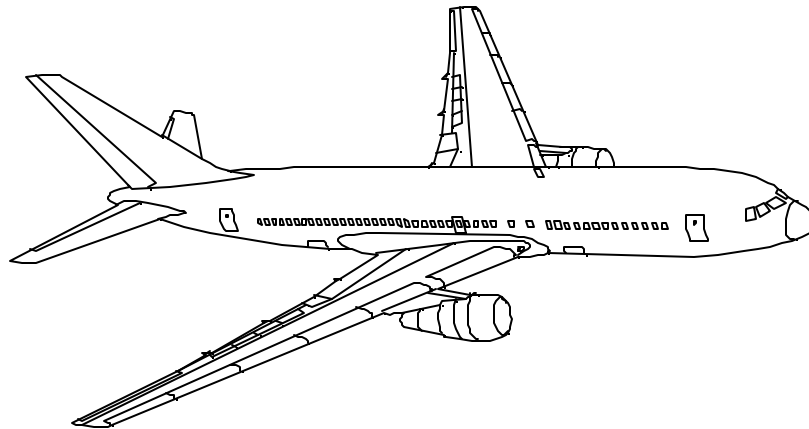


AIRLINE QUARTERLY FINANCIAL REVIEW

THIRD QUARTER 2000



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 included in this review for the first time. All financial and traffic results have been retroactively restated to include the operations of Alaska. Certain data in this review is classified in two broad categories : namely "domestic" and "international". "Domestic" encompasses operations within and between the 50 states of the United States, the District of Columbia, the Commonwealth of Puerto Rico, and the U.S. Virgin Islands. It also encompasses Canadian transborder operations and for certain carriers Mexican transborder operations. All other operations are considered "international", which is separated into Atlantic, Latin, and Pacific.

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

QUARTERLY FINANCIAL & TRAFFIC REVIEW

TOTAL SYSTEM PASSENGER & ALL-CARGO MAJORS

QUARTERLY RESULTS

- American Eagle and American Trans Air achieved major airline status effective January 1, 2000. Beginning with the first quarter 2000, this report will include the results of these carriers. For comparison purposes, all prior period results have been adjusted to include these carriers as well.
- For the third quarter 2000, operating expenses, up 10.8 percent, grew slightly faster than operating revenues, up 9.9 percent, resulting in a \$2.6 million decline in operating profit to \$2.26 billion. The passenger major group declined \$101.8 million to \$1.9 billion, while the all-cargo major group improved \$99.2 million to \$314 million.
- Total fuel expense jumped 53 percent (\$1.32 billion) as fuel consumption rose 2.7 percent and unit fuel prices jumped 48.9 percent. Fuel expense comprised 13.2 percent of total operating expenses, rising from 9.6 percent a year earlier and causing half of the decline in overall operating results.
- Net income fell \$494 million to \$905.5 million. The passenger majors dropped \$569.5 million to \$743.2 million, but the all-cargo group rose \$75.5 million to \$162.3 million.

OPERATING PROFIT (LOSS) AND NET INCOME (LOSS) 1/ (\$MILLIONS)						
CARRIER	OPERATING PROFIT (LOSS)			NET INCOME (LOSS)		
	3Q 1999	3Q 2000	\$CHANGE	3Q 1999	3Q 2000	\$CHANGE
TOTAL ALL MAJORS	2260.4	2257.8	-2.6	1399.5	905.5	-494.0
TOTAL PASSENGER MAJORS	2045.6	1943.8	-101.8	1312.7	743.2	-569.5
ALASKA	75.8	33.7	-42.1	48.7	17.4	-31.3
AMERICA WEST	38.8	-0.9	-39.7	21.3	-0.8	-22.1
AMERICAN	381.3	516.2	134.9	222.4	316.1	93.7
AMERICAN EAGLE	20.9	37.2	16.3	9.2	6.5	-2.7
AMERICAN TRANS AIR	31.6	18.6	-13.0	7.4	18.7	11.3
CONTINENTAL	147.9	227.9	80.0	93.1	130.6	37.5
DELTA	322.6	476.4	153.8	352.3	57.0	-295.3
NORTHWEST	376.5	364.6	-11.9	175.0	193.9	18.9
SOUTHWEST	206.7	300.1	93.4	127.0	184.3	57.3
TRANS WORLD	-58.9	-11.0	47.9	-53.7	-34.8	18.9
UNITED	609.2	-29.5	-638.7	354.0	-111.1	-465.1
US AIRWAYS	-106.9	10.6	117.5	-55.4	-23.2	32.2
TOTAL ALL-CARGO MAJORS	214.8	314.0	99.2	86.8	162.3	75.5
DHL AIRWAYS	3.3	-20.0	-23.3	15.0	-14.5	-29.5
FEDERAL EXPRESS	206.6	254.6	48.0	77.4	130.0	52.6
UNITED PARCEL SERVICE	4.9	79.4	74.5	-5.6	46.8	52.4

- The passenger load factor rose 1.5 percentage points to 75.8 percent, as RPM traffic, up 5 percent, grew faster than ASM capacity, up 2.7 percent.
- Passenger (RPM) yield rose 5.4 percent to 13.02 cents.
- Interest expense jumped \$89.1 million to \$509.7 million.
- The debt-to-investment ratio rose 2.4 percentage points to 47.4 percent.

12-MONTH RESULTS

- Operating results declined from a year ago for the eighth consecutive period, while net results again turned down for the second consecutive period.
- Operating profit dropped \$751.5 million to \$6.99 billion. The passenger group declined \$840.1 million to \$5.84 billion, while the all-cargo group rose \$88.6 million to \$1.15 billion. American, American Eagle, Federal Express, Northwest, Southwest, and UPS were the only majors to report a year-to-year improvement
- Net results fell \$1.23 billion to \$3.64 billion. The passenger group declined \$1.46 billion to \$3 billion, and the all-cargo group rose \$228.3 million to \$640.3 million.

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

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

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2000/09	1999/09	2000/09	2000/06	2000/03	1999/12	1999/09
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	30,849.2	28,065.8	115,670.1	112,886.7	109,982.9	107,636.3	105,903.8
2	Operating Expenses	28,591.4	25,805.4	108,683.1	105,897.1	103,221.7	100,576.4	98,165.2
3	Operating Profit (Loss)	2,257.8	2,260.4	6,987.1	6,989.6	6,761.2	7,059.9	7,738.6
4	Net Income (Loss)	905.5	1,399.5	3,649.5	4,143.5	4,540.7	5,075.2	4,876.6
<u>TRAFFIC: (Billions)</u>								
5	RPMS - Scheduled Rev. Svc.	175.92	167.62	646.16	637.85	624.32	616.78	609.40
6	ASMs - Scheduled Rev. Svc.	232.11	225.95	889.72	883.55	875.30	863.70	855.29
7	Overall RTMs (All Svc.)	23.90	22.77	90.66	89.53	87.59	85.07	83.61
8	Overall ATMs (All Svc.)	39.86	38.32	152.80	151.26	149.02	146.30	144.31
<u>YIELD & UNIT COST & PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	129.1	123.3	127.6	126.1	125.6	126.5	126.7
10	Operating Expense per RTM	119.6	113.3	119.9	118.3	117.8	118.2	117.4
11	Operating Profit (Loss) per RTM	9.4	9.9	7.7	7.8	7.7	8.3	9.3
12	Operating Expense per ATM	71.7	67.3	71.1	70.0	69.3	68.7	68.0
13	Passenger Revenue per RPM	13.02	12.35	13.16	12.98	12.82	12.71	12.68
<u>FINANCIAL RATIOS:</u>								
14	Operating Revenues to Total Investment	*	*	1.68	1.69	1.69	1.73	1.78
15	Times Interest Earned	*	*	4.77	5.25	5.88	6.46	6.36
16	Current Assets to Current Liabilities	*	*	0.70	0.70	0.71	0.77	0.74
17	No. of Days Cash Coverage of Cash Exp.	*	*	33.6	35.6	34.2	33.0	34.0
<u>FINANCIAL PERCENTAGES:</u>								
18	Operating Profit (Loss) to Operating Revenue	7.3	8.1	6.0	6.2	6.1	6.6	7.3
19	Net Income to Stockholders Equity	*	*	10.1	11.7	13.1	15.1	15.0
20	Corporate Return on Investment	*	*	8.0	8.8	9.5	10.6	10.7
21	Debt to Total Investment	*	*	47.4	47.8	48.7	47.2	45.0
<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>								
22	Actual	75.8	74.2	72.6	72.2	71.3	71.4	71.3
23	Breakeven	70.4	68.9	68.7	68.3	68.0	67.9	67.3
<u>Employment & Productivity:</u>								
24	Employment, Total Weighted Avg CY	554,192	529,762	553,787	549,027	533,965	525,514	519,273
25	Overall RTM's per Employee (000)	43.1	43.0	163.7	163.1	164.0	161.9	161.0

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	9.9	5.1	9.2	8.0	5.9	4.1	2.8
27	Operating Expenses (%)	10.8	7.0	10.7	9.8	8.0	6.2	4.3
28	Operating Profit (Loss) (in Millions \$)	-2.6	-339.4	-751.5	-1,088.4	-1,513.8	-1,666.7	-1,167.4
29	Net Income (Loss)(in Millions \$)	-494.0	-36.9	-1,227.1	-770.1	82.1	394.9	-460.1
30	RPMS (Sch. Svc.) (%)	5.0	6.2	6.0	6.4	4.8	4.4	3.9
31	ASMs (Sch. Svc.) (%)	2.7	6.9	4.0	5.1	5.1	4.2	4.0
32	Operating Revenues per RTM (%)	4.7	-1.9	0.7	-1.0	-1.4	-0.8	-0.7
33	Operating Expense per RTM (%)	5.6	-0.2	2.1	0.7	0.4	1.2	0.7
34	Passenger Revenue per RPM (Sch. Svc.)(%)	5.4	-1.4	3.8	2.0	0.4	-1.1	-2.2

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

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2000/09	1999/09	2000/09	2000/06	2000/03	1999/12	1999/09
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	22,869.2	21,133.5	87,899.8	86,164.2	84,226.0	82,611.7	81,475.8
2	Operating Expenses	21,399.9	19,677.2	82,522.8	80,800.1	78,942.6	76,916.3	74,859.5
3	Operating Profit (Loss)	1,469.3	1,456.3	5,377.1	5,364.1	5,283.4	5,695.4	6,616.3
4	Net Income (Loss)	528.3	1,110.5	2,916.8	3,498.9	3,868.7	4,338.9	4,376.8
<u>TRAFFIC: (Billions)</u>								
5	RPMs - Scheduled Rev. Svc.	124.43	119.95	468.04	463.56	455.03	449.11	443.42
6	ASMs - Scheduled Rev. Svc.	168.59	165.82	655.93	653.16	648.74	639.03	631.26
7	Overall RTMs (All Svc.)	15.45	15.04	60.23	59.81	58.77	56.88	56.07
8	Overall ATMs (All Svc.)	26.25	25.56	102.71	102.02	100.80	98.80	97.25
<u>YIELD & UNIT COST & PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	148.0	140.5	145.9	144.1	143.3	145.2	145.3
10	Operating Expense per RTM	138.5	130.8	137.0	135.1	134.3	135.2	133.5
11	Operating Profit (Loss) per RTM	9.5	9.7	8.9	9.0	9.0	10.0	11.8
12	Operating Expense per ATM	81.5	77.0	80.3	79.2	78.3	77.9	77.0
13	Passenger Revenue per RPM	13.93	13.22	14.17	13.99	13.80	13.70	13.66
<u>FINANCIAL RATIOS:</u>								
14	Operating Revenues to Total Investment	*	*	**	**	**	**	**
15	Times Interest Earned	*	*	**	**	**	**	**
16	Current Assets to Current Liabilities	*	*	**	**	**	**	**
17	No. of Days Cash Coverage of Cash Exp.	*	*	**	**	**	**	**
<u>FINANCIAL PERCENTAGES:</u>								
18	Operating Profit (Loss) to Operating Revenue	6.4	6.9	6.1	6.2	6.3	6.9	8.1
19	Net Income to Stockholders Equity	*	*	**	**	**	**	**
20	Corporate Return on Investment	*	*	8.3	9.6	10.4	11.6	12.2
21	Debt to Total Investment	*	*	**	**	**	**	**
<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>								
22	Actual	73.8	72.3	71.4	71.0	70.1	70.3	70.2
23	Breakeven	69.4	68.5	67.5	67.2	66.8	66.6	65.7
<u>Employment & Productivity:</u>								
24	Employment, Total Weighted Avg CY	*	*	**	**	**	**	**
25	Overall RTM's per Employee (000)	*	*	**	**	**	**	**

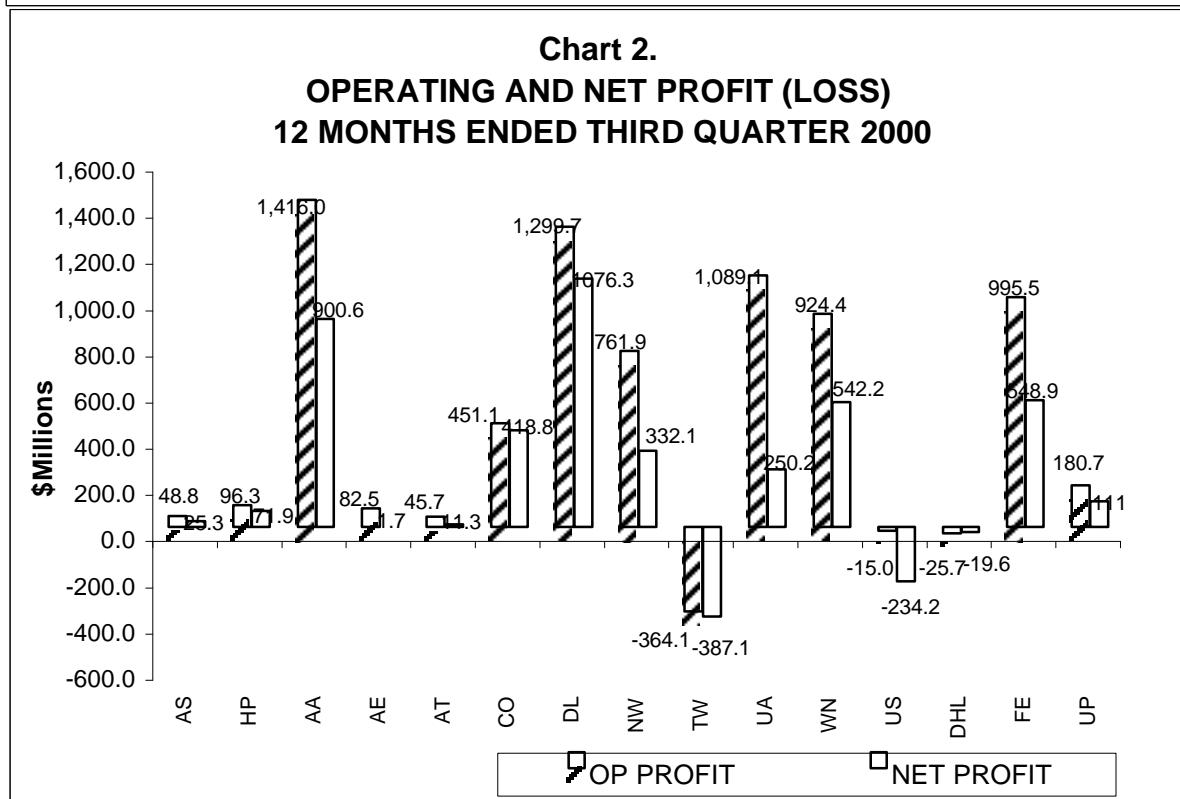
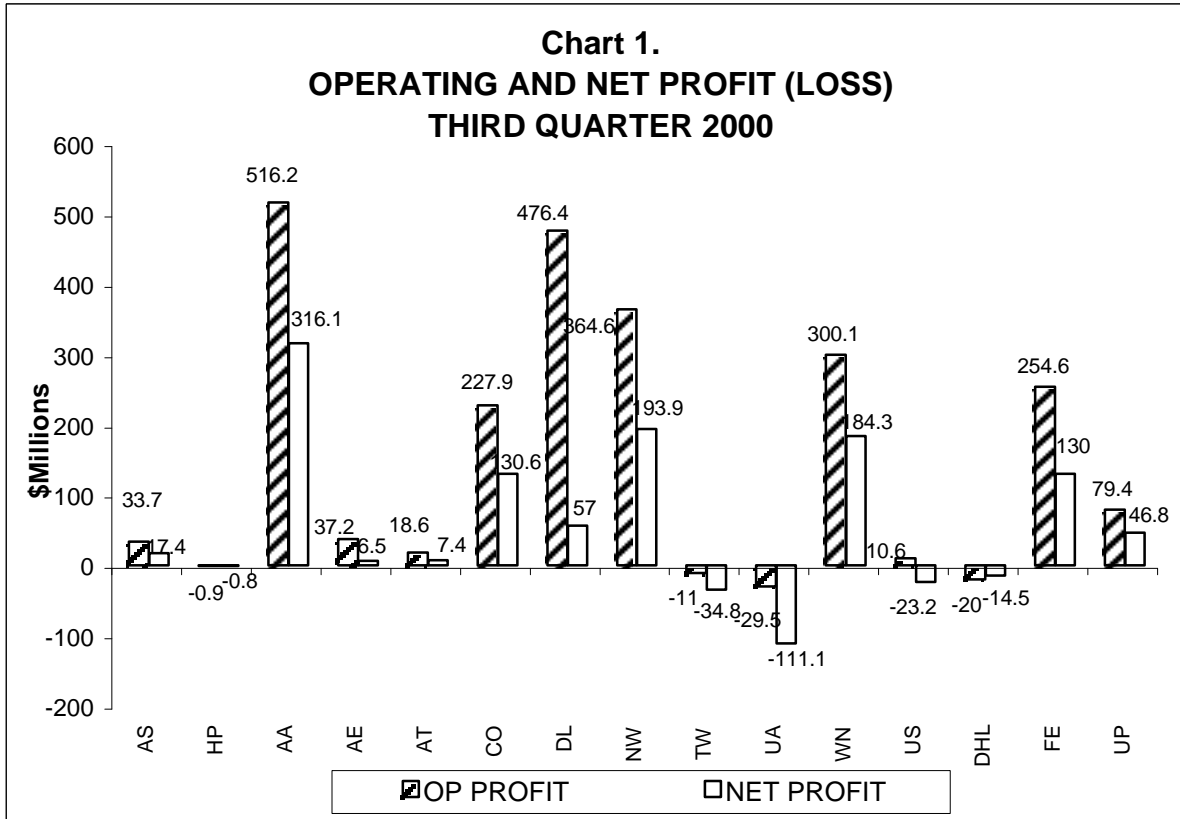
		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	8.2	4.7	7.9	7.0	5.6	4.3	3.6
27	Operating Expenses (%)	8.8	8.6	10.2	10.2	9.1	7.6	5.4
28	Operating Profit (Loss) (in Millions \$)	13.0	-607.6	-1,239.2	-1,859.8	-2,111.0	-2,040.7	-1,032.5
29	Net Income (Loss)(in Millions \$)	-582.2	3.7	-1,460.0	-874.3	-105.8	155.0	-210.6
30	RPMs (Sch. Svc.) (%)	3.7	5.4	5.6	6.0	4.9	4.6	4.2
31	ASMs (Sch. Svc.) (%)	1.7	7.8	3.9	5.5	6.1	5.2	4.8
32	Operating Revenues per RTM (%)	5.3	-1.0	0.4	-1.1	-1.4	-0.1	0.1
33	Operating Expense per RTM (%)	5.9	2.7	2.6	1.8	1.9	3.1	1.8
34	Passenger Revenue per RPM (Sch. Svc.)(%)	5.4	-0.9	3.7	2.1	0.7	-0.7	-1.7

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

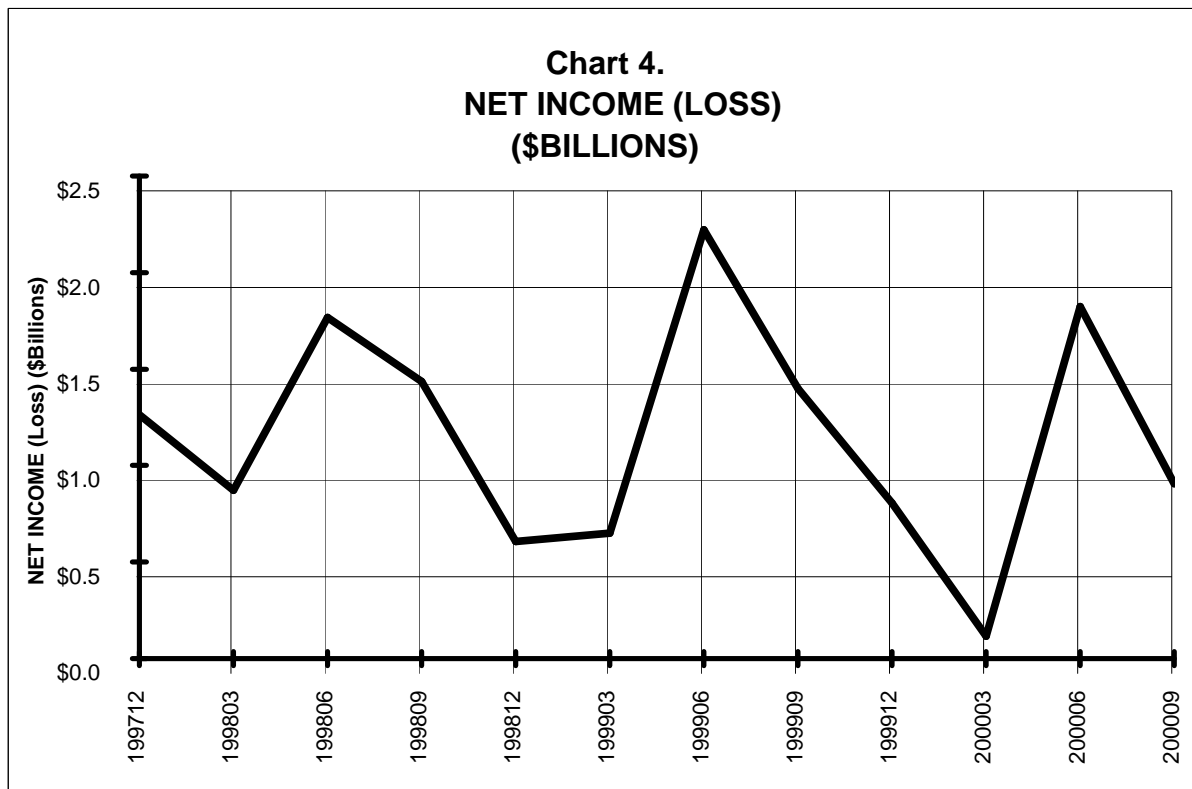
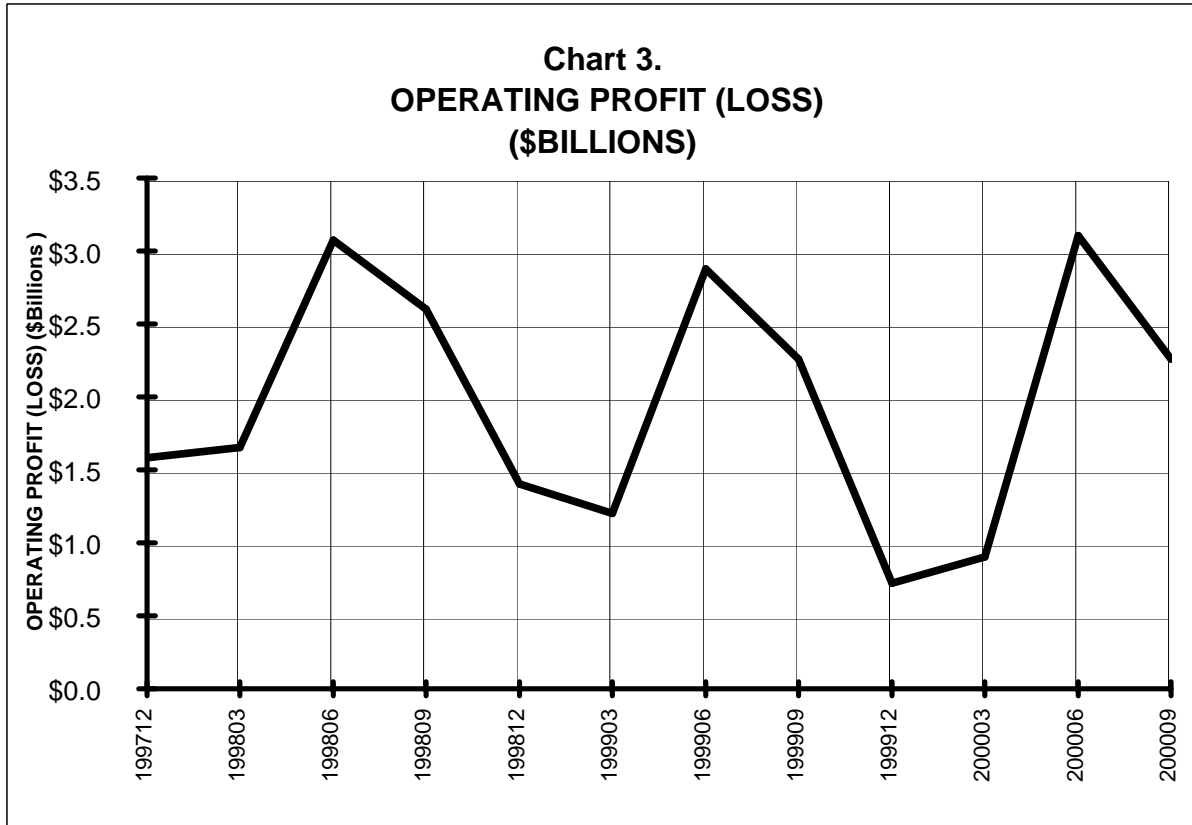
ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2000/09	1999/09	2000/09	2000/06	2000/03	1999/12	1999/09
	<u>FINANCIAL RESULTS: (\$Millions)</u>							
1	Operating Revenues	7,980.0	6,932.3	27,770.3	26,722.5	25,756.9	25,024.6	24,428.0
2	Operating Expenses	7,191.5	6,128.2	26,160.3	25,097.0	24,279.1	23,660.1	23,305.7
3	Operating Profit (Loss)	788.5	804.0	1,610.0	1,625.5	1,477.8	1,364.5	1,122.3
4	Net Income (Loss)	377.2	289.0	732.8	644.6	672.0	736.3	499.8
	<u>TRAFFIC: (Billions)</u>							
5	RPMS - Scheduled Rev. Svc.	51.49	47.67	178.11	174.29	169.30	167.67	165.98
6	ASMs - Scheduled Rev. Svc.	63.52	60.13	233.78	230.39	226.55	224.67	224.03
7	Overall RTMs (All Svc.)	8.44	7.73	30.44	29.72	28.83	28.18	27.54
8	Overall ATMs (All Svc.)	13.61	12.75	50.10	49.24	48.22	47.50	47.06
	<u>YIELD & UNIT COST & PROFITS: (Cents)</u>							
9	Operating Revenue per RTM	94.5	89.7	91.2	89.9	89.3	88.8	88.7
10	Operating Expense per RTM	85.2	79.3	86.0	84.4	84.2	83.9	84.6
11	Operating Profit (Loss) per RTM	9.3	10.4	5.3	5.5	5.1	4.8	4.1
12	Operating Expense per ATM	52.8	48.1	52.2	51.0	50.4	49.8	49.5
13	Passenger Revenue per RPM	10.84	10.17	10.51	10.32	10.17	10.07	10.04
	<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	9.9	11.6	5.8	6.1	5.7	5.5	4.6
19	Net Income to Stockholders Equity	*	*	**	**	**	**	**
20	Corporate Return on Investment	*	*	6.8	6.4	6.8	7.4	6.1
21	Debt to Total Investment	*	*	**	**	**	**	**
	<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>							
22	Actual	81.1	79.3	76.2	75.7	74.7	74.6	74.1
23	Breakeven	72.2	68.6	72.5	71.7	71.5	71.8	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 (%)	15.1	6.1	13.7	11.2	6.9	3.5	0.1
27	Operating Expenses (%)	17.4	2.2	12.2	8.3	4.6	2.1	0.7
28	Operating Profit (Loss) (in Millions \$)	-15.5	268.1	487.7	771.4	597.1	374.0	-134.9
29	Net Income (Loss)(in Millions \$)	88.2	-40.6	233.0	104.2	187.9	239.9	-249.5
30	RPMS (Sch. Svc.) (%)	8.0	8.0	7.3	7.3	4.6	4.1	3.2
31	ASMs (Sch. Svc.) (%)	5.6	4.4	4.4	4.0	2.2	1.6	1.9
32	Operating Revenues per RTM (%)	5.4	-3.6	2.8	0.4	-1.4	-2.4	-3.3
33	Operating Expense per RTM (%)	7.4	-7.0	1.7	-2.2	-3.6	-3.9	-2.8
34	Passenger Revenue per RPM (Sch. Svc.)(%)	6.6	-2.6	4.7	2.1	-0.8	-2.9	-4.5

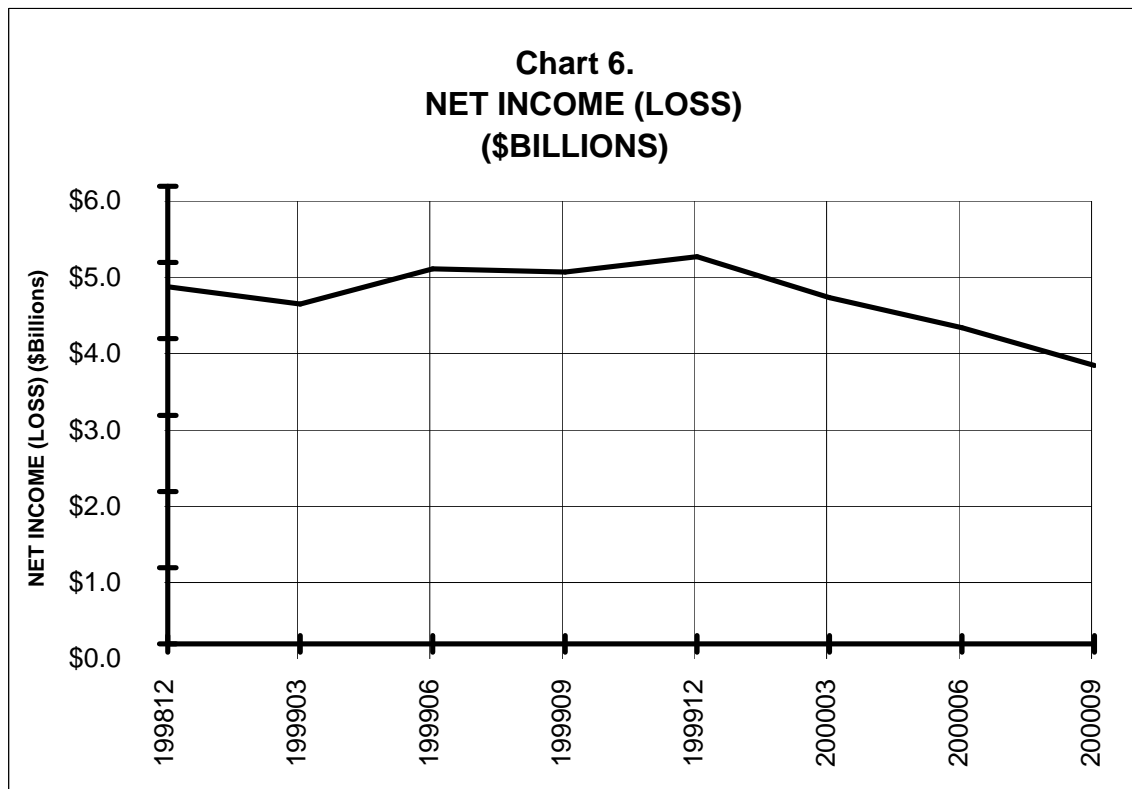
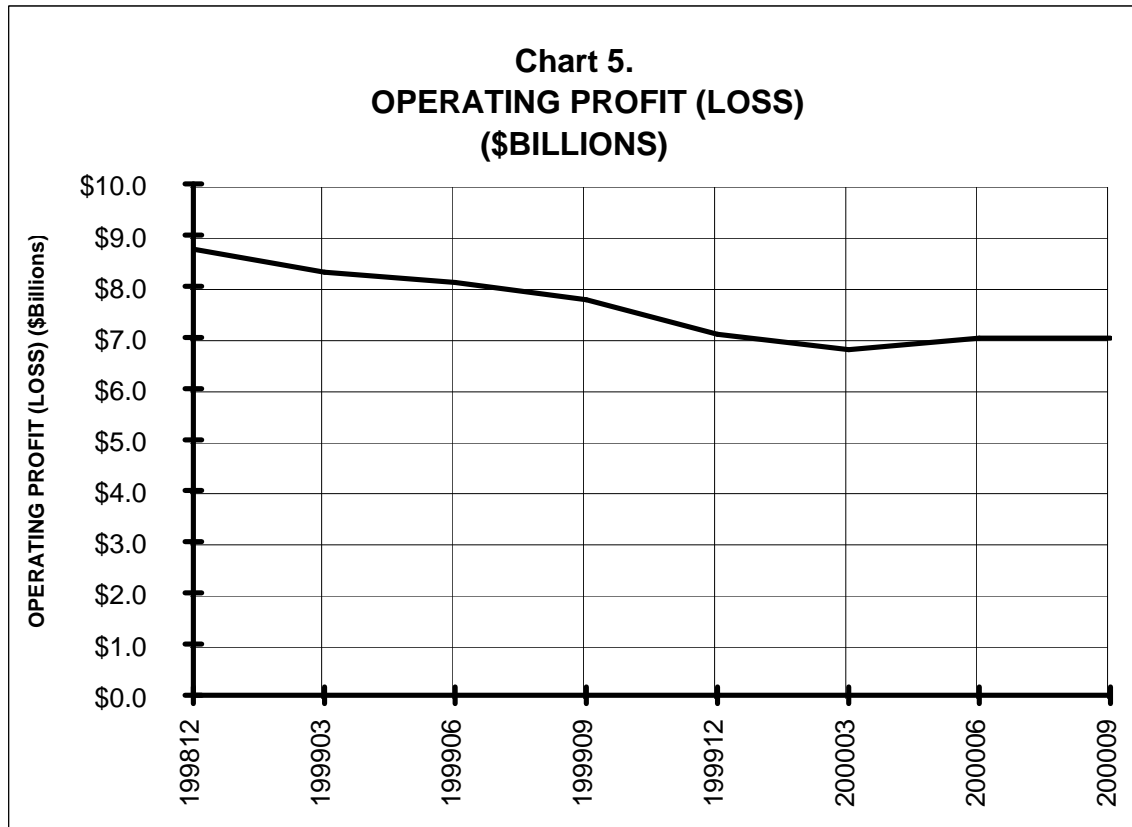
COMPARISONS AMONG MAJOR GROUP AIRLINES



TOTAL ALL MAJORS (SYSTEM) BY QUARTER



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



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

Chart 7.
OPERATING REVENUE PER REVENUE TON-MILE
PERCENT CHANGE FROM SAME PERIOD A YEAR
EARLIER

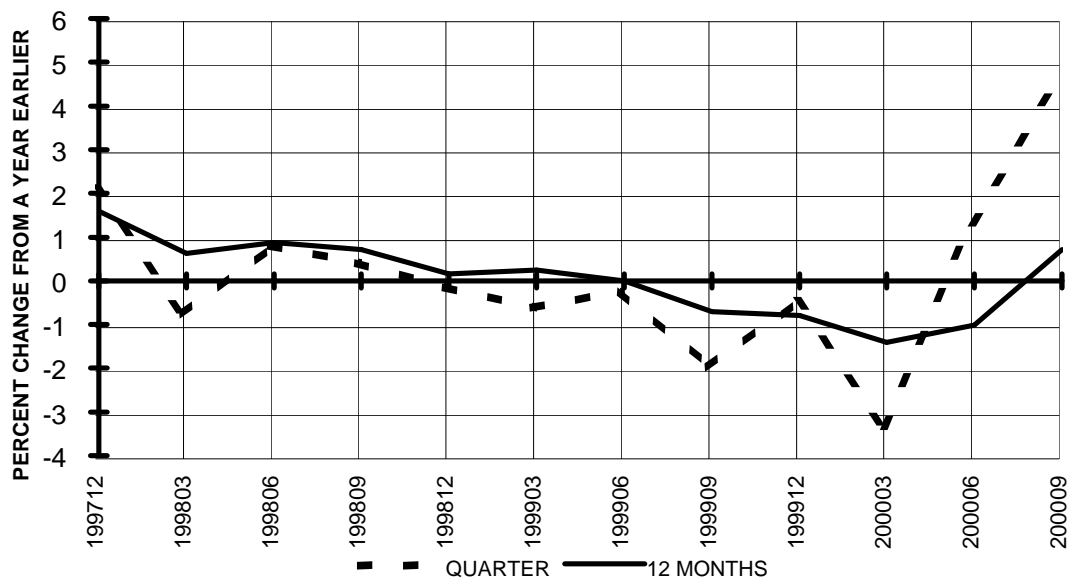
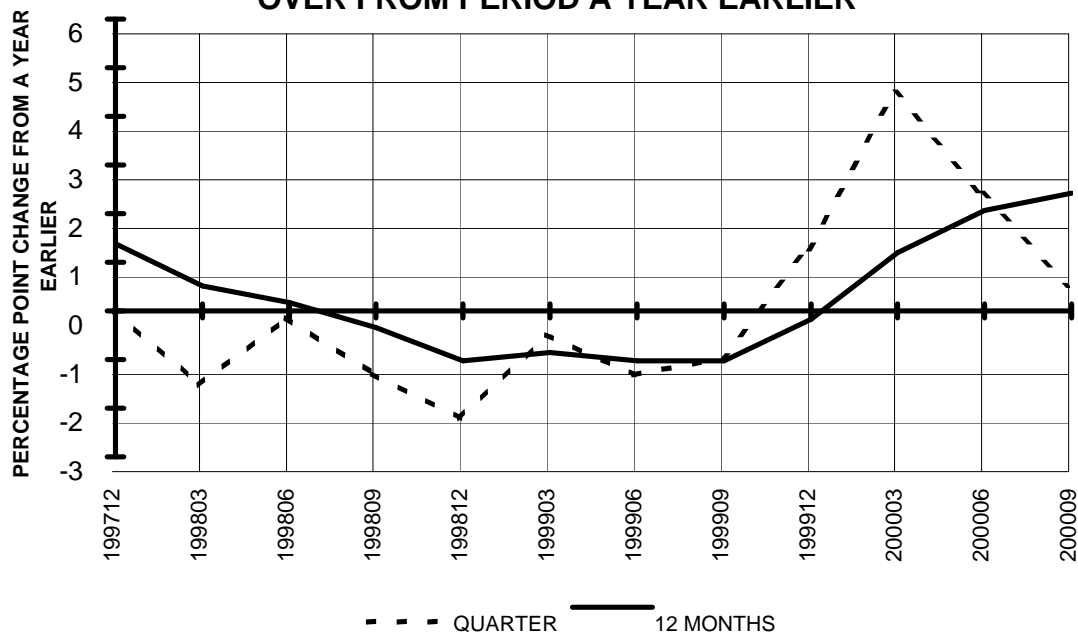
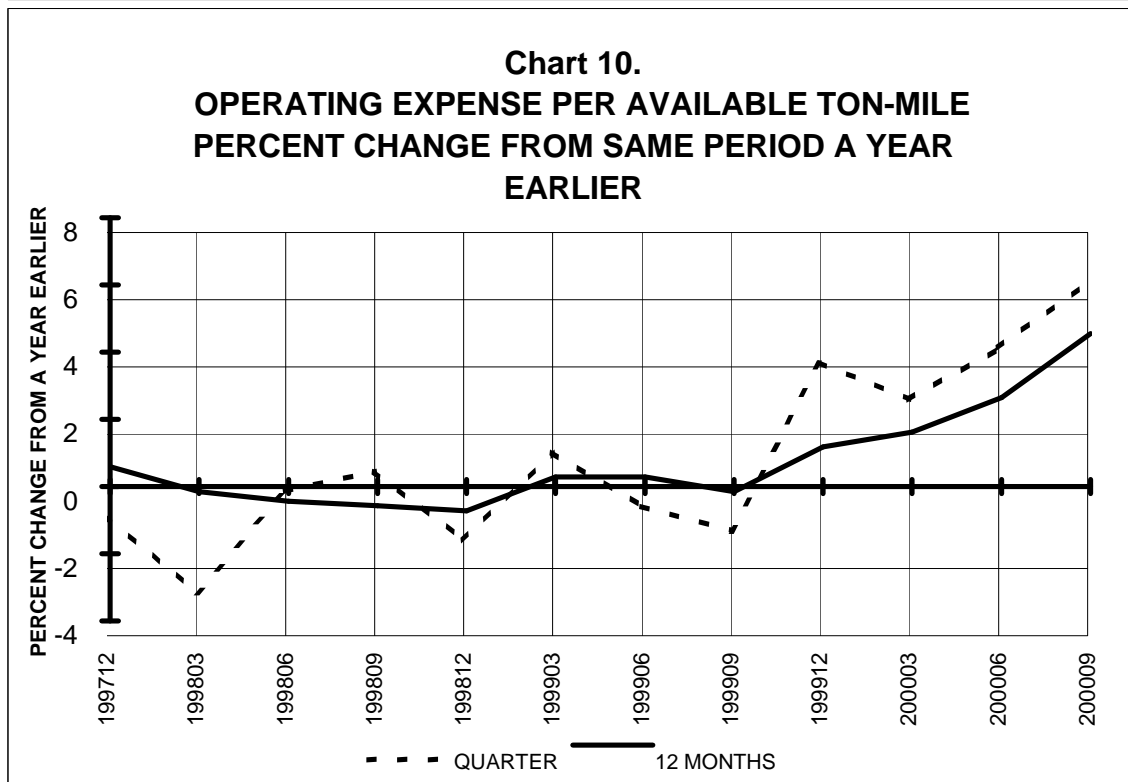
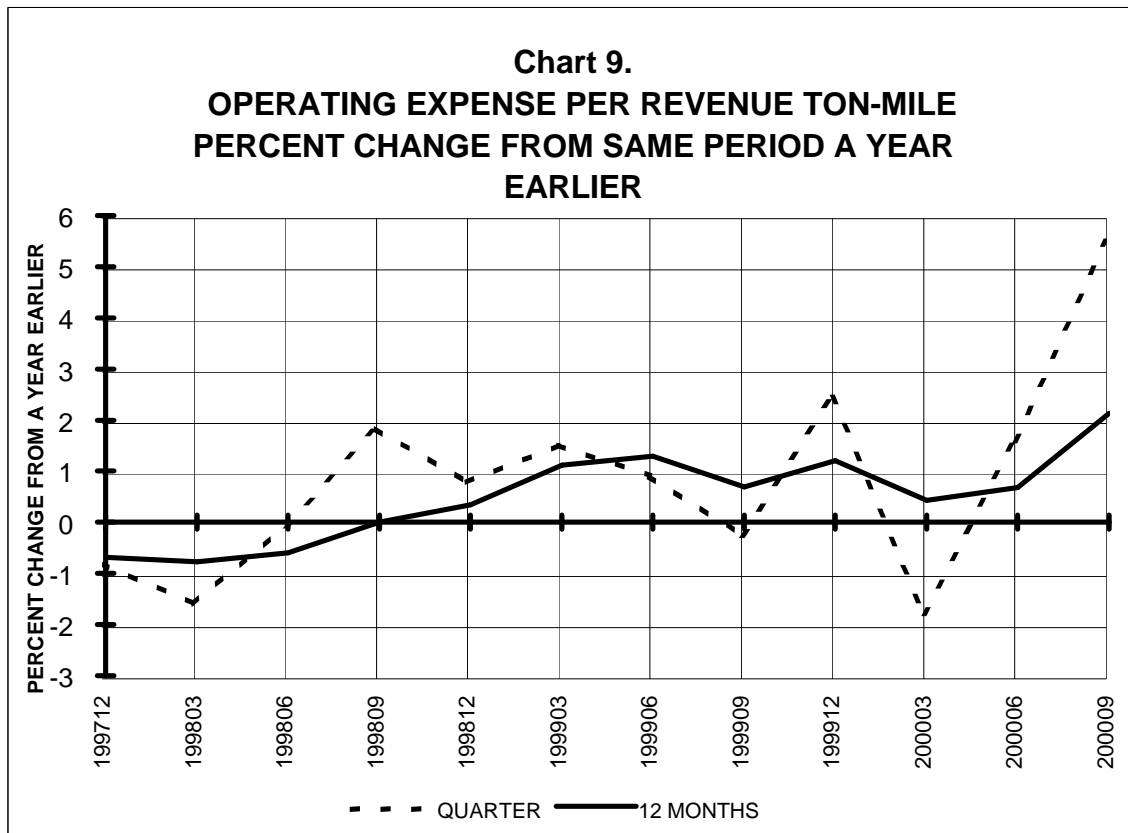


Chart 8.
TON LOAD FACTOR PERCENTAGE POINT CHANGE
OVER FROM PERIOD A YEAR EARLIER



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



QUARTERLY FINANCIAL & TRAFFIC REVIEW
TOTAL PASSENGER MAJORS 1/

QUARTERLY RESULTS

- For the quarter ended September 2000, all passenger majors– except for America West, Trans World, US Airways and United – reported an operating profit and net profit. US Airways did, however, report just an operating profit.
- Despite the largely positive results, individual carrier results were mixed. All passenger majors– except for Alaska, America West, American Trans Air, Northwest and United-- experienced a year-to-year improvement in operating results and six carriers – American, Continental, Northwest, Southwest, Trans World and US Airways-- experienced a year-to-year improvement in net results.
- For the group, operating expenses, up 11.2 percent, grew slightly faster than operating revenues, up 9.8 percent, resulting in a decline of \$101.8 million in operating profit to \$1.9**billion**.
- All majors experienced a sharp increase in total fuel expense, which soared \$1.18**billion** (52.2 percent) from a year ago, mostly the result of an average 48.6 percent jump in unit fuel prices.
- Net income fell \$569.5 million to \$743.2 million

Quarter Ended	\$ Millions					
	OPERATING PROFIT (LOSS)			NET INCOME (LOSS)		
	LAST YEAR	THIS YEAR	\$	LAST YEAR	THIS YEAR	\$
	1999	2000	Change	1999	2000	Change
March	986.5	714.9	-271.6	576.1	33.3	-542.8
June	2,590.4	2,803.9	213.6	2,079.7	1,656.4	-423.3
Sept.	2,045.6	1,943.8	-101.7	1,312.7	743.2	-569.5
Dec.	373.9	0.0	-	576.3	0.0	-

- RPM traffic, up 5 percent, grew nearly twice as fast as ASM capacity, up 2.7 percent, causing the passenger load factor to rise 1.6 percentage points to 75.8 percent. Every major passenger carrier, except American Eagle, experienced a load factor of at least 71 percent.
- Passenger (RPM) yield rose 5.4 percent to 13.02 cents. US Airways reported the only decline from a year ago.
- The Atlantic entity reported a gain in operating profit of \$65.7 million to \$447.9 million, the only improvement reported by any entity in operating or net results.

ENTITY	\$ Millions						TRAFFIC (Billions)			CAPACITY (Billions)			PAX. L.F.
	OPERATING PROFIT (LOSS)			NET INCOME (LOSS)			RPMs (Sch. Svc.)			ASMs (Sch. Svc.)			
	1999	2000	\$ Change	1999	2000	\$ Change	1999	2000	Change %	1999	2000	Change %	
Domestic	1,353.1	1,254.9	-98.2	917.0	411.5	-505.5	119.9	124.4	3.7	165.8	168.6	1.7	73.8%
Int'l	692.5	688.9	-3.6	395.7	331.7	-64.0	47.7	51.5	8.0	60.1	63.5	5.6	81.1%
Atlantic	382.2	447.9	65.7	229.7	217.4	-12.3	23.8	26.1	9.9	29.0	31.0	7.2	84.1%
Latin	114.2	77.5	-36.7	67.3	41.5	-25.7	8.9	9.4	5.0	12.7	12.8	1.2	72.9%
Pacific	196.1	163.5	-32.6	98.8	72.7	-26.0	15.0	16.0	6.8	18.5	19.6	6.3	81.6%
System	2,045.6	1,943.8	-101.7	1,312.7	743.2	-569.5	167.6	175.9	5.0	225.9	232.1	2.7	75.8%

- The operating profit margin slid 1.2 percentage points to 7.5 percent. This decline resulted from only five majors being down from a year ago, with United alone falling 13.2 percentage points and Alaska down 9 points.

12-MONTH RESULTS

- All majors, except for Trans World and US Airways, reported an operating and net profit for 12-months ended June 2000.
- Operating expense growth, up 14.9 percent, nearly tripled operating revenue growth, up 4.5 percent, resulting in a decline in operating profit of \$840.1 million to \$5.84**billion**. US Airways alone was down \$439.9 million.
- Net income dropped \$1.47 **billion** to \$3.01 **billion**.
- The passenger load factor climbed 1.3 percentage points to 72.6 percent as RPM traffic grew 6 percent, and ASM capacity rose a lesser 4 percent.
- Passenger (RPM) yield was up from the same period a year earlier, rising 3.8 percent to 13.16 cents.

1/ American Trans Air and American Eagle became major air carriers effective January 1, 2000. For comparison purposes, all financial and traffic results for prior periods have been revised to reflect the inclusion of these two carriers.

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

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2000/09	1999/09	2000/09	2000/06	2000/03	1999/12	1999/09
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	25,916.3	23,609.8	96,198.9	93,892.5	91,433.1	89,605.2	88,274.6
2	Operating Expenses	23,972.5	21,564.2	90,362.4	87,954.2	85,708.4	83,609.0	81,597.9
3	Operating Profit (Loss)	1,943.8	2,045.6	5,836.5	5,938.3	5,724.7	5,996.3	6,676.6
4	Net Income (Loss)	743.2	1,312.7	3,009.2	3,578.7	4,002.0	4,544.8	4,464.6
<u>TRAFFIC: (Billions)</u>								
5	RPMs - Scheduled Rev. Svc.	175.92	167.62	646.16	637.85	624.32	616.78	609.40
6	ASMs - Scheduled Rev. Svc.	232.11	225.95	889.72	883.55	875.30	863.70	855.29
7	Overall RTMs (All Svc.)	20.68	19.81	77.98	77.11	75.52	73.39	72.27
8	Overall ATMs (All Svc.)	34.85	33.35	132.29	130.79	128.81	126.51	124.80
<u>YIELD & UNIT COST & PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	125.3	119.2	123.4	121.8	121.1	122.1	122.1
10	Operating Expense per RTM	115.9	108.8	115.9	114.1	113.5	113.9	112.9
11	Operating Profit (Loss) per RTM	9.4	10.3	7.5	7.7	7.6	8.2	9.2
12	Operating Expense per ATM	68.8	64.7	68.3	67.2	66.5	66.1	65.4
13	Passenger Revenue per RPM	13.02	12.35	13.17	13.00	12.82	12.71	12.68
<u>FINANCIAL RATIOS:</u>								
14	Operating Revenues to Total Investment	*	*	1.62	1.63	1.65	1.69	1.75
15	Times Interest Earned	*	*	4.45	5.00	5.70	6.33	6.50
16	Current Assets to Current Liabilities	*	*	0.67	0.66	0.67	0.73	0.71
17	No. of Days Cash Coverage of Cash Exp.	*	*	40.0	42.5	40.7	39.2	40.3
<u>FINANCIAL PERCENTAGES:</u>								
18	Operating Profit (Loss) to Operating Revenue	7.5	8.7	6.1	6.3	6.3	6.7	7.6
19	Net Income to Stockholders Equity	*	*	9.7	11.7	13.5	15.9	16.2
20	Corporate Return on Investment	*	*	7.9	9.0	10.0	11.2	11.5
21	Debt to Total Investment	*	*	47.6	48.1	49.5	47.6	44.7
<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>								
22	Actual	75.8	74.2	72.6	72.2	71.3	71.4	71.3
23	Breakeven	70.6	69.2	69.0	68.7	68.4	68.3	67.5
<u>Employment & Productivity:</u>								
24	Employment, Total Weighted Avg CY	382,244	424,529	430,581	441,052	428,159	420,723	415,443
25	Overall RTM's per Employee (000)	54.1	46.7	181.1	174.8	176.4	174.4	174.0

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	9.8	5.1	9.0	7.8	5.6	3.7	2.2
27	Operating Expenses (%)	11.2	7.2	10.7	9.7	7.9	6.2	4.1
28	Operating Profit (Loss) (in Millions \$)	-101.8	-286.1	-840.1	-1,024.5	-1,445.9	-1,668.4	-1,313.5
29	Net Income (Loss)(in Millions \$)	-569.5	10.1	-1,455.4	-875.8	-16.0	302.8	-454.1
30	RPMs (Sch. Svc.) (%)	5.0	6.2	6.0	6.4	4.8	4.4	3.9
31	ASMs (Sch. Svc.) (%)	2.7	6.9	4.0	5.1	5.1	4.2	4.0
32	Operating Revenues per RTM (%)	5.1	-2.1	1.1	-0.9	-1.6	-1.1	-1.3
33	Operating Expense per RTM (%)	6.5	-0.4	2.7	0.9	0.6	1.2	0.5
34	Passenger Revenue per RPM (Sch. Svc.)(%)	5.4	-1.4	3.9	2.1	0.4	-1.1	-2.2

QUARTERLY FINANCIAL & TRAFFIC REVIEW
DOMESTIC OPERATIONS
TOTAL PASSENGER MAJORS

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2000/09	1999/09	2000/09	2000/06	2000/03	1999/12	1999/09
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	19,296.8	17,805.7	73,759.8	72,268.8	70,539.6	69,165.6	68,119.8
2	Operating Expenses	18,041.9	16,452.7	68,932.7	67,343.5	65,711.3	64,008.9	62,160.2
3	Operating Profit (Loss)	1,254.9	1,353.1	4,827.1	4,925.3	4,828.3	5,156.7	5,959.6
4	Net Income (Loss)	411.5	917.0	2,639.9	3,145.4	3,472.5	3,966.5	4,024.7
<u>TRAFFIC: (Billions)</u>								
5	RPMs - Scheduled Rev. Svc.	124.43	119.95	468.04	463.56	455.03	449.11	443.42
6	ASMs - Scheduled Rev. Svc.	168.59	165.82	655.93	653.16	648.74	639.03	631.26
7	Overall RTMs (All Svc.)	13.52	13.16	52.39	52.03	51.12	49.40	48.75
8	Overall ATMs (All Svc.)	23.15	22.33	89.54	88.72	87.54	85.70	84.30
<u>YIELD & UNIT COST & PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	142.8	135.3	140.8	138.9	138.0	140.0	139.7
10	Operating Expense per RTM	133.5	125.0	131.6	129.4	128.6	129.6	127.5
11	Operating Profit (Loss) per RTM	9.3	10.3	9.2	9.5	9.4	10.4	12.2
12	Operating Expense per ATM	77.9	73.7	77.0	75.9	75.1	74.7	73.7
13	Passenger Revenue per RPM	13.93	13.22	14.17	13.99	13.80	13.70	13.66
<u>FINANCIAL RATIOS:</u>								
14	Operating Revenues to Total Investment	*	*	**	**	**	**	**
15	Times Interest Earned	*	*	**	**	**	**	**
16	Current Assets to Current Liabilities	*	*	**	**	**	**	**
17	No. of Days Cash Coverage of Cash Exp.	*	*	**	**	**	**	**
<u>FINANCIAL PERCENTAGES:</u>								
18	Operating Profit (Loss) to Operating Revenue	6.5	7.6	6.5	6.8	6.8	7.5	8.7
19	Net Income to Stockholders Equity	*	*	**	**	**	**	**
20	Corporate Return on Investment	*	*	8.8	10.1	11.0	12.6	13.3
21	Debt to Total Investment	*	*	**	**	**	**	**
<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>								
22	Actual	73.8	72.3	71.4	71.0	70.1	70.3	70.2
23	Breakeven	69.5	68.3	67.3	67.0	66.6	66.5	65.4
<u>Employment & Productivity:</u>								
24	Employment, Total Weighted Avg CY	*	*	**	**	**	**	**
25	Overall RTM's per Employee (000)	*	*	**	**	**	**	**

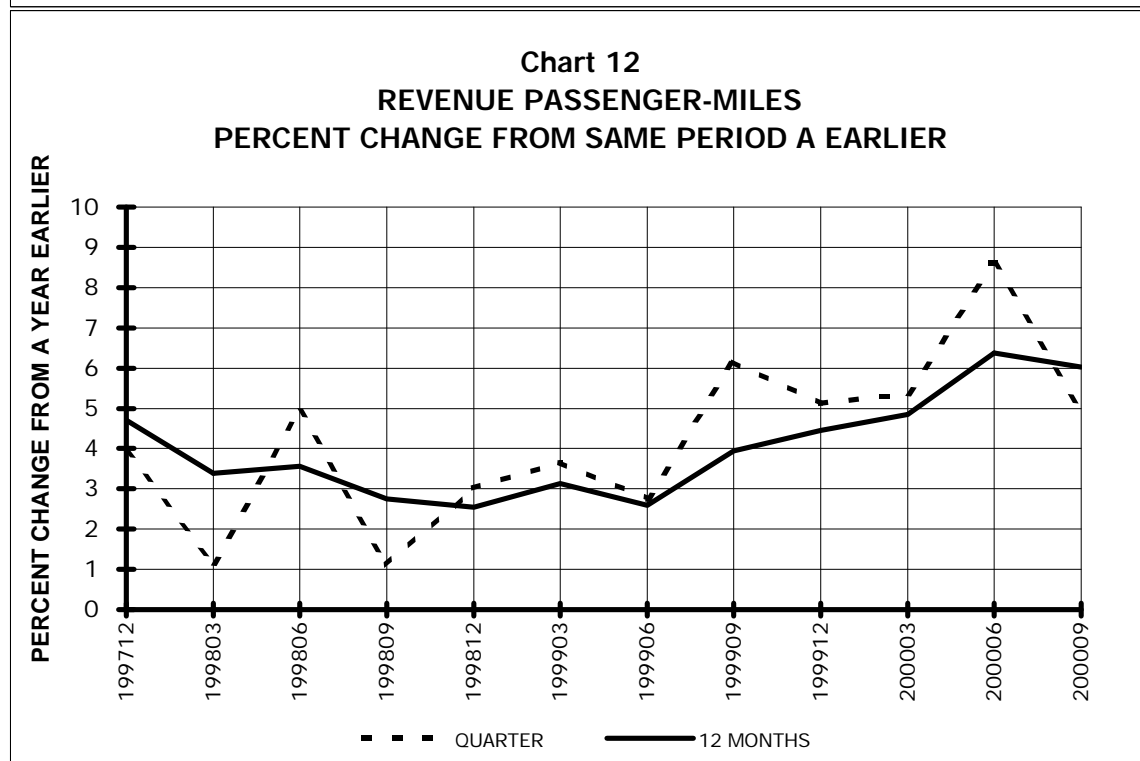
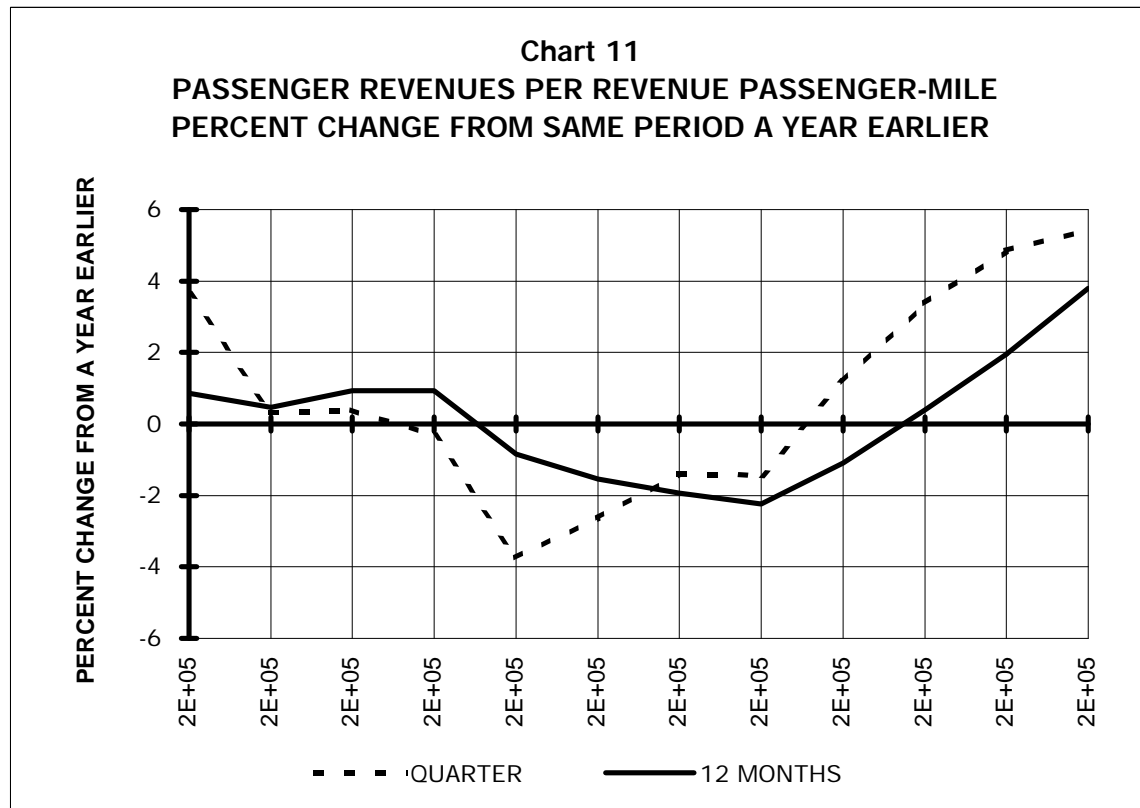
		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	8.4	5.1	8.3	7.5	5.9	4.4	3.2
27	Operating Expenses (%)	9.7	9.1	10.9	10.8	9.5	8.0	5.4
28	Operating Profit (Loss) (in Millions \$)	-98.2	-504.2	-1,132.5	-1,538.5	-1,774.3	-1,777.6	-1,036.2
29	Net Income (Loss)(in Millions \$)	-505.5	-91.5	-1,384.8	-970.9	-323.4	40.7	-350.0
30	RPMs (Sch. Svc.) (%)	3.7	5.4	5.6	6.0	4.9	4.6	4.2
31	ASMs (Sch. Svc.) (%)	1.7	7.8	3.9	5.5	6.1	5.2	4.8
32	Operating Revenues per RTM (%)	5.5	-0.8	0.8	-0.9	-1.2	0.1	-0.3
33	Operating Expense per RTM (%)	6.8	2.9	3.2	2.2	2.3	3.5	1.8
34	Passenger Revenue per RPM (Sch. Svc.)(%)	5.4	-0.9	3.7	2.1	0.7	-0.7	-1.7

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

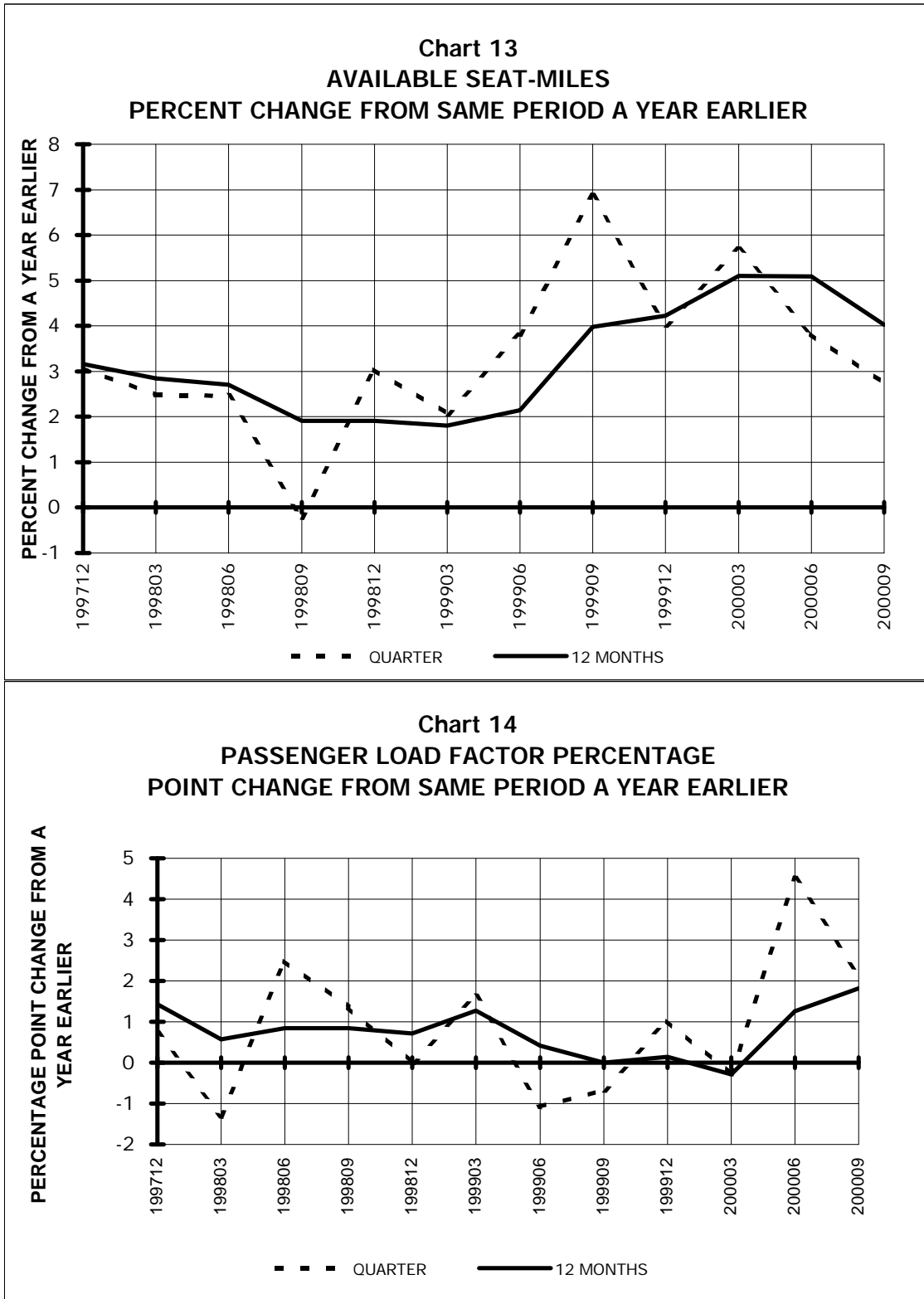
ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2000/09	1999/09	2000/09	2000/06	2000/03	1999/12	1999/09
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	6,619.5	5,804.1	22,439.1	21,623.7	20,893.5	20,439.7	20,154.8
2	Operating Expenses	5,930.6	5,111.6	21,429.7	20,610.7	19,997.1	19,600.1	19,437.8
3	Operating Profit (Loss)	688.9	692.5	1,009.4	1,013.0	896.4	839.6	717.0
4	Net Income (Loss)	331.7	395.7	369.3	433.3	529.5	578.3	439.9
<u>TRAFFIC: (Billions)</u>								
5	RPMs - Scheduled Rev. Svc.	51.49	47.67	178.11	174.29	169.30	167.67	165.98
6	ASMs - Scheduled Rev. Svc.	63.52	60.13	233.78	230.39	226.55	224.67	224.03
7	Overall RTMs (All Svc.)	7.17	6.66	25.59	25.09	24.40	23.99	23.52
8	Overall ATMs (All Svc.)	11.70	11.02	42.75	42.07	41.27	40.82	40.51
<u>YIELD & UNIT COST & PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	92.4	87.2	87.7	86.2	85.6	85.2	85.7
10	Operating Expense per RTM	82.8	76.8	83.7	82.2	81.9	81.7	82.6
11	Operating Profit (Loss) per RTM	9.6	10.4	3.9	4.0	3.7	3.5	3.0
12	Operating Expense per ATM	50.7	46.4	50.1	49.0	48.5	48.0	48.0
13	Passenger Revenue per RPM	10.84	10.17	10.55	10.36	10.17	10.07	10.04
<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	10.4	11.9	4.5	4.7	4.3	4.1	3.6
19	Net Income to Stockholders Equity	*	*	**	**	**	**	**
20	Corporate Return on Investment	*	*	5.2	5.7	6.6	7.2	6.2
21	Debt to Total Investment	*	*	**	**	**	**	**
<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>								
22	Actual	81.1	79.3	76.2	75.7	74.7	74.6	74.1
23	Breakeven	73.1	70.8	74.7	74.2	74.2	74.2	74.3
<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 (%)	14.0	5.3	11.3	8.9	4.4	1.3	-1.2
27	Operating Expenses (%)	16.0	1.4	10.2	6.4	2.9	0.8	0.2
28	Operating Profit (Loss) (in Millions \$)	-3.6	218.0	292.4	514.0	328.4	109.2	-277.3
29	Net Income (Loss)(in Millions \$)	-64.0	101.6	-70.6	95.1	307.4	262.1	-104.1
30	RPMs (Sch. Svc.) (%)	8.0	8.0	7.3	7.3	4.6	4.1	3.2
31	ASMs (Sch. Svc.) (%)	5.6	4.4	4.4	4.0	2.2	1.6	1.9
32	Operating Revenues per RTM (%)	6.0	-4.9	2.3	-0.7	-3.0	-4.4	-4.6
33	Operating Expense per RTM (%)	7.8	-8.4	1.3	-3.0	-4.4	-4.9	-3.3
34	Passenger Revenue per RPM (Sch. Svc.)(%)	6.6	-2.6	5.1	2.5	-0.8	-2.9	-4.5

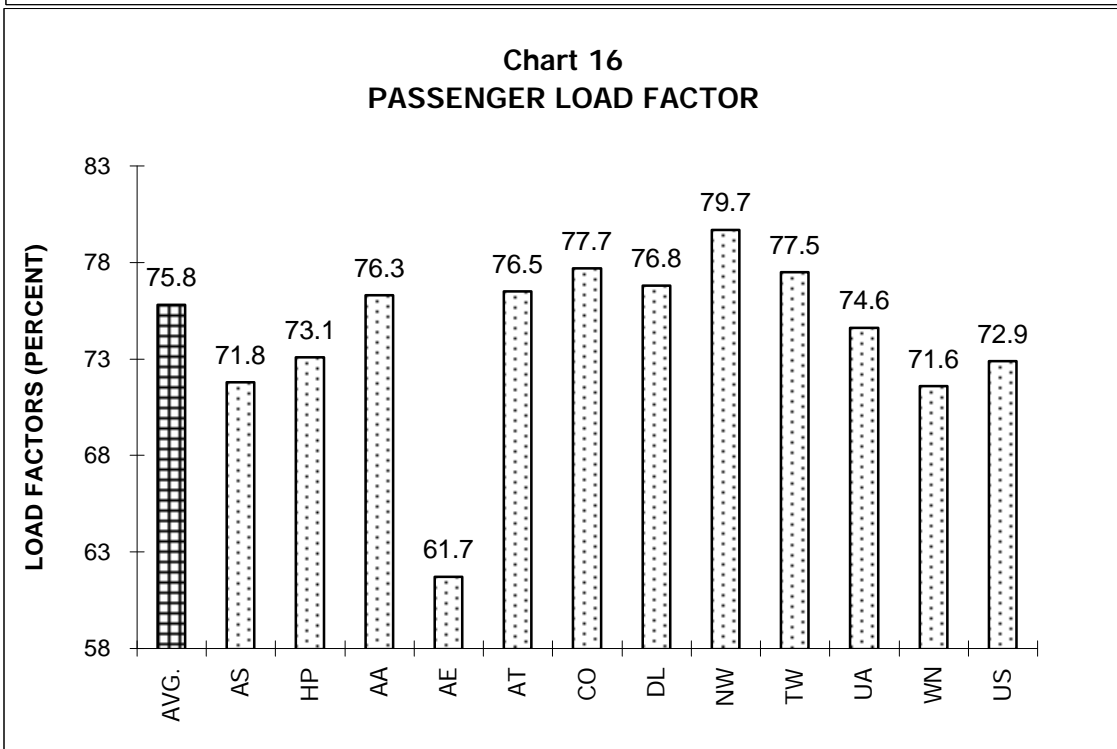
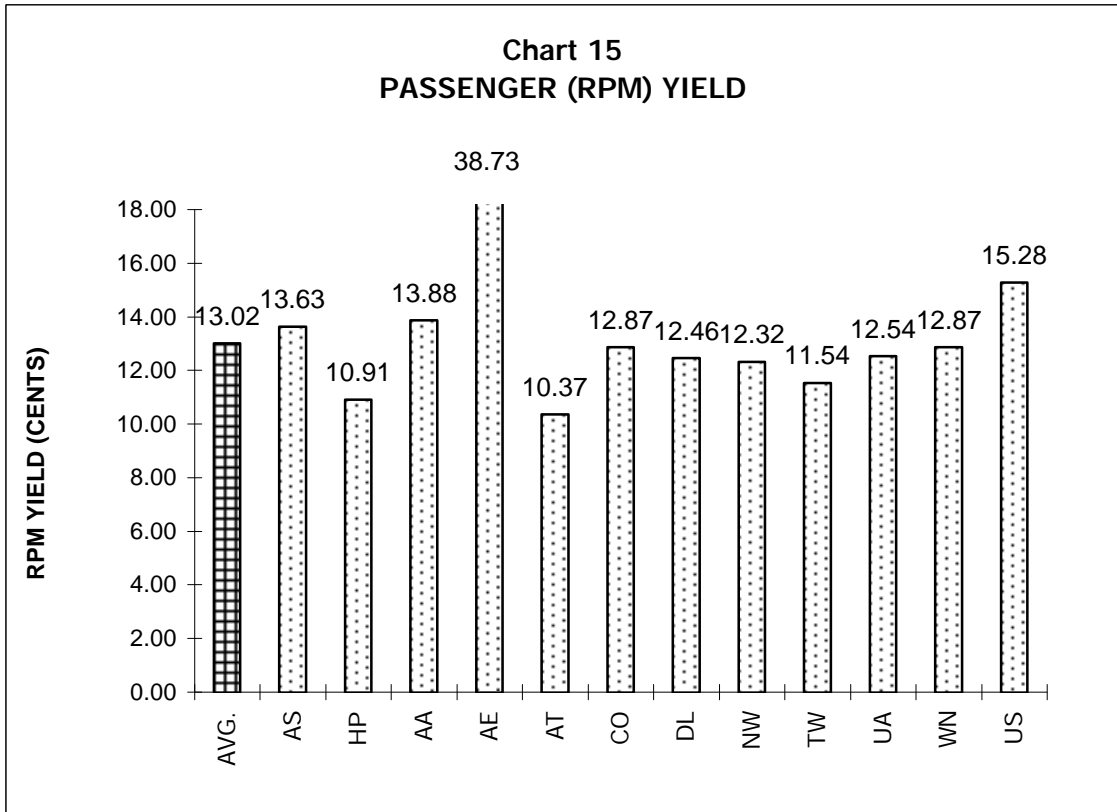
TOTAL PASSENGER MAJORS (SYSTEM) QUARTERLY AND 12-MONTH BASIS (SCH. SVC.)



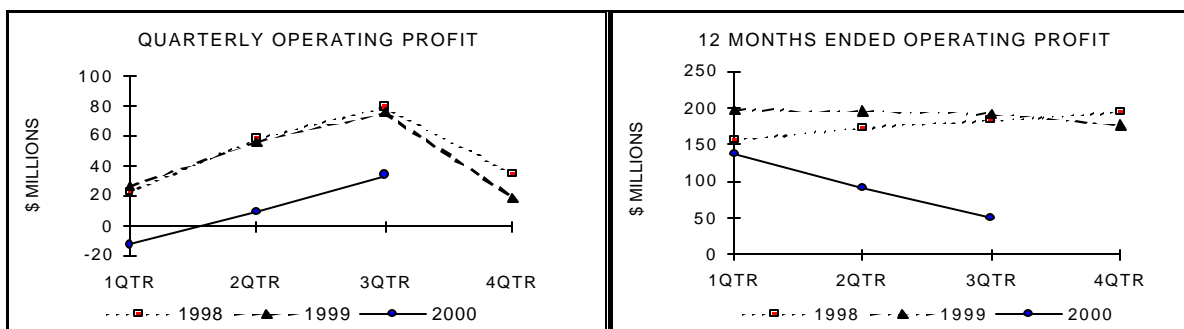
TOTAL PASSENGER MAJORS (SYSTEM) QUARTERLY AND 12-MONTH BASIS (SCH. SVC.)



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



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



QUARTERLY RESULTS

- Alaska experienced its largest third quarter operating and net losses in seven years.
- Operating expenses, up 16.7 percent, grew at more than five times the rate of operating revenues, up 3.6 percent, resulting in a \$47.3 million drop in operating results to \$8.6 million, the lowest profit among the passenger majors.
- Rapid increases in total fuel expenses, up 42.7 percent (\$18.1 million) as unit fuel prices jumped 57 percent, continued to put downward pressure on operating results.
- Net results fell into the red, declining \$37.5 million to a loss of \$0.8 million. Alaska and TWA were the only majors to report a net loss for the quarter.
- Both entities reported operating and net deteriorations and losses with domestic operations leading the way. Domestic operating profit fell \$40.2 million to \$10 million and domestic net results were down \$33.1 million to zero.

ENTITY	\$ Millions						TRAFFIC (Billions)			CAPACITY (Billions)			PAX.
	OPERATING PROFIT (LOSS)			NET INCOME (LOSS)			RPMs (Sch. Svc.)			ASMs (Sch. Svc.)			
	1999	2000	\$ Change	1999	2000	\$ Change	1999	2000	Change %	1999	2000	Change %	L.F.
Domestic	74.4	35.8	-38.6	47.8	18.4	-29.4	3.1	3.0	-1.8	4.4	4.2	-3.7	71.7%
Int'l	1.4	-2.1	-3.5	1.0	-1.0	-2.0	0.2	0.2	9.8	0.3	0.3	6.0	72.9%
Atlantic	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Latin	1.4	-2.1	-3.5	1.0	-1.0	-2.0	0.2	0.2	9.8	0.3	0.3	6.0	72.9%
Pacific	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
System	75.8	33.7	-42.2	48.7	17.4	-31.4	3.3	3.2	-1.2	4.6	4.5	-3.1	71.8%

- RPM traffic rose 2.4 percent while ASM capacity slid 1.3 percent, causing the passenger load factor to rise 2.6 percentage points to 72.4 percent.
- The operating profit margin tumbled 11.1 percentage points from a year ago, the largest decline among the majors, but still remained positive at 1.9 percent.
- RTM unit cost growth, up 14.7 percent, far exceeded RTM yield growth, up 1.8 percent, causing the erosion in profits.
- Interest expense rose \$7.6 million to \$7.8 million.
- Passenger (RPM) yield rose 3.5 percent to 13.13 cents.

12-MONTH RESULTS

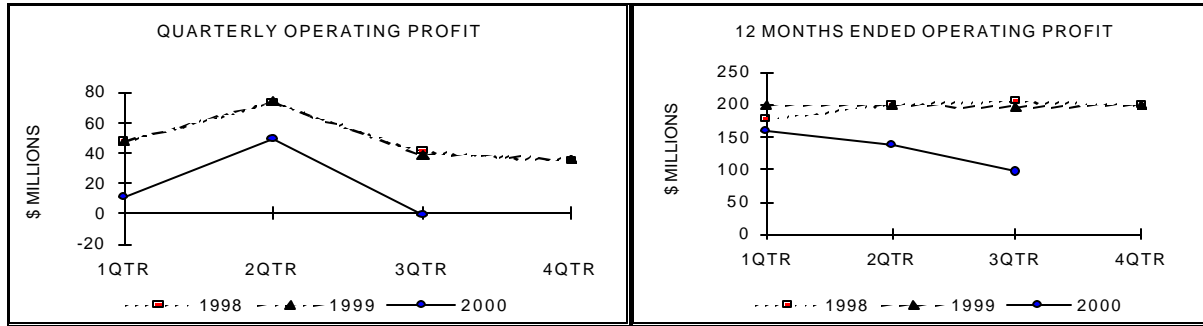
- Operating expense growth continued to accelerate, up 14 percent, while operating revenue growth again slowed, up 5.8 percent, resulting in a \$105.6 million drop in operating profit to \$91 million.
- Net income was down \$64 million to \$56.7 million.
- The passenger load factor rose 1.3 percentage points but was still a major group low 68.8 percent, as RPM traffic, up 2.9 percent, grew faster than ASM capacity, up 1 percent.

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

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2000/09	1999/09	2000/09	2000/06	2000/03	1999/12	1999/09
	<u>FINANCIAL RESULTS: (\$Millions)</u>							
1	Operating Revenues	487.1	478.4	1,741.0	1,732.4	1,716.9	1,695.6	1,666.2
2	Operating Expenses	453.4	402.6	1,692.2	1,641.4	1,578.6	1,518.9	1,473.1
3	Operating Profit (Loss)	33.7	75.8	48.8	91.0	138.3	176.7	193.1
4	Net Income (Loss)	17.4	48.7	25.3	56.7	94.2	119.4	128.9
	<u>TRAFFIC: (Billions)</u>							
5	RPMs - Scheduled Rev. Svc.	3.23	3.26	11.91	11.95	11.88	11.77	11.68
6	ASMs - Scheduled Rev. Svc.	4.49	4.64	17.23	17.37	17.43	17.31	17.20
7	Overall RTMs (All Svc.)	0.34	0.35	1.26	1.27	1.26	1.25	1.24
8	Overall ATMs (All Svc.)	0.59	0.61	2.26	2.28	2.29	2.27	2.26
	<u>YIELD & UNIT COST & PROFITS: (Cents)</u>							
9	Operating Revenue per RTM	143.4	137.8	138.1	136.6	136.0	135.5	134.1
10	Operating Expense per RTM	133.4	115.9	134.3	129.5	125.1	121.4	118.5
11	Operating Profit (Loss) per RTM	9.9	21.8	3.9	7.2	11.0	14.1	15.5
12	Operating Expense per ATM	77.1	66.3	74.7	71.9	69.0	66.9	65.3
13	Passenger Revenue per RPM	13.63	13.01	12.92	12.75	12.64	12.58	12.43
	<u>FINANCIAL RATIOS:</u>							
14	Operating Revenues to Total Investment	*	*	1.71	1.82	1.90	2.01	2.11
15	Times Interest Earned	*	*	4.04	8.11	12.83	20.44	22.33
16	Current Assets to Current Liabilities	*	*	0.84	0.75	0.77	0.83	0.69
17	No. of Days Cash Coverage of Cash Exp.	*	*	86.7	65.1	66.0	82.7	63.9
	<u>FINANCIAL PERCENTAGES:</u>							
18	Operating Profit (Loss) to Operating Revenue	6.9	15.9	2.8	5.3	8.1	10.4	11.6
19	Net Income to Stockholders Equity	*	*	3.9	8.9	14.9	19.6	22.2
20	Corporate Return on Investment	*	*	4.4	7.5	11.9	15.4	17.6
21	Debt to Total Investment	*	*	44.5	38.9	37.5	37.6	21.7
	<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>							
22	Actual	71.8	70.4	69.1	68.8	68.2	68.0	67.9
23	Breakeven	68.0	59.8	70.1	68.0	65.4	63.1	61.9
	<u>Employment & Productivity:</u>							
24	Employment, Total Weighted Avg CY	8,758	8,482	8,524	8,455	8,399	8,312	8,199
25	Overall RTM's per Employee (000)	38.8	40.9	147.8	149.9	150.3	150.5	151.6

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	1.8	6.6	4.5	5.8	6.6	7.2	7.3
27	Operating Expenses (%)	12.6	8.9	14.9	14.0	11.8	9.6	7.5
28	Operating Profit (Loss) (in Millions \$)	-42.1	-3.6	-144.3	-105.6	-60.4	-18.3	9.8
29	Net Income (Loss)(in Millions \$)	-31.3	8.2	-103.6	-64.0	-26.4	2.9	22.7
30	RPMs (Sch. Svc.) (%)	-1.2	2.1	2.0	2.9	3.2	4.4	6.2
31	ASMs (Sch. Svc.) (%)	-3.1	0.2	0.1	1.0	2.0	3.2	4.9
32	Operating Revenues per RTM (%)	4.1	4.6	3.0	3.2	3.7	3.3	2.0
33	Operating Expense per RTM (%)	15.1	6.9	13.3	11.2	8.8	5.6	2.2
34	Passenger Revenue per RPM (Sch. Svc.)(%)	4.8	5.3	3.9	4.1	4.2	3.4	1.4

QUARTERLY FINANCIAL & TRAFFIC REVIEW
SYSTEM OPERATIONS
AMERICA WEST AIRLINES



QUARTERLY RESULTS

- America West reported its first quarterly operating and net losses for any quarter since September 1996.
- Operating expenses, up 16.9 percent, grew more than twice as fast operating revenues, up 8.3 percent, resulting in operating results falling into the red, down \$39.7 to a loss of \$0.9 million.
- This decline in large part can be attributed to the \$32.2 million (48.8 percent) jump in total fuel expenses. Fuel consumption rose 2.5 percent and unit fuel prices were up 45 percent.
- Net income also fell into the red, down \$22 million to a loss of \$0.7 million.
- Both the domestic and Latin entities reported declines in operating and net results, but only Latin operations fell into the red as domestic operations remained positive.

ENTITY	\$ Millions						TRAFFIC (Billions)			CAPACITY (Billions)			PAX.
	OPERATING PROFIT (LOSS)			NET INCOME (LOSS)			RPMs (Sch. Svc.)			ASMs (Sch. Svc.)			
	1999	2000	\$ Change	1999	2000	\$ Change	1999	2000	Change %	1999	2000	Change %	L.F.
Domestic	41.2	0.9	-40.3	23.7	1.2	-22.5	4.6	5.0	7.6	6.4	6.8	5.0	73.2%
Int'l	-2.3	-1.9	0.5	-2.4	-2.0	0.5	0.1	0.1	28.1	0.1	0.1	24.5	65.7%
Atlantic	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Latin	-2.3	-1.9	0.5	-2.4	-2.0	0.5	0.1	0.1	28.1	0.1	0.1	24.5	65.7%
Pacific	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
System	38.8	-0.9	-39.8	21.3	-0.7	-22.1	4.7	5.0	7.8	6.5	6.9	5.2	73.1%

- RPM traffic, up 7.8 percent, grew faster than ASM capacity, up 5.2 percent, producing a 1.8 percentage point increase in the passenger load factor to 73.1 percent.
- Passenger (RPM) yield climbed 0.9 percent to 10.91 cents.
- Interest expense dipped \$0.1 million to \$8.7 million.

12-MONTH RESULTS

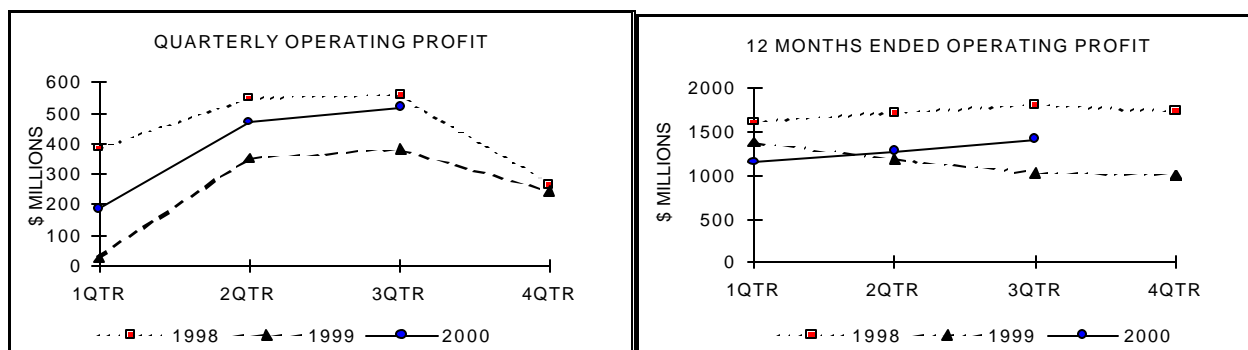
- For the sixth consecutive period, operating expenses grew faster than operating revenues. Operating expense growth continued to accelerate, up 15.5 percent, while operating revenue growth slowed, up 9.3 percent, resulting in a \$100.3 million decline in operating profit to \$96.3 million.
- Net income fell \$35 million to \$71.9 million.
- Interest expense was down \$5.4 million to \$31.6 million.
- RPM traffic, up 10 percent, rose twice as fast as ASM capacity, up 4.8 percent, boosting the passenger load factor 3.4 percentage points, the largest increase among the majors, to 70.7 percent.
- Passenger (RPM) yield slid 0.4 percent to 11.40 cents.
- The debt-to-invest ratio dropped a group high 5.8 percentage points to 17.9 percent, a group low, despite a slight decline in equity as America West cut its total debt \$64 million to a group low \$201.3 million.

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

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2000/09	1999/09	2000/09	2000/06	2000/03	1999/12	1999/09
	<u>FINANCIAL RESULTS: (\$Millions)</u>							
1	Operating Revenues	582.8	538.2	2,299.6	2,255.0	2,203.4	2,164.0	2,103.5
2	Operating Expenses	583.7	499.3	2,203.3	2,118.9	2,042.5	1,966.1	1,906.9
3	Operating Profit (Loss)	-0.9	38.8	96.3	136.1	160.9	197.9	196.6
4	Net Income (Loss)	-0.7	21.3	71.9	94.0	107.2	116.6	106.9
	<u>TRAFFIC: (Billions)</u>							
5	RPMs - Scheduled Rev. Svc.	5.02	4.66	18.91	18.55	17.99	17.69	17.19
6	ASMs - Scheduled Rev. Svc.	6.87	6.53	26.74	26.40	26.07	25.87	25.53
7	Overall RTMs (All Svc.)	0.52	0.49	1.98	1.94	1.89	1.87	1.81
8	Overall ATMs (All Svc.)	0.89	0.83	3.43	3.38	3.32	3.28	3.23
	<u>YIELD & UNIT COST & PROFITS: (Cents)</u>							
9	Operating Revenue per RTM	112.0	110.2	116.3	116.0	116.4	116.0	115.9
10	Operating Expense per RTM	112.1	102.2	111.5	109.0	107.9	105.4	105.1
11	Operating Profit (Loss) per RTM	-0.2	8.0	4.9	7.0	8.5	10.6	10.8
12	Operating Expense per ATM	65.9	60.2	64.2	62.8	61.6	59.9	59.1
13	Passenger Revenue per RPM	10.91	10.81	11.40	11.39	11.45	11.44	11.45
	<u>FINANCIAL RATIOS:</u>							
14	Operating Revenues to Total Investment	*	*	2.06	2.02	1.97	1.95	1.91
15	Times Interest Earned	*	*	6.69	7.37	7.76	7.85	6.97
16	Current Assets to Current Liabilities	*	*	1.09	1.10	1.14	1.12	1.04
17	No. of Days Cash Coverage of Cash Exp.	*	*	22.2	34.3	22.3	23.3	48.8
	<u>FINANCIAL PERCENTAGES:</u>							
18	Operating Profit (Loss) to Operating Revenue	-0.2	7.2	4.2	6.0	7.3	9.1	9.3
19	Net Income to Stockholders Equity	*	*	8.0	10.7	12.6	14.1	13.4
20	Corporate Return on Investment	*	*	8.5	10.7	12.0	13.2	12.6
21	Debt to Total Investment	*	*	17.9	20.2	18.4	18.5	23.7
	<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>							
22	Actual	73.1	71.3	70.7	70.3	69.0	68.4	67.3
23	Breakeven	75.0	67.1	69.0	67.1	64.9	62.9	61.7
	<u>Employment & Productivity:</u>							
24	Employment, Total Weighted Avg CY	10,625	9,980	10,262	10,100	9,922	9,749	9,530
25	Overall RTM's per Employee (000)	49.0	49.0	192.6	192.5	190.7	191.3	190.4

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	8.3	10.0	9.3	9.8	9.1	9.1	7.2
27	Operating Expenses (%)	16.9	11.5	15.5	14.2	12.2	10.1	8.5
28	Operating Profit (Loss) (in Millions \$)	-39.7	-2.6	-100.3	-63.1	-38.0	0.1	-8.0
29	Net Income (Loss)(in Millions \$)	-22.0	2.0	-35.0	-10.9	3.7	13.6	2.6
30	RPMs (Sch. Svc.) (%)	7.8	5.6	10.0	9.5	7.4	8.2	6.2
31	ASMs (Sch. Svc.) (%)	5.2	6.5	4.8	5.1	5.5	6.6	6.5
32	Operating Revenues per RTM (%)	1.6	4.6	0.3	1.0	2.3	1.8	2.0
33	Operating Expense per RTM (%)	9.7	5.9	6.1	5.2	5.2	2.6	3.3
34	Passenger Revenue per RPM (Sch. Svc.)(%)	0.9	4.0	-0.4	0.4	1.6	1.0	1.1

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



QUARTERLY RESULTS

- American reported the highest operating and net profits among all majors for the quarter ended September 2000.
- Operating revenue growth, up 13.7 percent, outpaced the 11.5 percent rise in operating expenses, resulting in a \$134.9 million improvement in operating profit to \$516.2 million.
- This improvement occurred even as total fuel expense jumped \$183.2 million (47.2 percent). Unit fuel prices rose 41.5 percent and fuel consumption increased 3.9 percent.
- Net income jumped a major group high \$93.7 million to \$316.1 million.
- Except for small declines in Latin operating and net results, all entities reported improvements and profits in both operating and net results. Atlantic operation reported the largest gains with operating profit rising \$73.4 million to \$132.5 million and net income rising \$46.6 million to \$81.2 million.

ENTITY	\$ Millions						TRAFFIC (Billions)			CAPACITY (Billions)			PAX. L.F.
	OPERATING PROFIT (LOSS)			NET INCOME (LOSS)			RPMs (Sch. Svc.)			ASMs (Sch. Svc.)			
	1999	2000	\$ Change	1999	2000	\$ Change	1999	2000	Change %	1999	2000	Change %	
Domestic	250.4	309.2	58.8	145.9	189.3	43.4	19.8	20.9	5.8	28.1	27.9	-0.9	75.0%
Int'l	130.9	207.0	76.1	76.5	126.8	50.3	10.0	10.6	5.9	13.4	13.5	1.1	78.8%
Atlantic	59.1	132.5	73.4	34.6	81.2	46.6	4.5	4.9	8.7	5.6	5.8	4.7	83.6%
Latin	57.7	49.8	-7.9	33.6	30.5	-3.1	4.6	4.7	2.9	6.5	6.4	-1.8	73.2%
Pacific	14.1	24.7	10.6	8.3	15.1	6.9	1.0	1.1	7.2	1.3	1.3	0.6	85.6%
System	381.3	516.2	134.9	222.4	316.1	93.7	29.8	31.6	5.9	41.5	41.4	-0.2	76.3%

- For the fifth consecutive quarter, passenger (RPM) yield rose from the same quarter a year ago, up 7.9 percent to 13.88 cents.
- Even though yield showed strong growth, the passenger load factor rose a major group high 4.4 percentage points to 76.3 percent. RPM traffic grew 5.9 percent as ASM capacity dipped 0.3 percent.
- Interest expense fell \$11.3 million, the largest decline among the majors, to \$31.1 million.

12-MONTH RESULTS

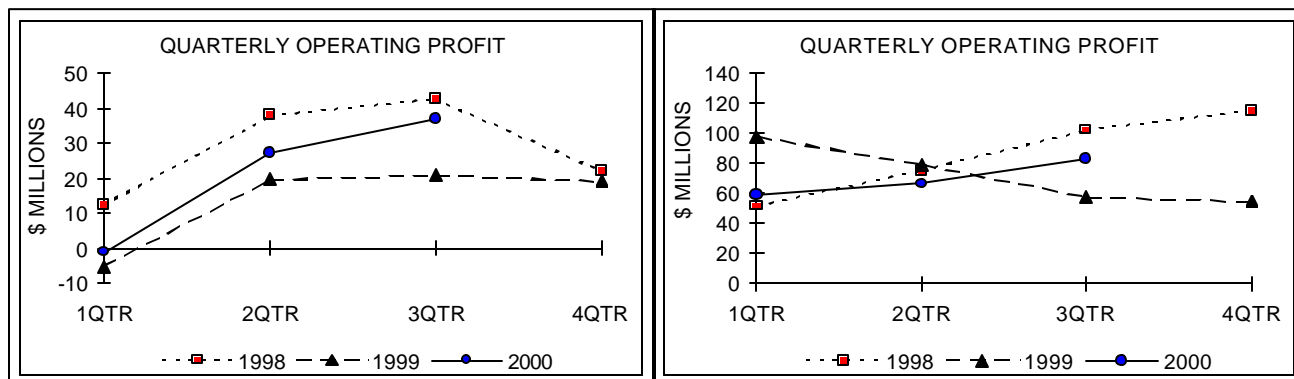
- American reported the strongest gains among all majors in both operating and net results.
- Operating profit jumped \$394.3 million to \$1.41 billion as operating revenues rose 12.4 percent and operating expenses were up a lesser 10.5 percent.
- Net income rose \$265.2 million to \$900.6 million.
- RPM traffic growth, up 6.8 percent, was nearly twice ASM capacity growth, up 3.9 percent, causing the passenger load factor to rise 1.9 percentage points to 71.8 percent.
- Passenger (RPM) yield rose a major group high 6.2 percent to 13.79 cents.
- Interest expense declined \$8.7 million to \$129.2 million.
- Total debt was up \$338.3 million to \$3.83 billion but equity rose faster causing the debt-to-investment ratio to decline 0.9 percentage points to 32.7 percent.

QUARTERLY FINANCIAL & TRAFFIC REVIEW
SYSTEM OPERATIONS
AMERICAN AIRLINES

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2000/09	1999/09	2000/09	2000/06	2000/03	1999/12	1999/09
	<u>FINANCIAL RESULTS: (\$Millions)</u>							
1	Operating Revenues	4,832.6	4,251.4	17,779.8	17,198.6	16,671.5	16,085.5	15,824.1
2	Operating Expenses	4,316.4	3,870.1	16,363.8	15,917.5	15,509.5	15,082.6	14,802.4
3	Operating Profit (Loss)	516.2	381.3	1,416.0	1,281.1	1,162.0	1,002.9	1,021.7
4	Net Income (Loss)	316.1	222.4	900.6	806.9	697.2	625.8	635.4
	<u>TRAFFIC: (Billions)</u>							
5	RPMs - Scheduled Rev. Svc.	31.57	29.82	116.51	114.76	112.53	110.15	109.12
6	ASMs - Scheduled Rev. Svc.	41.39	41.49	162.25	162.35	161.60	158.22	156.19
7	Overall RTMs (All Svc.)	3.74	3.66	13.97	13.89	13.61	13.26	13.03
8	Overall ATMs (All Svc.)	6.76	6.67	25.84	25.75	25.38	24.76	24.28
	<u>YIELD & UNIT COST & PROFITS: (Cents)</u>							
9	Operating Revenue per RTM	129.3	116.3	127.2	123.8	122.5	121.3	121.4
10	Operating Expense per RTM	115.5	105.8	117.1	114.6	114.0	113.8	113.6
11	Operating Profit (Loss) per RTM	13.8	10.4	10.1	9.2	8.5	7.6	7.8
12	Operating Expense per ATM	63.8	58.0	63.3	61.8	61.1	60.9	61.0
13	Passenger Revenue per RPM	13.88	12.86	13.79	13.52	13.32	13.12	12.99
	<u>FINANCIAL RATIOS:</u>							
14	Operating Revenues to Total Investment	*	*	1.60	1.60	1.62	1.63	1.68
15	Times Interest Earned	*	*	-52.92	-84.99	-72.81	-42.47	-56.63
16	Current Assets to Current Liabilities	*	*	0.85	0.85	0.89	0.92	0.85
17	No. of Days Cash Coverage of Cash Exp.	*	*	54.0	57.1	48.0	44.4	39.1
	<u>FINANCIAL PERCENTAGES:</u>							
18	Operating Profit (Loss) to Operating Revenue	10.7	9.0	8.0	7.4	7.0	6.2	6.5
19	Net Income to Stockholders Equity	*	*	12.2	11.3	10.1	9.3	9.7
20	Corporate Return on Investment	*	*	7.8	7.4	6.6	6.1	6.6
21	Debt to Total Investment	*	*	32.7	33.8	34.5	35.4	33.6
	<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>							
22	Actual	76.3	71.9	71.8	70.7	69.6	69.6	69.9
23	Breakeven	69.1	66.7	67.5	67.0	66.3	66.8	67.2
	<u>Employment & Productivity:</u>							
24	Employment, Total Weighted Avg CY	84,514	79,872	82,772	81,612	80,238	78,757	77,296
25	Overall RTM's per Employee (000)	44.2	45.8	168.8	170.3	169.6	168.3	168.6

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	13.7	-0.5	12.4	8.5	4.5	-1.3	-3.5
27	Operating Expenses (%)	11.5	4.1	10.5	8.7	6.5	3.7	1.6
28	Operating Profit (Loss) (in Millions \$)	134.9	-174.0	394.3	85.3	-228.9	-745.5	-798.6
29	Net Income (Loss)(in Millions \$)	93.7	-123.1	265.2	48.4	-178.3	-437.1	-461.9
30	RPMs (Sch. Svc.) (%)	5.9	2.4	6.8	5.9	4.1	1.2	0.8
31	ASMs (Sch. Svc.) (%)	-0.3	4.3	3.9	5.1	4.9	2.0	1.0
32	Operating Revenues per RTM (%)	11.2	-7.6	4.8	-0.2	-2.2	-4.1	-4.8
33	Operating Expense per RTM (%)	9.2	-3.3	3.1	-0.1	-0.3	0.8	0.3
34	Passenger Revenue per RPM (Sch. Svc.)(%)	7.9	-3.2	6.2	3.1	0.5	-2.7	-5.0

QUARTERLY FINANCIAL & TRAFFIC REVIEW
SYSTEM OPERATIONS
AMERICAN EAGLE 1/



QUARTERLY RESULTS

- Strong growth in operating revenues, up 22.1 percent, offset the 17.5 percent jump in operating expenses, resulting in a gain in operating profit of \$16.3 million to \$37.2 million.
- This gain occurred despite a 77.4 percent (\$11.8 million) jump in total fuel expense. Fuel consumption increased 6.8 percent and unit fuel prices jumped 66 percent.
- Net income, however, dipped \$2.7 million to \$6.5 million.

ENTITY	\$ Millions						TRAFFIC (Billions)			CAPACITY (Billions)			TON
	OPERATING PROFIT (LOSS)			NET INCOME (LOSS)			RTMs (All Svc.)			ATMs (All Svc.)			
	1999	2000	\$ Change	1999	2000	\$ Change	1999	2000	Change %	1999	2000	Change %	L.F.
Domestic	206.7	300.1	93.4	127.0	184.3	57.3	9.6	11.0	14.1	13.6	15.3	12.4	71.6%
Int'l	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Atlantic	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Latin	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Pacific	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
System	206.7	300.1	93.4	127.0	184.3	57.3	9.6	11.0	14.1	13.6	15.3	12.4	71.6%

- RPM traffic rose a healthy 18.1 percent, but ASM capacity grew slightly faster, up 18.5 percent, causing the passenger load factor to slide 1.1 percentage points to a major group low 64.2 percent.
- Passenger (RPM) yield rose 3.8 percent to a major group high 38.43 cents, a level more than double the next closest major (US Airways).
- Interest expense nearly quadrupled from a year ago, rising \$30.3 million to \$39.4 million.
- Profitability was enhanced as RTM yield rose 3.5 percent and RTM unit costs dipped 0.5 percent.

12-MONTH RESULTS

- Operating revenues, up 17.5 percent, grew faster than operating expenses, up 15.9 percent, resulting in a \$25.2 million gain in operating profit to \$82.5 million.
- Net income fell \$19.6 million but remained in the black at a positive \$1.7 million.
- RPM traffic, up 15.6 percent, grew less than ASM capacity growth, up 16.9 percent, causing the passenger load factor to dip 0.7 percentage points to 61.5 percent, a major group low.
- Passenger (RPM) yield increased 2.1 percent to 37.45 cents.
- Increasing debt, up \$1.55 billion to \$2.26 billion, overshadowed rising equity, causing the debt-to-investment ratio to jump 16.7 percentage points to 89.3 percent. Only TWA reported a larger increase or a higher ratio..

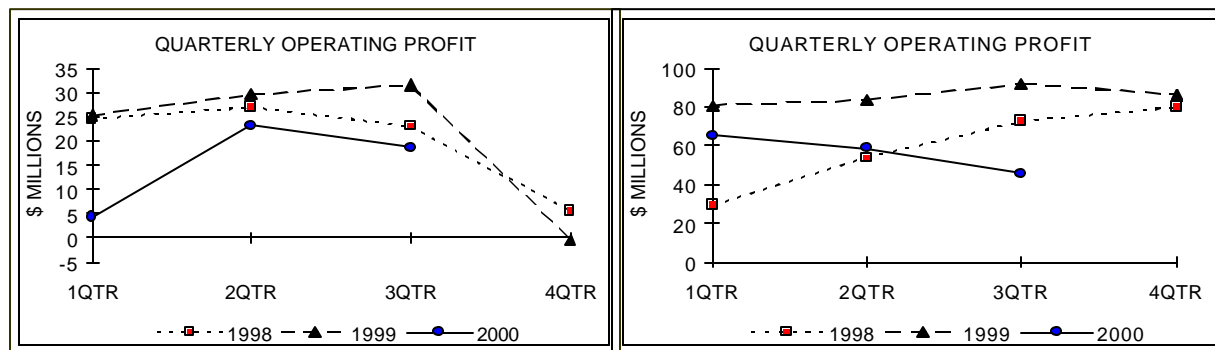
1/ American Eagle became a major group air carrier effective January 1, 2000.

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

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2000/09	1999/09	2000/09	2000/06	2000/03	1999/12	1999/09
	<u>FINANCIAL RESULTS: (\$Millions)</u>							
1	Operating Revenues	336.1	275.2	1,196.0	1,135.2	1,084.9	1,036.5	1,017.8
2	Operating Expenses	298.9	254.4	1,113.5	1,068.9	1,026.3	982.1	960.5
3	Operating Profit (Loss)	37.2	20.9	82.5	66.2	58.5	54.4	57.3
4	Net Income (Loss)	6.5	9.2	1.7	4.4	8.2	18.4	21.3
	<u>TRAFFIC: (Billions)</u>							
5	RPMs - Scheduled Rev. Svc.	0.84	0.71	3.07	2.94	2.83	2.70	2.66
6	ASMs - Scheduled Rev. Svc.	1.35	1.14	4.99	4.78	4.58	4.37	4.27
7	Overall RTMs (All Svc.)	0.08	0.07	0.31	0.30	0.28	0.27	0.27
8	Overall ATMs (All Svc.)	0.16	0.13	0.57	0.54	0.52	0.49	0.48
	<u>YIELD & UNIT COST & PROFITS: (Cents)</u>							
9	Operating Revenue per RTM	400.3	386.9	387.7	384.0	381.8	381.5	381.8
10	Operating Expense per RTM	356.0	357.6	361.0	361.6	361.2	361.5	360.3
11	Operating Profit (Loss) per RTM	44.3	29.3	26.8	22.4	20.6	20.0	21.5
12	Operating Expense per ATM	191.9	196.6	195.2	196.5	197.4	198.7	199.7
13	Passenger Revenue per RPM	38.73	37.32	37.45	37.05	36.79	36.70	36.68
	<u>FINANCIAL RATIOS:</u>							
14	Operating Revenues to Total Investment	*	*	0.63	0.65	0.82	1.18	1.31
15	Times Interest Earned	*	*	1.52	1.57	1.80	2.53	2.89
16	Current Assets to Current Liabilities	*	*	1.30	1.30	1.38	1.34	1.17
17	No. of Days Cash Coverage of Cash Exp.	*	*	78.6	76.8	75.4	78.8	79.5
	<u>FINANCIAL PERCENTAGES:</u>							
18	Operating Profit (Loss) to Operating Revenue	11.1	7.6	6.9	5.8	5.4	5.2	5.6
19	Net Income to Stockholders Equity	*	*	0.6	1.6	3.1	7.1	8.5
20	Corporate Return on Investment	*	*	2.1	2.2	2.7	4.6	5.3
21	Debt to Total Investment	*	*	89.3	89.4	89.2	75.1	72.6
	<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>							
22	Actual	61.7	61.9	61.5	61.6	61.7	61.9	62.2
23	Breakeven	53.8	56.5	56.6	57.7	57.8	58.1	58.1
	<u>Employment & Productivity:</u>							
24	Employment, Total Weighted Avg CY	7,924	7,129	13,599	12,091	7,122	6,948	6,813
25	Overall RTM's per Employee (000)	10.6	10.0	22.7	24.4	39.9	39.1	39.1

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	22.1	-0.6	17.5	11.4	6.7	13.6	28.7
27	Operating Expenses (%)	17.5	8.7	15.9	13.7	11.7	23.1	39.4
28	Operating Profit (Loss) (in Millions \$)	16.3	-21.9	25.2	-13.0	-39.2	-60.8	-44.6
29	Net Income (Loss)(in Millions \$)	-2.7	-14.0	-19.6	-31.0	-39.3	-41.0	-22.0
30	RPMs (Sch. Svc.) (%)	18.1	6.6	15.6	12.7	17.2	26.9	48.0
31	ASMs (Sch. Svc.) (%)	18.5	12.0	16.9	15.3	19.1	28.4	48.1
32	Operating Revenues per RTM (%)	3.5	-6.7	1.5	-1.2	-4.2	-5.2	-6.8
33	Operating Expense per RTM (%)	-0.5	2.0	0.2	0.8	0.3	2.8	1.0
34	Passenger Revenue per RPM (Sch. Svc.)(%)	3.8	-6.8	2.1	-0.8	-8.8	-10.5	-13.1

QUARTERLY FINANCIAL & TRAFFIC REVIEW
SYSTEM OPERATIONS
AMERICAN TRANS AIR 1/



QUARTERLY RESULTS

- Although operating revenues grew a strong 17.3 percent, operating expenses grew faster, up 24.8 percent, resulting in a \$13 million decline in operating profit to \$18.6 million.
- Much of this decline can be attributed to rapid rises in total fuel expense, which jumped \$26.8 million (53.6 percent) from the same period a year ago.
- Net income fell \$11.3 million to \$7.4 million.
- Domestic operations were responsible for the overall system declines. Atlantic operating profit rose \$3.6 million and net income rose \$3.9 million.

ENTITY		\$ Millions						TRAFFIC (Billions)			CAPACITY (Billions)			TON
		OPERATING PROFIT (LOSS)			NET INCOME (LOSS)			RTMs (All Svc.)			ATMs (All Svc.)			
		1999	2000	\$ Change	1999	2000	\$ Change	1999	2000	Change %	1999	2000	Change %	
Domestic		30.2	13.5	-16.7	20.9	5.7	-15.3	1.9	1.9	1.9	2.4	2.5	4.0	76.5%
Int'l		1.4	5.0	3.6	-2.2	1.7	3.9	0.1	0.0	0.0	0.1	0.0	0.0	0.0%
		1.4	5.0	3.6	-2.2	1.7	3.9	0.1	0.0	-78.7	0.1	0.0	-75.2	72.0%
Atlantic														
Latin		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Pacific														
System		31.6	18.6	-13.0	18.7	7.4	-11.4	1.9	1.9	-1.2	2.5	2.5	1.2	76.5%

- RPM traffic declined 1.2 percent (joining Alaska as the only major with a decline in traffic), while ASM capacity rose 1.2 percent causing the passenger load factor to slide 1.8 percentage points to 76.5 percent.
- Passenger (RPM) yield rose a major group high 14.1 percent to 10.37 cents.
- Interest expense rose \$2.8 million to \$8.1 million.

12-MONTH RESULTS

- Operating profit declined from a year ago for the third consecutive period, down \$46.4 million to \$45.7 million, as operating expenses, up 24.6 percent, grew faster than operating revenues, up 17.5 percent.
- Net income fell \$38.7 million to \$11.3 million.
- The passenger load factor climbed 0.7 percentage points to 77.4 percent as RPM traffic growth, up 9.7 percent, exceeded ASM capacity growth, up 8.7 percent.
- Passenger (RPM) yield slipped 0.8 percent to a major group low 9.88 cents.
- Total debt increased \$83.8 million to \$368.2 million, outpacing the rise in equity causing the debt-to-investment ratio to rise 1.9 percentage points to 7535 percent.

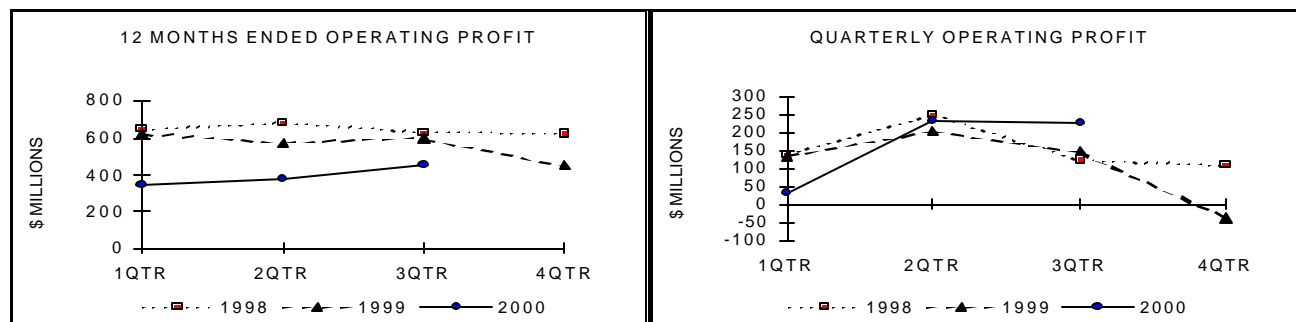
1/ American Trans Air became a major air carrier effective January 1, 2000.

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

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2000/09	1999/09	2000/09	2000/06	2000/03	1999/12	1999/09
	<u>FINANCIAL RESULTS: (\$Millions)</u>							
1	Operating Revenues	324.2	276.5	1,144.2	1,096.5	1,041.7	1,001.3	973.6
2	Operating Expenses	305.6	244.9	1,098.5	1,037.7	976.5	915.0	881.5
3	Operating Profit (Loss)	18.6	31.6	45.7	58.7	65.2	86.3	92.1
4	Net Income (Loss)	7.4	18.7	11.3	22.6	28.8	43.3	50.0
	<u>TRAFFIC: (Billions)</u>							
5	RPMs - Scheduled Rev. Svc.	1.90	1.93	7.27	7.29	7.04	6.81	6.63
6	ASMs - Scheduled Rev. Svc.	2.49	2.46	9.39	9.36	9.09	8.78	8.64
7	Overall RTMs (All Svc.)	0.34	0.30	1.10	1.07	1.07	1.05	1.04
8	Overall ATMs (All Svc.)	0.45	0.40	1.48	1.43	1.46	1.42	1.43
	<u>YIELD & UNIT COST & PROFITS: (Cents)</u>							
9	Operating Revenue per RTM	96.3	90.8	104.1	102.7	97.1	95.4	93.7
10	Operating Expense per RTM	90.8	80.4	99.9	97.2	91.0	87.2	84.8
11	Operating Profit (Loss) per RTM	5.5	10.4	4.2	5.5	6.1	8.2	8.9
12	Operating Expense per ATM	68.1	61.2	74.1	72.4	66.7	64.3	61.6
13	Passenger Revenue per RPM	10.37	9.09	10.86	10.52	9.38	9.91	9.96
	<u>FINANCIAL RATIOS:</u>							
14	Operating Revenues to Total Investment	*	*	2.54	2.60	2.67	2.81	3.11
15	Times Interest Earned	*	*	2.13	2.96	3.74	5.86	7.42
16	Current Assets to Current Liabilities	*	*	0.90	0.92	0.90	0.89	0.85
17	No. of Days Cash Coverage of Cash Exp.	*	*	48.2	48.9	54.7	54.3	50.0
	<u>FINANCIAL PERCENTAGES:</u>							
18	Operating Profit (Loss) to Operating Revenue	5.7	11.4	4.0	5.4	6.3	8.6	9.5
19	Net Income to Stockholders Equity	*	*	10.5	22.6	31.6	53.5	71.1
20	Corporate Return on Investment	*	*	7.5	10.3	12.1	16.5	20.1
21	Debt to Total Investment	*	*	75.5	76.2	78.0	77.3	73.6
	<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>							
22	Actual	76.5	78.3	77.4	77.9	77.4	77.6	76.7
23	Breakeven	68.5	63.4	72.2	71.4	70.1	67.9	65.9
	<u>Employment & Productivity:</u>							
24	Employment, Total Weighted Avg CY	6,616	5,386	6,199	5,752	5,500	5,296	5,118
25	Overall RTM's per Employee (000)	50.9	56.5	177.3	185.5	195.1	198.2	203.1

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	17.3	19.1	17.5	18.0	14.9	14.0	13.8
27	Operating Expenses (%)	24.8	17.1	24.6	22.7	18.3	14.6	12.6
28	Operating Profit (Loss) (in Millions \$)	-13.0	8.5	-46.4	-24.9	-15.7	6.2	19.4
29	Net Income (Loss)(in Millions \$)	-11.3	6.0	-38.7	-21.4	-14.7	-0.1	9.4
30	RPMs (Sch. Svc.) (%)	-1.2	62.3	9.7	23.9	25.1	26.0	29.2
31	ASMs (Sch. Svc.) (%)	1.2	61.3	8.7	21.5	22.3	22.4	26.0
32	Operating Revenues per RTM (%)	6.1	2.7	11.1	10.3	5.7	4.4	3.5
33	Operating Expense per RTM (%)	12.9	1.0	17.8	14.6	8.7	4.9	2.4
34	Passenger Revenue per RPM (Sch. Svc.)(%)	14.1	-20.2	9.0	-0.1	-10.0	5.0	5.7

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



QUARTERLY RESULTS

- For the quarter ended September 2000, Continental reported its best third quarter operating profit ever, and its second best net income.
- Operating revenues, up 14.1 percent, grew at a faster rate than operating expenses, up 11.2 percent, resulting in a \$80 million improvement in operating profit to \$227.9 million.
- This gain occurred even though total fuel expense jumped \$136.8 million (70 percent). Fuel consumption declined 2.2 percent but unit fuel prices soared 73.8 percent, the largest increase among all majors.
- Net income rose \$37.5 million to \$130.6 million.
- All entities reported an operating and net profit for the quarter, and except for declines reported in Latin operating profit and domestic net income, all entities experienced year-to-year improvement in both operating and net results.

ENTITY	\$ Millions						TRAFFIC (Billions)			CAPACITY (Billions)			PAX
	OPERATING PROFIT (LOSS)			NET INCOME (LOSS)			RPMs (Sch. Svc.)			ASMs (Sch. Svc.)			
	1999	2000	\$ Change	1999	2000	\$ Change	1999	2000	Change %	1999	2000	Change %	
Domestic	52.1	93.9	41.9	12.6	5.9	-6.7	10.3	10.6	3.1	13.9	14.1	1.6	75.1%
Int'l	95.8	134.0	38.2	80.5	124.7	44.2	5.9	6.6	11.5	7.4	8.0	7.7	82.1%
Atlantic	62.7	92.0	29.3	58.5	92.9	34.4	3.2	3.9	20.1	4.0	4.5	12.3	86.1%
Latin	17.6	14.9	-2.7	14.3	16.7	2.4	1.8	1.9	6.1	2.3	2.5	7.4	75.4%
Pacific 1/	15.5	27.2	11.6	7.6	15.0	7.4	0.9	0.8	-9.0	1.1	1.0	-8.8	81.2%
System	147.9	227.9	80.1	93.1	130.6	37.5	16.1	17.1	6.2	21.3	22.0	3.7	77.7%

- RPM traffic, up 6.2 percent, grew faster than ASM capacity, up 3.7 percent, causing the passenger load factor to increase 1.8 percentage points at 77.7 percent.
- Passenger (RPM) yield rose a strong 10.9 percent to 12.87 cents.
- Interest expense rose \$6.7 million to \$52.6 million.

12-MONTH RESULTS

- Operating profit was down from a year ago for the eighth consecutive period, declining \$145.6 million to \$451.1 million, as operating expenses, up 14.4 percent, continued to grow faster than operating revenues, up 11.6 percent.
- Reflecting in part the fourth quarter 1999 capital gain of \$182 million arising from the sale of the company's interest in Amadeus Global Travel, net income rose \$56.8 million to \$418.8 million.
- RPM traffic growth, up 8.7 percent, exceeded ASM capacity growth, up 6.1 percent, causing the passenger load factor to climb 1.8 percentage points to 74.8 percent.
- After twelve consecutive quarter ended 12-month periods of decline, passenger (RPM) yield rose the second consecutive period, up 5.1 percent to 12.82 cents.
- Rising equity and declining total debt, down \$123.2 million to \$3.25 billion, causing the debt-to-investment ratio to decline 1.1 percentage points to 65.5 percent.

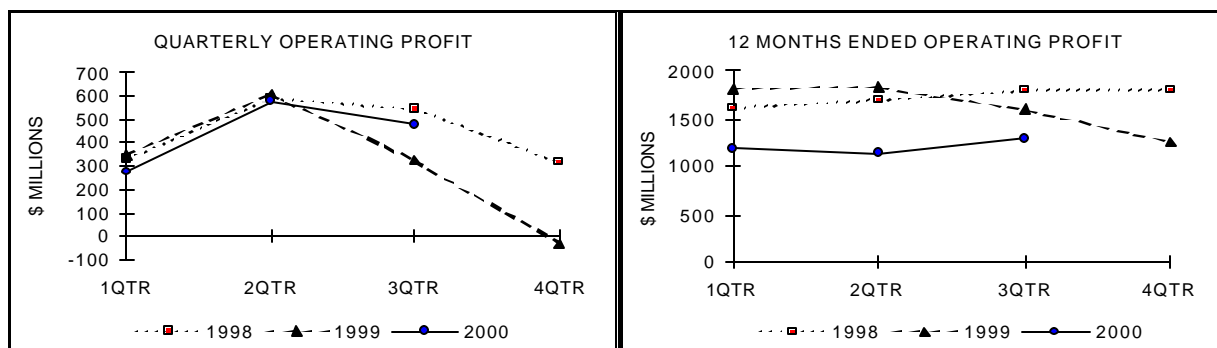
1/ Beginning in 1993, all of Continental's Pacific operations are reported by Air Micronesia which now reports its results separately. To be consistent for internal and analytical purposes, all of Continental's financial and traffic results for all quarterly and 12-month ended periods have been retroactively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

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

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2000/09	1999/09	2000/09	2000/06	2000/03	1999/12	1999/09
	<u>FINANCIAL RESULTS: (\$Millions)</u>							
1	Operating Revenues	2,495.9	2,186.8	9,201.4	8,892.3	8,558.2	8,381.5	8,248.1
2	Operating Expenses	2,268.0	2,038.9	8,750.3	8,521.2	8,213.5	7,932.5	7,651.4
3	Operating Profit (Loss)	227.9	147.9	451.1	371.0	344.7	449.1	596.7
4	Net Income (Loss)	130.6	93.1	418.8	381.3	372.4	449.6	362.0
	<u>TRAFFIC: (Billions)</u>							
5	RPMs - Scheduled Rev. Svc.	17.12	16.13	63.16	62.17	60.57	59.49	58.11
6	ASMs - Scheduled Rev. Svc.	22.05	21.26	84.46	83.67	82.46	80.95	79.59
7	Overall RTMs (All Svc.)	1.97	1.86	7.38	7.26	7.05	6.90	6.71
8	Overall ATMs (All Svc.)	2.93	2.76	11.16	10.99	10.77	10.56	10.34
	<u>YIELD & UNIT COST & PROFITS: (Cents)</u>							
9	Operating Revenue per RTM	126.8	117.8	124.7	122.4	121.4	121.5	123.0
10	Operating Expense per RTM	115.2	109.8	118.6	117.3	116.5	115.0	114.1
11	Operating Profit (Loss) per RTM	11.6	8.0	6.1	5.1	4.9	6.5	8.9
12	Operating Expense per ATM	77.4	73.8	78.4	77.5	76.3	75.1	74.0
13	Passenger Revenue per RPM	12.87	11.61	12.82	12.49	12.25	12.16	12.20
	<u>FINANCIAL RATIOS:</u>							
14	Operating Revenues to Total Investment	*	*	1.81	1.75	1.71	1.75	1.84
15	Times Interest Earned	*	*	3.47	3.24	3.33	4.23	4.44
16	Current Assets to Current Liabilities	*	*	0.68	0.69	0.72	0.79	0.90
17	No. of Days Cash Coverage of Cash Exp.	*	*	50.4	59.0	65.5	76.5	64.9
	<u>FINANCIAL PERCENTAGES:</u>							
18	Operating Profit (Loss) to Operating Revenue	9.1	6.8	4.9	4.2	4.0	5.4	7.2
19	Net Income to Stockholders Equity	*	*	24.9	22.6	22.5	28.2	24.3
20	Corporate Return on Investment	*	*	12.8	12.0	11.7	13.4	11.8
21	Debt to Total Investment	*	*	65.5	66.5	68.7	67.2	66.6
	<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>							
22	Actual	77.7	75.9	74.8	74.3	73.5	73.5	73.0
23	Breakeven	71.2	73.8	72.5	73.2	73.1	72.3	70.4
	<u>Employment & Productivity:</u>							
24	Employment, Total Weighted Avg CY	35,769	35,111	35,412	35,248	34,924	34,438	33,756
25	Overall RTM's per Employee (000)	55.0	52.9	208.3	206.1	201.8	200.2	198.7

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	14.1	4.1	11.6	9.0	6.0	6.0	5.8
27	Operating Expenses (%)	11.2	3.1	14.4	12.3	10.2	8.9	6.8
28	Operating Profit (Loss) (in Millions \$)	80.0	24.7	-145.6	-201.0	-274.0	-171.6	-30.8
29	Net Income (Loss)(in Millions \$)	37.5	43.1	56.8	62.4	21.6	103.8	22.9
30	RPMs (Sch. Svc.) (%)	6.2	5.8	8.7	8.6	7.5	8.4	8.1
31	ASMs (Sch. Svc.) (%)	3.7	5.8	6.1	6.7	6.5	6.3	6.6
32	Operating Revenues per RTM (%)	7.6	-2.6	1.4	-1.2	-2.1	-1.9	-0.8
33	Operating Expense per RTM (%)	4.9	-3.5	3.9	1.8	1.7	0.8	0.1
34	Passenger Revenue per RPM (Sch. Svc.)(%)	10.9	-2.4	5.1	1.6	-0.9	-2.3	-3.2

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



QUARTERLY RESULTS

- Although operating expenses rose only 2.7 percent, operating revenues grew a slower 1.4 percent, resulting in a \$35.4 million decline in operating profit to \$577.4 million.
- Like all majors, rapidly rising fuel expenses adversely impacted Delta's profitability for the second quarter 2000. For Delta, however, the impact was far less as total fuel expenses were up a group low 20.3 percent (\$70.9 million).
- Net income, however, jumped \$70.1 million to \$434.5 million.
- Only the domestic entity reported a gain in either operating or net results, rising \$4.6 million to \$546.6 million and \$106.2 million to \$427 million, respectively. Despite the declines in the international entities, only Pacific operations reported an operating and/or net loss.

ENTITY	\$ Millions						TRAFFIC (Billions)			CAPACITY (Billions)			PAX.
	OPERATING PROFIT (LOSS)			NET INCOME (LOSS)			RPMs (Sch. Svc.)			ASMs (Sch. Svc.)			
	1999	2000	\$ Change	1999	2000	\$ Change	1999	2000	Change %	1999	2000	Change %	L.F.
Domestic	210.4	328.1	117.7	285.1	21.4	-263.7	20.9	21.7	3.5	28.5	28.8	1.1	75.1%
Int'l	112.2	148.2	36.1	67.2	35.6	-31.7	7.4	7.6	2.9	9.2	9.2	0.3	82.1%
Atlantic	92.1	107.6	15.5	52.6	24.3	-28.3	5.6	5.8	4.1	6.8	6.9	1.9	84.0%
Latin	19.4	25.5	6.1	9.9	7.7	-2.2	0.7	0.9	22.1	1.1	1.2	16.4	70.4%
Pacific	0.7	15.1	14.4	4.7	3.5	-1.2	1.0	0.9	-16.5	1.3	1.0	-20.9	83.3%
System	322.6	476.4	153.8	352.3	57.0	-295.4	28.3	29.2	3.3	37.7	38.0	0.9	76.8%

- RPM traffic growth, up 7.1 percent, more than doubled ASM capacity growth, up 3.1 percent, causing the passenger load factor to rise 3 percentage points to 77.9 percent.
- Passenger (RPM) yield jumped 4.7 percent to 13.46 cents.
- Interest expense soared \$58.2 million, the largest increase among the majors, to \$113.1 million, also a major group high.

12-MONTH RESULTS

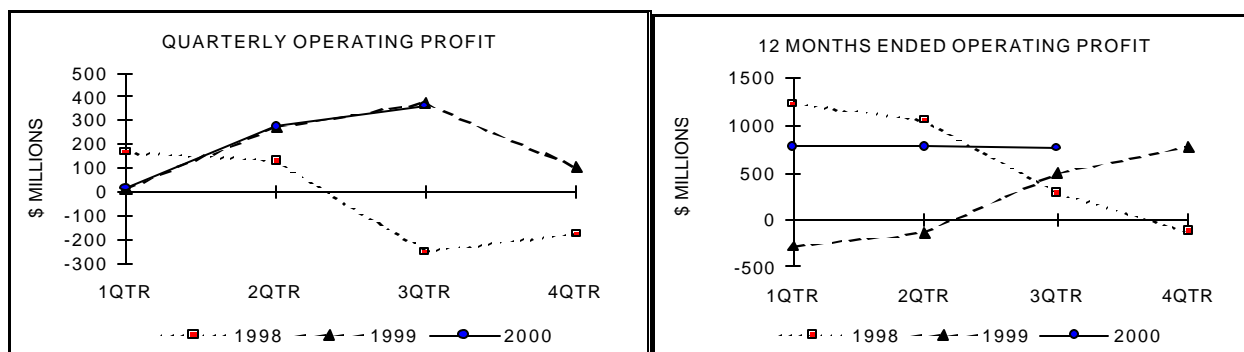
- After five consecutive years of growth, operating profit declined from a year ago for the fourth consecutive period, dropping \$685.2 million to \$1.15 billion. Operating expenses, up 6.1 percent, far exceeded to small 0.7 percent increase in operating revenues.
- Net income, however, jumped \$270.6 million to \$1.37 billion, largely reflecting the fourth quarter 1999 capital gain of \$596 million from the sale of a portion of its investment in Priceline.com.
- The rate of growth in RPM traffic reversed the slowing trend of recent periods, rising 2.5 percent, but the same occurred with ASM capacity, up a lesser 2.2 percent, leading to a 0.2 percentage point increase in the passenger load factor to 72.9 percent.
- After six consecutive 12-month ended periods of decline, passenger (RPM) yield rose 0.5 percent to 12.80 cents.

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

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2000/09	1999/09	2000/09	2000/06	2000/03	1999/12	1999/09
	<u>FINANCIAL RESULTS: (\$Millions)</u>							
1	Operating Revenues	4,038.2	3,842.3	15,179.6	14,983.6	14,929.6	14,901.4	14,849.7
2	Operating Expenses	3,561.9	3,519.7	13,879.8	13,837.7	13,748.3	13,640.3	13,243.1
3	Operating Profit (Loss)	476.4	322.6	1,299.7	1,146.0	1,181.3	1,261.1	1,606.5
4	Net Income (Loss)	57.0	352.3	1,076.3	1,371.7	1,301.6	1,285.6	1,126.7
	<u>TRAFFIC: (Billions)</u>							
5	RPMs - Scheduled Rev. Svc.	29.22	28.28	107.74	106.79	104.87	104.70	104.34
6	ASMs - Scheduled Rev. Svc.	38.04	37.69	146.76	146.42	145.31	144.65	144.34
7	Overall RTMs (All Svc.)	3.37	3.27	12.60	12.50	12.28	12.23	12.15
8	Overall ATMs (All Svc.)	5.79	5.54	21.99	21.75	21.36	21.03	20.83
	<u>YIELD & UNIT COST & PROFITS: (Cents)</u>							
9	Operating Revenue per RTM	119.9	117.6	120.4	119.8	121.6	121.9	122.2
10	Operating Expense per RTM	105.7	107.7	110.1	110.7	112.0	111.6	109.0
11	Operating Profit (Loss) per RTM	14.1	9.9	10.3	9.2	9.6	10.3	13.2
12	Operating Expense per ATM	61.5	63.5	63.1	63.6	64.4	64.9	63.6
13	Passenger Revenue per RPM	12.46	11.99	12.92	12.80	12.63	12.61	12.63
	<u>FINANCIAL RATIOS:</u>							
14	Operating Revenues to Total Investment	*	*	1.51	1.61	1.74	1.93	2.18
15	Times Interest Earned	*	*	5.98	7.29	8.19	10.37	11.34
16	Current Assets to Current Liabilities	*	*	0.44	0.44	0.51	0.70	0.60
17	No. of Days Cash Coverage of Cash Exp.	*	*	30.6	33.5	38.8	48.5	40.3
	<u>FINANCIAL PERCENTAGES:</u>							
18	Operating Profit (Loss) to Operating Revenue	11.8	8.4	8.6	7.6	7.9	8.5	10.8
19	Net Income to Stockholders Equity	*	*	21.3	28.3	27.6	28.3	26.0
20	Corporate Return on Investment	*	*	14.5	18.5	18.6	19.6	19.2
21	Debt to Total Investment	*	*	50.2	52.6	52.2	51.2	40.9
	<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>							
22	Actual	76.8	75.0	73.4	72.9	72.2	72.4	72.3
23	Breakeven	66.5	70.4	65.8	66.7	67.9	67.8	65.4
	<u>Employment & Productivity:</u>							
24	Employment, Total Weighted Avg CY	0	63,942	48,606	64,592	64,050	63,799	63,631
25	Overall RTM's per Employee (000)	0.0	51.1	259.3	193.6	191.7	191.7	191.0

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	5.1	-0.7	2.2	0.7	1.1	1.9	1.8
27	Operating Expenses (%)	1.2	6.0	4.8	6.1	6.1	6.3	3.6
28	Operating Profit (Loss) (in Millions \$)	153.8	-224.7	-306.8	-685.2	-631.2	-532.0	-200.8
29	Net Income (Loss)(in Millions \$)	-295.3	25.6	-50.4	270.6	203.1	208.0	53.2
30	RPMs (Sch. Svc.) (%)	3.3	0.7	3.2	2.5	0.6	1.4	1.7
31	ASMs (Sch. Svc.) (%)	0.9	2.9	1.7	2.2	1.8	1.9	2.4
32	Operating Revenues per RTM (%)	2.0	-1.8	-1.5	-2.5	-0.2	0.4	0.7
33	Operating Expense per RTM (%)	-1.9	4.8	1.0	2.8	4.9	4.8	2.4
34	Passenger Revenue per RPM (Sch. Svc.)(%)	3.9	-3.2	2.3	0.5	-0.8	-1.2	-1.6

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



QUARTERLY RESULTS

- Operating revenues advanced 12 percent, but operating expenses grew faster, up 14.4 percent, resulting in a \$11.9 million decline in operating profit to \$364.6 million.
- This decline can largely be attributed to the \$195.3 (61.8 percent) jump in total fuel expense, which comprised 18.8 percent of total operating expenses vs. 13.3 percent a year ago. Unit fuel prices jumped 58 percent as consumption was rising 2.3 percent.
- Net income increased \$18.9 million to \$193.9 million.
- All entities reported an operating and next profit for the quarter. The Atlantic and Pacific entity, however, experienced declines in operating profit, while only the Atlantic entity saw a decline in net income.

ENTITY	\$ Millions						TRAFFIC (Billions)			CAPACITY (Billions)			PAX.
	OPERATING PROFIT (LOSS)			NET INCOME (LOSS)			RPMs (Sch. Svc.)			ASMs (Sch. Svc.)			
	1999	2000	\$ Change	1999	2000	\$ Change	1999	2000	Change %	1999	2000	Change %	L.F.
Domestic	224.1	234.1	10.0	105.1	120.6	15.5	11.7	12.1	3.4	16.0	16.0	0.3	75.7%
Int'l	152.5	130.5	-22.0	69.9	73.3	3.4	9.1	9.8	7.7	10.9	11.5	6.2	85.1%
Atlantic	79.3	61.1	-18.2	43.2	37.1	-6.1	2.9	3.4	14.7	3.5	3.9	12.7	85.5%
Latin	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Pacific	73.2	69.4	-3.7	26.7	36.2	9.4	6.2	6.4	4.4	7.4	7.6	3.1	84.9%
System	376.5	364.6	-11.9	175.0	193.9	18.8	20.8	22.0	5.3	26.8	27.6	2.7	79.7%

- RPM traffic growth, up 5.3 percent, nearly doubled ASM capacity growth, up 2.7 percent, causing the passenger load factor to rise 2 percentage points to a major group high 79.7 percent.
- Passenger (RPM) yield advanced 5.8 percent to 12.32 cents.
- Interest expense declined \$7.7 million to \$72.9 million.

12-MONTH RESULTS

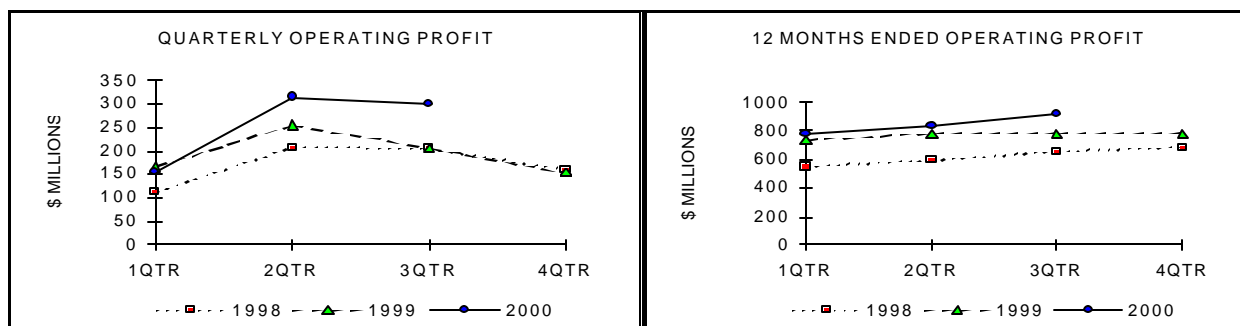
- Operating profit jumped \$273.6 million to \$761.9 million as operating revenues, up 13.3 percent, grew faster than operating expenses, up 10.9 percent.
- Net income grew \$223.9 million to \$332.1 million.
- The passenger load factor rose 2.5 percentage points to 76.4 percent as RPM traffic growth, up 7.5 percent, outpaced ASM capacity growth, up 4 percent.
- Passenger (RPM) yield rose 5.5 percent to 12.00 cents.
- Interest expense fell \$23.7 million, the largest decline among the majors, to \$303.6 million.

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

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2000/09	1999/09	2000/09	2000/06	2000/03	1999/12	1999/09
	<u>FINANCIAL RESULTS: (\$Millions)</u>							
1	Operating Revenues	3,075.6	2,746.9	10,794.8	10,466.1	10,142.1	9,868.1	9,531.1
2	Operating Expenses	2,710.9	2,370.3	10,032.9	9,692.2	9,370.4	9,099.2	9,042.8
3	Operating Profit (Loss)	364.6	376.5	761.9	773.8	771.7	768.8	488.3
4	Net Income (Loss)	193.9	175.0	332.1	313.3	305.3	287.8	108.2
	<u>TRAFFIC: (Billions)</u>							
5	RPMs - Scheduled Rev. Svc.	21.95	20.85	78.34	77.23	75.60	74.14	72.85
6	ASMs - Scheduled Rev. Svc.	27.56	26.84	102.58	101.87	100.92	99.41	98.62
7	Overall RTMs (All Svc.)	2.83	2.69	10.36	10.21	9.98	9.76	9.53
8	Overall ATMs (All Svc.)	4.37	4.26	16.38	16.27	16.07	15.81	15.64
	<u>YIELD & UNIT COST & PROFITS: (Cents)</u>							
9	Operating Revenue per RTM	108.5	102.2	104.2	102.5	101.7	101.1	100.0
10	Operating Expense per RTM	95.6	88.2	96.8	94.9	93.9	93.2	94.9
11	Operating Profit (Loss) per RTM	12.9	14.0	7.4	7.6	7.7	7.9	5.1
12	Operating Expense per ATM	62.1	55.7	61.2	59.6	58.3	57.5	57.8
13	Passenger Revenue per RPM	12.32	11.64	12.00	11.81	11.69	11.58	11.37
	<u>FINANCIAL RATIOS:</u>							
14	Operating Revenues to Total Investment	*	*	1.24	1.19	1.14	1.10	1.08
15	Times Interest Earned	*	*	2.66	2.53	2.46	2.37	1.54
16	Current Assets to Current Liabilities	*	*	0.63	0.60	0.56	0.54	0.54
17	No. of Days Cash Coverage of Cash Exp.	*	*	37.4	41.5	35.1	31.8	30.7
	<u>FINANCIAL PERCENTAGES:</u>							
18	Operating Profit (Loss) to Operating Revenue	11.9	13.7	7.1	7.4	7.6	7.8	5.1
19	Net Income to Stockholders Equity	*	*	6.8	6.6	6.6	6.3	2.4
20	Corporate Return on Investment	*	*	7.6	7.4	7.3	7.1	5.2
21	Debt to Total Investment	*	*	41.6	42.6	44.5	45.4	46.8
	<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>							
22	Actual	79.7	77.7	76.4	75.8	74.9	74.6	73.9
23	Breakeven	69.8	66.9	71.7	71.0	69.9	69.6	71.8
	<u>Employment & Productivity:</u>							
24	Employment, Total Weighted Avg CY	49,892	48,556	49,102	48,768	48,573	48,483	48,329
25	Overall RTM's per Employee (000)	56.8	55.4	211.0	209.4	205.4	201.4	197.2

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	12.0	47.7	13.3	21.1	18.8	13.3	5.9
27	Operating Expenses (%)	14.4	12.3	10.9	10.3	6.2	3.0	3.9
28	Operating Profit (Loss) (in Millions \$)	-11.9	628.7	273.6	914.2	1,054.4	898.2	197.6
29	Net Income (Loss)(in Millions \$)	18.9	383.4	223.9	588.6	645.2	529.1	74.3
30	RPMs (Sch. Svc.) (%)	5.3	38.2	7.5	15.1	14.1	11.1	8.0
31	ASMs (Sch. Svc.) (%)	2.7	33.4	4.0	10.8	11.5	8.9	7.7
32	Operating Revenues per RTM (%)	6.2	4.5	4.2	3.7	2.3	0.3	-2.4
33	Operating Expense per RTM (%)	8.4	-20.6	2.0	-5.6	-8.6	-8.9	-4.2
34	Passenger Revenue per RPM (Sch. Svc.)(%)	5.8	10.5	5.5	6.4	5.4	2.8	-1.5

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



QUARTERLY RESULTS

- Southwest has reported a quarterly operating and net profit in every quarter since March 1991, a period exceeding nine years. It also reported the highest third quarter operating and net results in carrier history.
- Operating revenues growth, up 19.7 percent, slightly outpaced operating expense growth, up 14.6 percent, resulting in a \$93.4 million improvement in operating profit to \$300.1 million.
- This gain would have been much stronger, but total fuel expenses jumped \$52.2 million (36.8 percent) as consumption rose 6.6 percent and unit fuel prices were up 28.3 percent, the smallest increase experienced by any major.
- Net income increased \$57.3 million to \$184.3 million.

ENTITY	\$ Millions						TRAFFIC (Billions)			CAPACITY (Billions)			PAX.
	OPERATING PROFIT (LOSS)			NET INCOME (LOSS)			RPMs (Sch. Svc.)			ASMs (Sch. Svc.)			
	1999	2000	\$ Change	1999	2000	\$ Change	1999	2000	Change %	1999	2000	Change %	L.F.
Domestic	206.7	300.1	93.4	127.0	184.3	57.3	9.6	11.0	14.1	13.6	15.3	12.4	71.6%
Int'l	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Atlantic	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Latin	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Pacific	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
System	206.7	300.1	93.4	127.0	184.3	57.3	9.6	11.0	14.1	13.6	15.3	12.4	71.6%

- Interest expense rose \$4.3 million to \$17.4 million.
- The operating profit margin rose 3.6 percentage points to 20.3 percent, still the highest among all majors exceeding the next closest major (Northwest) by more than 8 percentage points.
- RPM traffic jumped 14.1 percent, exceeding the 12.4 percent rise in ASM capacity, causing the passenger load factor to rise 1 percentage point to 71.6 percent.
- Passenger (RPM) yield rose 5.3 percent to 12.87 cents.

12-MONTH RESULTS

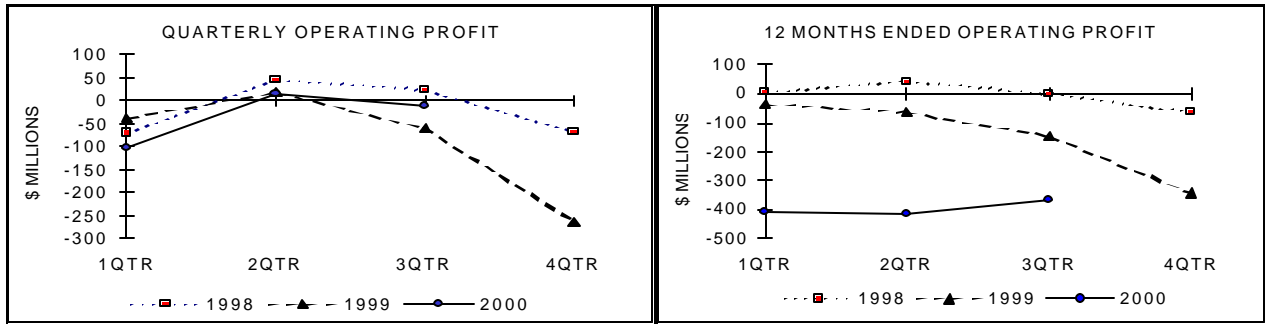
- For the third consecutive 12-month ended period, operating expense, up 17.7 percent, grew faster than operating revenues, up 17.6 percent, but operating profit still rose \$137.7 million to \$924.4 million.
- Net income was up \$61.2 million to \$542.3 million.
- The passenger load factor rose 1.9 percentage points to 70.1 percent as RPM traffic rose 16.5 percent, and ASM capacity was up a lesser 13.3 percent.
- Passenger (RPM) yield increased 1.4 percent to 12.62 cents.
- Interest expense was up \$13 million to \$65.9 million.

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

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2000/09	1999/09	2000/09	2000/06	2000/03	1999/12	1999/09
	<u>FINANCIAL RESULTS: (\$Millions)</u>							
1	Operating Revenues	1,478.8	1,235.2	5,386.6	5,143.0	4,902.7	4,735.6	4,578.9
2	Operating Expenses	1,178.8	1,028.5	4,462.2	4,311.9	4,132.2	3,954.1	3,792.2
3	Operating Profit (Loss)	300.1	206.7	924.4	831.0	770.5	781.5	786.7
4	Net Income (Loss)	184.3	127.0	542.2	484.9	452.0	474.4	481.0
	<u>TRAFFIC: (Billions)</u>							
5	RPMs - Scheduled Rev. Svc.	10.97	9.61	40.74	39.38	37.89	36.48	34.96
6	ASMs - Scheduled Rev. Svc.	15.32	13.62	58.12	56.43	54.66	52.90	51.29
7	Overall RTMs (All Svc.)	1.13	0.99	4.22	4.08	3.92	3.78	3.63
8	Overall ATMs (All Svc.)	1.93	1.72	7.33	7.12	6.90	6.68	6.48
	<u>YIELD & UNIT COST & PROFITS: (Cents)</u>							
9	Operating Revenue per RTM	130.5	124.3	127.8	126.2	124.9	125.2	126.1
10	Operating Expense per RTM	104.0	103.5	105.8	105.8	105.3	104.5	104.5
11	Operating Profit (Loss) per RTM	26.5	20.8	21.9	20.4	19.6	20.7	21.7
12	Operating Expense per ATM	61.1	59.8	60.9	60.6	59.9	59.2	58.5
13	Passenger Revenue per RPM	12.87	12.22	12.62	12.45	12.31	12.33	12.44
	<u>FINANCIAL RATIOS:</u>							
14	Operating Revenues to Total Investment	*	*	1.43	1.43	1.42	1.43	1.45
15	Times Interest Earned	*	*	24.87	26.04	29.97	34.81	36.20
16	Current Assets to Current Liabilities	*	*	0.62	0.68	0.62	0.66	0.48
17	No. of Days Cash Coverage of Cash Exp.	*	*	50.6	57.4	51.4	41.3	27.2
	<u>FINANCIAL PERCENTAGES:</u>							
18	Operating Profit (Loss) to Operating Revenue	20.3	16.7	17.2	16.2	15.7	16.5	17.2
19	Net Income to Stockholders Equity	*	*	18.5	17.2	16.6	17.9	19.0
20	Corporate Return on Investment	*	*	15.5	14.4	13.9	15.0	15.9
21	Debt to Total Investment	*	*	21.3	22.5	23.7	23.7	18.2
	<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>							
22	Actual	71.6	70.6	70.1	69.8	69.3	69.0	68.2
23	Breakeven	54.6	56.7	55.9	56.5	56.5	55.6	54.4
	<u>Employment & Productivity:</u>							
24	Employment, Total Weighted Avg CY	27,777	26,742	27,467	27,209	26,880	26,506	26,008
25	Overall RTM's per Employee (000)	40.8	37.1	153.5	149.8	146.0	142.7	139.6

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	19.7	12.8	17.6	15.9	14.1	13.7	11.9
27	Operating Expenses (%)	14.6	15.5	17.7	18.0	16.1	13.6	10.3
28	Operating Profit (Loss) (in Millions \$)	93.4	2.5	137.7	46.9	32.1	97.8	133.5
29	Net Income (Loss)(in Millions \$)	57.3	-2.6	61.2	1.3	-7.3	41.0	67.4
30	RPMs (Sch. Svc.) (%)	14.1	13.6	16.5	16.4	16.3	16.1	13.4
31	ASMs (Sch. Svc.) (%)	12.4	10.9	13.3	13.0	12.3	11.3	9.7
32	Operating Revenues per RTM (%)	5.0	0.2	1.3	0.1	-1.3	-1.3	-0.6
33	Operating Expense per RTM (%)	0.5	2.6	1.2	1.9	0.5	-1.5	-2.0
34	Passenger Revenue per RPM (Sch. Svc.)(%)	5.3	-0.8	1.4	-0.2	-1.9	-2.2	-1.6

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



QUARTERLY RESULTS

- Operating revenue growth, up 11 percent, more than doubled the 5.2 percent increase in operating expenses, resulting in a \$47.9 million reduction in the year ago operating loss to a loss of \$11 million.
- Operating results were adversely impacted by a \$58.2 million (56.3 percent) jump in total fuel expense. Unit fuel prices were up 58.6 percent offsetting the 1.6 percent decline in fuel consumption.
- The year ago net loss narrowed \$18.9 million to a loss of \$34.8 million..
- Domestic operating and net results moved into the black, reporting gains of \$56.2 million to a positive \$21.2 million and \$52.4 million to a positive \$21.2 million, respectively. The Atlantic entity again deteriorated as it has produced nearly continuous operating and net losses since 1990, reporting an operating profit in only one quarter (September 1994), and a net profit in only four quarters.

ENTITY	\$ Millions						TRAFFIC (Billions)			CAPACITY (Billions)			PAX.
	OPERATING PROFIT (LOSS)			NET INCOME (LOSS)			RPMs (Sch. Svc.)			ASMs (Sch. Svc.)			
	1999	2000	\$ Change	1999	2000	\$ Change	1999	2000	Change %	1999	2000	Change %	
Domestic	-35.0	21.2	56.2	-31.3	21.2	52.4	6.0	6.7	10.9	8.0	8.7	9.1	77.1%
Int'l	-23.9	-32.1	-8.2	-22.4	-55.9	-33.5	1.1	0.9	-15.1	1.4	1.2	-18.0	80.5%
Atlantic	-23.9	-32.1	-8.2	-22.4	-55.9	-33.5	1.1	0.9	-15.1	1.4	1.2	-18.0	80.5%
Latin	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Pacific	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
System	-58.9	-11.0	48.0	-53.7	-34.8	18.9	7.1	7.6	6.9	9.4	9.9	5.0	77.5%

- RPM traffic, up 6.9 percent, grew slightly faster than ASM capacity, up 5 percent, causing the passenger load factor to rise 1.4 percentage points to 77.5 percent.
- The operating profit margin improved 5.6 percentage points, the largest rise among the majors, but was still a major group low 1.1 percent.
- Passenger (RPM) yield rose 4.8 percent to 11.54 cents.
- Interest on debt was down \$2.4 million to \$20.3 million.

12-MONTH RESULTS

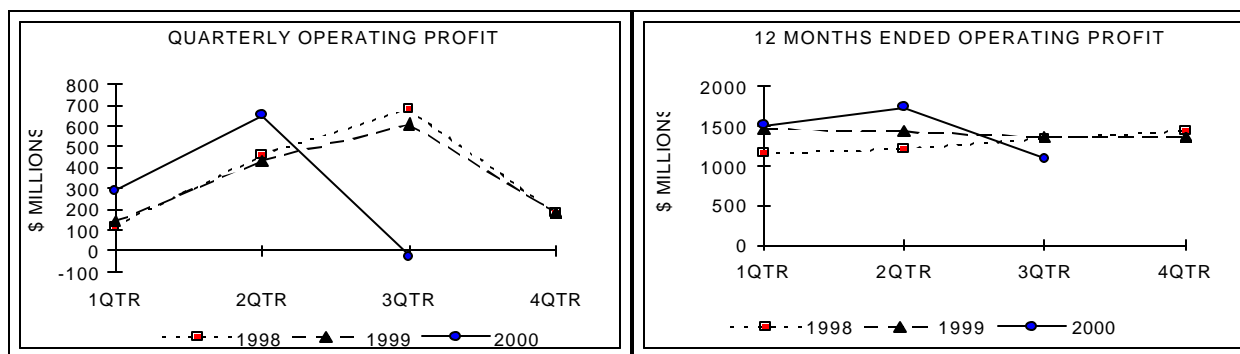
- Operating expenses jumped 14.8 percent while operating revenues rose much less, up 8.7 percent, resulting in a sharp \$220.3 million deterioration in operating results to a \$364.1 million loss.
- Net results dropped \$226.5 million to a \$387.1 million loss.
- After four consecutive periods of decline, passenger (RPM) yield rose from the same period a year ago, up 2.4 percent to 11.82 cents.
- The passenger load factor inched upward 0.1 percentage points to 72.3 percent as RPM traffic rose 7.5 percent and ASM capacity rose 7.4 percent.
- The company's cash position worsened from a year ago, with number of days cash coverage declining from 26.9 to 15.2 days. This compares with an average of 40 days for all passengers majors combined.

QUARTERLY FINANCIAL & TRAFFIC REVIEW
SYSTEM OPERATIONS
TRANS WORLD AIRLINES

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2000/09	1999/09	2000/09	2000/06	2000/03	1999/12	1999/09
	<u>FINANCIAL RESULTS: (\$Millions)</u>							
1	Operating Revenues	972.7	876.4	3,538.3	3,442.0	3,353.1	3,308.7	3,254.1
2	Operating Expenses	983.7	935.4	3,902.4	3,854.1	3,762.1	3,651.4	3,397.9
3	Operating Profit (Loss)	-11.0	-58.9	-364.1	-412.1	-409.0	-342.7	-143.8
4	Net Income (Loss)	-34.8	-53.7	-387.1	-406.0	-408.0	-353.4	-160.6
	<u>TRAFFIC: (Billions)</u>							
5	RPMs - Scheduled Rev. Svc.	7.64	7.15	27.08	26.59	26.31	26.01	25.20
6	ASMs - Scheduled Rev. Svc.	9.86	9.39	37.46	37.00	36.30	35.59	34.88
7	Overall RTMs (All Svc.)	0.83	0.78	4.09	4.04	4.01	2.93	2.84
8	Overall ATMs (All Svc.)	1.42	1.32	5.49	5.38	5.24	5.02	4.90
	<u>YIELD & UNIT COST & PROFITS: (Cents)</u>							
9	Operating Revenue per RTM	117.9	113.0	86.6	85.3	83.6	113.0	114.6
10	Operating Expense per RTM	119.2	120.6	95.5	95.5	93.8	124.8	119.6
11	Operating Profit (Loss) per RTM	-1.3	-7.6	-8.9	-10.2	-10.2	-11.7	-5.1
12	Operating Expense per ATM	69.1	71.0	71.1	71.6	71.7	72.7	69.3
7	Passenger Revenue per RPM	11.54	11.01	11.82	11.68	11.45	11.39	11.54
	<u>FINANCIAL RATIOS:</u>							
14	Operating Revenues to Total Investment	*	*	5.83	4.80	4.05	3.52	3.12
15	Times Interest Earned	*	*	-3.03	-3.42	-3.34	-2.62	-0.70
16	Current Assets to Current Liabilities	*	*	0.48	0.51	0.49	0.51	0.60
17	No. of Days Cash Coverage of Cash Exp.	*	*	15.2	19.1	16.6	18.8	26.9
	<u>FINANCIAL PERCENTAGES:</u>							
18	Operating Profit (Loss) to Operating Revenue	-1.1	-6.7	-10.3	-12.0	-12.2	-10.4	-4.4
19	Net Income to Stockholders Equity	*	*	229.7	508.0	0.0	-387.9	-89.7
20	Corporate Return on Investment	*	*	-48.6	-43.5	-37.6	-27.3	-6.0
21	Debt to Total Investment	*	*	162.6	150.9	148.4	125.8	88.5
	<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>							
22	Actual	77.5	76.1	72.3	71.9	72.5	73.1	72.2
23	Breakeven	79.8	84.3	82.8	84.0	85.1	84.3	77.9
	<u>Employment & Productivity:</u>							
24	Employment, Total Weighted Avg CY	19,087	19,400	19,233	19,311	19,393	19,466	19,548
25	Overall RTM's per Employee (000)	43.2	40.0	212.5	209.1	206.8	150.4	145.3

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	11.0	1.5	8.7	6.2	2.9	1.5	-2.1
26	Operating Expenses (%)	5.2	11.4	14.8	16.7	14.3	9.8	2.2
28	Operating Profit (Loss) (in Millions \$)	47.9	-82.6	-220.3	-350.9	-375.0	-277.5	-144.9
29	Net Income (Loss)(in Millions \$)	18.9	-48.4	-226.5	-293.8	-321.5	-232.9	-88.1
30	RPMs (Sch. Svc.) (%)	6.9	9.2	7.5	8.1	7.9	6.5	1.0
31	ASMs (Sch. Svc.) (%)	5.0	5.8	7.4	7.7	5.9	3.3	-0.4
32	Operating Revenues per RTM (%)	4.3	-6.5	-24.4	-26.9	-29.2	-5.9	-4.0
33	Operating Expense per RTM (%)	-1.2	2.6	-20.2	-19.6	-21.3	1.9	0.2
34	Passenger Revenue per RPM (Sch. Svc.)(%)	4.8	-6.6	2.4	-0.7	-3.8	-3.9	-2.5

QUARTERLY FINANCIAL & TRAFFIC REVIEW
SYSTEM OPERATIONS
UNITED AIR LINES



QUARTERLY RESULTS

- United reported the largest deteriorations among the majors for the third quarter in both operating and net results.
- Operating results plunged into the red for the first time since March 1994, down \$638.7million to a loss of \$29.5 million, as operating expenses soared 17.1 percent while operating revenues rose a relatively small 1.7 percent.
- This sharp drop was due in part to the \$197.4 million (47.4 percent) jump in total fuel expense. Unit fuel prices rose 46.6 percent while fuel consumption rose 0.5 percent.
- Net income dropped \$465.1 million to a loss of \$111.1 million.
- All entities reported declines in both operating and net results. Domestic operations led the way, with operating results down \$504.7 million to a loss of \$110.2 million, and net results down \$359.7 million to a loss of \$124.9 million.

ENTITY	\$ Millions						TRAFFIC (Billions)			CAPACITY (Billions)			PAX.
	OPERATING PROFIT (LOSS)			NET INCOME (LOSS)			RPMs (Sch. Svc.)			ASMs (Sch. Svc.)			
	1999	2000	\$ Change	1999	2000	\$ Change	1999	2000	Change %	1999	2000	Change %	L.F.
Domestic	394.5	-110.2	-504.7	234.8	-124.9	-359.7	22.2	20.0	-9.8	30.3	27.8	-8.3	71.9%
Int'l	214.7	80.7	-134.0	119.2	13.7	-105.5	12.4	13.6	9.5	15.7	17.2	9.9	78.9%
Atlantic	102.3	62.3	-40.0	57.6	20.6	-37.0	5.0	5.3	5.8	6.0	6.4	7.3	82.6%
Latin	19.8	-8.7	-28.5	10.1	-9.8	-19.9	1.5	1.4	-2.8	2.2	2.0	-9.0	71.2%
Pacific	92.6	27.1	-65.5	51.5	2.9	-48.6	5.9	6.8	15.8	7.5	8.8	17.5	77.9%
System	609.2	-29.5	-638.7	354.0	-111.1	-465.2	34.6	33.6	-2.8	46.0	45.0	-2.1	74.6%

- Interest expense rose \$11 million to \$88.7 million.
- ASM capacity declined 2.1 percent, but RPM traffic fell 2.9 percent, causing the passenger load factor to dip 0.5 percentage points to 74.6 percent.
- Passenger (RPM) yield gained 3.5 percent to 12.54 cents.

12-MONTH RESULTS

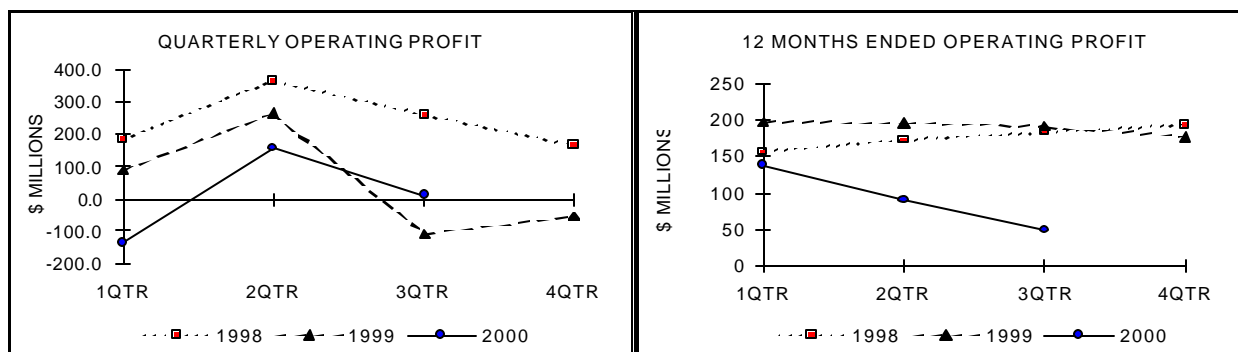
- Operating revenues were up 6.8 percent, but operating expenses jumped 9 percent, resulting in a \$267.4 million drop in operating profit to \$1.09 billion.
- Net income fell \$890 million, the largest decline among the majors, to \$250.2 million. This decline is somewhat exaggerated, however, as year ago results were favorably impacted by the \$428 million non-operating capital gain arising from the sale of Apollo during the second quarter 1999.
- Passenger (RPM) yield growth again accelerated, rising 5.6 percent to 12.91 cents.
- ASM capacity dipped 0.6 percent while RPM traffic climbed 0.7 percent, causing the passenger load to rise 0.9 percentage points to 72 percent.
- Interest expense rose \$14.5 million to \$329.7 million.

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

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2000/09	1999/09	2000/09	2000/06	2000/03	1999/12	1999/09
	<u>FINANCIAL RESULTS: (\$Millions)</u>							
1	Operating Revenues	4,915.8	4,833.7	18,999.8	18,917.7	18,350.2	17,966.7	17,783.6
2	Operating Expenses	4,945.3	4,224.4	17,910.7	17,189.9	16,843.5	16,608.8	16,427.1
3	Operating Profit (Loss)	-29.5	609.2	1,089.1	1,727.8	1,506.6	1,357.9	1,356.5
4	Net Income (Loss)	-111.1	354.0	250.2	715.3	1,048.0	1,203.8	1,140.2
	<u>TRAFFIC: (Billions)</u>							
5	RPMs - Scheduled Rev. Svc.	33.58	34.56	126.40	127.39	125.25	125.37	125.58
6	ASMs - Scheduled Rev. Svc.	45.03	45.99	175.47	176.43	176.82	176.54	176.50
7	Overall RTMs (All Svc.)	4.14	4.22	15.83	15.91	15.66	15.61	15.56
8	Overall ATMs (All Svc.)	7.10	7.08	27.48	27.46	27.31	27.13	27.01
	<u>YIELD & UNIT COST & PROFITS: (Cents)</u>							
9	Operating Revenue per RTM	118.7	114.6	120.0	118.9	117.2	115.1	114.3
10	Operating Expense per RTM	119.4	100.2	113.1	108.1	107.6	106.4	105.6
11	Operating Profit (Loss) per RTM	-0.7	14.4	6.9	10.9	9.6	8.7	8.7
12	Operating Expense per ATM	69.7	59.7	65.2	62.6	61.7	61.2	60.8
13	Passenger Revenue per RPM	12.54	12.12	12.91	12.80	12.56	12.32	12.23
	<u>FINANCIAL RATIOS:</u>							
14	Operating Revenues to Total Investment	*	*	1.70	1.71	1.70	1.74	1.79
15	Times Interest Earned	*	*	3.31	5.80	7.51	7.35	7.09
16	Current Assets to Current Liabilities	*	*	0.58	0.58	0.54	0.55	0.64
17	No. of Days Cash Coverage of Cash Exp.	*	*	23.4	25.5	16.6	12.2	31.2
	<u>FINANCIAL PERCENTAGES:</u>							
18	Operating Profit (Loss) to Operating Revenue	-0.6	12.6	5.7	9.1	8.2	7.6	7.6
19	Net Income to Stockholders Equity	*	*	4.4	12.7	19.9	24.8	25.5
20	Corporate Return on Investment	*	*	5.1	9.2	12.5	14.5	14.5
21	Debt to Total Investment	*	*	50.3	46.8	49.4	49.3	49.0
	<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>							
22	Actual	74.6	75.1	72.0	72.2	70.8	71.0	71.1
23	Breakeven	77.4	66.3	69.1	66.4	66.4	67.5	67.5
	<u>Employment & Productivity:</u>							
24	Employment, Total Weighted Avg CY	90,068	87,271	89,108	88,409	87,673	86,611	85,434
25	Overall RTM's per Employee (000)	46.0	48.3	177.7	179.9	178.6	180.3	182.1

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	1.7	1.3	6.8	6.7	4.1	2.6	1.8
27	Operating Expenses (%)	17.1	3.2	9.0	5.5	4.2	3.3	1.8
28	Operating Profit (Loss) (in Millions \$)	-638.7	-71.0	-267.4	300.3	49.3	-77.3	15.7
29	Net Income (Loss)(in Millions \$)	-465.1	-65.8	-890.0	-490.7	228.0	401.2	366.1
30	RPMs (Sch. Svc.) (%)	-2.9	-1.2	0.7	1.1	-0.6	0.7	1.9
31	ASMs (Sch. Svc.) (%)	-2.1	0.2	-0.6	0.0	1.1	1.5	2.3
32	Operating Revenues per RTM (%)	3.6	2.1	5.0	4.7	3.5	1.3	0.3
33	Operating Expense per RTM (%)	19.2	4.2	7.1	3.4	3.6	2.0	0.3
34	Passenger Revenue per RPM (Sch. Svc.)(%)	3.5	1.4	5.6	5.1	3.4	0.9	-0.7

QUARTERLY FINANCIAL & TRAFFIC REVIEW
SYSTEM OPERATIONS
US AIRWAYS



QUARTERLY RESULTS

- Operating results moved into the black, improving \$117.5 million to a positive \$10.6 million, as operating revenues, up 14.9 percent, grew faster than operating expenses, up 8.7 percent.
- This improvement would have been much higher, but total fuel expense soared \$141.2 million (86 percent) as unit fuel prices rose 59.5 percent and fuel consumption was up a group high 16.6 percent.
- Net income gained \$32.2 million but remained in the red with a loss of \$23.2 million
- The domestic entity produced much of the overall system operating and net improvements, but it was also the only entity failing to produce an operating or net profit. Domestic operating profit rose \$107.9 million to a loss of \$8.9 million and domestic net income rose \$25.8 million to a loss of \$38.1 million.

ENTITY	\$ Millions						TRAFFIC (Billions)			CAPACITY (Billions)			PAX.
	OPERATING PROFIT (LOSS)			NET INCOME (LOSS)			RPMs (Sch. Svc.)			ASMs (Sch. Svc.)			
	1999	2000	\$ Change	1999	2000	\$ Change	1999	2000	Change %	1999	2000	Change %	
Domestic	-116.8	-8.9	107.9	-63.9	-38.1	25.8	9.2	10.8	17.0	13.1	15.1	15.8	71.1%
Int'l	9.9	19.5	9.6	8.5	14.8	6.3	1.5	2.1	43.7	1.8	2.5	39.6	83.8%
Atlantic	9.2	19.5	10.3	7.8	15.4	7.7	1.3	1.9	45.1	1.6	2.2	40.2	85.9%
Latin	0.7	0.0	-0.7	0.7	-0.6	-1.3	0.2	0.2	33.8	0.2	0.3	35.8	69.9%
Pacific	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
System	-106.9	10.6	117.5	-55.4	-23.2	32.2	10.7	12.9	20.7	14.9	17.7	18.7	72.9%

- Passenger (RPM) yield slid 1.9 percent to 15.28 cents, the only decline among the majors.
- RPM traffic advanced a strong 20.7 percent, exceeding the 18.7 percent jump in ASM capacity causing the passenger load factor to rise 1.2 percentage points to 72.9 percent.
- Interest expense rose \$16.7 million to \$64 million.
- US Airways had the lowest productivity among all majors, although rising from 30.2 RTM's per employee a year ago to 33.8 RTM's per employee in the current quarter. The passenger major average is 46.1 RTM's per employee.

12-MONTH RESULTS

- For the 12 months ended September 2000, US Airways reported its third consecutive operating and net loss after a period of profitability exceeding four years. It also reported the largest deterioration among all majors in both operating results.
- Operating results fell into the red, down \$439.9 million to a loss of \$15 million, as operating expenses rose 11.6 percent, twice the growth rate of operating revenues, up 5.8 percent
- Net income dropped \$698.9 million to a loss of \$234.2 million.
- For the thirteenth time in the past fourteen quarter-ended 12-month periods, passenger (RPM) yield was down from a year ago, declining 2.6 percent to 16.23 cents.
- The passenger load factor dipped 0.4 percentage points, the only major (besides American Eagle) to experience a decline.

QUARTERLY FINANCIAL & TRAFFIC REVIEW
SYSTEM OPERATIONS
US AIRWAYS

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2000/09	1999/09	2000/09	2000/06	2000/03	1999/12	1999/09
	<u>FINANCIAL RESULTS: (\$Millions)</u>							
1	Operating Revenues	2,376.5	2,068.9	8,937.8	8,630.2	8,478.8	8,460.4	8,444.0
2	Operating Expenses	2,365.9	2,175.8	8,952.7	8,762.7	8,504.8	8,258.0	8,019.0
3	Operating Profit (Loss)	10.6	-106.9	-15.0	-132.5	-26.0	202.3	424.9
4	Net Income (Loss)	-23.2	-55.4	-234.2	-266.4	-5.0	273.5	464.7
	<u>TRAFFIC: (Billions)</u>							
5	RPMs - Scheduled Rev. Svc.	12.87	10.67	45.03	42.83	41.57	41.47	41.09
6	ASMs - Scheduled Rev. Svc.	17.66	14.88	64.26	61.48	60.05	59.12	58.26
7	Overall RTMs (All Svc.)	1.39	1.15	4.89	4.64	4.50	4.49	4.45
8	Overall ATMs (All Svc.)	2.47	2.03	8.88	8.44	8.20	8.04	7.92
	<u>YIELD & UNIT COST & PROFITS: (Cents)</u>							
9	Operating Revenue per RTM	170.7	180.4	182.9	186.0	188.3	188.6	189.9
10	Operating Expense per RTM	169.9	189.7	183.2	188.8	188.8	184.1	180.4
11	Operating Profit (Loss) per RTM	0.8	-9.3	-0.3	-2.9	-0.6	4.5	9.6
12	Operating Expense per ATM	95.8	107.2	100.8	103.8	103.8	102.7	101.3
13	Passenger Revenue per RPM	15.28	15.58	16.23	16.36	16.53	16.51	16.67
	<u>FINANCIAL RATIOS:</u>							
14	Operating Revenues to Total Investment	*	*	2.09	2.09	2.12	2.20	2.24
15	Times Interest Earned	*	*	0.18	-0.19	1.99	3.59	5.45
16	Current Assets to Current Liabilities	*	*	0.83	0.81	0.79	0.93	0.80
17	No. of Days Cash Coverage of Cash Exp.	*	*	50.3	43.6	60.0	39.3	48.2
	<u>FINANCIAL PERCENTAGES:</u>							
18	Operating Profit (Loss) to Operating Revenue	0.4	-5.2	-0.2	-1.5	-0.3	2.4	5.0
19	Net Income to Stockholders Equity	*	*	-13.2	-14.9	-0.3	15.0	26.1
20	Corporate Return on Investment	*	*	-0.2	-1.5	4.5	11.7	17.0
21	Debt to Total Investment	*	*	59.6	61.6	63.9	54.8	51.1
	<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>							
22	Actual	72.9	71.7	70.1	69.7	69.2	70.1	70.5
23	Breakeven	76.2	82.9	74.2	75.7	74.5	73.5	71.4
	<u>Employment & Productivity:</u>							
24	Employment, Total Weighted Avg CY	41,214	38,044	40,297	39,505	38,481	37,589	36,860
25	Overall RTM's per Employee (000)	33.8	30.2	121.3	117.5	117.0	119.3	120.6

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	14.9	-5.0	5.8	0.9	-1.0	-1.1	-1.3
27	Operating Expenses (%)	8.7	13.7	11.6	13.0	10.9	9.2	4.6
28	Operating Profit (Loss) (in Millions \$)	117.5	-370.3	-439.9	-927.8	-919.5	-787.7	-461.7
29	Net Income (Loss)(in Millions \$)	32.2	-204.3	-698.9	-935.3	-530.3	-285.6	-500.5
30	RPMs (Sch. Svc.) (%)	20.7	-2.5	9.6	3.5	0.5	0.5	0.1
31	ASMs (Sch. Svc.) (%)	18.7	3.1	10.3	6.4	5.1	4.2	3.5
32	Operating Revenues per RTM (%)	-5.4	-2.3	-3.7	-2.6	-1.4	-1.2	-0.7
33	Operating Expense per RTM (%)	-10.4	17.0	1.6	9.0	10.3	9.1	5.2
34	Passenger Revenue per RPM (Sch. Svc.)(%)	-1.9	-4.5	-2.6	-3.0	-2.4	-3.0	-3.1

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

QUARTERLY RESULTS

- All major cargo carriers except for DHL Airways reported an operating and net profit for the third quarter 2000. DHL was also the only all-cargo carrier to report a decline in both operating and net results.
- For the all-cargo group, operating revenues rose 10.7 percent, outpacing the 8.9 percent increase in operating expenses, resulting in a \$99.2 million gain in operating profit to \$314 million.
- Total fuel expense jumped 61.6 percent (\$134.4 million) as fuel consumption rose 7 percent and unit fuel prices spiked 50.9 percent.
- Net income improved \$75.6 million to \$162.3 million.

Quarter Ended	\$ Millions					
	OPERATING PROFIT (LOSS)			NET INCOME (LOSS)		
	LAST YEAR 1999	THIS YEAR 2000	\$ Change	LAST YEAR 1999	THIS YEAR 2000	\$ Change
March	213.6	186.5	-27.1	74.0	82.3	8.3
June	285.7	300.6	14.9	141.8	167.9	26.1
Sept.	214.8	314.0	99.2	86.8	162.3	75.6
Dec.	349.5	0.0	-	227.8	0.0	-

- The Pacific entity reported the only decline in operating profit, down \$74.4 million to a loss of \$6.7 million, while both the domestic and Latin entities experienced declines in net results.

ENTITY	\$ Millions						TRAFFIC (Billions)			CAPACITY (Billions)			TON L.F.
	OPERATING PROFIT (LOSS)			NET INCOME (LOSS)			RTMs (All Svc.)			ATMs (All Svc.)			
	1999	2000	\$ Change	1999	2000	\$ Change	1999	2000	Change %	1999	2000	Change %	
Domestic	103.3	215.6	112.3	193.5	118.0	-75.5	1.9	1.9	3.0	3.2	3.1	-3.9	62.4%
Int'l	111.6	98.4	-13.1	-106.7	44.3	151.0	1.1	1.3	19.2	1.7	1.9	10.0	66.9%
Atlantic	34.7	44.1	9.4	-148.8	14.1	162.9	0.3	0.4	12.8	0.5	0.6	12.0	64.4%
Latin	9.2	61.0	51.8	-3.2	33.1	36.3	0.1	0.2	72.9	0.2	0.3	53.8	58.9%
Pacific	67.6	-6.7	-74.4	45.3	-2.9	-48.1	0.7	0.8	15.5	1.1	1.1	2.4	70.0%
System	214.8	314.0	99.2	86.8	162.3	75.6	3.0	3.2	8.8	5.0	5.0	0.9	64.1%

- RTM traffic, up 8.8 percent, grew much faster than ATM capacity, up only 0.9 percent, causing the ton load factor to rise 4.7 percentage points to 64.1 percent.
- Profitability was enhanced as RTM unit cost were unchanged while RTM yield rose 1.7 percent.

12-MONTH RESULTS

- For the twelve months ended September 2000, Federal Express and UPS reported an operating and net profit, while DHL reported both an operating and net loss. The net loss reported by DHL was its first 12-month ended operating loss in recent carrier history.
- Operating expense growth, up 10.6 percent, slightly exceeded operating revenue growth, up 10.4 percent, still operating profit rose \$88.6 million to \$1.15 billion.
- Net income gained \$228.3 million to \$640.3 million.
- Interest on debt dropped \$59.2 million to \$92.8 million.
- The ton load factor rose 3.7 percentage points to 61.8 percent as RTM traffic growth, up 11.4 percent, more than doubled ATM capacity growth, up 4.7 percent.

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

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

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2000/09	1999/09	2000/09	2000/06	2000/03	1999/12	1999/09
	<u>FINANCIAL RESULTS: (\$Millions)</u>							
1	Operating Revenues	4,932.9	4,456.0	19,471.2	18,994.3	18,549.8	18,031.0	17,629.2
2	Operating Expenses	4,619.0	4,241.2	18,320.7	17,942.9	17,513.3	16,967.4	16,567.3
3	Operating Profit (Loss)	314.0	214.8	1,150.5	1,051.4	1,036.5	1,063.6	1,061.9
4	Net Income (Loss)	162.3	86.8	640.3	564.8	538.7	530.4	412.0
	<u>TRAFFIC: (Billions)</u>							
5	RTMs - Scheduled Rev. Svc.	2.38	2.17	9.23	9.03	8.83	8.53	8.29
6	ATMs - Scheduled Rev. Svc.	3.70	3.57	14.60	14.47	14.35	14.04	13.87
7	Overall RTMs (All Services)	3.22	2.95	12.63	12.37	12.08	11.68	11.34
8	Overall ATMs (All Services)	5.02	4.97	20.42	20.37	20.21	19.78	19.51
	<u>YIELD & UNIT COST & PROFITS: (Cents)</u>							
9	Operating Revenue per RTM	153.4	150.8	154.2	153.6	153.6	154.4	155.5
10	Operating Expense per RTM	143.6	143.6	145.1	145.1	145.0	145.3	146.1
11	Operating Profit (Loss) per RTM	9.8	7.3	9.1	8.5	8.6	9.1	9.4
12	Operating Expense per ATM	92.1	85.3	89.7	88.1	86.7	85.8	84.9
13	Passenger Revenue per RPM	++	++	++	++	++	++	++
	<u>FINANCIAL RATIOS:</u>							
14	Operating Revenues to Total Investment	*	*	2.07	2.02	1.96	1.92	1.91
15	Times Interest Earned	*	*	9.12	8.59	8.11	7.78	5.34
16	Current Assets to Current Liabilities	*	*	1.18	1.15	1.21	1.14	1.15
17	No. of Days Cash Coverage of Cash Exp.	*	*	2.0	1.9	2.0	2.5	2.7
	<u>FINANCIAL PERCENTAGES:</u>							
18	Operating Profit (Loss) to Operating Revenue	6.4	4.8	5.9	5.5	5.6	5.9	6.0
19	Net Income to Stockholders Equity	*	*	12.5	11.1	10.6	10.7	8.5
20	Corporate Return on Investment	*	*	8.1	7.3	7.0	7.1	6.4
21	Debt to Total Investment	*	*	45.7	46.2	44.0	45.0	46.6
	<u>TON LOAD FACTOR: (Sch. Svc. %)</u>							
22	Actual	64.1	59.4	61.8	60.7	59.8	59.0	58.1
23	Breakeven	++	++	++	++	++	++	++
	<u>Employment & Productivity:</u>							
24	Employment, Total Weighted Avg CY	105,357	105,233	106,557	106,526	105,806	104,791	103,830
25	Overall RTM's per Employee (000)	30.5	28.1	118.5	116.1	114.1	111.5	109.2

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	10.7	4.7	10.4	9.0	7.7	6.0	5.7
27	Operating Expenses (%)	8.9	6.3	10.6	10.0	8.7	6.4	5.1
28	Operating Profit (Loss) (in Millions \$)	99.2	-53.2	88.6	-63.8	-68.0	1.7	146.0
29	Net Income (Loss)(in Millions \$)	75.5	-47.0	228.3	105.7	98.1	92.2	-6.0
30	RTMs (All Svc.) (%)	8.8	4.7	11.4	10.3	8.9	5.5	3.3
31	ATMs (All Svc.) (%)	0.9	3.9	4.7	5.4	5.8	4.2	4.4
32	Operating Revenues per RTM (%)	1.7	0.0	-0.8	-1.2	-1.1	0.5	2.4
33	Operating Expense per RTM (%)	0.0	1.6	-0.7	-0.4	-0.3	0.9	1.7
34	Passenger Revenue per RPM (Sch. Svc.)(%)	++	++	++	++	++	++	++

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

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2000/09	1999/09	2000/09	2000/06	2000/03	1999/12	1999/09
	<u>FINANCIAL RESULTS: (\$Millions)</u>							
1	Operating Revenues	3,572.4	3,327.8	14,140.0	13,895.4	13,686.4	13,446.1	13,356.0
2	Operating Expenses	3,356.9	3,224.5	13,588.9	13,456.5	13,231.3	12,907.4	12,699.3
3	Operating Profit (Loss)	215.6	103.3	551.2	438.9	455.1	538.7	656.7
4	Net Income (Loss)	118.0	193.5	278.1	353.5	396.3	372.4	352.1
	<u>TRAFFIC: (Billions)</u>							
5	RTMs - Scheduled Rev. Svc.	1.19	1.13	4.71	4.65	4.57	4.47	4.37
6	ATMs - Scheduled Rev. Svc.	1.93	1.88	7.80	7.75	7.71	7.59	7.49
7	Overall RTMs (All Services)	1.94	1.88	7.83	7.77	7.65	7.48	7.32
8	Overall ATMs (All Services)	3.11	3.23	13.14	13.26	13.26	13.10	12.95
	<u>YIELD & UNIT COST & PROFITS: (Cents)</u>							
9	Operating Revenue per RTM	184.4	176.8	180.7	178.8	178.9	179.7	182.5
10	Operating Expense per RTM	173.3	171.3	173.6	173.2	173.0	172.5	173.5
11	Operating Profit (Loss) per RTM	11.1	5.5	7.0	5.6	5.9	7.2	9.0
12	Operating Expense per ATM	108.1	99.7	103.4	101.4	99.8	98.5	98.0
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	6.0	3.1	3.9	3.2	3.3	4.0	4.9
19	Net Income to Stockholders Equity	*	*	**	**	**	**	**
20	Corporate Return on Investment	*	*	5.3	6.2	6.8	6.5	6.7
21	Debt to Total Investment	*	*	**	**	**	**	**
	<u>TON LOAD FACTOR: (Sch. Svc. %)</u>							
22	Actual	62.4	58.2	59.6	58.6	57.7	57.1	56.5
23	Breakeven	++	++	++	++	++	++	++
	<u>Employment & Productivity:</u>							
24	Employment, Total Weighted Avg CY	*	*	**	**	**	**	**
25	Overall RTM's per Employee (000)	*	*	**	**	**	**	**

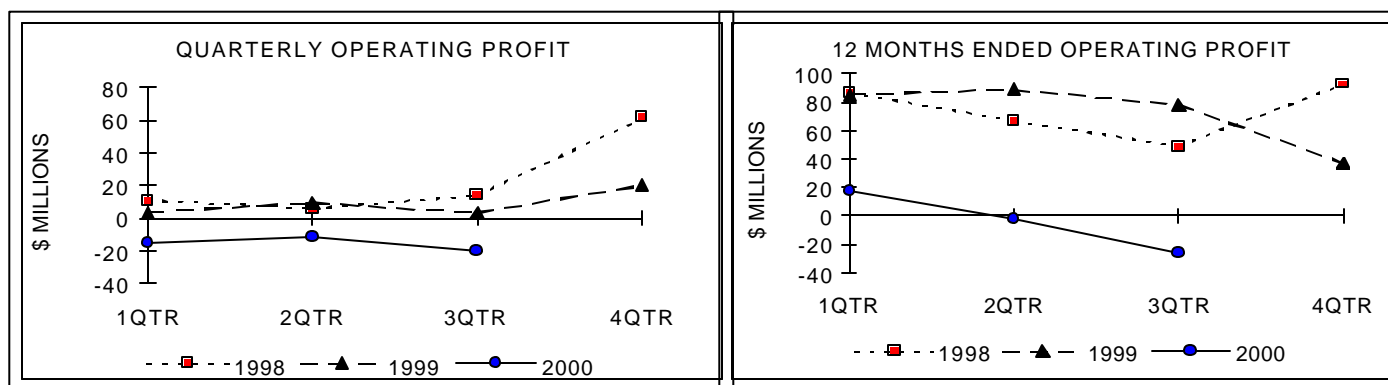
		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	7.4	2.7	5.9	4.7	4.1	3.3	5.4
27	Operating Expenses (%)	4.1	6.3	7.0	7.6	7.1	5.7	5.7
28	Operating Profit (Loss) (in Millions \$)	112.3	-103.3	-105.5	-321.2	-336.7	-263.1	3.7
29	Net Income (Loss)(in Millions \$)	-75.5	95.2	-74.0	96.6	217.7	114.3	139.4
30	RTMs (All Svc.) (%)	3.0	4.1	6.9	7.3	6.5	4.5	3.3
31	ATMs (All Svc.) (%)	-3.9	3.3	1.4	3.2	4.4	4.0	4.6
32	Operating Revenues per RTM (%)	4.3	-1.3	-1.0	-2.4	-2.2	-1.1	2.1
33	Operating Expense per RTM (%)	1.2	2.1	0.1	0.3	0.6	1.2	2.3
34	Passenger Revenue per RPM (Sch. Svc.)(%)	++	++	++	++	++	++	++

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

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2000/09	1999/09	2000/09	2000/06	2000/03	1999/12	1999/09
	<u>FINANCIAL RESULTS: (\$Millions)</u>							
1	Operating Revenues	1,360.5	1,128.2	5,331.2	5,098.9	4,863.3	4,584.9	4,273.2
2	Operating Expenses	1,262.1	1,016.6	4,731.8	4,486.3	4,281.9	4,060.0	3,868.0
3	Operating Profit (Loss)	98.4	111.6	599.4	612.5	581.4	524.9	405.3
4	Net Income (Loss)	44.3	-106.7	362.3	211.2	142.4	158.0	59.9
	<u>TRAFFIC: (Billions)</u>							
5	RTMs - Scheduled Rev. Svc.	1.19	1.05	4.52	4.38	4.26	4.06	3.92
6	ATMs - Scheduled Rev. Svc.	1.77	1.69	6.80	6.73	6.64	6.45	6.38
7	Overall RTMs (All Services)	1.28	1.07	4.80	4.60	4.43	4.20	4.02
8	Overall ATMs (All Services)	1.91	1.74	7.28	7.11	6.94	6.69	6.55
	<u>YIELD & UNIT COST & PROFITS: (Cents)</u>							
9	Operating Revenue per RTM	106.5	105.2	111.0	111.0	109.9	109.3	106.3
10	Operating Expense per RTM	98.8	94.8	98.6	97.6	96.7	96.8	96.2
11	Operating Profit (Loss) per RTM	7.7	10.4	12.5	13.3	13.1	12.5	10.1
12	Operating Expense per ATM	66.1	58.5	65.0	63.1	61.7	60.7	59.0
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	7.2	9.9	11.2	12.0	12.0	11.4	9.5
19	Net Income to Stockholders Equity	*	*	**	**	**	**	**
20	Corporate Return on Investment	*	*	16.4	10.6	7.9	9.0	5.6
21	Debt to Total Investment	*	*	**	**	**	**	**
	<u>TON LOAD FACTOR: (Sch. Svc. %)</u>							
22	Actual	66.9	61.7	66.0	64.7	63.7	62.8	61.3
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 (%)	20.6	10.9	24.8	22.5	19.3	14.7	6.7
27	Operating Expenses (%)	24.1	6.3	22.3	17.8	13.7	8.7	3.3
28	Operating Profit (Loss) (in Millions \$)	-13.2	50.2	194.1	257.4	268.7	264.8	142.4
29	Net Income (Loss)(in Millions \$)	151.0	-142.2	302.4	9.0	-119.6	-22.1	-145.3
30	RTMs (All Svc.) (%)	19.2	5.7	19.4	16.0	13.5	7.3	3.4
31	ATMs (All Svc.) (%)	10.0	5.1	11.1	9.8	8.6	4.6	4.1
32	Operating Revenues per RTM (%)	1.2	4.9	4.4	5.6	5.2	6.9	3.2
33	Operating Expense per RTM (%)	4.2	0.5	2.5	1.6	0.2	1.3	0.0
34	Passenger Revenue per RPM (Sch. Svc.)(%)	++	++	++	++	++	++	++

QUARTERLY FINANCIAL & TRAFFIC REVIEW
SYSTEM OPERATIONS
DHL AIRWAYS



QUARTERLY RESULTS

- Operating expense growth, up 14.5 percent, more than doubled operating revenue growth, up 7.5 percent, resulting in a \$23.3 million drop in operating results to a loss of \$20 million.
- Net results dropped \$29.5 million to a loss of \$14.5 million.
- The domestic entity was solely responsible for the declines and losses in both operating and net results. Operating results fell \$49.9 million to a loss of \$111 million and net results slid \$185 million to a loss of \$61.3 million.

ENTITY	\$ Millions						TRAFFIC (Billions)			CAPACITY (Billions)			TON L.F.
	OPERATING PROFIT (LOSS)			NET INCOME (LOSS)			RTMs (All Svc.)			ATMs (All Svc.)			
	1999	2000	\$ Change	1999	2000	\$ Change	1999	2000	Change %	1999	2000	Change %	
Domestic	-61.1	-111.0	-49.9	123.7	-61.3	-185.0	0.1	0.1	12.0	0.1	0.1	24.7	51.4%
Int'l	64.4	90.9	26.5	-108.8	46.8	155.6	0.7	0.8	16.0	1.1	1.2	5.5	68.6%
Atlantic	60.1	68.1	8.0	-103.1	34.9	138.1	0.1	0.1	6.0	0.1	0.1	19.6	63.3%
Latin	4.3	22.8	18.5	-5.6	11.9	17.5	0.0	0.0	95.7	0.0	0.0	129.3	41.6%
Pacific	0.0	0.0	0.0	0.0	0.0	0.0	0.7	0.8	15.5	1.1	1.1	2.4	70.0%
System	3.3	-20.0	-23.4	15.0	-14.5	-29.4	0.8	0.9	15.7	1.2	1.3	7.0	67.0%

- Total fuel expenses jumped 80.5 percent (\$11.2 million), as both fuel consumption, up 29.5 percent, and unit prices, up 39.3 percent, rose sharply from a year earlier.
- ATM capacity, up 33.9 percent, grew twice as fast as RTM traffic, up 16.5 percent, causing the ton load factor to drop 8 percentage points to 53.3 percent.
- Even though RTM unit costs declined 1.7 percent, profitability was eroded as RTM yield dropped 7.7 percent.
- Interest expense dipped \$0.4 million to a major group low (excluding UPS) \$4.6 million.

12-MONTH RESULTS

- Operating expense growth, up 15.2 percent, grew much faster than operating revenues, up 6.9 percent, resulting in a \$103.7 million drop in operating profit to a loss of \$25.7 million, the second consecutive 12-month ended loss.
- Net income was down \$30.8 million to a loss of \$19.6 million.
- The ton load factor declined 4.7 percentage points to 55.2 percent as RTM traffic growth, up 9.7 percent, failed to keep pace with ATM capacity growth, up 18.9 percent.
- Interest expense fell \$52.9 million to \$13.5 million.

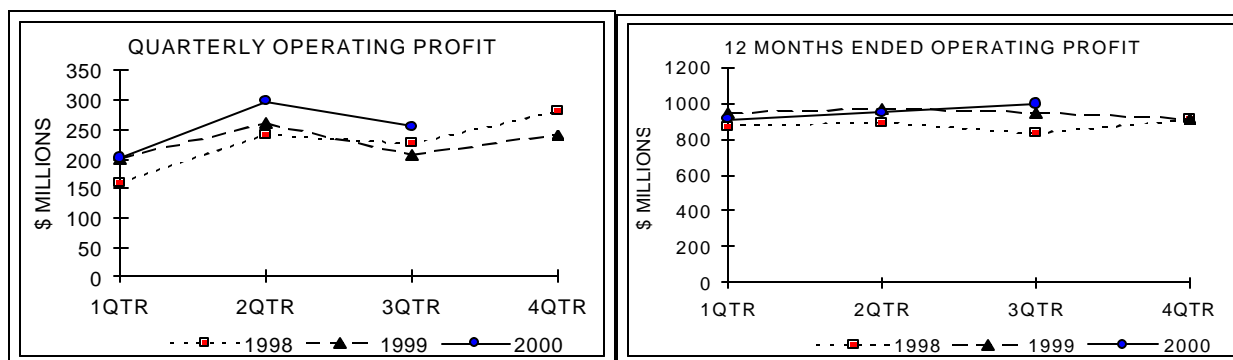
Note: Beginning with the first quarter 1998, The Airline Quarterly Financial Review of the Majors includes DHL Airways, which achieved major airline status (*i.e.*, annual operating revenues exceeding \$1 billion), effective January 1, 1997.

QUARTERLY FINANCIAL & TRAFFIC REVIEW
SYSTEM OPERATIONS
DHL AIRWAYS

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2000/09	1999/09	2000/09	2000/06	2000/03	1999/12	1999/09
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	367.9	342.1	1,479.5	1,453.8	1,420.9	1,369.8	1,384.1
2	Operating Expenses	387.9	338.8	1,505.2	1,456.1	1,402.9	1,333.0	1,306.1
3	Operating Profit (Loss)	-20.0	3.3	-25.7	-2.3	18.0	36.8	78.0
4	Net Income (Loss)	-14.5	15.0	-19.6	9.8	20.9	31.8	11.2
<u>TRAFFIC: (Billions)</u>								
5	RTMs - Scheduled Rev. Svc.	0.11	0.11	0.44	0.43	0.42	0.41	0.40
6	ATMs - Scheduled Rev. Svc.	0.21	0.17	0.83	0.79	0.76	0.72	0.70
7	Overall RTMs (All Services)	0.13	0.11	0.48	0.46	0.46	0.45	0.44
8	Overall ATMs (All Services)	0.24	0.18	0.87	0.81	0.78	0.75	0.73
<u>YIELD & UNIT COST & PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	283.8	307.4	307.2	313.8	311.7	305.7	315.2
10	Operating Expense per RTM	299.2	304.4	312.5	314.3	307.7	297.5	297.4
11	Operating Profit (Loss) per RTM	-15.5	3.0	-5.3	-0.5	3.9	8.2	17.8
12	Operating Expense per ATM	159.6	186.6	172.6	179.7	180.5	177.6	178.2
13	Passenger Revenue per RPM	++	++	++	++	++	++	++
<u>FINANCIAL RATIOS:</u>								
14	Operating Revenues to Total Investment	*	*	8.34	7.00	7.46	7.50	7.82
15	Times Interest Earned	*	*	-1.57	1.97	2.99	3.80	1.69
16	Current Assets to Current Liabilities	*	*	0.00	1.03	1.04	1.04	0.97
17	No. of Days Cash Coverage of Cash Exp.	*	*	0.0	0.3	0.6	1.3	1.8
<u>FINANCIAL PERCENTAGES:</u>								
18	Operating Profit (Loss) to Operating Revenue	-5.4	1.0	-1.7	-0.2	1.3	2.7	5.6
19	Net Income to Stockholders Equity	*	*	-18.3	7.3	15.5	22.6	7.9
20	Corporate Return on Investment	*	*	-3.4	11.4	19.3	27.1	43.9
21	Debt to Total Investment	*	*	0.0	46.5	40.8	36.4	33.7
<u>TON LOAD FACTOR: (Sch. Svc. %)</u>								
22	Actual	53.3	61.3	55.2	57.2	58.7	59.7	59.9
23	Breakeven	++	++	++	++	++	++	++
<u>Employment & Productivity:</u>								
24	Employment, Total Weighted Avg CY	8,734	8,233	8,472	8,347	8,257	8,163	8,085
25	Overall RTM's per Employee (000)	14.8	13.5	56.8	55.5	55.2	54.9	54.3

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	7.5	5.2	6.9	6.3	4.9	1.6	7.6
27	Operating Expenses (%)	14.5	8.8	15.2	13.9	10.5	6.1	5.6
28	Operating Profit (Loss) (in Millions \$)	-23.3	-10.7	-103.7	-91.1	-67.4	-55.8	29.0
29	Net Income (Loss)(in Millions \$)	-29.5	8.3	-30.8	6.8	32.7	37.0	-7.0
30	RTMs (Sch. Svc.) (%)	16.5	14.5	9.7	9.0	11.0	12.0	12.9
31	ATMs (Sch. Svc.) (%)	33.9	7.9	18.9	12.6	10.6	9.9	10.4
32	Operating Revenues per RTM (%)	-7.7	-8.2	-2.5	-2.5	-5.5	-9.3	-4.6
33	Operating Expense per RTM (%)	-1.7	-5.0	5.1	4.5	-0.4	-5.2	-6.5
34	Passenger Revenue per RPM (Sch. Svc.)(%)	++	++	++	++	++	++	++

QUARTERLY FINANCIAL & TRAFFIC REVIEW
SYSTEM OPERATIONS
FEDERAL EXPRESS



QUARTERLY RESULTS

- Operating revenues, up 7.7 percent, grew slightly faster than operating expenses, up 6.8 percent, resulting in operating profit gaining \$48 million to \$254.6 million.
- This rise in profits occurred even though total fuel expense jumped \$71.9 million (56.6 percent) as unit fuel prices jumped 47.4 percent and fuel consumption rose 6.2 percent.
- Net results gained \$52.6 million to \$130 million.
- Only the Pacific entity experienced a decline in operating or net results, while domestic operations continued to show strong improvement.

ENTITY	\$ Millions						TRAFFIC (Billions)			CAPACITY (Billions)			TON
	OPERATING PROFIT (LOSS)			NET INCOME (LOSS)			RTMs (All Svc.)			ATMs (All Svc.)			
	1999	2000	\$ Change	1999	2000	\$ Change	1999	2000	Change %	1999	2000	Change %	L.F.
Domestic	201.1	257.0	55.8	109.0	138.2	29.2	1.1	1.2	7.6	1.8	1.9	3.0	62.8%
Int'l	5.5	-2.4	-7.9	-31.6	-8.2	23.4	0.7	0.8	14.8	1.1	1.3	15.9	64.7%
	-37.7	-19.2	18.6	-55.4	-14.3	41.1	0.2	0.2	12.9	0.3	0.4	22.1	60.3%
Atlantic													
Latin	6.1	38.0	32.0	3.2	22.6	19.4	0.1	0.1	11.5	0.1	0.1	7.7	55.5%
Pacific	37.1	-21.2	-58.4	20.6	-16.5	-37.1	0.5	0.5	16.0	0.7	0.8	14.2	68.0%
System	206.6	254.6	48.0	77.4	130.0	52.6	1.8	2.0	10.5	2.9	3.1	7.9	63.6%

- RTM traffic rose 10.5 percent, exceeding the 7.9 percent increase in ATM capacity, causing the ton load factor to increase 1.5 percentage points to 63.6 percent.
- Profitability was enhanced despite a 2.6 percent decline in RTM yield as RTM unit costs were down 3.4 percent.
- Interest expense rose \$1.3 million to \$21.6 million.

12-MONTH RESULTS

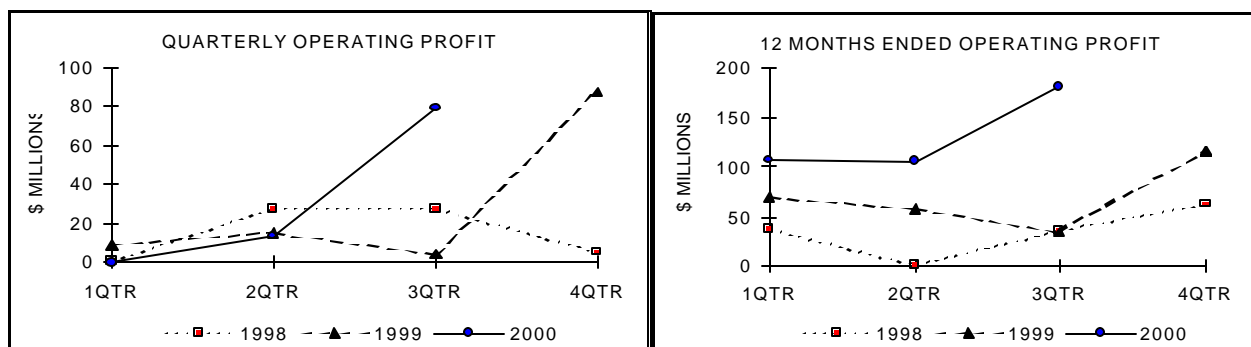
- Operating profit improved \$46.2 million to \$995.5 million even though operating expenses, up 9 percent, rose faster than operating revenues, up 8.7 percent.
- Net income jumped \$126.9 million to \$548.9 million.
- Interest expense declined \$3.9 million to \$82.2 million.
- RTM traffic rose a strong 13.2 percent outpacing the 9 percent increase in ATM capacity causing the ton load factor to rise 2.3 percentage points to 63.2 percent.
- Total debt was lower by \$100.8 million and equity rose causing the debt-to-investment ratio to decline 1.3 percentage points to 21.1 percent.

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

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2000/09	1999/09	2000/09	2000/06	2000/03	1999/12	1999/09
	<u>FINANCIAL RESULTS: (\$Millions)</u>							
1	Operating Revenues	3,873.6	3,596.5	15,473.9	15,196.8	14,876.4	14,508.4	14,229.8
2	Operating Expenses	3,619.0	3,389.9	14,478.4	14,249.3	13,965.4	13,598.5	13,280.4
3	Operating Profit (Loss)	254.6	206.6	995.5	947.5	911.0	909.9	949.3
4	Net Income (Loss)	130.0	77.4	548.9	496.3	459.9	432.4	422.0
	<u>TRAFFIC: (Billions)</u>							
5	RTMs - Scheduled Rev. Svc.	1.87	1.77	7.39	7.29	7.16	6.93	6.76
6	ATMs - Scheduled Rev. Svc.	2.95	2.84	11.68	11.57	11.49	11.24	11.09
7	Overall RTMs (All Services)	1.98	1.79	7.77	7.59	7.38	7.09	6.87
8	Overall ATMs (All Services)	3.12	2.89	12.30	12.07	11.87	11.52	11.28
	<u>YIELD & UNIT COST & PROFITS: (Cents)</u>							
9	Operating Revenue per RTM	195.4	200.4	199.1	200.3	201.6	204.6	207.2
10	Operating Expense per RTM	182.6	188.9	186.3	187.9	189.2	191.7	193.4
11	Operating Profit (Loss) per RTM	12.8	11.5	12.8	12.5	12.3	12.8	13.8
12	Operating Expense per ATM	116.0	117.3	117.7	118.1	117.7	118.1	117.7
13	Passenger Revenue per RPM	++	++	++	++	++	++	++
	<u>FINANCIAL RATIOS:</u>							
14	Operating Revenues to Total Investment	*	*	3.01	2.96	2.87	2.84	2.84
15	Times Interest Earned	*	*	11.88	11.51	10.72	9.94	9.58
16	Current Assets to Current Liabilities	*	*	1.19	1.11	1.18	1.12	1.15
17	No. of Days Cash Coverage of Cash Exp.	*	*	2.1	2.0	2.1	2.3	2.4
	<u>FINANCIAL PERCENTAGES:</u>							
18	Operating Profit (Loss) to Operating Revenue	6.6	5.7	6.4	6.2	6.1	6.3	6.7
19	Net Income to Stockholders Equity	*	*	13.6	12.4	11.5	11.1	11.2
20	Corporate Return on Investment	*	*	12.3	11.3	10.5	10.1	10.2
21	Debt to Total Investment	*	*	21.1	22.0	19.9	21.8	22.4
	<u>TON LOAD FACTOR: (Sch. Svc. %)</u>							
22	Actual	63.6	62.1	63.2	62.8	62.2	61.6	60.9
23	Breakeven	++	++	++	++	++	++	++
	<u>Employment & Productivity:</u>							
24	Employment, Total Weighted Avg CY	91,572	92,221	93,172	93,334	92,753	91,868	91,000
25	Overall RTM's per Employee (000)	21.6	19.5	83.4	81.3	79.6	77.2	75.5

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	7.7	5.3	8.7	8.2	7.4	6.2	5.8
27	Operating Expenses (%)	6.8	6.3	9.0	8.9	8.2	6.6	5.3
28	Operating Profit (Loss) (in Millions \$)	48.0	-19.6	46.2	-21.4	-37.7	2.6	118.1
29	Net Income (Loss)(in Millions \$)	52.6	-38.3	126.9	36.0	17.4	-3.0	17.4
30	RTMs (Sch. Svc.) (%)	10.5	2.5	13.2	11.2	8.7	3.7	0.9
31	ATMs (Sch. Svc.) (%)	7.9	2.8	9.0	7.7	6.9	3.6	3.1
32	Operating Revenues per RTM (%)	-2.5	2.7	-3.9	-2.7	-1.2	2.5	4.9
33	Operating Expense per RTM (%)	-3.3	3.7	-3.7	-2.0	-0.5	2.8	4.4
34	Passenger Revenue per RPM (Sch. Svc.)(%)	++	++	++	++	++	++	++

QUARTERLY FINANCIAL & TRAFFIC REVIEW
SYSTEM OPERATIONS
UNITED PARCEL SERVICE



QUARTERLY RESULTS

- Operating revenues soared 33.7 percent, greatly exceeding the 19.4 percent jump in operating expenses, resulting in a \$74.5 million gain in operating profit to \$79.4 million.
- Total fuel expense jumped 51.2 million (66.3 percent) as unit fuel prices jumped 59.4 percent and fuel consumption rose 4.3 percent. Total fuel expense comprised 20.9 percent to total operating expenses compared with 15 percent a year ago.
- Net results moved into the black, rising \$52.4 million to a positive \$46.8 million.
- The overall system improvements arose mostly from gains in domestic operations. Domestic operating results rose \$106.4 million to a positive \$69.6 million and domestic net results rose \$80.3 million to a positive \$41.1 million.

ENTITY	\$ Millions						TRAFFIC (Billions)			CAPACITY (Billions)			TON
	OPERATING PROFIT (LOSS)			NET INCOME (LOSS)			RTMs (All Svc.)			ATMs (All Svc.)			
	1999	2000	\$ Change	1999	2000	\$ Change	1999	2000	Change %	1999	2000	Change %	L.F.
Domestic	-36.8	69.6	106.4	-39.3	41.1	80.3	0.7	0.7	-4.5	1.3	1.1	-15.4	62.9%
Int'l	41.7	9.9	-31.8	33.7	5.7	-27.9	0.3	0.4	30.5	0.6	0.5	-5.9	75.1%
Atlantic	12.3	-4.8	-17.1	9.8	-6.5	-16.3	0.1	0.1	18.4	0.1	0.1	-13.0	79.0%
Latin	-1.1	0.2	1.3	-0.8	-1.4	-0.6	0.0	0.1	192.2	0.1	0.1	117.2	69.3%
Pacific	30.5	14.5	-16.0	24.6	13.6	-11.0	0.2	0.2	14.3	0.4	0.3	-19.9	75.5%
System	4.9	79.4	74.6	-5.6	46.8	52.4	1.1	1.1	5.7	1.9	1.7	-12.6	66.8%

- The ton load factor soared 11.4 percentage points to 66.6 percent as RTM traffic growth rose 5.2 percent while ATM capacity dropped 12.8 percent.
- Profitability was enhanced as RTM yield growth, up 27.2 percent, more than double RTM unit cost growth, up 13.5 percent.
- UPS continues to report the highest productivity (RTMs per employee) among all the majors at 219.3

12-MONTH RESULTS

- Operating revenues, up 24.9 percent, grew faster than operating expenses, up 18 percent, resulting in a \$146.1 million gain in operating profit to \$180.7 million.
- Net income moved into the black, gaining \$132.2 million to a positive \$111 million.
- RTM traffic growth, up 8.4 percent, coupled with the 3.3 percent decline in ATM capacity growth caused the ton load factor to increase 6.6 percentage points to 60.4 percent.
- Rising equity coupled with declining total debt, down \$100.2 million to \$3.1 billion, caused the debt-to-investment ratio to decline 1.9 percentage points to 75.7 percent.
- Productivity (RTMs per employee) continued to be very high when compared with all other majors, rising from 849.6 a year ago to 890.8.

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

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2000/09	1999/09	2000/09	2000/06	2000/03	1999/12	1999/09
	<u>FINANCIAL RESULTS: (\$Millions)</u>							
1	Operating Revenues	691.5	517.4	2,517.8	2,343.7	2,252.5	2,152.9	2,015.3
2	Operating Expenses	612.1	512.5	2,337.1	2,237.5	2,145.0	2,036.0	1,980.8
3	Operating Profit (Loss)	79.4	4.9	180.7	106.2	107.5	116.9	34.6
4	Net Income (Loss)	46.8	-5.6	111.0	58.6	57.9	66.3	-21.2
	<u>TRAFFIC: (Billions)</u>							
5	RTMs - Scheduled Rev. Svc.	0.39	0.30	1.40	1.31	1.24	1.18	1.13
6	ATMs - Scheduled Rev. Svc.	0.53	0.56	2.08	2.11	2.11	2.08	2.08
7	Overall RTMs (All Services)	1.11	1.05	4.38	4.32	4.24	4.14	4.03
8	Overall ATMs (All Services)	1.66	1.90	7.25	7.49	7.56	7.52	7.49
	<u>YIELD & UNIT COST & PROFITS: (Cents)</u>							
9	Operating Revenue per RTM	62.4	49.3	57.5	54.3	53.1	52.0	50.0
10	Operating Expense per RTM	55.2	48.9	53.4	51.8	50.6	49.2	49.1
11	Operating Profit (Loss) per RTM	7.2	0.5	4.1	2.5	2.5	2.8	0.9
12	Operating Expense per ATM	36.9	27.0	32.2	29.9	28.4	27.1	26.4
13	Passenger Revenue per RPM	++	++	++	++	++	++	++
	<u>FINANCIAL RATIOS:</u>							
14	Operating Revenues to Total Investment	*	*	0.62	0.57	0.55	0.53	0.50
15	Times Interest Earned	*	*	5.98	3.18	3.17	3.62	0.73
16	Current Assets to Current Liabilities	*	*	1.11	2.64	2.22	1.56	1.45
17	No. of Days Cash Coverage of Cash Exp.	*	*	2.6	3.0	2.9	4.4	5.0
	<u>FINANCIAL PERCENTAGES:</u>							
18	Operating Profit (Loss) to Operating Revenue	11.5	0.9	7.2	4.5	4.8	5.4	1.7
19	Net Income to Stockholders Equity	*	*	11.3	6.1	6.1	7.0	-2.3
20	Corporate Return on Investment	*	*	3.4	2.1	2.1	2.3	0.2
21	Debt to Total Investment	*	*	75.7	75.3	75.6	75.7	77.6
	<u>TON LOAD FACTOR: (Sch. Svc. %)</u>							
22	Actual	66.8	55.2	60.4	57.7	56.1	55.1	53.8
23	Breakeven	++	++	++	++	++	++	++
	<u>Employment & Productivity:</u>							
24	Employment, Total Weighted Avg CY	5,051	4,779	4,913	4,845	4,796	4,760	4,745
25	Overall RTM's per Employee (000)	219.4	219.4	890.9	891.1	883.9	869.6	849.6

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	33.7	0.2	24.9	16.4	11.8	7.8	3.8
27	Operating Expenses (%)	19.4	4.9	18.0	14.4	10.4	5.2	4.0
28	Operating Profit (Loss) (in Millions \$)	74.5	-23.0	146.1	48.6	37.1	54.9	-1.1
29	Net Income (Loss)(in Millions \$)	52.4	-17.0	132.2	62.8	48.0	58.4	-16.5
30	RTMs (Sch. Svc.) (%)	5.7	7.6	8.6	9.1	9.1	8.0	6.7
31	ATMs (Sch. Svc.) (%)	-12.6	5.3	-3.2	1.2	3.6	4.6	5.9
32	Operating Revenues per RTM (%)	26.6	-7.0	15.0	6.7	2.5	-0.2	-2.7
33	Operating Expense per RTM (%)	12.9	-2.4	8.8	4.9	1.2	-2.6	-2.6
34	Passenger Revenue per RPM (Sch. Svc.)(%)	++	++	++	++	++	++	++

FOOTNOTES

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

EXPLANATION OF LINE ITEMS

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

EXPLANATION OF LINE ITEMS

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