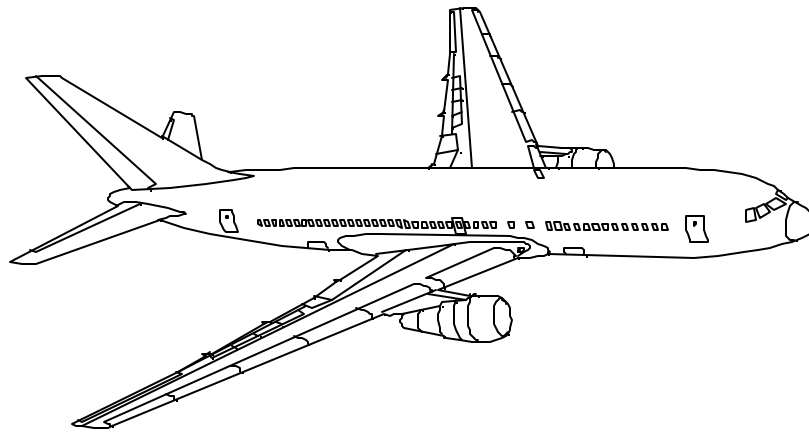


AIRLINE QUARTERLY FINANCIAL REVIEW

THIRD QUARTER 2001



MAJORS



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

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INTRODUCTION

This report contains staff comments, tables and charts on the financial condition of the U.S. major airlines.

The data are presented on both a carrier group and an individual carrier basis, but the primary focus is on the individual major carrier and its performance. Data are presented for the most recent quarterly period and the comparable quarter a year earlier and also on a 12-month ended basis as at the end of the five most recent quarters. In addition, data on charges over comparable periods 12-months earlier are presented. A graphic presentation of comparative trends, on a carrier group basis, is made for several unit and overall financial indicators. In the case of merged carriers, data for the carriers involved have been combined and presented under the name of the surviving carrier so that meaningful comparisons could be made.

All data presented in this financial and traffic review are derived from data reported to the U.S. Department of Transportation on Form 41 Schedules by Large Certificated Air Carriers. For comparison purposes, this analysis is limited to the major scheduled passenger and all-cargo air carriers only. Alaska Airlines, with revenues exceeding \$1 billion in calendar year 1995, became a major airline effective January 1, 1996, and is now included in this review. All financial and traffic results have been retroactively restated to include the operations of Alaska. Certain data in this review is classified in two broad categories: namely "domestic" and "international". "Domestic" encompasses operations within and between the 50 states of the United States, the District of Columbia, the Commonwealth of Puerto Rico, and the U.S. Virgin Islands. It also encompasses Canadian transborder operations and for certain carriers Mexican transborder operations. All other operations are considered "international", which is separated into Atlantic, Latin, and Pacific.

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

QUARTERLY FINANCIAL & TRAFFIC REVIEW

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 second 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.
- Following the September 11, 2001 terrorist attacks, the resulting 3-day shutdown of the entire domestic airline industry, and the slow return of passengers willing to fly, virtually every airline, most notably the passenger carriers, suffered huge losses during the quarter, normally one of the strongest quarters of the year for the industry. The year-to-year comparisons were the ever worst for the group, as were the resulting losses, straining the resources of several airlines.
- For the third quarter 2001, operating revenues tumbled 16.1 percent, while operating expenses rose 5.4 percent, resulting in a \$6.49 billion plunge in operating profit to a loss of \$4.24 billion. The passenger major group tumbled \$6.22 billion to a loss of \$4.27 billion, while the all-cargo group, although down \$277.8 million, remained positive with a profit of \$36.2 million.
- Due largely to the shutdown in operations, total fuel expense declined 8.6 percent (\$293.8 million).
- Net income dropped \$3.34 billion to a loss of \$2.43 billion. The passenger major group was down \$3.21 billion to a loss of \$2.46 billion, while the all-cargo group declined \$131.6 million to a positive \$30.7 million.

OPERATING PROFIT (LOSS) AND NET INCOME (LOSS) 1/ (\$MILLIONS)						
CARRIER	OPERATING PROFIT (LOSS)			NET INCOME (LOSS)		
	3Q 2000	3Q 2001	\$CHANGE	3Q 2000	3Q 2001	\$CHANGE
TOTAL ALL MAJORS	2257.8	-4235.0	-6492.8	905.5	-2431.6	-3337.1
TOTAL PASSENGER MAJORS	1943.8	-4271.3	-6215.1	743.2	-2462.3	-3205.5
ALASKA	33.7	16.5	-17.2	17.4	21.2	3.8
AMERICA WEST	-0.9	-100.9	-100.0	-0.8	-31.1	-30.3
AMERICAN	516.2	-1072.2	-1588.4	316.1	-290.8	-606.9
AMERICAN EAGLE	37.2	-101.2	-138.4	6.5	-86.1	-92.6
AMERICAN TRANS AIR	18.6	9.3	-9.3	0.6	7.4	6.8
CONTINENTAL	227.9	-183.2	-411.1	130.6	13.7	-116.9
DELTA	476.4	-310.6	-787.0	57.0	-237.8	-294.8
NORTHWEST	364.6	-149.8	-514.4	193.9	11.5	-182.4
SOUTHWEST	300.1	93.0	-207.1	184.3	151.0	-33.3
TRANS WORLD	-11.0	-259.6	-248.6	-34.8	-79.4	-44.6
UNITED	-29.5	-2060.6	-2031.1	-111.1	-1179.2	-1068.1
US AIRWAYS	10.6	-152.0	-162.6	-23.2	-756.0	-732.8
TOTAL ALL-CARGO MAJORS	314.0	36.2	-277.8	162.3	30.7	-131.6
DHL AIRWAYS	-20.0	-54.5	-34.5	-14.5	-54.0	-39.5
FEDERAL EXPRESS	254.6	53.9	-200.7	130.0	73.9	-56.1
UNITED PARCEL SERVICE	79.4	36.8	-42.6	46.8	10.8	-36.0

- The passenger load factor slid 3.4 percentage points to 72.4 percent, as RPM traffic, down 8.5 percent, fell faster than ASM capacity, down 4.3 percent.
- Passenger (RPM) yield was down 11.4 percent to 11.53 cents.
- Interest expense jumped \$76.5 million to \$586.2 million.
- Total debt surged \$12.8 billion to \$42.5 billion, causing the debt-to-investment ratio to jump 12.5 percentage points to 60.1 percent.

12-MONTH RESULTS

- Operating results declined from a year ago for the twelfth consecutive period, while net results were down for the sixth consecutive period.
- Operating results fell into the red for the first time since the 12-months ended June 1993, down a staggering \$12.61 billion from a year ago to a loss of \$5.31 billion. The passenger group declined \$11.97 billion to a \$5.82 billion loss, while the all-cargo group declined \$537.8 million to a profit of \$512.7 million.
- Net results fell \$7.83 billion to a loss of \$4.23 billion. The passenger group declined \$7.4 billion to a \$4.44 billion loss, and the all-cargo group fell \$426.5 million but remained positive with a profit of \$213.8 million.

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

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2001/09	2000/09	2001/09	2001/06	2001/03	2000/12	2000/09
	<u>FINANCIAL RESULTS: (\$Millions)</u>							
1	Operating Revenues	25,893.0	30,849.2	112,301.4	117,257.6	118,546.1	117,711.3	115,667.4
2	Operating Expenses	30,128.0	28,591.4	117,607.1	116,070.5	113,535.3	111,171.4	108,363.3
3	Operating Profit (Loss)	-4,235.0	2,257.8	-5,305.8	1,187.1	5,010.8	6,539.9	7,304.1
4	Net Income (Loss)	-2,431.6	905.5	-4,230.5	-893.4	1,709.5	2,599.5	3,596.7
	<u>TRAFFIC: (Billions)</u>							
5	RPMs - Scheduled Rev. Svc.	160.94	175.92	638.17	653.15	654.67	651.79	646.16
6	ASMs - Scheduled Rev. Svc.	222.19	232.11	896.50	906.42	899.64	894.93	889.72
7	Overall RTMs (All Svc.)	21.48	23.81	87.05	89.38	89.93	89.85	89.29
8	Overall ATMs (All Svc.)	38.73	39.74	155.46	156.47	154.79	153.63	152.30
	<u>YIELD & UNIT COST & PROFITS: (Cents)</u>							
9	Operating Revenue per RTM	120.5	129.5	129.0	131.2	131.8	131.0	129.5
10	Operating Expense per RTM	140.3	120.1	135.1	129.9	126.2	123.7	121.4
11	Operating Profit (Loss) per RTM	-19.7	9.5	-6.1	1.3	5.6	7.3	8.2
12	Operating Expense per ATM	77.8	71.9	75.7	74.2	73.3	72.4	71.2
13	Passenger Revenue per RPM	11.53	13.02	12.77	13.15	13.36	13.33	13.16
	<u>FINANCIAL RATIOS:</u>							
14	Operating Revenues to Total Investment	*	*	1.49	1.61	1.65	1.66	1.68
15	Times Interest Earned	*	*	-1.75	0.67	2.77	3.85	4.76
16	Current Assets to Current Liabilities	*	*	0.79	0.66	0.70	0.72	0.70
17	No. of Days Cash Coverage of Cash Exp.	*	*	49.1	29.7	32.6	33.4	33.6
	<u>FINANCIAL PERCENTAGES:</u>							
18	Operating Profit (Loss) to Operating Revenue	-16.4	7.3	-4.7	1.0	4.2	5.6	6.3
19	Net Income to Stockholders Equity	*	*	-12.0	-2.5	4.7	7.2	9.9
20	Corporate Return on Investment	*	*	-2.9	1.5	5.1	6.3	7.9
21	Debt to Total Investment	*	*	58.7	53.3	52.8	52.0	47.4
	<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>							
22	Actual	72.4	75.8	71.2	72.1	72.8	72.8	72.6
23	Breakeven	91.4	70.4	77.7	72.8	70.6	69.2	68.4
	<u>Employment & Productivity:</u>							
24	Employment, Total Weighted Avg CY	566,622	554,192	565,727	562,620	563,230	558,518	553,788
25	Overall RTM's per Employee (000)	37.9	43.0	153.9	158.9	159.7	160.9	161.2

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	-16.1	9.9	-2.9	3.9	7.8	9.4	9.2
27	Operating Expenses (%)	5.4	11.4	8.5	10.1	10.5	11.0	10.6
28	Operating Profit (Loss) (in Millions \$)	-6,492.8	-151.9	-12,609.9	-6,268.9	-2,217.3	-989.8	-584.6
29	Net Income (Loss)(in Millions \$)	-3,337.1	-525.3	-7,827.2	-5,015.4	-2,803.2	-2,506.5	-1,311.7
30	RPMs (Sch. Svc.) (%)	-8.5	5.0	-1.2	2.4	5.0	5.8	6.2
31	ASMs (Sch. Svc.) (%)	-4.3	2.7	0.8	2.6	2.9	3.7	4.2
32	Operating Revenues per RTM (%)	-7.0	4.4	-0.4	2.4	3.3	3.1	1.9
33	Operating Expense per RTM (%)	16.8	5.9	11.3	8.5	5.9	4.7	3.2
34	Passenger Revenue per RPM (Sch. Svc.)(%)	-11.4	5.4	-3.0	1.3	4.1	4.7	3.7

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

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2001/09	2000/09	2001/09	2001/06	2001/03	2000/12	2000/09
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	18,898.0	22,869.2	84,381.9	88,353.1	89,654.8	89,290.6	87,896.8
2	Operating Expenses	22,365.7	21,399.9	88,812.7	87,846.9	85,883.7	84,208.5	82,252.5
3	Operating Profit (Loss)	-3,467.7	1,469.3	-4,430.8	506.2	3,771.2	5,082.1	5,644.3
4	Net Income (Loss)	-2,128.3	528.3	-3,808.6	-1,152.1	1,094.7	1,996.9	2,927.6
<u>TRAFFIC: (Billions)</u>								
5	RPMs - Scheduled Rev. Svc.	114.20	124.43	458.69	468.92	470.92	470.50	468.04
6	ASMs - Scheduled Rev. Svc.	161.66	168.59	655.90	662.83	658.64	657.13	655.93
7	Overall RTMs (All Svc.)	13.97	15.44	56.96	58.43	58.92	59.10	59.02
8	Overall ATMs (All Svc.)	25.48	26.22	103.28	104.03	103.17	102.76	102.41
<u>YIELD & UNIT COST & PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	135.3	148.1	148.1	151.2	152.2	151.1	148.9
10	Operating Expense per RTM	160.1	138.6	155.9	150.3	145.8	142.5	139.4
11	Operating Profit (Loss) per RTM	-24.8	9.5	-7.8	0.9	6.4	8.6	9.6
12	Operating Expense per ATM	87.8	81.6	86.0	84.4	83.2	81.9	80.3
13	Passenger Revenue per RPM	12.12	13.93	13.72	14.17	14.41	14.38	14.17
<u>FINANCIAL RATIOS:</u>								
14	Operating Revenues to Total Investment	*	*	**	**	**	**	**
15	Times Interest Earned	*	*	**	**	**	**	**
16	Current Assets to Current Liabilities	*	*	**	**	**	**	**
17	No. of Days Cash Coverage of Cash Exp.	*	*	**	**	**	**	**
<u>FINANCIAL PERCENTAGES:</u>								
18	Operating Profit (Loss) to Operating Revenue	-18.3	6.4	-5.3	0.6	4.2	5.7	6.4
19	Net Income to Stockholders Equity	*	*	**	**	**	**	**
20	Corporate Return on Investment	*	*	-3.9	0.6	4.7	6.5	8.4
21	Debt to Total Investment	*	*	**	**	**	**	**
<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>								
22	Actual	70.6	73.8	69.9	70.7	71.5	71.6	71.4
23	Breakeven	90.7	69.4	76.3	71.6	69.3	67.9	67.1
<u>Employment & Productivity:</u>								
24	Employment, Total Weighted Avg CY	*	*	**	**	**	**	**
25	Overall RTM's per Employee (000)	*	*	**	**	**	**	**

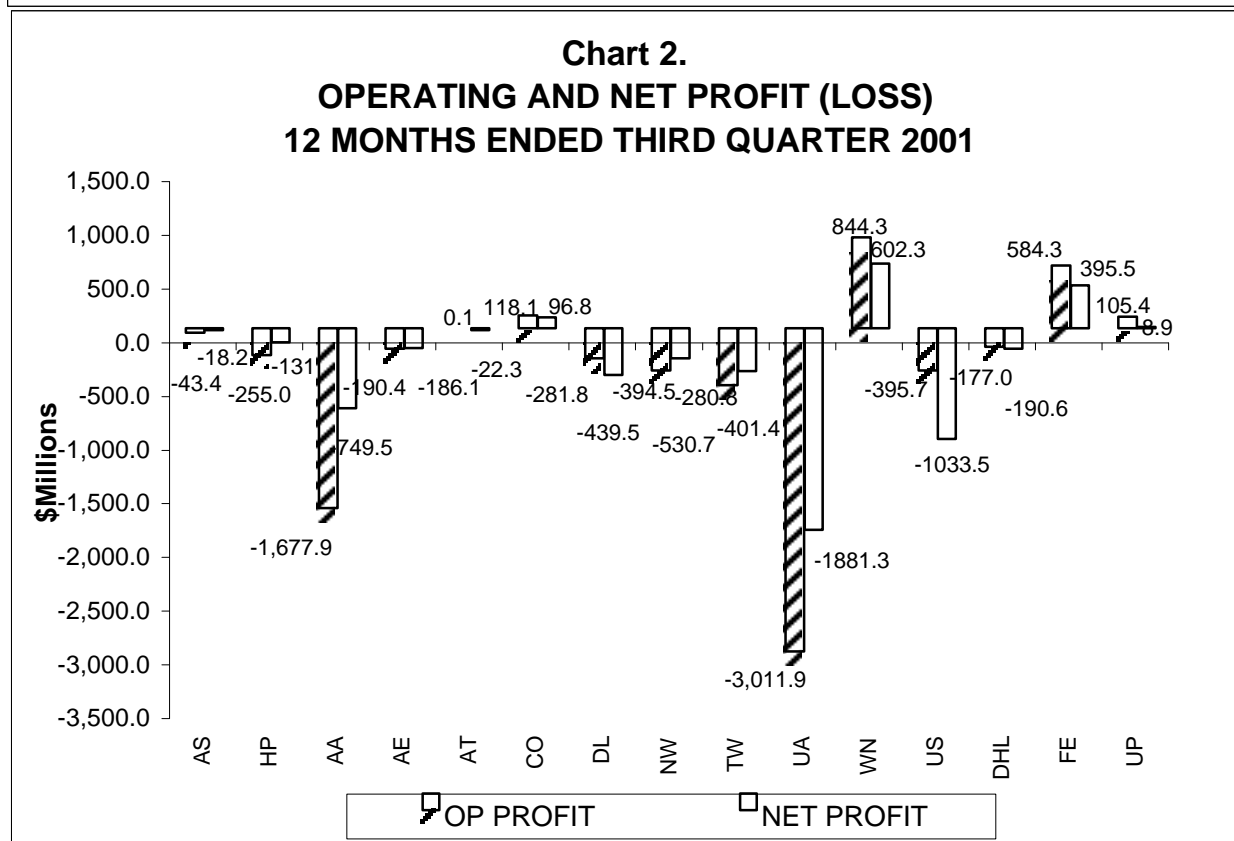
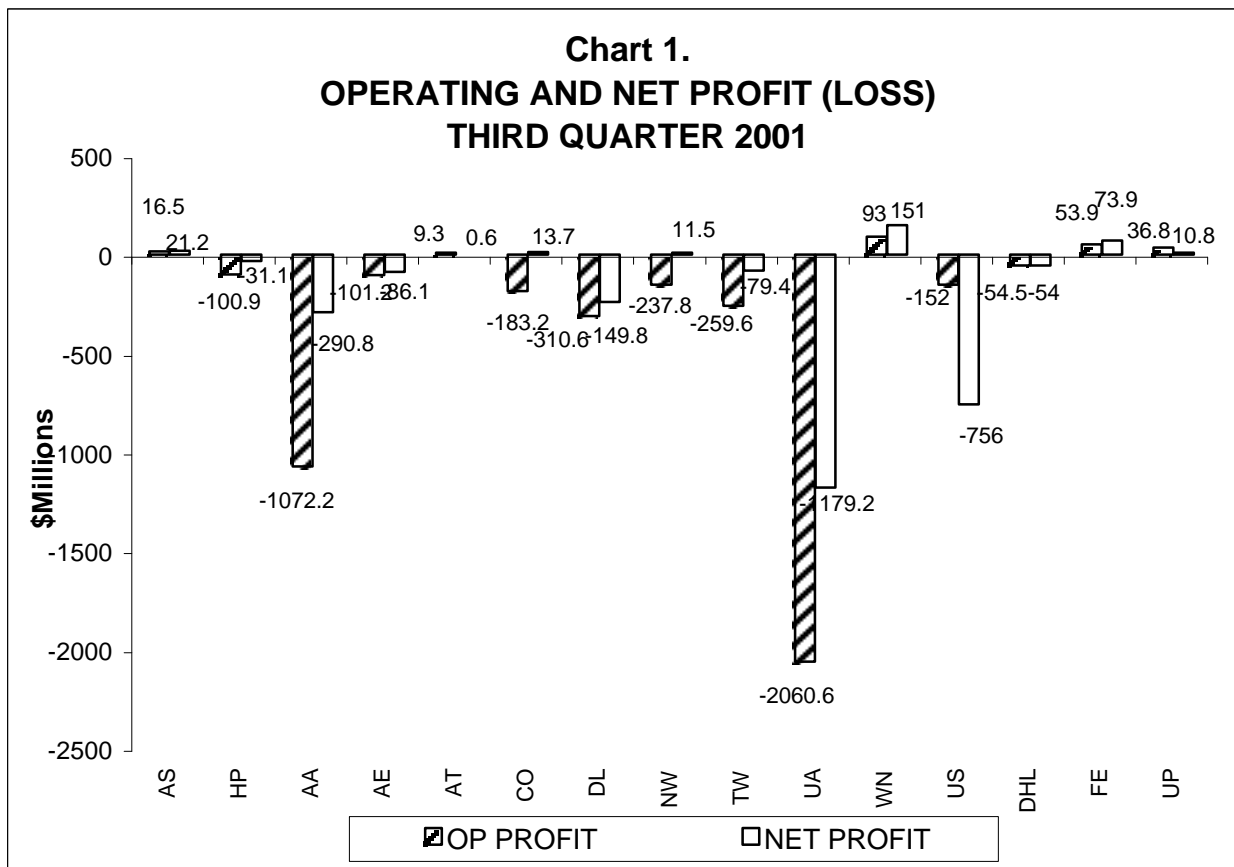
		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	-17.4	8.2	-4.0	2.5	6.4	8.1	7.9
27	Operating Expenses (%)	4.5	9.5	8.0	9.3	9.4	10.1	10.1
28	Operating Profit (Loss) (in Millions \$)	-4,937.0	-126.3	-10,075.1	-5,264.4	-1,923.1	-1,026.8	-1,110.9
29	Net Income (Loss)(in Millions \$)	-2,656.6	-564.3	-6,736.2	-4,643.9	-2,764.6	-2,392.2	-1,431.2
30	RPMs (Sch. Svc.) (%)	-8.2	3.7	-2.0	1.2	3.7	4.9	5.7
31	ASMs (Sch. Svc.) (%)	-4.1	1.7	0.0	1.5	1.7	3.0	4.1
32	Operating Revenues per RTM (%)	-8.7	4.7	-0.5	2.7	3.8	3.6	2.1
33	Operating Expense per RTM (%)	15.5	6.0	11.8	9.4	6.7	5.5	4.2
34	Passenger Revenue per RPM (Sch. Svc.)(%)	-13.0	5.4	-3.2	1.3	4.2	4.8	3.6

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

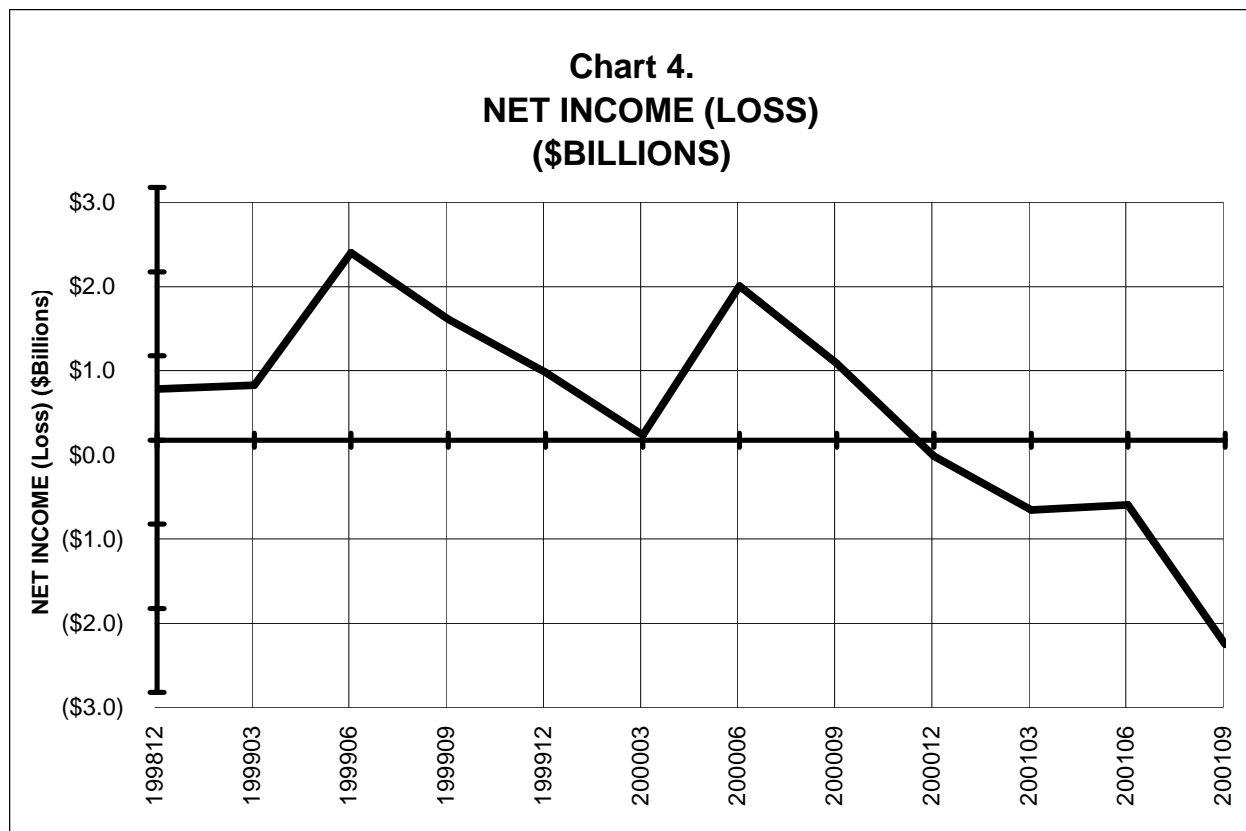
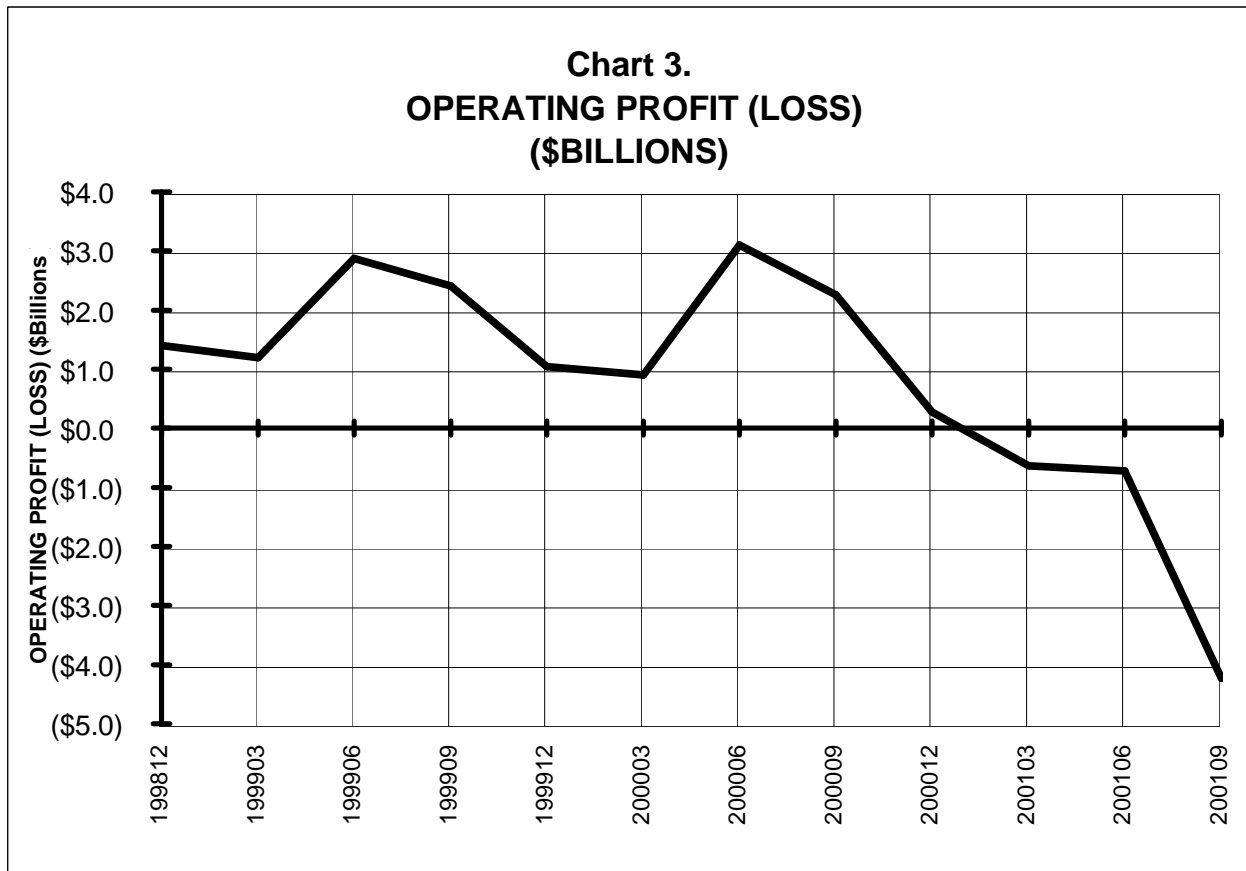
ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2001/09	2000/09	2001/09	2001/06	2001/03	2000/12	2000/09
	<u>FINANCIAL RESULTS: (\$Millions)</u>							
1	Operating Revenues	6,994.9	7,980.0	27,919.4	28,904.5	28,891.2	28,420.8	27,770.5
2	Operating Expenses	7,762.3	7,191.5	28,794.4	28,223.6	27,651.6	26,962.9	26,110.8
3	Operating Profit (Loss)	-767.4	788.5	-875.0	680.9	1,239.6	1,457.9	1,659.7
4	Net Income (Loss)	-303.3	377.2	-421.9	258.6	614.8	602.6	669.2
	<u>TRAFFIC: (Billions)</u>							
5	RPMs - Scheduled Rev. Svc.	46.74	51.49	179.48	184.23	183.75	181.29	178.11
6	ASMs - Scheduled Rev. Svc.	60.53	63.52	240.60	243.59	241.00	237.79	233.78
7	Overall RTMs (All Svc.)	7.52	8.38	30.09	30.95	31.01	30.75	30.27
8	Overall ATMs (All Svc.)	13.26	13.52	52.18	52.44	51.62	50.87	49.89
	<u>YIELD & UNIT COST & PROFITS: (Cents)</u>							
9	Operating Revenue per RTM	93.1	95.3	92.8	93.4	93.2	92.4	91.8
10	Operating Expense per RTM	103.3	85.9	95.7	91.2	89.2	87.7	86.3
11	Operating Profit (Loss) per RTM	-10.2	9.4	-2.9	2.2	4.0	4.7	5.5
12	Operating Expense per ATM	58.6	53.2	55.2	53.8	53.6	53.0	52.3
13	Passenger Revenue per RPM	10.08	10.84	10.34	10.54	10.65	10.58	10.51
	<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	-11.0	9.9	-3.1	2.4	4.3	5.1	6.0
19	Net Income to Stockholders Equity	*	*	**	**	**	**	**
20	Corporate Return on Investment	*	*	0.4	4.1	6.0	5.9	6.4
21	Debt to Total Investment	*	*	**	**	**	**	**
	<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>							
22	Actual	77.2	81.1	74.6	75.6	76.2	76.2	76.2
23	Breakeven	92.3	72.2	81.0	75.8	73.9	73.2	72.3
	<u>Employment & Productivity:</u>							
24	Employment, Total Weighted Avg CY	*	*	**	**	**	**	**
25	Overall RTM's per Employee (000)	*	*	**	**	**	**	**

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	-12.4	15.1	0.5	8.2	12.2	13.6	13.7
27	Operating Expenses (%)	7.9	17.5	10.3	12.7	14.2	14.2	12.1
28	Operating Profit (Loss) (in Millions \$)	-1,555.9	-25.7	-2,534.7	-1,004.5	-294.2	37.1	526.2
29	Net Income (Loss)(in Millions \$)	-680.5	39.0	-1,091.1	-371.6	-38.5	-114.3	119.5
30	RPMs (Sch. Svc.) (%)	-9.2	8.0	0.8	5.7	8.5	8.1	7.3
31	ASMs (Sch. Svc.) (%)	-4.7	5.6	2.9	5.7	6.4	5.8	4.4
32	Operating Revenues per RTM (%)	-2.3	5.7	1.1	3.3	4.0	3.8	3.3
33	Operating Expense per RTM (%)	20.3	7.9	10.9	7.7	5.8	4.5	1.8
34	Passenger Revenue per RPM (Sch. Svc.)(%)	-7.0	6.6	-1.6	2.1	4.7	5.1	4.7

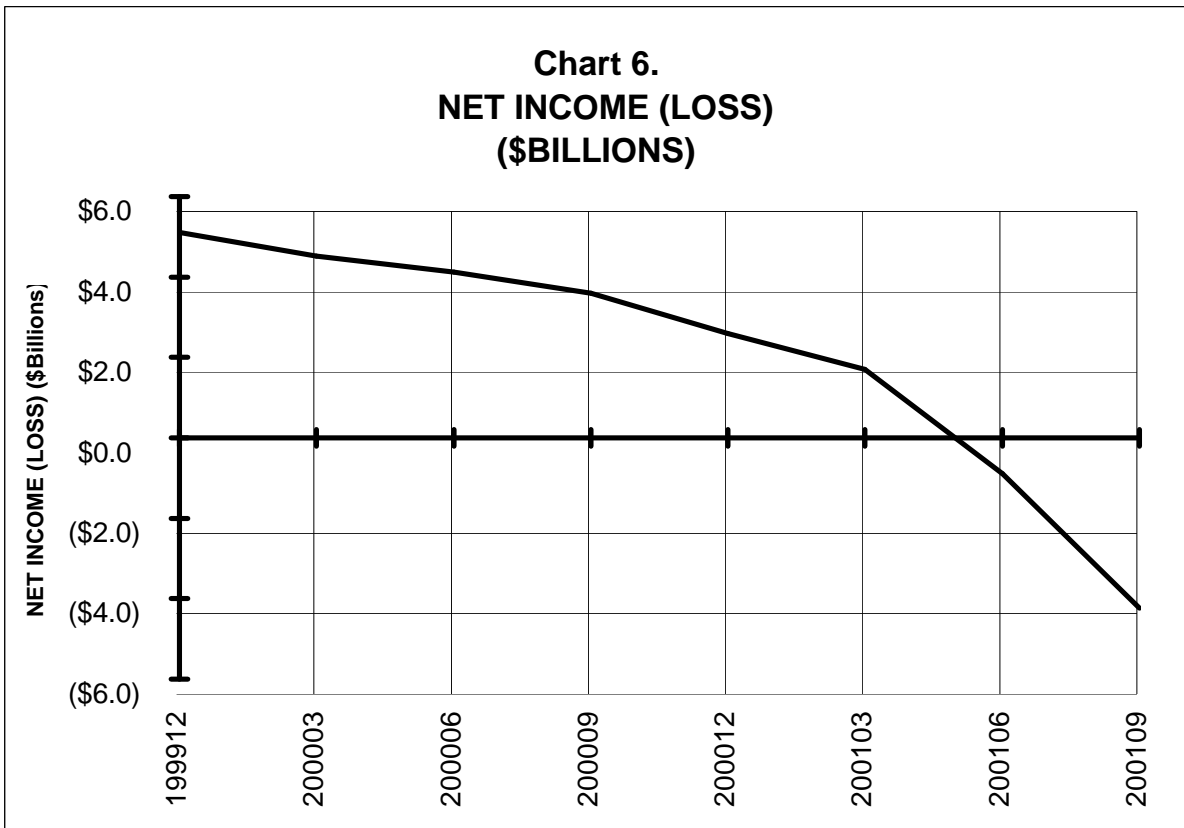
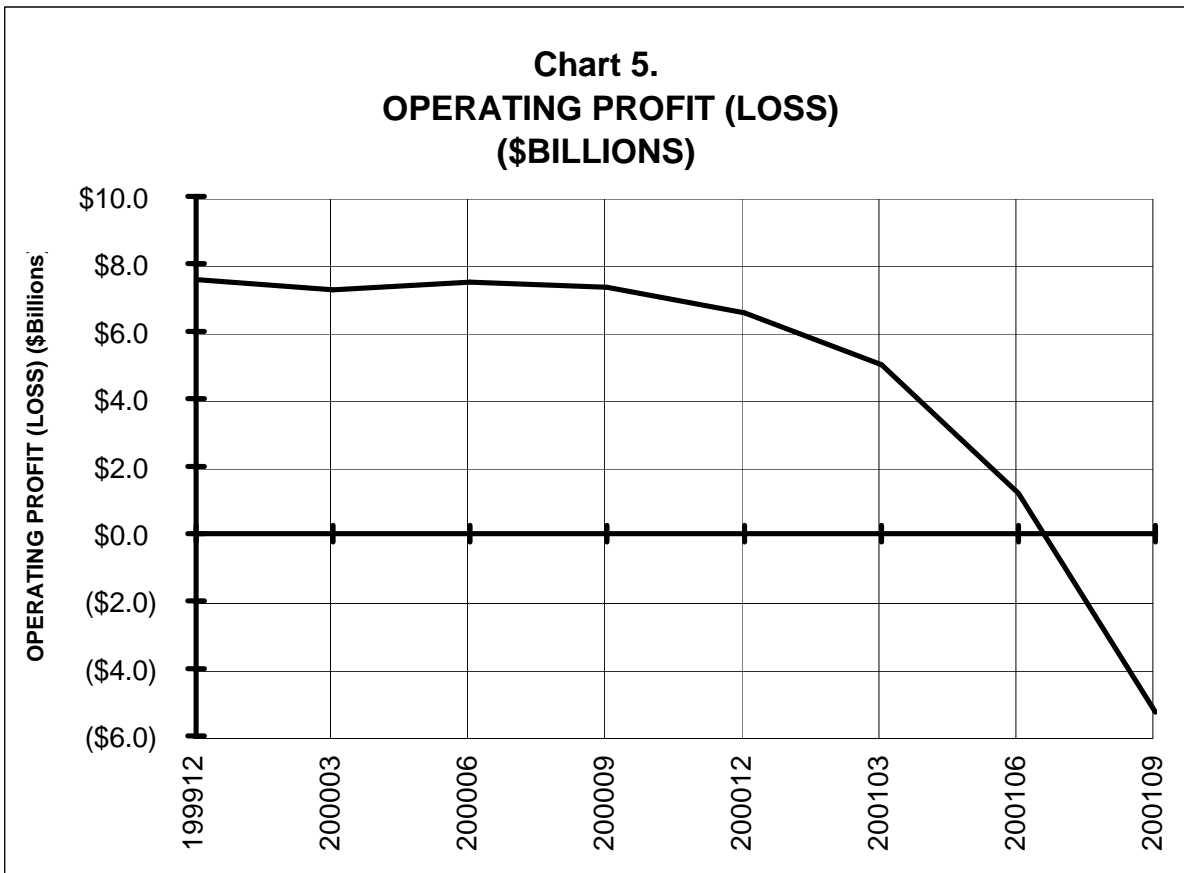
COMPARISONS AMONG MAJOR GROUP AIRLINES



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

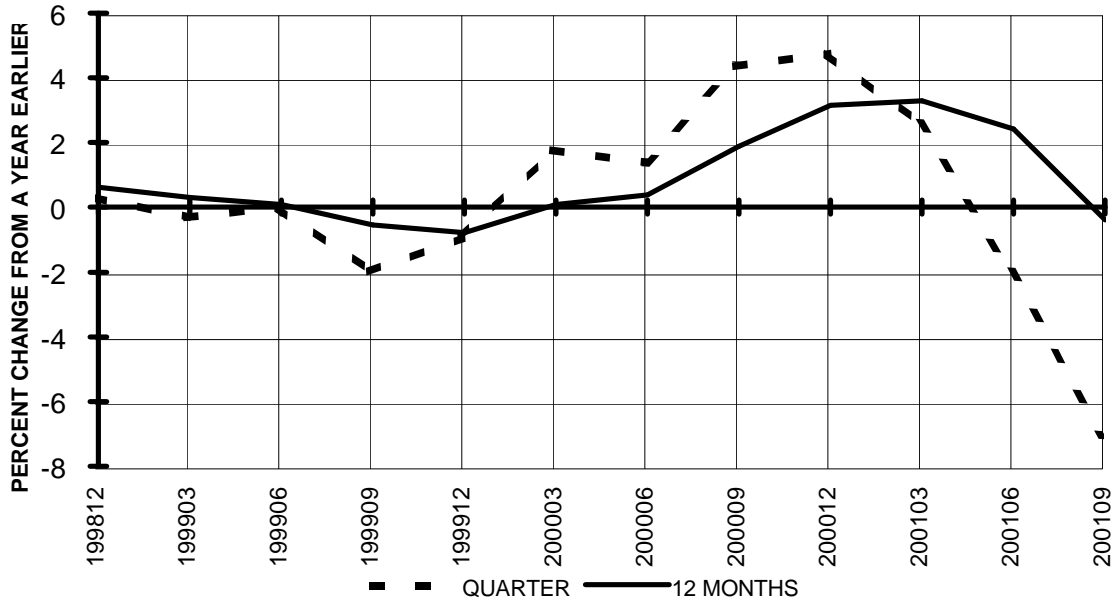
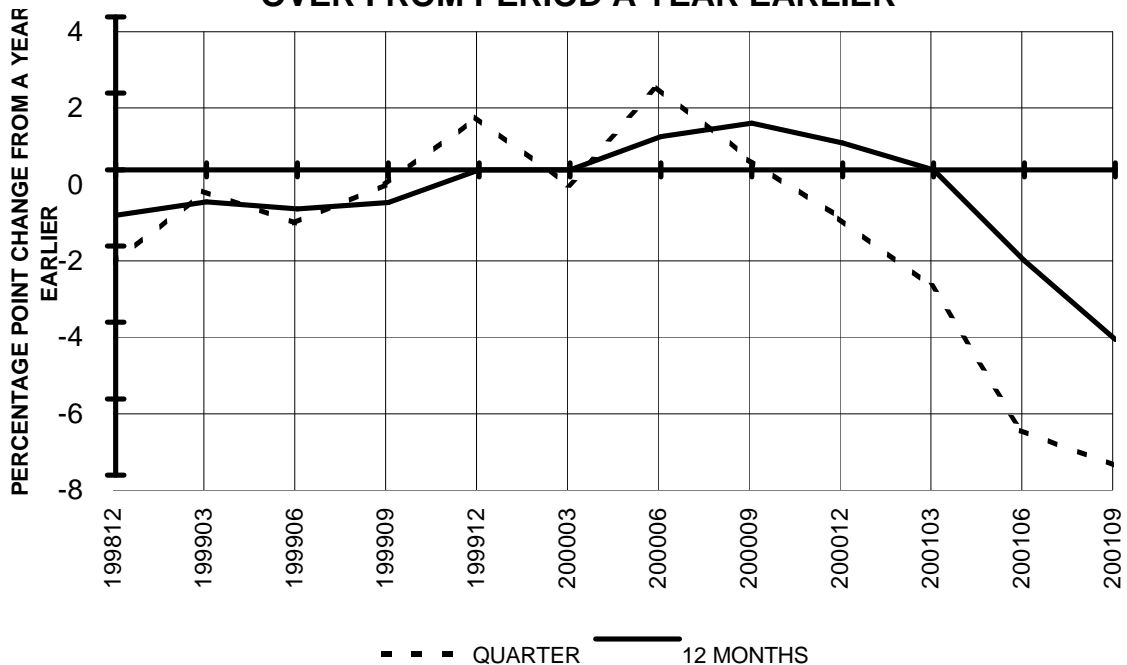


Chart 8.
TON LOAD FACTOR PERCENTAGE POINT CHANGE
OVER FROM PERIOD A YEAR EARLIER



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

Chart 9.
OPERATING EXPENSE PER REVENUE TON-MILE
PERCENT CHANGE FROM SAME PERIOD A YEAR
EARLIER

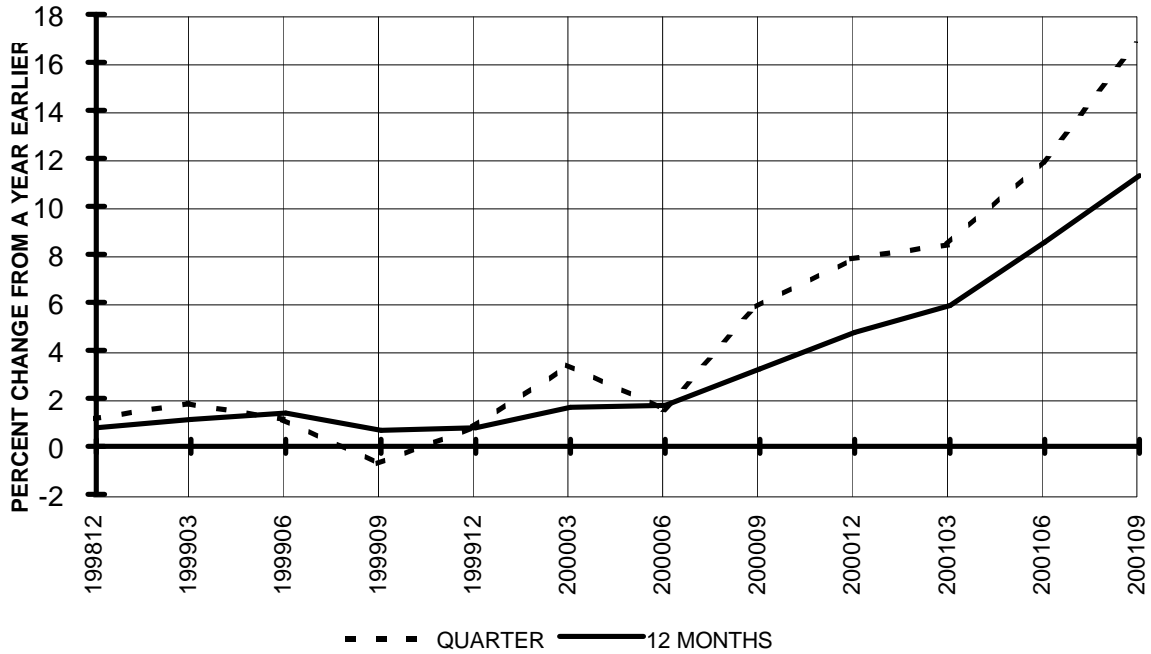
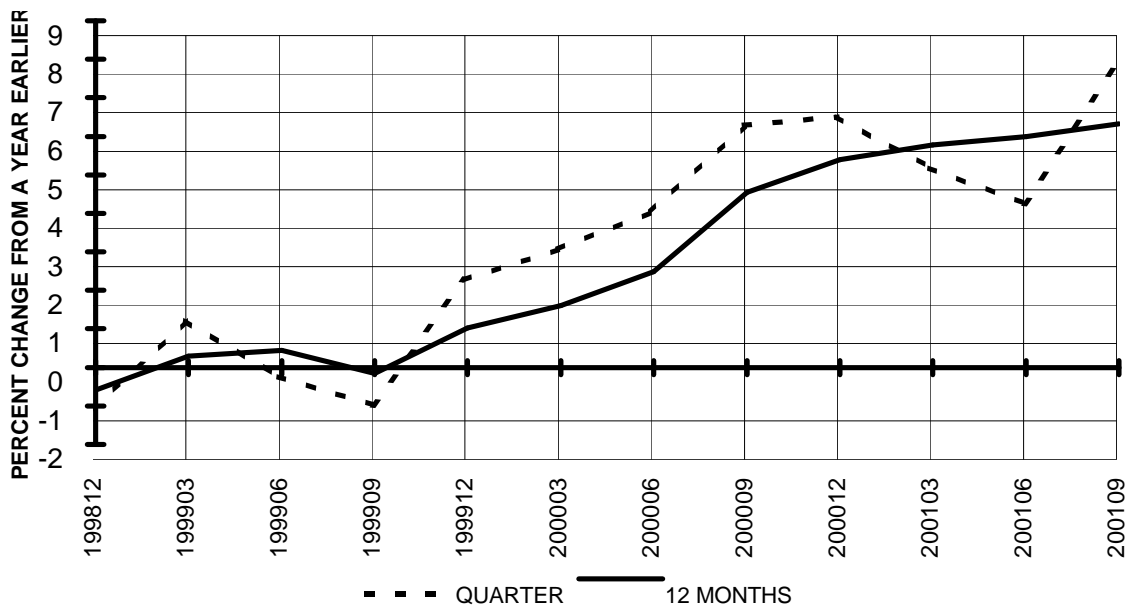


Chart 10.
OPERATING EXPENSE PER AVAILABLE TON-MILE
PERCENT CHANGE FROM SAME PERIOD A YEAR
EARLIER



QUARTERLY FINANCIAL & TRAFFIC REVIEW

TOTAL PASSENGER MAJORS 1/

QUARTERLY RESULTS

- For the quarter ended September 2001, the combined effect of the worsening U.S. economic slowdown and the September 11 terrorist attacks which resulted in a three day complete shutdown of the U.S. airline industry, produced significant year-to-year deteriorations in operating and net losses for nearly every carrier.
- All ten passengers carriers reported a sharp drop in both operating and net results as the combined group reported its largest quarterly operating and net losses in history. This is even more striking in that the third quarter is traditionally one of the strongest quarters for the U.S. airline industry. Still, four carriers -- Alaska, American Trans Air, Continental and Southwest -- managed to remain positive in operating results while four -- Alaska, American Trans Air, Northwest and Southwest -- reported positive net results. United, on the other hand, experienced a \$2.03 billion drop off in operating results to a \$2.06 billion loss, and saw its net results tumbled \$1.06 billion to a \$1.18 billion loss.
- For the group, operating expenses increased, but operating revenues dropped 18.1 percent, resulting in operating profit plunging \$6.22 billion to a loss of \$4.27 billion.
- Due in large part to the sharp reductions in operations, total fuel expense fell 23.1 percent (\$793.5 million).
- Net income dropped \$3.21 billion to a loss of \$2.46 billion. These losses would have been much worse if not for the airline bailout package passed by Congress, which provided more than \$4 billion in direct grants to the major group carriers.

Quarter Ended	\$ Millions					
	OPERATING PROFIT (LOSS)			NET INCOME (LOSS)		
	LAST YEAR 2000	THIS YEAR 2001	\$ Change	LAST YEAR 2000	THIS YEAR 2001	\$ Change
March	712.1	-858.5	-1,570.7	-25.3	-955.6	-930.3
June	2,803.9	-724.4	-3,528.3	1,663.2	-729.2	-2,392.4
Sept.	1,943.8	-4,271.3	-6,215.1	743.2	-2,462.3	-3,205.5
Dec.	35.7	0.0	-	-297.3	0.0	-

- RPM traffic fell 8.5 percent, while ASM capacity declined a lesser 4.3 percent, causing the passenger load factor to fall 3.4 percentage points to 72.4 percent. America West and American Trans Air were the only majors not to experience a decline.
- Every major showed a drop in passenger (RPM) yield, which for the group fell 11.5 percent to 11.52 cents, the lowest yield since the middle of the last recession in the third quarter 1992.
- All entities experienced deteriorations and losses in both operating and net results. The domestic entity was by the far most dominant, however, with operating results dropping \$4.71 billion to a \$3.45 billion loss, and net results falling \$2.58 billion to a loss of \$2.17 billion.

ENTITY	\$ Millions						TRAFFIC (Billions)			CAPACITY (Billions)			PAX. L.F.
	OPERATING PROFIT (LOSS)			NET INCOME (LOSS)			RPMs (Sch. Svc.)			ASMs (Sch. Svc.)			
	2000	2001	\$ Change	2000	2001	\$ Change	2000	2001	Change %	2000	2001	Change %	
Domestic	1,253.7	-3,453.4	-4,707.1	410.3	-2,169.8	-2,580.1	124.4	114.2	-8.2	168.6	161.7	-4.1	70.6%
Int'l	690.1	-817.9	-1,508.0	332.9	-292.5	-625.4	51.5	46.7	-9.2	63.5	60.5	-4.7	77.2%
Atlantic	447.9	-324.3	-772.2	217.4	-98.2	-315.7	26.1	23.4	-10.4	31.0	29.4	-5.4	79.6%
Latin	78.7	-121.7	-200.4	42.7	-3.5	-46.2	9.4	8.9	-4.5	12.8	12.5	-2.5	71.4%
Pacific	163.5	-371.9	-535.4	72.7	-190.8	-263.5	16.0	14.4	-10.1	19.6	18.6	-5.2	77.3%
System	1,943.8	-4,271.3	-6,215.1	743.2	-2,462.3	-3,205.5	175.9	160.9	-8.5	232.1	222.2	-4.3	72.4%

- The operating profit margin fell from a positive 7.5 percent a year ago to a negative 20.1 percent, a turn of 27.6 percentage points to the downside.

12-MONTH RESULTS

- Operating expenses jumped 9.7 percent, while operating revenues were down 3.4 percent, resulting in a sharp drop in operating results, down \$11.97 billion to a loss of \$5.82 billion. All majors contributed to the decline, although United, down \$4.1 billion, and American, down \$3.09 billion, accounted for most of it.
- Net income also fell into the red, down \$7.4 billion to a \$4.44 billion loss.
- The passenger load decreased 1.4 percentage points to 71.2 percent.
- Passenger (RPM) yield slid 3 percent to 12.77 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				
		2001/09	2000/09	2001/09	2001/06	2001/03	2000/12	2000/09
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	21,160.2	25,916.3	92,915.6	97,609.6	98,796.5	98,087.6	96,196.2
2	Operating Expenses	24,366.7	23,972.5	97,643.4	97,213.1	94,871.5	92,592.0	90,042.7
3	Operating Profit (Loss)	-3,206.5	1,943.8	-4,727.8	396.6	3,924.9	5,495.6	6,153.5
4	Net Income (Loss)	-2,440.2	743.2	-4,411.6	-1,238.9	1,153.5	2,083.8	2,956.4
<u>TRAFFIC: (Billions)</u>								
5	RPMs - Scheduled Rev. Svc.	160.88	175.92	638.17	653.15	654.67	651.79	646.16
6	ASMs - Scheduled Rev. Svc.	222.21	232.11	896.50	906.42	899.64	894.93	889.72
7	Overall RTMs (All Svc.)	18,544.15	20.61	74.85	76.92	77.33	77.19	76.69
8	Overall ATMs (All Svc.)	33,791.15	34.74	135.02	135.97	134.41	133.20	131.87
<u>YIELD & UNIT COST & PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	0.1	125.8	124.1	126.9	127.8	127.1	125.4
10	Operating Expense per RTM	0.1	116.3	130.5	126.4	122.7	119.9	117.4
11	Operating Profit (Loss) per RTM	0.0	9.4	-6.3	0.5	5.1	7.1	8.0
12	Operating Expense per ATM	0.1	69.0	72.3	71.5	70.6	69.5	68.3
13	Passenger Revenue per RPM	11.50	13.02	12.77	13.15	13.36	13.33	13.16
<u>FINANCIAL RATIOS:</u>								
14	Operating Revenues to Total Investment	*	*	1.42	1.54	1.59	1.60	1.62
15	Times Interest Earned	*	*	-2.10	0.32	2.37	3.56	4.45
16	Current Assets to Current Liabilities	*	*	0.76	0.00	0.00	0.00	0.00
17	No. of Days Cash Coverage of Cash Exp.	*	*	9,797.4	34.9	38.5	39.6	40.0
<u>FINANCIAL PERCENTAGES:</u>								
18	Operating Profit (Loss) to Operating Revenue	-15.2	7.5	-5.1	0.4	4.0	5.6	6.4
19	Net Income to Stockholders Equity	*	*	-0.1	-4.0	3.7	6.7	9.5
20	Corporate Return on Investment	*	*	-3.7	1.0	4.8	6.3	7.8
21	Debt to Total Investment	*	*	0.0	0.0	0.0	0.0	0.0
<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>								
22	Actual	72.4	75.8	71.2	72.1	72.8	72.8	72.6
23	Breakeven	87.8	70.6	77.1	73.2	70.9	69.4	68.7
<u>Employment & Productivity:</u>								
24	Employment, Total Weighted Avg CY	415,662	448,835	457,499	455,297	456,308	451,813	447,231
25	Overall RTM's per Employee (000)	44,613.5	45.9	163.6	169.0	169.5	170.9	171.5

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	-18.4	9.8	-3.4	4.0	8.1	9.5	9.0
27	Operating Expenses (%)	1.6	11.9	8.4	11.1	11.3	11.4	10.5
28	Operating Profit (Loss) (in Millions \$)	-5,150.3	-251.1	-10,881.3	-6,008.0	-2,266.6	-970.5	-673.2
29	Net Income (Loss)(in Millions \$)	-3,183.4	-569.6	-7,368.0	-4,764.9	-2,789.2	-2,460.4	-1,508.7
30	RPMs (Sch. Svc.) (%)	-8.5	5.0	-1.2	2.4	5.0	5.8	6.2
31	ASMs (Sch. Svc.) (%)	-4.3	2.7	0.8	2.6	2.9	3.7	4.2
32	Operating Revenues per RTM (%)	-99.9	4.8	-1.0	2.4	3.6	3.7	2.3
33	Operating Expense per RTM (%)	-99.9	6.8	11.1	9.4	6.7	5.4	3.8
34	Passenger Revenue per RPM (Sch. Svc.)(%)	-11.7	5.4	-2.9	1.3	4.1	4.7	3.7

QUARTERLY FINANCIAL & TRAFFIC REVIEW
DOMESTIC OPERATIONS
TOTAL PASSENGER MAJORS

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2001/09	2000/09	2001/09	2001/06	2001/03	2000/12	2000/09
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	15,592.8	19,296.8	70,539.3	74,243.3	75,389.1	75,095.9	73,756.8
2	Operating Expenses	19,046.2	18,043.0	75,132.6	74,129.5	72,225.0	70,524.9	68,663.7
3	Operating Profit (Loss)	-3,453.4	1,253.7	-4,593.3	113.8	3,164.1	4,570.9	5,093.2
4	Net Income (Loss)	-2,169.8	410.3	-3,764.8	-1,184.7	901.2	1,789.1	2,649.5
<u>TRAFFIC: (Billions)</u>								
5	RPMs - Scheduled Rev. Svc.	114.20	124.43	458.69	468.92	470.92	470.50	468.04
6	ASMs - Scheduled Rev. Svc.	161.66	168.59	655.90	662.83	658.64	657.13	655.93
7	Overall RTMs (All Svc.)	12.24	13.50	49.74	51.00	51.32	51.37	51.22
8	Overall ATMs (All Svc.)	22.49	23.12	90.67	91.29	90.37	89.82	89.27
<u>YIELD & UNIT COST & PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	127.4	142.9	141.8	145.6	146.9	146.2	144.0
10	Operating Expense per RTM	155.6	133.7	151.1	145.4	140.7	137.3	134.1
11	Operating Profit (Loss) per RTM	-28.2	9.3	-9.2	0.2	6.2	8.9	9.9
12	Operating Expense per ATM	84.7	78.1	82.9	81.2	79.9	78.5	76.9
13	Passenger Revenue per RPM	12.12	13.93	13.72	14.17	14.41	14.38	14.17
<u>FINANCIAL RATIOS:</u>								
14	Operating Revenues to Total Investment	*	*	**	**	**	**	**
15	Times Interest Earned	*	*	**	**	**	**	**
16	Current Assets to Current Liabilities	*	*	**	**	**	**	**
17	No. of Days Cash Coverage of Cash Exp.	*	*	**	**	**	**	**
<u>FINANCIAL PERCENTAGES:</u>								
18	Operating Profit (Loss) to Operating Revenue	-22.1	6.5	-6.5	0.2	4.2	6.1	6.9
19	Net Income to Stockholders Equity	*	*	**	**	**	**	**
20	Corporate Return on Investment	*	*	-4.5	0.5	4.9	6.8	8.8
21	Debt to Total Investment	*	*	**	**	**	**	**
<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>								
22	Actual	70.6	73.8	69.9	70.7	71.5	71.6	71.4
23	Breakeven	91.5	69.5	76.4	71.5	69.2	67.6	67.0
<u>Employment & Productivity:</u>								
24	Employment, Total Weighted Avg CY	*	*	**	**	**	**	**
25	Overall RTM's per Employee (000)	*	*	**	**	**	**	**

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	-19.2	8.4	-4.4	2.7	6.9	8.6	8.3
27	Operating Expenses (%)	5.6	10.6	9.4	10.7	10.6	10.9	10.7
28	Operating Profit (Loss) (in Millions \$)	-4,707.1	-238.6	-9,686.5	-5,217.9	-2,075.1	-999.3	-1,005.3
29	Net Income (Loss)(in Millions \$)	-2,580.1	-488.8	-6,414.3	-4,323.0	-2,561.9	-2,227.5	-1,357.2
30	RPMs (Sch. Svc.) (%)	-8.2	3.7	-2.0	1.2	3.7	4.9	5.7
31	ASMs (Sch. Svc.) (%)	-4.1	1.7	0.0	1.5	1.7	3.0	4.1
32	Operating Revenues per RTM (%)	-10.9	4.8	-1.5	2.3	3.7	3.9	2.6
33	Operating Expense per RTM (%)	16.4	7.0	12.7	10.3	7.3	6.2	4.9
34	Passenger Revenue per RPM (Sch. Svc.)(%)	-13.0	5.4	-3.2	1.3	4.2	4.8	3.6

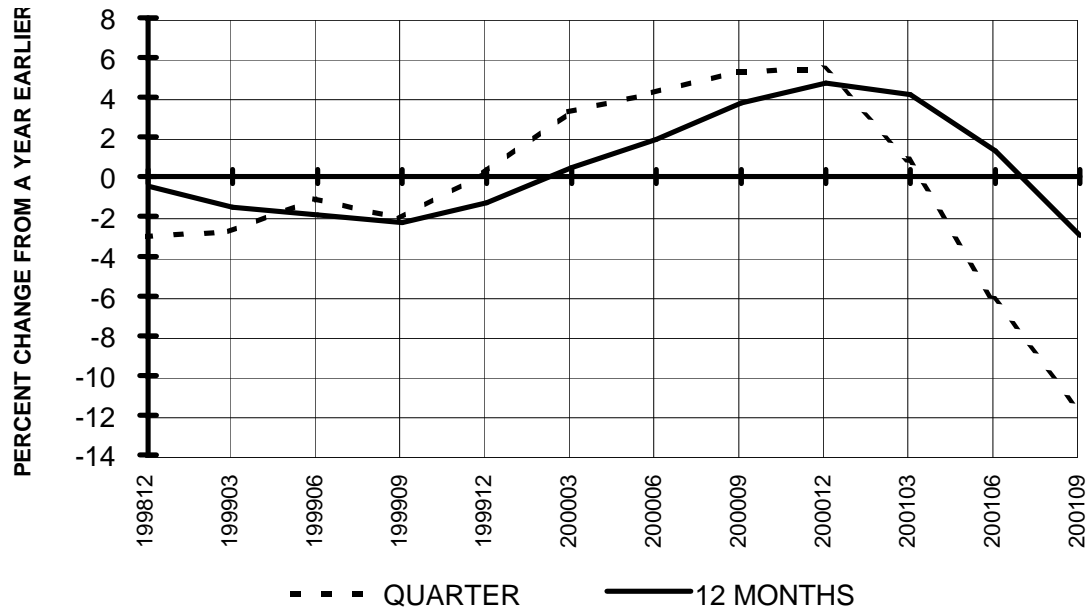
**QUARTERLY FINANCIAL & TRAFFIC REVIEW
INTERNATIONAL OPERATIONS
TOTAL PASSENGER MAJORS**

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2001/09	2000/09	2001/09	2001/06	2001/03	2000/12	2000/09
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	5,629.5	6,619.5	22,376.3	23,366.3	23,407.4	22,991.8	22,439.4
2	Operating Expenses	6,447.3	5,929.4	23,601.5	23,083.6	22,646.6	22,067.1	21,379.0
3	Operating Profit (Loss)	-817.9	690.1	-1,225.2	282.7	760.8	924.7	1,060.3
4	Net Income (Loss)	-292.5	332.9	-679.5	-54.2	252.4	294.7	306.9
<u>TRAFFIC: (Billions)</u>								
5	RPMs - Scheduled Rev. Svc.	46.74	51.49	179.48	184.23	183.75	181.29	178.11
6	ASMs - Scheduled Rev. Svc.	60.53	63.52	240.60	243.59	241.00	237.79	233.78
7	Overall RTMs (All Svc.)	6.29	7.11	25.11	25.93	26.01	25.82	25.47
8	Overall ATMs (All Svc.)	11.30	11.62	44.36	44.67	44.04	43.39	42.60
<u>YIELD & UNIT COST & PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	89.4	93.1	89.1	90.1	90.0	89.0	88.1
10	Operating Expense per RTM	102.4	83.4	94.0	89.0	87.1	85.5	83.9
11	Operating Profit (Loss) per RTM	-13.0	9.7	-4.9	1.1	2.9	3.6	4.2
12	Operating Expense per ATM	57.0	51.0	53.2	51.7	51.4	50.9	50.2
13	Passenger Revenue per RPM	10.08	10.84	10.34	10.54	10.65	10.58	10.51
<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	-14.5	10.4	-5.5	1.2	3.3	4.0	4.7
19	Net Income to Stockholders Equity	*	*	**	**	**	**	**
20	Corporate Return on Investment	*	*	-1.4	2.5	4.4	4.6	4.7
21	Debt to Total Investment	*	*	**	**	**	**	**
<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>								
22	Actual	77.2	81.1	74.6	75.6	76.2	76.2	76.2
23	Breakeven	94.2	73.1	83.0	77.6	75.7	75.1	74.4
<u>Employment & Productivity:</u>								
24	Employment, Total Weighted Avg CY	*	*	**	**	**	**	**
25	Overall RTM's per Employee (000)	*	*	**	**	**	**	**

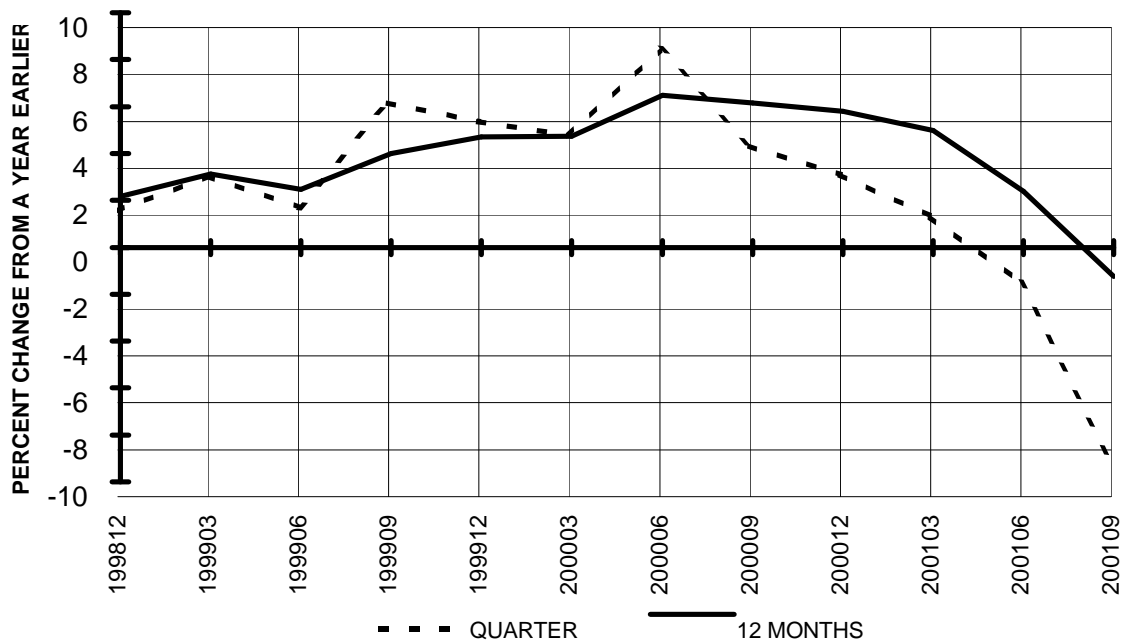
		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	-15.0	14.0	-0.3	8.1	12.0	12.5	11.3
27	Operating Expenses (%)	8.7	16.2	10.4	12.3	13.6	12.9	10.0
28	Operating Profit (Loss) (in Millions \$)	-1,508.0	-12.5	-2,285.5	-790.2	-191.6	28.8	332.1
29	Net Income (Loss)(in Millions \$)	-625.4	-80.8	-986.4	-441.9	-227.2	-233.0	-151.5
30	RPMs (Sch. Svc.) (%)	-9.2	8.0	0.8	5.7	8.5	8.1	7.3
31	ASMs (Sch. Svc.) (%)	-4.7	5.6	2.9	5.7	6.4	5.8	4.4
32	Operating Revenues per RTM (%)	-4.0	6.2	1.1	4.0	4.8	4.1	2.6
33	Operating Expense per RTM (%)	22.8	8.2	12.0	8.1	6.2	4.7	1.3
34	Passenger Revenue per RPM (Sch. Svc.)(%)	-7.0	6.6	-1.6	2.1	4.7	5.1	4.7

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

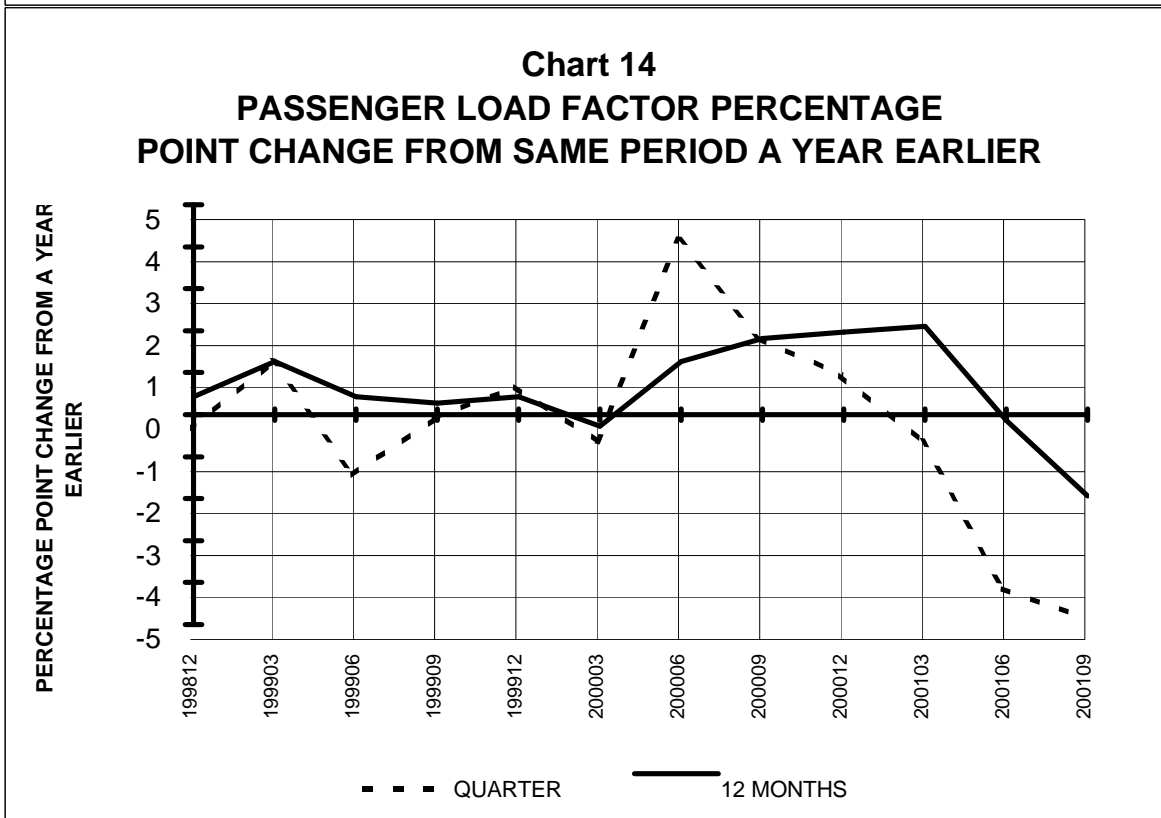
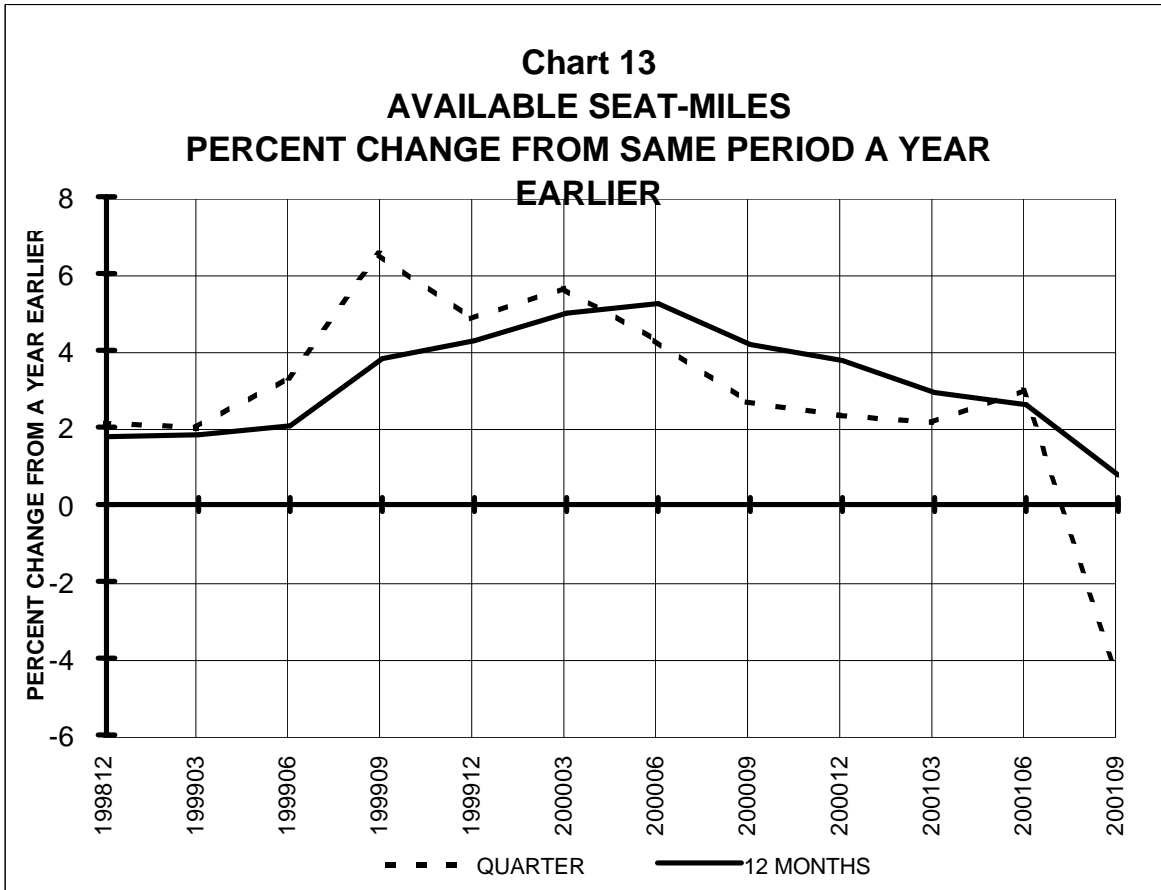
**Chart 11
PASSENGER REVENUES PER REVENUE PASSENGER-
MILE
PERCENT CHANGE FROM SAME PERIOD A YEAR
EARLIER**



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

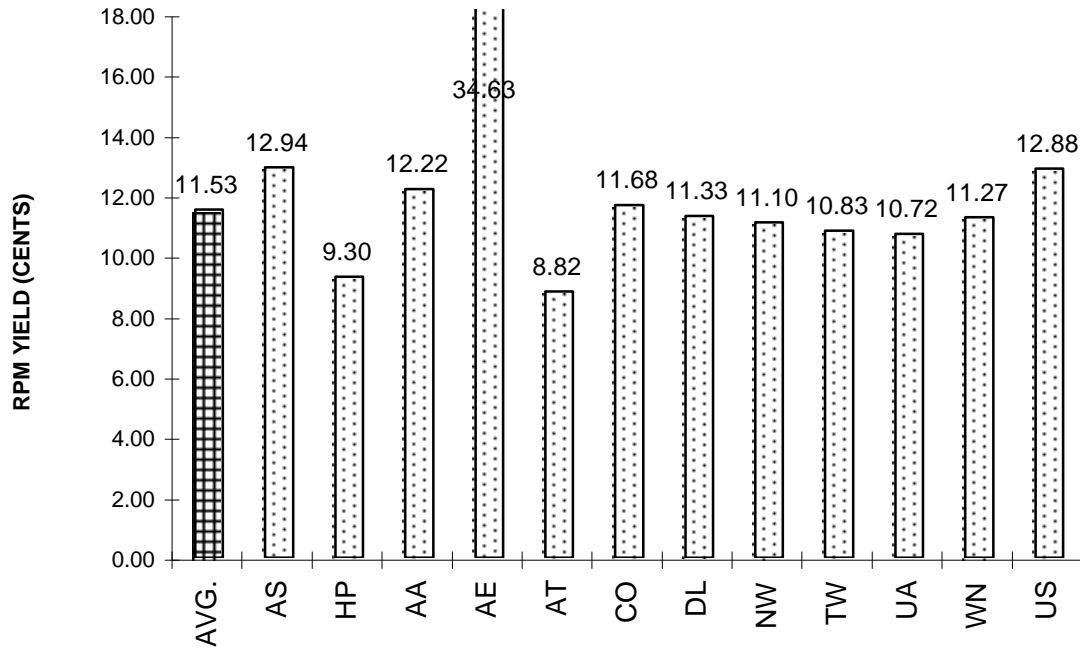


**TOTAL PASSENGER MAJORS (SYSTEM)
QUARTERLY AND 12-MONTH BASIS (SCH. SVC.)**

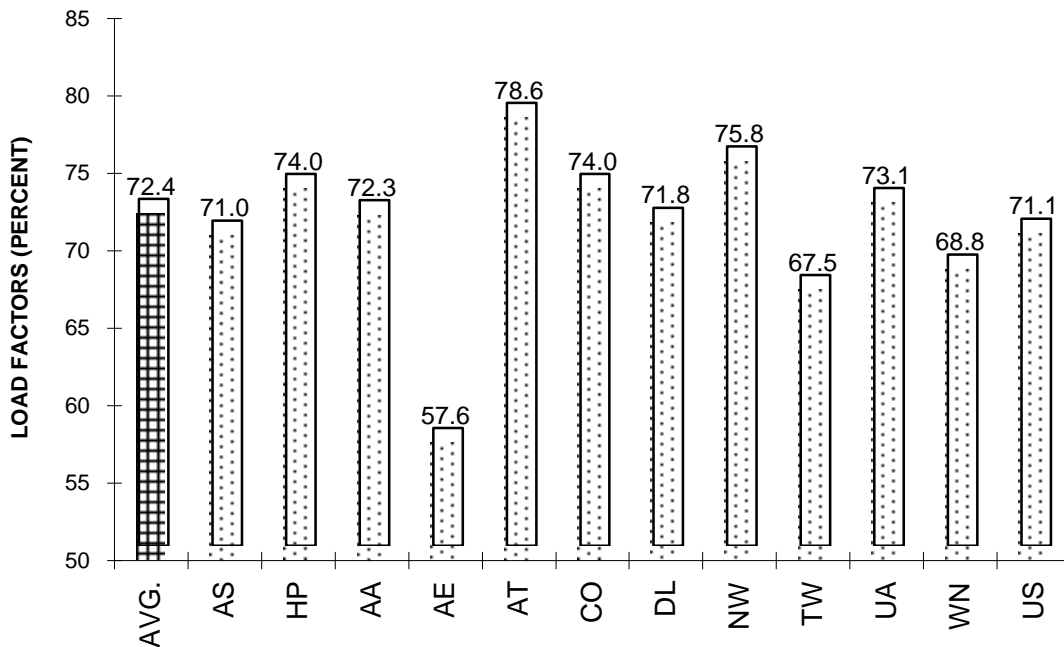


**TOTAL PASSENGER MAJORS (SYSTEM)
THIRD QUARTER 2001 (SCH. SVC.)**

**Chart 15
PASSENGER (RPM) YIELD**



**Chart 16
PASSENGER LOAD FACTOR**



QUARTERLY FINANCIAL & TRAFFIC REVIEW
SYSTEM OPERATIONS
ALASKA AIRLINES

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2001/09	2000/09	2001/09	2001/06	2001/03	2000/12	2000/09
	<u>FINANCIAL RESULTS: (\$Millions)</u>							
1	Operating Revenues	484.4	487.1	1,810.9	1,813.6	1,785.5	1,759.9	1,738.3
2	Operating Expenses	467.9	453.4	1,854.3	1,839.8	1,814.5	1,772.2	1,692.2
3	Operating Profit (Loss)	16.5	33.7	-43.4	-26.2	-29.1	-12.4	46.1
4	Net Income (Loss)	21.2	17.4	-18.2	-22.0	-20.8	-64.3	-26.4
	<u>TRAFFIC: (Billions)</u>							
5	RPMs - Scheduled Rev. Svc.	3.33	3.23	12.40	12.30	12.06	11.98	11.91
6	ASMs - Scheduled Rev. Svc.	4.68	4.49	18.16	17.97	17.49	17.30	17.23
7	Overall RTMs (All Svc.)	0.35	0.34	1.31	1.30	1.27	1.27	1.26
8	Overall ATMs (All Svc.)	0.61	0.59	2.37	2.35	2.29	2.27	2.26
	<u>YIELD & UNIT COST & PROFITS: (Cents)</u>							
9	Operating Revenue per RTM	138.9	143.3	138.7	139.8	140.2	139.0	137.9
10	Operating Expense per RTM	134.1	133.4	142.0	141.8	142.5	140.0	134.3
11	Operating Profit (Loss) per RTM	4.7	9.9	-3.3	-2.0	-2.3	-1.0	3.7
12	Operating Expense per ATM	76.6	77.0	78.2	78.3	79.2	78.0	74.7
13	Passenger Revenue per RPM	12.94	13.63	13.03	13.21	13.28	13.17	12.95
	<u>FINANCIAL RATIOS:</u>							
14	Operating Revenues to Total Investment	*	*	1.33	1.47	1.52	1.58	1.73
15	Times Interest Earned	*	*	0.11	0.09	0.00	0.66	3.90
16	Current Assets to Current Liabilities	*	*	1.44	1.07	1.12	1.24	0.84
17	No. of Days Cash Coverage of Cash Exp.	*	*	138.6	77.4	82.8	99.8	86.7
	<u>FINANCIAL PERCENTAGES:</u>							
18	Operating Profit (Loss) to Operating Revenue	3.4	6.9	-2.4	-1.4	-1.6	-0.7	2.7
19	Net Income to Stockholders Equity	*	*	-2.7	-3.3	-3.2	-10.0	-4.2
20	Corporate Return on Investment	*	*	1.4	0.9	0.6	-3.6	-0.7
21	Debt to Total Investment	*	*	56.2	50.3	47.4	49.0	44.5
	<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>							
22	Actual	71.0	71.8	68.3	68.5	68.9	69.3	69.1
23	Breakeven	71.1	68.0	73.1	72.3	72.9	72.5	69.9
	<u>Employment & Productivity:</u>							
24	Employment, Total Weighted Avg CY	9,645	8,758	9,397	9,176	8,921	8,687	8,524
25	Overall RTM's per Employee (000)	36.2	38.8	139.0	141.4	142.7	145.7	147.9

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	-0.6	1.8	4.2	4.9	4.2	3.8	4.3
27	Operating Expenses (%)	3.2	12.6	9.6	12.1	14.9	16.7	14.9
28	Operating Profit (Loss) (in Millions \$)	-17.2	-42.1	-89.5	-114.4	-164.6	-189.1	-147.0
29	Net Income (Loss)(in Millions \$)	3.8	-31.3	8.2	-26.9	-56.4	-183.7	-155.3
30	RPMs (Sch. Svc.) (%)	3.1	-1.2	4.1	2.9	1.5	1.8	2.0
31	ASMs (Sch. Svc.) (%)	4.3	-3.1	5.4	3.4	0.4	-0.1	0.1
32	Operating Revenues per RTM (%)	-3.1	4.0	0.6	2.5	3.2	2.6	2.8
33	Operating Expense per RTM (%)	0.5	15.1	5.7	9.5	13.9	15.3	13.3
34	Passenger Revenue per RPM (Sch. Svc.)(%)	-5.1	4.8	0.6	3.3	4.8	4.7	4.2

QUARTERLY FINANCIAL & TRAFFIC REVIEW
SYSTEM OPERATIONS
AMERICA WEST AIRLINES

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2001/09	2000/09	2001/09	2001/06	2001/03	2000/12	2000/09
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	482.4	582.8	2,208.0	2,308.4	2,340.4	2,309.3	2,299.6
2	Operating Expenses	583.3	583.7	2,463.0	2,463.4	2,390.3	2,322.1	2,203.3
3	Operating Profit (Loss)	-100.9	-0.9	-255.0	-155.0	-49.9	-12.7	96.3
4	Net Income (Loss)	-31.1	-0.8	-131.0	-100.7	-29.1	-0.5	71.9
<u>TRAFFIC: (Billions)</u>								
5	RPMs - Scheduled Rev. Svc.	4.95	5.02	19.76	19.83	19.66	19.10	18.91
6	ASMs - Scheduled Rev. Svc.	6.69	6.87	27.53	27.72	27.65	27.08	26.74
7	Overall RTMs (All Svc.)	0.51	0.52	2.06	2.07	2.05	1.99	1.98
8	Overall ATMs (All Svc.)	0.88	0.89	3.59	3.60	3.56	3.46	3.41
<u>YIELD & UNIT COST & PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	94.1	112.0	107.2	111.7	114.2	115.9	116.3
10	Operating Expense per RTM	113.7	112.2	119.6	119.2	116.7	116.5	111.5
11	Operating Profit (Loss) per RTM	-19.7	-0.2	-12.4	-7.5	-2.4	-0.6	4.9
12	Operating Expense per ATM	66.3	65.9	68.6	68.5	67.1	67.0	64.6
13	Passenger Revenue per RPM	9.30	10.91	10.61	11.01	11.26	11.39	11.40
<u>FINANCIAL RATIOS:</u>								
14	Operating Revenues to Total Investment	*	*	2.49	2.07	2.07	2.04	2.06
15	Times Interest Earned	*	*	-5.41	-4.69	-0.61	1.66	6.69
16	Current Assets to Current Liabilities	*	*	0.00	1.00	1.08	1.08	1.09
17	No. of Days Cash Coverage of Cash Exp.	*	*	0.0	24.8	20.7	30.8	22.2
<u>FINANCIAL PERCENTAGES:</u>								
18	Operating Profit (Loss) to Operating Revenue	-20.9	-0.2	-11.5	-6.7	-2.1	-0.6	4.2
19	Net Income to Stockholders Equity	*	*	-18.7	-11.4	-3.2	-0.1	8.0
20	Corporate Return on Investment	*	*	-11.3	-6.7	-0.4	2.0	8.5
21	Debt to Total Investment	*	*	0.0	19.2	20.5	25.7	17.9
<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>								
22	Actual	74.0	73.1	71.8	71.6	71.1	70.5	70.7
23	Breakeven	94.3	75.0	83.4	79.1	74.6	72.7	69.0
<u>Employment & Productivity:</u>								
24	Employment, Total Weighted Avg CY	11,055	10,625	11,172	11,065	10,833	10,518	10,262
25	Overall RTM's per Employee (000)	46.4	49.0	184.3	186.8	189.1	189.4	192.6

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	-17.2	8.3	-4.0	2.4	6.2	6.7	9.3
27	Operating Expenses (%)	-0.1	16.9	11.8	16.3	17.0	18.1	15.5
28	Operating Profit (Loss) (in Millions \$)	-100.0	-39.7	-351.3	-291.1	-210.8	-210.6	-100.3
29	Net Income (Loss)(in Millions \$)	-30.3	-22.1	-202.9	-194.7	-136.3	-117.1	-35.0
30	RPMs (Sch. Svc.) (%)	-1.4	7.8	4.5	6.9	9.3	8.0	10.0
31	ASMs (Sch. Svc.) (%)	-2.7	5.2	3.0	5.0	6.1	4.7	4.8
32	Operating Revenues per RTM (%)	-16.0	1.6	-7.8	-3.7	-1.9	-0.1	0.3
33	Operating Expense per RTM (%)	1.3	9.8	7.3	9.4	8.2	10.5	6.1
34	Passenger Revenue per RPM (Sch. Svc.)(%)	-14.8	0.9	-6.9	-3.3	-1.7	-0.4	-0.4

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

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2001/09	2000/09	2001/09	2001/06	2001/03	2000/12	2000/09
	<u>FINANCIAL RESULTS: (\$Millions)</u>							
1	Operating Revenues	3,801.5	4,832.6	17,054.6	18,085.7	18,292.7	18,117.1	17,779.8
2	Operating Expenses	4,873.8	4,316.4	18,732.5	18,175.1	17,230.7	16,874.1	16,363.8
3	Operating Profit (Loss)	-1,072.2	516.2	-1,677.9	-89.4	1,062.0	1,243.0	1,416.0
4	Net Income (Loss)	-290.8	316.1	-749.5	-142.5	618.2	778.0	900.6
	<u>TRAFFIC: (Billions)</u>							
5	RPMs - Scheduled Rev. Svc.	28.14	31.57	111.58	115.00	115.95	116.51	116.51
6	ASMs - Scheduled Rev. Svc.	38.90	41.39	158.30	160.79	159.87	160.91	162.25
7	Overall RTMs (All Svc.)	3.32	3.74	13.38	13.80	13.89	13.95	13.95
8	Overall ATMs (All Svc.)	6.55	6.76	26.35	26.57	26.16	25.95	25.78
	<u>YIELD & UNIT COST & PROFITS: (Cents)</u>							
9	Operating Revenue per RTM	114.5	129.3	127.4	131.0	131.7	129.9	127.5
10	Operating Expense per RTM	146.9	115.5	140.0	131.7	124.0	121.0	117.3
11	Operating Profit (Loss) per RTM	-32.3	13.8	-12.5	-0.6	7.6	8.9	10.2
12	Operating Expense per ATM	74.4	63.8	71.1	68.4	65.9	65.0	63.5
13	Passenger Revenue per RPM	12.22	13.88	13.78	14.19	14.26	14.05	13.79
	<u>FINANCIAL RATIOS:</u>							
14	Operating Revenues to Total Investment	*	*	1.46	1.61	1.64	1.62	1.60
15	Times Interest Earned	*	*	-10.13	-1.67	53.14	-190.98	-52.92
16	Current Assets to Current Liabilities	*	*	0.99	0.64	0.65	0.65	0.85
17	No. of Days Cash Coverage of Cash Exp.	*	*	48.0	30.2	32.6	37.8	54.0
	<u>FINANCIAL PERCENTAGES:</u>							
18	Operating Profit (Loss) to Operating Revenue	-28.2	10.7	-9.8	-0.5	5.8	6.9	8.0
19	Net Income to Stockholders Equity	*	*	-11.0	-2.1	8.7	10.7	12.2
20	Corporate Return on Investment	*	*	-5.6	-0.8	5.7	6.9	7.8
21	Debt to Total Investment	*	*	48.0	46.9	41.0	38.8	32.7
	<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>							
22	Actual	72.3	76.3	70.5	71.5	72.5	72.4	71.8
23	Breakeven	100.3	69.1	79.3	72.3	70.2	69.3	67.5
	<u>Employment & Productivity:</u>							
24	Employment, Total Weighted Avg CY	87,330	84,514	86,708	86,004	84,974	83,855	82,772
25	Overall RTM's per Employee (000)	38.0	44.2	154.4	160.5	163.5	166.4	168.5

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	-21.3	13.6	-4.1	5.1	9.7	12.6	12.3
27	Operating Expenses (%)	12.9	11.5	14.5	14.2	11.1	11.8	10.5
28	Operating Profit (Loss) (in Millions \$)	-1,588.4	134.8	-3,093.9	-1,370.7	-100.6	239.2	393.4
29	Net Income (Loss)(in Millions \$)	-606.9	93.6	-1,650.1	-949.5	-79.3	151.7	264.6
30	RPMs (Sch. Svc.) (%)	-10.9	5.9	-4.2	0.2	3.0	5.8	6.8
31	ASMs (Sch. Svc.) (%)	-6.0	-0.3	-2.4	-1.0	-1.1	1.7	3.9
32	Operating Revenues per RTM (%)	-11.5	7.2	-0.1	4.6	6.3	5.8	3.9
33	Operating Expense per RTM (%)	27.2	5.3	19.4	13.6	7.5	5.1	2.3
34	Passenger Revenue per RPM (Sch. Svc.)(%)	-12.0	7.9	-0.1	5.0	7.1	7.1	6.2

QUARTERLY FINANCIAL & TRAFFIC REVIEW
SYSTEM OPERATIONS
AMERICAN EAGLE AIRLINES

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2001/09	2000/09	2001/09	2001/06	2001/03	2000/12	2000/09
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	302.7	336.1	1,309.9	1,343.3	1,286.9	1,245.8	1,196.0
2	Operating Expenses	403.9	298.9	1,500.3	1,395.3	1,230.3	1,183.7	1,113.5
3	Operating Profit (Loss)	-101.2	37.2	-190.4	-52.0	56.6	62.1	82.5
4	Net Income (Loss)	-86.1	6.5	-186.1	-93.5	-23.3	-21.5	1.7
<u>TRAFFIC: (Billions)</u>								
5	RPMs - Scheduled Rev. Svc.	0.84	0.84	3.29	3.29	3.18	3.14	3.07
6	ASMs - Scheduled Rev. Svc.	1.46	1.35	5.64	5.54	5.33	5.15	4.99
7	Overall RTMs (All Svc.)	0.08	0.08	0.33	0.33	0.32	0.32	0.31
8	Overall ATMs (All Svc.)	0.17	0.16	0.65	0.64	0.61	0.59	0.57
<u>YIELD & UNIT COST & PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	358.7	400.6	396.4	407.1	402.6	394.5	387.9
10	Operating Expense per RTM	478.6	356.3	454.0	422.9	384.9	374.9	361.2
11	Operating Profit (Loss) per RTM	-119.9	44.3	-57.6	-15.8	17.7	19.7	26.8
12	Operating Expense per ATM	238.9	192.0	231.1	219.5	201.6	201.5	195.3
13	Passenger Revenue per RPM	34.63	38.73	38.38	39.43	38.93	38.14	37.45
<u>FINANCIAL RATIOS:</u>								
14	Operating Revenues to Total Investment	*	*	0.50	0.51	0.50	0.56	0.63
15	Times Interest Earned	*	*	-3.79	-1.58	0.59	0.69	1.52
16	Current Assets to Current Liabilities	*	*	0.75	0.81	0.88	1.03	1.30
17	No. of Days Cash Coverage of Cash Exp.	*	*	10.0	29.9	43.4	65.9	78.6
<u>FINANCIAL PERCENTAGES:</u>								
18	Operating Profit (Loss) to Operating Revenue	-33.4	11.1	-14.5	-3.9	4.4	5.0	6.9
19	Net Income to Stockholders Equity	*	*	-86.7	-37.9	-8.9	-8.0	0.6
20	Corporate Return on Investment	*	*	-4.9	-1.6	0.9	1.0	2.1
21	Debt to Total Investment	*	*	96.1	93.2	90.7	90.0	89.3
<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>								
22	Actual	57.6	61.7	58.3	59.3	59.7	61.1	61.5
23	Breakeven	79.8	53.8	68.1	61.9	56.7	57.6	56.6
<u>Employment & Productivity:</u>								
24	Employment, Total Weighted Avg CY	8,574	7,924	8,354	8,192	13,972	13,796	13,599
25	Overall RTM's per Employee (000)	9.8	10.6	39.6	40.3	22.9	22.9	22.7

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	-10.0	22.1	9.5	18.3	18.6	20.2	17.5
27	Operating Expenses (%)	35.1	17.5	34.7	30.5	19.9	20.5	15.9
28	Operating Profit (Loss) (in Millions \$)	-138.4	16.3	-272.9	-118.2	-1.9	7.7	25.2
29	Net Income (Loss)(in Millions \$)	-92.6	-2.7	-187.8	-97.9	-31.5	-39.9	-19.6
30	RPMs (Sch. Svc.) (%)	0.6	18.1	7.2	11.7	12.6	16.3	15.6
31	ASMs (Sch. Svc.) (%)	7.7	18.5	13.1	15.9	16.3	17.8	16.9
32	Operating Revenues per RTM (%)	-10.5	3.5	2.2	6.0	5.4	3.4	1.6
33	Operating Expense per RTM (%)	34.3	-0.4	25.7	16.9	6.5	3.7	0.2
34	Passenger Revenue per RPM (Sch. Svc.)(%)	-10.6	3.8	2.5	6.4	5.8	3.9	2.1

QUARTERLY FINANCIAL & TRAFFIC REVIEW

SYSTEM OPERATIONS AMERICAN TRANS AIR

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2001/09	2000/09	2001/09	2001/06	2001/03	2000/12	2000/09
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	296.9	324.2	1,194.6	1,221.9	1,202.0	1,182.1	1,144.2
2	Operating Expenses	287.6	305.6	1,194.4	1,212.5	1,187.6	1,162.8	1,098.5
3	Operating Profit (Loss)	9.3	18.6	0.1	9.4	14.3	19.3	45.7
4	Net Income (Loss)	0.6	7.4	-22.3	-15.5	-11.7	-5.6	11.3
<u>TRAFFIC: (Billions)</u>								
5	RPMs - Scheduled Rev. Svc.	2.23	1.90	8.35	8.02	7.77	7.49	7.27
6	ASMs - Scheduled Rev. Svc.	2.84	2.49	10.88	10.53	10.18	9.80	9.39
7	Overall RTMs (All Svc.)	0.32	0.26	1.12	1.06	1.01	0.99	0.98
8	Overall ATMs (All Svc.)	0.49	0.34	1.70	1.55	1.40	1.31	1.30
<u>YIELD & UNIT COST & PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	93.6	125.7	106.4	114.8	119.4	119.4	116.6
10	Operating Expense per RTM	90.7	118.5	106.4	114.0	118.0	117.4	111.9
11	Operating Profit (Loss) per RTM	2.9	7.2	0.0	0.9	1.4	2.0	4.7
12	Operating Expense per ATM	59.2	90.9	70.4	78.4	84.8	88.6	84.8
13	Passenger Revenue per RPM	8.82	10.37	9.55	9.95	9.96	10.02	9.88
<u>FINANCIAL RATIOS:</u>								
14	Operating Revenues to Total Investment	*	*	2.01	2.27	2.35	2.44	2.54
15	Times Interest Earned	*	*	-0.20	0.28	0.52	0.83	2.13
16	Current Assets to Current Liabilities	*	*	0.93	0.59	0.60	0.63	0.90
17	No. of Days Cash Coverage of Cash Exp.	*	*	55.5	36.5	43.5	46.8	48.2
<u>FINANCIAL PERCENTAGES:</u>								
18	Operating Profit (Loss) to Operating Revenue	3.1	5.7	0.0	0.8	1.2	1.6	4.0
19	Net Income to Stockholders Equity	*	*	-22.2	-15.1	-11.2	-5.2	10.5
20	Corporate Return on Investment	*	*	0.7	2.0	2.9	4.1	7.5
21	Debt to Total Investment	*	*	86.8	84.1	84.1	82.6	75.5
<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>								
22	Actual	78.6	76.5	76.7	76.1	76.3	76.4	77.4
23	Breakeven	74.5	68.5	77.5	75.9	75.6	75.1	72.5
<u>Employment & Productivity:</u>								
24	Employment, Total Weighted Avg CY	6,931	6,616	7,026	6,947	6,781	6,488	6,200
25	Overall RTM's per Employee (000)	45.7	39.0	159.8	153.2	148.5	152.6	158.3

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	-8.4	17.3	4.4	11.4	15.4	18.1	17.5
27	Operating Expenses (%)	-5.9	24.8	8.7	16.8	21.6	27.1	24.6
28	Operating Profit (Loss) (in Millions \$)	-9.3	-13.0	-45.6	-49.3	-50.9	-67.0	-46.4
29	Net Income (Loss)(in Millions \$)	-6.8	-11.3	-33.6	-38.1	-40.5	-48.9	-38.7
30	RPMs (Sch. Svc.) (%)	17.3	-1.2	14.8	9.9	10.3	10.0	9.7
31	ASMs (Sch. Svc.) (%)	14.2	1.2	15.9	12.5	11.9	11.7	8.7
32	Operating Revenues per RTM (%)	-25.5	38.4	-8.8	7.6	18.5	25.2	24.4
33	Operating Expense per RTM (%)	-23.5	47.4	-4.9	13.0	24.9	34.6	32.0
34	Passenger Revenue per RPM (Sch. Svc.)(%)	-14.9	14.1	-3.3	4.2	6.2	1.1	-0.8

QUARTERLY FINANCIAL & TRAFFIC REVIEW
SYSTEM OPERATIONS
CONTINENTAL AIR LINES

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2001/09	2000/09	2001/09	2001/06	2001/03	2000/12	2000/09
	<u>FINANCIAL RESULTS: (\$Millions)</u>							
1	Operating Revenues	2,010.7	2,495.9	8,971.8	9,457.1	9,576.3	9,449.2	9,201.4
2	Operating Expenses	2,193.8	2,268.0	8,853.7	8,927.8	8,921.9	8,860.0	8,750.3
3	Operating Profit (Loss)	-183.2	227.9	118.1	529.3	654.4	589.1	451.1
4	Net Income (Loss)	13.7	130.6	96.8	213.7	309.7	308.1	418.8
	<u>TRAFFIC: (Billions)</u>							
5	RPMs - Scheduled Rev. Svc.	15.56	17.12	61.96	63.52	63.48	63.53	63.16
6	ASMs - Scheduled Rev. Svc.	21.03	22.05	84.83	85.85	85.13	84.85	84.46
7	Overall RTMs (All Svc.)	1.75	1.97	7.10	7.32	7.35	7.37	7.35
8	Overall ATMs (All Svc.)	2.70	2.93	10.96	11.19	11.18	11.18	11.16
	<u>YIELD & UNIT COST & PROFITS: (Cents)</u>							
9	Operating Revenue per RTM	115.1	126.8	126.4	129.3	130.4	128.2	125.2
10	Operating Expense per RTM	125.6	115.2	124.8	122.0	121.4	120.2	119.0
11	Operating Profit (Loss) per RTM	-10.5	11.6	1.7	7.2	8.9	8.0	6.1
12	Operating Expense per ATM	81.2	77.4	80.8	79.8	79.8	79.2	78.4
13	Passenger Revenue per RPM	11.68	12.87	12.89	13.18	13.31	13.11	12.82
	<u>FINANCIAL RATIOS:</u>							
14	Operating Revenues to Total Investment	*	*	1.67	1.82	1.87	1.85	1.81
15	Times Interest Earned	*	*	1.89	2.89	3.63	3.48	3.47
16	Current Assets to Current Liabilities	*	*	0.69	0.67	0.65	0.85	0.68
17	No. of Days Cash Coverage of Cash Exp.	*	*	48.5	40.2	40.1	60.1	50.4
	<u>FINANCIAL PERCENTAGES:</u>							
18	Operating Profit (Loss) to Operating Revenue	-9.1	9.1	1.3	5.6	6.8	6.2	4.9
19	Net Income to Stockholders Equity	*	*	6.7	14.2	20.2	19.1	24.9
20	Corporate Return on Investment	*	*	5.8	8.1	10.1	10.2	12.8
21	Debt to Total Investment	*	*	75.2	74.2	75.0	74.0	65.5
	<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>							
22	Actual	74.0	77.7	73.0	74.0	74.6	74.9	74.8
23	Breakeven	81.7	71.2	73.0	70.7	70.5	71.4	72.5
	<u>Employment & Productivity:</u>							
24	Employment, Total Weighted Avg CY	36,585	35,769	36,511	36,307	35,902	35,588	35,412
25	Overall RTM's per Employee (000)	47.8	55.0	194.3	201.5	204.6	207.1	207.6

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	-19.5	14.1	-2.5	6.4	11.9	12.7	11.6
27	Operating Expenses (%)	-3.3	11.2	1.2	4.8	8.6	11.7	14.4
28	Operating Profit (Loss) (in Millions \$)	-411.1	80.0	-333.0	158.3	309.7	140.0	-145.6
29	Net Income (Loss)(in Millions \$)	-116.9	37.5	-322.0	-167.6	-62.7	-141.5	56.8
30	RPMs (Sch. Svc.) (%)	-9.1	6.2	-1.9	2.2	4.8	6.8	8.7
31	ASMs (Sch. Svc.) (%)	-4.6	3.7	0.4	2.6	3.2	4.8	6.1
32	Operating Revenues per RTM (%)	-9.2	7.6	1.0	5.3	7.4	5.4	1.8
33	Operating Expense per RTM (%)	9.0	4.8	4.9	3.7	4.2	4.5	4.3
34	Passenger Revenue per RPM (Sch. Svc.)(%)	-9.2	10.9	0.5	5.5	8.7	7.8	5.1

QUARTERLY FINANCIAL & TRAFFIC REVIEW
SYSTEM OPERATIONS
DELTA AIR LINES

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2001/09	2000/09	2001/09	2001/06	2001/03	2000/12	2000/09
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	3,257.7	4,038.2	14,251.4	15,031.9	15,294.4	15,320.9	15,179.6
2	Operating Expenses	3,568.3	3,561.9	14,533.1	14,526.7	14,235.6	13,861.5	13,879.8
3	Operating Profit (Loss)	-310.6	476.4	-281.8	505.2	1,058.7	1,459.4	1,299.7
4	Net Income (Loss)	-237.8	57.0	-439.5	-144.7	316.5	686.5	1,076.3
<u>TRAFFIC: (Billions)</u>								
5	RPMs - Scheduled Rev. Svc.	25.89	29.22	102.35	105.68	107.36	107.78	107.74
6	ASMs - Scheduled Rev. Svc.	36.08	38.04	145.66	147.62	147.34	147.06	146.76
7	Overall RTMs (All Svc.)	2.96	3.37	11.94	12.34	12.57	12.62	12.60
8	Overall ATMs (All Svc.)	5.51	5.79	22.09	22.37	22.28	22.17	21.98
<u>YIELD & UNIT COST & PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	109.9	119.9	119.4	121.8	121.7	121.4	120.4
10	Operating Expense per RTM	120.4	105.7	121.8	117.7	113.3	109.9	110.1
11	Operating Profit (Loss) per RTM	-10.5	14.1	-2.4	4.1	8.4	11.6	10.3
12	Operating Expense per ATM	64.8	61.5	65.8	64.9	63.9	62.5	63.1
13	Passenger Revenue per RPM	11.33	12.46	12.61	12.88	13.17	13.12	12.92
<u>FINANCIAL RATIOS:</u>								
14	Operating Revenues to Total Investment	*	*	1.24	1.36	1.40	1.41	1.51
15	Times Interest Earned	*	*	-0.83	0.93	2.76	4.11	5.98
16	Current Assets to Current Liabilities	*	*	0.65	0.56	0.57	0.40	0.44
17	No. of Days Cash Coverage of Cash Exp.	*	*	65.0	33.3	21.0	22.4	30.6
<u>FINANCIAL PERCENTAGES:</u>								
18	Operating Profit (Loss) to Operating Revenue	-9.5	11.8	-2.0	3.4	6.9	9.5	8.6
19	Net Income to Stockholders Equity	*	*	-8.4	-2.7	6.1	13.3	21.3
20	Corporate Return on Investment	*	*	-0.6	2.0	6.4	10.1	14.5
21	Debt to Total Investment	*	*	60.1	51.9	52.2	55.1	50.2
<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>								
22	Actual	71.8	76.8	70.3	71.6	72.9	73.3	73.4
23	Breakeven	80.5	66.5	72.5	69.3	66.0	64.2	65.8
<u>Employment & Productivity:</u>								
24	Employment, Total Weighted Avg CY	69,192	66,197	68,478	67,730	66,362	65,837	65,156
25	Overall RTM's per Employee (000)	42.8	50.9	174.3	182.2	189.4	191.6	193.4

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	-19.3	5.1	-6.1	0.3	2.4	2.8	2.2
27	Operating Expenses (%)	0.2	1.2	4.7	5.0	3.5	1.6	4.8
28	Operating Profit (Loss) (in Millions \$)	-787.0	153.8	-1,581.5	-640.8	-122.6	198.3	-306.8
29	Net Income (Loss)(in Millions \$)	-294.8	-295.3	-1,515.8	-1,516.4	-985.1	-599.1	-50.4
30	RPMs (Sch. Svc.) (%)	-11.4	3.3	-5.0	-1.0	2.4	2.9	3.2
31	ASMs (Sch. Svc.) (%)	-5.2	0.9	-0.8	0.8	1.4	1.7	1.7
32	Operating Revenues per RTM (%)	-8.4	2.0	-0.8	1.7	0.1	-0.4	-1.5
33	Operating Expense per RTM (%)	13.9	-1.9	10.6	6.3	1.2	-1.5	1.0
34	Passenger Revenue per RPM (Sch. Svc.)(%)	-9.1	3.9	-2.4	0.6	4.3	4.0	2.3

QUARTERLY FINANCIAL & TRAFFIC REVIEW
SYSTEM OPERATIONS
NORTHWEST AIRLINES

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2001/09	2000/09	2001/09	2001/06	2001/03	2000/12	2000/09
	<u>FINANCIAL RESULTS: (\$Millions)</u>							
1	Operating Revenues	2,520.9	3,075.6	10,302.1	10,856.7	11,048.3	10,956.6	10,794.8
2	Operating Expenses	2,670.6	2,710.9	10,696.5	10,736.8	10,632.9	10,293.1	10,032.9
3	Operating Profit (Loss)	-149.8	364.6	-394.5	119.9	415.4	663.5	761.9
4	Net Income (Loss)	11.5	193.9	-280.8	-98.4	85.8	269.9	332.1
	<u>TRAFFIC: (Billions)</u>							
5	RPMs - Scheduled Rev. Svc.	19.73	21.95	76.98	79.20	79.59	79.10	78.34
6	ASMs - Scheduled Rev. Svc.	26.01	27.56	102.33	103.88	103.78	103.32	102.58
7	Overall RTMs (All Svc.)	2.51	2.83	10.02	10.35	10.45	10.41	10.35
8	Overall ATMs (All Svc.)	4.23	4.37	16.63	16.76	16.66	16.50	16.37
	<u>YIELD & UNIT COST & PROFITS: (Cents)</u>							
9	Operating Revenue per RTM	100.4	108.6	102.8	104.9	105.8	105.2	104.3
10	Operating Expense per RTM	106.3	95.7	106.7	103.8	101.8	98.8	97.0
11	Operating Profit (Loss) per RTM	-6.0	12.9	-3.9	1.2	4.0	6.4	7.4
12	Operating Expense per ATM	63.1	62.1	64.3	64.1	63.8	62.4	61.3
13	Passenger Revenue per RPM	11.10	12.32	11.52	11.85	12.04	12.04	12.00
	<u>FINANCIAL RATIOS:</u>							
14	Operating Revenues to Total Investment	*	*	1.16	1.26	1.29	1.27	1.24
15	Times Interest Earned	*	*	-0.34	0.56	1.51	2.41	2.66
16	Current Assets to Current Liabilities	*	*	0.92	0.62	0.71	0.52	0.63
17	No. of Days Cash Coverage of Cash Exp.	*	*	102.1	45.7	81.2	25.0	37.4
	<u>FINANCIAL PERCENTAGES:</u>							
18	Operating Profit (Loss) to Operating Revenue	-5.9	11.9	-3.8	1.1	3.8	6.1	7.1
19	Net Income to Stockholders Equity	*	*	-5.7	-2.0	1.7	5.5	6.8
20	Corporate Return on Investment	*	*	0.4	2.4	4.6	6.8	7.6
21	Debt to Total Investment	*	*	52.3	44.4	42.3	41.0	41.6
	<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>							
22	Actual	75.8	79.7	75.2	76.2	76.7	76.6	76.4
23	Breakeven	83.6	69.8	81.5	77.7	75.3	72.9	71.7
	<u>Employment & Productivity:</u>							
24	Employment, Total Weighted Avg CY	48,711	49,892	49,665	49,960	49,808	49,478	49,102
25	Overall RTM's per Employee (000)	51.6	56.8	201.8	207.1	209.7	210.5	210.7

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	-18.0	12.0	-4.6	3.7	8.9	11.0	13.3
27	Operating Expenses (%)	-1.5	14.4	6.6	10.8	13.5	13.1	10.9
28	Operating Profit (Loss) (in Millions \$)	-514.4	-11.9	-1,156.4	-653.9	-356.3	-105.3	273.6
29	Net Income (Loss)(in Millions \$)	-182.4	18.9	-612.9	-411.7	-219.5	-17.9	223.9
30	RPMs (Sch. Svc.) (%)	-10.2	5.3	-1.7	2.6	5.3	6.7	7.5
31	ASMs (Sch. Svc.) (%)	-5.6	2.7	-0.3	2.0	2.8	3.9	4.0
32	Operating Revenues per RTM (%)	-7.6	6.3	-1.4	2.2	3.9	4.1	4.3
33	Operating Expense per RTM (%)	11.1	8.5	10.0	9.3	8.3	6.0	2.2
34	Passenger Revenue per RPM (Sch. Svc.)(%)	-9.9	5.8	-4.0	0.3	3.0	4.0	5.5

QUARTERLY FINANCIAL & TRAFFIC REVIEW
SYSTEM OPERATIONS
SOUTHWEST AIRLINES

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2001/09	2000/09	2001/09	2001/06	2001/03	2000/12	2000/09
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	1,335.1	1,478.8	5,785.0	5,928.7	5,835.6	5,649.6	5,386.6
2	Operating Expenses	1,242.1	1,178.8	4,940.7	4,877.4	4,760.7	4,629.1	4,462.2
3	Operating Profit (Loss)	93.0	300.1	844.3	1,051.3	1,074.9	1,020.5	924.4
4	Net Income (Loss)	151.0	184.3	602.3	635.6	650.6	603.1	542.2
<u>TRAFFIC: (Billions)</u>								
5	RPMs - Scheduled Rev. Svc.	11.27	10.97	44.57	44.28	43.44	42.23	40.74
6	ASMs - Scheduled Rev. Svc.	16.39	15.32	64.42	63.35	61.65	59.94	58.12
7	Overall RTMs (All Svc.)	1.16	1.14	4.61	4.59	4.51	4.39	4.23
8	Overall ATMs (All Svc.)	2.24	1.94	8.48	8.18	7.80	7.58	7.35
<u>YIELD & UNIT COST & PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	115.1	129.7	125.5	129.2	129.4	128.8	127.3
10	Operating Expense per RTM	107.1	103.4	107.2	106.3	105.6	105.5	105.4
11	Operating Profit (Loss) per RTM	8.0	26.3	18.3	22.9	23.8	23.3	21.8
12	Operating Expense per ATM	55.5	60.8	58.3	59.6	61.1	61.0	60.7
13	Passenger Revenue per RPM	11.27	12.87	12.38	12.78	12.83	12.78	12.62
<u>FINANCIAL RATIOS:</u>								
14	Operating Revenues to Total Investment	*	*	1.27	1.38	1.42	1.43	1.43
15	Times Interest Earned	*	*	24.90	24.94	25.64	25.03	24.87
16	Current Assets to Current Liabilities	*	*	0.91	0.81	0.70	0.64	0.62
17	No. of Days Cash Coverage of Cash Exp.	*	*	117.6	77.3	55.9	44.1	50.6
<u>FINANCIAL PERCENTAGES:</u>								
18	Operating Profit (Loss) to Operating Revenue	7.0	20.3	14.6	17.7	18.4	18.1	17.2
19	Net Income to Stockholders Equity	*	*	16.7	18.5	20.2	19.7	18.5
20	Corporate Return on Investment	*	*	14.1	15.8	16.9	16.4	15.5
21	Debt to Total Investment	*	*	23.9	18.4	19.2	20.1	21.3
<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>								
22	Actual	68.8	71.6	69.2	69.9	70.5	70.5	70.1
23	Breakeven	63.1	54.6	57.3	55.3	55.3	55.6	56.0
<u>Employment & Productivity:</u>								
24	Employment, Total Weighted Avg CY	30,423	27,777	29,456	28,794	28,231	27,830	27,467
25	Overall RTM's per Employee (000)	38.1	41.1	156.5	159.4	159.7	157.7	154.1

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	-9.7	19.7	7.4	15.3	19.0	19.3	17.6
27	Operating Expenses (%)	5.4	14.6	10.7	13.1	15.2	17.1	17.7
28	Operating Profit (Loss) (in Millions \$)	-207.1	93.4	-80.1	220.3	304.4	239.0	137.7
29	Net Income (Loss)(in Millions \$)	-33.3	57.3	60.1	150.7	198.6	128.7	61.2
30	RPMs (Sch. Svc.) (%)	2.7	14.1	9.4	12.4	14.6	15.8	16.5
31	ASMs (Sch. Svc.) (%)	7.0	12.4	10.8	12.3	12.8	13.3	13.3
32	Operating Revenues per RTM (%)	-11.3	4.3	-1.4	2.6	3.7	2.9	1.0
33	Operating Expense per RTM (%)	3.6	-0.1	1.7	0.8	0.4	1.0	0.9
34	Passenger Revenue per RPM (Sch. Svc.)(%)	-12.4	5.3	-1.9	2.7	4.2	3.6	1.4

QUARTERLY FINANCIAL & TRAFFIC REVIEW
SYSTEM OPERATIONS
TRANS WORLD AIRLINES

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2001/09	2000/09	2001/09	2001/06	2001/03	2000/12	2000/09
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	653.0	972.7	3,034.1	3,353.8	3,563.6	3,584.6	3,538.3
2	Operating Expenses	912.6	983.7	3,564.8	3,635.9	3,818.4	3,817.3	3,902.4
3	Operating Profit (Loss)	-259.6	-11.0	-530.7	-282.1	-254.8	-232.7	-364.1
4	Net Income (Loss)	-79.4	-34.8	-401.4	-356.8	-347.3	-266.7	-387.1
<u>TRAFFIC: (Billions)</u>								
5	RPMs - Scheduled Rev. Svc.	5.38	7.64	23.82	26.08	26.97	27.21	27.08
6	ASMs - Scheduled Rev. Svc.	7.96	9.86	34.97	36.87	37.56	37.63	37.46
7	Overall RTMs (All Svc.)	0.56	0.83	2.57	2.83	2.94	2.97	2.97
8	Overall ATMs (All Svc.)	1.15	1.42	5.02	5.28	5.40	5.40	5.34
<u>YIELD & UNIT COST & PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	116.0	117.9	118.2	118.5	121.2	120.5	119.1
10	Operating Expense per RTM	162.1	119.2	138.8	128.5	129.9	128.4	131.4
11	Operating Profit (Loss) per RTM	-46.1	-1.3	-20.7	-10.0	-8.7	-7.8	-12.3
12	Operating Expense per ATM	79.1	69.3	71.0	68.8	70.7	70.7	73.1
7	Passenger Revenue per RPM	10.83	11.54	11.35	11.51	11.90	11.92	11.82
<u>FINANCIAL RATIOS:</u>								
14	Operating Revenues to Total Investment	*	*	8.00	7.50	7.95	7.18	5.83
15	Times Interest Earned	*	*	-5.04	-2.90	-2.15	-1.78	-3.03
16	Current Assets to Current Liabilities	*	*	0.27	0.36	0.36	0.32	0.48
17	No. of Days Cash Coverage of Cash Exp.	*	*	1.2	4.8	7.0	10.1	15.2
<u>FINANCIAL PERCENTAGES:</u>								
18	Operating Profit (Loss) to Operating Revenue	-39.7	-1.1	-17.5	-8.4	-7.1	-6.5	-10.3
19	Net Income to Stockholders Equity	*	*	142.4	113.9	96.5	96.6	229.7
20	Corporate Return on Investment	*	*	-86.1	-60.5	-55.2	-35.2	-48.6
21	Debt to Total Investment	*	*	161.2	102.7	243.8	213.0	162.6
<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>								
22	Actual	67.5	77.5	68.1	70.7	71.8	72.3	72.3
23	Breakeven	101.9	79.8	84.0	79.2	79.3	79.3	82.8
<u>Employment & Productivity:</u>								
24	Employment, Total Weighted Avg CY	17,362	19,087	18,158	18,589	18,864	19,079	19,233
25	Overall RTM's per Employee (000)	32.4	43.2	141.4	152.2	155.8	155.9	154.4

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	-32.9	11.0	-14.3	-2.6	6.3	8.3	8.7
	Operating Expenses (%)	-7.2	5.2	-8.7	-5.7	1.5	4.5	14.8
28	Operating Profit (Loss) (in Millions \$)	-248.6	47.9	-166.6	130.0	154.2	110.0	-220.3
29	Net Income (Loss)(in Millions \$)	-44.6	18.9	-14.3	49.2	60.7	86.7	-226.5
30	RPMs (Sch. Svc.) (%)	-29.6	6.9	-12.1	-1.9	2.5	4.6	7.5
31	ASMs (Sch. Svc.) (%)	-19.3	5.0	-6.7	-0.3	3.5	5.7	7.4
32	Operating Revenues per RTM (%)	-1.6	4.3	-0.8	0.5	4.6	4.3	1.7
33	Operating Expense per RTM (%)	36.0	-1.2	5.6	-2.7	-0.1	0.7	7.4
34	Passenger Revenue per RPM (Sch. Svc.)(%)	-6.2	4.8	-4.0	-1.5	3.9	4.7	2.4

QUARTERLY FINANCIAL & TRAFFIC REVIEW
SYSTEM OPERATIONS
UNITED AIR LINES

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2001/09	2000/09	2001/09	2001/06	2001/03	2000/12	2000/09
	FINANCIAL RESULTS: (\$Millions)							
1	Operating Revenues	4,097.0	4,915.8	17,947.5	18,766.3	19,216.0	19,331.3	18,999.8
2	Operating Expenses	6,157.6	4,945.3	20,959.3	19,747.1	19,190.5	18,590.5	17,910.7
3	Operating Profit (Loss)	-2,060.6	-29.5	-3,011.9	-980.8	25.5	740.8	1,089.1
4	Net Income (Loss)	-1,179.2	-111.1	-1,881.3	-813.2	-188.7	51.6	250.2
	TRAFFIC: (Billions)							
5	RPMs - Scheduled Rev. Svc.	31.44	33.58	123.91	126.04	126.65	126.88	126.40
6	ASMs - Scheduled Rev. Svc.	43.01	45.03	173.59	175.60	174.98	175.40	175.47
7	Overall RTMs (All Svc.)	3.69	4.14	15.06	15.51	15.70	15.83	15.83
8	Overall ATMs (All Svc.)	6.80	7.10	27.24	27.53	27.47	27.56	27.48
	YIELD & UNIT COST & PROFITS: (Cents)							
9	Operating Revenue per RTM	110.9	118.7	119.2	121.0	122.4	122.1	120.0
10	Operating Expense per RTM	166.7	119.4	139.2	127.3	122.2	117.4	113.1
11	Operating Profit (Loss) per RTM	-55.8	-0.7	-20.0	-6.3	0.2	4.7	6.9
12	Operating Expense per ATM	90.5	69.7	76.9	71.7	69.9	67.5	65.2
13	Passenger Revenue per RPM	10.72	12.54	12.16	12.62	12.99	13.09	12.91
	FINANCIAL RATIOS:							
14	Operating Revenues to Total Investment	*	*	1.41	1.52	1.60	1.66	1.70
15	Times Interest Earned	*	*	-6.00	-2.21	0.18	2.25	3.31
16	Current Assets to Current Liabilities	*	*	0.63	0.52	0.63	0.73	0.58
17	No. of Days Cash Coverage of Cash Exp.	*	*	48.4	19.0	29.3	44.0	23.4
	FINANCIAL PERCENTAGES:							
18	Operating Profit (Loss) to Operating Revenue	-50.3	-0.6	-16.8	-5.2	0.1	3.8	5.7
19	Net Income to Stockholders Equity	*	*	-37.2	-14.7	-3.3	0.9	4.4
20	Corporate Return on Investment	*	*	-11.5	-3.4	1.5	3.4	5.1
21	Debt to Total Investment	*	*	72.9	60.1	59.1	57.3	50.3
	PASSENGER LOAD FACTOR: (Sch. Svc. %)							
22	Actual	73.1	74.6	71.4	71.8	72.4	72.3	72.0
23	Breakeven	125.1	77.4	89.4	78.8	74.4	70.8	69.1
	Employment & Productivity:							
24	Employment, Total Weighted Avg CY	91,650	90,068	91,098	90,702	90,138	89,635	89,108
25	Overall RTM's per Employee (000)	40.3	46.0	165.3	171.0	174.2	176.7	177.7

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	-16.7	1.7	-5.5	-0.8	4.7	7.6	6.8
27	Operating Expenses (%)	24.5	17.1	17.0	14.9	13.9	11.9	9.0
28	Operating Profit (Loss) (in Millions \$)	-2,031.1	-638.7	-4,101.0	-2,708.6	-1,481.1	-617.1	-267.4
29	Net Income (Loss)(in Millions \$)	-1,068.1	-465.1	-2,131.5	-1,528.5	-1,236.7	-1,152.2	-890.0
30	RPMs (Sch. Svc.) (%)	-6.4	-2.9	-2.0	-1.1	1.1	1.2	0.7
31	ASMs (Sch. Svc.) (%)	-4.5	-2.1	-1.1	-0.5	-1.1	-0.7	-0.6
32	Operating Revenues per RTM (%)	-6.6	3.6	-0.7	1.8	4.4	6.1	5.0
33	Operating Expense per RTM (%)	39.6	19.2	23.1	17.8	13.6	10.3	7.1
34	Passenger Revenue per RPM (Sch. Svc.)(%)	-14.5	3.5	-5.8	-1.4	3.4	6.3	5.6

QUARTERLY FINANCIAL & TRAFFIC REVIEW
SYSTEM OPERATIONS
US AIRWAYS

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2001/09	2000/09	2001/09	2001/06	2001/03	2000/12	2000/09
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	1,980.0	2,376.5	9,045.8	9,442.3	9,355.0	9,181.2	8,937.8
2	Operating Expenses	2,132.0	2,365.9	9,441.5	9,675.4	9,458.2	9,225.6	8,952.7
3	Operating Profit (Loss)	-152.0	10.6	-395.7	-233.1	-103.2	-44.4	-15.0
4	Net Income (Loss)	-756.0	-23.2	-1,033.5	-300.7	-206.4	-254.8	-234.2
<u>TRAFFIC: (Billions)</u>								
5	RPMs - Scheduled Rev. Svc.	12.18	12.87	49.21	49.90	48.57	46.83	45.03
6	ASMs - Scheduled Rev. Svc.	17.14	17.66	70.18	70.70	68.68	66.49	64.26
7	Overall RTMs (All Svc.)	1.32	1.39	5.36	5.43	5.28	5.08	4.88
8	Overall ATMs (All Svc.)	2.46	2.47	9.95	9.96	9.60	9.23	8.87
<u>YIELD & UNIT COST & PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	150.5	170.7	168.8	173.7	177.1	180.7	183.0
10	Operating Expense per RTM	162.1	169.9	176.2	178.0	179.1	181.5	183.4
11	Operating Profit (Loss) per RTM	-11.6	0.8	-7.4	-4.3	-2.0	-0.9	-0.3
12	Operating Expense per ATM	86.5	95.9	94.8	97.2	98.5	100.0	100.9
13	Passenger Revenue per RPM	12.88	15.28	14.87	15.46	15.82	16.14	16.23
<u>FINANCIAL RATIOS:</u>								
14	Operating Revenues to Total Investment	*	*	1.95	2.01	2.03	2.06	2.09
15	Times Interest Earned	*	*	-3.17	-0.68	-0.17	0.15	0.18
16	Current Assets to Current Liabilities	*	*	0.78	0.90	0.85	0.91	0.83
17	No. of Days Cash Coverage of Cash Exp.	*	*	39.9	47.1	42.6	52.3	50.3
<u>FINANCIAL PERCENTAGES:</u>								
18	Operating Profit (Loss) to Operating Revenue	-7.7	0.4	-4.4	-2.5	-1.1	-0.5	-0.2
19	Net Income to Stockholders Equity	*	*	-67.1	-17.6	-12.1	-14.5	-13.2
20	Corporate Return on Investment	*	*	-16.2	-0.8	1.0	-0.4	-0.2
21	Debt to Total Investment	*	*	79.7	67.4	66.3	62.6	59.6
<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>								
22	Actual	71.1	72.9	70.1	70.6	70.7	70.4	70.1
23	Breakeven	80.6	76.2	77.2	76.3	75.0	74.2	74.2
<u>Employment & Productivity:</u>								
24	Employment, Total Weighted Avg CY	42,230	41,608	41,987	41,831	41,522	41,022	40,396
25	Overall RTM's per Employee (000)	31.2	33.5	127.6	129.9	127.2	123.9	120.9

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	-16.7	14.9	1.2	9.4	10.3	8.5	5.8
27	Operating Expenses (%)	-9.9	8.7	5.5	10.4	11.2	11.7	11.6
28	Operating Profit (Loss) (in Millions \$)	-162.6	117.5	-380.7	-100.6	-77.2	-246.7	-439.9
29	Net Income (Loss)(in Millions \$)	-732.8	32.2	-799.3	-34.3	-201.4	-528.3	-698.9
30	RPMs (Sch. Svc.) (%)	-5.4	20.7	9.3	16.5	16.8	12.9	9.6
31	ASMs (Sch. Svc.) (%)	-2.9	18.7	9.2	15.0	14.4	12.5	10.3
32	Operating Revenues per RTM (%)	-11.8	-5.4	-7.8	-6.7	-6.0	-4.2	-3.6
33	Operating Expense per RTM (%)	-4.6	-10.4	-3.9	-5.8	-5.2	-1.4	1.7
34	Passenger Revenue per RPM (Sch. Svc.)(%)	-15.7	-1.9	-8.4	-5.5	-4.3	-2.2	-2.6

QUARTERLY FINANCIAL & TRAFFIC REVIEW

SYSTEM OPERATIONS

TOTAL ALL-CARGO MAJORS

QUARTERLY RESULTS

- For the third quarter, all three all-cargo carriers reported a decline in both operating and net results, but only DHL experienced an operating or net loss.
- For the all-cargo group, operating results fell \$277.8 million but remained in the black with a \$36.2 million profit despite a drop in operating revenues, down 5.3 percent, while operating expenses rose 0.3 percent.
- Operating results benefited from a 13.2 percent (\$46.5 million) drop in total fuel expense.
- Net income fell \$131.6 million to \$30.7 million.

Quarter Ended	\$ Millions					
	OPERATING PROFIT (LOSS)			NET INCOME (LOSS)		
	LAST YEAR 2000	THIS YEAR 2001	\$ Change	LAST YEAR 2000	THIS YEAR 2001	\$ Change
March	186.5	228.1	41.6	82.3	122.6	40.3
June	300.6	5.2	-295.4	167.9	-42.6	-210.5
Sept.	314.0	36.2	-277.8	162.3	30.7	-131.6
Dec.	243.2	0.0	-	103.1	0.0	-

- Except for Latin net income, all entities reported declines from a year ago in both operating and net results, with Pacific operations falling into the red. Domestic operating results were down \$229.8 million to a loss of \$14.3 million, but domestic net income, although down \$76.5 million, remained positive with a profit of \$41.5 million.

ENTITY	\$ Millions						TRAFFIC (Billions)			CAPACITY (Billions)			TON L.F.
	OPERATING PROFIT (LOSS)			NET INCOME (LOSS)			RTMs (All Svc.)			ATMs (All Svc.)			
	2000	2001	\$ Change	2000	2001	\$ Change	2000	2001	Change %	2000	2001	Change %	
Domestic	215.6	-14.3	-229.8	118.0	41.5	-76.5	1.9	1.7	-10.9	3.1	3.0	-3.8	57.7%
Int'l	98.4	50.5	-47.9	44.3	-10.8	-55.1	1.3	1.2	-3.6	1.9	2.0	2.8	62.5%
Atlantic	44.1	44.0	-0.2	14.1	48.6	34.5	0.4	0.4	2.1	0.6	0.6	4.3	62.9%
Latin	61.0	27.4	-33.6	33.1	13.8	-19.3	0.1	0.1	-9.1	0.2	0.2	-5.2	55.3%
Pacific	-6.7	-20.9	-14.2	-2.9	-73.3	-70.4	0.8	0.7	-5.4	1.1	1.1	3.7	63.8%
System	314.0	36.2	-277.8	162.3	30.7	-131.6	3.2	3.0	-8.1	5.0	4.9	-1.3	59.6%

- Although ATM capacity was down 1.3 percent, RTM traffic decreased 8.1 percent producing a 4.4 percentage point drop in the ton load factor to 59.6 percent.
- Profitability was eroded as RTM yield growth, up 3 percent, was exceeded by RTM unit costs growth, up 9.2 percent.

12-MONTH RESULTS

- For the twelve months ended September 2001, operating and net results were down for all three all-cargo carriers, but only DHL Airways reported an operating or net loss.
- Operating expenses rose only 3 percent, but operating revenues dipped 0.4 percent, resulting in a \$637.8 million drop in operating profit to a positive \$512.7 million.
- Net income dropped \$426.5 million to \$213.8 million.
- Interest on debt declined \$10.3 million to \$82.6 million.
- The ton load factor declined 2 percentage points to 59.7 percent as RTM traffic declined 3.2 percent and ATM capacity was unchanged.

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

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2001/09	2000/09	2001/09	2001/06	2001/03	2000/12	2000/09
	<u>FINANCIAL RESULTS: (\$Millions)</u>							
1	Operating Revenues	4,670.7	4,932.9	19,385.8	19,648.0	19,749.6	19,623.7	19,471.2
2	Operating Expenses	4,634.5	4,619.0	18,873.0	18,857.5	18,663.7	18,579.4	18,320.7
3	Operating Profit (Loss)	36.2	314.0	512.7	790.5	1,085.9	1,044.3	1,150.5
4	Net Income (Loss)	30.7	162.3	213.8	345.4	556.0	515.7	640.3
	<u>TRAFFIC: (Billions)</u>							
5	RTMs - Scheduled Rev. Svc.	2.27	2.38	9.29	9.40	9.41	9.37	9.23
6	ATMs - Scheduled Rev. Svc.	3.71	3.70	15.21	15.20	14.99	14.81	14.60
7	Overall RTMs (All Services)	2.95	3.20	12.20	12.46	12.60	12.65	12.60
8	Overall ATMs (All Services)	4.94	5.01	20.44	20.50	20.39	20.43	20.43
	<u>YIELD & UNIT COST & PROFITS: (Cents)</u>							
9	Operating Revenue per RTM	158.5	153.9	158.9	157.7	156.8	155.1	154.6
10	Operating Expense per RTM	157.3	144.1	154.7	151.4	148.2	146.8	145.4
11	Operating Profit (Loss) per RTM	1.2	9.8	4.2	6.3	8.6	8.3	9.1
12	Operating Expense per ATM	93.8	92.2	92.4	92.0	91.5	90.9	89.7
13	Passenger Revenue per RPM	++	++	++	++	++	++	++
	<u>FINANCIAL RATIOS:</u>							
14	Operating Revenues to Total Investment	*	*	1.98	2.04	2.06	2.07	2.06
15	Times Interest Earned	*	*	5.44	6.71	8.99	7.92	9.12
16	Current Assets to Current Liabilities	*	*	1.08	1.02	1.29	1.26	1.16
17	No. of Days Cash Coverage of Cash Exp.	*	*	3.0	2.7	3.0	2.3	2.0
	<u>FINANCIAL PERCENTAGES:</u>							
18	Operating Profit (Loss) to Operating Revenue	0.8	6.4	2.6	4.0	5.5	5.3	5.9
19	Net Income to Stockholders Equity	*	*	4.2	6.8	10.8	10.0	12.5
20	Corporate Return on Investment	*	*	3.2	4.7	7.0	6.7	8.1
21	Debt to Total Investment	*	*	48.7	47.5	48.4	47.8	45.9
	<u>TON LOAD FACTOR: (Sch. Svc. %)</u>							
22	Actual	59.6	64.0	59.7	60.8	61.8	61.9	61.7
23	Breakeven	++	++	++	++	++	++	++
	<u>Employment & Productivity:</u>							
24	Employment, Total Weighted Avg CY	108,978	105,357	108,228	107,323	106,922	106,705	106,557
25	Overall RTM's per Employee (000)	27.0	30.4	112.7	116.1	117.8	118.6	118.2

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	-5.3	10.7	-0.4	3.4	6.5	8.8	10.4
27	Operating Expenses (%)	0.3	8.9	3.0	5.1	6.6	9.5	10.6
28	Operating Profit (Loss) (in Millions \$)	-277.8	99.2	-637.8	-260.9	49.4	-19.3	88.6
29	Net Income (Loss)(in Millions \$)	-131.6	44.3	-426.5	-250.6	-14.0	-46.0	197.0
30	RTMs (All Svc.) (%)	-8.1	8.5	-3.2	0.9	4.4	8.5	11.2
31	ATMs (All Svc.) (%)	-1.3	0.7	0.0	0.5	0.7	3.2	4.7
32	Operating Revenues per RTM (%)	3.0	2.1	2.8	2.5	2.0	0.3	-0.7
33	Operating Expense per RTM (%)	9.2	0.4	6.4	4.2	2.1	0.9	-0.6
34	Passenger Revenue per RPM (Sch. Svc.)(%)	++	++	++	++	++	++	++

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

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2001/09	2000/09	2001/09	2001/06	2001/03	2000/12	2000/09
	<u>FINANCIAL RESULTS: (\$Millions)</u>							
1	Operating Revenues	3,305.3	3,572.4	13,842.6	14,109.8	14,265.7	14,194.7	14,140.0
2	Operating Expenses	3,319.5	3,356.9	13,680.1	13,717.4	13,658.7	13,683.6	13,588.9
3	Operating Profit (Loss)	-14.3	215.6	162.5	392.4	607.1	511.2	551.2
4	Net Income (Loss)	41.5	118.0	-43.8	32.7	193.5	207.8	278.1
	<u>TRAFFIC: (Billions)</u>							
5	RTMs - Scheduled Rev. Svc.	1.08	1.19	4.49	4.60	4.69	4.72	4.71
6	ATMs - Scheduled Rev. Svc.	1.81	1.93	7.72	7.85	7.86	7.83	7.80
7	Overall RTMs (All Services)	1.73	1.94	7.22	7.43	7.60	7.72	7.80
8	Overall ATMs (All Services)	2.99	3.11	12.62	12.73	12.80	12.94	13.14
	<u>YIELD & UNIT COST & PROFITS: (Cents)</u>							
9	Operating Revenue per RTM	191.5	184.4	191.7	189.8	187.6	183.8	181.2
10	Operating Expense per RTM	192.4	173.3	189.4	184.5	179.6	177.2	174.1
11	Operating Profit (Loss) per RTM	-0.8	11.1	2.3	5.3	8.0	6.6	7.1
12	Operating Expense per ATM	111.1	108.1	108.4	107.7	106.7	105.7	103.4
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	-0.4	6.0	1.2	2.8	4.3	3.6	3.9
19	Net Income to Stockholders Equity	*	*	**	**	**	**	**
20	Corporate Return on Investment	*	*	0.3	1.5	3.9	4.2	5.2
21	Debt to Total Investment	*	*	**	**	**	**	**
	<u>TON LOAD FACTOR: (Sch. Svc. %)</u>							
22	Actual	57.7	62.4	57.2	58.4	59.4	59.7	59.4
23	Breakeven	++	++	++	++	++	++	++
	<u>Employment & Productivity:</u>							
24	Employment, Total Weighted Avg CY	*	*	**	**	**	**	**
25	Overall RTM's per Employee (000)	*	*	**	**	**	**	**

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	-7.5	7.4	-2.1	1.5	4.2	5.6	5.9
27	Operating Expenses (%)	-1.1	4.1	0.7	1.9	3.2	6.0	7.0
28	Operating Profit (Loss) (in Millions \$)	-229.9	112.3	-388.7	-46.5	152.0	-27.5	-105.5
29	Net Income (Loss)(in Millions \$)	-76.5	-75.5	-321.9	-320.8	-202.8	-164.6	-74.0
30	RTMs (All Svc.) (%)	-10.9	3.0	-7.5	-4.1	-0.4	3.4	6.9
31	ATMs (All Svc.) (%)	-3.8	-3.9	-4.0	-4.0	-3.5	-1.2	1.4
32	Operating Revenues per RTM (%)	3.9	4.3	5.8	5.9	4.6	2.1	-0.9
33	Operating Expense per RTM (%)	11.0	1.2	8.8	6.2	3.6	2.5	0.1
34	Passenger Revenue per RPM (Sch. Svc.)(%)	++	++	++	++	++	++	++

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

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2001/09	2000/09	2001/09	2001/06	2001/03	2000/12	2000/09
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	1,365.5	1,360.5	5,543.1	5,538.2	5,483.8	5,429.0	5,331.2
2	Operating Expenses	1,315.0	1,262.1	5,192.9	5,140.0	5,005.0	4,895.8	4,731.8
3	Operating Profit (Loss)	50.5	98.4	350.2	398.1	478.8	533.2	599.4
4	Net Income (Loss)	-10.8	44.3	257.6	312.8	362.5	307.8	362.3
<u>TRAFFIC: (Billions)</u>								
5	RTMs - Scheduled Rev. Svc.	1.19	1.19	4.80	4.79	4.72	4.65	4.52
6	ATMs - Scheduled Rev. Svc.	1.90	1.77	7.49	7.36	7.13	6.98	6.80
7	Overall RTMs (All Services)	1.22	1.27	4.98	5.02	4.99	4.93	4.79
8	Overall ATMs (All Services)	1.95	1.90	7.82	7.77	7.59	7.49	7.30
<u>YIELD & UNIT COST & PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	111.8	107.3	111.4	110.2	109.9	110.1	111.2
10	Operating Expense per RTM	107.7	99.6	104.3	102.3	100.3	99.3	98.7
11	Operating Profit (Loss) per RTM	4.1	7.8	7.0	7.9	9.6	10.8	12.5
12	Operating Expense per ATM	67.3	66.4	66.4	66.2	66.0	65.4	64.9
13	Passenger Revenue per RPM	++	++	++	++	++	++	++
<u>FINANCIAL RATIOS:</u>								
14	Operating Revenues to Total Investment	*	*	**	**	**	**	**
15	Times Interest Earned	*	*	**	**	**	**	**
16	Current Assets to Current Liabilities	*	*	**	**	**	**	**
17	No. of Days Cash Coverage of Cash Exp.	*	*	**	**	**	**	**
<u>FINANCIAL PERCENTAGES:</u>								
18	Operating Profit (Loss) to Operating Revenue	3.7	7.2	6.3	7.2	8.7	9.8	11.2
19	Net Income to Stockholders Equity	*	*	**	**	**	**	**
20	Corporate Return on Investment	*	*	10.3	12.6	14.9	13.5	16.2
21	Debt to Total Investment	*	*	**	**	**	**	**
<u>TON LOAD FACTOR: (Sch. Svc. %)</u>								
22	Actual	62.5	66.7	63.7	64.7	65.8	65.9	65.7
23	Breakeven	++	++	++	++	++	++	++
<u>Employment & Productivity:</u>								
24	Employment, Total Weighted Avg CY	*	*	**	**	**	**	**
25	Overall RTM's per Employee (000)	*	*	**	**	**	**	**

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	0.4	20.6	4.0	8.6	12.8	18.4	24.8
27	Operating Expenses (%)	4.2	24.1	9.7	14.6	16.9	20.6	22.3
28	Operating Profit (Loss) (in Millions \$)	-47.9	-13.2	-249.2	-214.4	-102.6	8.3	194.1
29	Net Income (Loss)(in Millions \$)	-55.1	119.7	-104.7	70.3	188.8	118.5	271.1
30	RTMs (All Svc.) (%)	-3.7	18.1	3.9	9.3	12.7	17.5	19.1
31	ATMs (All Svc.) (%)	2.8	9.4	7.2	8.9	8.8	12.0	11.3
32	Operating Revenues per RTM (%)	4.2	2.0	0.2	-0.6	0.1	0.8	4.7
33	Operating Expense per RTM (%)	8.1	5.1	5.7	4.8	3.7	2.7	2.6
34	Passenger Revenue per RPM (Sch. Svc.)(%)	++	++	++	++	++	++	++

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

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2001/09	2000/09	2001/09	2001/06	2001/03	2000/12	2000/09
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	349.0	367.9	1,491.4	1,510.3	1,497.2	1,497.3	1,479.5
2	Operating Expenses	403.4	387.9	1,668.4	1,652.9	1,597.9	1,568.0	1,505.2
3	Operating Profit (Loss)	-54.5	-20.0	-177.0	-142.5	-100.6	-70.8	-25.7
4	Net Income (Loss)	-54.0	-14.5	-190.6	-151.0	-106.8	-67.0	-19.6
<u>TRAFFIC: (Billions)</u>								
5	RTMs - Scheduled Rev. Svc.	0.06	0.11	0.41	0.47	0.45	0.45	0.44
6	ATMs - Scheduled Rev. Svc.	0.10	0.21	0.77	0.89	0.87	0.85	0.83
7	Overall RTMs (All Services)	0.06	0.12	0.42	0.48	0.46	0.46	0.45
8	Overall ATMs (All Services)	0.10	0.22	0.79	0.91	0.89	0.88	0.85
<u>YIELD & UNIT COST & PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	611.7	309.3	354.9	313.3	325.4	326.2	329.2
10	Operating Expense per RTM	707.2	326.1	397.0	342.8	347.2	341.6	334.9
11	Operating Profit (Loss) per RTM	-95.5	-16.8	-42.1	-29.6	-21.9	-15.4	-5.7
12	Operating Expense per ATM	405.0	175.0	212.1	181.9	179.3	179.1	177.1
13	Passenger Revenue per RPM	++	++	++	++	++	++	++
<u>FINANCIAL RATIOS:</u>								
14	Operating Revenues to Total Investment	*	*	7.62	6.23	5.24	5.89	6.52
15	Times Interest Earned	*	*	-10.53	-7.62	-5.94	-5.16	-1.57
16	Current Assets to Current Liabilities	*	*	0.00	0.52	1.20	1.23	0.96
17	No. of Days Cash Coverage of Cash Exp.	*	*	0.0	0.2	0.2	0.2	0.3
<u>FINANCIAL PERCENTAGES:</u>								
18	Operating Profit (Loss) to Operating Revenue	-15.6	-5.4	-11.9	-9.4	-6.7	-4.7	-1.7
19	Net Income to Stockholders Equity	*	*	-597.7	-265.5	-121.3	-58.5	-15.2
20	Corporate Return on Investment	*	*	-88.0	-53.6	-30.4	-19.7	-2.7
21	Debt to Total Investment	*	*	0.0	351.8	97.2	82.0	55.5
<u>TON LOAD FACTOR: (Sch. Svc. %)</u>								
22	Actual	57.3	53.6	53.4	53.0	51.7	52.4	52.9
23	Breakeven	++	++	++	++	++	++	++
<u>Employment & Productivity:</u>								
24	Employment, Total Weighted Avg CY	8,978	8,734	9,018	8,957	8,814	8,633	8,472
25	Overall RTM's per Employee (000)	6.4	13.6	46.6	53.8	52.2	53.2	53.0

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	-5.1	7.5	0.8	3.9	5.4	9.3	6.9
27	Operating Expenses (%)	4.0	14.5	10.8	13.5	13.9	17.6	15.2
28	Operating Profit (Loss) (in Millions \$)	-34.5	-23.3	-151.3	-140.2	-118.6	-107.6	-103.7
29	Net Income (Loss)(in Millions \$)	-39.5	-29.5	-171.0	-160.8	-127.7	-98.8	-30.8
30	RTMs (Sch. Svc.) (%)	-52.0	6.9	-6.5	9.1	5.2	6.8	6.8
31	ATMs (Sch. Svc.) (%)	-55.1	22.0	-7.4	12.2	14.6	16.5	15.8
32	Operating Revenues per RTM (%)	97.8	0.6	7.8	-4.8	0.2	2.3	0.1
33	Operating Expense per RTM (%)	116.9	7.1	18.5	4.0	8.2	10.1	7.9
34	Passenger Revenue per RPM (Sch. Svc.)(%)	++	++	++	++	++	++	++

QUARTERLY FINANCIAL & TRAFFIC REVIEW
SYSTEM OPERATIONS
FEDERAL EXPRESS CORP.

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2001/09	2000/09	2001/09	2001/06	2001/03	2000/12	2000/09
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	3,633.6	3,873.6	15,184.9	15,424.9	15,606.2	15,596.5	15,473.9
2	Operating Expenses	3,579.6	3,619.0	14,600.6	14,639.9	14,582.4	14,597.2	14,478.4
3	Operating Profit (Loss)	53.9	254.6	584.3	785.0	1,023.7	999.4	995.5
4	Net Income (Loss)	73.9	130.0	395.5	451.6	595.3	545.4	548.9
<u>TRAFFIC: (Billions)</u>								
5	RTMs - Scheduled Rev. Svc.	1.79	1.87	7.23	7.31	7.42	7.44	7.39
6	ATMs - Scheduled Rev. Svc.	2.99	2.95	12.05	12.01	11.93	11.83	11.68
7	Overall RTMs (All Services)	1.84	1.98	7.49	7.63	7.79	7.84	7.77
8	Overall ATMs (All Services)	3.07	3.12	12.51	12.56	12.54	12.47	12.30
<u>YIELD & UNIT COST & PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	197.3	195.3	202.7	202.1	200.3	199.0	199.0
10	Operating Expense per RTM	194.4	182.5	194.9	191.8	187.1	186.3	186.2
11	Operating Profit (Loss) per RTM	2.9	12.8	7.8	10.3	13.1	12.8	12.8
12	Operating Expense per ATM	116.6	116.0	116.7	116.5	116.3	117.1	117.7
13	Passenger Revenue per RPM	++	++	++	++	++	++	++
<u>FINANCIAL RATIOS:</u>								
14	Operating Revenues to Total Investment	*	*	2.91	3.02	3.05	3.04	3.01
15	Times Interest Earned	*	*	12.14	12.69	14.88	12.20	11.88
16	Current Assets to Current Liabilities	*	*	1.10	0.99	1.18	1.16	1.19
17	No. of Days Cash Coverage of Cash Exp.	*	*	2.8	2.7	3.3	2.4	2.1
<u>FINANCIAL PERCENTAGES:</u>								
18	Operating Profit (Loss) to Operating Revenue	1.5	6.6	3.8	5.1	6.6	6.4	6.4
19	Net Income to Stockholders Equity	*	*	9.5	11.1	14.7	13.5	13.6
20	Corporate Return on Investment	*	*	8.6	10.0	13.0	12.2	12.3
21	Debt to Total Investment	*	*	19.4	19.8	20.0	20.6	21.1
<u>TON LOAD FACTOR: (Sch. Svc. %)</u>								
22	Actual	60.0	63.6	59.9	60.8	62.1	62.9	63.2
23	Breakeven	++	++	++	++	++	++	++
<u>Employment & Productivity:</u>								
24	Employment, Total Weighted Avg CY	94,434	91,572	93,805	93,089	92,975	93,062	93,172
25	Overall RTM's per Employee (000)	19.5	21.7	79.9	82.0	83.8	84.2	83.4

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	-6.2	7.7	-1.9	1.5	4.9	7.5	8.7
27	Operating Expenses (%)	-1.1	6.8	0.8	2.7	4.4	7.3	9.0
28	Operating Profit (Loss) (in Millions \$)	-200.7	48.0	-411.2	-162.5	112.7	89.5	46.2
29	Net Income (Loss)(in Millions \$)	-56.1	52.6	-153.4	-44.7	135.4	113.0	126.9
30	RTMs (Sch. Svc.) (%)	-7.1	10.5	-3.7	0.6	5.6	10.5	13.2
31	ATMs (Sch. Svc.) (%)	-1.6	7.9	1.7	4.1	5.6	8.3	9.0
32	Operating Revenues per RTM (%)	1.0	-2.6	1.9	0.9	-0.6	-2.7	-4.0
33	Operating Expense per RTM (%)	6.5	-3.4	4.7	2.1	-1.1	-2.8	-3.7
34	Passenger Revenue per RPM (Sch. Svc.)(%)	++	++	++	++	++	++	++

QUARTERLY FINANCIAL & TRAFFIC REVIEW
SYSTEM OPERATIONS
UNITED PARCEL SERVICE

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2001/09	2000/09	2001/09	2001/06	2001/03	2000/12	2000/09
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	688.2	691.5	2,709.4	2,712.7	2,646.2	2,530.0	2,517.8
2	Operating Expenses	651.4	612.1	2,604.0	2,564.7	2,483.4	2,414.2	2,337.1
3	Operating Profit (Loss)	36.8	79.4	105.4	148.0	162.8	115.7	180.7
4	Net Income (Loss)	10.8	46.8	8.9	44.9	67.5	37.2	111.0
<u>TRAFFIC: (Billions)</u>								
5	RTMs - Scheduled Rev. Svc.	0.42	0.39	1.64	1.62	1.55	1.48	1.40
6	ATMs - Scheduled Rev. Svc.	0.62	0.53	2.39	2.30	2.19	2.13	2.08
7	Overall RTMs (All Services)	1.05	1.10	4.29	4.34	4.34	4.36	4.37
8	Overall ATMs (All Services)	1.77	1.67	7.14	7.03	6.96	7.09	7.28
<u>YIELD & UNIT COST & PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	65.7	62.7	63.2	62.5	60.9	58.1	57.6
10	Operating Expense per RTM	62.1	55.5	60.7	59.0	57.2	55.4	53.5
11	Operating Profit (Loss) per RTM	3.5	7.2	2.5	3.4	3.7	2.7	4.1
12	Operating Expense per ATM	36.7	36.7	36.5	36.5	35.7	34.1	32.1
13	Passenger Revenue per RPM	++	++	++	++	++	++	++
<u>FINANCIAL RATIOS:</u>								
14	Operating Revenues to Total Investment	*	*	0.61	0.63	0.63	0.61	0.62
15	Times Interest Earned	*	*	2.63	4.45	5.13	3.46	5.98
16	Current Assets to Current Liabilities	*	*	2.76	2.45	2.90	2.28	1.11
17	No. of Days Cash Coverage of Cash Exp.	*	*	4.2	4.6	3.1	3.7	2.6
<u>FINANCIAL PERCENTAGES:</u>								
18	Operating Profit (Loss) to Operating Revenue	5.3	11.5	3.9	5.5	6.2	4.6	7.2
19	Net Income to Stockholders Equity	*	*	0.9	4.6	6.9	3.8	11.3
20	Corporate Return on Investment	*	*	0.8	1.7	2.3	1.5	3.4
21	Debt to Total Investment	*	*	80.5	79.2	78.3	77.6	75.7
<u>TON LOAD FACTOR: (Sch. Svc. %)</u>								
22	Actual	59.1	66.2	60.1	61.8	62.4	61.5	60.0
23	Breakeven	++	++	++	++	++	++	++
<u>Employment & Productivity:</u>								
24	Employment, Total Weighted Avg CY	5,636	5,051	5,423	5,277	5,133	5,010	4,913
25	Overall RTM's per Employee (000)	186.0	218.4	790.8	823.1	846.2	869.8	889.9

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	-0.5	33.7	7.6	15.7	17.5	17.5	24.9
27	Operating Expenses (%)	6.4	19.4	11.4	14.6	15.8	18.6	18.0
28	Operating Profit (Loss) (in Millions \$)	-42.6	74.5	-75.3	41.8	55.3	-1.2	146.1
29	Net Income (Loss)(in Millions \$)	-36.0	52.4	-102.1	-13.7	9.6	-29.1	132.2
30	RTMs (Sch. Svc.) (%)	-5.0	5.2	-1.9	0.6	2.5	5.3	8.4
31	ATMs (Sch. Svc.) (%)	6.4	-12.3	-2.0	-6.4	-8.3	-5.7	-2.8
32	Operating Revenues per RTM (%)	4.8	27.2	9.7	15.1	14.7	11.7	15.2
33	Operating Expense per RTM (%)	11.9	13.5	13.5	13.9	13.0	12.6	9.0
34	Passenger Revenue per RPM (Sch. Svc.)(%)	++	++	++	++	++	++	++

**COMPARISON OF OPERATING PROFIT (LOSS) AND NET INCOME (LOSS)
FOR INDIVIDUAL MAJORS
QUARTER AND 12 MONTHS ENDED SEPTEMBER 2001**

Operating Profit (Loss) (\$Millions)						
Group/Carrier	Quarterly Data			12 Month Ended Data		
	9/2000	9/2001	\$Chg	9/2000	9/2001	\$Chg
System Passenger Majors	1,943.8	(4,271.3)	(6,215.1)	6,153.5	(5,818.5)	(11,972.0)
US Airways	10.6	(152.0)	(162.6)	(15.0)	(395.7)	(380.7)
Alaska	33.7	16.5	(17.2)	46.1	(43.4)	(89.5)
American Trans Air	18.6	9.3	(9.3)	45.7	0.1	(45.6)
America West	(0.9)	(100.9)	(100.0)	96.3	(255.0)	(351.3)
Southwest	300.1	93.0	(207.1)	924.4	844.3	(80.1)
American Eagle	37.2	(101.2)	(138.4)	82.5	(190.4)	(272.9)
American	516.2	(1,072.2)	(1,588.4)	1,416.0	(1,677.9)	(3,093.9)
Continental	227.9	(183.2)	(411.1)	451.1	118.1	(333.0)
Delta	476.4	(310.6)	(787.0)	1,619.5	(281.8)	(1,901.3)
Northwest	364.6	(149.8)	(514.4)	761.9	(394.5)	(1,156.4)
Trans World	(11.0)	(259.6)	(248.6)	(364.1)	(530.7)	(166.6)
United	(29.5)	(2,060.6)	(2,031.1)	1,089.1	(3,011.9)	(4,101.0)
System Cargo Majors	314.0	36.2	(277.8)	1,150.5	512.7	(637.8)
DHL Airways	(20.0)	(54.5)	(34.5)	(25.7)	(177.0)	(151.3)
Federal Express	254.6	53.9	(200.7)	995.5	584.3	(411.2)
United Parcel Service	79.4	36.8	(42.6)	180.7	105.4	(75.3)
System Total Majors	2,257.8	(4,235.0)	(6,492.8)	7,304.1	(5,305.8)	(12,609.9)

Net Income (Loss) (\$Millions)						
Group/Carrier	Quarterly Data			12 Month Ended Data		
	9/2000	9/2001	\$Chg	9/2000	9/2001	\$Chg
System Passenger Majors	743.2	(2,462.3)	(3,205.5)	2,956.4	(4,444.3)	(7,400.7)
US Airways	(23.2)	(756.0)	(732.8)	(234.2)	(1,033.5)	(799.3)
Alaska	17.4	21.2	3.8	(26.4)	(18.2)	8.2
American Trans Air	7.4	0.6	(6.8)	11.3	(22.3)	(33.6)
America West	(0.8)	(31.1)	(30.3)	71.9	(131.0)	(202.9)
Southwest	184.3	151.0	(33.3)	542.2	602.3	60.1
American Eagle	6.5	(86.1)	(92.6)	1.7	(186.1)	(187.8)
American	316.1	(290.8)	(606.9)	900.6	(749.5)	(1,650.1)
Continental	130.6	13.7	(116.9)	418.8	96.8	(322.0)
Delta	57.0	(237.8)	(294.8)	1,075.3	(439.5)	(1,514.8)
Northwest	193.9	11.5	(182.4)	332.1	(280.8)	(612.9)
Trans World	(34.8)	(79.4)	(44.6)	(387.1)	(401.4)	(14.3)
United	(111.1)	(1,179.2)	(1,068.1)	250.2	(1,881.3)	(2,131.5)
System Cargo Majors	162.3	30.7	(131.6)	640.3	213.8	(426.5)
DHL Airways	(14.5)	(54.0)	(39.5)	(19.6)	(190.6)	(171.0)
Federal Express	130.0	73.9	(56.1)	548.9	395.5	(153.4)
United Parcel Service	46.8	10.8	(36.0)	111.0	8.9	(102.1)
System Total Majors	905.5	(2,431.6)	(3,337.1)	3,596.7	(4,230.5)	(7,827.2)

**COMPARISON OF PASSENGER LOAD FACTOR AND PASSENGER YIELD
FOR INDIVIDUAL MAJORS
QUARTER AND 12 MONTHS ENDED SEPTEMBER 2001**

Passenger Load Factor (Percent)						
Group/Carrier	Quarterly Data			12 Month Ended Data		
	9/2000	9/2001	Pt.Chg.	9/2000	9/2001	Pt.Chg.
System Passenger Majors	75.8	72.4	(3.4)	72.6	71.2	(1.4)
Alaska	71.8	71.0	(0.8)	69.1	68.3	(0.8)
America West	73.1	74.0	0.9	70.7	71.8	1.1
American	76.3	72.3	(4.0)	71.8	70.5	(1.3)
American Eagle	61.7	57.6	(4.1)	61.5	58.3	(3.2)
American Trans Air	76.5	78.6	2.1	77.4	76.7	(0.7)
Continental	77.7	74.0	(3.7)	74.8	73.0	(1.8)
Delta	76.8	71.8	(5.0)	73.4	70.3	(3.1)
Northwest	79.7	75.8	(3.9)	76.4	75.2	(1.2)
Southwest	71.6	68.8	(2.8)	70.1	69.2	(0.9)
Trans World	77.5	67.5	(10.0)	72.3	68.1	(4.2)
United	74.6	73.1	(1.5)	72.0	71.4	(0.6)
US Airways	72.9	71.1	(1.8)	70.1	70.1	-
System Cargo Majors	64.0	59.6	(4.4)	61.7	59.7	(2.0)
DHL	53.6	57.3	3.7	52.9	53.4	0.5
Federal Express	63.6	60.0	(3.6)	63.2	59.9	(3.3)
UPS	66.2	59.1	(7.1)	60.0	60.1	0.1
System Total Majors	75.8	72.4	(3.4)	72.6	71.2	(1.4)

Scheduled Passenger Yield (Cents)						
Group/Carrier	Quarterly Data			12 Month Ended Data		
	9/2000	9/2001	Pct.Chg.	9/2000	9/2001	Pct.Chg.
System Passenger Majors	13.02	11.53	(11.4)	13.16	12.77	(3.0)
Alaska	13.63	12.94	(5.1)	12.95	13.03	0.6
America West	10.91	9.30	(14.8)	11.40	10.61	(6.9)
American	13.88	12.22	(12.0)	13.79	13.78	(0.1)
American Eagle	38.73	34.63	(10.6)	37.45	38.38	2.5
American Trans Air	10.37	8.82	(14.9)	9.88	9.55	(3.3)
Continental	12.87	11.68	(9.2)	12.82	12.89	0.5
Delta	12.46	11.33	(9.1)	12.92	12.61	(2.4)
Northwest	12.32	11.10	(9.9)	12.00	11.52	(4.0)
Southwest	12.87	11.27	(12.4)	12.62	12.38	(1.9)
Trans World	11.54	10.83	(6.2)	11.82	11.35	(4.0)
United	12.54	10.72	(14.5)	12.91	12.16	(5.8)
US Airways	15.28	12.88	(15.7)	16.23	14.87	(8.4)
System Cargo Majors	-	-	-	-	-	-
DHL	-	-	-	-	-	-
Federal Express	-	-	-	-	-	-
UPS	-	-	-	-	-	-
System Total Majors	13.02	11.53	(11.4)	13.16	12.77	(3.0)

**COMPARISON OF OPERATING PROFIT MARGIN, DEBT TO INVESTMENT AND TOTAL DEBT
FOR INDIVIDUAL MAJORS
QUARTER AND 12 MONTHS ENDED SEPTEMBER 2001**

Operating Profit Margin (Percent)						
Group/Carrier	Quarterly Data			12 Month Ended Data		
	9/2000	9/2001	Pt. Chg.	9/2000	9/2001	Pt. Chg.
System Passenger Majors	7.5	(15.0)	(22.5)	6.1	(5.1)	(11.2)
Alaska	6.9	3.4	(3.5)	2.7	(2.4)	(5.1)
America West	(0.2)	(20.9)	(20.7)	4.2	(11.5)	(15.7)
American	10.7	(9.3)	(20.0)	8.0	(5.6)	(13.6)
American Eagle	11.1	(33.4)	(44.5)	6.9	(14.5)	(21.4)
American Trans Air	5.7	3.1	(2.6)	4.0	-	(4.0)
Continental	9.1	2.4	(6.7)	4.9	3.9	(1.0)
Delta	11.8	(9.5)	(21.3)	10.7	(2.0)	(12.7)
Northwest	11.9	(5.9)	(17.8)	7.1	(3.8)	(10.9)
Southwest	20.3	7.0	(13.3)	17.2	14.6	(2.6)
Trans World	(1.1)	(18.1)	(17.0)	(10.3)	(12.8)	(2.5)
United	(0.6)	(50.3)	(49.7)	5.7	(16.8)	(22.5)
US Airways	0.4	(7.7)	(8.1)	(0.2)	(4.4)	(4.2)
System Cargo Majors	6.4	2.1	(4.3)	5.9	3.0	(2.9)
DHL	(5.4)	(15.6)	(10.2)	(1.7)	(11.9)	(10.2)
Federal Express	6.6	1.5	(5.1)	6.4	3.8	(2.6)
UPS	11.5	5.3	(6.2)	7.2	3.9	(3.3)
System Total Majors	7.3	(12.1)	(19.4)	6.0	(3.7)	(9.7)

Group/Carrier	Debt To Investment (Percent)			Total Debt (\$Millions)		
	Quarterly Data			Quarterly Data		
	9/2000	9/2001	Pt.Chg.	9/2000	9/2001	\$ Chg.
System Passenger Majors	47.6	60.1	12.5	29,709.9	42,554.3	12,844.4
Alaska	44.5	56.2	11.7	502.3	907.2	404.9
America West	17.9	37.6	19.7	201.3	479.3	278.0
American	32.7	48.0	15.3	3,829.8	6,629.2	2,799.4
American Eagle	89.3	96.1	6.8	2,261.6	2,529.8	268.2
American Trans Air	75.5	86.8	11.3	368.2	656.5	288.3
Continental	65.5	75.2	9.7	3,246.8	4,432.2	1,185.4
Delta	50.2	60.1	9.9	5,530.4	7,434.4	1,904.0
Northwest	41.6	52.3	10.7	3,648.0	5,236.4	1,588.4
Southwest	21.3	23.9	2.6	871.3	1,241.8	370.5
Trans World	162.6	161.2	-1.4	729.5	245.3	(484.2)
United	50.3	72.9	22.6	5,765.4	9,459.3	3,693.9
US Airways	59.6	79.7	20.1	2,755.4	3,303.0	547.6
System Cargo Majors	45.9	47.9	2.0	4,299.2	4,814.8	515.6
DHL	55.5	0.0	-55.5	137.7	-	(137.7)
Federal Express	21.1	19.4	-1.7	1,060.9	1,038.8	(22.1)
UPS	75.7	80.5	4.8	3,100.7	3,776.1	675.4
System Total Majors	47.4	58.6	11.2	34,009.1	47,369.1	13,360.0

FOOTNOTES

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

EXPLANATION OF LINE ITEMS

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

EXPLANATION OF LINE ITEMS

LINE #	DESCRIPTION OF LINE ITEM	DERIVATION OF LINE ITEM
20	Overall corporate rate of return	<p>Net income plus interest expense</p> <hr/> <p>Total investment</p> <p>Net income plus interest expense is: Net income (Account 9899) + interest on long-term debt and capital leases (Account 8181) + other interest expense (Account 8182) + amortization of debt discount, premium and expense (Account 8184).</p> <p>Total investment is: Current maturities of long-term debt (Account 2000) + current obligations under capital leases (Account 2080) + long-term debt (Account 2210) + advances from associated companies (Account 2240) + noncurrent obligations under capital leases (Account 2280) + stockholders' equity (Account 2995) - unamortized debt expense (Account 1840). (A five-quarter average is used).</p>
21	Debt to total investment (end of period)	<p>Current maturities of long-term debt (Account 2000) + current obligations under capital leases (Account 2080) + long-term debt (Account 2210) + advances from associated companies (Account 2240) + noncurrent obligations under capital leases (Account 2280) - unamortized debt expense (Account 1840)</p> <hr/> <p>Total investment (See line 20)</p>
22	Actual passenger load factor (scheduled service)	<p>Revenue passenger-miles (scheduled service (Item K-140)</p> <hr/> <p>Available seat-miles (scheduled service (Item K-280)</p>
23	Operating breakeven load factor (scheduled service)	<p>Capacity operating expense, scheduled service (passenger)</p> <hr/> <p>[Scheduled passenger revenue (Account 3901) - Traffic operating expense, passenger scheduled service] / Actual passenger load factor, scheduled service</p>
24	Difference, actual-breakeven load factor	<p>Actual (Line 22) - Breakeven (Line 23)</p>
25	Employees	<p>Number of full time employees (Average for 12-month ended period)</p>
26	Overall revenue ton-miles per employee	<p>Overall revenue ton-miles (Item Z-240)</p> <hr/> <p>Average # of employees (See Line 25)</p>