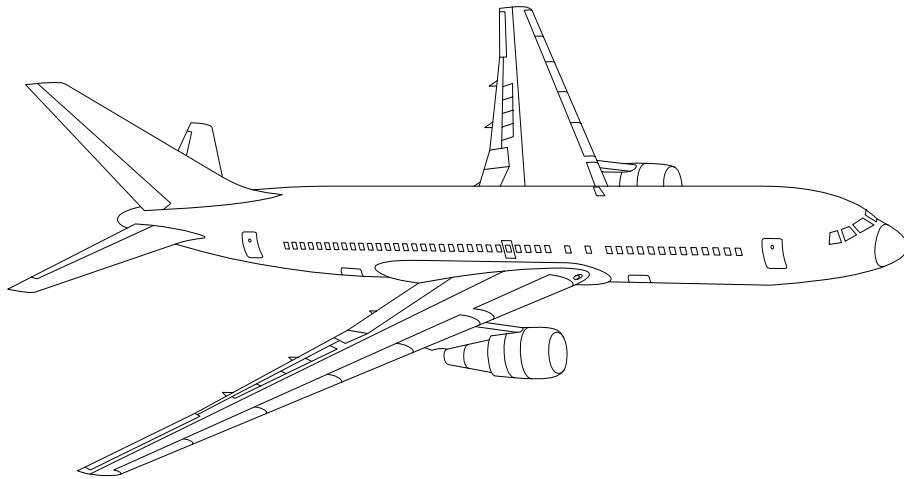


AIRLINE QUARTERLY FINANCIAL REVIEW

SECOND QUARTER 2004



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
System All Majors

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2004/06	2003/06	2004/06	2004/03	2003/12	2003/09	2003/06
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	29,115.0	25,206.4	108,785.7	104,892.4	102,152.8	99,700.3	97,786.8
2	Operating Expenses	28,312.7	25,626.6	108,549.0	105,874.0	105,416.5	105,245.7	105,908.2
3	Operating Profit (Loss)	802.4	-420.2	236.6	-981.5	-3,263.7	-5,545.4	-8,121.4
4	Net Income (Loss)	-1,995.4	314.5	-4,263.0	-1,949.3	-2,375.8	-5,968.7	-8,067.1
<u>TRAFFIC: (Mllions)</u>								
5	RPMs - Scheduled Rev. Svc.	164.7	143.8	612.5	591.6	581.4	577.7	579.3
6	ASMs - Scheduled Rev. Svc.	210.5	191.1	814.5	795.2	786.9	789.2	801.7
7	Overall RTMs (All Svc.)	22.7	20.2	85.4	82.9	81.6	81.3	81.5
8	Overall ATMs (All Svc.)	37.7	34.8	147.1	144.3	143.1	143.5	145.3
<u>YIELD & UNIT COST & PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	128.3	124.9	127.3	126.5	125.2	122.6	119.9
10	Operating Expense per RTM	124.8	127.0	127.0	127.7	129.2	129.4	129.9
11	Operating Profit (Loss) per RTM	3.5	-2.1	0.3	-1.2	-4.0	-6.8	-10.0
12	Operating Expense per ATM	75.2	73.6	73.8	73.4	73.7	73.4	72.9
13	Passenger Revenue per RPM	11.69	11.48	11.70	11.65	11.55	11.46	11.34
<u>FINANCIAL RATIOS:</u>								
14	Operating Revenues to Total Investment	*	*	1.51	1.45	1.75	2.28	3.33
15	Times Interest Earned	*	*	0.08	0.41	0.22	-0.92	-1.72
16	Current Assets to Current Liabilities	*	*	0.75	0.76	0.78	0.82	0.83
17	No. of Days Cash Coverage of Cash Exp.	*	*	58.0	60.6	60.6	62.2	59.4
<u>FINANCIAL PERCENTAGES:</u>								
18	Operating Profit (Loss) to Operating Revenue	2.8	-1.7	0.2	-0.9	-3.2	-5.6	-8.3
19	Net Income to Stockholders Equity	*	*	-36.1	-16.2	-18.7	-39.0	-43.8
20	Corporate Return on Investment	*	*	-1.6	1.6	1.3	-6.4	-16.5
21	Debt to Total Investment	*	*	82.9	85.0	83.5	83.8	82.8
<u>LOAD FACTOR: (%)</u>								
22	Passenger Load Factor (Sch. Svc.)	78.3	75.3	75.2	74.4	73.9	73.2	72.3
23	Ton Load Factor (All Svc.)	60.3	58.0	58.1	57.5	57.0	56.7	56.1
<u>Employment & Productivity:</u>								
24	Employment, Total Weighted Avg CY	488,640	505,740	487,435	491,041	504,399	517,812	532,178
25	Overall RTM's per Employee (000)	46.4	39.9	175.3	168.9	161.8	157.1	153.2

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	15.5	1.1	11.2	7.6	6.3	6.5	3.8
27	Operating Expenses (%)	10.5	-2.4	2.5	-0.6	0.6	1.5	-0.1
28	Operating Profit (Loss) (in Millions \$)	1,222.6	922.2	8,358.0	8,062.0	5,367.9	4,583.1	3,717.5
29	Net Income (Loss)(in Millions \$)	-2,309.9	1,710.0	3,804.1	7,827.8	8,667.0	4,282.9	1,953.0
30	RPMs (Sch. Svc.) (%)	14.5	-5.5	5.7	0.5	-0.8	1.2	1.1
31	ASMs (Sch. Svc.) (%)	10.1	-7.3	1.6	-2.8	-3.0	-1.6	-0.9
32	Operating Revenues per RTM (%)	2.7	5.8	6.2	7.1	6.8	4.3	0.9
33	Operating Expense per RTM (%)	-1.8	2.0	-2.2	-1.1	1.1	-0.7	-2.9
34	Passenger Revenue per RPM (Sch. Svc.)(%)	1.8	-1.1	3.2	2.6	1.0	0.2	-2.0

QUARTERLY FINANCIAL & TRAFFIC REVIEW
SYSTEM OPERATIONS
Domestic All Majors

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2004/06	2003/06	2004/06	2004/03	2003/12	2003/09	2003/06
	<u>FINANCIAL RESULTS: (\$Millions)</u>							
1	Operating Revenues	21,752.7	19,218.6	81,726.9	79,192.9	77,234.0	75,030.3	73,013.5
2	Operating Expenses	21,604.9	19,653.0	83,393.7	81,441.7	80,787.5	79,929.9	79,942.2
3	Operating Profit (Loss)	147.7	-434.3	-1,666.8	-2,248.9	-3,553.4	-4,899.6	-6,928.7
4	Net Income (Loss)	-2,027.5	277.2	-4,889.5	-2,584.7	-2,012.1	-4,452.0	-5,990.9
	<u>TRAFFIC: (Mllions)</u>							
5	RTMs - Scheduled Svc.	119.6	109.2	445.1	434.7	428.4	425.6	425.6
6	ATMs - Scheduled Svc.	154.6	145.0	603.7	594.2	587.8	588.3	596.8
7	Overall RTMs (All Svc.)	15.0	13.8	56.6	55.5	54.7	54.4	54.3
8	Overall ATMs (All Svc.)	25.1	24.0	99.1	98.0	97.2	97.4	98.6
	<u>YIELD & UNIT COST & PROFITS: (Cents)</u>							
9	Operating Revenue per RTM	145.0	138.9	144.4	142.8	141.2	138.0	134.4
10	Operating Expense per RTM	144.0	142.0	147.3	146.9	147.7	147.0	147.1
11	Operating Profit (Loss) per RTM	1.0	-3.1	-2.9	-4.1	-6.5	-9.0	-12.8
12	Operating Expense per ATM	86.1	82.1	84.1	83.1	83.1	82.1	81.1
13	Passenger Revenue per RPM	12.11	11.96	12.23	12.19	12.12	12.02	11.87
	<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	0.7	-2.3	-2.0	-2.8	-4.6	-6.5	-9.5
19	Net Income to Stockholders Equity	*	*	**	**	**	**	**
20	Corporate Return on Investment	*	*	-4.5	-0.4	0.8	-6.0	-15.8
21	Debt to Total Investment	*	*	**	**	**	**	**
	<u>LOAD FACTOR: (%)</u>							
22	Passenger Load Factor (Sch. Svc.)	82.9	82.8	82.9	85.0		83.7	82.5
23	Ton Load Factor (All Svc.)	77.4	75.3	73.7	73.2	72.9	72.4	71.3
	<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 (%)	13.2	3.0	11.9	9.3	7.8	6.8	2.9
27	Operating Expenses (%)	9.9	-1.2	4.3	1.6	2.1	1.2	-0.8
28	Operating Profit (Loss) (in Millions \$)	582.1	806.4	5,261.9	5,486.3	3,913.8	3,828.9	2,629.5
29	Net Income (Loss)(in Millions \$)	-2,304.8	1,532.1	1,101.4	4,938.2	7,038.3	4,321.0	2,362.6
30	RPMs (Sch. Svc.) (%)	9.6	-1.9	4.6	1.6	0.1	1.3	1.3
31	ASMs (Sch. Svc.) (%)	6.6	-5.7	1.2	-1.9	-3.1	-2.1	-1.2
32	Operating Revenues per RTM (%)	4.4	4.8	7.4	7.6	7.6	4.7	0.3
33	Operating Expense per RTM (%)	1.4	0.5	0.1	0.0	1.9	-0.8	-3.2
34	Passenger Revenue per RPM (Sch. Svc.)(%)	1.3	-1.8	3.0	2.2	1.3	0.4	-2.5

QUARTERLY FINANCIAL & TRAFFIC REVIEW
SYSTEM OPERATIONS
Int'l All Majors

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2004/06	2003/06	2004/06	2004/03	2003/12	2003/09	2003/06
	<u>FINANCIAL RESULTS: (\$Millions)</u>							
1	Operating Revenues	7,335.8	5,987.8	26,930.7	25,567.3	24,918.7	24,670.1	24,773.3
2	Operating Expenses	6,688.0	5,973.7	25,060.9	24,335.6	24,629.0	25,315.8	25,966.0
3	Operating Profit (Loss)	647.8	14.1	1,869.7	1,231.7	289.7	-645.8	-1,192.7
4	Net Income (Loss)	28.0	37.2	601.9	607.3	-363.8	-1,516.7	-2,076.2
	<u>TRAFFIC: (Mllions)</u>							
5	RTMs - Scheduled Svc.	45.1	34.8	166.9	156.6	153.2	152.2	153.9
6	ATMs - Scheduled Svc.	55.9	46.3	210.2	200.4	199.4	201.2	205.0
7	Overall RTMs (All Svc.)	7.7	6.4	28.8	27.5	27.0	27.1	27.3
8	Overall ATMs (All Svc.)	12.6	10.9	47.9	46.2	45.9	46.1	46.7
	<u>YIELD & UNIT COST & PROFITS: (Cents)</u>							
9	Operating Revenue per RTM	95.4	93.7	93.5	93.0	92.2	91.1	90.7
10	Operating Expense per RTM	87.0	93.5	87.0	88.5	91.1	93.5	95.1
11	Operating Profit (Loss) per RTM	8.4	0.2	6.5	4.5	1.1	-2.4	-4.4
12	Operating Expense per ATM	53.3	55.0	52.3	52.7	53.7	54.9	55.6
13	Passenger Revenue per RPM	10.52	9.94	10.26	10.11	9.94	9.87	9.85
	<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	8.8	0.2	6.9	4.8	1.2	-2.6	-4.8
19	Net Income to Stockholders Equity	*	*	**	**	**	**	**
20	Corporate Return on Investment	*	*	8.6	8.4	2.9	-7.5	-18.9
21	Debt to Total Investment	*	*	**	**	**	**	**
	<u>LOAD FACTOR: (%)</u>							
22	Passenger Load Factor (Sch. Svc.)	80.6	75.1	79.4	78.1	76.8	75.7	75.1
23	Ton Load Factor (All Svc.)	61.2	58.8	60.1	59.5	58.9	58.7	58.5
	<u>Employment & Productivity:</u>							
24	Employment, Total Weighted Avg CY	*	*	**	**	**	**	**
25	Overall RTM's per Employee (000)	*	*	**	**	**	**	**

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	22.5	-4.4	8.7	2.1	1.7	5.8	6.7
27	Operating Expenses (%)	12.0	-6.2	-3.5	-7.7	-4.1	2.4	1.8
28	Operating Profit (Loss) (in Millions \$)	633.7	115.7	3,062.5	2,540.2	1,454.1	754.2	1,088.0
29	Net Income (Loss)(in Millions \$)	-9.2	177.9	2,678.1	2,861.4	1,628.7	-38.2	-409.6
30	RTMs (All Svc.) (%)	29.7	-17.0	8.5	-2.8	-5.3	-1.5	-1.5
31	ATMs (All Svc.) (%)	20.8	-14.0	2.5	-5.7	-5.4	-2.8	-2.7
32	Operating Revenues per RTM (%)	1.8	6.5	3.1	4.1	4.8	4.0	4.1
33	Operating Expense per RTM (%)	-6.9	4.5	-8.5	-5.8	-1.1	0.7	-0.6
34	Passenger Revenue per RPM (Sch. Svc.)(%)	5.8	0.9	4.2	2.8	1.7	1.5	1.6

COMPARISONS AMONG MAJOR GROUP AIRLINES

Chart 1.
Operating and Net Profit (Loss)
For the Quarter Ended June 2004

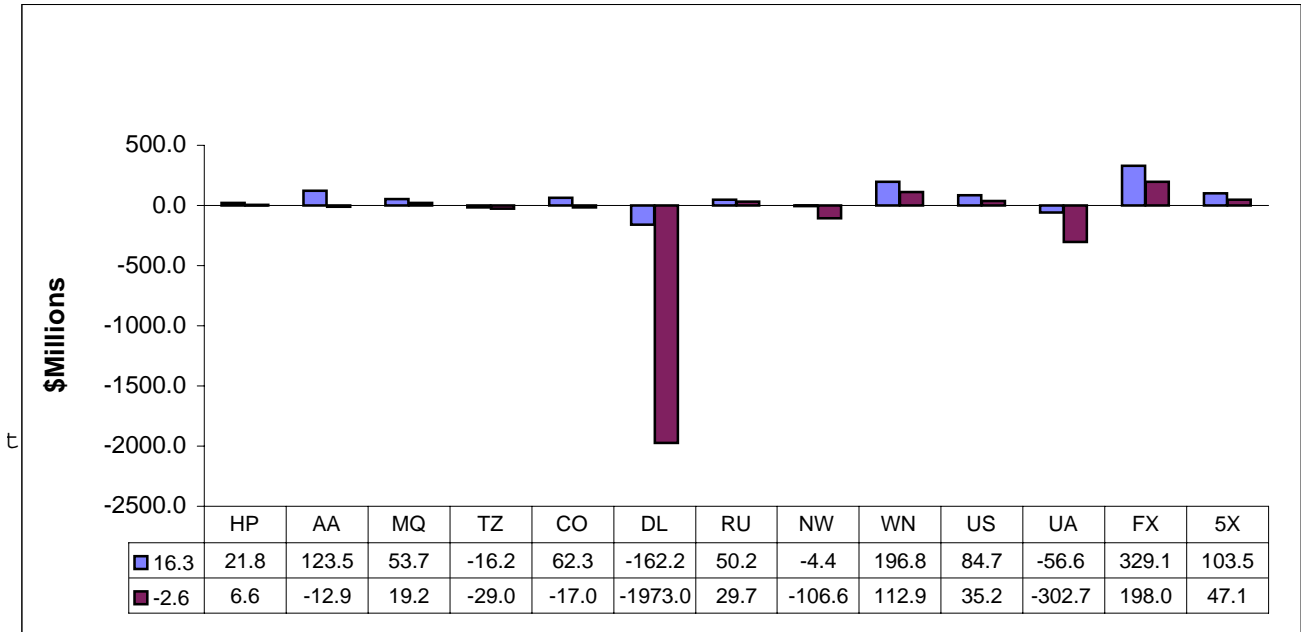
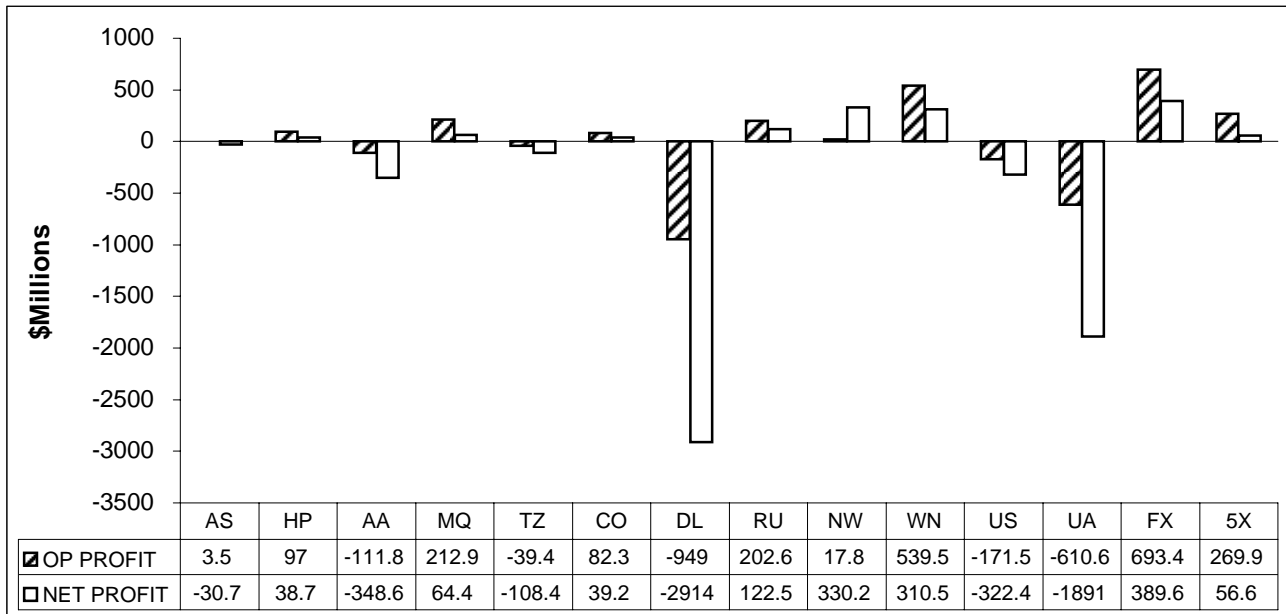
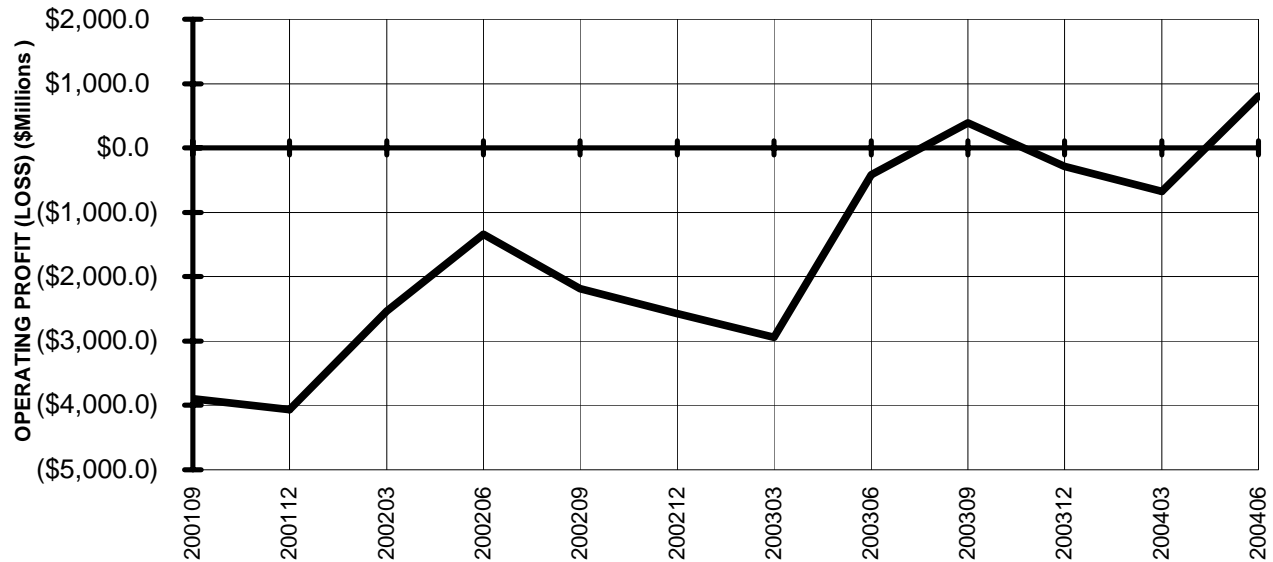


Chart 2
Operating and Net Profit (Loss)
For the 12 Months Ended June 2004

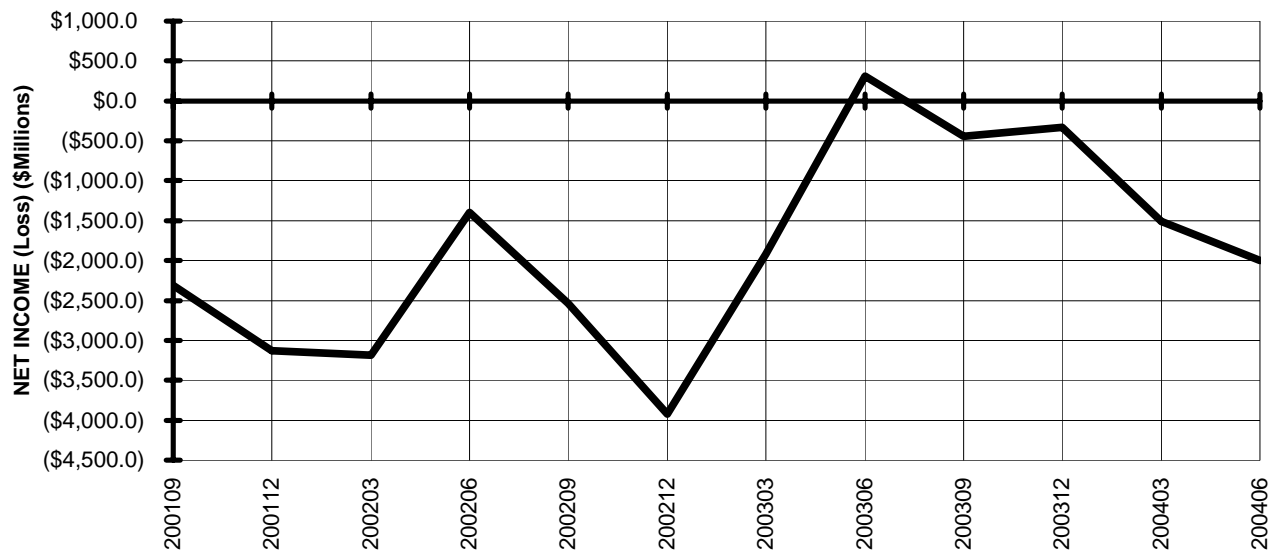


TOTAL ALL MAJORS (SYSTEM) BY QUARTER

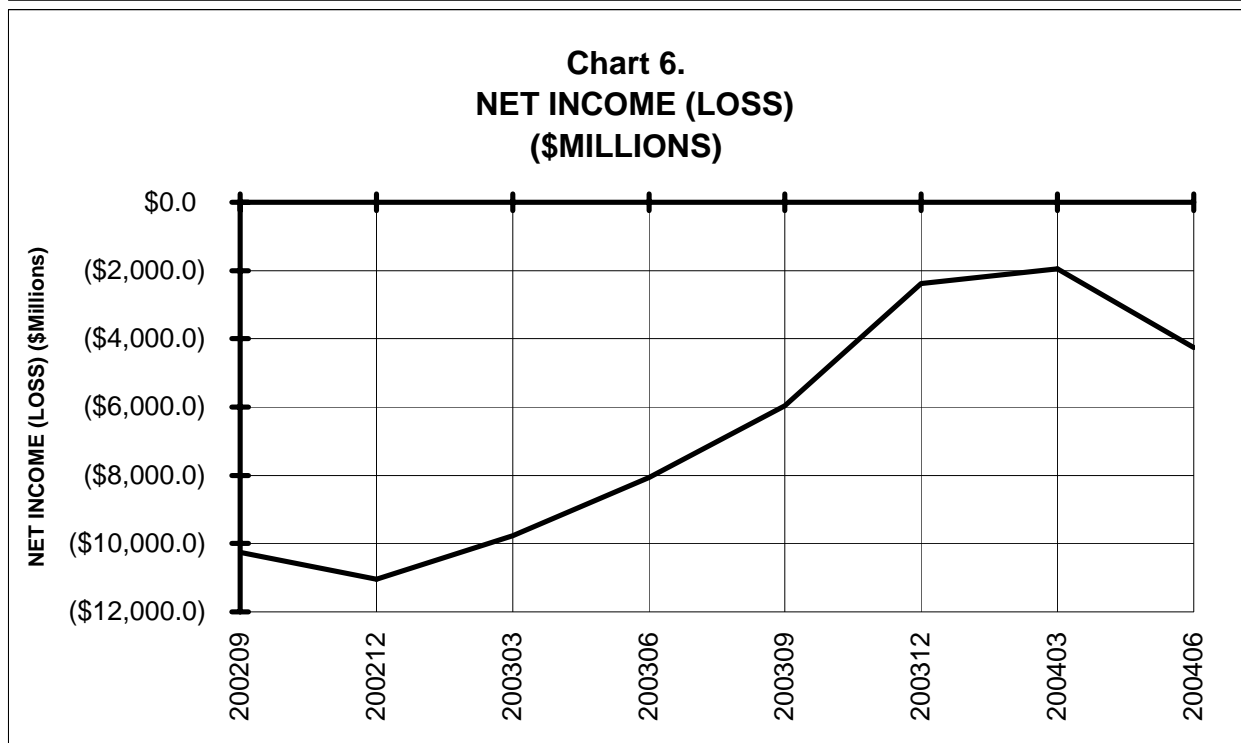
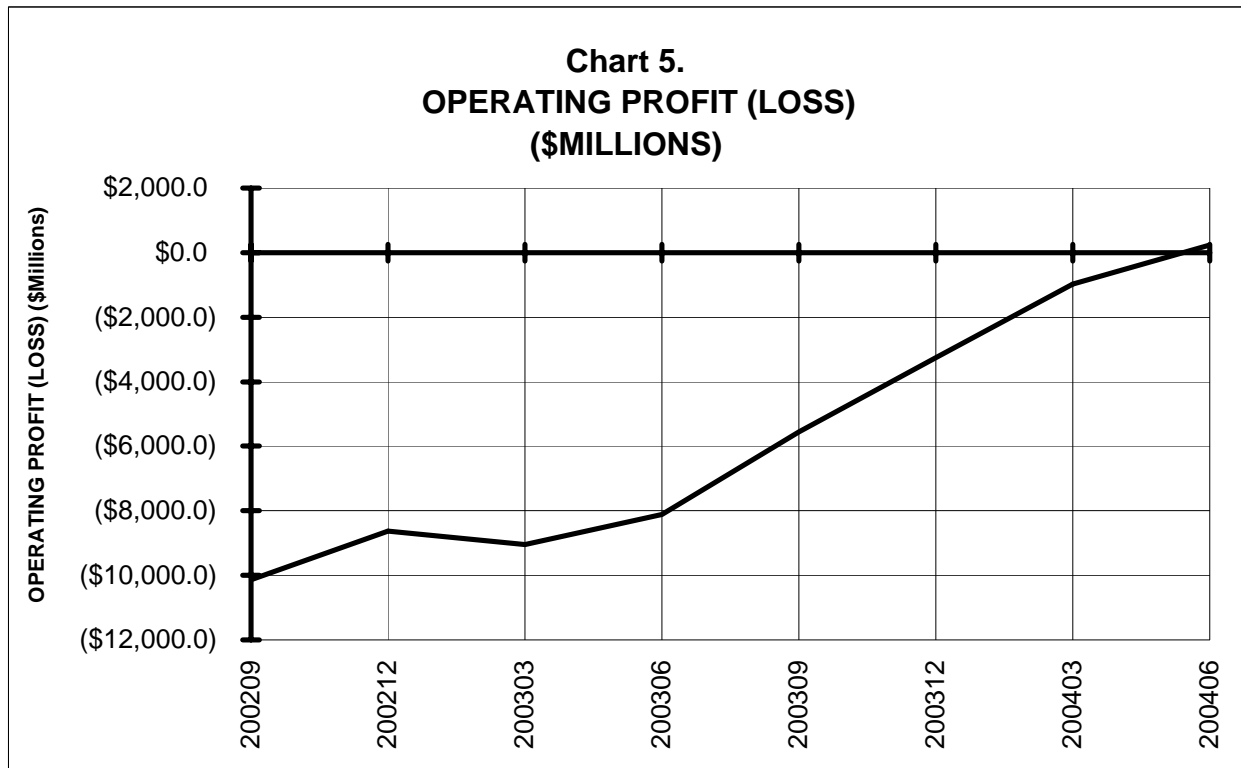
**Chart 3.
OPERATING PROFIT (LOSS)
(\$MILLIONS)**



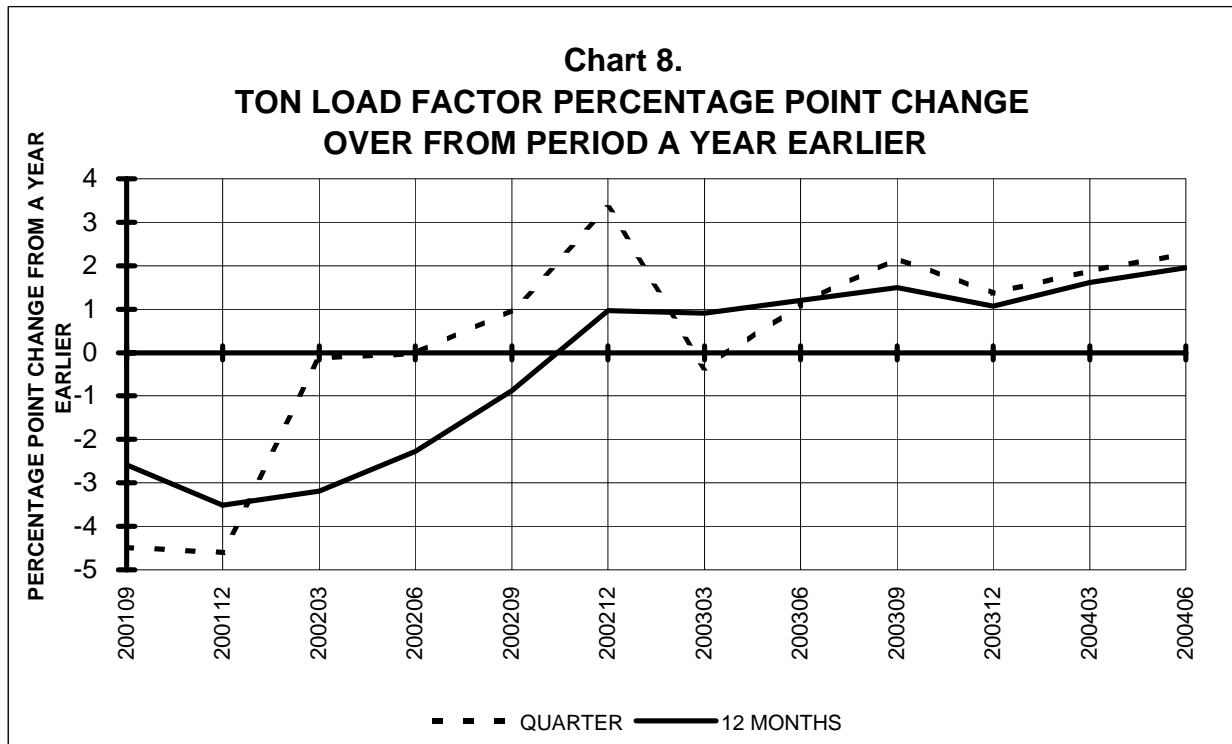
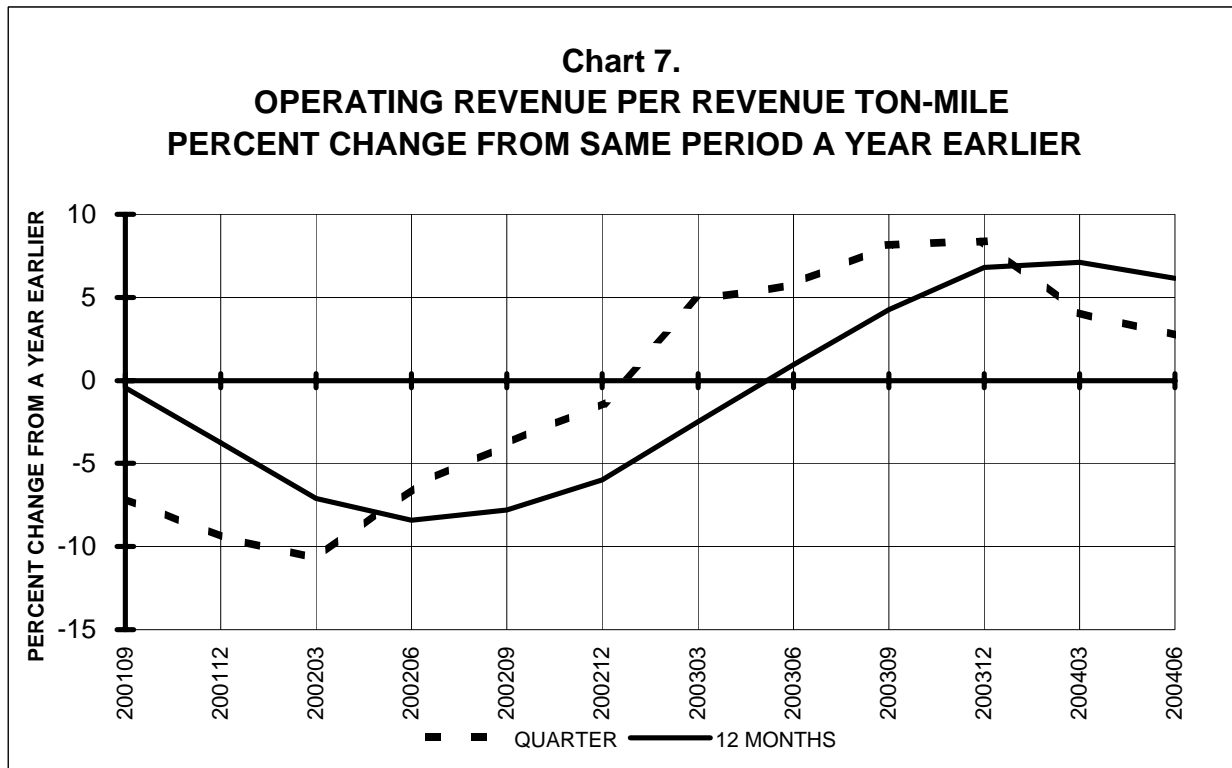
**Chart 4.
NET INCOME (LOSS)
(\$MILLIONS)**



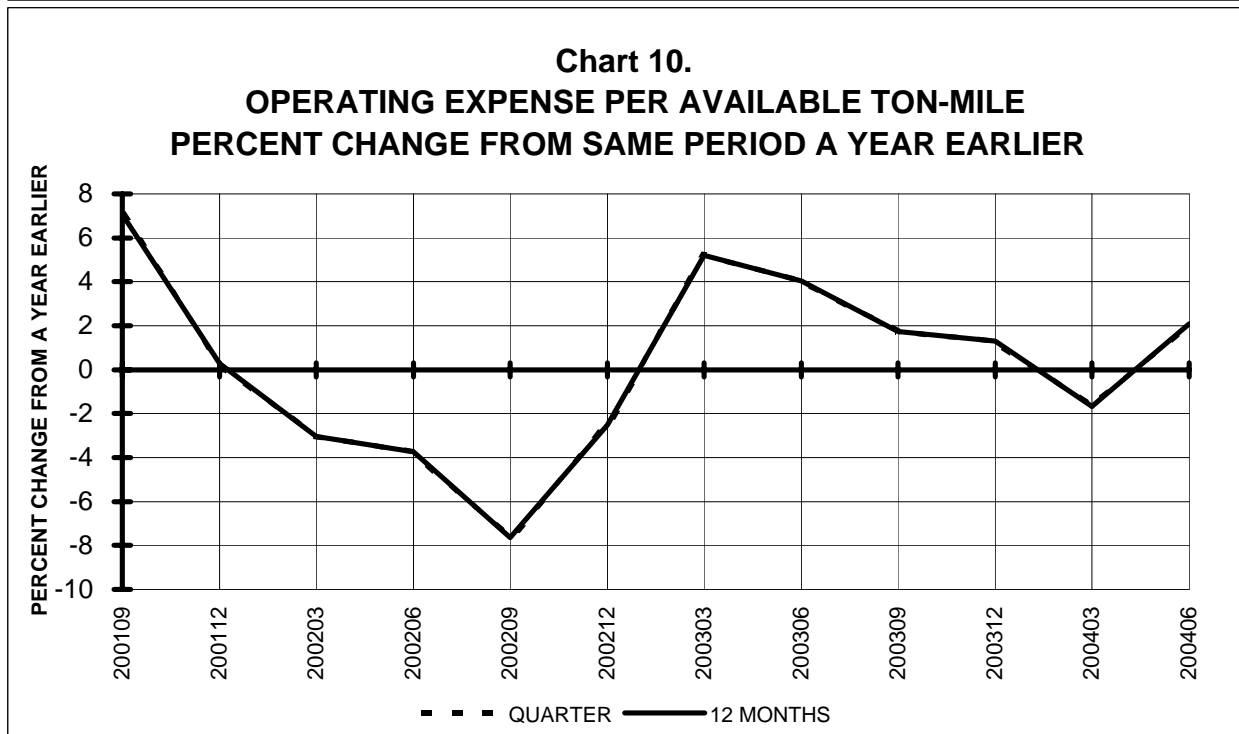
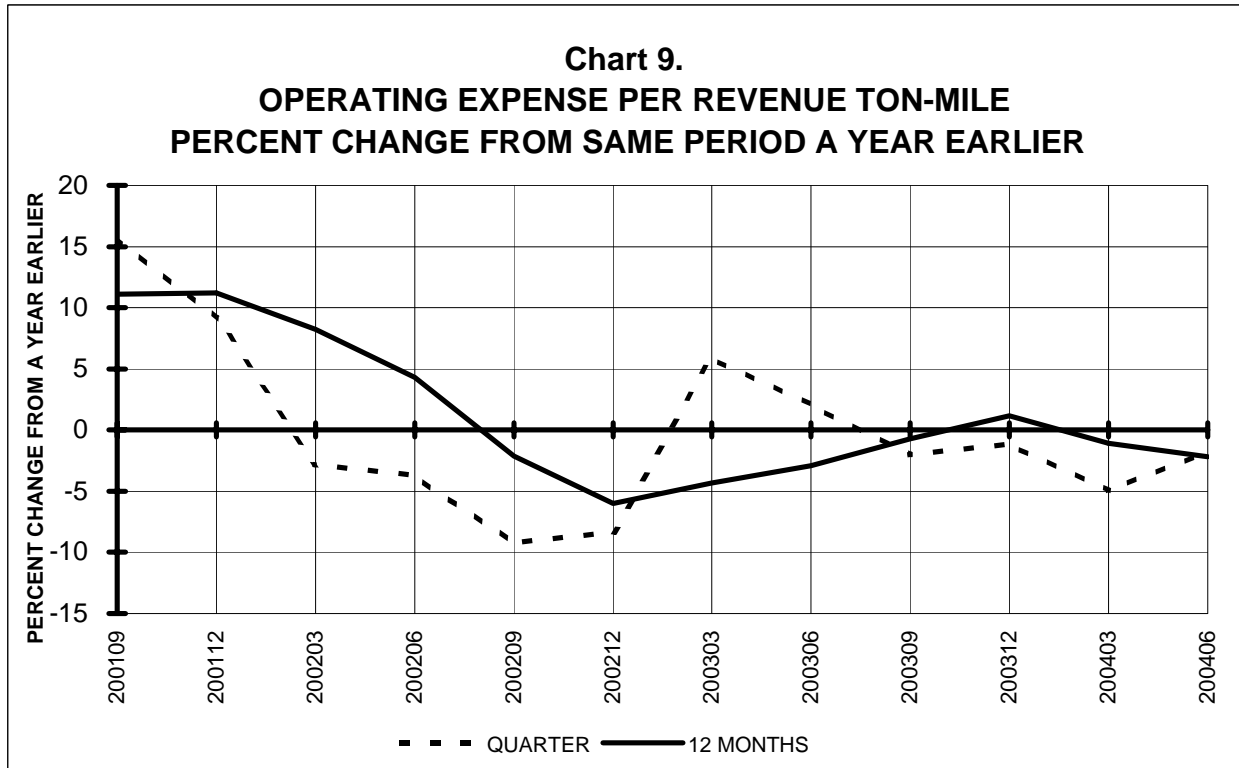
TOTAL ALL MAJORS (SYSTEM) BY 12-MONTH ENDING PERIODS



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



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



QUARTERLY FINANCIAL & TRAFFIC REVIEW

SYSTEM OPERATIONS

System Passenger Majors

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2004/06	2003/06	2004/06	2004/03	2003/12	2003/09	2003/06
	<u>FINANCIAL RESULTS: (\$Millions)</u>							
1	Operating Revenues	23,658.3	20,253.6	88,017.7	84,628.4	82,299.8	80,103.9	78,358.3
2	Operating Expenses	23,288.5	21,009.5	88,744.5	86,476.5	86,265.8	86,290.8	87,520.5
3	Operating Profit (Loss)	369.7	-756.0	-726.7	-1,848.1	-3,966.0	-6,186.9	-9,162.2
4	Net Income (Loss)	-2,240.4	130.1	-4,709.1	-2,334.8	-2,666.0	-6,261.5	-8,590.8
	<u>TRAFFIC: (Mllions)</u>							
5	RPMs - Scheduled Svc.	164.7	143.8	612.5	591.6	581.4	577.7	579.3
6	ASMs - Scheduled Svc.	210.5	191.1	814.5	795.2	786.9	789.2	801.7
7	Overall RTMs (All Svc.)	18.9	16.7	70.8	68.5	67.5	67.3	67.6
8	Overall ATMs (All Svc.)	31.9	29.1	123.8	121.0	119.9	120.4	122.3
	<u>YIELD & UNIT COST & PROFITS: (Cents)</u>							
9	Operating Revenue per RTM	124.9	121.4	124.3	123.5	121.9	119.0	115.9
10	Operating Expense per RTM	122.9	125.9	125.4	126.2	127.8	128.2	129.4
11	Operating Profit (Loss) per RTM	2.0	-4.5	-1.0	-2.7	-5.9	-9.2	-13.5
12	Operating Expense per ATM	73.1	72.3	71.7	71.5	71.9	71.7	71.6
13	Passenger Revenue per RPM	11.69	11.48	11.70	11.65	11.55	11.46	11.34
	<u>FINANCIAL RATIOS:</u>							
14	Operating Revenues to Total Investment	*	*	1.45	1.38	1.66	2.15	3.14
15	Times Interest Earned	*	*	-0.17	0.19	0.04	-1.13	-2.09
16	Current Assets to Current Liabilities	*	*	0.73	0.75	0.76	0.80	0.80
17	No. of Days Cash Coverage of Cash Exp.	*	*	69.8	73.1	73.2	75.1	71.2
	<u>FINANCIAL PERCENTAGES:</u>							
18	Operating Profit (Loss) to Operating Revenue	1.6	-3.7	-0.8	-2.2	-4.8	-7.7	-11.7
19	Net Income to Stockholders Equity	*	*	-98.5	-40.4	-40.9	-68.0	-69.2
20	Corporate Return on Investment	*	*	-2.8	1.1	0.7	-8.6	-22.0
21	Debt to Total Investment	*	*	96.3	93.0	90.9	90.9	89.8
	<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>							
22	Actual	78.3	75.3	75.2	74.4	73.9	73.2	72.3
23	Breakeven	76.8	79.0	75.9	76.4	78.5	81.0	84.2
	<u>Employment & Productivity:</u>							
24	Employment, Total Weighted Avg CY	370,250	384,769	368,406	371,367	383,995	396,815	410,987
25	Overall RTM's per Employee (000)	51.2	43.4	192.2	184.6	175.8	169.6	164.5

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	16.8	-0.1	12.3	8.0	6.4	6.6	2.9
27	Operating Expenses (%)	10.8	-3.7	1.4	-2.1	-0.7	0.0	-1.6
28	Operating Profit (Loss) (in Millions \$)	1,125.7	788.7	8,435.5	8,102.8	5,606.0	5,011.8	3,609.2
29	Net Income (Loss)(in Millions \$)	-2,370.5	1,626.2	3,881.7	7,882.2	8,825.6	4,479.3	1,887.0
30	RPMs (Sch. Svc.) (%)	14.5	-6.1	5.7	0.5	-1.4	0.5	0.5
31	ASMs (Sch. Svc.) (%)	10.1	-8.0	1.6	-2.8	-3.7	-2.3	-1.6
32	Operating Revenues per RTM (%)	2.9	6.8	7.3	8.3	8.5	6.1	2.2
33	Operating Expense per RTM (%)	-2.4	2.9	-3.1	-1.8	1.2	-0.6	-2.2
34	Passenger Revenue per RPM (Sch. Svc.)(%)	1.8	-0.5	3.2	2.6	1.7	0.8	-1.4

QUARTERLY FINANCIAL & TRAFFIC REVIEW
SYSTEM OPERATIONS
Domestic Passenger Majors

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2004/06	2003/06	2004/06	2004/03	2003/12	2003/09	2003/06
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	17,859.9	15,800.9	66,759.4	64,700.4	63,100.3	61,207.8	59,452.5
2	Operating Expenses	17,983.2	16,413.8	68,935.0	67,365.6	66,970.8	66,347.7	66,917.5
3	Operating Profit (Loss)	-123.4	-612.9	-2,175.6	-2,665.1	-3,870.5	-5,140.0	-7,465.0
4	Net Income (Loss)	-2,182.4	187.6	-5,105.0	-2,735.1	-2,110.4	-4,541.1	-6,252.1
<u>TRAFFIC: (Mllions)</u>								
5	RPMs - Scheduled Svc.	119.6	109.2	445.1	434.7	428.4	425.6	425.6
6	ASMs - Scheduled Svc.	154.6	145.0	603.7	594.2	587.8	588.3	596.8
7	Overall RTMs (All Svc.)	12.7	11.7	47.5	46.5	45.9	45.6	45.6
8	Overall ATMs (All Svc.)	21.5	20.3	84.3	83.1	82.4	82.5	83.8
<u>YIELD & UNIT COST & PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	140.4	135.1	140.4	139.1	137.5	134.1	130.3
10	Operating Expense per RTM	141.4	140.3	145.0	144.8	145.9	145.4	146.6
11	Operating Profit (Loss) per RTM	-1.0	-5.2	-4.6	-5.7	-8.4	-11.3	-16.4
12	Operating Expense per ATM	83.8	80.8	81.8	81.1	81.3	80.4	79.9
13	Passenger Revenue per RPM	12.11	11.96	12.23	12.19	12.12	12.02	11.87
<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	-0.7	-3.9	-3.3	-4.1	-6.1	-8.4	-12.6
19	Net Income to Stockholders Equity	*	*	**	**	**	**	**
20	Corporate Return on Investment	*	*	-5.9	-0.9	0.5	-7.5	-19.9
21	Debt to Total Investment	*	*	**	**	**	**	**
<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>								
22	Actual	77.4	75.3	73.7	73.2	72.9	72.4	71.3
23	Breakeven	77.4	78.3	75.9	76.1	77.9	80.0	83.2
<u>Employment & Productivity:</u>								
24	Employment, Total Weighted Avg CY	*	*	**	**	**	**	**
25	Overall RTM's per Employee (000)	*	*	**	**	**	**	**

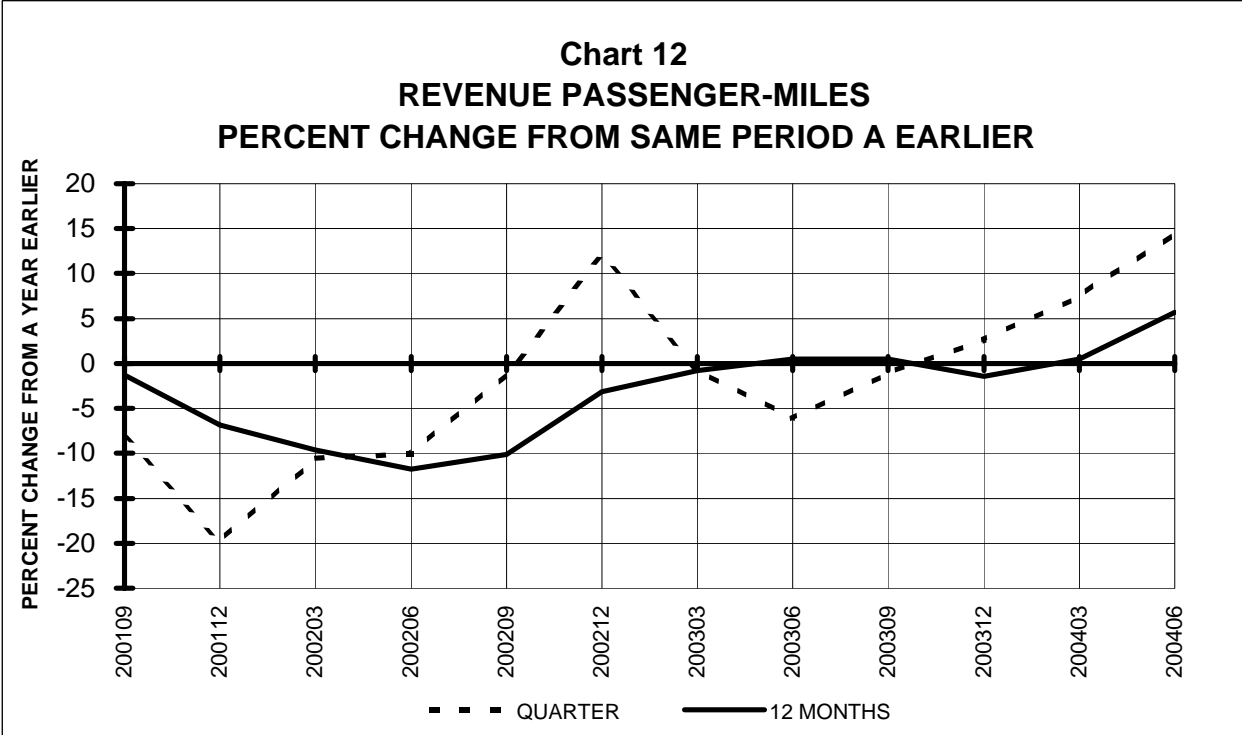
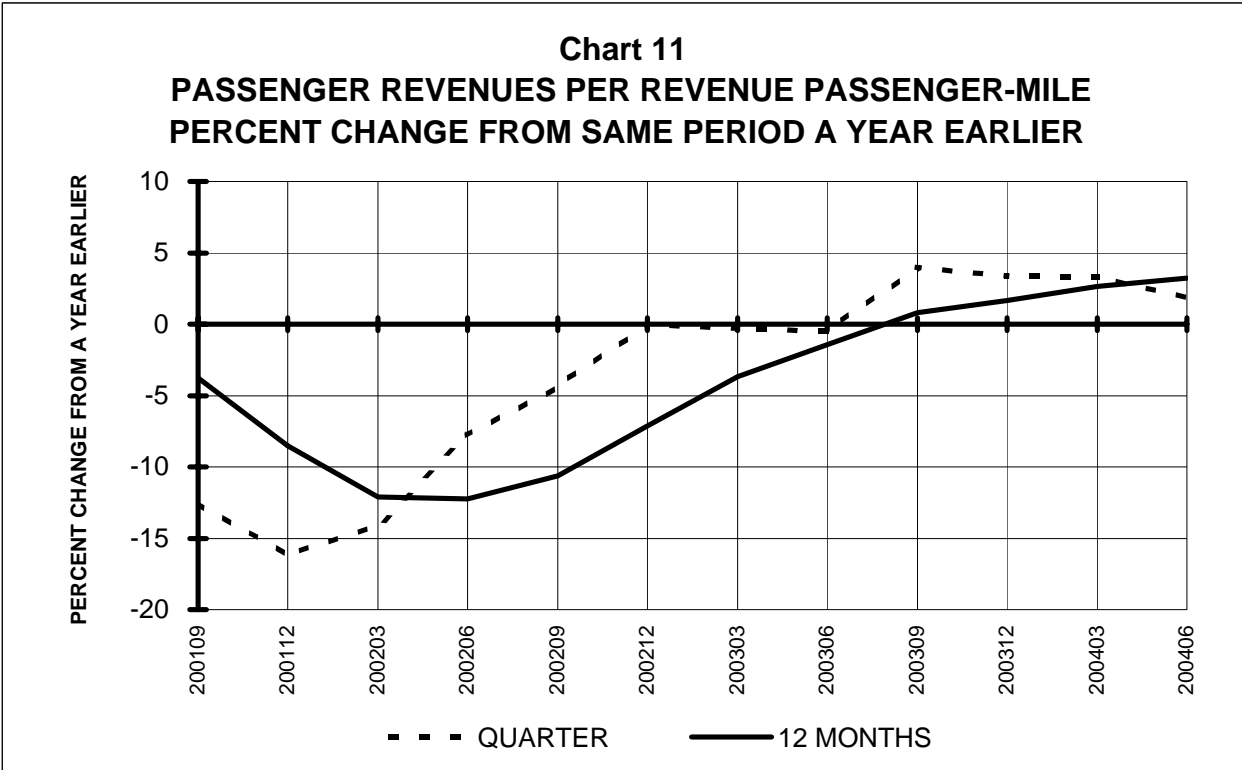
		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	13.0	2.8	12.3	9.6	8.2	7.3	2.7
27	Operating Expenses (%)	9.6	-1.6	3.0	0.3	1.1	0.1	-1.5
28	Operating Profit (Loss) (in Millions \$)	489.5	689.8	5,289.4	5,489.7	4,017.2	4,112.1	2,593.7
29	Net Income (Loss)(in Millions \$)	-2,369.9	1,460.0	1,147.1	4,977.0	7,117.9	4,448.4	2,419.5
30	RPMs (Sch. Svc.) (%)	9.6	-1.9	4.6	1.6	0.1	1.3	1.3
31	ASMs (Sch. Svc.) (%)	6.6	-5.7	1.2	-1.9	-3.1	-2.1	-1.2
32	Operating Revenues per RTM (%)	3.9	5.0	7.8	8.2	8.2	5.9	1.6
33	Operating Expense per RTM (%)	0.7	0.6	-1.1	-1.1	1.2	-1.2	-2.6
34	Passenger Revenue per RPM (Sch. Svc.)(%)	1.3	-1.8	3.0	2.2	1.3	0.4	-2.5

QUARTERLY FINANCIAL & TRAFFIC REVIEW
SYSTEM OPERATIONS
Int'l Passenger Majors

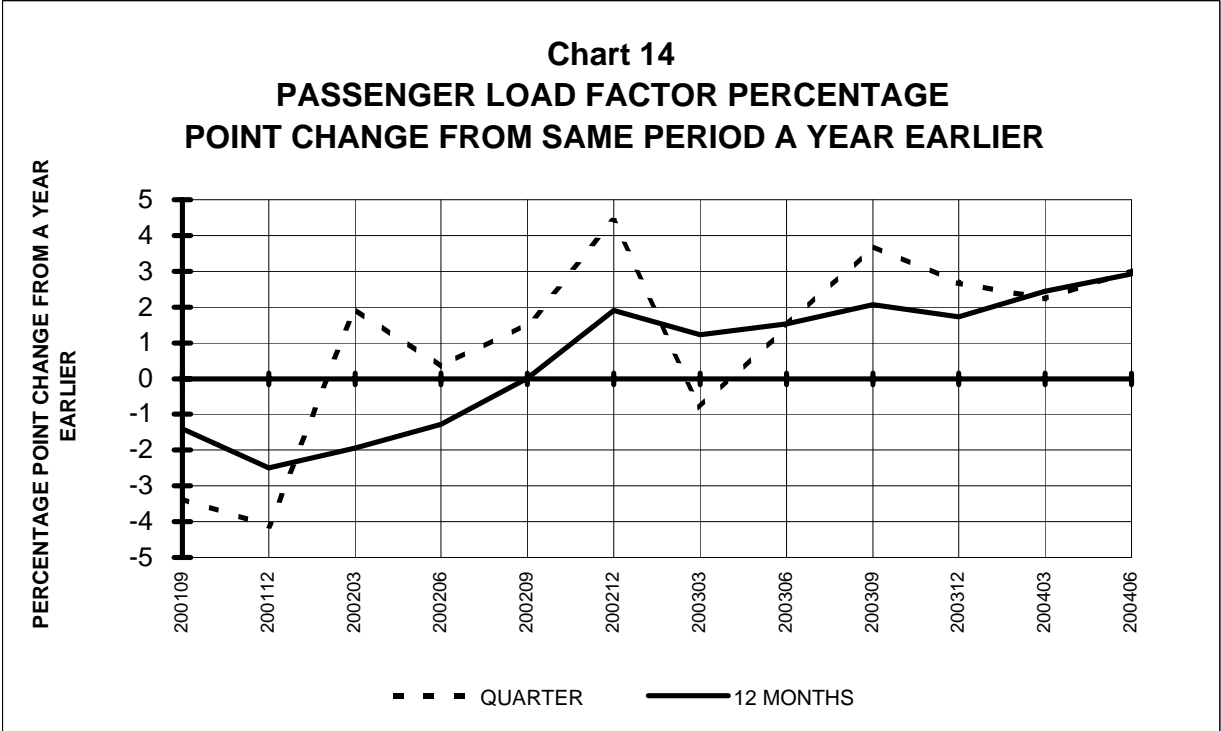
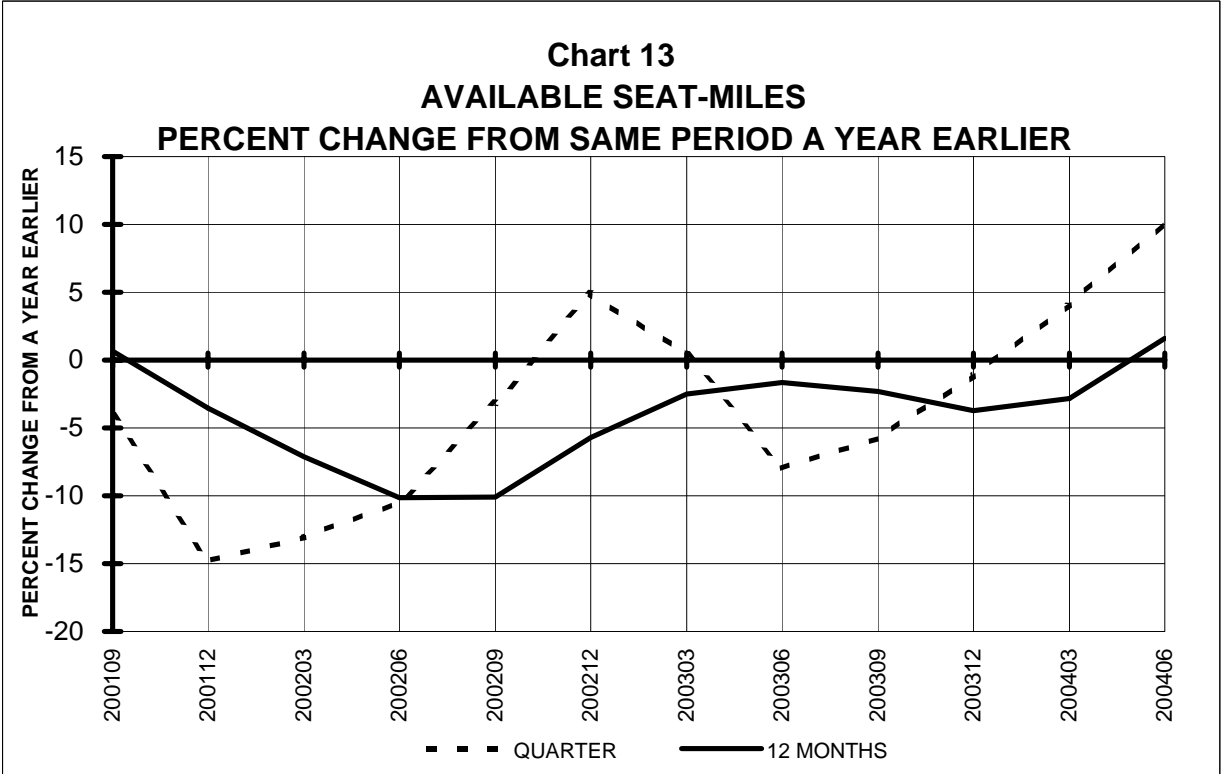
ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2004/06	2003/06	2004/06	2004/03	2003/12	2003/09	2003/06
	<u>FINANCIAL RESULTS: (\$Millions)</u>							
1	Operating Revenues	5,771.8	4,452.7	21,130.3	19,795.7	19,199.5	18,896.1	18,905.8
2	Operating Expenses	5,285.6	4,595.8	19,715.1	19,014.3	19,295.0	19,943.1	20,603.0
3	Operating Profit (Loss)	486.3	-143.1	1,415.2	781.5	-95.5	-1,046.9	-1,697.2
4	Net Income (Loss)	-62.2	-57.5	371.2	372.1	-555.6	-1,720.4	-2,338.7
	<u>TRAFFIC: (Mllions)</u>							
5	RPMs - Scheduled Svc.	45.1	34.8	166.9	156.6	153.2	152.2	153.9
6	ASMs - Scheduled Svc.	55.9	46.3	210.2	200.4	199.4	201.2	205.0
7	Overall RTMs (All Svc.)	6.2	5.1	23.2	22.0	21.7	21.8	22.1
8	Overall ATMs (All Svc.)	10.4	8.8	39.5	37.8	37.6	37.9	38.5
	<u>YIELD & UNIT COST & PROFITS: (Cents)</u>							
9	Operating Revenue per RTM	92.7	88.2	91.0	89.9	88.5	86.8	85.6
10	Operating Expense per RTM	84.9	91.1	84.9	86.3	88.9	91.6	93.3
11	Operating Profit (Loss) per RTM	7.8	-2.8	6.1	3.5	-0.4	-4.8	-7.7
12	Operating Expense per ATM	50.8	52.3	49.9	50.2	51.3	52.6	53.5
13	Passenger Revenue per RPM	10.52	9.94	10.26	10.11	9.94	9.87	9.85
	<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	8.4	-3.2	6.7	3.9	-0.5	-5.5	-9.0
19	Net Income to Stockholders Equity	*	*	**	**	**	**	**
20	Corporate Return on Investment	*	*	8.7	8.5	1.5	-12.5	-29.5
21	Debt to Total Investment	*	*	**	**	**	**	**
	<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>							
22	Actual	80.6	75.1	79.4	78.1	76.8	75.7	75.1
23	Breakeven	74.5	81.6	75.3	77.0	79.9	83.9	86.7
	<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 (%)	29.6	-9.2	11.8	2.3	1.0	4.6	3.5
27	Operating Expenses (%)	15.0	-10.7	-4.3	-10.1	-6.8	-0.4	-1.8
28	Operating Profit (Loss) (in Millions \$)	629.4	98.9	3,112.4	2,577.6	1,588.8	899.8	1,015.5
29	Net Income (Loss)(in Millions \$)	-4.7	166.2	2,709.9	2,877.0	1,707.7	30.9	-532.5
30	RPMs (Sch. Svc.) (%)	29.7	-17.0	8.5	-2.8	-5.3	-1.5	-1.5
31	ASMs (Sch. Svc.) (%)	20.8	-14.0	2.5	-5.7	-5.4	-2.8	-2.7
32	Operating Revenues per RTM (%)	5.1	5.9	6.3	6.4	6.4	5.1	3.2
33	Operating Expense per RTM (%)	-6.7	4.2	-8.9	-6.5	-1.8	0.2	-2.1
34	Passenger Revenue per RPM (Sch. Svc.)(%)	5.8	0.9	4.2	2.8	1.7	1.5	1.6

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

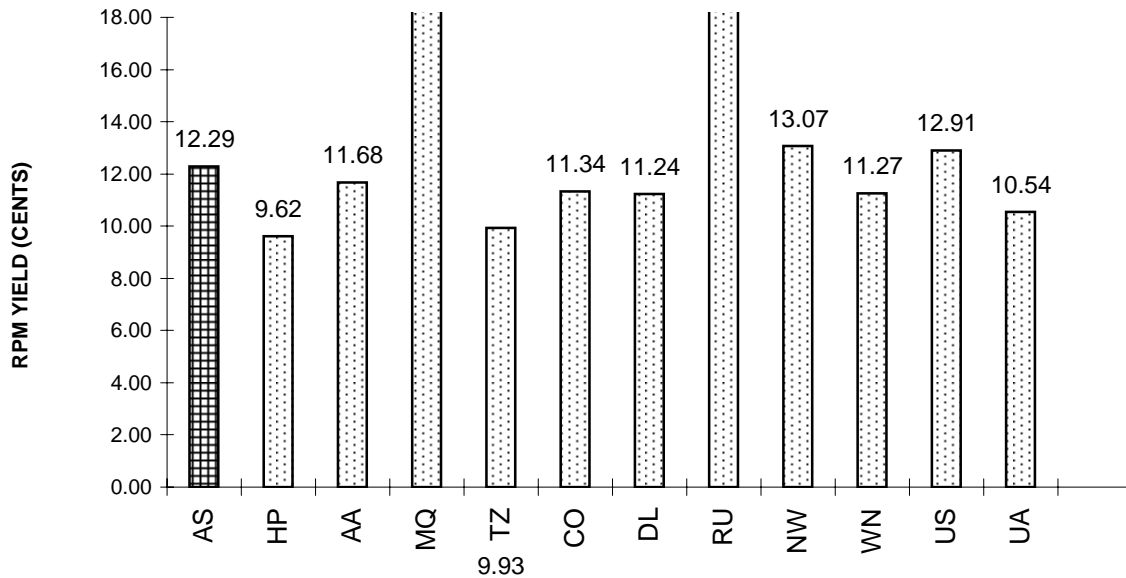


TOTAL PASSENGER MAJORS (SYSTEM) QUARTERLY AND 12-MONTH BASIS (SCH. SVC.)

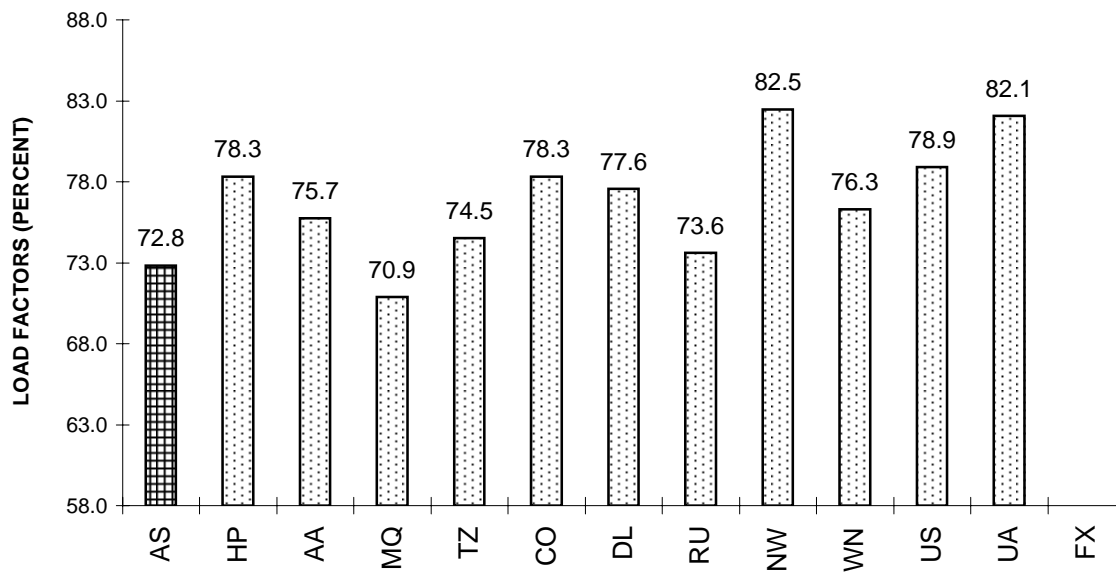


TOTAL PASSENGER MAJORS (SYSTEM) SECOND QUARTER 2004

**Chart 15
PASSENGER (RPM) YIELD**



**Chart 16
PASSENGER LOAD FACTOR**



QUARTERLY FINANCIAL & TRAFFIC REVIEW
SYSTEM OPERATIONS
Alaska Airlines, Inc.

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2004/06	2003/06	2004/06	2004/03	2003/12	2003/09	2003/06
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	577.7	510.6	2,150.2	2,083.2	2,019.0	1,952.7	1,878.9
2	Operating Expenses	561.4	502.0	2,146.7	2,087.4	2,037.3	1,998.5	1,967.3
3	Operating Profit (Loss)	16.3	8.6	3.5	-4.2	-18.4	-45.8	-88.4
4	Net Income (Loss)	-2.6	36.8	-30.7	8.8	-1.9	-29.3	-51.7
<u>TRAFFIC: (Millions)</u>								
5	RPMs - Scheduled Svc.	4.1	3.7	15.4	15.0	14.6	14.1	13.7
6	ASMs - Scheduled Svc.	5.6	5.2	21.7	21.3	20.8	20.4	19.9
7	Overall RTMs (All Svc.)	0.4	0.4	1.6	1.6	1.5	1.5	1.4
8	Overall ATMs (All Svc.)	0.8	0.7	2.8	2.8	2.7	2.7	2.6
<u>YIELD & UNIT COST & PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	134.0	131.3	133.2	132.5	132.1	131.5	130.8
10	Operating Expense per RTM	130.2	129.1	133.0	132.8	133.3	134.6	136.9
11	Operating Profit (Loss) per RTM	3.8	2.2	0.2	-0.3	-1.2	-3.1	-6.2
12	Operating Expense per ATM	75.1	74.3	75.9	75.7	75.5	75.5	76.1
13	Passenger Revenue per RPM	12.29	12.20	12.33	12.31	12.28	12.24	12.18
<u>FINANCIAL RATIOS:</u>								
14	Operating Revenues to Total Investment	*	*	1.31	1.28	1.57	2.04	3.00
15	Times Interest Earned	*	*	0.08	1.48	1.09	0.56	-0.36
16	Current Assets to Current Liabilities	*	*	1.28	1.19	1.18	1.38	1.32
17	No. of Days Cash Coverage of Cash Exp.	*	*	156.1	154.2	154.5	145.1	142.2
<u>FINANCIAL PERCENTAGES:</u>								
18	Operating Profit (Loss) to Operating Revenue	2.8	1.7	0.2	-0.2	-0.9	-2.3	-4.7
19	Net Income to Stockholders Equity	*	*	-4.6	1.4	-0.3	-4.7	-8.2
20	Corporate Return on Investment	*	*	0.8	3.3	3.3	1.5	-1.3
21	Debt to Total Investment	*	*	57.9	60.1	58.2	60.9	61.5
<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>								
22	Actual	72.8	70.6	71.1	70.5	70.0	69.3	68.7
23	Breakeven	75.5	74.5	75.7	75.4	75.6	76.1	77.4
<u>Employment & Productivity:</u>								
24	Employment, Total Weighted Avg CY	10,118	8,173	10,015	9,529	9,591	9,651	9,701
25	Overall RTM's per Employee (000)	42.6	47.6	161.2	165.0	159.3	153.8	148.1

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	13.1	6.7	14.4	12.8	10.2	9.3	6.8
27	Operating Expenses (%)	11.8	4.1	9.1	7.2	6.5	6.6	6.4
28	Operating Profit (Loss) (in Millions \$)	7.7	12.0	91.9	96.2	62.4	43.1	1.3
29	Net Income (Loss)(in Millions \$)	-39.4	40.1	21.1	100.7	73.1	9.5	-27.0
30	RPMs (Sch. Svc.) (%)	11.5	9.2	12.9	12.3	10.5	10.8	10.2
31	ASMs (Sch. Svc.) (%)	8.1	5.8	9.1	8.6	7.6	9.0	9.4
32	Operating Revenues per RTM (%)	2.0	-2.5	1.8	0.7	-0.2	-1.3	-3.1
33	Operating Expense per RTM (%)	0.9	-4.8	-2.9	-4.3	-3.5	-3.8	-3.5
34	Passenger Revenue per RPM (Sch. Svc.)(%)	0.7	-2.7	1.3	0.4	-0.3	-1.2	-2.8

QUARTERLY FINANCIAL & TRAFFIC REVIEW
SYSTEM OPERATIONS
America West Airlines, Inc.

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2004/06	2003/06	2004/06	2004/03	2003/12	2003/09	2003/06
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	645.6	566.9	2,363.8	2,285.2	2,223.3	2,183.9	2,112.7
2	Operating Expenses	623.8	552.9	2,266.8	2,195.9	2,199.5	2,208.2	2,226.2
3	Operating Profit (Loss)	21.8	14.0	97.0	89.2	23.9	-24.3	-113.5
4	Net Income (Loss)	6.6	77.3	38.7	109.4	44.8	-8.9	-90.3
<u>TRAFFIC: (Mllions)</u>								
5	RPMs - Scheduled Svc.	5.9	5.5	22.1	21.7	21.3	21.1	20.8
6	ASMs - Scheduled Svc.	7.6	7.0	29.0	28.4	27.8	27.8	27.9
7	Overall RTMs (All Svc.)	0.6	0.6	2.3	2.2	2.2	2.2	2.2
8	Overall ATMs (All Svc.)	1.0	0.9	3.9	3.8	3.7	3.7	3.7
<u>YIELD & UNIT COST & PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	106.2	99.5	103.7	101.9	101.1	100.3	98.3
10	Operating Expense per RTM	102.6	97.0	99.4	98.0	100.0	101.4	103.5
11	Operating Profit (Loss) per RTM	3.6	2.5	4.3	4.0	1.1	-1.1	-5.3
12	Operating Expense per ATM	61.6	59.2	58.4	57.7	59.0	59.6	60.1
13	Passenger Revenue per RPM	9.62	9.78	9.84	9.88	9.91	9.89	9.70
<u>FINANCIAL RATIOS:</u>								
14	Operating Revenues to Total Investment	*	*	2.08	2.08	2.56	3.42	5.20
15	Times Interest Earned	*	*	1.44	2.25	1.52	0.89	-0.12
16	Current Assets to Current Liabilities	*	*	1.08	1.12	1.21	1.14	1.15
17	No. of Days Cash Coverage of Cash Exp.	*	*	66.7	64.8	86.8	71.6	64.2
<u>FINANCIAL PERCENTAGES:</u>								
18	Operating Profit (Loss) to Operating Revenue	3.4	2.5	4.1	3.9	1.1	-1.1	-5.4
19	Net Income to Stockholders Equity	*	*	10.7	32.9	14.2	-2.8	-27.4
20	Corporate Return on Investment	*	*	11.1	17.9	15.1	11.5	-2.4
21	Debt to Total Investment	*	*	66.1	66.4	69.4	69.7	69.4
<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>								
22	Actual	78.3	78.9	76.4	76.6	76.4	75.8	74.6
23	Breakeven	78.2	79.6	75.6	75.9	78.3	79.6	82.0
<u>Employment & Productivity:</u>								
24	Employment, Total Weighted Avg CY	11,491	10,973	11,197	11,067	11,107	11,257	11,459
25	Overall RTM's per Employee (000)	52.9	51.9	203.6	202.6	198.0	193.5	187.6

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	13.9	5.8	11.9	9.8	10.0	15.0	13.1
27	Operating Expenses (%)	12.8	3.0	1.8	-0.6	0.7	2.1	1.6
28	Operating Profit (Loss) (in Millions \$)	7.8	15.1	210.5	217.8	188.0	239.4	208.9
29	Net Income (Loss)(in Millions \$)	-70.7	92.8	129.0	292.5	421.8	376.0	273.8
30	RPMs (Sch. Svc.) (%)	7.6	6.0	6.6	6.2	7.1	11.9	12.7
31	ASMs (Sch. Svc.) (%)	8.4	1.8	4.0	2.3	3.3	7.1	9.3
32	Operating Revenues per RTM (%)	6.8	-0.2	5.5	3.7	3.0	3.1	0.6
33	Operating Expense per RTM (%)	5.8	-2.9	-4.0	-6.1	-5.8	-8.5	-9.6
34	Passenger Revenue per RPM (Sch. Svc.)(%)	-1.6	0.3	1.4	1.9	2.5	3.2	0.6

QUARTERLY FINANCIAL & TRAFFIC REVIEW
SYSTEM OPERATIONS
American Airlines, Inc.

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2004/06	2003/06	2004/06	2004/03	2003/12	2003/09	2003/06
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	4,821.0	4,316.0	18,303.5	17,798.6	17,403.3	16,844.9	16,376.3
2	Operating Expenses	4,697.5	4,646.8	18,415.3	18,364.6	18,847.3	18,691.9	19,570.2
3	Operating Profit (Loss)	123.5	-330.8	-111.8	-566.0	-1,444.0	-1,846.9	-3,193.9
4	Net Income (Loss)	-12.9	-132.9	-348.6	-468.6	-1,318.5	-1,916.3	-2,743.0
<u>TRAFFIC: (Mllions)</u>								
5	RPMs - Scheduled Svc.	33.3	30.0	125.7	122.5	120.0	119.9	120.3
6	ASMs - Scheduled Svc.	44.0	40.4	170.7	167.1	164.8	165.7	168.6
7	Overall RTMs (All Svc.)	3.9	3.5	14.7	14.3	14.0	14.0	14.1
8	Overall ATMs (All Svc.)	7.1	6.7	27.9	27.4	27.2	27.4	27.9
<u>YIELD & UNIT COST & PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	123.6	122.9	124.5	124.3	123.9	120.1	116.4
10	Operating Expense per RTM	120.4	132.3	125.2	128.3	134.2	133.3	139.1
11	Operating Profit (Loss) per RTM	3.2	-9.4	-0.8	-4.0	-10.3	-13.2	-22.7
12	Operating Expense per ATM	66.1	69.9	66.1	67.0	69.4	68.3	70.2
13	Passenger Revenue per RPM	11.68	11.66	11.86	11.87	11.86	11.76	11.69
<u>FINANCIAL RATIOS:</u>								
14	Operating Revenues to Total Investment	*	*	1.65	1.60	1.96	2.54	3.66
15	Times Interest Earned	*	*	-0.04	-0.36	-2.55	-3.39	-6.80
16	Current Assets to Current Liabilities	*	*	0.76	0.77	0.72	0.73	0.68
17	No. of Days Cash Coverage of Cash Exp.	*	*	81.2	78.9	64.6	67.9	47.0
<u>FINANCIAL PERCENTAGES:</u>								
18	Operating Profit (Loss) to Operating Revenue	2.6	-7.7	-0.6	-3.2	-8.3	-11.0	-19.5
19	Net Income to Stockholders Equity	*	*	-138.4	-152.0	-231.7	-156.5	-127.5
20	Corporate Return on Investment	*	*	0.7	-0.5	-10.4	-22.0	-51.8
21	Debt to Total Investment	*	*	96.2	96.0	96.9	101.7	97.9
<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>								
22	Actual	75.7	74.4	73.6	73.3	72.8	72.4	71.3
23	Breakeven	78.9	86.9	79.1	81.0	85.5	87.1	93.2
<u>Employment & Productivity:</u>								
24	Employment, Total Weighted Avg CY	79,116	87,566	79,861	81,974	85,559	89,902	94,301
25	Overall RTM's per Employee (000)	49.3	40.1	184.1	174.6	164.1	156.0	149.2

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	11.7	5.0	11.8	10.1	9.7	8.3	3.2
27	Operating Expenses (%)	1.1	-2.0	-5.9	-6.6	-1.8	-3.1	-0.2
28	Operating Profit (Loss) (in Millions \$)	454.2	299.7	3,082.1	2,927.6	1,868.9	1,893.7	546.7
29	Net Income (Loss)(in Millions \$)	120.0	352.8	2,394.4	2,627.2	2,177.2	1,628.9	241.2
30	RPMs (Sch. Svc.) (%)	10.9	-4.2	4.5	0.7	-1.4	1.9	1.9
31	ASMs (Sch. Svc.) (%)	8.9	-8.1	1.2	-2.9	-4.2	-2.3	-1.1
32	Operating Revenues per RTM (%)	0.6	9.3	7.0	9.3	10.8	5.8	1.0
33	Operating Expense per RTM (%)	-9.0	2.0	-9.9	-7.2	-0.8	-5.3	-2.3
34	Passenger Revenue per RPM (Sch. Svc.)(%)	0.1	-2.3	1.5	0.9	0.1	-2.0	-4.1

QUARTERLY FINANCIAL & TRAFFIC REVIEW
SYSTEM OPERATIONS
American Eagle Airlines, Inc.

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2004/06	2003/06	2004/06	2004/03	2003/12	2003/09	2003/06
	<u>FINANCIAL RESULTS: (\$Millions)</u>							
1	Operating Revenues	346.0	277.2	1,254.0	1,185.1	1,128.0	1,120.0	1,158.9
2	Operating Expenses	292.3	232.3	1,041.1	981.0	951.5	980.4	1,135.8
3	Operating Profit (Loss)	53.7	44.9	212.9	204.2	176.5	139.6	23.1
4	Net Income (Loss)	19.2	41.8	64.4	87.1	60.3	32.8	-45.6
	<u>TRAFFIC: (Mllions)</u>							
5	RPMs - Scheduled Svc.	1.5	1.1	4.8	4.5	4.1	3.9	3.9
6	ASMs - Scheduled Svc.	2.1	1.6	7.2	6.8	6.4	6.1	6.1
7	Overall RTMs (All Svc.)	0.2	0.1	0.5	0.4	0.4	0.4	0.4
8	Overall ATMs (All Svc.)	0.3	0.2	0.9	0.8	0.8	0.7	0.7
	<u>YIELD & UNIT COST & PROFITS: (Cents)</u>							
9	Operating Revenue per RTM	238.2	262.5	258.8	266.4	272.6	286.3	300.1
10	Operating Expense per RTM	201.2	219.9	214.9	220.5	230.0	250.6	294.1
11	Operating Profit (Loss) per RTM	36.9	42.6	43.9	45.9	42.7	35.7	6.0
12	Operating Expense per ATM	118.1	123.2	119.6	120.9	124.7	134.6	156.3
13	Passenger Revenue per RPM	23.75	25.93	25.75	26.45	27.04	28.14	29.21
	<u>FINANCIAL RATIOS:</u>							
14	Operating Revenues to Total Investment	*	*	0.37	0.37	0.45	0.61	0.96
15	Times Interest Earned	*	*	1.51	1.80	1.56	1.32	0.25
16	Current Assets to Current Liabilities	*	*	0.33	0.13	0.17	0.13	0.14
17	No. of Days Cash Coverage of Cash Exp.	*	*	0.0	0.0	0.0	0.0	0.0
	<u>FINANCIAL PERCENTAGES:</u>							
18	Operating Profit (Loss) to Operating Revenue	15.5	16.2	17.0	17.2	15.6	12.5	2.0
19	Net Income to Stockholders Equity	*	*	83.2	173.4	206.2	24.6	142.2
20	Corporate Return on Investment	*	*	5.2	6.1	6.7	7.5	5.1
21	Debt to Total Investment	*	*	96.7	97.0	97.3	98.8	99.0
	<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>							
22	Actual	70.9	66.9	67.1	65.9	64.9	64.1	63.4
23	Breakeven	58.6	54.7	54.3	53.2	53.5	55.0	62.0
	<u>Employment & Productivity:</u>							
24	Employment, Total Weighted Avg CY	8,383	7,612	7,800	7,608	7,559	7,608	7,958
25	Overall RTM's per Employee (000)	17.3	13.9	62.1	58.5	54.7	51.4	48.5

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	24.8	-12.6	8.2	-1.2	-5.9	-3.4	1.2
27	Operating Expenses (%)	25.9	-22.5	-8.3	-18.5	-23.8	-24.7	-13.6
28	Operating Profit (Loss) (in Millions \$)	8.7	27.3	189.8	208.4	226.7	281.7	193.3
29	Net Income (Loss)(in Millions \$)	-22.6	52.1	110.0	184.7	178.8	202.0	140.9
30	RPMs (Sch. Svc.) (%)	37.6	10.3	25.8	18.5	12.6	11.1	13.6
31	ASMs (Sch. Svc.) (%)	30.0	9.6	18.9	13.8	9.5	7.2	7.7
32	Operating Revenues per RTM (%)	-9.3	-20.4	-13.7	-16.3	-16.1	-12.7	-10.7
33	Operating Expense per RTM (%)	-8.5	-29.3	-26.9	-30.9	-32.0	-31.9	-23.8
34	Passenger Revenue per RPM (Sch. Svc.)(%)	-8.4	-18.6	-11.8	-14.2	-13.5	-10.7	-9.9

QUARTERLY FINANCIAL & TRAFFIC REVIEW
SYSTEM OPERATIONS
American Trans Air, Inc.

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2004/06	2003/06	2004/06	2004/03	2003/12	2003/09	2003/06
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	361.5	359.5	1,412.9	1,410.8	1,398.4	1,340.0	1,270.4
2	Operating Expenses	377.7	345.9	1,452.2	1,420.4	1,384.2	1,352.1	1,352.3
3	Operating Profit (Loss)	-16.2	13.6	-39.4	-9.6	14.2	-12.0	-81.9
4	Net Income (Loss)	-29.0	40.0	-108.4	-39.5	13.2	-23.1	-90.0
<u>TRAFFIC: (Mllions)</u>								
5	RPMs - Scheduled Svc.	2.8	3.0	12.0	12.2	11.6	11.1	10.4
6	ASMs - Scheduled Svc.	3.8	3.9	16.9	17.0	16.0	15.2	14.4
7	Overall RTMs (All Svc.)	0.3	0.3	1.4	1.4	1.3	1.3	1.2
8	Overall ATMs (All Svc.)	0.6	0.5	2.6	2.5	2.3	2.2	2.0
<u>YIELD & UNIT COST & PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	108.6	110.9	98.4	98.9	104.3	105.1	105.5
10	Operating Expense per RTM	113.5	106.7	101.2	99.6	103.3	106.0	112.3
11	Operating Profit (Loss) per RTM	-4.9	4.2	-2.7	-0.7	1.1	-0.9	-6.8
12	Operating Expense per ATM	66.4	68.1	56.9	57.1	60.5	62.3	66.1
13	Passenger Revenue per RPM	9.93	8.58	8.86	8.54	8.67	8.67	8.62
<u>FINANCIAL RATIOS:</u>								
14	Operating Revenues to Total Investment	*	*	4.15	3.95	4.71	5.96	8.61
15	Times Interest Earned	*	*	-1.39	0.02	1.19	0.47	-1.75
16	Current Assets to Current Liabilities	*	*	0.70	0.74	0.82	0.62	0.90
17	No. of Days Cash Coverage of Cash Exp.	*	*	40.0	36.4	45.3	57.7	56.2
<u>FINANCIAL PERCENTAGES:</u>								
18	Operating Profit (Loss) to Operating Revenue	-4.5	3.8	-2.8	-0.7	1.0	-0.9	-6.4
19	Net Income to Stockholders Equity	*	*					
20	Corporate Return on Investment	*	*	-18.0	1.6	19.1	8.2	-35.6
21	Debt to Total Investment	*	*	186.2	166.4	136.7	130.2	130.9
<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>								
22	Actual	74.5	76.9	70.9	71.5	72.3	72.9	72.6
23	Breakeven	79.3	72.6	73.8	72.3	71.3	74.0	80.1
<u>Employment & Productivity:</u>								
24	Employment, Total Weighted Avg CY	6,877	7,344	7,204	7,321	7,328	7,130	6,929
25	Overall RTM's per Employee (000)	48.4	44.1	199.2	194.8	182.9	178.9	173.9

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	0.6	24.4	11.2	17.6	21.6	22.3	15.1
27	Operating Expenses (%)	9.2	0.1	7.4	5.1	7.2	3.7	7.8
28	Operating Profit (Loss) (in Millions \$)	-29.8	70.2	42.5	142.5	154.9	196.4	69.2
29	Net Income (Loss)(in Millions \$)	-68.9	94.5	-18.4	145.1	182.6	172.5	41.4
30	RPMs (Sch. Svc.) (%)	-6.1	26.2	14.6	23.8	23.3	25.0	22.8
31	ASMs (Sch. Svc.) (%)	-3.1	25.9	17.5	25.3	24.4	27.6	26.9
32	Operating Revenues per RTM (%)	-2.1	15.4	-6.7	-2.6	8.5	9.3	9.8
33	Operating Expense per RTM (%)	6.3	-7.1	-9.9	-13.0	-4.3	-7.3	2.8
34	Passenger Revenue per RPM (Sch. Svc.)(%)	15.8	-2.2	2.8	-1.5	-0.5	-0.5	-2.8

QUARTERLY FINANCIAL & TRAFFIC REVIEW
SYSTEM OPERATIONS
Continental Air Lines, Inc.

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2004/06	2003/06	2004/06	2004/03	2003/12	2003/09	2003/06
	<u>FINANCIAL RESULTS: (\$Millions)</u>							
1	Operating Revenues	2,051.9	1,855.7	7,684.0	7,487.9	7,333.4	7,258.7	7,249.8
2	Operating Expenses	1,989.6	1,654.4	7,601.8	7,266.6	7,303.7	7,308.9	7,422.5
3	Operating Profit (Loss)	62.3	201.3	82.3	221.3	29.7	-50.2	-172.7
4	Net Income (Loss)	-17.0	78.6	39.2	134.9	38.2	-117.6	-288.0
	<u>TRAFFIC: (Mllions)</u>							
5	RPMs - Scheduled Svc.	16.2	14.2	60.2	58.2	56.9	56.1	55.6
6	ASMs - Scheduled Svc.	20.7	18.4	78.5	76.1	75.0	75.0	75.6
7	Overall RTMs (All Svc.)	1.9	1.7	7.0	6.8	6.6	6.6	6.5
8	Overall ATMs (All Svc.)	2.8	2.5	10.7	10.4	10.2	10.1	10.1
	<u>YIELD & UNIT COST & PROFITS: (Cents)</u>							
9	Operating Revenue per RTM	110.3	112.1	110.3	110.8	110.7	110.8	111.4
10	Operating Expense per RTM	106.9	99.9	109.1	107.5	110.3	111.6	114.0
11	Operating Profit (Loss) per RTM	3.3	12.2	1.2	3.3	0.4	-0.8	-2.7
12	Operating Expense per ATM	70.4	65.7	71.3	70.2	71.8	72.4	73.5
13	Passenger Revenue per RPM	11.34	11.57	11.39	11.44	11.52	11.59	11.60
	<u>FINANCIAL RATIOS:</u>							
14	Operating Revenues to Total Investment	*	*	1.15	1.14	1.40	1.88	2.88
15	Times Interest Earned	*	*	1.21	1.68	1.28	0.56	-0.30
16	Current Assets to Current Liabilities	*	*	0.90	0.87	0.91	0.88	0.89
17	No. of Days Cash Coverage of Cash Exp.	*	*	94.6	84.2	84.6	76.3	78.7
	<u>FINANCIAL PERCENTAGES:</u>							
18	Operating Profit (Loss) to Operating Revenue	3.0	10.8	1.1	3.0	0.4	-0.7	-2.4
19	Net Income to Stockholders Equity	*	*	5.5	19.8	5.4	-15.3	-34.1
20	Corporate Return on Investment	*	*	6.0	7.4	7.3	5.7	1.9
21	Debt to Total Investment	*	*	89.9	90.0	88.3	88.7	90.2
	<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>							
22	Actual	78.3	77.1	76.8	76.5	75.9	74.8	73.6
23	Breakeven	78.6	66.8	78.2	75.4	75.6	74.8	74.7
	<u>Employment & Productivity:</u>							
24	Employment, Total Weighted Avg CY	34,813	35,056	34,514	34,574	34,927	35,460	36,031
25	Overall RTM's per Employee (000)	53.4	47.2	201.8	195.5	189.7	184.8	180.7

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	10.6	-4.2	6.0	2.1	-0.3	2.3	1.8
27	Operating Expenses (%)	20.3	-20.6	2.4	-7.5	-6.8	-6.4	-4.9
28	Operating Profit (Loss) (in Millions \$)	-139.0	348.3	255.0	742.3	510.4	668.8	511.9
29	Net Income (Loss)(in Millions \$)	-95.7	217.6	327.2	640.5	489.2	373.9	163.1
30	RPMs (Sch. Svc.) (%)	14.4	-4.8	8.3	3.3	-0.2	0.5	-0.8
31	ASMs (Sch. Svc.) (%)	12.7	-6.9	3.8	-1.0	-2.4	-0.7	-1.1
32	Operating Revenues per RTM (%)	-1.6	-1.1	-0.9	-0.8	-0.8	0.4	0.6
33	Operating Expense per RTM (%)	7.0	-18.1	-4.3	-10.2	-7.3	-8.2	-6.1
34	Passenger Revenue per RPM (Sch. Svc.)(%)	-2.0	-0.9	-1.9	-1.6	-0.2	1.4	1.0

QUARTERLY FINANCIAL & TRAFFIC REVIEW
SYSTEM OPERATIONS
Delta Air Lines, Inc.

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2004/06	2003/06	2004/06	2004/03	2003/12	2003/09	2003/06
	<u>FINANCIAL RESULTS: (\$Millions)</u>							
1	Operating Revenues	3,997.2	3,521.2	14,898.1	14,422.2	14,203.0	13,628.1	13,132.5
2	Operating Expenses	4,159.4	3,790.5	15,847.1	15,478.3	15,360.2	14,827.2	14,399.0
3	Operating Profit (Loss)	-162.2	-269.3	-949.0	-1,056.1	-1,157.2	-1,199.1	-1,266.5
4	Net Income (Loss)	-1,973.0	129.4	-2,913.7	-811.3	-895.6	-890.7	-1,040.1
	<u>TRAFFIC: (Mllions)</u>							
5	RPMs - Scheduled Svc.	25.7	21.7	93.9	90.0	89.2	88.8	90.4
6	ASMs - Scheduled Svc.	33.1	28.5	124.8	120.3	119.9	120.1	123.6
7	Overall RTMs (All Svc.)	2.9	2.5	10.8	10.4	10.3	10.3	10.5
8	Overall ATMs (All Svc.)	5.1	4.4	19.3	18.6	18.6	18.7	19.2
	<u>YIELD & UNIT COST & PROFITS: (Cents)</u>							
9	Operating Revenue per RTM	136.5	141.0	137.9	139.1	138.0	132.8	125.7
10	Operating Expense per RTM	142.1	151.8	146.7	149.3	149.2	144.5	137.8
11	Operating Profit (Loss) per RTM	-5.5	-10.8	-8.8	-10.2	-11.2	-11.7	-12.1
12	Operating Expense per ATM	82.1	85.7	82.3	83.2	82.5	79.4	75.1
13	Passenger Revenue per RPM	11.24	11.53	11.42	11.50	11.52	11.59	11.47
	<u>FINANCIAL RATIOS:</u>							
14	Operating Revenues to Total Investment	*	*	1.48	1.35	1.63	2.04	2.96
15	Times Interest Earned	*	*	-1.67	-0.77	-0.89	-0.96	-1.33
16	Current Assets to Current Liabilities	*	*	0.64	0.74	0.81	0.81	0.84
17	No. of Days Cash Coverage of Cash Exp.	*	*	35.9	41.8	53.8	59.1	66.2
	<u>FINANCIAL PERCENTAGES:</u>							
18	Operating Profit (Loss) to Operating Revenue	-4.1	-7.6	-6.4	-7.3	-8.1	-8.8	-9.6
19	Net Income to Stockholders Equity	*	*		-362.3	-145.8	-66.5	-54.8
20	Corporate Return on Investment	*	*	-21.8	-0.9	-1.8	-2.6	-7.5
21	Debt to Total Investment	*	*	134.4	107.7	105.0	93.9	92.3
	<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>							
22	Actual	77.6	76.2	75.2	74.8	74.3	73.9	73.1
23	Breakeven	67.9	70.8	67.9	68.6	69.5	73.4	76.9
	<u>Employment & Productivity:</u>							
24	Employment, Total Weighted Avg CY	58,082	58,623	58,417	58,552	59,526	61,110	62,900
25	Overall RTM's per Employee (000)	50.4	42.6	184.9	177.1	172.9	168.0	166.1

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	13.5	9.2	13.4	12.4	14.4	13.5	8.7
27	Operating Expenses (%)	9.7	12.1	10.1	10.6	14.2	11.0	6.5
28	Operating Profit (Loss) (in Millions \$)	107.1	-113.5	317.4	96.8	-121.8	149.8	167.8
29	Net Income (Loss)(in Millions \$)	-2,102.3	332.9	-1,873.6	561.7	399.4	758.1	504.3
30	RPMs (Sch. Svc.) (%)	18.1	-11.8	3.9	-3.5	-5.4	-4.1	-2.7
31	ASMs (Sch. Svc.) (%)	16.0	-14.6	1.0	-6.4	-7.8	-8.5	-7.2
32	Operating Revenues per RTM (%)	-3.2	24.3	9.7	16.9	21.0	18.2	11.7
33	Operating Expense per RTM (%)	-6.4	27.6	6.5	15.2	20.8	15.6	9.5
34	Passenger Revenue per RPM (Sch. Svc.)(%)	-2.5	0.5	-0.4	0.4	0.9	2.5	0.0

QUARTERLY FINANCIAL & TRAFFIC REVIEW
SYSTEM OPERATIONS
Express One 1/

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2004/06	2003/06	2004/06	2004/03	2003/12	2003/09	2003/06
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	370.8	320.3	1,458.2	1,423.0	1,311.4	970.5	626.9
2	Operating Expenses	320.7	278.3	1,255.5	1,224.1	1,132.5	838.1	541.5
3	Operating Profit (Loss)	50.2	42.0	202.6	198.9	178.9	132.4	85.4
4	Net Income (Loss)	29.7	26.5	122.5	123.2	108.0	80.1	52.3
<u>TRAFFIC: (Mllions)</u>								
5	RPMs - Scheduled Svc.	1.8	1.5	6.6	6.4	5.8	5.2	4.7
6	ASMs - Scheduled Svc.	2.4	2.1	9.5	9.3	8.4	7.8	7.1
7	Overall RTMs (All Svc.)	0.2	0.2	0.7	0.6	0.6	0.5	0.5
8	Overall ATMs (All Svc.)	0.3	0.3	1.2	1.1	1.0	0.9	0.9
<u>YIELD & UNIT COST & PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	209.8	219.6	219.6	222.2	226.7	185.7	134.7
10	Operating Expense per RTM	181.4	190.8	189.1	191.2	195.8	160.4	116.3
11	Operating Profit (Loss) per RTM	28.4	28.8	30.5	31.1	30.9	25.3	18.3
12	Operating Expense per ATM	110.6	110.6	109.1	108.7	110.8	88.8	62.7
13	Passenger Revenue per RPM	21.05	21.95	22.03	22.28	22.70	18.58	13.46
<u>FINANCIAL RATIOS:</u>								
14	Operating Revenues to Total Investment	*	*	4.57	3.89	3.47	2.38	1.43
15	Times Interest Earned	*	*	17.96	19.81	20.56	23.02	24.41
16	Current Assets to Current Liabilities	*	*	1.04	1.09	0.95	1.09	1.26
17	No. of Days Cash Coverage of Cash Exp.	*	*	63.9	62.3	57.4	74.4	81.1
<u>FINANCIAL PERCENTAGES:</u>								
18	Operating Profit (Loss) to Operating Revenue	13.5	13.1	13.9	14.0	13.6	13.6	13.6
19	Net Income to Stockholders Equity	*	*			0.0	0.0	632.9
20	Corporate Return on Investment	*	*	42.0	36.5	31.0	21.1	12.7
21	Debt to Total Investment	*	*	155.9	165.5	130.2	112.9	123.1
<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>								
22	Actual	73.6	70.2	69.7	68.7	68.5	67.1	65.4
23	Breakeven	62.6	60.0	58.9	58.0	58.1	56.9	55.5
<u>Employment & Productivity:</u>								
24	Employment, Total Weighted Avg CY	6,135	5,606	3,340	2,539	5,598	4,181	2,756
25	Overall RTM's per Employee (000)	28.8	26.0	198.8	252.2	103.3	125.0	168.9

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	15.8	0.0	132.6	364.2	0.0	0.0	0.0
27	Operating Expenses (%)	15.2	0.0	131.9	365.1	0.0	0.0	0.0
28	Operating Profit (Loss) (in Millions \$)	8.1	0.0	117.2	155.5	0.0	0.0	0.0
29	Net Income (Loss)(in Millions \$)	3.1	0.0	70.2	97.4	0.0	0.0	0.0
30	RPMs (Sch. Svc.) (%)	21.0	0.0	42.3	52.1	0.0	0.0	0.0
31	ASMs (Sch. Svc.) (%)	15.4	0.0	33.6	41.5	0.0	0.0	0.0
32	Operating Revenues per RTM (%)	-4.5	0.0	63.1	204.6	0.0	0.0	0.0
33	Operating Expense per RTM (%)	-4.9	0.0	62.5	205.2	0.0	0.0	0.0
34	Passenger Revenue per RPM (Sch. Svc.)(%)	-4.1	0.0	63.6	205.2	0.0	0.0	0.0

QUARTERLY FINANCIAL & TRAFFIC REVIEW
SYSTEM OPERATIONS
Northwest Airlines, Inc.

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2004/06	2003/06	2004/06	2004/03	2003/12	2003/09	2003/06
	<u>FINANCIAL RESULTS: (\$Millions)</u>							
1	Operating Revenues	2,860.5	2,216.6	10,257.4	9,613.5	9,183.8	9,100.8	9,136.3
2	Operating Expenses	2,864.8	2,293.0	10,239.6	9,667.7	9,460.4	9,922.2	10,084.3
3	Operating Profit (Loss)	-4.4	-76.4	17.8	-54.2	-276.5	-821.4	-948.0
4	Net Income (Loss)	-106.6	225.3	330.2	662.1	478.1	-558.1	-666.7
	<u>TRAFFIC: (Mllions)</u>							
5	RPMs - Scheduled Svc.	18.8	16.4	71.0	68.6	68.5	69.0	69.8
6	ASMs - Scheduled Svc.	22.8	21.4	89.2	87.9	88.6	90.2	92.0
7	Overall RTMs (All Svc.)	2.5	2.2	9.4	9.1	9.1	9.1	9.2
8	Overall ATMs (All Svc.)	3.7	3.5	14.7	14.5	14.6	14.8	15.0
	<u>YIELD & UNIT COST & PROFITS: (Cents)</u>							
9	Operating Revenue per RTM	116.5	101.4	109.2	105.4	101.4	99.6	99.3
10	Operating Expense per RTM	116.6	104.9	109.0	105.9	104.4	108.5	109.6
11	Operating Profit (Loss) per RTM	-0.2	-3.5	0.2	-0.6	-3.1	-9.0	-10.3
12	Operating Expense per ATM	76.5	64.9	69.5	66.6	64.9	66.9	67.1
13	Passenger Revenue per RPM	13.07	11.15	12.19	11.70	11.13	10.94	10.90
	<u>FINANCIAL RATIOS:</u>							
14	Operating Revenues to Total Investment	*	*	0.97	0.95	1.16	1.60	2.50
15	Times Interest Earned	*	*	1.72	2.44	2.00	-0.89	-1.25
16	Current Assets to Current Liabilities	*	*	0.89	0.92	0.88	0.92	0.81
17	No. of Days Cash Coverage of Cash Exp.	*	*	108.2	119.2	113.2	113.3	111.3
	<u>FINANCIAL PERCENTAGES:</u>							
18	Operating Profit (Loss) to Operating Revenue	-0.2	-3.4	0.2	-0.6	-3.0	-9.0	-10.4
19	Net Income to Stockholders Equity	*	*	11.0	24.0	18.1	-20.2	-21.7
20	Corporate Return on Investment	*	*	7.5	11.1	11.7	-2.0	-6.4
21	Debt to Total Investment	*	*	71.4	71.0	69.1	74.2	72.7
	<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>							
22	Actual	82.5	76.4	79.6	78.1	77.3	76.5	75.9
23	Breakeven	86.4	83.7	83.1	82.3	84.1	89.0	89.8
	<u>Employment & Productivity:</u>							
24	Employment, Total Weighted Avg CY	38,446	38,887	38,332	38,443	39,407	40,836	42,474
25	Overall RTM's per Employee (000)	63.9	56.2	245.1	237.4	229.9	223.9	216.7

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	29.0	-4.3	12.3	4.1	0.4	3.2	3.4
27	Operating Expenses (%)	24.9	-2.9	1.5	-4.8	-4.8	5.1	4.9
28	Operating Profit (Loss) (in Millions \$)	72.0	-30.7	965.8	863.1	506.9	-200.5	-165.1
29	Net Income (Loss)(in Millions \$)	-331.9	323.9	996.9	1,652.7	1,244.5	-50.5	-224.5
30	RPMs (Sch. Svc.) (%)	14.8	-12.0	1.7	-4.8	-4.9	-0.8	0.4
31	ASMs (Sch. Svc.) (%)	6.4	-9.1	-3.0	-6.7	-5.2	-1.3	-0.4
32	Operating Revenues per RTM (%)	14.9	6.5	10.0	7.8	4.5	2.7	2.0
33	Operating Expense per RTM (%)	11.2	8.0	-0.5	-1.4	-0.8	4.6	3.4
34	Passenger Revenue per RPM (Sch. Svc.)(%)	17.2	4.3	11.8	8.4	3.3	1.7	0.9

QUARTERLY FINANCIAL & TRAFFIC REVIEW
SYSTEM OPERATIONS
Southwest Airlines, Inc.

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2004/06	2003/06	2004/06	2004/03	2003/12	2003/09	2003/06
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	1,716.2	1,515.1	6,270.6	6,069.4	5,936.7	5,820.3	5,658.1
2	Operating Expenses	1,519.5	1,374.8	5,731.1	5,586.4	5,454.6	5,361.6	5,293.5
3	Operating Profit (Loss)	196.8	140.3	539.5	483.0	482.1	458.7	364.7
4	Net Income (Loss)	112.9	245.9	310.5	443.6	441.6	418.3	387.0
<u>TRAFFIC: (Mllions)</u>								
5	RPMs - Scheduled Svc.	14.3	12.6	50.6	48.8	47.9	47.4	46.5
6	ASMs - Scheduled Svc.	18.8	17.9	73.7	72.8	71.8	71.1	70.5
7	Overall RTMs (All Svc.)	1.5	1.3	5.2	5.0	4.9	4.9	4.8
8	Overall ATMs (All Svc.)	2.6	2.4	10.0	9.9	9.8	9.7	9.6
<u>YIELD & UNIT COST & PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	115.9	117.0	119.9	120.4	120.1	119.3	118.2
10	Operating Expense per RTM	102.6	106.2	109.6	110.8	110.3	109.9	110.6
11	Operating Profit (Loss) per RTM	13.3	10.8	10.3	9.6	9.7	9.4	7.6
12	Operating Expense per ATM	59.5	56.4	57.2	56.4	55.8	55.4	55.1
13	Passenger Revenue per RPM	11.27	11.43	11.67	11.72	11.71	11.64	11.54
<u>FINANCIAL RATIOS:</u>								
14	Operating Revenues to Total Investment	*	*	0.95	0.94	1.16	1.53	2.25
15	Times Interest Earned	*	*	12.27	16.14	13.35	10.56	8.88
16	Current Assets to Current Liabilities	*	*	1.07	1.10	1.34	1.53	1.55
17	No. of Days Cash Coverage of Cash Exp.	*	*	121.3	128.2	134.3	149.0	163.6
<u>FINANCIAL PERCENTAGES:</u>								
18	Operating Profit (Loss) to Operating Revenue	11.5	9.3	8.6	8.0	8.1	7.9	6.4
19	Net Income to Stockholders Equity	*	*	6.2	9.2	9.4	9.2	8.7
20	Corporate Return on Investment	*	*	5.4	7.6	9.7	12.8	18.6
21	Debt to Total Investment	*	*	22.9	23.9	23.3	25.4	26.1
<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>								
22	Actual	76.3	70.1	68.7	67.1	66.8	66.6	65.9
23	Breakeven	65.9	62.5	61.7	60.8	60.4	60.4	60.9
<u>Employment & Productivity:</u>								
24	Employment, Total Weighted Avg CY	31,447	32,995	32,212	32,599	32,972	33,252	33,452
25	Overall RTM's per Employee (000)	47.1	39.2	162.3	154.7	150.0	146.8	143.1

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	13.3	2.9	10.8	8.1	7.5	8.6	6.7
27	Operating Expenses (%)	10.5	7.1	8.3	7.4	6.9	7.4	7.3
28	Operating Profit (Loss) (in Millions \$)	56.4	-48.8	174.8	69.6	64.5	91.6	-4.3
29	Net Income (Loss)(in Millions \$)	-133.0	143.6	-76.5	200.1	200.7	156.2	48.9
30	RPMs (Sch. Svc.) (%)	14.1	4.6	9.0	6.4	5.6	5.1	4.5
31	ASMs (Sch. Svc.) (%)	4.9	4.2	4.5	4.3	4.2	4.5	5.6
32	Operating Revenues per RTM (%)	-0.9	-1.7	1.4	1.3	1.7	3.3	2.1
33	Operating Expense per RTM (%)	-3.3	2.3	-0.9	0.7	1.1	2.2	2.6
34	Passenger Revenue per RPM (Sch. Svc.)(%)	-1.5	-2.0	1.1	1.1	1.5	3.2	1.8

QUARTERLY FINANCIAL & TRAFFIC REVIEW
SYSTEM OPERATIONS
US Airways, Inc.

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2004/06	2003/06	2004/06	2004/03	2003/12	2003/09	2003/06
	<u>FINANCIAL RESULTS: (\$Millions)</u>							
1	Operating Revenues	1,947.5	1,759.6	7,120.8	6,933.0	6,761.6	6,615.2	6,601.5
2	Operating Expenses	1,862.8	1,869.1	7,292.4	7,298.7	7,183.0	7,155.5	7,287.4
3	Operating Profit (Loss)	84.7	-109.5	-171.5	-365.7	-421.3	-540.2	-685.9
4	Net Income (Loss)	35.2	16.1	-322.4	-341.5	1,452.1	763.0	492.7
	<u>TRAFFIC: (Mllions)</u>							
5	RPMs - Scheduled Svc.	10.8	9.8	39.6	38.6	37.7	37.1	37.5
6	ASMs - Scheduled Svc.	13.6	13.0	52.9	52.3	51.5	51.4	52.9
7	Overall RTMs (All Svc.)	1.2	1.1	4.3	4.2	4.1	4.1	4.2
8	Overall ATMs (All Svc.)	2.0	1.9	7.8	7.7	7.6	7.6	7.8
	<u>YIELD & UNIT COST & PROFITS: (Cents)</u>							
9	Operating Revenue per RTM	167.0	163.7	165.3	164.5	163.4	161.6	159.0
10	Operating Expense per RTM	159.7	173.9	169.3	173.1	173.6	174.8	175.5
11	Operating Profit (Loss) per RTM	7.3	-10.2	-4.0	-8.7	-10.2	-13.2	-16.5
12	Operating Expense per ATM	93.2	96.7	93.5	94.4	94.1	93.8	93.0
13	Passenger Revenue per RPM	12.91	13.11	12.95	13.00	13.05	13.03	13.01
	<u>FINANCIAL RATIOS:</u>							
14	Operating Revenues to Total Investment	*	*	2.36	2.25	2.66	3.42	5.06
15	Times Interest Earned	*	*	-0.47	-0.51	7.11	3.70	2.46
16	Current Assets to Current Liabilities	*	*	0.72	0.70	0.79	0.91	0.98
17	No. of Days Cash Coverage of Cash Exp.	*	*	50.0	49.9	67.1	72.6	73.5
	<u>FINANCIAL PERCENTAGES:</u>							
18	Operating Profit (Loss) to Operating Revenue	4.3	-6.2	-2.4	-5.3	-6.2	-8.2	-10.4
19	Net Income to Stockholders Equity	*	*	-291.1	-229.9		-37.1	5.2
20	Corporate Return on Investment	*	*	-3.3	-3.9	66.5	52.9	59.9
21	Debt to Total Investment	*	*	100.5	102.4	97.1	92.5	90.8
	<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>							
22	Actual	78.9	75.4	74.7	73.8	73.3	72.2	70.9
23	Breakeven	78.0	87.2	80.7	83.0	83.6	83.9	84.1
	<u>Employment & Productivity:</u>							
24	Employment, Total Weighted Avg CY	26,024	26,739	26,311	26,489	26,809	28,064	29,834
25	Overall RTM's per Employee (000)	44.8	40.2	163.7	159.1	154.4	145.9	139.2

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	10.7	-6.9	7.9	3.0	-2.2	-3.8	-7.3
27	Operating Expenses (%)	-0.3	-9.6	0.1	-2.5	-8.3	-15.5	-16.1
28	Operating Profit (Loss) (in Millions \$)	194.1	66.7	514.4	386.9	498.0	1,053.2	877.1
29	Net Income (Loss)(in Millions \$)	19.1	240.8	-815.1	-593.3	3,110.9	2,697.8	2,825.5
30	RPMs (Sch. Svc.) (%)	9.6	-10.5	5.4	-0.2	-5.7	-7.6	-9.8
31	ASMs (Sch. Svc.) (%)	4.8	-11.0	0.0	-4.1	-8.6	-10.7	-11.4
32	Operating Revenues per RTM (%)	2.0	4.2	4.0	4.6	4.2	3.9	2.0
33	Operating Expense per RTM (%)	-8.2	1.2	-3.5	-1.0	-2.3	-8.7	-7.7
34	Passenger Revenue per RPM (Sch. Svc.)(%)	-1.5	0.0	-0.5	-0.1	0.0	-0.4	-1.7

QUARTERLY FINANCIAL & TRAFFIC REVIEW
SYSTEM OPERATIONS
United Air Lines, Inc.

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2004/06	2003/06	2004/06	2004/03	2003/12	2003/09	2003/06
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	3,962.5	3,034.8	14,844.2	13,916.5	13,397.7	13,268.6	13,155.9
2	Operating Expenses	4,019.1	3,469.7	15,454.8	14,905.4	14,951.5	15,646.3	16,240.5
3	Operating Profit (Loss)	-56.6	-434.9	-610.6	-988.9	-1,553.7	-2,377.6	-3,084.6
4	Net Income (Loss)	-302.7	-654.7	-1,891.0	-2,243.0	-3,086.2	-4,011.6	-4,507.3
<u>TRAFFIC: (Millions)</u>								
5	RPMs - Scheduled Svc.	29.7	24.5	110.4	105.3	103.9	104.1	105.9
6	ASMs - Scheduled Svc.	36.1	31.8	140.4	136.1	135.9	138.5	143.2
7	Overall RTMs (All Svc.)	3.5	2.9	12.9	12.4	12.3	12.5	12.8
8	Overall ATMs (All Svc.)	5.7	5.0	22.2	21.5	21.5	22.0	22.8
<u>YIELD & UNIT COST & PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	114.6	103.5	114.9	112.3	108.7	106.2	102.7
10	Operating Expense per RTM	116.2	118.3	119.7	120.3	121.3	125.2	126.8
11	Operating Profit (Loss) per RTM	-1.6	-14.8	-4.7	-8.0	-12.6	-19.0	-24.1
12	Operating Expense per ATM	70.4	69.1	69.6	69.3	69.6	71.3	71.4
13	Passenger Revenue per RPM	10.54	10.14	10.55	10.46	10.22	10.15	10.03
<u>FINANCIAL RATIOS:</u>								
14	Operating Revenues to Total Investment	*	*	2.51	2.06	2.34	2.93	4.05
15	Times Interest Earned	*	*	-2.85	-3.48	-5.04	-6.09	-6.17
16	Current Assets to Current Liabilities	*	*	0.44	0.46	0.46	0.52	0.53
17	No. of Days Cash Coverage of Cash Exp.	*	*	40.2	53.1	48.7	48.2	44.3
<u>FINANCIAL PERCENTAGES:</u>								
18	Operating Profit (Loss) to Operating Revenue	-1.4	-14.3	-4.1	-7.1	-11.6	-17.9	-23.4
19	Net Income to Stockholders Equity	*	*					-24,000.5
20	Corporate Return on Investment	*	*	-23.7	-25.8	-44.9	-77.1	-121.4
21	Debt to Total Investment	*	*	213.7	198.2	175.8	166.3	152.9
<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>								
22	Actual	82.1	76.9	78.6	77.3	76.4	75.1	74.0
23	Breakeven	82.6	92.4	82.7	85.0	89.1	94.7	98.9
<u>Employment & Productivity:</u>								
24	Employment, Total Weighted Avg CY	59,318	65,195	59,203	60,672	63,612	68,364	73,192
25	Overall RTM's per Employee (000)	58.3	45.0	218.1	204.2	193.8	182.8	175.0

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	30.6	-18.1	12.8	0.6	-3.7	-1.5	-5.5
27	Operating Expenses (%)	15.8	-18.2	-4.8	-12.4	-11.7	-4.1	-10.4
28	Operating Profit (Loss) (in Millions \$)	378.3	100.4	2,474.0	2,196.1	1,468.1	462.3	1,116.8
29	Net Income (Loss)(in Millions \$)	352.0	-291.4	2,616.3	1,972.9	239.6	-1,925.3	-2,153.1
30	RPMs (Sch. Svc.) (%)	21.1	-12.2	4.2	-3.7	-5.0	-2.1	-1.6
31	ASMs (Sch. Svc.) (%)	13.6	-15.1	-2.0	-8.6	-8.6	-5.4	-4.3
32	Operating Revenues per RTM (%)	10.7	-5.9	11.9	7.6	3.2	0.9	-4.6
33	Operating Expense per RTM (%)	-1.8	-6.0	-5.6	-6.3	-5.4	-1.7	-9.5
34	Passenger Revenue per RPM (Sch. Svc.)(%)	3.9	-8.9	5.2	1.7	-2.9	-4.2	-6.8

QUARTERLY FINANCIAL & TRAFFIC REVIEW
SYSTEM OPERATIONS
System Cargo Majors

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2004/06	2003/06	2004/06	2004/03	2003/12	2003/09	2003/06
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	5,456.8	4,952.9	20,767.9	20,264.0	19,853.0	19,596.4	19,428.5
2	Operating Expenses	5,024.1	4,617.1	19,804.5	19,397.5	19,150.7	18,954.9	18,387.7
3	Operating Profit (Loss)	432.6	335.8	963.4	866.5	702.3	641.5	1,040.8
4	Net Income (Loss)	245.1	184.4	446.1	385.5	290.1	292.8	523.7
<u>TRAFFIC: (Mllions)</u>								
5	RTMs - Scheduled Svc.	3.7	3.4	14.3	14.1	13.8	13.8	13.1
6	ATMs - Scheduled Svc.	5.6	5.6	22.8	22.7	22.6	22.6	21.4
7	Overall RTMs (All Svc.)	3.7	3.5	14.7	14.4	14.1	14.0	13.9
8	Overall ATMs (All Svc.)	5.8	5.7	23.3	23.2	23.1	23.1	23.0
<u>YIELD & UNIT COST & PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	145.7	142.1	141.7	140.8	140.7	139.6	139.6
10	Operating Expense per RTM	134.2	132.5	135.2	134.8	135.7	135.1	132.1
11	Operating Profit (Loss) per RTM	11.6	9.6	6.6	6.0	5.0	4.6	7.5
12	Operating Expense per ATM	87.0	80.7	85.1	83.5	82.8	82.1	80.1
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	7.9	6.8	4.6	4.3	3.5	3.3	5.4
19	Net Income to Stockholders Equity	*	*	**	**	**	**	**
20	Corporate Return on Investment	*	*	5.1	4.6	4.5	6.0	14.4
21	Debt to Total Investment	*	*	**	**	**	**	**
<u>TON LOAD FACTOR: (%)</u>								
22	Scheduled Svc.	64.7	61.0	62.9	61.9	61.1	60.9	61.0
23	All Services	64.8	60.9	62.9	62.0	61.0	60.8	60.6
<u>Employment & Productivity:</u>								
24	Employment, Total Weighted Avg CY	*	*	**	**	**	**	**
25	Overall RTM's per Employee (000)	*	*	**	**	**	**	**

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	10.2	6.7	6.9	6.0	5.6	6.1	7.5
27	Operating Expenses (%)	8.8	4.0	7.7	6.5	7.3	8.9	7.3
28	Operating Profit (Loss) (in Millions \$)	96.9	133.5	-77.4	-40.8	-238.2	-428.7	108.3
29	Net Income (Loss)(in Millions \$)	60.7	83.8	-77.5	-54.4	-158.6	-196.4	66.1
30	RTMs (All Svc.) (%)	7.9	27.1	9.7	14.0	19.9	33.1	33.5
31	ATMs (All Svc.) (%)	1.5	29.9	6.5	12.8	21.2	35.5	34.0
32	Operating Revenues per RTM (%)	2.5	2.7	1.5	1.5	2.0	-1.5	-3.6
33	Operating Expense per RTM (%)	1.3	0.1	2.3	2.0	3.6	1.1	-3.8
34	Passenger Revenue per RPM (Sch. Svc.)(%)	0.0	0.0	0.0	0.0	0.0	0.0	0.0

QUARTERLY FINANCIAL & TRAFFIC REVIEW
SYSTEM OPERATIONS
Domestic Cargo Majors

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2004/06	2003/06	2004/06	2004/03	2003/12	2003/09	2003/06
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	3,892.8	3,417.8	14,967.5	14,492.5	14,133.7	13,822.5	13,561.1
2	Operating Expenses	3,621.7	3,239.2	14,458.6	14,076.2	13,816.7	13,582.1	13,024.7
3	Operating Profit (Loss)	271.1	178.5	508.8	416.3	317.0	240.3	536.4
4	Net Income (Loss)	154.8	89.7	215.5	150.3	98.3	89.1	261.2
<u>TRAFFIC: (Mllions)</u>								
5	RTMs - Scheduled Svc.	2.3	2.1	9.0	8.8	8.7	8.7	8.0
6	ATMs - Scheduled Svc.	3.6	3.6	14.7	14.7	14.7	14.8	13.5
7	Overall RTMs (All Svc.)	2.3	2.1	9.1	8.9	8.8	8.7	8.7
8	Overall ATMs (All Svc.)	3.6	3.6	14.9	14.9	14.9	14.9	14.8
<u>YIELD & UNIT COST & PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	170.7	159.5	165.0	162.2	161.0	158.1	155.9
10	Operating Expense per RTM	158.8	151.2	159.4	157.5	157.4	155.4	149.7
11	Operating Profit (Loss) per RTM	11.9	8.3	5.6	4.7	3.6	2.7	6.2
12	Operating Expense per ATM	99.8	89.0	97.3	94.6	93.1	91.4	87.8
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	7.0	5.2	3.4	2.9	2.2	1.7	4.0
19	Net Income to Stockholders Equity	*	*	**	**	**	**	**
20	Corporate Return on Investment	*	*	3.8	3.0	2.8	3.4	11.3
21	Debt to Total Investment	*	*	**	**	**	**	**
<u>TON LOAD FACTOR: (%)</u>								
22	Scheduled Svc.	62.7	58.7	60.9	60.0	59.0	58.8	59.0
23	All Services	62.8	58.8	61.1	60.1	59.1	58.8	58.6
<u>Employment & Productivity:</u>								
24	Employment, Total Weighted Avg CY	*	*	**	**	**	**	**
25	Overall RTM's per Employee (000)	*	*	**	**	**	**	**

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	13.9	4.1	10.4	8.0	6.3	4.6	3.4
27	Operating Expenses (%)	11.8	0.6	11.0	8.2	7.3	7.0	3.2
28	Operating Profit (Loss) (in Millions \$)	92.6	116.7	-27.5	-3.4	-103.4	-283.1	35.8
29	Net Income (Loss)(in Millions \$)	65.2	72.1	-45.7	-38.8	-79.6	-127.3	-56.9
30	RTMs (All Svc.) (%)	6.3	45.6	12.5	20.9	31.6	52.1	50.6
31	ATMs (All Svc.) (%)	-0.4	50.9	8.9	19.7	33.7	56.0	52.4
32	Operating Revenues per RTM (%)	7.0	3.1	5.8	4.9	4.4	-0.8	-6.7
33	Operating Expense per RTM (%)	5.0	-0.4	6.5	5.1	5.4	1.5	-6.9
34	Passenger Revenue per RPM (Sch. Svc.)(%)	0.0	0.0	0.0	0.0	0.0	0.0	0.0

QUARTERLY FINANCIAL & TRAFFIC REVIEW

SYSTEM OPERATIONS

Int'l Cargo Majors

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2004/06	2003/06	2004/06	2004/03	2003/12	2003/09	2003/06
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	1,564.0	1,535.1	5,800.4	5,771.6	5,719.2	5,773.9	5,867.4
2	Operating Expenses	1,402.5	1,377.9	5,345.9	5,321.3	5,334.0	5,372.8	5,362.9
3	Operating Profit (Loss)	161.5	157.2	454.6	450.3	385.2	401.2	504.5
4	Net Income (Loss)	90.2	94.7	230.6	235.1	191.8	203.7	262.5
<u>TRAFFIC: (Mllions)</u>								
5	RTMs - Scheduled Svc.	1.4	1.3	5.4	5.2	5.1	5.1	5.1
6	ATMs - Scheduled Svc.	2.1	2.0	8.0	7.9	7.9	7.9	7.9
7	Overall RTMs (All Svc.)	1.5	1.3	5.6	5.5	5.3	5.3	5.2
8	Overall ATMs (All Svc.)	2.2	2.1	8.4	8.4	8.3	8.2	8.1
<u>YIELD & UNIT COST & PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	106.9	114.4	104.0	105.8	107.3	109.1	112.5
10	Operating Expense per RTM	95.8	102.7	95.8	97.5	100.0	101.5	102.8
11	Operating Profit (Loss) per RTM	11.0	11.7	8.1	8.3	7.2	7.6	9.7
12	Operating Expense per ATM	65.3	66.2	63.5	63.7	64.5	65.3	66.0
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	10.2	7.8	7.8	6.7	6.9	8.6
19	Net Income to Stockholders Equity	*	*	**	**	**	**	**
20	Corporate Return on Investment	*	*	8.2	8.2	8.3	11.2	20.4
21	Debt to Total Investment	*	*	**	**	**	**	**
<u>TON LOAD FACTOR: (%)</u>								
22	Scheduled Svc.	68.3	65.1	66.5	65.7	64.9	64.8	64.5
23	All Services	68.1	64.5	66.2	65.3	64.5	64.4	64.2
<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 (%)	1.9	12.9	-1.1	1.4	4.0	9.9	18.4
27	Operating Expenses (%)	1.8	13.0	-0.3	2.2	7.1	14.1	18.6
28	Operating Profit (Loss) (in Millions \$)	4.3	16.8	-49.9	-37.4	-134.7	-145.6	72.5
29	Net Income (Loss)(in Millions \$)	-4.5	11.7	-31.8	-15.6	-79.0	-69.1	122.9
30	RTMs (All Svc.) (%)	10.4	4.8	5.4	4.0	4.0	9.9	13.3
31	ATMs (All Svc.) (%)	5.0	3.3	2.4	1.9	3.2	8.7	10.9
32	Operating Revenues per RTM (%)	-6.6	3.6	-7.6	-5.1	-2.4	-1.8	5.1
33	Operating Expense per RTM (%)	-6.6	3.7	-6.8	-4.3	0.5	2.0	5.2
34	Passenger Revenue per RPM (Sch. Svc.)(%)	0.0	0.0	0.0	0.0	0.0	0.0	0.0

QUARTERLY FINANCIAL & TRAFFIC REVIEW
SYSTEM OPERATIONS
Federal Express Corporation

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2004/06	2003/06	2004/06	2004/03	2003/12	2003/09	2003/06
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	4,586.5	4,196.1	17,575.4	17,185.0	16,806.5	16,615.6	16,435.3
2	Operating Expenses	4,257.4	3,925.0	16,881.9	16,549.6	16,332.7	16,175.2	15,620.1
3	Operating Profit (Loss)	329.1	271.1	693.4	635.4	473.8	440.5	815.2
4	Net Income (Loss)	198.0	154.5	389.6	346.1	250.2	236.3	451.3
<u>TRAFFIC: (Mllions)</u>								
5	RTMs - Scheduled Svc.	2.4	2.3	9.4	9.3	9.2	9.2	9.2
6	ATMs - Scheduled Svc.	3.6	3.7	14.8	14.8	14.8	14.8	14.8
7	Overall RTMs (All Svc.)	2.5	2.4	9.8	9.6	9.5	9.4	9.3
8	Overall ATMs (All Svc.)	3.8	3.8	15.3	15.3	15.3	15.2	15.1
<u>YIELD & UNIT COST & PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	186.4	178.3	180.3	178.2	177.1	176.0	176.1
10	Operating Expense per RTM	173.0	166.8	173.1	171.6	172.2	171.3	167.4
11	Operating Profit (Loss) per RTM	13.4	11.5	7.1	6.6	5.0	4.7	8.7
12	Operating Expense per ATM	113.0	103.3	110.6	108.2	107.0	106.1	103.3
13	Passenger Revenue per RPM	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<u>FINANCIAL RATIOS:</u>								
14	Operating Revenues to Total Investment	*	*	2.71	2.73	3.38	4.52	6.80
15	Times Interest Earned	*	*	13.00	13.15	10.62	11.72	16.19
16	Current Assets to Current Liabilities	*	*	1.07	1.13	1.12	1.16	1.21
17	No. of Days Cash Coverage of Cash Exp.	*	*	5.2	4.7	4.2	4.0	3.5
<u>FINANCIAL PERCENTAGES:</u>								
18	Operating Profit (Loss) to Operating Revenue	7.2	6.5	3.9	3.7	2.8	2.7	5.0
19	Net Income to Stockholders Equity	*	*	7.4	6.7	4.9	4.7	9.2
20	Corporate Return on Investment	*	*	6.8	6.2	5.8	7.4	20.7
21	Debt to Total Investment	*	*	18.4	19.1	19.7	20.3	17.0
<u>TON LOAD FACTOR: (%)</u>								
22	Scheduled Svc.	65.4	61.9	63.9	63.1	62.3	62.1	61.8
23	All Services	65.3	62.0	63.9	63.0	62.2	62.0	61.7
<u>Employment & Productivity:</u>								
24	Employment, Total Weighted Avg CY	112,314	114,863	112,949	113,586	114,306	114,942	115,186
25	Overall RTM's per Employee (000)	21.9	20.5	86.3	84.9	83.0	82.1	81.0

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	9.3	6.1	6.9	6.1	5.4	6.0	7.0
27	Operating Expenses (%)	8.5	4.0	8.1	7.0	7.4	9.5	7.4
28	Operating Profit (Loss) (in Millions \$)	58.0	93.8	-121.8	-86.0	-262.3	-463.7	-5.6
29	Net Income (Loss)(in Millions \$)	43.5	56.3	-61.8	-49.0	-151.9	-204.1	8.9
30	RTMs (All Svc.) (%)	5.1	1.8	3.1	2.3	2.7	5.9	11.2
31	ATMs (All Svc.) (%)	-0.2	1.4	-0.2	0.2	1.7	4.4	9.1
32	Operating Revenues per RTM (%)	4.5	1.7	2.4	1.6	1.1	-1.2	-4.2
33	Operating Expense per RTM (%)	3.8	-0.4	3.5	2.4	3.0	2.1	-3.8
34	Passenger Revenue per RPM (Sch. Svc.)(%)	0.0	0.0	0.0	0.0	0.0	0.0	0.0

QUARTERLY FINANCIAL & TRAFFIC REVIEW
SYSTEM OPERATIONS
United Parcel Service

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2004/06	2003/06	2004/06	2004/03	2003/12	2003/09	2003/06
	<u>FINANCIAL RESULTS: (\$Millions)</u>							
1	Operating Revenues	870.2	756.7	3,192.5	3,079.0	3,046.4	2,980.8	2,993.2
2	Operating Expenses	766.7	692.1	2,922.6	2,847.9	2,818.0	2,779.7	2,767.6
3	Operating Profit (Loss)	103.5	64.6	269.9	231.1	228.4	201.0	225.6
4	Net Income (Loss)	47.1	29.9	56.6	39.4	39.9	56.5	72.4
	<u>TRAFFIC: (Mllions)</u>							
5	RTMs - Scheduled Svc.	1.3	1.1	4.9	4.7	4.6	4.6	3.9
6	ATMs - Scheduled Svc.	2.0	1.9	8.0	7.9	7.8	7.8	6.6
7	Overall RTMs (All Svc.)	1.3	1.1	4.9	4.8	4.6	4.6	4.6
8	Overall ATMs (All Svc.)	2.0	1.9	8.0	7.9	7.9	7.8	7.9
	<u>YIELD & UNIT COST & PROFITS: (Cents)</u>							
9	Operating Revenue per RTM	67.8	66.9	65.1	64.8	65.9	64.9	65.3
10	Operating Expense per RTM	59.7	61.2	59.6	60.0	60.9	60.5	60.4
11	Operating Profit (Loss) per RTM	8.1	5.7	5.5	4.9	4.9	4.4	4.9
12	Operating Expense per ATM	38.1	36.0	36.4	35.9	35.9	35.4	35.3
13	Passenger Revenue per RPM	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	<u>FINANCIAL RATIOS:</u>							
14	Operating Revenues to Total Investment	*	*	0.67	0.65	0.79	1.02	1.52
15	Times Interest Earned	*	*	1.99	1.47	1.72	2.55	3.23
16	Current Assets to Current Liabilities	*	*	0.39	0.27	0.34	0.39	0.57
17	No. of Days Cash Coverage of Cash Exp.	*	*	6.7	6.5	5.9	5.5	6.7
	<u>FINANCIAL PERCENTAGES:</u>							
18	Operating Profit (Loss) to Operating Revenue	11.9	8.5	8.5	7.5	7.5	6.7	7.5
19	Net Income to Stockholders Equity	*	*	3.2	3.5	3.5	5.1	6.6
20	Corporate Return on Investment	*	*	2.8	2.4	2.8	4.2	6.7
21	Debt to Total Investment	*	*	13.2	74.8	74.4	75.5	77.7
	<u>TON LOAD FACTOR: (%)</u>							
22	Scheduled Svc.	64.0	58.6	61.1	59.9	58.9	58.6	59.3
23	All Services	63.8	58.8	61.1	59.9	58.8	58.6	58.4
	<u>Employment & Productivity:</u>							
24	Employment, Total Weighted Avg CY	6,076	6,108	6,080	6,088	6,098	6,055	6,005
25	Overall RTM's per Employee (000)	211.3	185.2	806.1	780.0	758.3	758.7	763.2

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	15.0	9.9	6.7	5.3	6.8	6.7	10.4
27	Operating Expenses (%)	10.8	4.3	5.6	4.0	6.4	5.8	6.5
28	Operating Profit (Loss) (in Millions \$)	38.9	39.7	44.3	45.2	24.2	35.0	113.8
29	Net Income (Loss)(in Millions \$)	17.2	27.5	-15.8	-5.4	-6.7	7.7	57.1
30	RTMs (All Svc.) (%)	13.5	154.1	25.4	47.3	80.0	174.7	152.2
31	ATMs (All Svc.) (%)	4.8	180.7	21.5	47.6	90.3	211.6	174.5
32	Operating Revenues per RTM (%)	1.4	6.8	-0.3	0.9	4.7	-1.9	-0.8
33	Operating Expense per RTM (%)	-2.4	1.3	-1.3	-0.4	4.4	-2.8	-4.3
34	Passenger Revenue per RPM (Sch. Svc.)(%)	0.0	0.0	0.0	0.0	0.0	0.0	0.0

**Comparison of Operating Profit (Loss) and Net Income (Loss)
For Individual Passenger and All-Cargo Majors
Quarterly and 12-Month Ended Periods
June 2003 and 2004**

Operating Profit (Loss) (\$Millions)						
Group/Carrier	Quarterly Data			12 Month Ended Data		
	6/2003	6/2004	\$Chg	6/2003	6/2004	\$Chg
System Passenger Majors	(756.0)	369.7	1,125.7	(9,162.2)	(726.7)	8,435.5
Alaska	8.6	16.3	7.7	(88.4)	3.5	91.9
America West	14.0	21.8	7.8	(113.5)	97.0	210.5
American	(330.8)	123.5	454.2	(3,193.9)	(111.8)	3,082.1
American Eagle	44.9	53.7	8.7	23.1	212.9	189.8
American Trans Air	13.6	(16.2)	(29.8)	(81.9)	(39.4)	42.5
Continental	201.3	62.3	(139.0)	(172.7)	82.3	255.0
Delta	(269.3)	(162.2)	107.1	(1,266.5)	(949.0)	317.4
Express One	42.0	50.2	8.1	85.4	202.6	117.2
Northwest	(76.4)	(4.4)	72.0	(948.0)	17.8	965.8
Southwest	140.3	196.8	56.4	364.7	539.5	174.8
United	(434.9)	(56.6)	378.3	(3,084.6)	(610.6)	2,474.0
US Airways	(109.5)	84.7	194.1	(685.9)	(171.5)	514.4
System Cargo Majors	335.8	432.6	96.9	1,040.8	963.4	(77.4)
Federal Express	271.1	329.1	58.0	815.2	693.4	(121.8)
UPS	64.6	103.5	38.9	225.6	269.9	44.3
System Total Majors	(420.2)	802.4	1,222.6	(8,121.4)	236.6	8,358.0

Net Income (Loss) (\$Millions)						
Group/Carrier	Quarterly Data			12 Month Ended Data		
	6/2003	6/2004	\$Chg	6/2003	6/2004	\$Chg
System Passenger Majors	130.1	(2,240.4)	(2,370.5)	(8,590.8)	(4,709.1)	3,881.7
Alaska	36.8	(2.6)	(39.4)	(51.7)	(30.7)	21.1
America West	77.3	6.6	(70.7)	(90.3)	38.7	129.0
American	(132.9)	(12.9)	120.0	(2,743.0)	(348.6)	2,394.4
American Eagle	41.8	19.2	(22.6)	(45.6)	64.4	110.0
American Trans Air	40.0	(29.0)	(68.9)	(90.0)	(108.4)	(18.4)
Continental	78.6	(17.0)	(95.7)	(288.0)	39.2	327.2
Delta	129.4	(1,973.0)	(2,102.3)	(1,040.1)	(2,913.7)	(1,873.6)
Express One	26.5	29.7	3.1	52.3	122.5	70.2
Northwest	225.3	(106.6)	(331.9)	(666.7)	330.2	996.9
Southwest	245.9	112.9	(133.0)	387.0	310.5	(76.5)
United	(654.7)	(302.7)	352.0	(4,507.3)	(1,891.0)	2,616.3
US Airways	16.1	35.2	19.1	492.7	(322.4)	(815.1)
System Cargo Majors	184.4	245.1	60.7	523.7	446.1	(77.5)
Federal Express	154.5	198.0	43.5	451.3	389.6	(61.8)
UPS	29.9	47.1	17.2	72.4	56.6	(15.8)
System Total Majors	314.5	(1,995.4)	(2,309.9)	(8,067.1)	(4,263.0)	3,804.1

**Comparison of Passenger Load Factors and Passenger Yields
For Individual Passenger and All-Cargo Majors
Quarterly and 12-Month Ended Periods
June 2003 and 2004**

Passenger Load Factor (Percent)						
Group/Carrier	Quarterly Data			12 Month Ended Data		
	6/2003	6/2004	Pt.Chg.	6/2003	6/2004	Pt.Chg.
System Passenger Majors	75.3	78.3	3.0	72.3	75.2	2.9
Alaska	70.6	72.8	2.2	68.7	71.1	2.4
America West	78.9	78.3	(0.6)	74.6	76.4	1.9
American	74.4	75.7	1.3	71.3	73.6	2.3
American Eagle	66.9	70.9	4.0	63.4	67.1	3.6
American Trans Air	76.9	74.5	(2.4)	72.6	70.9	(1.8)
Continental	77.1	78.3	1.2	73.6	76.8	3.2
Delta	76.2	77.6	1.4	73.1	75.2	2.1
Express One	70.2	73.6	3.4	65.4	69.7	4.3
Northwest	76.4	82.5	6.0	75.9	79.6	3.7
Southwest	70.1	76.3	6.2	65.9	68.7	2.8
United	76.9	82.1	5.1	74.0	78.6	4.7
US Airways	75.4	78.9	3.5	70.9	74.7	3.8
System Cargo Majors	-	-	-	-	-	-
Federal Express	-	-	-	-	-	-
UPS	-	-	-	-	-	-
System Total Majors	75.3	78.3	3.0	72.3	75.2	2.9

Scheduled Passenger Yield (Cents)						
Group/Carrier	Quarterly Data			12 Month Ended Data		
	6/2003	6/2004	Pct.Chg.	6/2003	6/2004	Pct.Chg.
System Passenger Majors	11.48	11.69	1.8	11.34	11.70	3.2
Alaska	12.20	12.29	0.7	12.18	12.33	1.3
America West	9.78	9.62	(1.6)	9.70	9.84	1.4
American	11.66	11.68	0.1	11.69	11.86	1.5
American Eagle	25.93	23.75	(8.4)	29.21	25.75	(11.8)
American Trans Air	8.58	9.93	15.8	8.62	8.86	2.8
Continental	11.57	11.34	(2.0)	11.60	11.39	(1.9)
Delta	11.53	11.24	(2.5)	11.47	11.42	(0.4)
Express One	21.95	21.05	(4.1)	13.46	22.03	63.6
Northwest	11.15	13.07	17.2	10.90	12.19	11.8
Southwest	11.43	11.27	(1.5)	11.54	11.67	1.1
United	10.14	10.54	3.9	10.03	10.55	5.2
US Airways	13.11	12.91	(1.5)	13.01	12.95	(0.5)
System Cargo Majors	-	-	-	-	-	-
Federal Express	-	-	-	-	-	-
UPS	-	-	-	-	-	-
System Total Majors	11.48	11.69	1.8	11.34	11.70	3.2

**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 2003 and 2004**

Operating Profit Margin (Percent)						
Group/Carrier	Quarterly Data			12 Month Ended Data		
	6/2003	6/2004	Pt. Chg	6/2003	6/2004	Pt. Chg.
System Passenger Majors	(3.7)	1.6	5.3	(11.7)	(0.8)	10.9
Alaska	1.7	2.8	1.1	(4.7)	0.2	4.9
America West	2.5	3.4	0.9	(5.4)	4.1	9.5
American	(7.7)	2.6	10.2	(19.5)	(0.6)	18.9
American Eagle	16.2	15.5	(0.7)	2.0	17.0	15.0
American Trans Air	3.8	(4.5)	(8.3)	(6.4)	(2.8)	3.7
Continental	10.8	3.0	(7.8)	(2.4)	1.1	3.5
Delta	(7.6)	(4.1)	3.6	(9.6)	(6.4)	3.3
Express One	13.1	13.5	0.4	13.6	13.9	0.3
Northwest	(3.4)	(0.2)	3.3	(10.4)	0.2	10.5
Southwest	9.3	11.5	2.2	6.4	8.6	2.2
United	(14.3)	(1.4)	12.9	(23.4)	(4.1)	19.3
US Airways	(6.2)	4.3	10.6	(10.4)	(2.4)	8.0
System Cargo Majors	6.8	7.9	1.1	5.4	4.6	(0.7)
Federal Express	6.5	7.2	0.7	5.0	3.9	(1.0)
UPS	8.5	11.9	3.4	7.5	8.5	0.9
System Total Majors	(1.7)	2.8	4.4	(8.3)	0.2	8.5

Group/Carrier	Debt To Investment (Percent)			Total Debt (\$Billions)		
	Quarterly Data			Quarterly Data		
	6/2003	6/2004	Pt.Chg.	6/2003	6/2004	\$ Chg.
System Passenger Majors	89.8	96.3	6.5	55.6	55.9	0.3
Alaska	61.5	57.9	(3.7)	1.0	0.9	(0.1)
America West	69.4	66.1	(3.3)	0.7	0.8	0.0
American	97.9	96.2	(1.7)	10.7	10.8	0.0
American Eagle	99.0	96.7	(2.4)	3.1	3.6	0.5
American Trans Air	130.9	186.2	55.3	0.5	0.5	(0.0)
Continental	90.2	89.9	(0.3)	5.8	6.0	0.2
Delta	92.3	134.4	42.1	10.6	10.5	(0.2)
Expree One	123.1	155.9	32.8	0.4	0.5	0.1
Northwest	72.7	71.4	(1.3)	6.9	7.8	0.8
Southwest	26.1	22.9	(3.2)	1.7	1.6	(0.1)
United	152.9	213.7	60.7	11.1	10.1	(1.0)
US Airways	90.8	100.5	9.7	3.0	2.9	(0.1)
System Cargo Majors	43.8	16.3	(27.6)	4.9	1.9	(3.0)
Federal Express	17.0	18.4	1.4	1.1	1.3	0.2
UPS	77.7	13.2	(64.5)	3.8	0.6	(3.2)
System Total Majors	82.8	82.9	0.1	60.5	57.8	(2.7)

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	$\frac{\text{Operating revenues (Account 4999)}}{\text{Overall revenue ton-miles (Item Z-240)}}$
10	Operating expense per revenue ton-mile	$\frac{\text{Operating expenses (Account 7199)}}{\text{Overall revenue ton-miles (Item Z-240)}}$
11	Operating profit per revenue ton-mile	$\frac{\text{Operating profit (Account 7999)}}{\text{Overall revenue ton-miles (Item Z-240)}}$
12	Operating expense per available ton-mile	$\frac{\text{Operating expenses (Account 7199)}}{\text{Overall available ton-miles (Item Z-280)}}$
13	Passenger revenue per revenue passenger-mile (scheduled service)	$\frac{\text{Passenger revenues (scheduled service) (Account 3901)}}{\text{Total revenue passenger-miles (scheduled service) (Item K-140)}}$
14	Operating revenues to total investment	$\frac{\text{Operating revenue (Account 4999)}}{\text{Total investment (See line 20)}}$
15	Times interest earned	$\frac{\text{Income Before income taxes (Account 8999) + interest on long-term debt and capital leases (Account 8181) + Other interest expense (Account 8182)}}{\text{Interest on long-term debt and capital leases (Account 8181) + Other interest expense (Account 8182)}}$
16	Current assets to current liabilities	$\frac{\text{Current assets (Account 1499)}}{\text{Current liabilities (Account 2199)}}$
17	Number of days coverage of cash operating expenses	$\frac{\text{Cash (Account 1010) + short-term investments (Account 1100)}}{[\text{Total operating expenses (Account 7199) less depreciation and amortization (Account 7000)}] / 365}$
18	Operating Profit to operating revenues	$\frac{\text{Operating profit (Account 7999)}}{\text{Operating revenues (Account 4999)}}$
19	Net income to stockholders' equity	$\frac{\text{Net income (Account 9999)}}{\text{Stockholders' equity (Account 2995) (5 Quarter average)}}$

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	Actual (Line 22) - Breakeven (Line 23)
25	Employees	Sum of full time and one-half part time employees(Average for 12-month ended period)
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>