMs - Scheduled Rev. Svc.	207.02	231.60	812.81	837.39	866.65	900.15	909.69
7	Overall RTMs (All Svc.)	21.20	22.81	80.04	81.64	83.52	87.45	89.73
8	Overall ATMs (All Svc.)	37.37	40.18	145.82	148.63	151.99	156.07	156.97
	<u>YIELD & UNIT COST & PROFITS: (Cents)</u>							
9	Operating Revenue per RTM	118.2	127.6	119.2	121.8	125.6	128.7	130.9
10	Operating Expense per RTM	124.5	130.7	134.4	136.0	137.2	134.6	129.6
11	Operating Profit (Loss) per RTM	-6.3	-3.1	-15.2	-14.2	-11.5	-5.9	1.4
12	Operating Expense per ATM	70.7	74.2	73.8	74.7	75.4	75.4	74.1
13	Passenger Revenue per RPM	11.62	12.59	11.58	11.86	12.30	12.76	13.13
	<u>FINANCIAL RATIOS:</u>							
14	Operating Revenues to Total Investment	*	*	1.16	1.22	1.32	1.46	1.59
15	Times Interest Earned	*	*	-2.17	-2.23	-2.02	-1.11	0.71
16	Current Assets to Current Liabilities	*	*	0.83	0.81	0.80	0.79	0.66
17	No. of Days Cash Coverage of Cash Exp.	*	*	52.8	47.9	52.0	49.0	29.6
	<u>FINANCIAL PERCENTAGES:</u>							
18	Operating Profit (Loss) to Operating Revenue	-5.3	-2.5	-12.8	-11.6	-9.2	-4.6	1.1
19	Net Income to Stockholders Equity	*	*	-32.9	-29.6	-21.2	-11.7	-2.4
20	Corporate Return on Investment	*	*	-9.1	-8.7	-6.1	-2.7	1.5
21	Debt to Total Investment	*	*	65.9	64.5	62.9	59.2	53.0
	<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>							
22	Actual	73.8	73.5	70.8	70.8	70.3	71.2	72.0
23	Breakeven	81.7	78.0	86.2	84.8	81.8	78.0	73.2
	<u>Employment & Productivity:</u>							
24	Employment, Total Weighted Avg CY	497,655	554,435	513,820	528,015	539,952	547,569	544,031
25	Overall RTM's per Employee (000)	42.6	41.1	155.8	154.6	154.7	159.7	164.9

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	-13.8	-4.2	-18.8	-16.3	-11.0	-2.9	3.9
27	Operating Expenses (%)	-11.4	9.4	-7.4	-2.3	2.9	8.5	10.2
28	Operating Profit (Loss) (in Millions \$)	-614.2	-3,840.3	-13,425.5	-16,651.6	-16,231.3	-12,557.9	-6,296.3
29	Net Income (Loss)(in Millions \$)	-587.8	-2,645.2	-9,308.9	-11,366.3	-9,804.4	-7,793.4	-5,061.9
30	RPMs (Sch. Svc.) (%)	-10.2	-0.8	-12.2	-9.7	-6.8	-1.2	2.4
31	ASMs (Sch. Svc.) (%)	-10.6	3.2	-10.6	-7.2	-3.5	0.9	2.6
32	Operating Revenues per RTM (%)	-7.3	-2.0	-9.0	-7.4	-3.9	-0.5	2.4
33	Operating Expense per RTM (%)	-4.7	11.9	3.8	8.0	11.1	11.2	8.5
34	Passenger Revenue per RPM (Sch. Svc.)(%)	-7.7	-6.1	-11.8	-11.1	-7.6	-3.0	1.3

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

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2002/06	2001/06	2002/06	2002/03	2001/12	2001/09	2001/06
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	18,709.4	21,873.3	71,254.6	74,418.5	78,599.8	84,362.4	88,340.5
2	Operating Expenses	19,949.1	22,546.9	81,353.7	83,951.5	86,509.6	88,737.9	87,847.9
3	Operating Profit (Loss)	-1,239.8	-673.6	-10,099.1	-9,532.9	-7,909.8	-4,375.6	492.6
4	Net Income (Loss)	-1,249.8	-770.5	-8,711.0	-8,231.8	-6,366.5	-3,777.1	-1,190.0
<u>TRAFFIC: (Billions)</u>								
5	RPMs - Scheduled Rev. Svc.	110.33	121.44	416.73	427.83	438.94	458.70	468.92
6	ASMs - Scheduled Rev. Svc.	152.32	167.87	598.67	614.22	633.27	655.91	662.83
7	Overall RTMs (All Svc.)	13.99	14.88	52.88	53.76	54.80	57.00	58.43
8	Overall ATMs (All Svc.)	25.22	26.43	98.31	99.52	101.16	103.36	104.03
<u>YIELD & UNIT COST & PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	133.7	147.0	134.8	138.4	143.4	148.0	151.2
10	Operating Expense per RTM	142.6	151.6	153.9	156.2	157.9	155.7	150.3
11	Operating Profit (Loss) per RTM	-8.9	-4.5	-19.1	-17.7	-14.4	-7.7	0.8
12	Operating Expense per ATM	79.1	85.3	82.7	84.4	85.5	85.9	84.4
13	Passenger Revenue per RPM	12.28	13.62	12.28	12.66	13.16	13.72	14.17
<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	-6.6	-3.1	-14.2	-12.8	-10.1	-5.2	0.6
19	Net Income to Stockholders Equity	*	*	**	**	**	**	**
20	Corporate Return on Investment	*	*	-10.0	-9.8	-7.3	-3.6	0.5
21	Debt to Total Investment	*	*	**	**	**	**	**
<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>								
22	Actual	72.4	72.3	69.6	69.7	69.3	69.9	70.7
23	Breakeven	81.0	77.3	85.6	84.2	81.3	77.0	72.3
<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 (%)	-14.5	-5.6	-19.3	-17.0	-12.0	-4.0	2.5
27	Operating Expenses (%)	-11.5	9.5	-7.4	-2.3	2.7	7.9	9.3
28	Operating Profit (Loss) (in Millions \$)	-566.2	-3,269.9	-10,591.7	-13,295.5	-12,991.8	-10,019.9	-5,278.0
29	Net Income (Loss)(in Millions \$)	-479.3	-2,276.4	-7,521.0	-9,318.1	-8,363.4	-6,704.6	-4,681.8
30	RPMs (Sch. Svc.) (%)	-9.1	-1.6	-11.1	-9.1	-6.7	-2.0	1.2
31	ASMs (Sch. Svc.) (%)	-9.3	2.6	-9.7	-6.7	-3.6	0.0	1.5
32	Operating Revenues per RTM (%)	-9.1	-2.5	-10.9	-9.0	-5.1	-0.6	2.7
33	Operating Expense per RTM (%)	-5.9	13.2	2.3	7.1	10.8	11.7	9.4
34	Passenger Revenue per RPM (Sch. Svc.)(%)	-9.9	-6.5	-13.3	-12.2	-8.5	-3.1	1.3

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

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2002/06	2001/06	2002/06	2002/03	2001/12	2001/09	2001/06
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	6,362.0	7,224.8	24,157.0	25,019.7	26,334.3	28,170.9	29,141.4
2	Operating Expenses	6,454.0	7,268.8	26,246.7	27,061.5	28,051.8	28,979.7	28,397.3
3	Operating Profit (Loss)	-92.0	-44.0	-2,089.8	-2,041.8	-1,717.5	-808.8	744.0
4	Net Income (Loss)	-134.1	-25.5	-1,463.6	-1,355.1	-772.5	-351.1	324.3
<u>TRAFFIC: (Billions)</u>								
5	RPMs - Scheduled Rev. Svc.	42.49	48.75	158.70	164.97	170.11	181.85	186.43
6	ASMs - Scheduled Rev. Svc.	54.69	63.73	214.14	223.17	233.38	244.24	246.86
7	Overall RTMs (All Svc.)	7.21	7.93	27.16	27.88	28.72	30.45	31.29
8	Overall ATMs (All Svc.)	12.15	13.75	47.51	49.11	50.84	52.70	52.94
<u>YIELD & UNIT COST & PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	88.3	91.1	88.9	89.7	91.7	92.5	93.1
10	Operating Expense per RTM	89.5	91.7	96.6	97.1	97.7	95.2	90.7
11	Operating Profit (Loss) per RTM	-1.3	-0.6	-7.7	-7.3	-6.0	-2.7	2.4
12	Operating Expense per ATM	53.1	52.8	55.2	55.1	55.2	55.0	53.6
13	Passenger Revenue per RPM	9.89	10.01	9.74	9.79	10.07	10.32	10.52
<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	-1.4	-0.6	-8.7	-8.2	-6.5	-2.9	2.6
19	Net Income to Stockholders Equity	*	*	**	**	**	**	**
20	Corporate Return on Investment	*	*	-5.7	-5.4	-1.7	1.1	6.0
21	Debt to Total Investment	*	*	**	**	**	**	**
<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>								
22	Actual	77.7	76.5	74.1	73.9	72.9	74.5	75.5
23	Breakeven	82.8	79.1	87.3	86.0	82.6	80.2	75.2
<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 (%)	-11.9	0.5	-17.1	-14.0	-8.0	0.8	8.3
27	Operating Expenses (%)	-11.2	9.1	-7.6	-2.6	3.5	10.5	13.0
28	Operating Profit (Loss) (in Millions \$)	-48.0	-570.3	-2,833.8	-3,356.1	-3,239.5	-2,537.9	-1,018.3
29	Net Income (Loss)(in Millions \$)	-108.5	-368.8	-1,787.9	-2,048.1	-1,441.0	-1,088.8	-380.0
30	RPMs (Sch. Svc.) (%)	-12.9	1.5	-14.9	-11.2	-7.1	1.0	5.8
31	ASMs (Sch. Svc.) (%)	-14.2	4.9	-13.3	-8.5	-3.0	3.3	5.9
32	Operating Revenues per RTM (%)	-3.1	0.9	-4.5	-3.4	-0.5	1.1	3.4
33	Operating Expense per RTM (%)	-2.3	9.5	6.5	9.4	11.9	10.9	7.8
34	Passenger Revenue per RPM (Sch. Svc.)(%)	-1.2	-3.8	-7.4	-7.9	-4.7	-1.6	2.3

COMPARISONS AMONG MAJOR GROUP AIRLINES

Chart 1.
OPERATING AND NET PROFIT (LOSS)
SECOND QUARTER 2002

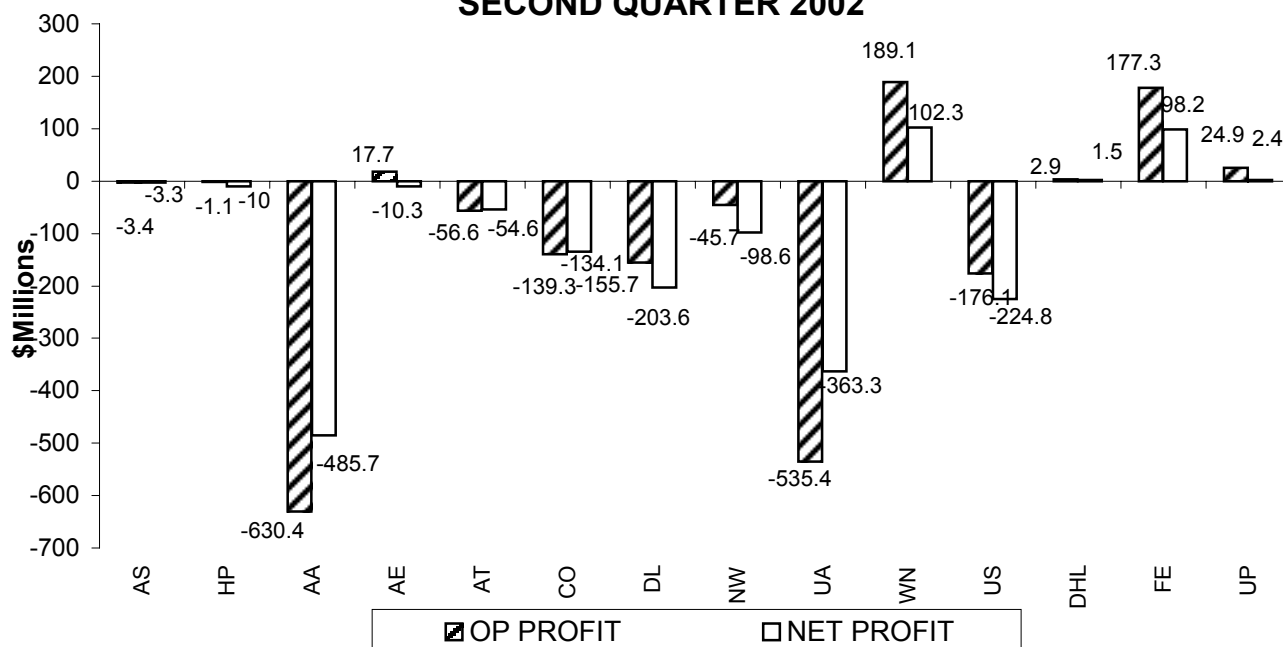
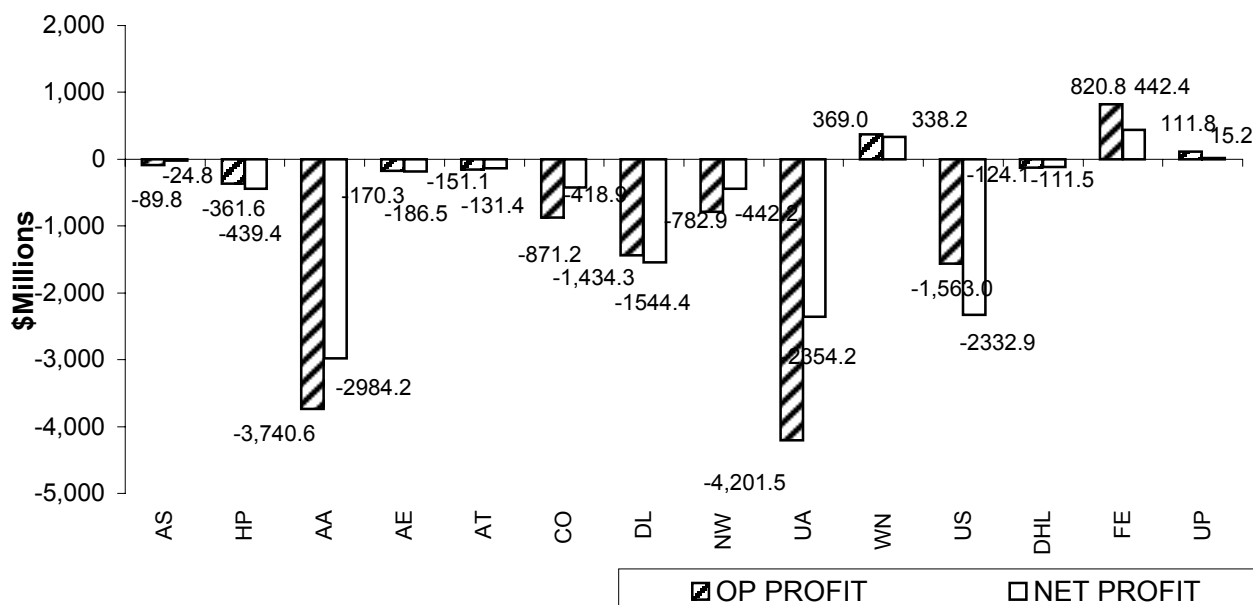


Chart 2.
OPERATING AND NET PROFIT (LOSS)
12 MONTHS ENDED SECOND QUARTER 2002

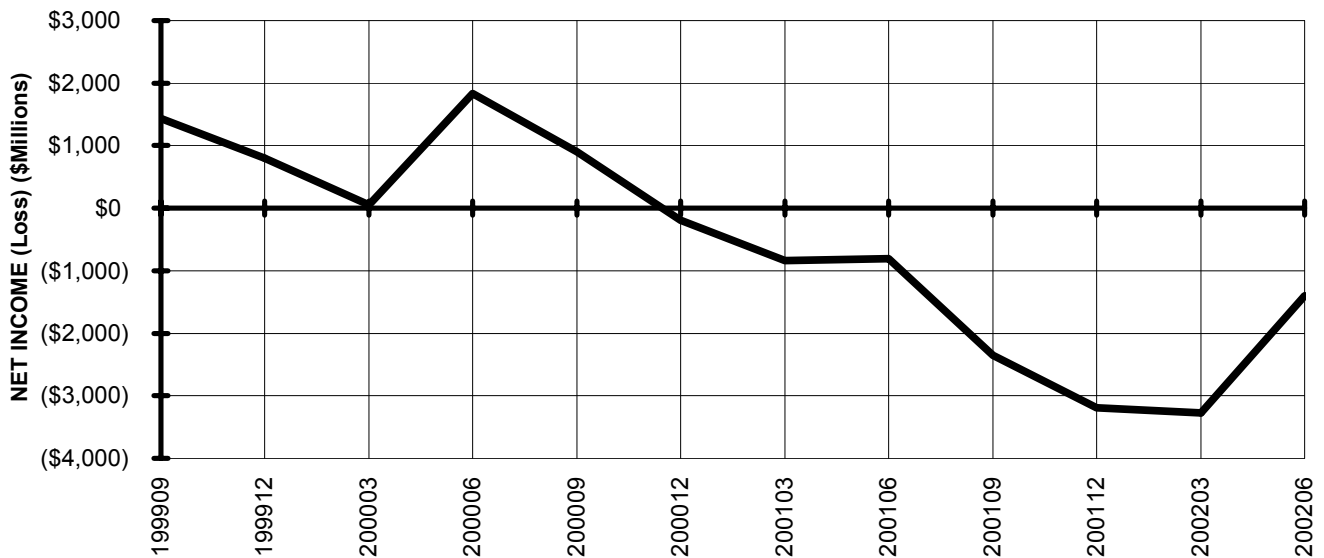


TOTAL ALL MAJORS (SYSTEM) BY QUARTER

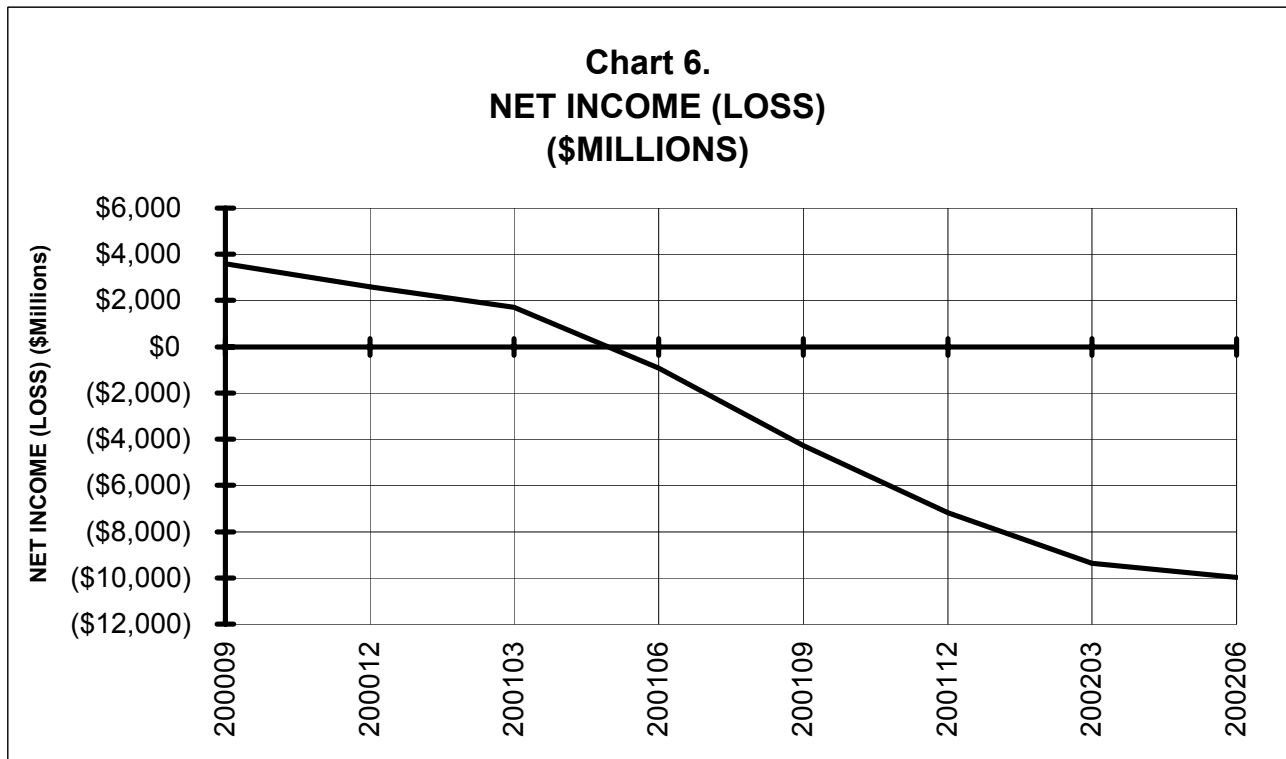
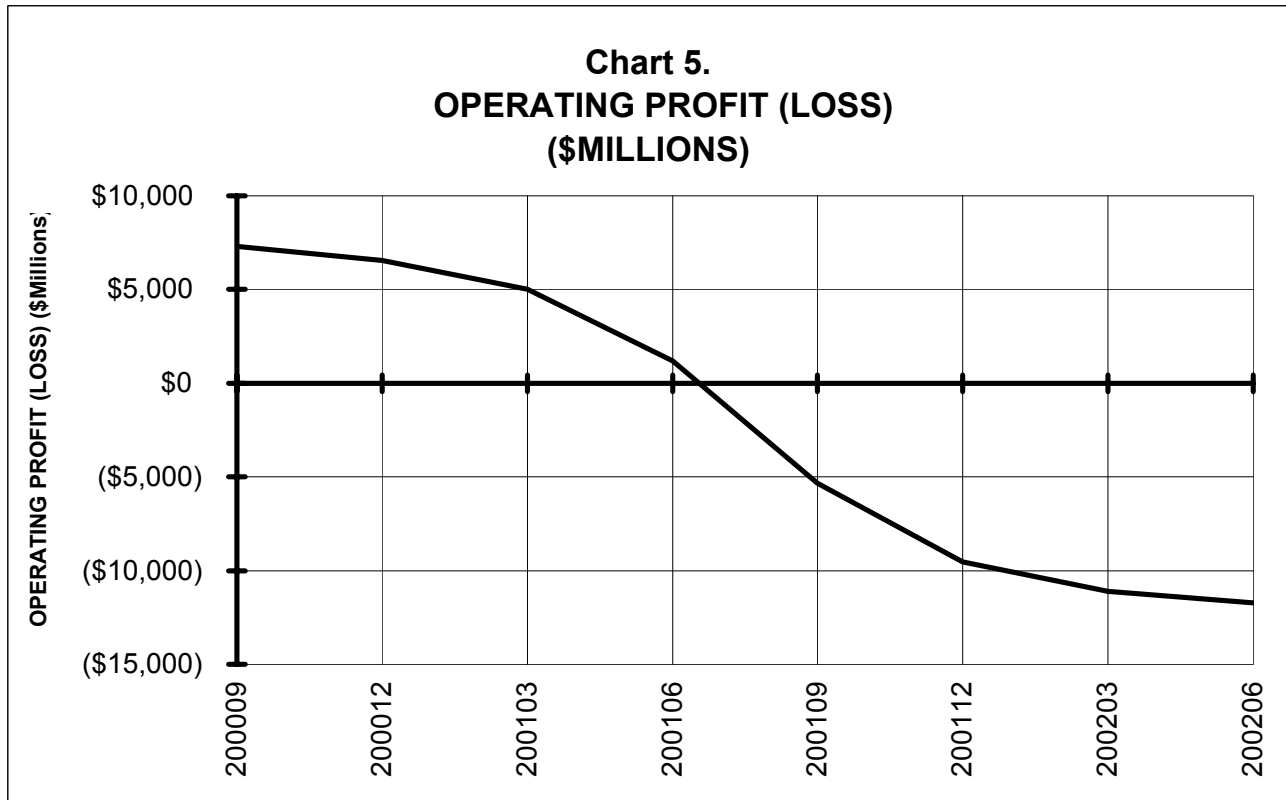
**Chart 3.
OPERATING PROFIT (LOSS)
(\$MILLIONS)**



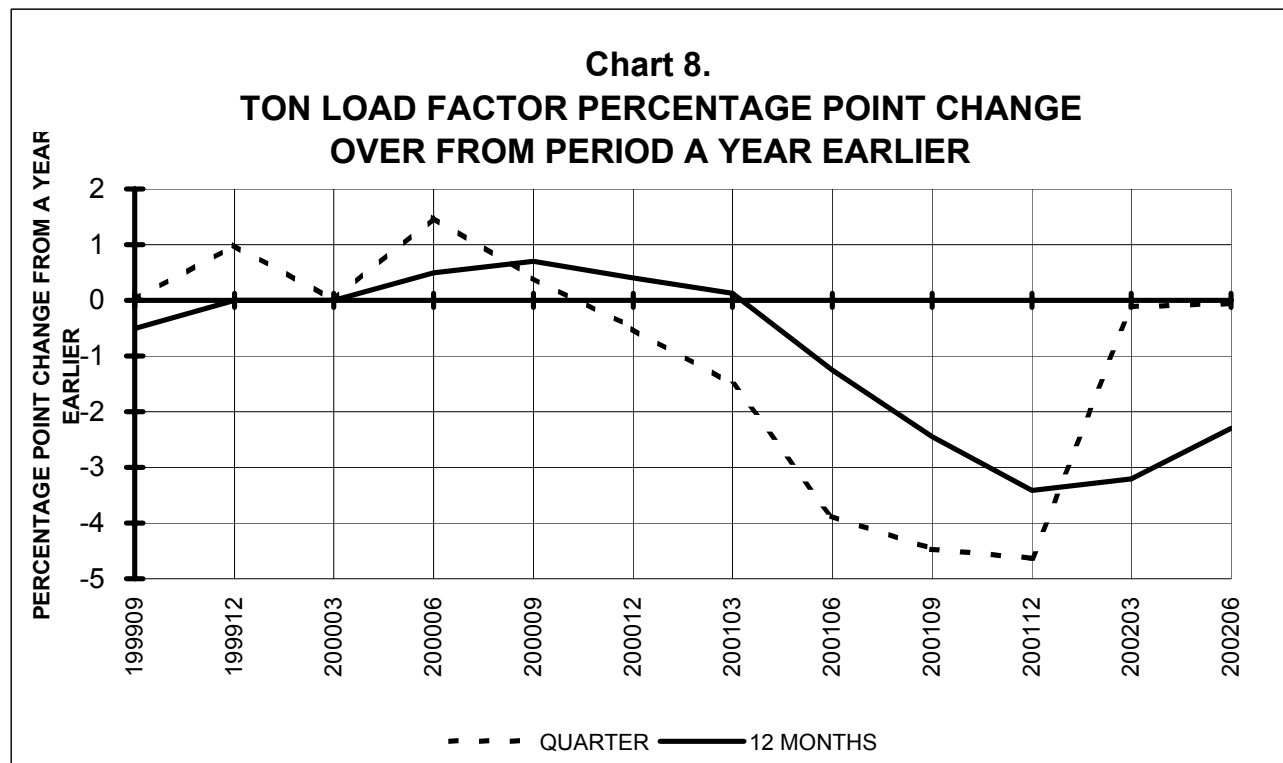
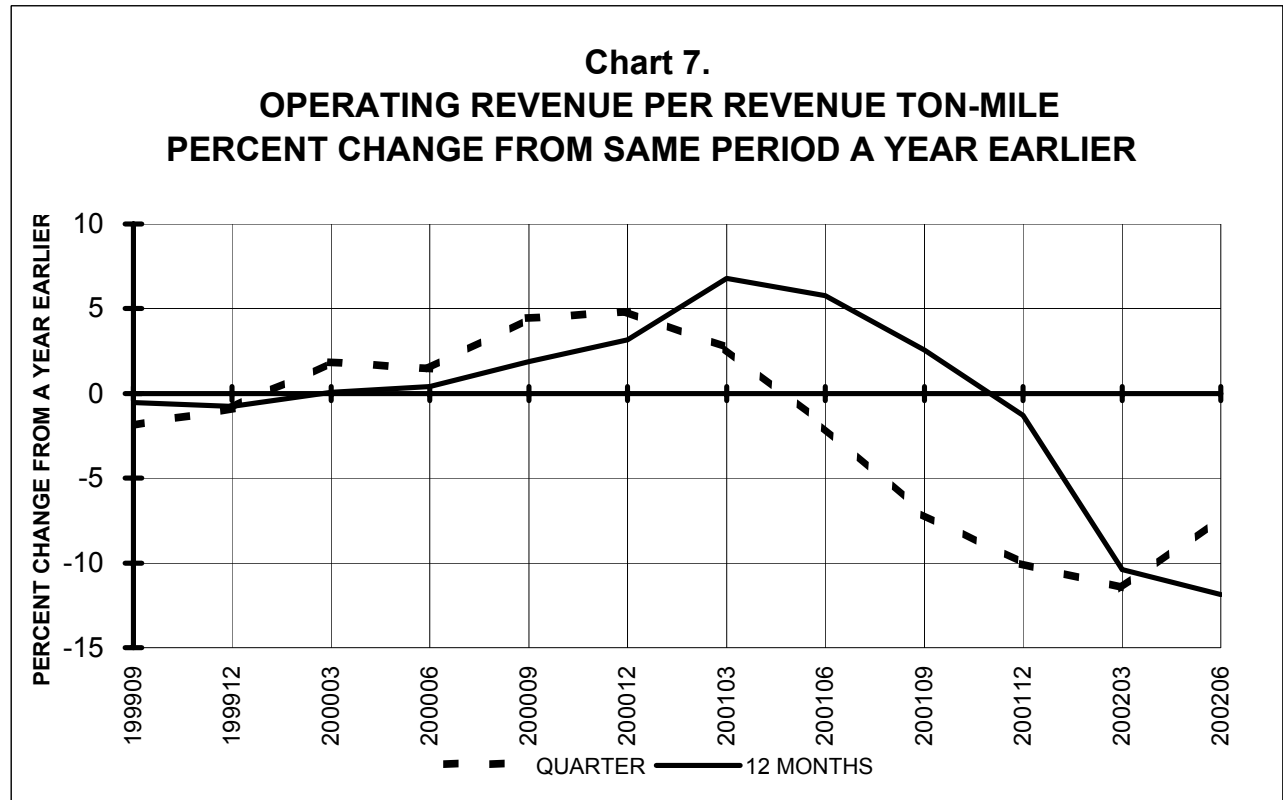
**Chart 4.
NET INCOME (LOSS)
(\$MILLIONS)**



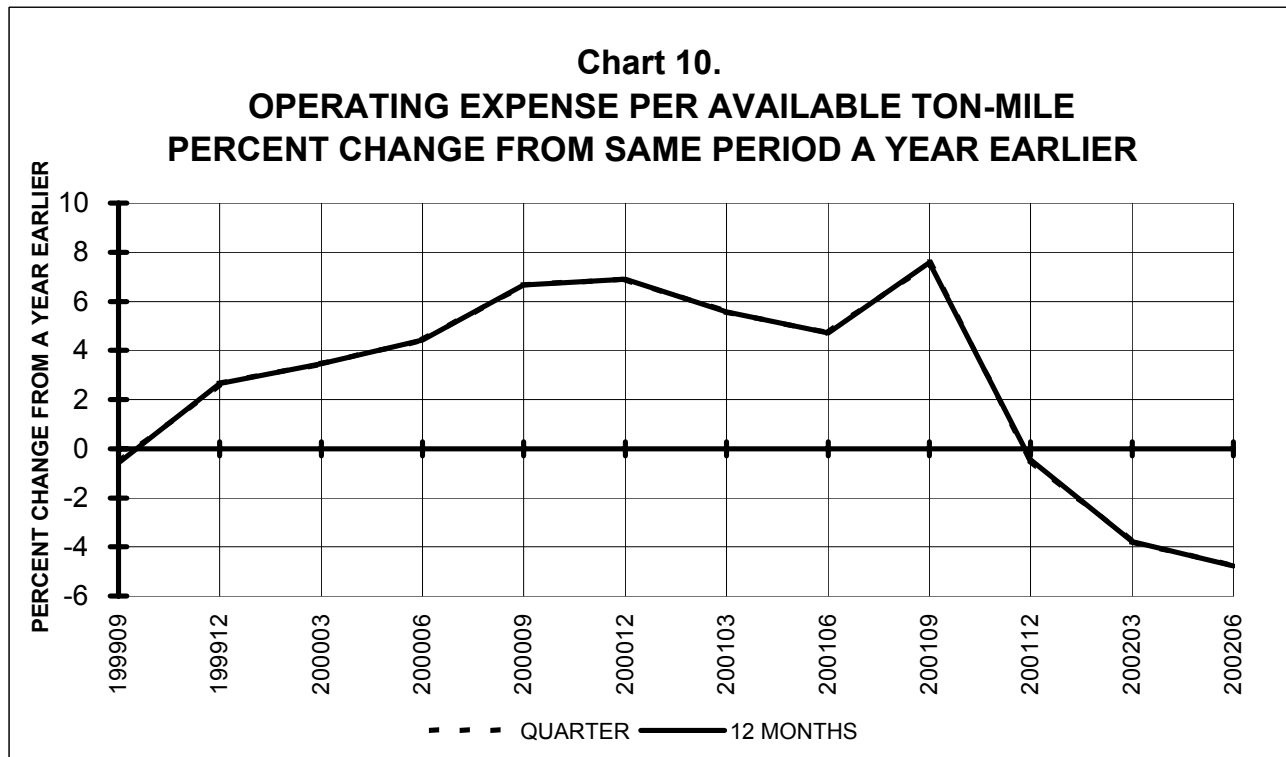
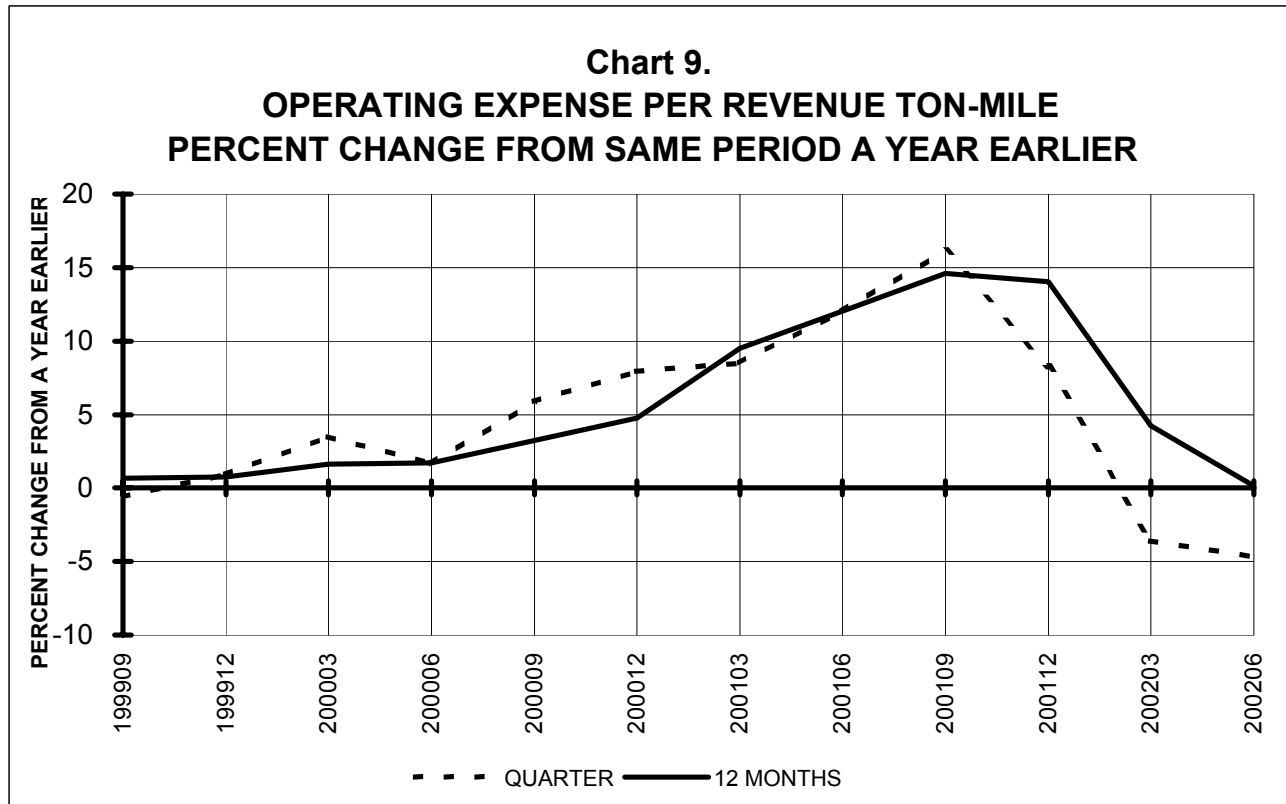
TOTAL ALL MAJORS (SYSTEM) BY 12-MONTH ENDING PERIODS



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				
		2002/06	2001/06	2002/06	2002/03	2001/12	2001/09	2001/06
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	20,368.3	24,321.2	76,505.0	80,457.9	85,590.0	93,148.6	97,835.0
2	Operating Expenses	21,905.2	25,035.2	89,502.3	92,632.3	95,859.4	98,833.4	97,379.1
3	Operating Profit (Loss)	-1,536.9	-714.0	-12,997.3	-12,174.4	-10,269.4	-5,684.8	455.9
4	Net Income (Loss)	-1,485.9	-717.9	-10,520.7	-9,752.7	-7,354.0	-4,306.5	-1,175.7
<u>TRAFFIC: (Billions)</u>								
5	RPMs - Scheduled Rev. Svc.	152.8	170.2	575.4	592.8	609.1	640.6	655.3
6	ASMs - Scheduled Rev. Svc.	207.0	231.6	812.8	837.4	866.7	900.2	909.7
7	Overall RTMs (All Svc.)	17.8	19.8	67.1	69.1	71.2	75.2	77.3
8	Overall ATMs (All Svc.)	31.7	35.0	123.9	127.3	131.1	135.6	136.5
<u>YIELD & UNIT COST & PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	114.3	122.7	114.0	116.5	120.2	123.9	126.6
10	Operating Expense per RTM	122.9	126.3	133.4	134.1	134.7	131.4	126.0
11	Operating Profit (Loss) per RTM	-8.6	-3.6	-19.4	-17.6	-14.4	-7.6	0.6
12	Operating Expense per ATM	69.2	71.5	72.2	72.8	73.1	72.9	71.4
13	Passenger Revenue per RPM	11.62	12.59	11.58	11.86	12.30	12.76	13.13
<u>FINANCIAL RATIOS:</u>								
14	Operating Revenues to Total Investment	*	*	1.06	1.13	1.23	1.39	1.52
15	Times Interest Earned	*	*	-2.54	-2.55	-2.39	-1.43	0.37
16	Current Assets to Current Liabilities	*	*	0.81	0.79	0.78	0.76	0.63
17	No. of Days Cash Coverage of Cash Exp.	*	*	62.93	57.05	61.61	57.94	34.87
<u>FINANCIAL PERCENTAGES:</u>								
18	Operating Profit (Loss) to Operating Revenue	-7.5	-2.9	-17.0	-15.1	-12.0	-6.1	0.5
19	Net Income to Stockholders Equity	*	*	-41.5	-36.2	-25.9	-14.3	-3.8
20	Corporate Return on Investment	*	*	-11.0	-10.3	-7.4	-3.5	1.1
21	Debt to Total Investment	*	*	69.1	67.2	65.6	60.7	53.8
<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>								
22	Actual	73.8	73.5	70.8	70.8	70.3	71.2	72.0
23	Breakeven	82.7	78.0	87.6	85.9	82.7	78.5	73.5
<u>Employment & Productivity:</u>								
24	Employment, Total Weighted Avg CY	397,987	445,612	409,632	421,538	431,397	439,341	436,708
25	Overall RTM's per Employee (000)	44.8	44.5	163.8	163.9	165.0	171.2	176.9

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	-16.3	-4.6	-21.8	-18.7	-12.9	-3.4	4.0
27	Operating Expenses (%)	-12.5	10.4	-8.1	-2.5	3.4	9.6	11.2
28	Operating Profit (Loss) (in Millions \$)	-822.9	-3,536.1	-13,453.2	-16,166.5	-15,829.1	-11,907.7	-6,025.6
29	Net Income (Loss)(in Millions \$)	-768.0	-2,399.1	-9,345.1	-10,976.2	-9,503.8	-7,331.4	-4,775.8
30	RPMs (Sch. Svc.) (%)	-10.2	-0.8	-12.2	-9.7	-6.8	-1.2	2.4
31	ASMs (Sch. Svc.) (%)	-10.6	3.2	-10.6	-7.2	-3.5	0.9	2.6
32	Operating Revenues per RTM (%)	-6.9	-2.7	-9.9	-8.7	-5.2	-1.1	2.4
33	Operating Expense per RTM (%)	-2.7	12.6	5.9	9.6	12.5	12.2	9.4
34	Passenger Revenue per RPM (Sch. Svc.)(%)	-7.7	-6.1	-11.8	-11.1	-7.6	-3.0	1.3

QUARTERLY FINANCIAL & TRAFFIC REVIEW
DOMESTIC OPERATIONS
TOTAL PASSENGER MAJORS

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2002/06	2001/06	2002/06	2002/03	2001/12	2001/09	2001/06
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	15,375.9	18,479.2	57,872.7	60,976.0	64,918.1	70,539.3	74,243.3
2	Operating Expenses	16,680.3	19,100.0	68,194.2	70,613.8	72,984.8	75,054.8	74,129.5
3	Operating Profit (Loss)	-1,304.4	-620.7	-10,321.4	-9,637.8	-8,066.7	-4,515.5	113.8
4	Net Income (Loss)	-1,268.8	-628.7	-8,748.7	-8,108.7	-6,240.3	-3,687.0	-1,184.7
<u>TRAFFIC: (Billions)</u>								
5	RPMS - Scheduled Rev. Svc.	110.33	121.44	416.73	427.83	438.94	458.70	468.92
6	ASMs - Scheduled Rev. Svc.	152.32	167.87	598.67	614.22	633.27	655.91	662.83
7	Overall RTMs (All Svc.)	11.86	13.13	44.78	46.06	47.37	49.74	51.00
8	Overall ATMs (All Svc.)	21.46	23.29	84.02	85.85	88.00	90.67	91.29
<u>YIELD & UNIT COST & PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	129.7	140.7	129.2	132.4	137.0	141.8	145.6
10	Operating Expense per RTM	140.7	145.5	152.3	153.3	154.1	150.9	145.4
11	Operating Profit (Loss) per RTM	-11.0	-4.7	-23.0	-20.9	-17.0	-9.1	0.2
12	Operating Expense per ATM	77.7	82.0	81.2	82.3	82.9	82.8	81.2
13	Passenger Revenue per RPM	12.28	13.62	12.28	12.66	13.16	13.72	14.17
<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	-8.5	-3.4	-17.8	-15.8	-12.4	-6.4	0.2
19	Net Income to Stockholders Equity	*	*	**	**	**	**	**
20	Corporate Return on Investment	*	*	-11.4	-10.9	-8.2	-4.0	0.5
21	Debt to Total Investment	*	*	**	**	**	**	**
<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>								
22	Actual	72.4	72.3	69.6	69.7	69.3	69.9	70.7
23	Breakeven	81.7	77.0	86.4	84.7	81.6	77.1	72.2
<u>Employment & Productivity:</u>								
24	Employment, Total Weighted Avg CY	*	*	**	**	**	**	**
25	Overall RTM's per Employee (000)	*	*	**	**	**	**	**

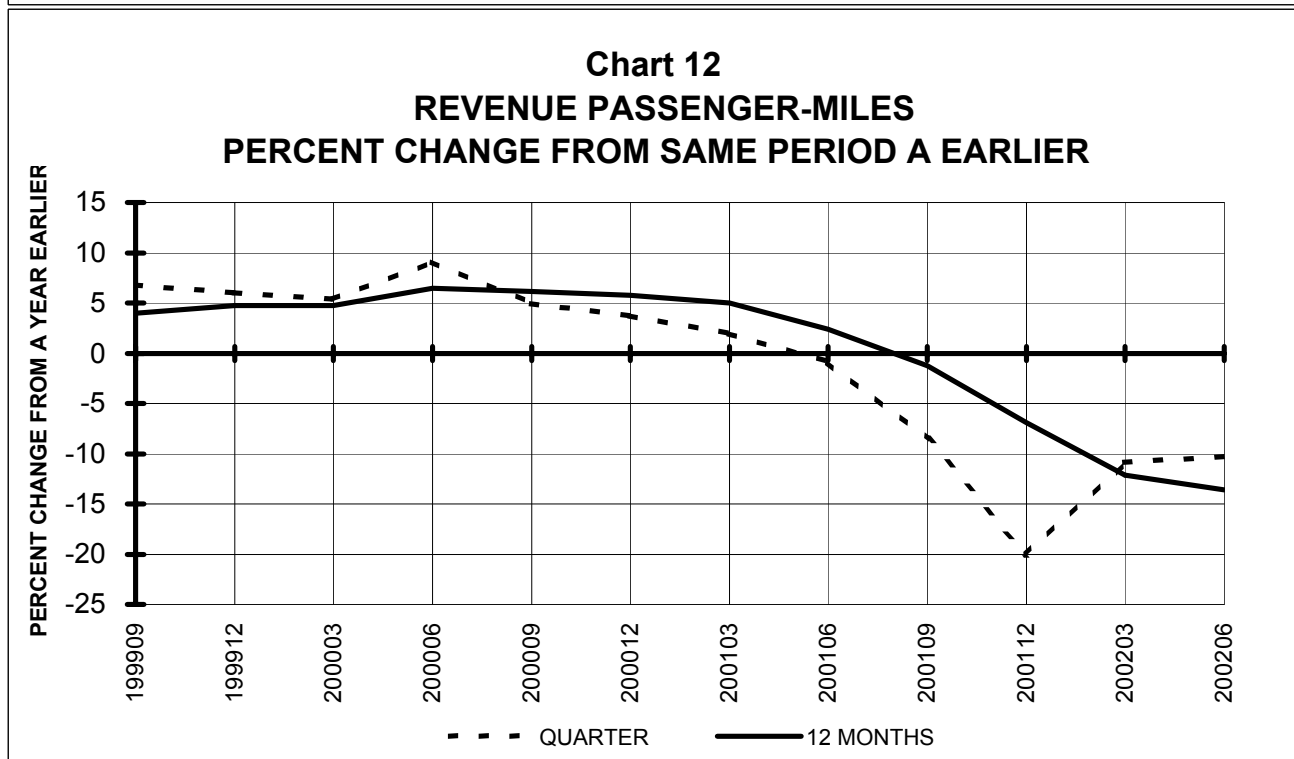
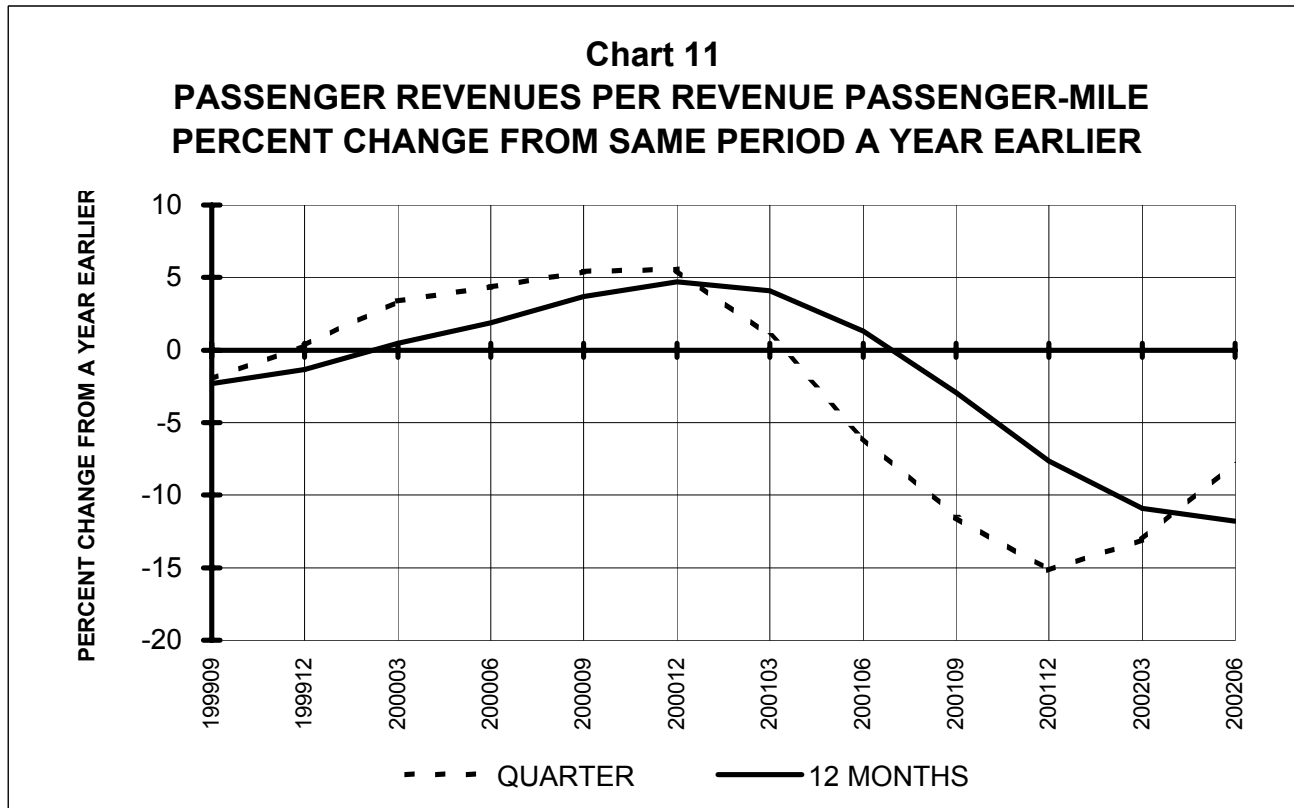
		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	-16.8	-5.8	-22.0	-19.1	-13.6	-4.4	2.7
27	Operating Expenses (%)	-12.7	11.1	-8.0	-2.2	3.5	9.3	10.7
28	Operating Profit (Loss) (in Millions \$)	-683.7	-3,050.3	-10,435.3	-12,801.9	-12,637.6	-9,608.7	-5,217.9
29	Net Income (Loss)(in Millions \$)	-640.0	-2,085.9	-7,564.0	-9,009.9	-8,029.4	-6,336.5	-4,323.0
30	RPMS (Sch. Svc.) (%)	-9.1	-1.6	-11.1	-9.1	-6.7	-2.0	1.2
31	ASMs (Sch. Svc.) (%)	-9.3	2.6	-9.7	-6.7	-3.6	0.0	1.5
32	Operating Revenues per RTM (%)	-7.9	-3.5	-11.2	-9.9	-6.2	-1.5	2.3
33	Operating Expense per RTM (%)	-3.3	13.8	4.8	8.9	12.2	12.6	10.3
34	Passenger Revenue per RPM (Sch. Svc.)(%)	-9.9	-6.5	-13.3	-12.2	-8.5	-3.1	1.3

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

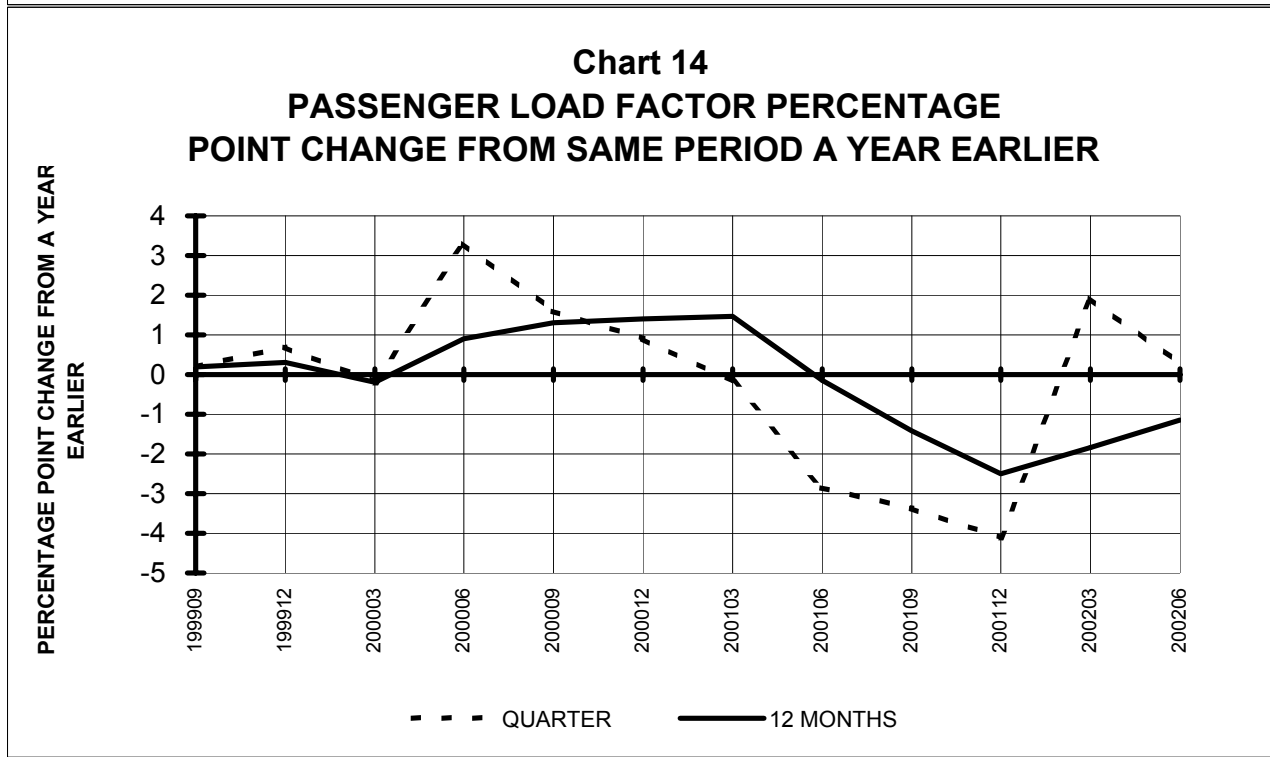
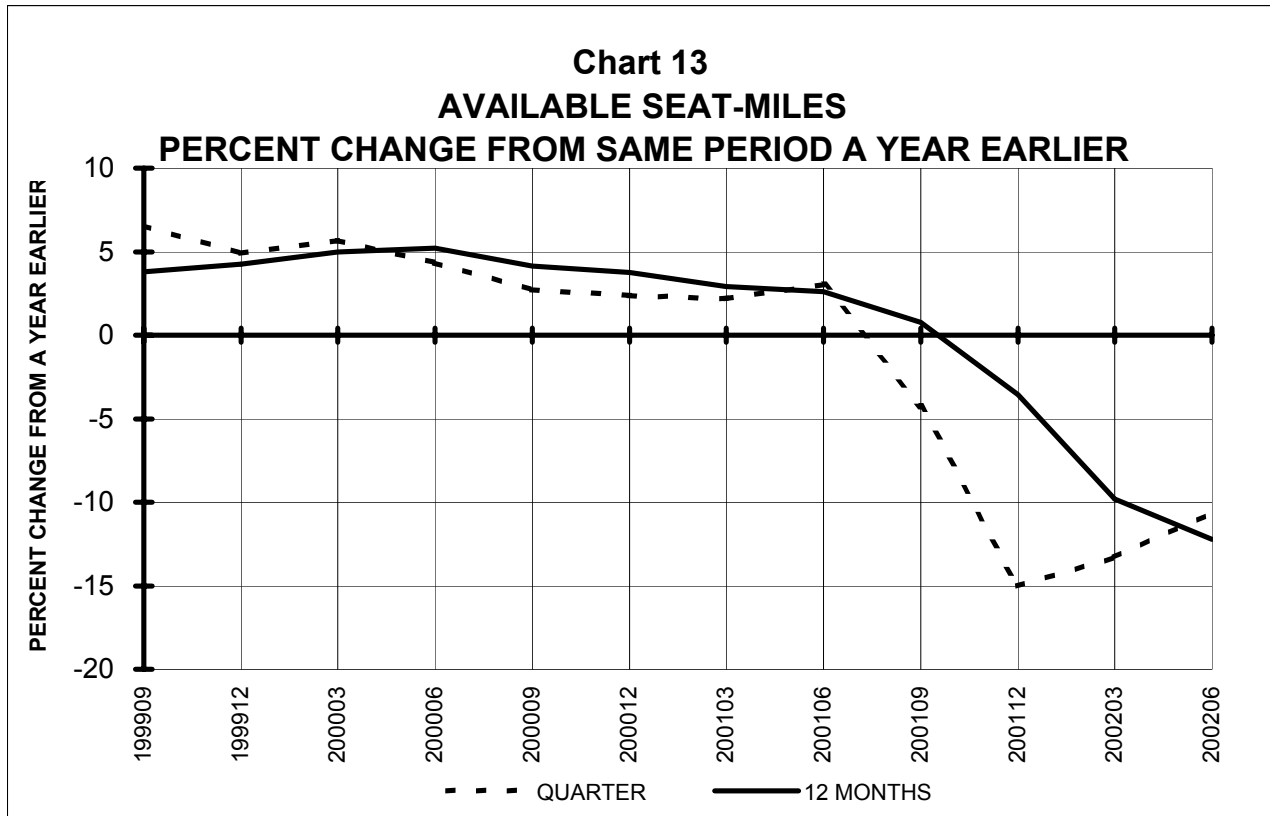
ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2002/06	2001/06	2002/06	2002/03	2001/12	2001/09	2001/06
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	4,992.4	5,842.0	18,632.2	19,481.8	20,672.0	22,609.3	23,591.7
2	Operating Expenses	5,224.9	5,935.2	21,308.1	22,018.4	22,874.6	23,778.6	23,249.6
3	Operating Profit (Loss)	-232.5	-93.3	-2,675.9	-2,536.6	-2,202.7	-1,169.2	342.1
4	Net Income (Loss)	-217.2	-89.2	-1,772.0	-1,644.0	-1,113.7	-619.5	9.1
<u>TRAFFIC: (Billions)</u>								
5	RPMs - Scheduled Rev. Svc.	42.49	48.75	158.70	164.97	170.11	181.85	186.43
6	ASMs - Scheduled Rev. Svc.	54.69	63.73	214.14	223.17	233.38	244.24	246.86
7	Overall RTMs (All Svc.)	5.96	6.68	22.31	23.03	23.82	25.47	26.27
8	Overall ATMs (All Svc.)	10.19	11.73	39.89	41.44	43.08	44.88	45.17
<u>YIELD & UNIT COST & PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	83.7	87.4	83.5	84.6	86.8	88.8	89.8
10	Operating Expense per RTM	87.7	88.8	95.5	95.6	96.0	93.4	88.5
11	Operating Profit (Loss) per RTM	-3.9	-1.4	-12.0	-11.0	-9.2	-4.6	1.3
12	Operating Expense per ATM	51.3	50.6	53.4	53.1	53.1	53.0	51.5
13	Passenger Revenue per RPM	9.89	10.01	9.74	9.79	10.07	10.32	10.52
<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	-4.7	-1.6	-14.4	-13.0	-10.7	-5.2	1.5
19	Net Income to Stockholders Equity	*	*	**	**	**	**	**
20	Corporate Return on Investment	*	*	-10.0	-9.7	-5.5	-1.5	4.2
21	Debt to Total Investment	*	*	**	**	**	**	**
<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>								
22	Actual	77.7	76.5	74.1	73.9	72.9	74.5	75.5
23	Breakeven	85.2	80.5	90.5	88.9	85.5	82.3	77.0
<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 (%)	-14.5	-0.4	-21.0	-17.5	-10.8	-0.1	8.2
27	Operating Expenses (%)	-12.0	8.4	-8.4	-3.4	3.1	10.6	12.6
28	Operating Profit (Loss) (in Millions \$)	-139.3	-485.9	-3,018.0	-3,364.6	-3,191.5	-2,299.0	-807.7
29	Net Income (Loss)(in Millions \$)	-128.0	-313.3	-1,781.0	-1,966.3	-1,474.4	-994.9	-452.8
30	RPMs (Sch. Svc.) (%)	-12.9	1.5	-14.9	-11.2	-7.1	1.0	5.8
31	ASMs (Sch. Svc.) (%)	-14.2	4.9	-13.3	-8.5	-3.0	3.3	5.9
32	Operating Revenues per RTM (%)	-4.2	0.5	-7.0	-5.7	-2.2	1.1	4.1
33	Operating Expense per RTM (%)	-1.3	9.5	7.9	10.5	13.0	11.9	8.3
34	Passenger Revenue per RPM (Sch. Svc.)(%)	-1.2	-3.8	-7.4	-7.9	-4.7	-1.6	2.3

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

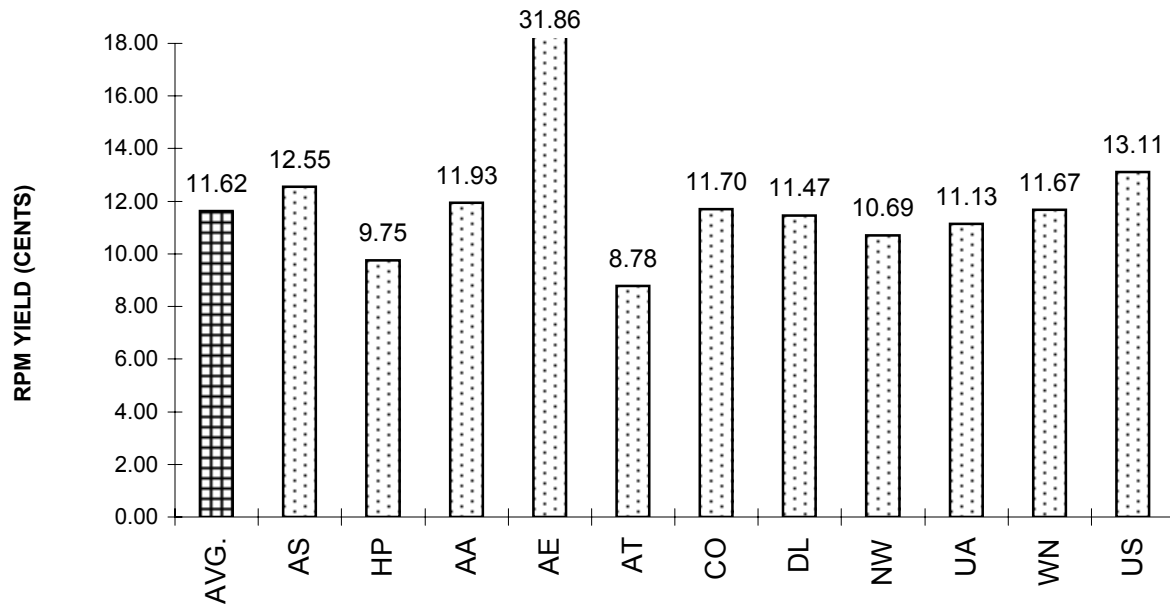


**TOTAL PASSENGER MAJORS (SYSTEM)
QUARTERLY AND 12-MONTH BASIS (SCH. SVC.)**

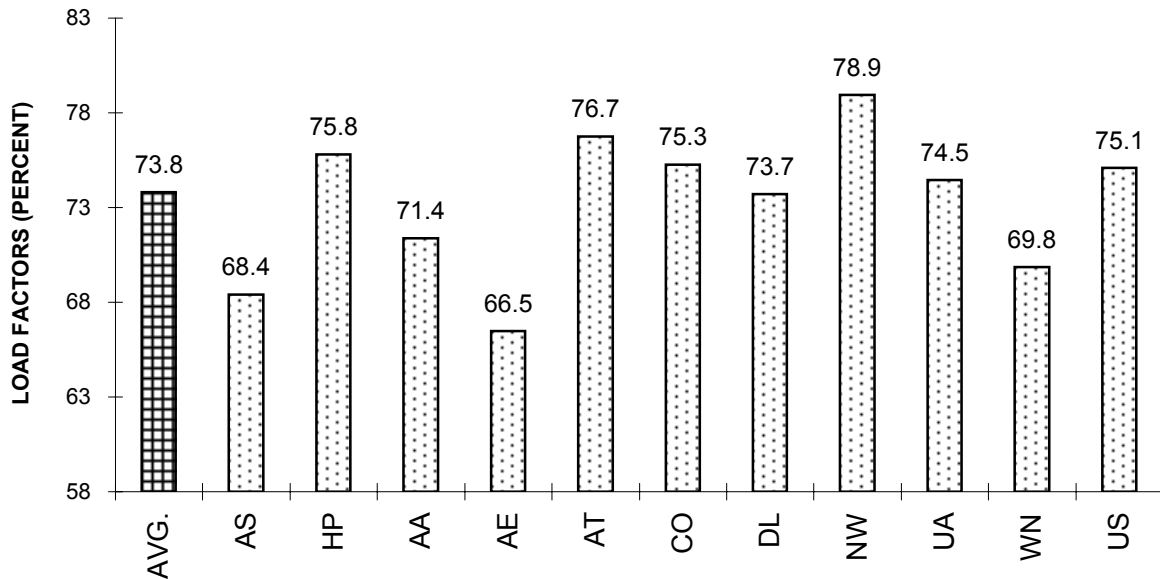


**TOTAL PASSENGER MAJORS (SYSTEM)
SECOND QUARTER 2002 (SCH. SVC.)**

**Chart 15
PASSENGER (RPM) YIELD**



**Chart 16
PASSENGER LOAD FACTOR**



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

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2002/06	2001/06	2002/06	2002/03	2001/12	2001/09	2001/06
	<u>FINANCIAL RESULTS: (\$Millions)</u>							
1	Operating Revenues	478.7	474.6	1,758.9	1,754.8	1,763.1	1,810.9	1,813.6
2	Operating Expenses	482.1	463.1	1,848.6	1,829.7	1,827.8	1,854.3	1,839.8
3	Operating Profit (Loss)	-3.4	11.5	-89.8	-74.9	-64.8	-43.4	-26.2
4	Net Income (Loss)	-3.3	4.8	-24.8	-16.7	-10.1	-18.2	-22.0
	<u>TRAFFIC: (Billions)</u>							
5	RPMs - Scheduled Rev. Svc.	3.37	3.29	12.39	12.31	12.23	12.40	12.30
6	ASMs - Scheduled Rev. Svc.	4.93	4.68	18.17	17.92	17.88	18.16	17.97
7	Overall RTMs (All Svc.)	0.36	0.35	1.30	1.29	1.29	1.31	1.30
8	Overall ATMs (All Svc.)	0.64	0.61	2.38	2.35	2.34	2.37	2.35
	<u>YIELD & UNIT COST & PROFITS: (Cents)</u>							
9	Operating Revenue per RTM	134.7	136.7	135.0	135.5	136.8	138.7	139.8
10	Operating Expense per RTM	135.6	133.4	141.8	141.3	141.9	142.0	141.8
11	Operating Profit (Loss) per RTM	-1.0	3.3	-6.9	-5.8	-5.0	-3.3	-2.0
12	Operating Expense per ATM	74.9	75.8	77.7	77.9	78.1	78.2	78.3
13	Passenger Revenue per RPM	12.55	12.86	12.53	12.62	12.80	13.03	13.21
	<u>FINANCIAL RATIOS:</u>							
14	Operating Revenues to Total Investment	*	*	1.13	1.18	1.21	1.33	1.47
15	Times Interest Earned	*	*	0.23	0.47	0.68	0.11	0.09
16	Current Assets to Current Liabilities	*	*	1.34	1.30	1.29	1.44	1.07
17	No. of Days Cash Coverage of Cash Exp.	*	*	148.5	131.3	139.8	138.6	77.4
	<u>FINANCIAL PERCENTAGES:</u>							
18	Operating Profit (Loss) to Operating Revenue	-0.7	2.4	-5.1	-4.3	-3.7	-2.4	-1.4
19	Net Income to Stockholders Equity	*	*	-3.6	-2.4	-1.5	-2.7	-3.3
20	Corporate Return on Investment	*	*	1.4	1.9	2.3	1.4	0.9
21	Debt to Total Investment	*	*	58.5	57.5	56.8	56.2	50.3
	<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>							
22	Actual	68.4	70.3	68.2	68.7	68.4	68.3	68.5
23	Breakeven	73.0	70.9	76.2	75.6	74.6	73.1	72.3
	<u>Employment & Productivity:</u>							
24	Employment, Total Weighted Avg CY	9,359	9,599	9,345	9,405	9,441	9,384	9,176
25	Overall RTM's per Employee (000)	38.0	36.2	139.5	137.7	136.5	139.2	141.4

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	0.9	6.3	-3.0	-1.7	0.2	4.2	4.9
27	Operating Expenses (%)	4.1	5.8	0.5	0.8	3.1	9.6	12.1
28	Operating Profit (Loss) (in Millions \$)	-14.8	2.9	-63.6	-45.8	-52.4	-89.4	-114.4
29	Net Income (Loss)(in Millions \$)	-8.1	-1.3	-2.7	4.1	54.2	8.3	-27.0
30	RPMs (Sch. Svc.) (%)	2.5	7.9	0.8	2.1	2.1	4.1	2.9
31	ASMs (Sch. Svc.) (%)	5.3	11.2	1.1	2.4	3.4	5.4	3.4
32	Operating Revenues per RTM (%)	-1.5	-1.0	-3.5	-3.3	-1.6	0.6	2.4
33	Operating Expense per RTM (%)	1.6	-1.5	0.0	-0.8	1.3	5.7	9.5
34	Passenger Revenue per RPM (Sch. Svc.)(%)	-2.4	-2.1	-5.1	-5.0	-2.8	0.6	3.3

QUARTERLY FINANCIAL & TRAFFIC REVIEW
SYSTEM OPERATIONS
AMERICA WEST AIRLINES

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2002/06	2001/06	2002/06	2002/03	2001/12	2001/09	2001/06
	<u>FINANCIAL RESULTS: (\$Millions)</u>							
1	Operating Revenues	535.6	577.8	1,868.6	1,910.8	2,035.5	2,208.0	2,308.4
2	Operating Expenses	536.7	633.6	2,230.2	2,327.2	2,355.6	2,463.0	2,463.4
3	Operating Profit (Loss)	-1.1	-55.8	-361.6	-416.4	-320.1	-255.0	-155.0
4	Net Income (Loss)	-10.0	-43.3	-439.4	-472.7	-148.4	-131.0	-100.7
	<u>TRAFFIC: (Billions)</u>							
5	RPMs - Scheduled Rev. Svc.	5.19	5.20	18.42	18.44	19.06	19.76	19.83
6	ASMs - Scheduled Rev. Svc.	6.84	6.89	25.48	25.53	26.50	27.53	27.72
7	Overall RTMs (All Svc.)	0.54	0.54	1.91	1.92	1.98	2.06	2.07
8	Overall ATMs (All Svc.)	0.91	0.90	3.36	3.36	3.47	3.59	3.60
	<u>YIELD & UNIT COST & PROFITS: (Cents)</u>							
9	Operating Revenue per RTM	99.7	106.6	97.7	99.6	102.6	107.2	111.7
10	Operating Expense per RTM	99.9	116.9	116.6	121.4	118.8	119.6	119.2
11	Operating Profit (Loss) per RTM	-0.2	-10.3	-18.9	-21.7	-16.1	-12.4	-7.5
12	Operating Expense per ATM	59.3	70.3	66.3	69.3	67.8	68.6	68.5
13	Passenger Revenue per RPM	9.75	10.49	9.65	9.86	10.14	10.61	11.01
	<u>FINANCIAL RATIOS:</u>							
14	Operating Revenues to Total Investment	*	*	1.60	1.66	1.80	1.94	2.07
15	Times Interest Earned	*	*	-3.85	-6.35	-5.60	-5.41	-4.69
16	Current Assets to Current Liabilities	*	*	1.27	1.26	0.86	0.97	1.00
17	No. of Days Cash Coverage of Cash Exp.	*	*	81.3	67.9	23.9	21.2	24.8
	<u>FINANCIAL PERCENTAGES:</u>							
18	Operating Profit (Loss) to Operating Revenue	-0.2	-9.7	-19.4	-21.8	-15.7	-11.5	-6.7
19	Net Income to Stockholders Equity	*	*	-68.5	-64.7	-18.1	-15.2	-11.4
20	Corporate Return on Investment	*	*	-32.5	-37.1	-10.1	-8.8	-6.7
21	Debt to Total Investment	*	*	64.1	66.5	31.8	37.6	19.2
	<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>							
22	Actual	75.8	75.5	72.3	72.2	71.9	71.8	71.6
23	Breakeven	78.6	86.1	91.1	92.9	87.2	83.4	79.1
	<u>Employment & Productivity:</u>							
24	Employment, Total Weighted Avg CY	10,099	11,248	10,193	10,480	10,858	11,159	11,065
25	Overall RTM's per Employee (000)	53.2	48.2	187.7	183.0	182.7	184.5	186.8

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	-7.3	-5.2	-19.1	-18.4	-11.9	-4.0	2.4
27	Operating Expenses (%)	-15.3	13.0	-9.5	-2.6	1.4	11.8	16.3
28	Operating Profit (Loss) (in Millions \$)	54.8	-105.1	-206.7	-366.5	-307.4	-351.3	-291.0
29	Net Income (Loss)(in Millions \$)	33.3	-71.6	-338.8	-443.6	-147.9	-202.9	-194.6
30	RPMs (Sch. Svc.) (%)	-0.3	3.5	-7.1	-6.2	-0.2	4.5	6.9
31	ASMs (Sch. Svc.) (%)	-0.7	1.0	-8.1	-7.7	-2.1	3.0	5.0
32	Operating Revenues per RTM (%)	-6.5	-8.4	-12.6	-12.7	-11.4	-7.8	-3.7
33	Operating Expense per RTM (%)	-14.5	9.3	-2.2	4.0	2.0	7.3	9.4
34	Passenger Revenue per RPM (Sch. Svc.)(%)	-7.1	-8.3	-12.4	-12.5	-10.9	-6.9	-3.3

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

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2002/06	2001/06	2002/06	2002/03	2001/12	2001/09	2001/06
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	4,110.4	5,148.3	14,776.3	15,069.0	18,271.6	20,088.7	21,439.5
2	Operating Expenses	4,740.9	5,841.8	18,010.4	18,354.2	21,332.9	22,297.3	21,811.0
3	Operating Profit (Loss)	-630.4	-693.5	-3,234.1	-3,285.1	-3,061.3	-2,208.5	-371.5
4	Net Income (Loss)	-485.7	-450.9	-2,742.5	-2,693.9	-1,729.3	-1,150.9	-499.4
<u>TRAFFIC: (Billions)</u>								
5	RPMs - Scheduled Rev. Svc.	31.36	35.79	109.38	107.50	126.91	135.39	141.08
6	ASMs - Scheduled Rev. Svc.	43.93	49.86	156.96	154.02	184.32	193.27	197.67
7	Overall RTMs (All Svc.)	3.66	4.20	12.87	12.74	12.69	13.38	13.80
8	Overall ATMs (All Svc.)	7.26	8.09	26.10	25.68	25.54	26.35	26.57
<u>YIELD & UNIT COST & PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	112.4	122.6	114.8	118.3	144.0	150.1	155.3
10	Operating Expense per RTM	129.6	139.1	140.0	144.1	168.1	166.6	158.0
11	Operating Profit (Loss) per RTM	-17.2	-16.5	-25.1	-25.8	-24.1	-16.5	-2.7
12	Operating Expense per ATM	65.3	72.2	69.0	71.5	83.5	84.6	82.1
13	Passenger Revenue per RPM	11.93	12.95	12.26	12.68	12.95	13.35	13.69
<u>FINANCIAL RATIOS:</u>								
14	Operating Revenues to Total Investment	*	*	1.11	1.10	1.45	1.67	1.84
15	Times Interest Earned	*	*	1.00	1.00	-11.07	-8.82	-1.17
16	Current Assets to Current Liabilities	*	*	0.91	0.98	1.00	0.99	0.64
17	No. of Days Cash Coverage of Cash Exp.	*	*	55.3	49.0	54.1	40.3	25.9
<u>FINANCIAL PERCENTAGES:</u>								
18	Operating Profit (Loss) to Operating Revenue	-15.3	-13.5	-21.9	-21.8	-16.8	-11.0	-1.7
19	Net Income to Stockholders Equity	*	*	-61.7	-54.6	-27.7	-17.6	-7.6
20	Corporate Return on Investment	*	*	-18.7	-18.0	-12.4	-8.6	-3.7
21	Debt to Total Investment	*	*	66.6	64.2	57.8	48.0	46.9
<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>								
22	Actual	71.4	71.8	69.7	69.8	68.9	70.1	71.4
23	Breakeven	88.2	86.3	91.4	91.4	83.4	80.0	73.4
<u>Employment & Productivity:</u>								
24	Employment, Total Weighted Avg CY	88,586	87,243	86,379	86,043	85,243	86,708	86,004
25	Overall RTM's per Employee (000)	41.3	40.4	149.0	148.0	148.8	154.4	160.5

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	-20.2	-7.5	-31.1	-31.1	-15.8	-5.8	3.9
27	Operating Expenses (%)	-18.8	15.0	-17.4	-12.8	3.1	10.0	10.3
28	Operating Profit (Loss) (in Millions \$)	63.1	-1,178.8	-2,862.6	-4,092.4	-4,071.6	-3,260.5	-1,240.8
29	Net Income (Loss)(in Millions \$)	-34.9	-770.2	-2,243.1	-2,964.8	-2,240.6	-1,664.4	-900.3
30	RPMs (Sch. Svc.) (%)	-12.4	-4.9	-22.5	-24.8	-11.7	-5.7	-0.2
31	ASMs (Sch. Svc.) (%)	-11.9	0.5	-20.6	-22.0	-7.2	-3.2	-0.8
32	Operating Revenues per RTM (%)	-8.3	-20.3	-26.1	-24.8	-7.4	-1.8	3.4
33	Operating Expense per RTM (%)	-6.8	-0.9	-11.4	-4.9	13.4	14.7	9.8
34	Passenger Revenue per RPM (Sch. Svc.)(%)	-7.9	-3.7	-10.5	-8.2	-5.1	-0.5	3.9

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

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2002/06	2001/06	2002/06	2002/03	2001/12	2001/09	2001/06
	<u>FINANCIAL RESULTS: (\$Millions)</u>							
1	Operating Revenues	317.3	370.9	1,145.0	1,198.6	1,244.0	1,309.9	1,343.3
2	Operating Expenses	299.6	452.1	1,315.3	1,467.8	1,500.0	1,500.3	1,395.3
3	Operating Profit (Loss)	17.7	-81.3	-170.3	-269.2	-255.9	-190.4	-52.0
4	Net Income (Loss)	-10.3	-65.6	-186.5	-241.8	-226.2	-186.1	-93.5
	<u>TRAFFIC: (Billions)</u>							
5	RPMs - Scheduled Rev. Svc.	0.96	0.91	3.39	3.34	3.28	3.29	3.29
6	ASMs - Scheduled Rev. Svc.	1.44	1.47	5.64	5.67	5.67	5.64	5.54
7	Overall RTMs (All Svc.)	0.10	0.09	0.34	0.34	0.33	0.33	0.33
8	Overall ATMs (All Svc.)	0.17	0.17	0.66	0.66	0.66	0.65	0.64
	<u>YIELD & UNIT COST & PROFITS: (Cents)</u>							
9	Operating Revenue per RTM	329.6	405.3	336.4	357.1	377.5	396.4	407.1
10	Operating Expense per RTM	311.2	494.1	386.4	437.3	455.2	454.0	422.9
11	Operating Profit (Loss) per RTM	18.4	-88.8	-50.0	-80.2	-77.7	-57.6	-15.8
12	Operating Expense per ATM	172.1	266.6	197.8	222.3	228.2	231.1	219.5
13	Passenger Revenue per RPM	31.86	39.39	32.41	34.47	36.43	38.38	39.43
	<u>FINANCIAL RATIOS:</u>							
14	Operating Revenues to Total Investment	*	*	0.42	0.45	0.47	0.50	0.51
15	Times Interest Earned	*	*	-2.31	-3.86	-4.19	-3.79	-1.58
16	Current Assets to Current Liabilities	*	*	0.21	0.19	0.24	0.75	0.81
17	No. of Days Cash Coverage of Cash Exp.	*	*	0.7	0.6	1.7	10.0	29.9
	<u>FINANCIAL PERCENTAGES:</u>							
18	Operating Profit (Loss) to Operating Revenue	5.6	-21.9	-14.9	-22.5	-20.6	-14.5	-3.9
19	Net Income to Stockholders Equity	*	*	-253.5	-199.2	-132.3	-86.7	-37.9
20	Corporate Return on Investment	*	*	-3.8	-6.2	-6.0	-4.9	-1.6
21	Debt to Total Investment	*	*	99.6	99.3	98.1	96.1	93.2
	<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>							
22	Actual	66.5	62.1	60.1	59.0	57.8	58.3	59.3
23	Breakeven	62.2	77.7	70.5	74.3	71.6	68.1	61.9
	<u>Employment & Productivity:</u>							
24	Employment, Total Weighted Avg CY	7,794	8,456	8,049	8,214	8,302	8,355	8,192
25	Overall RTM's per Employee (000)	12.4	10.8	42.3	40.9	39.7	39.6	40.3

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	-14.4	18.0	-14.8	-6.9	-0.1	9.5	18.3
27	Operating Expenses (%)	-33.7	57.5	-5.7	19.3	26.7	34.7	30.5
28	Operating Profit (Loss) (in Millions \$)	98.9	-108.6	-118.3	-325.8	-318.0	-272.9	-118.2
29	Net Income (Loss)(in Millions \$)	55.3	-70.3	-93.0	-218.5	-204.7	-187.7	-97.9
30	RPMs (Sch. Svc.) (%)	5.0	12.7	3.1	5.0	4.4	7.2	11.7
31	ASMs (Sch. Svc.) (%)	-2.0	16.5	1.8	6.3	10.2	13.1	15.9
32	Operating Revenues per RTM (%)	-18.7	4.6	-17.4	-11.3	-4.3	2.2	6.0
33	Operating Expense per RTM (%)	-37.0	39.7	-8.6	13.6	21.4	25.7	16.9
34	Passenger Revenue per RPM (Sch. Svc.)(%)	-19.1	5.3	-17.8	-11.4	-4.5	2.5	6.4

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

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2002/06	2001/06	2002/06	2002/03	2001/12	2001/09	2001/06
	<u>FINANCIAL RESULTS: (\$Millions)</u>							
1	Operating Revenues	289.0	327.1	1,103.4	1,141.4	1,154.3	1,194.6	1,221.9
2	Operating Expenses	345.6	308.8	1,254.5	1,217.7	1,238.8	1,194.4	1,212.5
3	Operating Profit (Loss)	-56.6	18.3	-151.1	-76.2	-84.5	0.1	9.4
4	Net Income (Loss)	-54.6	6.9	-131.4	-69.9	-78.0	-22.3	-15.5
	<u>TRAFFIC: (Billions)</u>							
5	RPMs - Scheduled Rev. Svc.	2.38	2.25	8.52	8.39	8.34	8.36	8.02
6	ASMs - Scheduled Rev. Svc.	3.10	2.81	11.34	11.04	10.84	10.90	10.53
7	Overall RTMs (All Svc.)	0.30	0.31	1.14	1.16	1.13	1.13	1.06
8	Overall ATMs (All Svc.)	0.48	0.47	1.86	1.84	1.77	1.70	1.55
	<u>YIELD & UNIT COST & PROFITS: (Cents)</u>							
9	Operating Revenue per RTM	96.1	104.5	96.5	98.8	102.4	106.1	114.8
10	Operating Expense per RTM	114.9	98.7	109.8	105.4	109.9	106.1	114.0
11	Operating Profit (Loss) per RTM	-18.8	5.8	-13.2	-6.6	-7.5	0.0	0.9
12	Operating Expense per ATM	71.6	66.0	67.6	66.1	69.9	70.3	78.4
13	Passenger Revenue per RPM	8.78	9.99	8.85	9.17	9.33	9.54	9.95
	<u>FINANCIAL RATIOS:</u>							
14	Operating Revenues to Total Investment	*	*	2.00	1.95	2.00	2.01	2.27
15	Times Interest Earned	*	*	-4.98	-2.87	-3.34	-0.20	0.28
16	Current Assets to Current Liabilities	*	*	0.86	0.88	1.02	0.93	0.59
17	No. of Days Cash Coverage of Cash Exp.	*	*	54.0	50.7	67.7	55.5	36.5
	<u>FINANCIAL PERCENTAGES:</u>							
18	Operating Profit (Loss) to Operating Revenue	-19.6	5.6	-13.7	-6.7	-7.3	0.0	0.8
19	Net Income to Stockholders Equity	*	*	-363.2	-110.1	-96.6	-22.2	-15.1
20	Corporate Return on Investment	*	*	-18.2	-7.3	-8.8	0.7	2.0
21	Debt to Total Investment	*	*	110.7	98.3	94.9	86.8	84.1
	<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>							
22	Actual	76.7	80.3	75.1	76.0	76.9	76.7	76.1
23	Breakeven	99.8	73.1	91.8	84.3	86.2	77.5	75.9
	<u>Employment & Productivity:</u>							
24	Employment, Total Weighted Avg CY	6,571	7,058	6,488	6,610	6,792	6,987	6,947
25	Overall RTM's per Employee (000)	45.8	44.3	176.2	174.8	166.0	161.1	153.2

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	-11.6	6.5	-9.7	-5.0	-2.4	4.4	11.4
27	Operating Expenses (%)	11.9	8.7	3.5	2.5	6.5	8.7	16.8
28	Operating Profit (Loss) (in Millions \$)	-74.9	-4.9	-160.6	-90.6	-103.9	-45.6	-49.3
29	Net Income (Loss)(in Millions \$)	-61.5	-3.8	-115.9	-58.2	-72.5	-33.6	-38.2
30	RPMs (Sch. Svc.) (%)	5.7	12.5	6.2	8.0	11.3	15.0	9.9
31	ASMs (Sch. Svc.) (%)	10.6	14.4	7.7	8.5	10.6	16.1	12.5
32	Operating Revenues per RTM (%)	-8.0	-12.9	-15.9	-17.2	-14.3	-9.3	5.1
33	Operating Expense per RTM (%)	16.4	-11.1	-3.7	-10.7	-6.4	-5.6	10.3
34	Passenger Revenue per RPM (Sch. Svc.)(%)	-12.1	-0.3	-11.1	-7.9	-6.9	-3.4	4.2

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

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2002/06	2001/06	2002/06	2002/03	2001/12	2001/09	2001/06
	<u>FINANCIAL RESULTS: (\$Millions)</u>							
1	Operating Revenues	2,025.7	2,391.6	7,496.0	7,861.9	8,422.6	9,204.8	9,682.5
2	Operating Expenses	2,165.0	2,276.3	8,367.2	8,478.6	8,702.4	9,033.2	9,093.8
3	Operating Profit (Loss)	-139.3	115.3	-871.2	-616.7	-279.8	171.6	588.6
4	Net Income (Loss)	-134.1	48.7	-418.9	-236.0	-48.4	154.3	276.9
	<u>TRAFFIC: (Billions)</u>							
5	RPMs - Scheduled Rev. Svc.	15.51	17.12	58.57	60.19	61.49	64.33	65.72
6	ASMs - Scheduled Rev. Svc.	20.60	22.90	79.90	82.20	84.96	88.47	89.12
7	Overall RTMs (All Svc.)	1.78	1.96	6.73	6.90	7.08	7.45	7.66
8	Overall ATMs (All Svc.)	2.73	2.96	10.43	10.66	10.99	11.47	11.68
	<u>YIELD & UNIT COST & PROFITS: (Cents)</u>							
9	Operating Revenue per RTM	113.6	122.1	111.4	113.9	119.0	123.5	126.4
10	Operating Expense per RTM	121.4	116.2	124.4	122.8	122.9	121.2	118.8
11	Operating Profit (Loss) per RTM	-7.8	5.9	-12.9	-8.9	-4.0	2.3	7.7
12	Operating Expense per ATM	79.3	76.8	80.2	79.5	79.2	78.7	77.9
13	Passenger Revenue per RPM	11.70	12.59	11.56	11.81	12.29	12.74	13.04
	<u>FINANCIAL RATIOS:</u>							
14	Operating Revenues to Total Investment	*	*	1.12	1.19	1.47	1.61	1.77
15	Times Interest Earned	*	*	1.00	1.00	1.00	1.00	1.00
16	Current Assets to Current Liabilities	*	*	0.71	0.67	0.64	0.69	0.67
17	No. of Days Cash Coverage of Cash Exp.	*	*	54.4	49.9	46.7	47.6	39.5
	<u>FINANCIAL PERCENTAGES:</u>							
18	Operating Profit (Loss) to Operating Revenue	-6.9	4.8	-11.6	-7.8	-3.3	1.9	6.1
19	Net Income to Stockholders Equity	*	*	-36.1	-20.4	-4.1	12.2	20.9
20	Corporate Return on Investment	*	*	-2.0	0.4	3.5	6.5	8.9
21	Debt to Total Investment	*	*	82.7	84.4	79.8	78.0	76.9
	<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>							
22	Actual	75.3	74.8	73.3	73.2	72.4	72.7	73.7
23	Breakeven	80.7	70.7	82.2	79.2	75.4	72.2	69.9
	<u>Employment & Productivity:</u>							
24	Employment, Total Weighted Avg CY	32,537	37,113	33,235	34,379	35,448	36,511	36,307
25	Overall RTM's per Employee (000)	51.6	50.2	191.8	190.8	190.0	194.3	201.5

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	-15.3	-4.1	-22.6	-19.7	-12.6	-2.0	6.7
27	Operating Expenses (%)	-4.9	1.3	-8.0	-6.5	-3.2	1.9	5.5
28	Operating Profit (Loss) (in Millions \$)	-254.6	-132.9	-1,459.9	-1,338.2	-933.0	-348.9	140.6
29	Net Income (Loss)(in Millions \$)	-182.9	-102.7	-695.8	-615.6	-422.4	-333.0	-178.4
30	RPMs (Sch. Svc.) (%)	-9.4	1.7	-10.9	-8.0	-5.9	-1.1	2.6
31	ASMs (Sch. Svc.) (%)	-10.0	5.2	-10.4	-6.6	-3.0	1.4	3.1
32	Operating Revenues per RTM (%)	-7.0	-3.9	-11.9	-10.8	-5.4	0.6	5.0
33	Operating Expense per RTM (%)	4.4	1.6	4.7	3.8	4.9	4.5	3.7
34	Passenger Revenue per RPM (Sch. Svc.)(%)	-7.1	-4.1	-11.4	-10.4	-5.4	0.3	5.5

1/ Includes financial and traffic data for Continental Micronesia.

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

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2002/06	2001/06	2002/06	2002/03	2001/12	2001/09	2001/06
	<u>FINANCIAL RESULTS: (\$Millions)</u>							
1	Operating Revenues	3,225.2	3,711.0	12,079.6	12,565.3	13,211.2	14,251.4	15,031.9
2	Operating Expenses	3,381.0	3,687.1	13,513.9	13,820.0	14,183.2	14,533.1	14,526.7
3	Operating Profit (Loss)	-155.7	23.9	-1,434.3	-1,254.7	-972.0	-281.8	505.2
4	Net Income (Loss)	-203.6	-26.8	-1,544.4	-1,367.6	-1,107.1	-439.5	-144.7
	<u>TRAFFIC: (Billions)</u>							
5	RPMs - Scheduled Rev. Svc.	24.63	27.21	92.83	95.41	97.60	102.35	105.68
6	ASMs - Scheduled Rev. Svc.	33.40	37.38	133.15	137.12	141.28	145.66	147.62
7	Overall RTMs (All Svc.)	2.84	3.13	10.74	11.02	11.33	11.94	12.34
8	Overall ATMs (All Svc.)	5.15	5.68	20.38	20.91	21.49	22.09	22.37
	<u>YIELD & UNIT COST & PROFITS: (Cents)</u>							
9	Operating Revenue per RTM	113.5	118.6	112.5	114.0	116.6	119.4	121.8
10	Operating Expense per RTM	118.9	117.8	125.9	125.4	125.2	121.8	117.7
11	Operating Profit (Loss) per RTM	-5.5	0.8	-13.4	-11.4	-8.6	-2.4	4.1
12	Operating Expense per ATM	65.7	64.9	66.3	66.1	66.0	65.8	64.9
13	Passenger Revenue per RPM	11.47	12.38	11.47	11.73	12.17	12.61	12.88
	<u>FINANCIAL RATIOS:</u>							
14	Operating Revenues to Total Investment	*	*	1.00	1.07	1.13	1.24	1.36
15	Times Interest Earned	*	*	-3.45	-3.51	-3.37	-0.83	0.93
16	Current Assets to Current Liabilities	*	*	0.67	0.57	0.63	0.65	0.56
17	No. of Days Cash Coverage of Cash Exp.	*	*	44.0	33.0	51.1	65.0	33.3
	<u>FINANCIAL PERCENTAGES:</u>							
18	Operating Profit (Loss) to Operating Revenue	-4.8	0.6	-11.9	-10.0	-7.4	-2.0	3.4
19	Net Income to Stockholders Equity	*	*	-35.9	-29.3	-22.2	-8.4	-2.7
20	Corporate Return on Investment	*	*	-8.3	-7.7	-6.1	-0.6	2.0
21	Debt to Total Investment	*	*	73.1	69.1	66.9	60.1	51.9
	<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>							
22	Actual	73.7	72.8	69.7	69.6	69.1	70.3	71.6
23	Breakeven	79.3	73.0	80.6	78.7	76.0	72.5	69.3
	<u>Employment & Productivity:</u>							
24	Employment, Total Weighted Avg CY	60,340	71,556	63,541	66,345	67,911	68,400	67,730
25	Overall RTM's per Employee (000)	47.1	43.7	169.0	166.2	166.8	174.5	182.2

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	-13.1	-6.6	-19.6	-17.8	-13.8	-6.1	0.3
27	Operating Expenses (%)	-8.3	8.6	-7.0	-2.9	2.3	7.2	8.7
28	Operating Profit (Loss) (in Millions \$)	-179.7	-553.5	-1,939.5	-2,313.4	-2,431.3	-1,901.2	-1,109.7
29	Net Income (Loss)(in Millions \$)	-176.8	-461.3	-1,399.6	-1,684.1	-1,793.5	-1,514.8	-1,515.4
30	RPMs (Sch. Svc.) (%)	-9.5	-5.8	-12.2	-11.1	-9.4	-5.0	-1.0
31	ASMs (Sch. Svc.) (%)	-10.6	0.8	-9.8	-6.9	-3.9	-0.8	0.8
32	Operating Revenues per RTM (%)	-4.3	0.1	-7.6	-6.3	-4.0	-0.8	1.7
33	Operating Expense per RTM (%)	0.9	16.3	6.9	10.6	13.9	13.2	10.1
34	Passenger Revenue per RPM (Sch. Svc.)(%)	-7.4	-8.0	-10.9	-10.9	-7.3	-2.4	0.6

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

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2002/06	2001/06	2002/06	2002/03	2001/12	2001/09	2001/06
	<u>FINANCIAL RESULTS: (\$Millions)</u>							
1	Operating Revenues	2,316.9	2,631.7	8,831.8	9,146.7	9,591.8	10,302.1	10,856.7
2	Operating Expenses	2,362.6	2,651.4	9,614.7	9,903.5	10,388.4	10,696.5	10,736.8
3	Operating Profit (Loss)	-45.7	-19.7	-782.9	-756.8	-796.6	-394.5	119.9
4	Net Income (Loss)	-98.6	-57.4	-442.2	-401.0	-418.1	-280.8	-98.4
	<u>TRAFFIC: (Billions)</u>							
5	RPMs - Scheduled Rev. Svc.	18.58	20.44	69.52	71.38	73.11	76.98	79.20
6	ASMs - Scheduled Rev. Svc.	23.53	26.23	92.41	95.11	98.33	102.33	103.88
7	Overall RTMs (All Svc.)	2.43	2.61	9.07	9.25	9.49	10.02	10.35
8	Overall ATMs (All Svc.)	3.84	4.26	15.13	15.55	16.04	16.63	16.76
	<u>YIELD & UNIT COST & PROFITS: (Cents)</u>							
9	Operating Revenue per RTM	95.2	100.7	97.4	98.8	101.1	102.8	104.9
10	Operating Expense per RTM	97.1	101.4	106.0	107.0	109.5	106.7	103.8
11	Operating Profit (Loss) per RTM	-1.9	-0.8	-8.6	-8.2	-8.4	-3.9	1.2
12	Operating Expense per ATM	61.5	62.2	63.5	63.7	64.7	64.3	64.1
13	Passenger Revenue per RPM	10.69	11.16	10.80	10.94	11.24	11.52	11.85
	<u>FINANCIAL RATIOS:</u>							
14	Operating Revenues to Total Investment	*	*	0.90	0.97	1.05	1.16	1.26
15	Times Interest Earned	*	*	-0.83	-0.74	-0.93	-0.34	0.56
16	Current Assets to Current Liabilities	*	*	0.90	0.94	0.86	0.92	0.62
17	No. of Days Cash Coverage of Cash Exp.	*	*	110.6	98.2	94.4	102.1	45.7
	<u>FINANCIAL PERCENTAGES:</u>							
18	Operating Profit (Loss) to Operating Revenue	-2.0	-0.7	-8.9	-8.3	-8.3	-3.8	1.1
19	Net Income to Stockholders Equity	*	*	-9.8	-8.6	-8.7	-5.7	-2.0
20	Corporate Return on Investment	*	*	-0.7	-0.5	-0.9	0.4	2.4
21	Debt to Total Investment	*	*	59.7	58.0	54.7	52.3	44.4
	<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>							
22	Actual	78.9	77.9	75.2	75.1	74.3	75.2	76.2
23	Breakeven	83.5	81.5	86.7	85.9	85.0	81.5	77.7
	<u>Employment & Productivity:</u>							
24	Employment, Total Weighted Avg CY	42,940	49,918	44,343	46,088	47,896	49,460	49,960
25	Overall RTM's per Employee (000)	56.7	52.4	204.6	200.8	198.1	202.7	207.1

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	-12.0	-6.8	-18.7	-17.2	-12.5	-4.6	3.7
27	Operating Expenses (%)	-10.9	4.1	-10.5	-6.9	0.9	6.6	10.8
28	Operating Profit (Loss) (in Millions \$)	-26.0	-295.5	-902.8	-1,172.3	-1,460.1	-1,156.4	-653.9
29	Net Income (Loss)(in Millions \$)	-41.2	-184.2	-343.8	-486.8	-688.0	-612.9	-411.7
30	RPMs (Sch. Svc.) (%)	-9.1	-1.9	-12.2	-10.3	-7.6	-1.7	2.6
31	ASMs (Sch. Svc.) (%)	-10.3	0.4	-11.0	-8.4	-4.8	-0.2	2.0
32	Operating Revenues per RTM (%)	-5.5	-3.2	-7.2	-6.6	-3.9	-1.5	2.2
33	Operating Expense per RTM (%)	-4.2	8.1	2.1	5.1	10.8	10.0	9.3
34	Passenger Revenue per RPM (Sch. Svc.)(%)	-4.2	-6.4	-8.8	-9.2	-6.6	-4.0	0.3

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

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2002/06	2001/06	2002/06	2002/03	2001/12	2001/09	2001/06
	<u>FINANCIAL RESULTS: (\$Millions)</u>							
1	Operating Revenues	1,472.8	1,553.8	5,302.9	5,383.9	5,555.2	5,785.0	5,928.7
2	Operating Expenses	1,283.7	1,262.8	4,933.9	4,913.0	4,924.1	4,940.7	4,877.4
3	Operating Profit (Loss)	189.1	291.0	369.0	470.9	631.2	844.3	1,051.3
4	Net Income (Loss)	102.3	175.6	338.2	411.5	511.2	602.3	635.6
	<u>TRAFFIC: (Billions)</u>							
5	RPMs - Scheduled Rev. Svc.	12.00	11.80	44.43	44.23	44.50	44.57	44.28
6	ASMs - Scheduled Rev. Svc.	17.18	16.46	66.78	66.06	65.40	64.42	63.35
7	Overall RTMs (All Svc.)	1.24	1.22	4.58	4.56	4.59	4.61	4.59
8	Overall ATMs (All Svc.)	2.34	2.25	9.11	9.02	8.77	8.48	8.18
	<u>YIELD & UNIT COST & PROFITS: (Cents)</u>							
9	Operating Revenue per RTM	119.1	127.6	115.8	118.1	121.0	125.5	129.2
10	Operating Expense per RTM	103.8	103.7	107.7	107.7	107.3	107.2	106.3
11	Operating Profit (Loss) per RTM	15.3	23.9	8.1	10.3	13.7	18.3	22.9
12	Operating Expense per ATM	54.8	56.1	54.1	54.5	56.1	58.3	59.6
13	Passenger Revenue per RPM	11.67	12.58	11.33	11.58	11.89	12.38	12.78
	<u>FINANCIAL RATIOS:</u>							
14	Operating Revenues to Total Investment	*	*	0.96	1.03	1.13	1.27	1.38
15	Times Interest Earned	*	*	8.63	12.01	17.80	24.90	24.94
16	Current Assets to Current Liabilities	*	*	1.46	1.40	1.12	0.91	0.81
17	No. of Days Cash Coverage of Cash Exp.	*	*	168.0	168.1	180.6	117.5	77.3
	<u>FINANCIAL PERCENTAGES:</u>							
18	Operating Profit (Loss) to Operating Revenue	12.8	18.7	7.0	8.7	11.4	14.6	17.7
19	Net Income to Stockholders Equity	*	*	8.4	10.5	13.5	16.7	18.5
20	Corporate Return on Investment	*	*	7.5	9.0	11.4	14.1	15.8
21	Debt to Total Investment	*	*	28.6	29.8	31.5	23.9	18.4
	<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>							
22	Actual	69.8	71.7	66.5	67.0	68.0	69.2	69.9
23	Breakeven	59.3	56.0	61.1	60.1	58.9	57.3	55.3
	<u>Employment & Productivity:</u>							
24	Employment, Total Weighted Avg CY	32,316	29,758	31,401	30,762	30,130	29,469	28,794
25	Overall RTM's per Employee (000)	38.3	40.9	145.8	148.2	152.4	156.4	159.4

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	-5.2	6.4	-10.6	-7.7	-1.7	7.4	15.3
27	Operating Expenses (%)	1.7	10.2	1.2	3.2	6.4	10.7	13.1
28	Operating Profit (Loss) (in Millions \$)	-101.9	-23.6	-682.4	-604.0	-389.3	-80.1	220.3
29	Net Income (Loss)(in Millions \$)	-73.3	-15.0	-297.5	-239.1	-91.9	60.1	150.7
30	RPMs (Sch. Svc.) (%)	1.7	7.6	0.3	1.8	5.4	9.4	12.4
31	ASMs (Sch. Svc.) (%)	4.4	11.6	5.4	7.2	9.1	10.8	12.3
32	Operating Revenues per RTM (%)	-6.7	-0.6	-10.4	-8.8	-6.0	-1.3	3.0
33	Operating Expense per RTM (%)	0.1	2.9	1.4	2.0	1.7	1.8	1.1
34	Passenger Revenue per RPM (Sch. Svc.)(%)	-7.2	-1.5	-11.3	-9.8	-7.0	-1.9	2.7

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

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2002/06	2001/06	2002/06	2002/03	2001/12	2001/09	2001/06
	<u>FINANCIAL RESULTS: (\$Millions)</u>							
1	Operating Revenues	3,706.1	4,648.2	13,923.1	14,865.3	16,087.4	17,947.5	18,766.3
2	Operating Expenses	4,241.4	5,003.0	18,124.6	18,886.2	19,830.5	20,959.3	19,747.1
3	Operating Profit (Loss)	-535.4	-354.8	-4,201.5	-4,020.9	-3,743.1	-3,011.9	-980.8
4	Net Income (Loss)	-363.3	-293.7	-2,354.2	-2,284.7	-2,110.2	-1,881.3	-813.2
	<u>TRAFFIC: (Billions)</u>							
5	RPMs - Scheduled Rev. Svc.	27.89	32.71	107.69	112.51	116.60	123.91	126.04
6	ASMs - Scheduled Rev. Svc.	37.46	44.68	149.63	156.85	164.77	173.59	175.60
7	Overall RTMs (All Svc.)	3.37	3.95	12.93	13.51	14.05	15.06	15.51
8	Overall ATMs (All Svc.)	5.97	7.02	23.85	24.90	25.95	27.24	27.53
	<u>YIELD & UNIT COST & PROFITS: (Cents)</u>							
9	Operating Revenue per RTM	109.9	117.8	107.7	110.1	114.5	119.2	121.0
10	Operating Expense per RTM	125.8	126.8	140.1	139.8	141.1	139.2	127.3
11	Operating Profit (Loss) per RTM	-15.9	-9.0	-32.5	-29.8	-26.6	-20.0	-6.3
12	Operating Expense per ATM	71.0	71.3	76.0	75.9	76.4	76.9	71.7
13	Passenger Revenue per RPM	11.13	12.04	10.76	11.04	11.55	12.16	12.62
	<u>FINANCIAL RATIOS:</u>							
14	Operating Revenues to Total Investment	*	*	1.01	1.10	1.23	1.41	1.52
15	Times Interest Earned	*	*	-6.09	-6.36	-6.22	-6.00	-2.21
16	Current Assets to Current Liabilities	*	*	0.73	0.69	0.65	0.63	0.52
17	No. of Days Cash Coverage of Cash Exp.	*	*	52.8	55.8	48.0	48.4	18.9
	<u>FINANCIAL PERCENTAGES:</u>							
18	Operating Profit (Loss) to Operating Revenue	-14.4	-7.6	-30.2	-27.0	-23.3	-16.8	-5.2
19	Net Income to Stockholders Equity	*	*	-57.6	-52.5	-45.9	-37.2	-14.7
20	Corporate Return on Investment	*	*	-13.3	-13.3	-12.6	-11.5	-3.4
21	Debt to Total Investment	*	*	72.9	70.6	74.9	72.9	60.1
	<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>							
22	Actual	74.5	73.2	72.0	71.7	70.8	71.4	71.8
23	Breakeven	90.3	82.2	102.7	99.3	94.7	89.4	78.8
	<u>Employment & Productivity:</u>							
24	Employment, Total Weighted Avg CY	75,240	91,369	80,930	84,962	88,818	91,045	90,702
25	Overall RTM's per Employee (000)	44.8	43.2	159.8	159.0	158.2	165.4	171.0

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	-20.3	-8.8	-25.8	-22.6	-16.8	-5.5	-0.8
27	Operating Expenses (%)	-15.2	12.5	-8.2	-1.6	6.7	17.0	14.9
28	Operating Profit (Loss) (in Millions \$)	-180.6	-1,006.3	-3,220.7	-4,046.4	-4,483.9	-4,101.0	-2,708.6
29	Net Income (Loss)(in Millions \$)	-69.5	-624.6	-1,541.0	-2,096.0	-2,161.8	-2,131.5	-1,528.6
30	RPMs (Sch. Svc.) (%)	-14.7	-1.8	-14.6	-11.2	-8.1	-2.0	-1.1
31	ASMs (Sch. Svc.) (%)	-16.2	1.4	-14.8	-10.4	-6.1	-1.1	-0.5
32	Operating Revenues per RTM (%)	-6.7	-4.4	-11.0	-10.1	-6.2	-0.7	1.8
33	Operating Expense per RTM (%)	-0.8	18.0	10.1	14.4	20.2	23.1	17.8
34	Passenger Revenue per RPM (Sch. Svc.)(%)	-7.6	-10.5	-14.8	-15.0	-11.8	-5.8	-1.4

QUARTERLY FINANCIAL & TRAFFIC REVIEW
SYSTEM OPERATIONS
US AIRWAYS

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2002/06	2001/06	2002/06	2002/03	2001/12	2001/09	2001/06
	<u>FINANCIAL RESULTS: (\$Millions)</u>							
1	Operating Revenues	1,890.6	2,486.3	7,119.6	7,715.3	8,253.4	9,045.8	9,442.3
2	Operating Expenses	2,066.7	2,455.2	8,682.7	9,071.1	9,434.8	9,441.5	9,675.4
3	Operating Profit (Loss)	-176.1	31.1	-1,563.0	-1,355.8	-1,181.4	-395.7	-233.1
4	Net Income (Loss)	-224.8	-16.4	-2,332.9	-2,124.5	-1,989.4	-1,033.5	-300.7
	<u>TRAFFIC: (Billions)</u>							
5	RPMs - Scheduled Rev. Svc.	10.96	13.47	41.61	44.11	45.93	49.21	49.90
6	ASMs - Scheduled Rev. Svc.	14.60	18.26	59.77	63.42	66.68	70.18	70.70
7	Overall RTMs (All Svc.)	1.20	1.46	4.57	4.82	5.02	5.36	5.43
8	Overall ATMs (All Svc.)	2.14	2.60	8.67	9.13	9.53	9.95	9.96
	<u>YIELD & UNIT COST & PROFITS: (Cents)</u>							
9	Operating Revenue per RTM	157.2	170.5	156.0	160.1	164.4	168.8	173.7
10	Operating Expense per RTM	171.8	168.4	190.2	188.2	187.9	176.2	178.0
11	Operating Profit (Loss) per RTM	-14.6	2.1	-34.2	-28.1	-23.5	-7.4	-4.3
12	Operating Expense per ATM	96.4	94.5	100.1	99.4	99.0	94.8	97.2
13	Passenger Revenue per RPM	13.11	14.89	13.24	13.78	14.32	14.87	15.46
	<u>FINANCIAL RATIOS:</u>							
14	Operating Revenues to Total Investment	*	*	1.93	1.90	1.88	1.95	2.01
15	Times Interest Earned	*	*	-5.89	-5.33	-5.04	-3.17	-0.68
16	Current Assets to Current Liabilities	*	*	0.46	0.58	0.61	0.78	0.90
17	No. of Days Cash Coverage of Cash Exp.	*	*	24.0	21.2	41.6	39.8	47.1
	<u>FINANCIAL PERCENTAGES:</u>							
18	Operating Profit (Loss) to Operating Revenue	-9.3	1.3	-22.0	-17.6	-14.3	-4.4	-2.5
19	Net Income to Stockholders Equity	*	*	-1,997.8	-347.0	-182.1	-67.1	-17.6
20	Corporate Return on Investment	*	*	-54.6	-44.8	-38.7	-16.2	-0.8
21	Debt to Total Investment	*	*	129.1	120.2	111.1	79.7	67.4
	<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>							
22	Actual	75.1	73.8	69.6	69.5	68.9	70.1	70.6
23	Breakeven	88.4	76.7	93.3	89.0	85.2	77.2	76.3
	<u>Employment & Productivity:</u>							
24	Employment, Total Weighted Avg CY	32,205	42,294	35,728	38,250	40,558	41,863	41,831
25	Overall RTM's per Employee (000)	37.4	34.5	127.8	126.0	123.8	128.0	129.9

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	-24.0	3.6	-24.6	-17.5	-10.1	1.2	9.4
27	Operating Expenses (%)	-15.8	9.7	-10.3	-4.1	2.3	5.5	10.4
28	Operating Profit (Loss) (in Millions \$)	-207.2	-129.9	-1,329.9	-1,252.6	-1,137.0	-380.7	-100.6
29	Net Income (Loss)(in Millions \$)	-208.4	-94.3	-2,032.1	-1,918.1	-1,734.6	-799.3	-34.4
30	RPMs (Sch. Svc.) (%)	-18.6	11.0	-16.6	-9.2	-1.9	9.3	16.5
31	ASMs (Sch. Svc.) (%)	-20.0	12.4	-15.5	-7.7	0.3	9.2	15.0
32	Operating Revenues per RTM (%)	-7.8	-7.2	-10.2	-9.6	-9.0	-7.8	-6.7
33	Operating Expense per RTM (%)	2.0	-1.8	6.8	5.1	3.5	-3.9	-5.8
34	Passenger Revenue per RPM (Sch. Svc.)(%)	-12.0	-8.4	-14.4	-12.9	-11.2	-8.4	-5.5

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

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2002/06	2001/06	2002/06	2002/03	2001/12	2001/09	2001/06
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	4,703.1	4,776.9	18,906.6	18,980.4	19,344.1	19,384.6	19,646.9
2	Operating Expenses	4,497.9	4,780.4	18,098.1	18,380.7	18,702.0	18,884.3	18,866.2
3	Operating Profit (Loss)	205.2	-3.5	808.4	599.7	642.1	500.4	780.7
4	Net Income (Loss)	102.1	-78.1	346.1	165.9	215.0	178.3	309.9
<u>TRAFFIC: (Billions)</u>								
5	RTMs - Scheduled Rev. Svc.	2.70	2.27	10.19	9.77	9.53	9.34	9.40
6	ATMs - Scheduled Rev. Svc.	4.42	3.84	16.76	16.19	15.81	15.33	15.21
7	Overall RTMs (All Services)	3.39	2.99	12.96	12.57	12.35	12.25	12.46
8	Overall ATMs (All Services)	5.72	5.17	21.94	21.38	20.95	20.55	20.51
<u>YIELD & UNIT COST & PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	138.9	159.6	145.8	151.0	156.6	158.2	157.7
10	Operating Expense per RTM	132.8	159.8	139.6	146.2	151.4	154.1	151.4
11	Operating Profit (Loss) per RTM	6.1	-0.1	6.2	4.8	5.2	4.1	6.3
12	Operating Expense per ATM	78.6	92.6	82.5	86.0	89.3	91.9	92.0
13	Passenger Revenue per RPM	++	++	++	++	++	++	++
<u>FINANCIAL RATIOS:</u>								
14	Operating Revenues to Total Investmen	*	*	1.85	1.87	1.93	1.98	2.04
15	Times Interest Earned	*	*	7.49	5.62	6.72	5.14	6.43
16	Current Assets to Current Liabilities	*	*	1.06	1.07	1.03	1.08	1.02
17	No. of Days Cash Coverage of Cash Exp	*	*	3.6	2.9	3.5	3.0	2.7
<u>FINANCIAL PERCENTAGES:</u>								
18	Operating Profit (Loss) to Operating Revenue	4.4	-0.1	4.3	3.2	3.3	2.6	4.0
19	Net Income to Stockholders Equity	*	*	6.3	3.1	4.1	3.5	6.1
20	Corporate Return on Investment	*	*	4.4	2.6	3.1	2.9	4.3
21	Debt to Total Investment	*	*	43.6	45.0	44.8	48.7	47.5
<u>TON LOAD FACTOR: (Sch. Svc. %)</u>								
22	Actual	59.2	57.9	59.1	58.8	59.0	59.6	60.8
23	Breakeven	++	++	++	++	++	++	++
<u>Employment & Productivity</u>								
24	Employment, Total Weighted Avg CY	99,668	108,823	104,188	106,477	108,555	108,228	107,323
25	Overall RTM's per Employee (000)	34.0	27.5	124.4	118.1	113.8	113.2	116.1

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	-1.5	-2.1	-3.8	-3.9	-1.4	-0.4	3.4
27	Operating Expenses (%)	-5.9	4.4	-4.1	-1.5	0.7	3.1	5.1
28	Operating Profit (Loss) (in Millions \$)	208.7	-304.1	27.8	-485.1	-402.2	-650.2	-270.7
29	Net Income (Loss)(in Millions \$)	180.2	-246.0	36.2	-390.1	-300.6	-462.0	-286.1
30	RTMs (All Svc.) (%)	18.6	-0.7	8.4	3.7	1.8	1.2	4.1
31	ATMs (All Svc.) (%)	14.9	6.0	10.2	8.0	6.7	5.0	5.1
32	Operating Revenues per RTM (%)	-13.0	2.4	-7.5	-3.7	1.0	2.3	2.5
33	Operating Expense per RTM (%)	-16.9	9.2	-7.8	-1.3	3.2	6.0	4.2
34	Passenger Revenue per RPM (Sch. Svc.)(%)	++	++	++	++	++	++	++

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

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2002/06	2001/06	2002/06	2002/03	2001/12	2001/09	2001/06
	<u>FINANCIAL RESULTS: (\$Millions)</u>							
1	Operating Revenues	3,333.4	3,394.1	13,381.8	13,442.5	13,681.8	13,823.0	14,097.2
2	Operating Expenses	3,268.8	3,446.9	13,159.5	13,337.6	13,524.8	13,683.1	13,718.5
3	Operating Profit (Loss)	64.6	-52.8	222.3	104.9	156.9	139.9	378.8
4	Net Income (Loss)	19.0	-141.8	37.7	-123.1	-126.2	-90.0	-5.3
	<u>TRAFFIC: (Billions)</u>							
5	RTMs - Scheduled Rev. Svc.	1.47	1.07	5.43	5.03	4.75	4.54	4.60
6	ATMs - Scheduled Rev. Svc.	2.50	1.90	9.32	8.72	8.27	7.84	7.85
7	Overall RTMs (All Services)	2.14	1.75	8.11	7.72	7.45	7.27	7.43
8	Overall ATMs (All Services)	3.76	3.14	14.33	13.71	13.19	12.73	12.73
	<u>YIELD & UNIT COST & PROFITS: (Cents)</u>							
9	Operating Revenue per RTM	155.9	194.2	165.0	174.1	183.8	190.0	189.6
10	Operating Expense per RTM	152.9	197.3	162.3	172.8	181.7	188.1	184.5
11	Operating Profit (Loss) per RTM	3.0	-3.0	2.7	1.4	2.1	1.9	5.1
12	Operating Expense per ATM	86.9	109.7	91.9	97.3	102.5	107.5	107.7
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	1.9	-1.6	1.7	0.8	1.1	1.0	2.7
19	Net Income to Stockholders Equity	*	*	**	**	**	**	**
20	Corporate Return on Investment	*	*	1.5	-0.8	-0.9	-0.3	1.0
21	Debt to Total Investment	*	*	**	**	**	**	**
	<u>TON LOAD FACTOR: (Sch. Svc. %)</u>							
22	Actual	56.9	55.6	56.6	56.3	56.4	57.1	58.4
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 (%)	-1.8	-4.5	-5.1	-5.7	-3.6	-2.2	1.5
27	Operating Expenses (%)	-5.2	1.7	-4.1	-2.4	-1.2	0.7	1.9
28	Operating Profit (Loss) (in Millions \$)	117.5	-219.7	-156.4	-493.6	-354.2	-411.2	-60.1
29	Net Income (Loss)(in Millions \$)	160.8	-190.5	43.0	-308.3	-334.0	-368.1	-358.8
30	RTMs (All Svc.) (%)	37.8	-7.4	18.0	7.3	0.7	-3.7	-0.9
31	ATMs (All Svc.) (%)	31.6	-0.7	18.8	10.9	5.7	0.5	1.3
32	Operating Revenues per RTM (%)	-19.8	4.8	-13.0	-7.1	0.0	4.9	5.8
33	Operating Expense per RTM (%)	-22.5	11.6	-12.1	-3.8	2.5	8.1	6.2
34	Passenger Revenue per RPM (Sch. Svc.)(%)	++	++	++	++	++	++	++

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

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2002/06	2001/06	2002/06	2002/03	2001/12	2001/09	2001/06
	<u>FINANCIAL RESULTS: (\$Millions)</u>							
1	Operating Revenues	1,369.7	1,382.8	5,524.7	5,537.9	5,662.4	5,561.6	5,549.6
2	Operating Expenses	1,229.1	1,333.5	4,938.6	5,043.1	5,177.2	5,201.2	5,147.7
3	Operating Profit (Loss)	140.6	49.3	586.1	494.9	485.2	360.4	401.9
4	Net Income (Loss)	83.1	63.6	308.4	288.9	341.2	268.4	315.2
	<u>TRAFFIC: (Billions)</u>							
5	RTMs - Scheduled Rev. Svc.	1.22	1.20	4.76	4.74	4.78	4.80	4.80
6	ATMs - Scheduled Rev. Svc.	1.92	1.95	7.44	7.47	7.53	7.50	7.36
7	Overall RTMs (All Services)	1.25	1.24	4.85	4.85	4.90	4.98	5.03
8	Overall ATMs (All Services)	1.96	2.02	7.61	7.67	7.76	7.83	7.77
	<u>YIELD & UNIT COST & PROFITS: (Cents)</u>							
9	Operating Revenue per RTM	109.8	111.1	113.8	114.1	115.4	111.6	110.4
10	Operating Expense per RTM	98.5	107.1	101.7	103.9	105.6	104.4	102.4
11	Operating Profit (Loss) per RTM	11.3	4.0	12.1	10.2	9.9	7.2	8.0
12	Operating Expense per ATM	62.7	66.0	64.9	65.7	66.7	66.5	66.2
13	Passenger Revenue per RPM	++	++	++	++	++	++	++
	<u>FINANCIAL RATIOS:</u>							
14	Operating Revenues to Total Investment	*	*	**	**	**	**	**
15	Times Interest Earned	*	*	**	**	**	**	**
16	Current Assets to Current Liabilities	*	*	**	**	**	**	**
17	No. of Days Cash Coverage of Cash Exp	*	*	**	**	**	**	**
	<u>FINANCIAL PERCENTAGES:</u>							
18	Operating Profit (Loss) to Operating Revenue	10.3	3.6	10.6	8.9	8.6	6.5	7.2
19	Net Income to Stockholders Equity	*	*	**	**	**	**	**
20	Corporate Return on Investment	*	*	11.1	10.7	12.7	10.6	12.7
21	Debt to Total Investment	*	*	**	**	**	**	**
	<u>TON LOAD FACTOR: (Sch. Svc. %)</u>							
22	Actual	63.6	61.6	63.8	63.2	63.2	63.7	64.7
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 (%)	-1.0	4.4	-0.4	0.9	4.3	4.3	8.8
27	Operating Expenses (%)	-7.8	12.0	-4.1	0.8	5.7	9.9	14.7
28	Operating Profit (Loss) (in Millions \$)	91.3	-84.4	184.2	8.5	-48.0	-238.9	-210.6
29	Net Income (Loss)(in Millions \$)	19.4	-55.5	-6.8	-81.8	33.4	-93.9	72.7
30	RTMs (All Svc.) (%)	1.6	6.0	-0.8	0.2	2.9	6.3	9.5
31	ATMs (All Svc.) (%)	-1.4	13.5	1.1	4.8	7.9	10.2	9.5
32	Operating Revenues per RTM (%)	-1.2	1.7	3.1	3.8	4.9	0.4	-0.5
33	Operating Expense per RTM (%)	-8.0	9.1	-0.6	3.7	6.3	5.8	4.9
34	Passenger Revenue per RPM (Sch. Svc.)(%)	++	++	++	++	++	++	++

QUARTERLY FINANCIAL & TRAFFIC REVIEW
SYSTEM OPERATIONS
DHL AIRWAYS

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2002/06	2001/06	2002/06	2002/03	2001/12	2001/09	2001/06
	<u>FINANCIAL RESULTS: (\$Millions)</u>							
1	Operating Revenues	61.4	382.6	833.9	1,155.1	1,461.6	1,490.3	1,509.2
2	Operating Expenses	58.5	444.2	958.0	1,343.7	1,699.1	1,679.7	1,661.6
3	Operating Profit (Loss)	2.9	-61.6	-124.1	-188.6	-237.5	-189.3	-152.4
4	Net Income (Loss)	1.5	-87.4	-111.5	-200.4	-251.9	-226.1	-186.6
	<u>TRAFFIC: (Billions)</u>							
5	RTMs - Scheduled Rev. Svc.	0.03	0.12	0.27	0.36	0.44	0.47	0.47
6	ATMs - Scheduled Rev. Svc.	0.14	0.23	0.69	0.79	0.88	0.89	0.89
7	Overall RTMs (All Services)	0.03	0.12	0.28	0.37	0.45	0.48	0.49
8	Overall ATMs (All Services)	0.15	0.24	0.71	0.81	0.90	0.91	0.91
	<u>YIELD & UNIT COST & PROFITS: (Cents)</u>							
9	Operating Revenue per RTM	192.8	318.9	294.0	310.7	327.4	313.5	310.8
10	Operating Expense per RTM	183.6	370.2	337.8	361.4	380.6	353.3	342.2
11	Operating Profit (Loss) per RTM	9.2	-51.3	-43.8	-50.7	-53.2	-39.8	-31.4
12	Operating Expense per ATM	40.1	188.0	134.0	166.9	189.0	185.6	181.8
13	Passenger Revenue per RPM	++	++	++	++	++	++	++
	<u>FINANCIAL RATIOS:</u>							
14	Operating Revenues to Total Investment	*	*	10.82	8.82	8.32	8.40	6.22
15	Times Interest Earned	*	*	-18.53	-20.32	-15.94	-12.20	-9.08
16	Current Assets to Current Liabilities	*	*	0.98	0.93	0.00	0.02	0.52
17	No. of Days Cash Coverage of Cash Exp.	*	*	4.1	2.0	3.6	3.0	0.2
	<u>FINANCIAL PERCENTAGES:</u>							
18	Operating Profit (Loss) to Operating Revenue	4.8	-16.1	-14.9	-16.3	-16.2	-12.7	-10.1
19	Net Income to Stockholders Equity	*	*	-233.3	-634.0	-1,005.5	0.0	-328.0
20	Corporate Return on Investment	*	*	-137.6	-146.0	-135.1	-117.0	-68.3
21	Debt to Total Investment	*	*	19.1	19.1	15.1	-38.0	351.8
	<u>TON LOAD FACTOR: (Sch. Svc. %)</u>							
22	Actual	21.8	50.8	39.7	46.2	49.7	52.5	53.1
23	Breakeven	++	++	++	++	++	++	++
	<u>Employment & Productivity:</u>							
24	Employment, Total Weighted Avg CY	923	9,125	4,904	6,954	8,993	9,018	8,957
25	Overall RTM's per Employee (000)	34.5	13.1	57.8	53.5	49.6	52.7	54.2

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	-83.9	3.2	-44.7	-22.8	-2.4	0.7	3.8
27	Operating Expenses (%)	-86.8	16.4	-42.3	-16.0	8.4	11.6	14.1
28	Operating Profit (Loss) (in Millions \$)	64.5	-50.7	28.3	-86.9	-166.7	-163.7	-150.1
29	Net Income (Loss)(in Millions \$)	88.9	-79.7	75.0	-93.6	-184.9	-206.5	-196.4
30	RTMs (Sch. Svc.) (%)	-75.4	24.8	-42.3	-19.4	-1.6	7.0	10.3
31	ATMs (Sch. Svc.) (%)	-40.6	9.0	-22.6	-10.0	3.2	7.1	12.9
32	Operating Revenues per RTM (%)	-39.5	-15.5	-5.4	-3.8	0.4	-4.8	-5.6
33	Operating Expense per RTM (%)	-50.4	-4.8	-1.3	4.8	11.4	5.5	3.8
34	Passenger Revenue per RPM (Sch. Svc.)(%)	++	++	++	++	++	++	++

QUARTERLY FINANCIAL & TRAFFIC REVIEW
SYSTEM OPERATIONS
FEDERAL EXPRESS CORP.

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2002/06	2001/06	2002/06	2002/03	2001/12	2001/09	2001/06
	<u>FINANCIAL RESULTS: (\$Millions)</u>							
1	Operating Revenues	3,953.1	3,737.9	15,361.8	15,146.5	15,166.9	15,184.9	15,424.9
2	Operating Expenses	3,775.7	3,678.9	14,541.0	14,444.2	14,388.4	14,600.6	14,639.9
3	Operating Profit (Loss)	177.3	59.0	820.8	702.4	778.5	584.3	785.0
4	Net Income (Loss)	98.2	32.6	442.4	376.8	453.0	395.5	451.6
	<u>TRAFFIC: (Billions)</u>							
5	RTMs - Scheduled Rev. Svc.	2.22	1.73	8.23	7.73	7.44	7.23	7.31
6	ATMs - Scheduled Rev. Svc.	3.60	2.97	13.56	12.94	12.49	12.05	12.01
7	Overall RTMs (All Services)	2.25	1.79	8.36	7.89	7.61	7.49	7.63
8	Overall ATMs (All Services)	3.65	3.08	13.78	13.21	12.79	12.51	12.56
	<u>YIELD & UNIT COST & PROFITS: (Cents)</u>							
9	Operating Revenue per RTM	175.3	209.0	183.7	191.9	199.3	202.7	202.1
10	Operating Expense per RTM	167.4	205.7	173.9	183.0	189.1	194.9	191.8
11	Operating Profit (Loss) per RTM	7.9	3.3	9.8	8.9	10.2	7.8	10.3
12	Operating Expense per ATM	103.6	119.5	105.5	109.3	112.5	116.7	116.5
13	Passenger Revenue per RPM	++	++	++	++	++	++	++
	<u>FINANCIAL RATIOS:</u>							
14	Operating Revenues to Total Investment	*	*	2.79	2.79	2.84	2.91	3.02
15	Times Interest Earned	*	*	12.71	11.22	14.70	12.14	12.69
16	Current Assets to Current Liabilities	*	*	1.18	1.14	1.09	1.10	0.99
17	No. of Days Cash Coverage of Cash Exp	*	*	3.2	2.8	3.5	2.8	2.7
	<u>FINANCIAL PERCENTAGES:</u>							
18	Operating Profit (Loss) to Operating Revenue	4.5	1.6	5.3	4.6	5.1	3.8	5.1
19	Net Income to Stockholders Equity	*	*	9.9	8.6	10.6	9.5	11.1
20	Corporate Return on Investment	*	*	9.1	8.0	9.4	8.6	10.0
21	Debt to Total Investment	*	*	16.9	18.4	20.1	19.4	19.8
	<u>TON LOAD FACTOR: (Sch. Svc. %)</u>							
22	Actual	61.8	58.1	60.7	59.8	59.5	59.9	60.8
23	Breakeven	++	++	++	++	++	++	++
	<u>Employment & Productivity</u>							
24	Employment, Total Weighted Avg CY	93,004	94,180	93,644	93,938	94,019	93,784	93,089
25	Overall RTM's per Employee (000)	24.2	19.0	89.3	84.0	80.9	79.9	82.0

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	5.8	-4.6	-0.4	-2.9	-2.8	-1.9	1.5
27	Operating Expenses (%)	2.6	1.6	-0.7	-0.9	-1.4	0.8	2.7
28	Operating Profit (Loss) (in Millions \$)	118.4	-238.7	35.7	-321.4	-220.9	-411.2	-162.5
29	Net Income (Loss)(in Millions \$)	65.6	-143.7	-9.2	-218.5	-92.4	-153.4	-76.0
30	RTMs (Sch. Svc.) (%)	28.5	-6.1	12.6	4.2	0.0	-2.2	0.3
31	ATMs (Sch. Svc.) (%)	21.0	2.9	12.9	8.4	5.6	3.1	3.8
32	Operating Revenues per RTM (%)	-16.1	3.9	-9.1	-4.2	0.2	1.9	0.9
33	Operating Expense per RTM (%)	-18.6	10.7	-9.3	-2.2	1.5	4.7	2.1
34	Passenger Revenue per RPM (Sch. Svc.)(%)	++	++	++	++	++	++	++

QUARTERLY FINANCIAL & TRAFFIC REVIEW
SYSTEM OPERATIONS
UNITED PARCEL SERVICE

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2002/06	2001/06	2002/06	2002/03	2001/12	2001/09	2001/06
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	688.6	656.5	2,710.9	2,678.8	2,715.6	2,709.4	2,712.7
2	Operating Expenses	663.7	657.4	2,599.1	2,592.8	2,614.5	2,604.0	2,564.7
3	Operating Profit (Loss)	24.9	-0.9	111.8	86.0	101.1	105.4	148.0
4	Net Income (Loss)	2.4	-23.4	15.2	-10.6	14.0	8.9	44.9
<u>TRAFFIC: (Billions)</u>								
5	RTMs - Scheduled Rev. Svc.	0.44	0.42	1.69	1.67	1.66	1.64	1.62
6	ATMs - Scheduled Rev. Svc.	0.68	0.64	2.51	2.47	2.44	2.39	2.30
7	Overall RTMs (All Services)	1.10	1.08	4.32	4.30	4.30	4.29	4.34
8	Overall ATMs (All Services)	1.93	1.85	7.44	7.36	7.27	7.14	7.03
<u>YIELD & UNIT COST & PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	62.6	60.6	62.8	62.2	63.2	63.2	62.5
10	Operating Expense per RTM	60.4	60.7	60.2	60.2	60.9	60.7	59.0
11	Operating Profit (Loss) per RTM	2.3	-0.1	2.6	2.0	2.4	2.5	3.4
12	Operating Expense per ATM	34.4	35.5	34.9	35.2	36.0	36.5	36.5
13	Passenger Revenue per RPM	++	++	++	++	++	++	++
<u>FINANCIAL RATIOS:</u>								
14	Operating Revenues to Total Investment	*	*	0.58	0.58	0.60	0.61	0.63
15	Times Interest Earned	*	*	2.39	2.22	3.62	2.63	4.45
16	Current Assets to Current Liabilities	*	*	0.53	0.69	0.66	2.76	2.45
17	No. of Days Cash Coverage of Cash Exp	*	*	6.3	4.5	4.0	4.2	4.6
<u>FINANCIAL PERCENTAGES:</u>								
18	Operating Profit (Loss) to Operating Revenue	3.6	-0.1	4.1	3.2	3.7	3.9	5.5
19	Net Income to Stockholders Equity	*	*	1.5	-1.1	1.4	0.9	4.6
20	Corporate Return on Investment	*	*	1.0	0.4	0.9	0.8	1.7
21	Debt to Total Investment	*	*	76.8	77.2	76.5	80.5	79.2
<u>TON LOAD FACTOR: (Sch. Svc. %)</u>								
22	Actual	57.0	58.6	58.0	58.5	59.1	60.1	61.8
23	Breakeven	++	++	++	++	++	++	++
<u>Employment & Productivity</u>								
24	Employment, Total Weighted Avg CY	5,741	5,518	5,640	5,585	5,543	5,426	5,277
25	Overall RTM's per Employee (000)	191.5	196.4	765.9	770.7	774.9	790.4	823.1

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	4.9	11.3	-0.1	1.2	7.3	7.6	15.7
27	Operating Expenses (%)	1.0	14.1	1.3	4.4	8.3	11.4	14.6
28	Operating Profit (Loss) (in Millions \$)	25.8	-14.7	-36.2	-76.8	-14.6	-75.3	41.9
29	Net Income (Loss)(in Millions \$)	25.8	-22.6	-29.6	-78.1	-23.3	-102.1	-13.7
30	RTMs (Sch. Svc.) (%)	4.7	20.7	4.5	8.1	11.7	16.9	23.5
31	ATMs (Sch. Svc.) (%)	7.0	21.9	9.1	12.8	14.5	14.7	9.2
32	Operating Revenues per RTM (%)	3.3	11.4	0.5	2.2	8.8	9.7	15.0
33	Operating Expense per RTM (%)	-0.5	14.1	1.9	5.4	9.9	13.5	14.0
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
June 2001 and 2002

Operating Profit (Loss) (\$Millions)						
Group/Carrier	Quarterly Data			12 Month Ended Data		
	6/2001	6/2002	\$Chg	6/2001	6/2002	\$Chg
System Passenger Majors	(714.0)	(1,536.9)	(822.9)	455.9	(12,997.3)	(13,453.2)
Alaska	11.5	(3.4)	(14.8)	(26.2)	(89.8)	(63.6)
America West	(55.8)	(1.1)	54.8	(155.0)	(361.6)	(206.7)
American	(693.5)	(630.4)	63.1	(371.5)	(3,740.6)	(3,369.0)
American Eagle	(81.3)	17.7	98.9	(52.0)	(170.3)	(118.3)
American Trans Air	18.3	(56.6)	(74.9)	9.4	(151.1)	(160.6)
Continental	115.3	(139.3)	(254.6)	588.6	(871.2)	(1,459.9)
Delta	23.9	(155.7)	(179.7)	505.2	(1,434.3)	(1,939.5)
Northwest	(19.7)	(45.7)	(26.0)	119.9	(782.9)	(902.8)
Southwest	291.0	189.1	(101.9)	1,051.3	369.0	(682.4)
United	(354.8)	(535.4)	(180.6)	(980.8)	(4,201.5)	(3,220.7)
US Airways	31.1	(176.1)	(207.2)	(233.1)	(1,563.0)	(1,329.9)
System Cargo Majors	(3.5)	205.2	208.7	780.7	808.4	27.8
DHL	(61.6)	2.9	64.5	(152.4)	(124.1)	28.3
Federal Express	59.0	177.3	118.4	785.0	820.8	35.7
UPS	(0.9)	24.9	25.8	148.0	111.8	(36.2)
System Total Majors	(717.5)	(1,331.7)	(614.2)	1,236.6	(12,188.9)	(13,425.5)

Net Income (Loss) (\$Millions)						
Group/Carrier	Quarterly Data			12 Month Ended Data		
	6/2001	6/2002	\$Chg	6/2001	6/2002	\$Chg
System Passenger Majors	(717.9)	(1,485.9)	(768.0)	(1,175.7)	(10,520.7)	(9,345.1)
Alaska	4.8	(3.3)	(8.1)	(22.0)	(24.8)	(2.7)
America West	(43.3)	(10.0)	33.3	(100.7)	(439.4)	(338.8)
American	(450.9)	(485.7)	(34.9)	(499.4)	(2,984.2)	(2,484.9)
American Eagle	(65.6)	(10.3)	55.3	(93.5)	(186.5)	(93.0)
American Trans Air	6.9	(54.6)	(61.5)	(15.5)	(131.4)	(115.9)
Continental	48.7	(134.1)	(182.9)	276.9	(418.9)	(695.8)
Delta	(26.8)	(203.6)	(176.8)	(144.7)	(1,544.4)	(1,399.6)
Northwest	(57.4)	(98.6)	(41.2)	(98.4)	(442.2)	(343.8)
Southwest	175.6	102.3	(73.3)	635.6	338.2	(297.5)
United	(293.7)	(363.3)	(69.5)	(813.2)	(2,354.2)	(1,541.0)
US Airways	(16.4)	(224.8)	(208.4)	(300.7)	(2,332.9)	(2,032.1)
System Cargo Majors	(78.1)	102.1	180.2	309.9	346.1	36.2
DHL	(87.4)	1.5	88.9	(186.6)	(111.5)	75.0
Federal Express	32.6	98.2	65.6	451.6	442.4	(9.2)
UPS	(23.4)	2.4	25.8	44.9	15.2	(29.6)
System Total Majors	(796.0)	(1,383.8)	(587.8)	(865.7)	(10,174.6)	(9,308.9)

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

Passenger Load Factor (Percent)						
Group/Carrier	Quarterly Data			12 Month Ended Data		
	6/2001	6/2002	Pt.Chg.	6/2001	6/2002	Pt.Chg.
System Passenger Majors	73.5	73.8	0.3	72.0	70.8	(1.2)
Alaska	70.3	68.4	(1.8)	68.5	68.2	(0.2)
America West	75.5	75.8	0.2	71.6	72.3	0.7
American	71.8	71.4	(0.4)	71.4	69.2	(2.1)
American Eagle	62.1	66.5	4.4	59.3	60.1	0.8
American Trans Air	80.3	76.7	(3.6)	76.1	75.1	(1.0)
Continental	74.8	75.3	0.5	73.7	73.3	(0.4)
Delta	72.8	73.7	0.9	71.6	69.7	(1.9)
Northwest	77.9	78.9	1.0	76.2	75.2	(1.0)
Southwest	71.7	69.8	(1.8)	69.9	66.5	(3.4)
United	73.2	74.5	1.2	71.8	72.0	0.2
US Airways	73.8	75.1	1.3	70.6	69.6	(1.0)
System Cargo Majors	-	-	-	-	-	-
DHL	-	-	-	-	-	-
Federal Express	-	-	-	-	-	-
UPS	-	-	-	-	-	-
System Total Majors	73.5	73.8	0.3	72.0	70.8	(1.2)

Scheduled Passenger Yield (Cents)						
Group/Carrier	Quarterly Data			12 Month Ended Data		
	6/2001	6/2002	Pct.Chg.	6/2001	6/2002	Pct.Chg.
System Passenger Majors	12.6	11.6	(7.7)	13.1	11.6	(11.8)
Alaska	12.9	12.5	(2.5)	13.2	12.5	(5.1)
America West	10.5	9.7	(7.1)	11.0	9.6	(12.4)
American	13.0	11.9	(7.9)	13.7	12.2	(11.0)
American Eagle	39.4	31.9	(19.1)	39.4	32.4	(17.8)
American Trans Air	10.0	8.8	(12.1)	10.0	8.8	(11.1)
Continental	12.6	11.7	(7.1)	13.0	11.6	(11.4)
Delta	12.4	11.5	(7.4)	12.9	11.5	(11.0)
Northwest	11.2	10.7	(4.2)	11.8	10.8	(8.8)
Southwest	12.6	11.7	(7.3)	12.8	11.3	(11.3)
United	12.0	11.1	(7.6)	12.6	10.8	(14.7)
US Airways	14.9	13.1	(11.9)	15.5	13.2	(14.4)
System Cargo Majors	-	-	-	-	-	-
DHL	-	-	-	-	-	-
Federal Express	-	-	-	-	-	-
UPS	-	-	-	-	-	-
System Total Majors	12.6	11.6	(7.7)	13.1	11.6	(11.8)

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

Operating Profit Margin (Percent)						
Group/Carrier	Quarterly Data			12 Month Ended Data		
	6/2001	6/2002	Pt. Chg	6/2001	6/2002	Pt. Chg.
System Passenger Majors	(2.9)	(7.5)	(4.6)	0.5	(17.0)	(17.5)
Alaska	2.4	(0.7)	(3.1)	(1.4)	(5.1)	(3.7)
America West	(9.7)	(0.2)	9.5	(6.7)	(19.4)	(12.7)
American	(13.5)	(15.3)	(1.9)	(1.7)	(23.6)	(21.8)
American Eagle	(21.9)	5.6	27.5	(3.9)	(14.9)	(11.0)
American Trans Air	5.6	(19.6)	(25.2)	0.8	(13.7)	(14.5)
Continental	4.8	(6.9)	(11.7)	6.1	(11.6)	(17.7)
Delta	0.6	(4.8)	(5.4)	3.4	(11.9)	(15.3)
Northwest	(0.7)	(2.0)	(1.3)	1.1	(8.9)	(10.0)
Southwest	18.7	12.8	(5.9)	17.7	78.0	(10.7)
United	(7.6)	(14.4)	(6.8)	(5.2)	(30.2)	(25.0)
US Airways	1.3	(9.3)	(10.6)	(2.5)	(22.0)	(19.5)
System Cargo Majors	(0.1)	4.4	4.4	4.0	4.3	0.3
DHL	(16.1)	4.8	20.9	(10.1)	(14.9)	(4.8)
Federal Express	1.6	4.5	2.9	5.1	5.3	0.2
UPS	(0.1)	3.6	3.7	5.5	4.1	(1.4)
System Total Majors	(2.5)	(5.3)	(2.8)	1.1	(12.8)	(13.8)

Group/Carrier	Debt To Investment (Percent)			Total Debt (\$Millions)		
	Quarterly Data			Quarterly Data		
	6/2001	6/2002	Pt.Chg.	6/2001	6/2002	\$ Chg.
System Passenger Majors	54.3	70.3	16.0	35,330.2	51,126.9	15,796.7
Alaska	50.3	58.5	8.2	694.5	940.0	245.5
America West	19.2	64.1	44.9	196.5	752.8	556.3
American	49.3	66.6	17.3	5,849.4	8,869.6	3,020.2
American Eagle	93.2	99.6	6.5	2,520.2	2,841.2	321.0
American Trans Air	84.1	110.7	26.6	503.0	456.7	(46.3)
Continental	76.9	82.7	5.8	4,129.1	5,513.9	1,384.8
Delta	51.9	73.1	21.2	5,704.5	9,436.4	3,731.9
Northwest	44.4	59.7	15.3	3,852.5	6,118.7	2,266.3
Southwest	18.4	28.6	10.2	863.1	1,691.4	828.3
United	60.1	72.9	12.8	7,707.9	10,673.5	2,965.6
US Airways	67.4	129.1	61.6	3,309.4	3,832.5	523.1
System Cargo Majors	47.5	43.6	(3.9)	4,670.7	4,532.1	(138.7)
DHL	351.8	19.1	(332.6)	31.7	21.8	(10.0)
Federal Express	19.8	16.9	(2.9)	1,044.2	952.7	(91.5)
UPS	79.2	76.8	(2.4)	3,594.8	3,557.6	(37.2)
System Total Majors	53.4	67.0	13.5	40,000.9	55,658.9	15,658.1

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	Net income plus interest expense Total investment 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). 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).
21	Debt to total investment (end of period)	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) Total investment (See line 20)
22	Actual passenger load factor (scheduled service)	Revenue passenger-miles (scheduled service (Item K-140) Available seat-miles (scheduled service (Item K-280)
23	Operating breakeven load factor (scheduled service)	Capacity operating expense, scheduled service (passenger) [Scheduled passenger revenue (Account 3901) - Traffic operating expense, passenger scheduled service] / Actual passenger load factor, scheduled service
24	Difference, actual-breakeven load factor	Actual (Line 22) - Breakeven (Line 23)
25	Employees	Number of full time employees (Average for 12-month ended period)
26	Overall revenue ton-miles per employee	Overall revenue ton-miles (Item Z-240) Average # of employees (See Line 25)