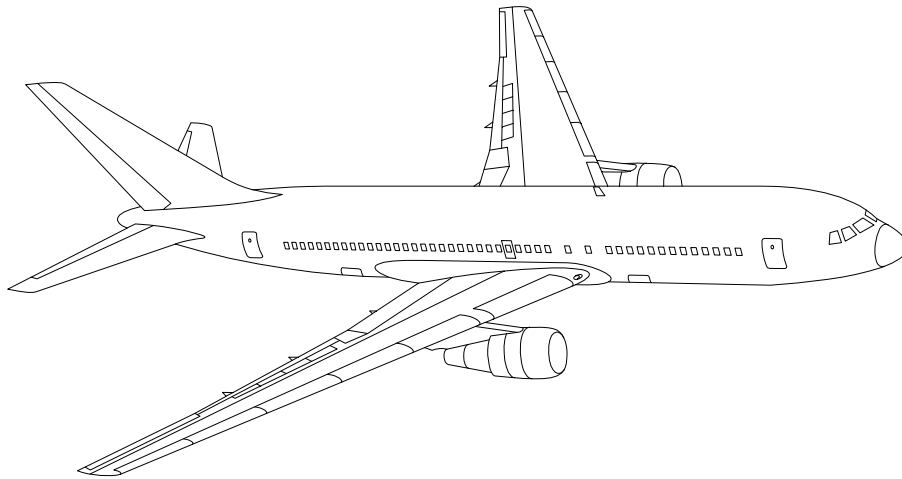


AIRLINE QUARTERLY FINANCIAL REVIEW

THIRD QUARTER 2002



MAJORS



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

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INTRODUCTION

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

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

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

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

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

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2002/09	2001/09	2002/09	2002/06	2002/03	2001/12	2001/09
	<u>FINANCIAL RESULTS: (\$Millions)</u>							
1	Operating Revenues	25,027.6	25,958.8	94,480.3	95,411.5	99,438.3	104,934.1	112,533.3
2	Operating Expenses	27,188.9	30,103.4	104,685.9	107,600.4	111,012.9	114,561.4	117,717.7
3	Operating Profit (Loss)	-2,161.3	-4,144.6	-10,205.6	-12,188.9	-11,574.7	-9,627.3	-5,184.4
4	Net Income (Loss)	-2,504.3	-2,337.5	-10,341.4	-10,174.6	-9,586.8	-7,139.0	-4,128.2
	<u>TRAFFIC: (Billions)</u>							
5	RPMs - Scheduled Rev. Svc.	159.61	161.67	573.38	575.43	592.80	609.05	640.55
6	ASMs - Scheduled Rev. Svc.	215.86	223.27	805.40	812.81	837.39	866.65	900.15
7	Overall RTMs (All Svc.)	21.90	21.62	80.32	80.04	81.64	83.52	87.45
8	Overall ATMs (All Svc.)	38.77	38.96	145.63	145.82	148.63	151.99	156.07
	<u>YIELD & UNIT COST & PROFITS: (Cents)</u>							
9	Operating Revenue per RTM	114.3	120.1	117.6	119.2	121.8	125.6	128.7
10	Operating Expense per RTM	124.2	139.3	130.3	134.4	136.0	137.2	134.6
11	Operating Profit (Loss) per RTM	-9.9	-19.2	-12.7	-15.2	-14.2	-11.5	-5.9
12	Operating Expense per ATM	70.1	77.3	71.9	73.8	74.7	75.4	75.4
13	Passenger Revenue per RPM	11.02	11.51	11.44	11.58	11.86	12.30	12.76
	<u>FINANCIAL RATIOS:</u>							
14	Operating Revenues to Total Investment	*	*	1.15	1.16	1.22	1.32	1.46
15	Times Interest Earned	*	*	-3.64	-2.17	-2.23	-2.02	-1.11
16	Current Assets to Current Liabilities	*	*	0.80	0.83	0.81	0.80	0.79
17	No. of Days Cash Coverage of Cash Exp.	*	*	50.4	52.8	47.9	52.0	49.0
	<u>FINANCIAL PERCENTAGES:</u>							
18	Operating Profit (Loss) to Operating Revenue	-8.6	-16.0	-10.8	-12.8	-11.6	-9.2	-4.6
19	Net Income to Stockholders Equity	*	*	-35.8	-32.9	-29.6	-21.2	-11.7
20	Corporate Return on Investment	*	*	-9.0	-9.1	-8.7	-6.1	-2.7
21	Debt to Total Investment	*	*	69.5	65.9	64.5	62.9	59.2
	<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>							
22	Actual	73.9	72.4	71.2	70.8	70.8	70.3	71.2
23	Breakeven	85.5	91.0	84.7	86.2	84.8	81.8	78.0
	<u>Employment & Productivity:</u>							
24	Employment, Total Weighted Avg CY	505,491	549,260	502,877	513,820	528,015	539,952	547,569
25	Overall RTM's per Employee (000)	43.3	39.4	159.7	155.8	154.6	154.7	159.7

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	-3.6	-16.0	-16.0	-18.8	-16.3	-11.0	-2.9
27	Operating Expenses (%)	-9.7	5.1	-11.1	-7.4	-2.3	2.9	8.5
28	Operating Profit (Loss) (in Millions \$)	1,983.2	-6,421.0	-5,021.2	-13,425.5	-16,651.6	-16,231.3	-12,557.9
29	Net Income (Loss)(in Millions \$)	-166.8	-3,262.4	-6,213.3	-9,308.9	-11,366.3	-9,804.4	-7,793.4
30	RPMs (Sch. Svc.) (%)	-1.3	-8.4	-10.5	-12.2	-9.7	-6.8	-1.2
31	ASMs (Sch. Svc.) (%)	-3.3	-4.1	-10.5	-10.6	-7.2	-3.5	0.9
32	Operating Revenues per RTM (%)	-4.8	-7.2	-8.6	-9.0	-7.4	-3.9	-0.5
33	Operating Expense per RTM (%)	-10.8	16.2	-3.2	3.8	8.0	11.1	11.2
34	Passenger Revenue per RPM (Sch. Svc.)(%)	-4.3	-11.5	-10.3	-11.8	-11.1	-7.6	-3.0

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

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2002/09	2001/09	2002/09	2002/06	2002/03	2001/12	2001/09
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	18,137.1	18,891.0	70,500.7	71,254.6	74,418.5	78,599.8	84,362.4
2	Operating Expenses	20,345.9	22,289.9	79,409.7	81,353.7	83,951.5	86,509.6	88,737.9
3	Operating Profit (Loss)	-2,208.8	-3,398.9	-8,909.0	-10,099.1	-9,532.9	-7,909.8	-4,375.6
4	Net Income (Loss)	-2,321.5	-2,058.7	-8,973.8	-8,711.0	-8,231.8	-6,366.5	-3,777.1
<u>TRAFFIC: (Billions)</u>								
5	RPMs - Scheduled Rev. Svc.	113.91	114.22	416.43	416.73	427.83	438.94	458.70
6	ASMs - Scheduled Rev. Svc.	158.15	161.68	595.14	598.67	614.22	633.27	655.91
7	Overall RTMs (All Svc.)	14.35	14.00	53.23	52.88	53.76	54.80	57.00
8	Overall ATMs (All Svc.)	25.98	25.56	98.74	98.31	99.52	101.16	103.36
<u>YIELD & UNIT COST & PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	126.4	134.9	132.5	134.8	138.4	143.4	148.0
10	Operating Expense per RTM	141.8	159.2	149.2	153.9	156.2	157.9	155.7
11	Operating Profit (Loss) per RTM	-15.4	-24.3	-16.7	-19.1	-17.7	-14.4	-7.7
12	Operating Expense per ATM	78.3	87.2	80.4	82.7	84.4	85.5	85.9
13	Passenger Revenue per RPM	11.36	12.12	12.07	12.28	12.66	13.16	13.72
<u>FINANCIAL RATIOS:</u>								
14	Operating Revenues to Total Investment	*	*	**	**	**	**	**
15	Times Interest Earned	*	*	**	**	**	**	**
16	Current Assets to Current Liabilities	*	*	**	**	**	**	**
17	No. of Days Cash Coverage of Cash Exp.	*	*	**	**	**	**	**
<u>FINANCIAL PERCENTAGES:</u>								
18	Operating Profit (Loss) to Operating Revenue	-12.2	-18.0	-12.6	-14.2	-12.8	-10.1	-5.2
19	Net Income to Stockholders Equity	*	*	**	**	**	**	**
20	Corporate Return on Investment	*	*	-10.9	-10.0	-9.8	-7.3	-3.6
21	Debt to Total Investment	*	*	**	**	**	**	**
<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>								
22	Actual	72.0	70.6	70.0	69.6	69.7	69.3	69.9
23	Breakeven	86.5	90.5	84.6	85.6	84.2	81.3	77.0
<u>Employment & Productivity:</u>								
24	Employment, Total Weighted Avg CY	*	*	**	**	**	**	**
25	Overall RTM's per Employee (000)	*	*	**	**	**	**	**

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	-4.0	-17.4	-16.4	-19.3	-17.0	-12.0	-4.0
27	Operating Expenses (%)	-8.7	4.2	-10.5	-7.4	-2.3	2.7	7.9
28	Operating Profit (Loss) (in Millions \$)	1,190.1	-4,868.2	-4,533.5	-10,591.7	-13,295.5	-12,991.8	-10,019.9
29	Net Income (Loss)(in Millions \$)	-262.8	-2,587.0	-5,196.8	-7,521.0	-9,318.1	-8,363.4	-6,704.6
30	RPMs (Sch. Svc.) (%)	-0.3	-8.2	-9.2	-11.1	-9.1	-6.7	-2.0
31	ASMs (Sch. Svc.) (%)	-2.2	-4.1	-9.3	-9.7	-6.7	-3.6	0.0
32	Operating Revenues per RTM (%)	-6.3	-8.9	-10.5	-10.9	-9.0	-5.1	-0.6
33	Operating Expense per RTM (%)	-10.9	14.8	-4.2	2.3	7.1	10.8	11.7
34	Passenger Revenue per RPM (Sch. Svc.)(%)	-6.2	-13.0	-12.0	-13.3	-12.2	-8.5	-3.1

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

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2002/09	2001/09	2002/09	2002/06	2002/03	2001/12	2001/09
	<u>FINANCIAL RESULTS: (\$Millions)</u>							
1	Operating Revenues	6,890.4	7,067.8	23,979.6	24,157.0	25,019.7	26,334.3	28,170.9
2	Operating Expenses	6,843.0	7,813.5	25,276.2	26,246.7	27,061.5	28,051.8	28,979.7
3	Operating Profit (Loss)	47.5	-745.7	-1,296.6	-2,089.8	-2,041.8	-1,717.5	-808.8
4	Net Income (Loss)	-182.8	-278.8	-1,367.6	-1,463.6	-1,355.1	-772.5	-351.1
	<u>TRAFFIC: (Billions)</u>							
5	RPMs - Scheduled Rev. Svc.	45.70	47.45	156.95	158.70	164.97	170.11	181.85
6	ASMs - Scheduled Rev. Svc.	57.71	61.59	210.26	214.14	223.17	233.38	244.24
7	Overall RTMs (All Svc.)	7.55	7.61	27.09	27.16	27.88	28.72	30.45
8	Overall ATMs (All Svc.)	12.79	13.40	46.90	47.51	49.11	50.84	52.70
	<u>YIELD & UNIT COST & PROFITS: (Cents)</u>							
9	Operating Revenue per RTM	91.3	92.8	88.5	88.9	89.7	91.7	92.5
10	Operating Expense per RTM	90.7	102.6	93.3	96.6	97.1	97.7	95.2
11	Operating Profit (Loss) per RTM	0.6	-9.8	-4.8	-7.7	-7.3	-6.0	-2.7
12	Operating Expense per ATM	53.5	58.3	53.9	55.2	55.1	55.2	55.0
13	Passenger Revenue per RPM	10.17	10.06	9.77	9.74	9.79	10.07	10.32
	<u>FINANCIAL RATIOS:</u>							
14	Operating Revenues to Total Investment	*	*	**	**	**	**	**
15	Times Interest Earned	*	*	**	**	**	**	**
16	Current Assets to Current Liabilities	*	*	**	**	**	**	**
17	No. of Days Cash Coverage of Cash Exp.	*	*	**	**	**	**	**
	<u>FINANCIAL PERCENTAGES:</u>							
18	Operating Profit (Loss) to Operating Revenue	0.7	-10.6	-5.4	-8.7	-8.2	-6.5	-2.9
19	Net Income to Stockholders Equity	*	*	**	**	**	**	**
20	Corporate Return on Investment	*	*	-3.4	-5.7	-5.4	-1.7	1.1
21	Debt to Total Investment	*	*	**	**	**	**	**
	<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>							
22	Actual	79.2	77.0	74.6	74.1	73.9	72.9	74.5
23	Breakeven	81.5	91.6	84.3	87.3	86.0	82.6	80.2
	<u>Employment & Productivity:</u>							
24	Employment, Total Weighted Avg CY	*	*	**	**	**	**	**
25	Overall RTM's per Employee (000)	*	*	**	**	**	**	**

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	-2.5	-12.1	-14.9	-17.1	-14.0	-8.0	0.8
27	Operating Expenses (%)	-12.4	8.1	-12.8	-7.6	-2.6	3.5	10.5
28	Operating Profit (Loss) (in Millions \$)	793.2	-1,552.8	-487.8	-2,833.8	-3,356.1	-3,239.5	-2,537.9
29	Net Income (Loss)(in Millions \$)	96.0	-675.4	-1,016.5	-1,787.9	-2,048.1	-1,441.0	-1,088.8
30	RPMs (Sch. Svc.) (%)	-3.7	-8.8	-13.7	-14.9	-11.2	-7.1	1.0
31	ASMs (Sch. Svc.) (%)	-6.3	-4.1	-13.9	-13.3	-8.5	-3.0	3.3
32	Operating Revenues per RTM (%)	-1.6	-2.3	-4.3	-4.5	-3.4	-0.5	1.1
33	Operating Expense per RTM (%)	-11.6	20.0	-2.0	6.5	9.4	11.9	10.9
34	Passenger Revenue per RPM (Sch. Svc.)(%)	1.1	-7.1	-5.3	-7.4	-7.9	-4.7	-1.6

COMPARISONS AMONG MAJOR GROUP AIRLINES

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

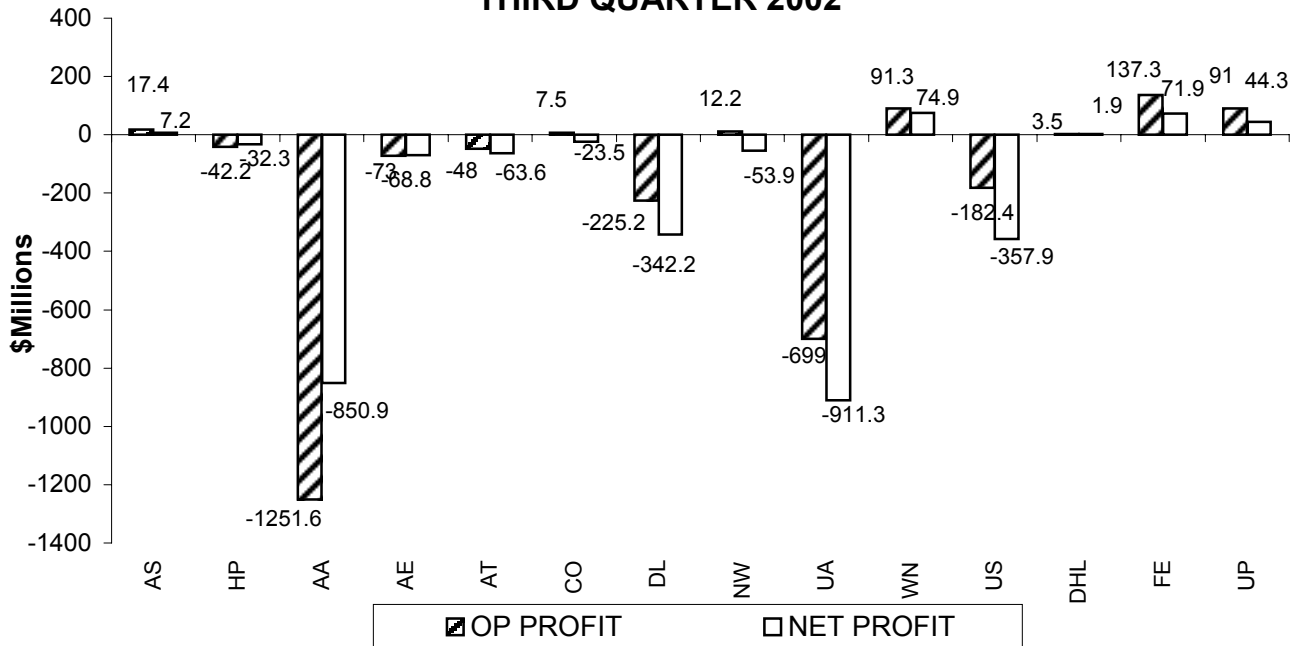
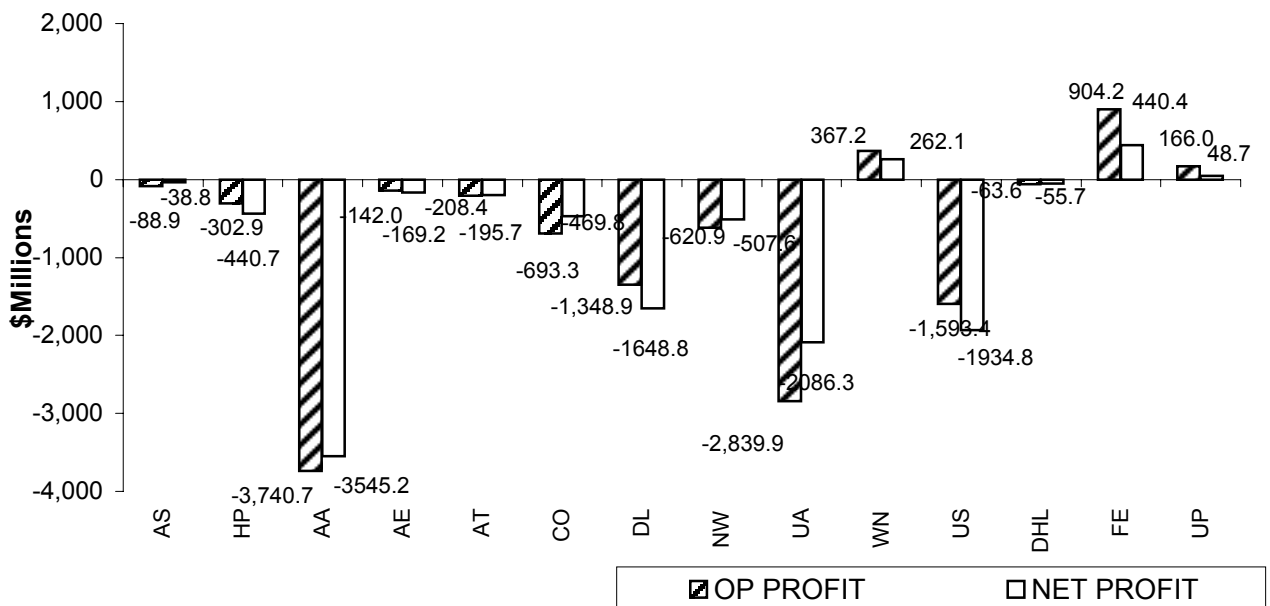
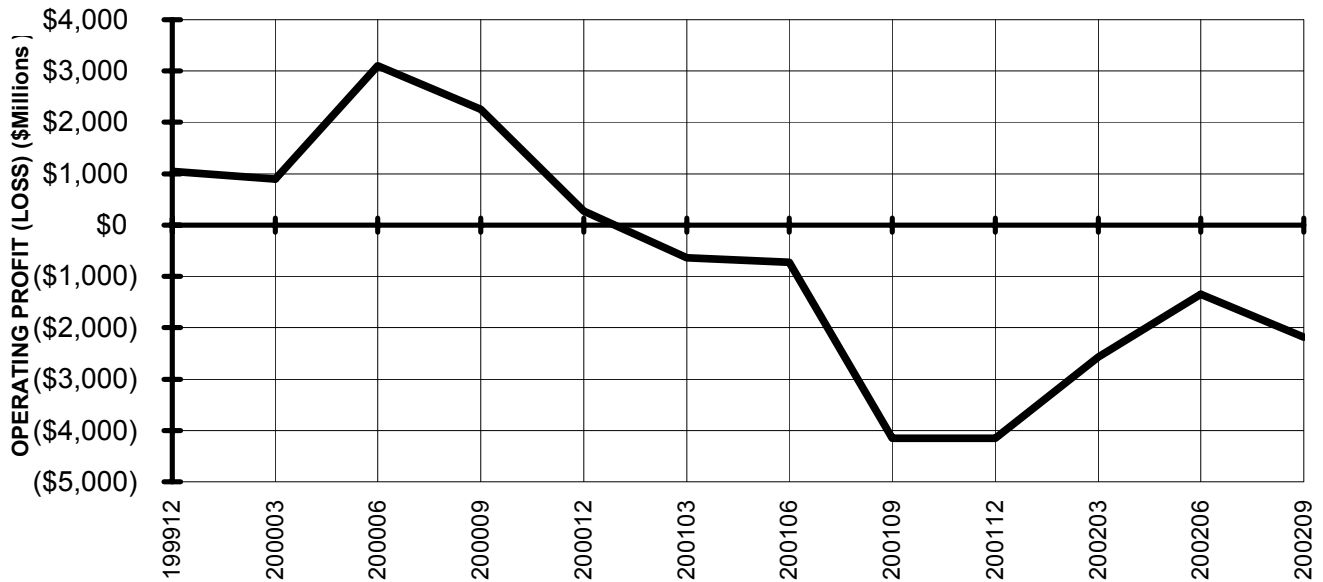


Chart 2.
OPERATING AND NET PROFIT (LOSS)
12 MONTHS ENDED THIRD QUARTER 2002

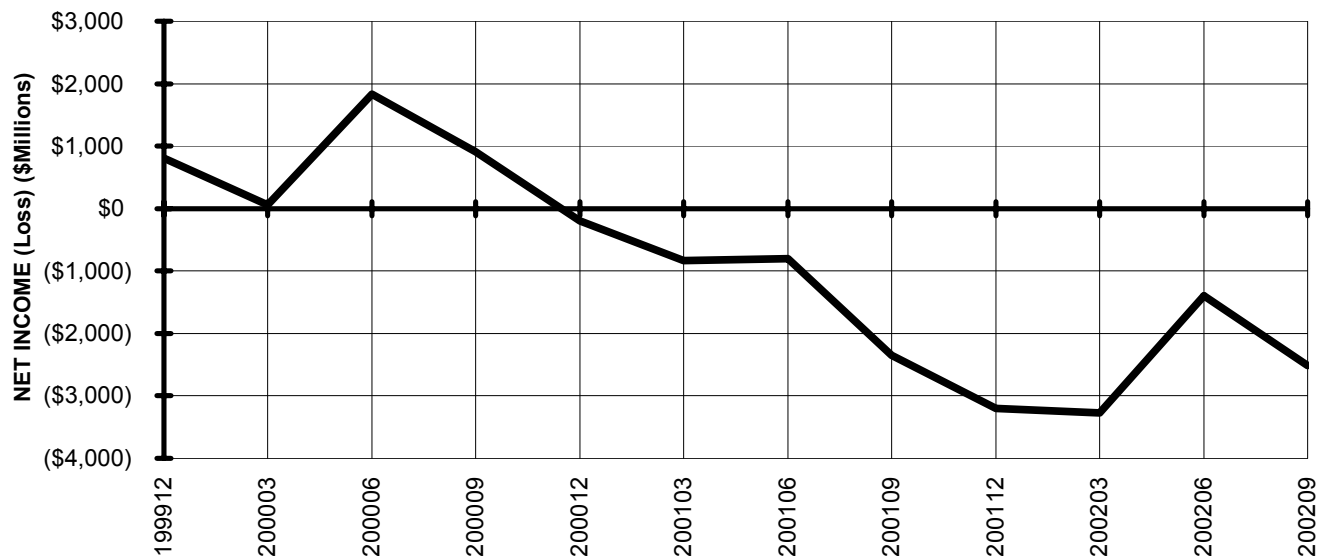


TOTAL ALL MAJORS (SYSTEM) BY QUARTER

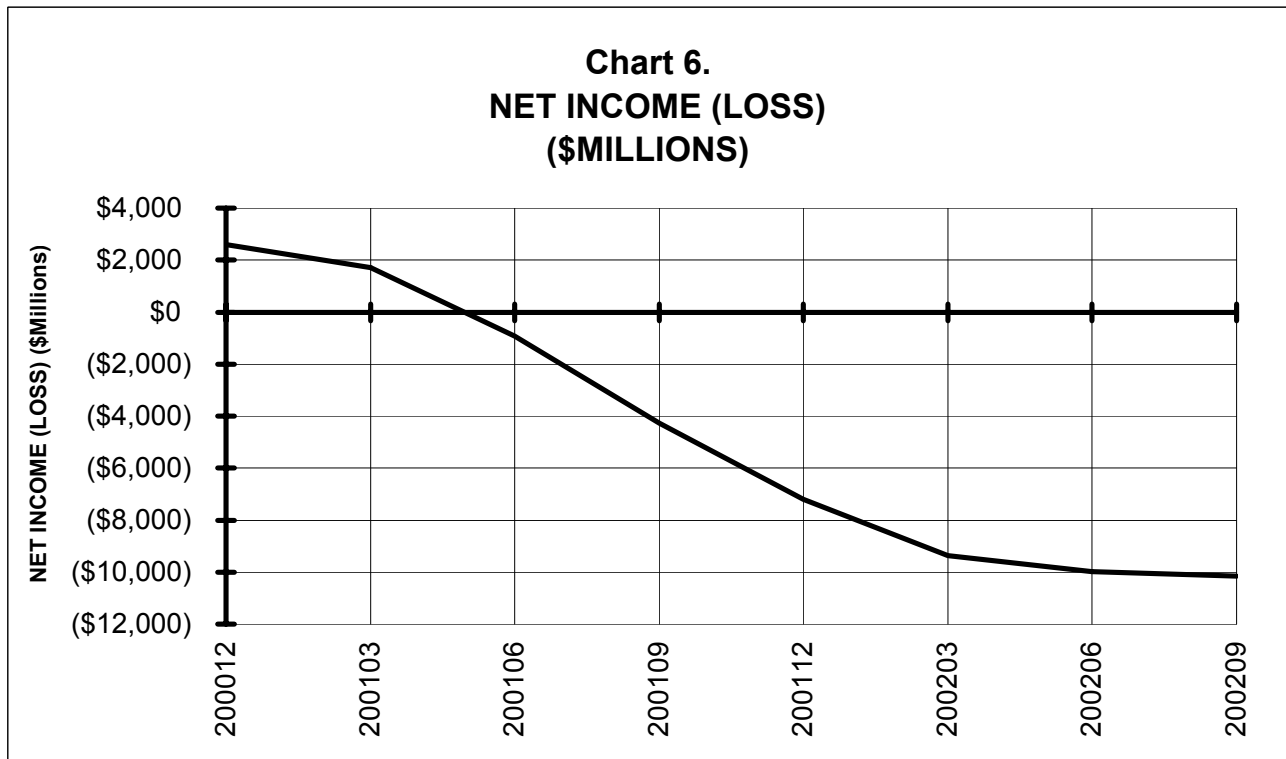
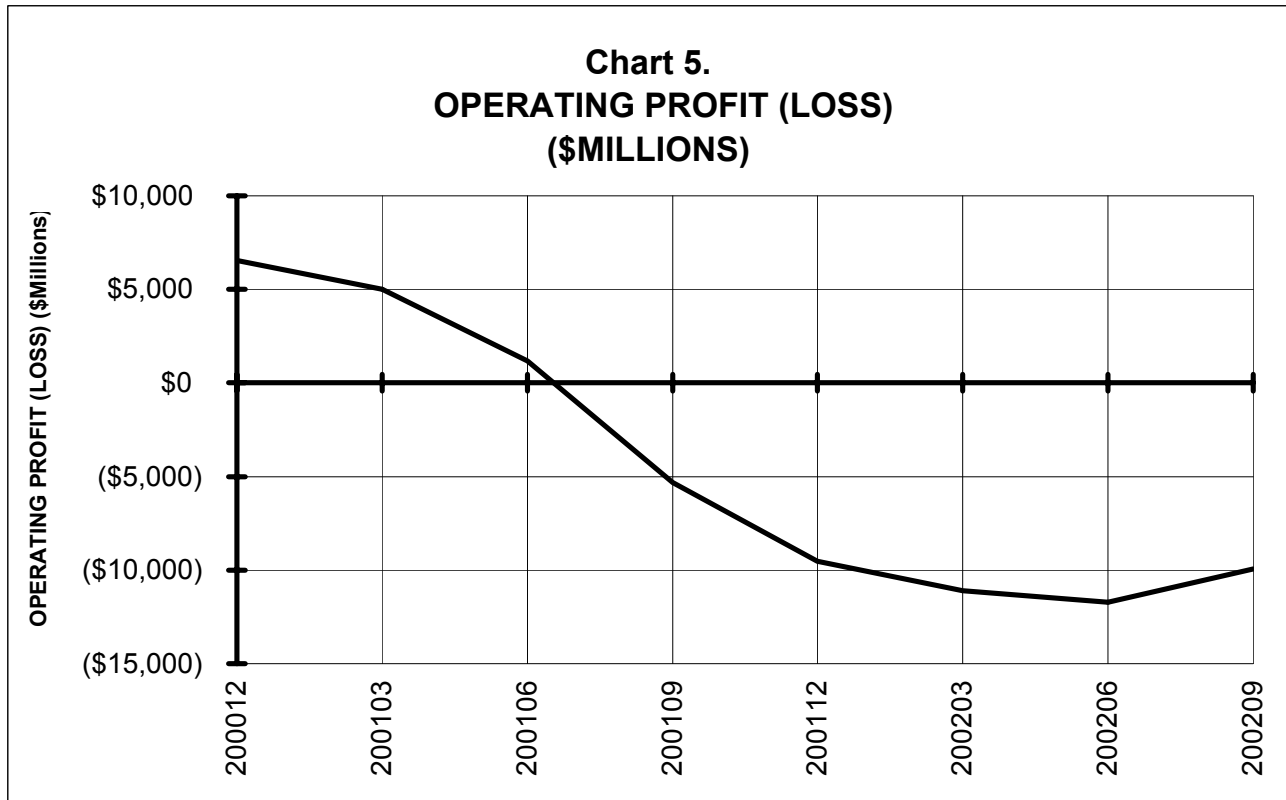
**Chart 3.
OPERATING PROFIT (LOSS)
(\$MILLIONS)**



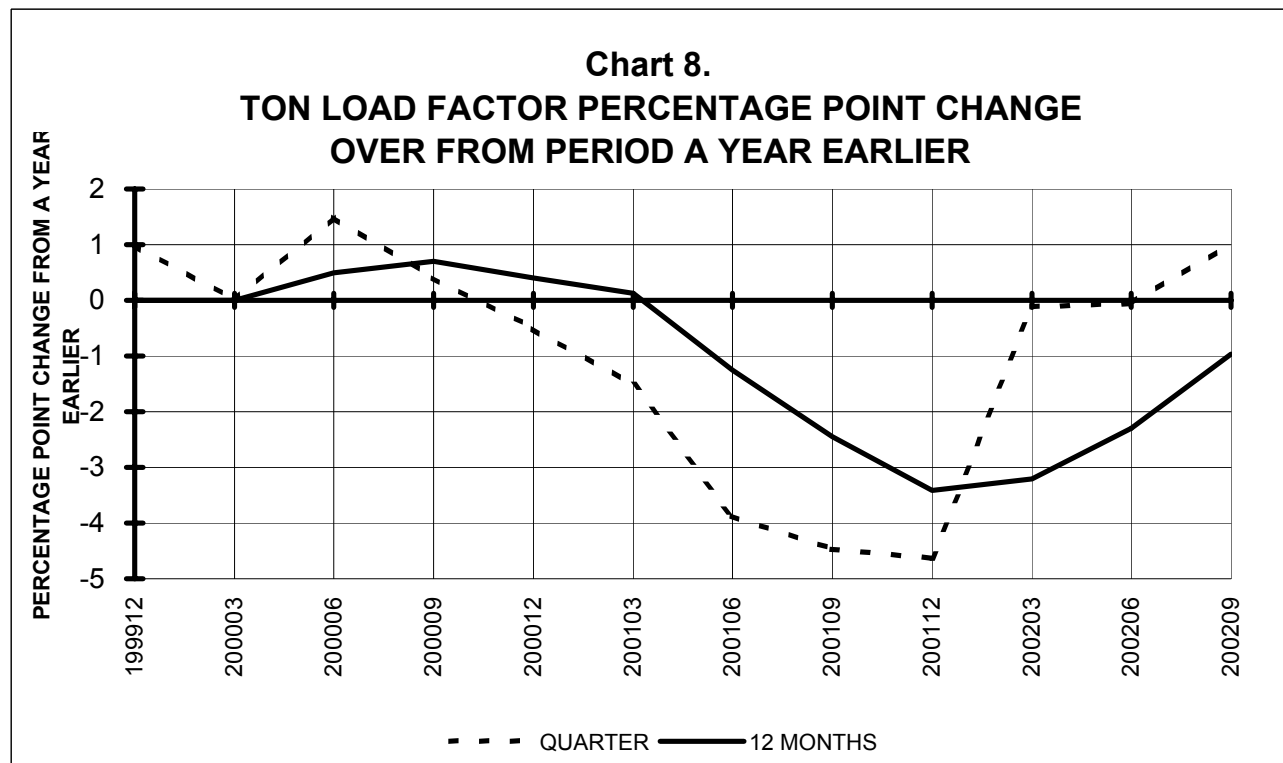
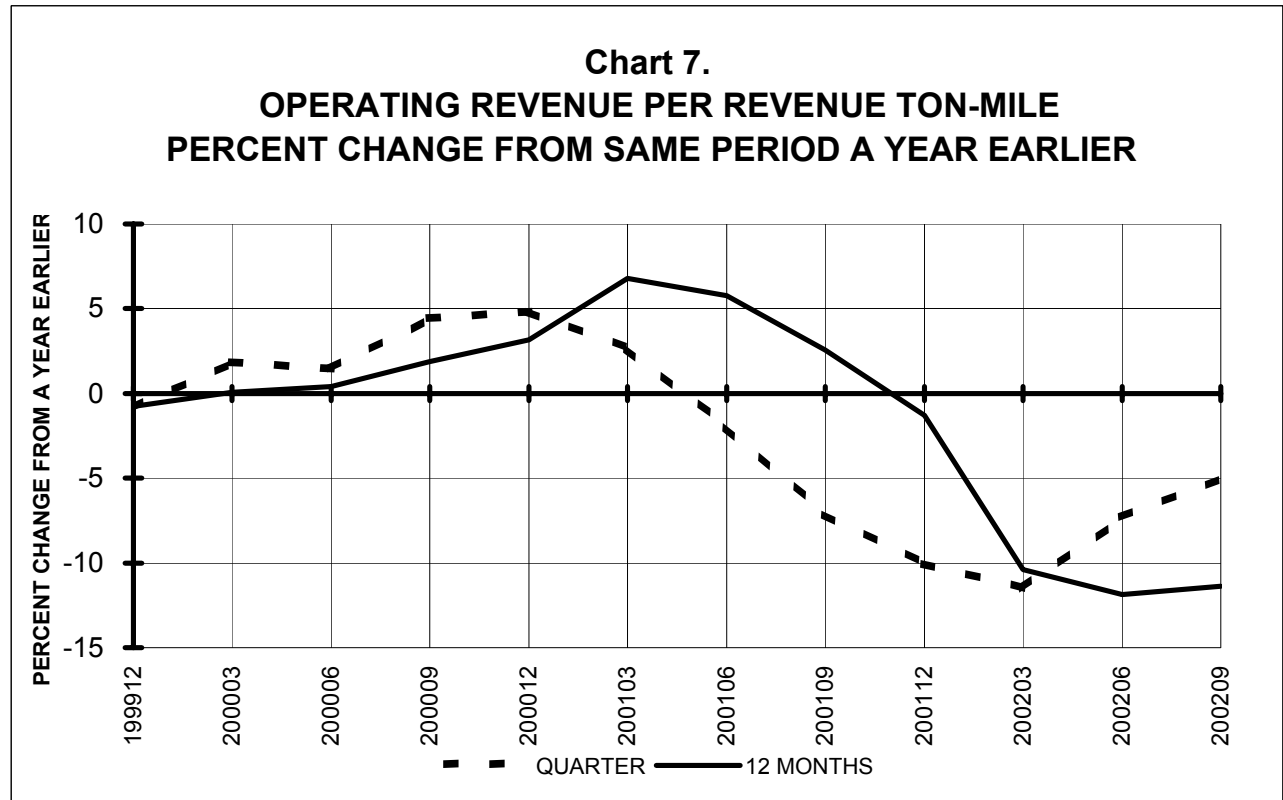
**Chart 4.
NET INCOME (LOSS)
(\$MILLIONS)**



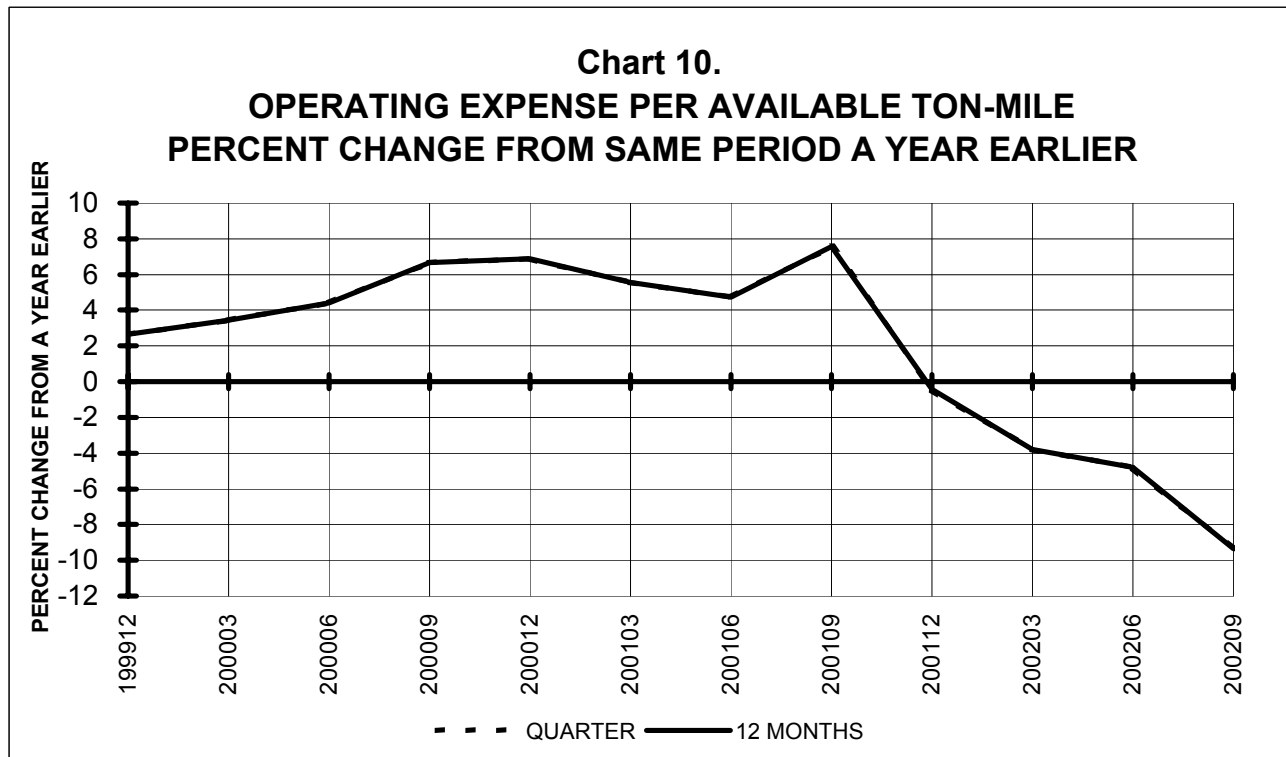
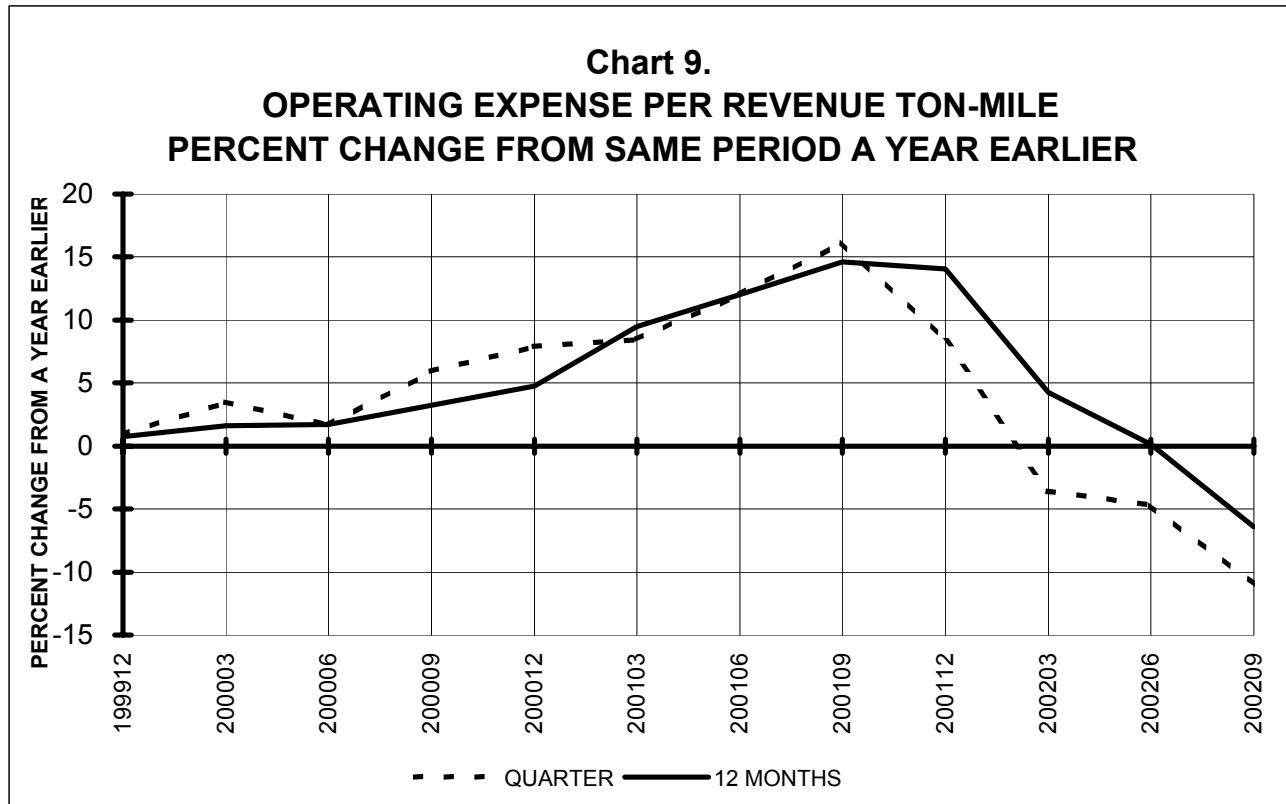
TOTAL ALL MAJORS (SYSTEM) BY 12-MONTH ENDING PERIODS



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



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



QUARTERLY FINANCIAL & TRAFFIC REVIEW
SYSTEM OPERATIONS
TOTAL PASSENGER MAJORS

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2002/09	2001/09	2002/09	2002/06	2002/03	2001/12	2001/09
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	20,243.7	21,288.1	75,460.6	76,505.0	80,457.9	85,590.0	93,148.6
2	Operating Expenses	22,636.9	25,466.3	86,672.9	89,502.3	92,632.3	95,859.4	98,833.4
3	Operating Profit (Loss)	-2,393.2	-4,178.2	-11,212.2	-12,997.3	-12,174.4	-10,269.4	-5,684.8
4	Net Income (Loss)	-2,622.4	-2,368.2	-10,774.9	-10,520.7	-9,752.7	-7,354.0	-4,306.5
<u>TRAFFIC: (Billions)</u>								
5	RPMs - Scheduled Rev. Svc.	159.6	161.7	573.4	575.4	592.8	609.1	640.6
6	ASMs - Scheduled Rev. Svc.	215.9	223.3	805.4	812.8	837.4	866.7	900.2
7	Overall RTMs (All Svc.)	18.4	18.6	66.9	67.1	69.1	71.2	75.2
8	Overall ATMs (All Svc.)	33.0	33.9	123.0	123.9	127.3	131.1	135.6
<u>YIELD & UNIT COST & PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	110.0	114.2	112.9	114.0	116.5	120.2	123.9
10	Operating Expense per RTM	123.0	136.7	129.6	133.4	134.1	134.7	131.4
11	Operating Profit (Loss) per RTM	-13.0	-22.4	-16.8	-19.4	-17.6	-14.4	-7.6
12	Operating Expense per ATM	68.7	75.0	70.5	72.2	72.8	73.1	72.9
13	Passenger Revenue per RPM	11.02	11.51	11.44	11.58	11.86	12.30	12.76
<u>FINANCIAL RATIOS:</u>								
14	Operating Revenues to Total Investment	*	*	1.05	1.06	1.13	1.23	1.39
15	Times Interest Earned	*	*	-4.07	-2.54	-2.55	-2.39	-1.43
16	Current Assets to Current Liabilities	*	*	0.77	0.81	0.79	0.78	0.76
17	No. of Days Cash Coverage of Cash Exp.	*	*	60.15	62.93	57.05	61.61	57.94
<u>FINANCIAL PERCENTAGES:</u>								
18	Operating Profit (Loss) to Operating Revenue	-11.8	-19.6	-14.9	-17.0	-15.1	-12.0	-6.1
19	Net Income to Stockholders Equity	*	*	-46.4	-41.5	-36.2	-25.9	-14.3
20	Corporate Return on Investment	*	*	-11.1	-11.0	-10.3	-7.4	-3.5
21	Debt to Total Investment	*	*	73.4	69.1	67.2	65.6	60.7
<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>								
22	Actual	73.9	72.4	71.2	70.8	70.8	70.3	71.2
23	Breakeven	86.9	92.0	86.2	87.6	85.9	82.7	78.5
<u>Employment & Productivity:</u>								
24	Employment, Total Weighted Avg CY	406,288	440,282	401,133	409,632	421,538	431,397	439,341
25	Overall RTM's per Employee (000)	45.3	42.3	166.7	163.8	163.9	165.0	171.2

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	-4.9	-18.0	-19.0	-21.8	-18.7	-12.9	-3.4
27	Operating Expenses (%)	-11.1	6.1	-12.3	-8.1	-2.5	3.4	9.6
28	Operating Profit (Loss) (in Millions \$)	1,785.1	-6,140.7	-5,527.5	-13,453.2	-16,166.5	-15,829.1	-11,907.7
29	Net Income (Loss)(in Millions \$)	-254.2	-3,130.9	-6,468.4	-9,345.1	-10,976.2	-9,503.8	-7,331.4
30	RPMs (Sch. Svc.) (%)	-1.3	-8.4	-10.5	-12.2	-9.7	-6.8	-1.2
31	ASMs (Sch. Svc.) (%)	-3.3	-4.1	-10.5	-10.6	-7.2	-3.5	0.9
32	Operating Revenues per RTM (%)	-3.7	-9.0	-8.9	-9.9	-8.7	-5.2	-1.1
33	Operating Expense per RTM (%)	-10.0	17.8	-1.3	5.9	9.6	12.5	12.2
34	Passenger Revenue per RPM (Sch. Svc.)(%)	-4.3	-11.5	-10.3	-11.8	-11.1	-7.6	-3.0

QUARTERLY FINANCIAL & TRAFFIC REVIEW
DOMESTIC OPERATIONS
TOTAL PASSENGER MAJORS

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2002/09	2001/09	2002/09	2002/06	2002/03	2001/12	2001/09
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	14,763.7	15,592.8	57,043.6	57,872.7	60,976.0	64,918.1	70,539.3
2	Operating Expenses	17,110.9	18,968.4	66,336.7	68,194.2	70,613.8	72,984.8	75,054.8
3	Operating Profit (Loss)	-2,347.3	-3,375.6	-9,293.1	-10,321.4	-9,637.8	-8,066.7	-4,515.5
4	Net Income (Loss)	-2,390.4	-2,092.0	-9,047.1	-8,748.7	-8,108.7	-6,240.3	-3,687.0
<u>TRAFFIC: (Billions)</u>								
5	RPMS - Scheduled Rev. Svc.	113.91	114.22	416.43	416.73	427.83	438.94	458.70
6	ASMs - Scheduled Rev. Svc.	158.15	161.68	595.14	598.67	614.22	633.27	655.91
7	Overall RTMs (All Svc.)	12.14	12.24	44.68	44.78	46.06	47.37	49.74
8	Overall ATMs (All Svc.)	22.22	22.49	83.75	84.02	85.85	88.00	90.67
<u>YIELD & UNIT COST & PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	121.6	127.4	127.7	129.2	132.4	137.0	141.8
10	Operating Expense per RTM	141.0	155.0	148.5	152.3	153.3	154.1	150.9
11	Operating Profit (Loss) per RTM	-19.3	-27.6	-20.8	-23.0	-20.9	-17.0	-9.1
12	Operating Expense per ATM	77.0	84.3	79.2	81.2	82.3	82.9	82.8
13	Passenger Revenue per RPM	11.36	12.12	12.07	12.28	12.66	13.16	13.72
<u>FINANCIAL RATIOS:</u>								
14	Operating Revenues to Total Investment	*	*	**	**	**	**	**
15	Times Interest Earned	*	*	**	**	**	**	**
16	Current Assets to Current Liabilities	*	*	**	**	**	**	**
17	No. of Days Cash Coverage of Cash Exp.	*	*	**	**	**	**	**
<u>FINANCIAL PERCENTAGES:</u>								
18	Operating Profit (Loss) to Operating Revenue	-15.9	-21.6	-16.3	-17.8	-15.8	-12.4	-6.4
19	Net Income to Stockholders Equity	*	*	**	**	**	**	**
20	Corporate Return on Investment	*	*	-12.5	-11.4	-10.9	-8.2	-4.0
21	Debt to Total Investment	*	*	**	**	**	**	**
<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>								
22	Actual	72.0	70.6	70.0	69.6	69.7	69.3	69.9
23	Breakeven	87.9	91.1	85.6	86.4	84.7	81.6	77.1
<u>Employment & Productivity:</u>								
24	Employment, Total Weighted Avg CY	*	*	**	**	**	**	**
25	Overall RTM's per Employee (000)	*	*	**	**	**	**	**

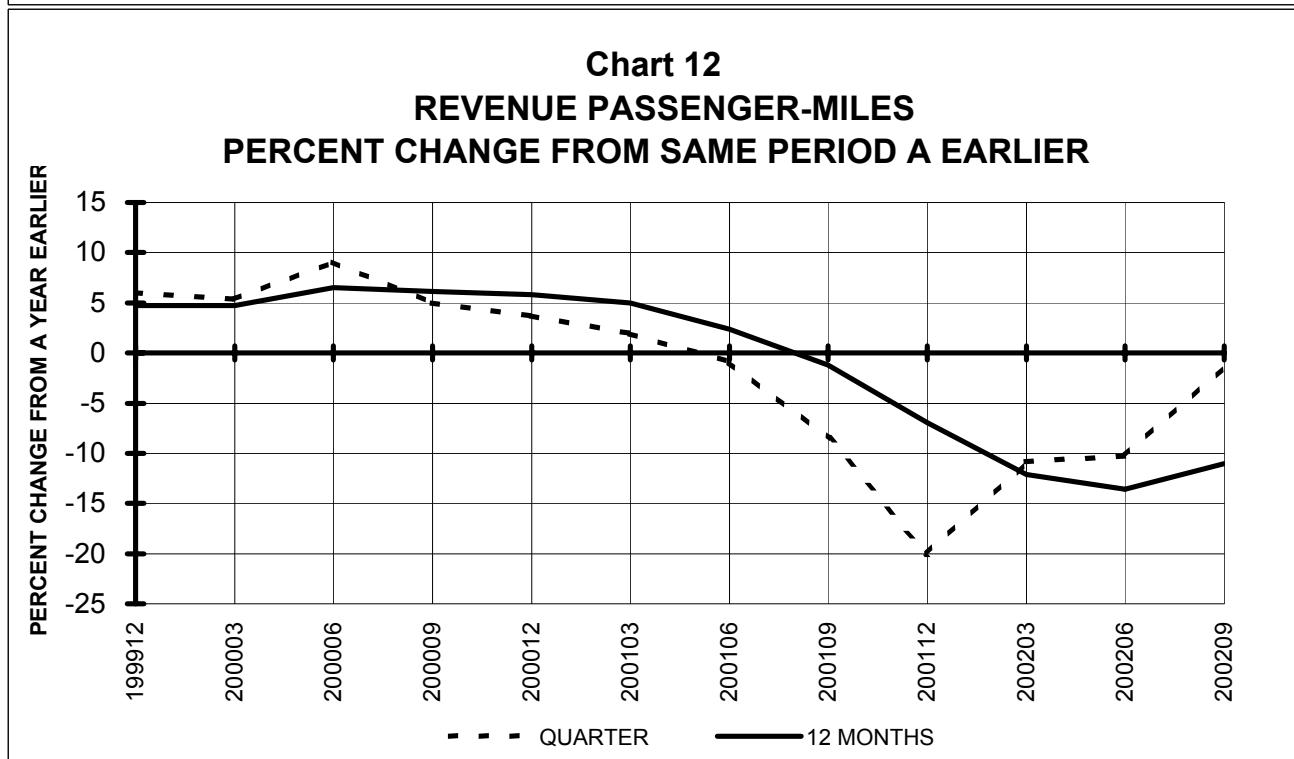
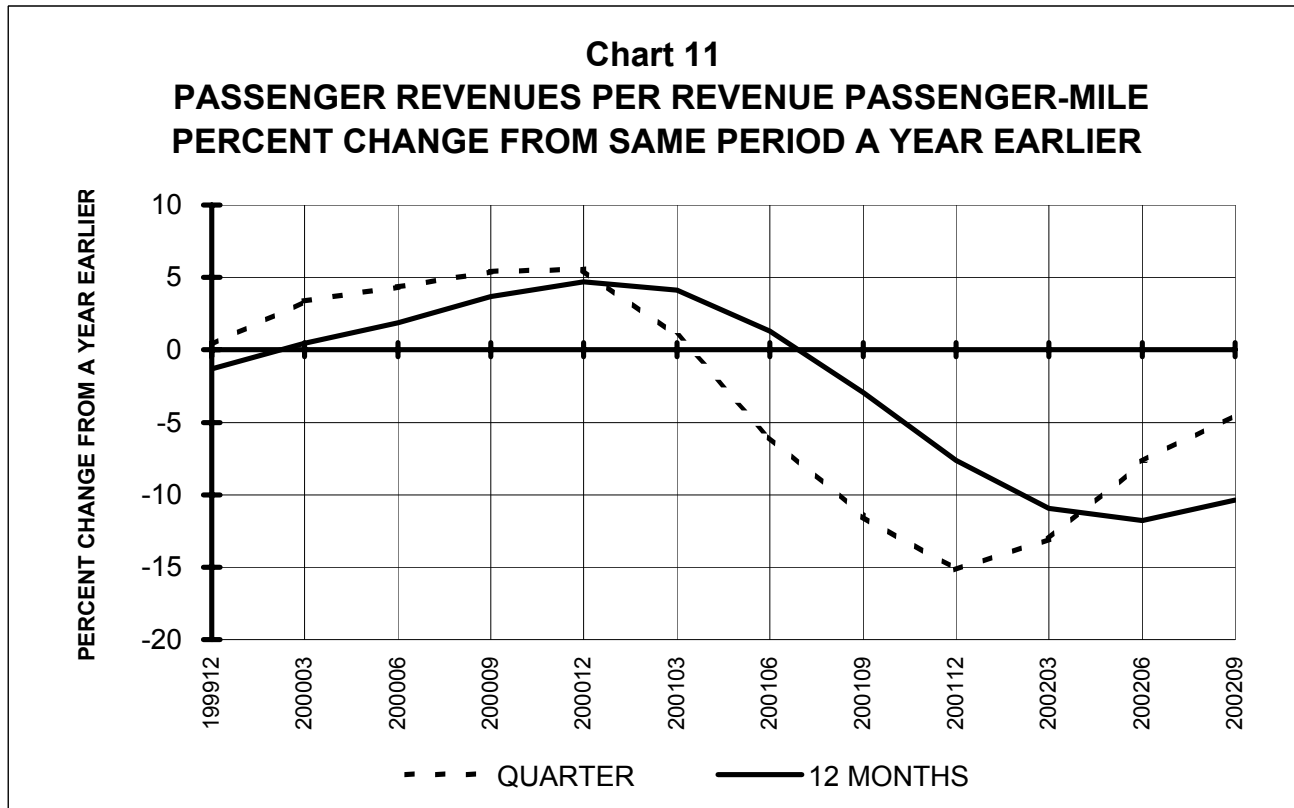
		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	-5.3	-19.2	-19.1	-22.0	-19.1	-13.6	-4.4
27	Operating Expenses (%)	-9.8	5.1	-11.6	-8.0	-2.2	3.5	9.3
28	Operating Profit (Loss) (in Millions \$)	1,028.4	-4,629.4	-4,777.6	-10,435.3	-12,801.9	-12,637.6	-9,608.7
29	Net Income (Loss)(in Millions \$)	-298.4	-2,502.3	-5,360.1	-7,564.0	-9,009.9	-8,029.4	-6,336.5
30	RPMS (Sch. Svc.) (%)	-0.3	-8.2	-9.2	-11.1	-9.1	-6.7	-2.0
31	ASMs (Sch. Svc.) (%)	-2.2	-4.1	-9.3	-9.7	-6.7	-3.6	0.0
32	Operating Revenues per RTM (%)	-4.5	-10.9	-10.0	-11.2	-9.9	-6.2	-1.5
33	Operating Expense per RTM (%)	-9.0	15.9	-1.6	4.8	8.9	12.2	12.6
34	Passenger Revenue per RPM (Sch. Svc.)(%)	-6.2	-13.0	-12.0	-13.3	-12.2	-8.5	-3.1

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

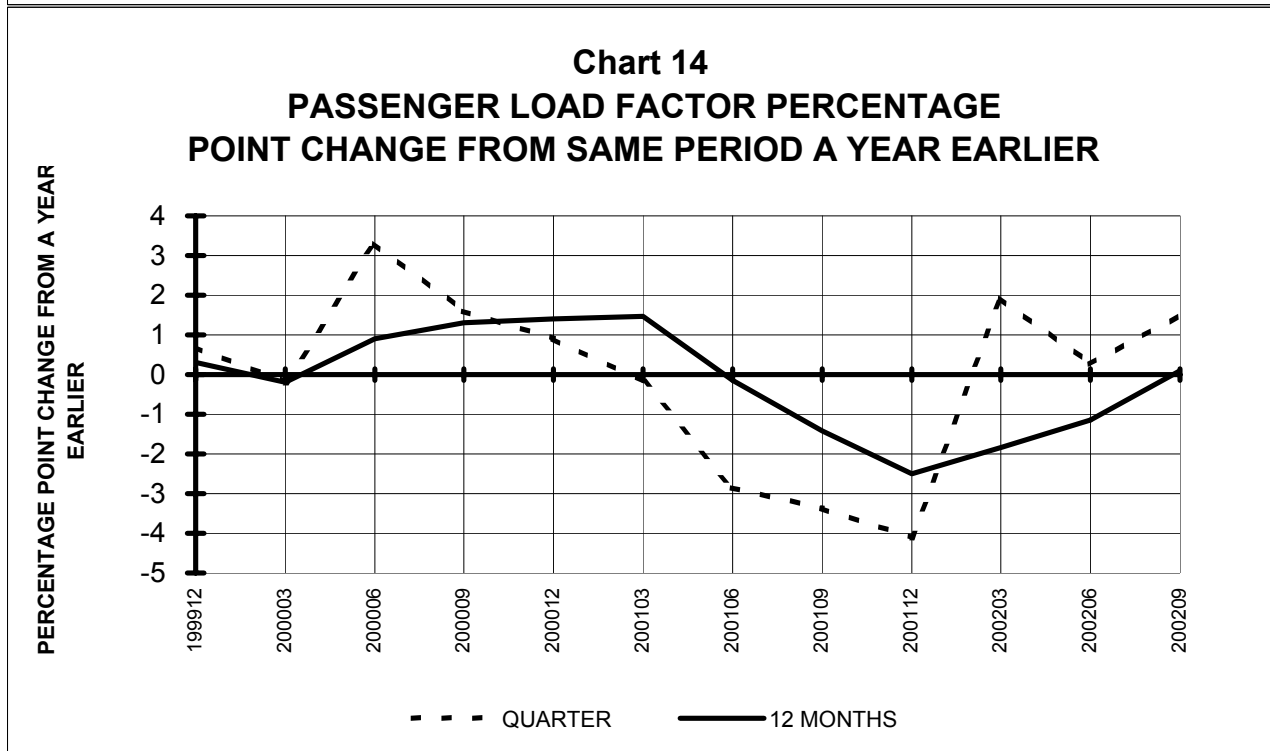
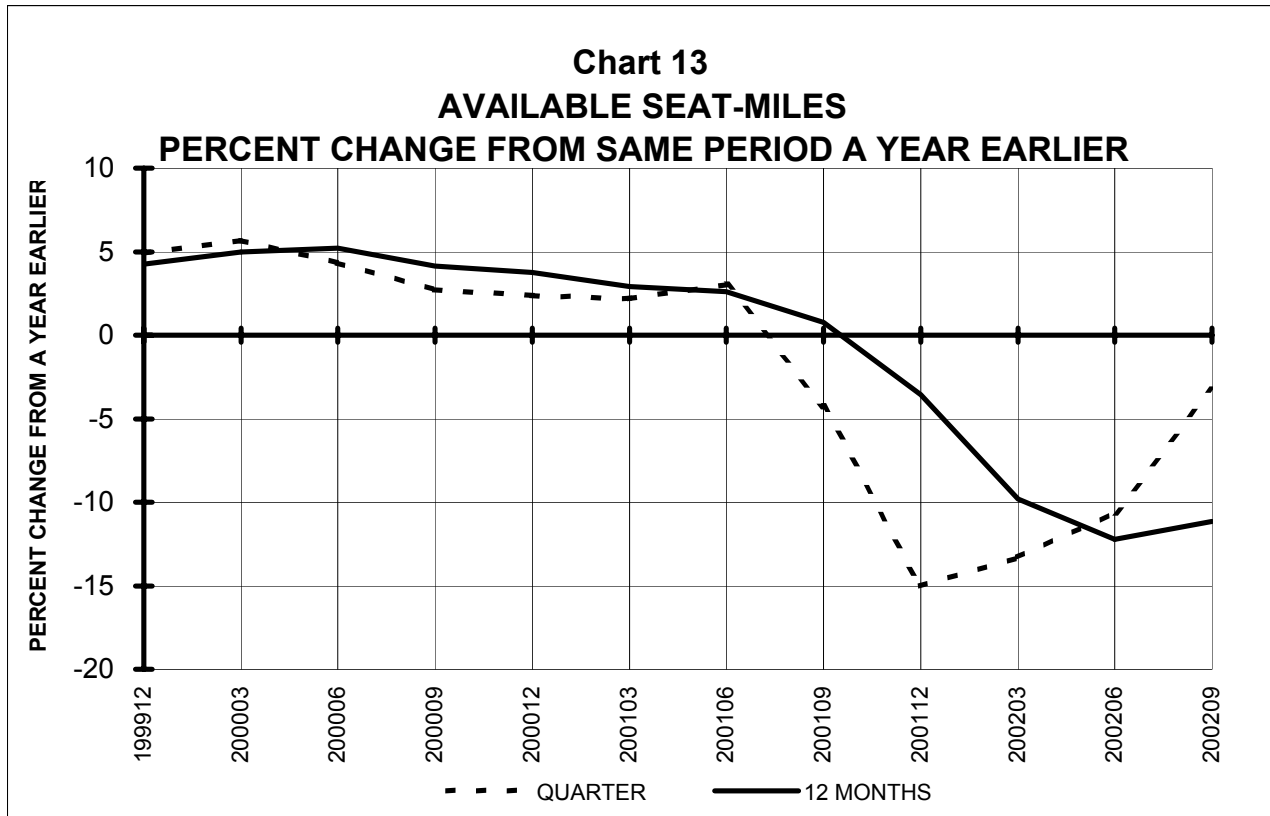
ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2002/09	2001/09	2002/09	2002/06	2002/03	2001/12	2001/09
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	5,480.1	5,695.3	18,417.0	18,632.2	19,481.8	20,672.0	22,609.3
2	Operating Expenses	5,526.0	6,497.9	20,336.2	21,308.1	22,018.4	22,874.6	23,778.6
3	Operating Profit (Loss)	-45.9	-802.6	-1,919.2	-2,675.9	-2,536.6	-2,202.7	-1,169.2
4	Net Income (Loss)	-232.0	-276.2	-1,727.8	-1,772.0	-1,644.0	-1,113.7	-619.5
<u>TRAFFIC: (Billions)</u>								
5	RPMs - Scheduled Rev. Svc.	45.70	47.45	156.95	158.70	164.97	170.11	181.85
6	ASMs - Scheduled Rev. Svc.	57.71	61.59	210.26	214.14	223.17	233.38	244.24
7	Overall RTMs (All Svc.)	6.26	6.39	22.18	22.31	23.03	23.82	25.47
8	Overall ATMs (All Svc.)	10.75	11.44	39.20	39.89	41.44	43.08	44.88
<u>YIELD & UNIT COST & PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	87.5	89.1	83.0	83.5	84.6	86.8	88.8
10	Operating Expense per RTM	88.2	101.6	91.7	95.5	95.6	96.0	93.4
11	Operating Profit (Loss) per RTM	-0.7	-12.6	-8.7	-12.0	-11.0	-9.2	-4.6
12	Operating Expense per ATM	51.4	56.8	51.9	53.4	53.1	53.1	53.0
13	Passenger Revenue per RPM	10.17	10.06	9.77	9.74	9.79	10.07	10.32
<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	-0.8	-14.1	-10.4	-14.4	-13.0	-10.7	-5.2
19	Net Income to Stockholders Equity	*	*	**	**	**	**	**
20	Corporate Return on Investment	*	*	-6.3	-10.0	-9.7	-5.5	-1.5
21	Debt to Total Investment	*	*	**	**	**	**	**
<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>								
22	Actual	79.2	77.0	74.6	74.1	73.9	72.9	74.5
23	Breakeven	82.9	93.5	87.4	90.5	88.9	85.5	82.3
<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 (%)	-3.8	-14.7	-18.5	-21.0	-17.5	-10.8	-0.1
27	Operating Expenses (%)	-15.0	8.9	-14.5	-8.4	-3.4	3.1	10.6
28	Operating Profit (Loss) (in Millions \$)	756.7	-1,511.3	-749.9	-3,018.0	-3,364.6	-3,191.5	-2,299.0
29	Net Income (Loss)(in Millions \$)	44.2	-628.5	-1,108.3	-1,781.0	-1,966.3	-1,474.4	-994.9
30	RPMs (Sch. Svc.) (%)	-3.7	-8.8	-13.7	-14.9	-11.2	-7.1	1.0
31	ASMs (Sch. Svc.) (%)	-6.3	-4.1	-13.9	-13.3	-8.5	-3.0	3.3
32	Operating Revenues per RTM (%)	-1.8	-4.1	-6.5	-7.0	-5.7	-2.2	1.1
33	Operating Expense per RTM (%)	-13.2	22.5	-1.8	7.9	10.5	13.0	11.9
34	Passenger Revenue per RPM (Sch. Svc.)(%)	1.1	-7.1	-5.3	-7.4	-7.9	-4.7	-1.6

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

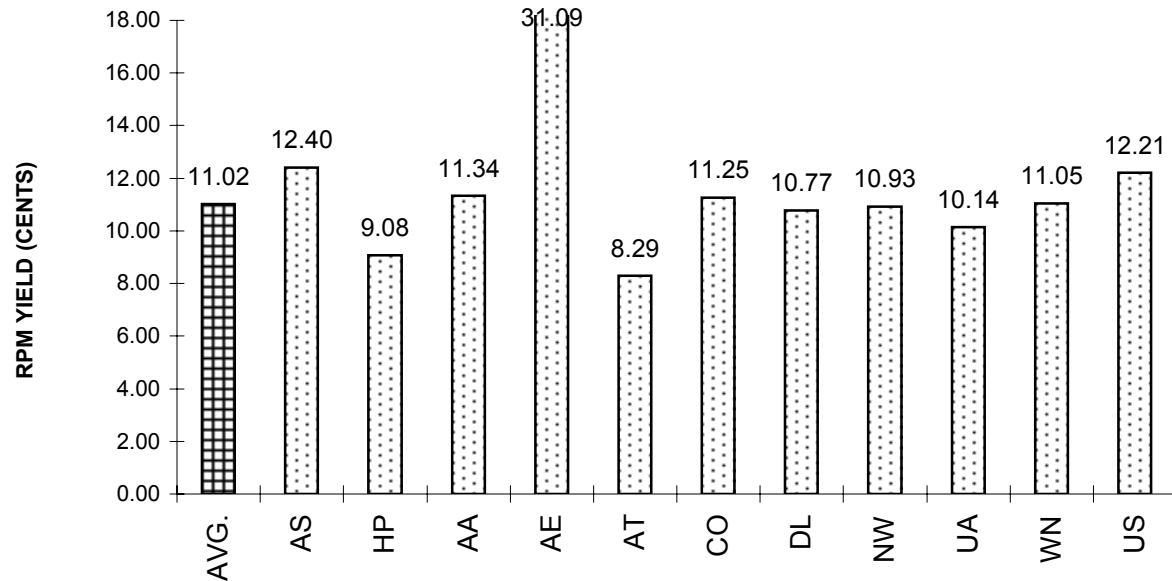


**TOTAL PASSENGER MAJORS (SYSTEM)
QUARTERLY AND 12-MONTH BASIS (SCH. SVC.)**

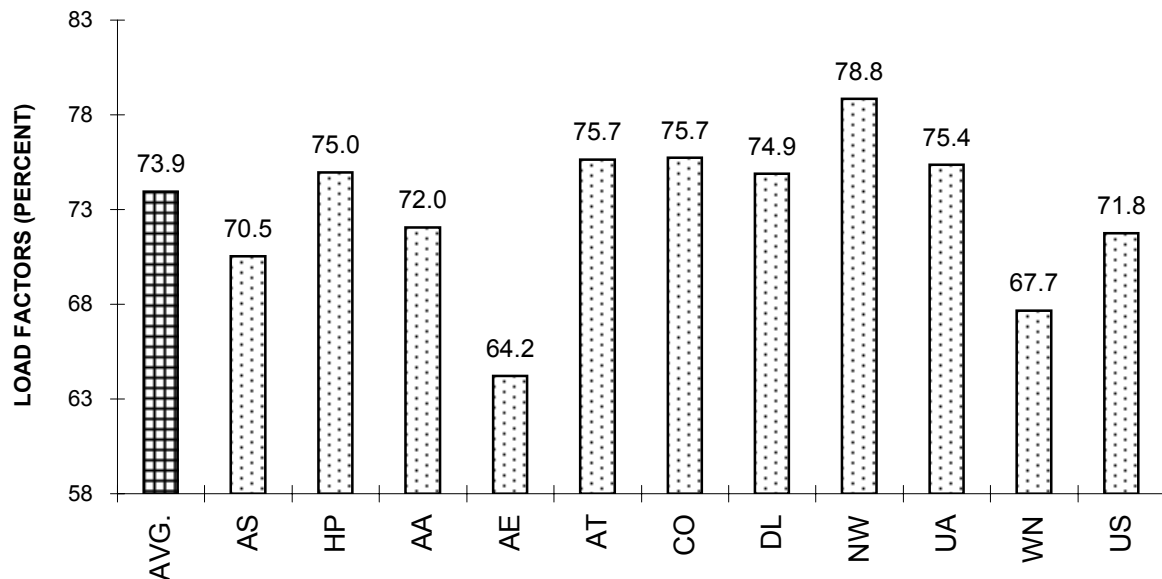


TOTAL PASSENGER MAJORS (SYSTEM) THIRD QUARTER 2002 (SCH. SVC.)

**Chart 15
PASSENGER (RPM) YIELD**



**Chart 16
PASSENGER LOAD FACTOR**



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

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2002/09	2001/09	2002/09	2002/06	2002/03	2001/12	2001/09
	<u>FINANCIAL RESULTS: (\$Millions)</u>							
1	Operating Revenues	511.5	484.4	1,786.0	1,758.9	1,754.8	1,763.1	1,810.9
2	Operating Expenses	494.1	467.9	1,874.9	1,848.6	1,829.7	1,827.8	1,854.3
3	Operating Profit (Loss)	17.4	16.5	-88.9	-89.8	-74.9	-64.8	-43.4
4	Net Income (Loss)	7.2	21.2	-38.8	-24.8	-16.7	-10.1	-18.2
	<u>TRAFFIC: (Billions)</u>							
5	RPMs - Scheduled Rev. Svc.	3.67	3.33	12.74	12.39	12.31	12.23	12.40
6	ASMs - Scheduled Rev. Svc.	5.20	4.68	18.69	18.17	17.92	17.88	18.16
7	Overall RTMs (All Svc.)	0.39	0.35	1.34	1.30	1.29	1.29	1.31
8	Overall ATMs (All Svc.)	0.68	0.61	2.45	2.38	2.35	2.34	2.37
	<u>YIELD & UNIT COST & PROFITS: (Cents)</u>							
9	Operating Revenue per RTM	132.7	138.9	133.3	135.0	135.5	136.8	138.7
10	Operating Expense per RTM	128.2	134.1	139.9	141.8	141.3	141.9	142.0
11	Operating Profit (Loss) per RTM	4.5	4.7	-6.6	-6.9	-5.8	-5.0	-3.3
12	Operating Expense per ATM	72.9	76.6	76.6	77.7	77.9	78.1	78.2
13	Passenger Revenue per RPM	12.40	12.94	12.39	12.53	12.62	12.80	13.03
	<u>FINANCIAL RATIOS:</u>							
14	Operating Revenues to Total Investment	*	*	1.12	1.13	1.18	1.21	1.33
15	Times Interest Earned	*	*	-0.22	0.23	0.47	0.68	0.11
16	Current Assets to Current Liabilities	*	*	1.34	1.34	1.30	1.29	1.44
17	No. of Days Cash Coverage of Cash Exp.	*	*	137.3	148.5	131.3	139.8	138.6
	<u>FINANCIAL PERCENTAGES:</u>							
18	Operating Profit (Loss) to Operating Revenue	3.4	3.4	-5.0	-5.1	-4.3	-3.7	-2.4
19	Net Income to Stockholders Equity	*	*	-5.6	-3.6	-2.4	-1.5	-2.7
20	Corporate Return on Investment	*	*	0.5	1.4	1.9	2.3	1.4
21	Debt to Total Investment	*	*	55.7	58.5	57.5	56.8	56.2
	<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>							
22	Actual	70.5	71.0	68.2	68.2	68.7	68.4	68.3
23	Breakeven	71.7	71.1	76.3	76.2	75.6	74.6	73.1
	<u>Employment & Productivity:</u>							
24	Employment, Total Weighted Avg CY	9,635	9,592	9,356	9,345	9,405	9,441	9,384
25	Overall RTM's per Employee (000)	40.0	36.4	143.2	139.5	137.7	136.5	139.2

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	5.6	-0.6	-1.4	-3.0	-1.7	0.2	4.2
27	Operating Expenses (%)	5.6	3.2	1.1	0.5	0.8	3.1	9.6
28	Operating Profit (Loss) (in Millions \$)	0.9	-17.2	-45.5	-63.6	-45.8	-52.4	-89.4
29	Net Income (Loss)(in Millions \$)	-14.0	3.9	-20.6	-2.7	4.1	54.2	8.3
30	RPMs (Sch. Svc.) (%)	10.4	3.1	2.7	0.8	2.1	2.1	4.1
31	ASMs (Sch. Svc.) (%)	11.1	4.3	2.9	1.1	2.4	3.4	5.4
32	Operating Revenues per RTM (%)	-4.5	-3.1	-3.9	-3.5	-3.4	-1.6	0.5
33	Operating Expense per RTM (%)	-4.4	0.5	-1.4	0.0	-0.9	1.3	5.7
34	Passenger Revenue per RPM (Sch. Svc.)(%)	-4.2	-5.1	-4.9	-5.1	-5.0	-2.8	0.6

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

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2002/09	2001/09	2002/09	2002/06	2002/03	2001/12	2001/09
	<u>FINANCIAL RESULTS: (\$Millions)</u>							
1	Operating Revenues	512.3	482.4	1,898.5	1,868.6	1,910.8	2,035.5	2,208.0
2	Operating Expenses	554.6	583.3	2,201.4	2,230.2	2,327.2	2,355.6	2,463.0
3	Operating Profit (Loss)	-42.2	-100.9	-302.9	-361.6	-416.4	-320.1	-255.0
4	Net Income (Loss)	-32.3	-31.1	-440.7	-439.4	-472.7	-148.4	-131.0
	<u>TRAFFIC: (Billions)</u>							
5	RPMs - Scheduled Rev. Svc.	5.35	4.95	18.81	18.42	18.44	19.06	19.76
6	ASMs - Scheduled Rev. Svc.	7.13	6.69	25.92	25.48	25.53	26.50	27.53
7	Overall RTMs (All Svc.)	0.55	0.51	1.95	1.91	1.92	1.98	2.06
8	Overall ATMs (All Svc.)	0.94	0.88	3.43	3.36	3.36	3.47	3.59
	<u>YIELD & UNIT COST & PROFITS: (Cents)</u>							
9	Operating Revenue per RTM	92.9	94.1	97.3	97.7	99.6	102.6	107.2
10	Operating Expense per RTM	100.6	113.7	112.8	116.6	121.4	118.8	119.6
11	Operating Profit (Loss) per RTM	-7.7	-19.7	-15.5	-18.9	-21.7	-16.1	-12.4
12	Operating Expense per ATM	58.7	66.3	64.2	66.3	69.3	67.8	68.6
13	Passenger Revenue per RPM	9.08	9.30	9.58	9.65	9.86	10.14	10.61
	<u>FINANCIAL RATIOS:</u>							
14	Operating Revenues to Total Investment	*	*	1.60	1.60	1.66	1.80	1.94
15	Times Interest Earned	*	*	-3.35	-3.85	-6.35	-5.60	-5.41
16	Current Assets to Current Liabilities	*	*	1.14	1.27	1.26	0.86	0.97
17	No. of Days Cash Coverage of Cash Exp.	*	*	71.1	81.3	67.9	23.9	21.2
	<u>FINANCIAL PERCENTAGES:</u>							
18	Operating Profit (Loss) to Operating Revenue	-8.2	-20.9	-16.0	-19.4	-21.8	-15.7	-11.5
19	Net Income to Stockholders Equity	*	*	-79.4	-68.5	-64.7	-18.1	-15.2
20	Corporate Return on Investment	*	*	-31.3	-32.5	-37.1	-10.1	-8.8
21	Debt to Total Investment	*	*	65.1	64.1	66.5	31.8	37.6
	<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>							
22	Actual	75.0	74.0	72.6	72.3	72.2	71.9	71.8
23	Breakeven	84.9	94.3	88.7	91.1	92.9	87.2	83.4
	<u>Employment & Productivity:</u>							
24	Employment, Total Weighted Avg CY	10,381	11,001	10,038	10,193	10,480	10,858	11,159
25	Overall RTM's per Employee (000)	53.1	46.6	194.4	187.7	183.0	182.7	184.5

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	6.2	-17.2	-14.0	-19.1	-18.4	-11.9	-4.0
27	Operating Expenses (%)	-4.9	-0.1	-10.6	-9.5	-2.6	1.4	11.8
28	Operating Profit (Loss) (in Millions \$)	58.7	-100.0	-48.0	-206.7	-366.5	-307.4	-351.3
29	Net Income (Loss)(in Millions \$)	-1.3	-30.3	-309.7	-338.8	-443.6	-147.9	-202.9
30	RPMs (Sch. Svc.) (%)	8.0	-1.4	-4.8	-7.1	-6.2	-0.2	4.5
31	ASMs (Sch. Svc.) (%)	6.6	-2.7	-5.8	-8.1	-7.7	-2.1	3.0
32	Operating Revenues per RTM (%)	-1.2	-16.0	-9.3	-12.5	-12.8	-11.4	-7.8
33	Operating Expense per RTM (%)	-11.5	1.3	-5.7	-2.2	4.0	2.0	7.3
34	Passenger Revenue per RPM (Sch. Svc.)(%)	-2.3	-14.8	-9.7	-12.4	-12.5	-10.9	-7.0

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

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2002/09	2001/09	2002/09	2002/06	2002/03	2001/12	2001/09
	<u>FINANCIAL RESULTS: (\$Millions)</u>							
1	Operating Revenues	4,127.3	4,454.5	15,102.1	14,776.3	15,069.0	18,271.6	20,088.7
2	Operating Expenses	5,378.9	5,706.1	18,515.5	18,010.4	18,354.2	21,332.9	22,297.3
3	Operating Profit (Loss)	-1,251.6	-1,251.5	-3,413.5	-3,234.1	-3,285.1	-3,061.3	-2,208.5
4	Net Income (Loss)	-850.9	-289.9	-3,302.6	-2,742.5	-2,693.9	-1,729.3	-1,150.9
	<u>TRAFFIC: (Billions)</u>							
5	RPMs - Scheduled Rev. Svc.	33.07	33.52	114.30	109.38	107.50	126.91	135.39
6	ASMs - Scheduled Rev. Svc.	45.90	46.86	163.95	156.96	154.02	184.32	193.27
7	Overall RTMs (All Svc.)	3.81	3.88	13.36	12.87	12.74	12.69	13.38
8	Overall ATMs (All Svc.)	7.60	7.70	27.15	26.10	25.68	25.54	26.35
	<u>YIELD & UNIT COST & PROFITS: (Cents)</u>							
9	Operating Revenue per RTM	108.4	114.8	113.1	114.8	118.3	144.0	150.1
10	Operating Expense per RTM	141.3	147.0	138.6	140.0	144.1	168.1	166.6
11	Operating Profit (Loss) per RTM	-32.9	-32.2	-25.6	-25.1	-25.8	-24.1	-16.5
12	Operating Expense per ATM	70.8	74.1	68.2	69.0	71.5	83.5	84.6
13	Passenger Revenue per RPM	11.34	11.99	12.00	12.26	12.68	12.95	13.35
	<u>FINANCIAL RATIOS:</u>							
14	Operating Revenues to Total Investment	*	*	1.09	1.11	1.10	1.45	1.67
15	Times Interest Earned	*	*	1.00	1.00	1.00	-11.07	-8.82
16	Current Assets to Current Liabilities	*	*	0.98	0.91	0.98	1.00	0.99
17	No. of Days Cash Coverage of Cash Exp.	*	*	59.4	55.3	49.0	54.1	40.3
	<u>FINANCIAL PERCENTAGES:</u>							
18	Operating Profit (Loss) to Operating Revenue	-30.3	-28.1	-22.6	-21.9	-21.8	-16.8	-11.0
19	Net Income to Stockholders Equity	*	*	-91.2	-61.7	-54.6	-27.7	-17.6
20	Corporate Return on Investment	*	*	-21.7	-18.7	-18.0	-12.4	-8.6
21	Debt to Total Investment	*	*	73.8	66.6	64.2	57.8	48.0
	<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>							
22	Actual	72.0	71.5	69.7	69.7	69.8	68.9	70.1
23	Breakeven	102.4	98.9	92.3	91.4	91.4	83.4	80.0
	<u>Employment & Productivity:</u>							
24	Employment, Total Weighted Avg CY	91,445	87,330	87,408	86,379	86,043	85,243	86,708
25	Overall RTM's per Employee (000)	41.6	38.0	152.8	149.0	148.0	148.8	154.4

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	-7.3	-23.3	-24.8	-31.1	-31.1	-15.8	-5.8
27	Operating Expenses (%)	-5.7	7.7	-17.0	-17.4	-12.8	3.1	10.0
28	Operating Profit (Loss) (in Millions \$)	-0.1	-1,756.7	-1,204.9	-2,862.6	-4,092.4	-4,071.6	-3,260.5
29	Net Income (Loss)(in Millions \$)	-561.0	-571.2	-2,151.7	-2,243.1	-2,964.8	-2,240.6	-1,664.4
30	RPMs (Sch. Svc.) (%)	-1.3	-14.5	-15.6	-22.5	-24.8	-11.7	-5.7
31	ASMs (Sch. Svc.) (%)	-2.1	-8.6	-15.2	-20.6	-22.0	-7.2	-3.2
32	Operating Revenues per RTM (%)	-5.5	-26.1	-24.7	-26.1	-24.8	-7.4	-1.8
33	Operating Expense per RTM (%)	-3.9	3.6	-16.8	-11.4	-4.9	13.4	14.7
34	Passenger Revenue per RPM (Sch. Svc.)(%)	-5.5	-10.7	-10.1	-10.5	-8.2	-5.1	-0.5

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

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2002/09	2001/09	2002/09	2002/06	2002/03	2001/12	2001/09
	<u>FINANCIAL RESULTS: (\$Millions)</u>							
1	Operating Revenues	317.4	302.7	1,159.7	1,145.0	1,198.6	1,244.0	1,309.9
2	Operating Expenses	390.3	403.9	1,301.8	1,315.3	1,467.8	1,500.0	1,500.3
3	Operating Profit (Loss)	-73.0	-101.2	-142.0	-170.3	-269.2	-255.9	-190.4
4	Net Income (Loss)	-68.8	-86.1	-169.2	-186.5	-241.8	-226.2	-186.1
	<u>TRAFFIC: (Billions)</u>							
5	RPMs - Scheduled Rev. Svc.	0.97	0.84	3.52	3.39	3.34	3.28	3.29
6	ASMs - Scheduled Rev. Svc.	1.51	1.46	5.69	5.64	5.67	5.67	5.64
7	Overall RTMs (All Svc.)	0.10	0.08	0.35	0.34	0.34	0.33	0.33
8	Overall ATMs (All Svc.)	0.18	0.17	0.68	0.66	0.66	0.66	0.65
	<u>YIELD & UNIT COST & PROFITS: (Cents)</u>							
9	Operating Revenue per RTM	324.3	358.7	327.7	336.4	357.1	377.5	396.4
10	Operating Expense per RTM	398.8	478.6	367.8	386.4	437.3	455.2	454.0
11	Operating Profit (Loss) per RTM	-74.6	-119.9	-40.1	-50.0	-80.2	-77.7	-57.6
12	Operating Expense per ATM	212.7	238.9	191.7	197.8	222.3	228.2	231.1
13	Passenger Revenue per RPM	31.09	34.63	31.52	32.41	34.47	36.43	38.38
	<u>FINANCIAL RATIOS:</u>							
14	Operating Revenues to Total Investment	*	*	0.42	0.42	0.45	0.47	0.50
15	Times Interest Earned	*	*	-1.80	-2.31	-3.86	-4.19	-3.79
16	Current Assets to Current Liabilities	*	*	0.18	0.21	0.19	0.24	0.75
17	No. of Days Cash Coverage of Cash Exp.	*	*	0.7	0.7	0.6	1.7	10.0
	<u>FINANCIAL PERCENTAGES:</u>							
18	Operating Profit (Loss) to Operating Revenue	-23.0	-33.4	-12.2	-14.9	-22.5	-20.6	-14.5
19	Net Income to Stockholders Equity	*	*	-680.1	-253.5	-199.2	-132.3	-86.7
20	Corporate Return on Investment	*	*	-2.8	-3.8	-6.2	-6.0	-4.9
21	Debt to Total Investment	*	*	102.1	99.6	99.3	98.1	96.1
	<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>							
22	Actual	64.2	57.6	61.8	60.1	59.0	57.8	58.3
23	Breakeven	81.4	79.8	70.6	70.5	74.3	71.6	68.1
	<u>Employment & Productivity:</u>							
24	Employment, Total Weighted Avg CY	7,966	8,579	7,896	8,049	8,214	8,302	8,355
25	Overall RTM's per Employee (000)	12.3	9.8	44.8	42.3	40.9	39.7	39.6

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	4.9	-9.9	-11.5	-14.8	-6.9	-0.1	9.5
27	Operating Expenses (%)	-3.4	35.1	-13.2	-5.7	19.3	26.7	34.7
28	Operating Profit (Loss) (in Millions \$)	28.2	-138.4	48.3	-118.3	-325.8	-318.0	-272.9
29	Net Income (Loss)(in Millions \$)	17.3	-92.5	16.9	-93.0	-218.5	-204.7	-187.7
30	RPMs (Sch. Svc.) (%)	15.5	0.6	6.9	3.1	5.0	4.4	7.2
31	ASMs (Sch. Svc.) (%)	3.6	7.7	0.8	1.8	6.3	10.2	13.1
32	Operating Revenues per RTM (%)	-9.6	-10.5	-17.3	-17.4	-11.3	-4.3	2.2
33	Operating Expense per RTM (%)	-16.7	34.3	-19.0	-8.6	13.6	21.4	25.7
34	Passenger Revenue per RPM (Sch. Svc.)(%)	-10.2	-10.6	-17.9	-17.8	-11.4	-4.5	2.5

QUARTERLY FINANCIAL & TRAFFIC REVIEW
SYSTEM OPERATIONS
AMERICAN TRANS AIR

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2002/09	2001/09	2002/09	2002/06	2002/03	2001/12	2001/09
	<u>FINANCIAL RESULTS: (\$Millions)</u>							
1	Operating Revenues	289.2	296.9	1,095.8	1,103.4	1,141.4	1,154.3	1,194.6
2	Operating Expenses	337.3	287.6	1,304.2	1,254.5	1,217.7	1,238.8	1,194.4
3	Operating Profit (Loss)	-48.0	9.3	-208.4	-151.1	-76.2	-84.5	0.1
4	Net Income (Loss)	-63.6	0.6	-195.7	-131.4	-69.9	-78.0	-22.3
	<u>TRAFFIC: (Billions)</u>							
5	RPMs - Scheduled Rev. Svc.	2.58	2.25	8.85	8.52	8.39	8.34	8.36
6	ASMs - Scheduled Rev. Svc.	3.41	2.86	11.90	11.34	11.04	10.84	10.90
7	Overall RTMs (All Svc.)	0.31	0.32	1.13	1.14	1.16	1.13	1.13
8	Overall ATMs (All Svc.)	0.51	0.49	1.88	1.86	1.84	1.77	1.70
	<u>YIELD & UNIT COST & PROFITS: (Cents)</u>							
9	Operating Revenue per RTM	92.9	93.0	96.5	96.5	98.8	102.4	106.1
10	Operating Expense per RTM	108.3	90.1	114.9	109.8	105.4	109.9	106.1
11	Operating Profit (Loss) per RTM	-15.4	2.9	-18.4	-13.2	-6.6	-7.5	0.0
12	Operating Expense per ATM	66.4	58.8	69.5	67.6	66.1	69.9	70.3
13	Passenger Revenue per RPM	8.29	8.76	8.71	8.85	9.17	9.33	9.54
	<u>FINANCIAL RATIOS:</u>							
14	Operating Revenues to Total Investment	*	*	2.21	2.00	1.95	2.00	2.01
15	Times Interest Earned	*	*	-6.99	-4.98	-2.87	-3.34	-0.20
16	Current Assets to Current Liabilities	*	*	0.76	0.86	0.88	1.02	0.93
17	No. of Days Cash Coverage of Cash Exp.	*	*	37.8	54.0	50.7	67.7	55.5
	<u>FINANCIAL PERCENTAGES:</u>							
18	Operating Profit (Loss) to Operating Revenue	-16.6	3.1	-19.0	-13.7	-6.7	-7.3	0.0
19	Net Income to Stockholders Equity	*	*	#	-363.2	-110.1	-96.6	-22.2
20	Corporate Return on Investment	*	*	-33.1	-18.2	-7.3	-8.8	0.7
21	Debt to Total Investment	*	*	130.9	110.7	98.3	94.9	86.8
	<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>							
22	Actual	75.7	78.7	74.4	75.1	76.0	76.9	76.7
23	Breakeven	94.5	74.6	96.8	91.8	84.3	86.2	77.5
	<u>Employment & Productivity:</u>							
24	Employment, Total Weighted Avg CY	6,363	6,775	6,385	6,488	6,610	6,792	6,987
25	Overall RTM's per Employee (000)	48.9	47.1	177.8	176.2	174.8	166.0	161.1

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	-2.6	-8.4	-8.3	-9.7	-5.0	-2.4	4.4
27	Operating Expenses (%)	17.3	-5.9	9.2	3.5	2.5	6.5	8.7
28	Operating Profit (Loss) (in Millions \$)	-57.3	-9.3	-208.5	-160.6	-90.6	-103.9	-45.6
29	Net Income (Loss)(in Millions \$)	-64.3	-6.7	-173.4	-115.9	-58.2	-72.5	-33.6
30	RPMs (Sch. Svc.) (%)	14.9	18.1	5.9	6.2	8.0	11.3	15.0
31	ASMs (Sch. Svc.) (%)	19.5	14.9	9.1	7.7	8.5	10.6	16.1
32	Operating Revenues per RTM (%)	-0.1	-26.0	-9.0	-15.9	-17.2	-14.3	-9.3
33	Operating Expense per RTM (%)	20.2	-24.0	8.3	-3.7	-10.6	-6.4	-5.6
34	Passenger Revenue per RPM (Sch. Svc.)(%)	-5.4	-15.5	-8.7	-11.1	-7.9	-6.9	-3.5

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

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2002/09	2001/09	2002/09	2002/06	2002/03	2001/12	2001/09
	<u>FINANCIAL RESULTS: (\$Millions)</u>							
1	Operating Revenues	2,020.9	2,076.5	7,440.3	7,496.0	7,861.9	8,422.6	9,204.8
2	Operating Expenses	2,013.4	2,247.0	8,133.6	8,367.2	8,478.6	8,702.4	9,033.2
3	Operating Profit (Loss)	7.5	-170.4	-693.3	-871.2	-616.7	-279.8	171.6
4	Net Income (Loss)	-23.5	27.4	-469.8	-418.9	-236.0	-48.4	154.3
	<u>TRAFFIC: (Billions)</u>							
5	RPMs - Scheduled Rev. Svc.	15.94	16.27	58.24	58.57	60.19	61.49	64.33
6	ASMs - Scheduled Rev. Svc.	21.04	22.09	78.86	79.90	82.20	84.96	88.47
7	Overall RTMs (All Svc.)	1.83	1.85	6.72	6.73	6.90	7.08	7.45
8	Overall ATMs (All Svc.)	2.78	2.84	10.36	10.43	10.66	10.99	11.47
	<u>YIELD & UNIT COST & PROFITS: (Cents)</u>							
9	Operating Revenue per RTM	110.2	112.5	110.8	111.4	113.9	119.0	123.5
10	Operating Expense per RTM	109.8	121.8	121.1	124.4	122.8	122.9	121.2
11	Operating Profit (Loss) per RTM	0.4	-9.2	-10.3	-12.9	-8.9	-4.0	2.3
12	Operating Expense per ATM	72.5	79.1	78.5	80.2	79.5	79.2	78.7
13	Passenger Revenue per RPM	11.25	11.54	11.48	11.56	11.81	12.29	12.74
	<u>FINANCIAL RATIOS:</u>							
14	Operating Revenues to Total Investment	*	*	1.19	1.12	1.19	1.47	1.61
15	Times Interest Earned	*	*	-1.48	1.00	1.00	1.00	1.00
16	Current Assets to Current Liabilities	*	*	0.75	0.71	0.67	0.64	0.69
17	No. of Days Cash Coverage of Cash Exp.	*	*	54.9	54.4	49.9	46.7	47.6
	<u>FINANCIAL PERCENTAGES:</u>							
18	Operating Profit (Loss) to Operating Revenue	0.4	-8.2	-9.3	-11.6	-7.8	-3.3	1.9
19	Net Income to Stockholders Equity	*	*	-41.3	-36.1	-20.4	-4.1	12.2
20	Corporate Return on Investment	*	*	-2.6	-2.0	0.4	3.5	6.5
21	Debt to Total Investment	*	*	83.2	82.7	84.4	79.8	78.0
	<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>							
22	Actual	75.7	73.7	73.9	73.3	73.2	72.4	72.7
23	Breakeven	74.8	80.6	80.8	82.2	79.2	75.4	72.2
	<u>Employment & Productivity:</u>							
24	Employment, Total Weighted Avg CY	33,812	36,585	32,541	33,235	34,379	35,448	36,511
25	Overall RTM's per Employee (000)	54.2	47.8	206.4	191.8	190.8	190.0	194.3

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	-2.7	-18.7	-19.2	-22.6	-19.7	-12.6	-2.0
27	Operating Expenses (%)	-10.4	-2.6	-10.0	-8.0	-6.5	-3.2	1.9
28	Operating Profit (Loss) (in Millions \$)	177.9	-417.0	-864.9	-1,459.9	-1,338.2	-933.0	-348.9
29	Net Income (Loss)(in Millions \$)	-50.9	-122.6	-624.1	-695.8	-615.6	-422.4	-333.0
30	RPMs (Sch. Svc.) (%)	-2.1	-7.9	-9.5	-10.9	-8.0	-5.9	-1.1
31	ASMs (Sch. Svc.) (%)	-4.7	-2.9	-10.9	-10.4	-6.6	-3.0	1.4
32	Operating Revenues per RTM (%)	-2.0	-9.6	-10.3	-11.9	-10.8	-5.4	0.6
33	Operating Expense per RTM (%)	-9.8	8.2	-0.1	4.7	3.8	4.9	4.5
34	Passenger Revenue per RPM (Sch. Svc.)(%)	-2.5	-9.5	-9.9	-11.4	-10.4	-5.4	0.3

1/ Includes financial and traffic data for Continental Micronesia.

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

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2002/09	2001/09	2002/09	2002/06	2002/03	2001/12	2001/09
	<u>FINANCIAL RESULTS: (\$Millions)</u>							
1	Operating Revenues	3,189.7	3,257.7	12,011.5	12,079.6	12,565.3	13,211.2	14,251.4
2	Operating Expenses	3,414.9	3,568.3	13,360.4	13,513.9	13,820.0	14,183.2	14,533.1
3	Operating Profit (Loss)	-225.2	-310.6	-1,348.9	-1,434.3	-1,254.7	-972.0	-281.8
4	Net Income (Loss)	-342.2	-237.8	-1,648.8	-1,544.4	-1,367.6	-1,107.1	-439.5
	<u>TRAFFIC: (Billions)</u>							
5	RPMs - Scheduled Rev. Svc.	25.62	25.89	92.56	92.83	95.41	97.60	102.35
6	ASMs - Scheduled Rev. Svc.	34.20	36.08	131.27	133.15	137.12	141.28	145.66
7	Overall RTMs (All Svc.)	2.92	2.96	10.69	10.74	11.02	11.33	11.94
8	Overall ATMs (All Svc.)	5.30	5.51	20.17	20.38	20.91	21.49	22.09
	<u>YIELD & UNIT COST & PROFITS: (Cents)</u>							
9	Operating Revenue per RTM	109.3	109.9	112.3	112.5	114.0	116.6	119.4
10	Operating Expense per RTM	117.1	120.4	125.0	125.9	125.4	125.2	121.8
11	Operating Profit (Loss) per RTM	-7.7	-10.5	-12.6	-13.4	-11.4	-8.6	-2.4
12	Operating Expense per ATM	64.4	64.8	66.2	66.3	66.1	66.0	65.8
13	Passenger Revenue per RPM	10.77	11.33	11.32	11.47	11.73	12.17	12.61
	<u>FINANCIAL RATIOS:</u>							
14	Operating Revenues to Total Investment	*	*	0.96	1.00	1.07	1.13	1.24
15	Times Interest Earned	*	*	-3.25	-3.45	-3.51	-3.37	-0.83
16	Current Assets to Current Liabilities	*	*	0.65	0.67	0.57	0.63	0.65
17	No. of Days Cash Coverage of Cash Exp.	*	*	41.6	44.0	33.0	51.1	65.0
	<u>FINANCIAL PERCENTAGES:</u>							
18	Operating Profit (Loss) to Operating Revenue	-7.1	-9.5	-11.2	-11.9	-10.0	-7.4	-2.0
19	Net Income to Stockholders Equity	*	*	-42.6	-35.9	-29.3	-22.2	-8.4
20	Corporate Return on Investment	*	*	-8.4	-8.3	-7.7	-6.1	-0.6
21	Debt to Total Investment	*	*	75.2	73.1	69.1	66.9	60.1
	<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>							
22	Actual	74.9	71.8	70.5	69.7	69.6	69.1	70.3
23	Breakeven	82.9	80.5	81.3	80.6	78.7	76.0	72.5
	<u>Employment & Productivity:</u>							
24	Employment, Total Weighted Avg CY	61,452	68,879	61,684	63,541	66,345	67,911	68,400
25	Overall RTM's per Employee (000)	47.5	43.0	173.3	169.0	166.2	166.8	174.5

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	-2.1	-19.3	-15.7	-19.6	-17.8	-13.8	-6.1
27	Operating Expenses (%)	-4.3	0.2	-8.1	-7.0	-2.9	2.3	7.2
28	Operating Profit (Loss) (in Millions \$)	85.4	-787.0	-1,067.1	-1,939.5	-2,313.4	-2,431.3	-1,901.2
29	Net Income (Loss)(in Millions \$)	-104.5	-294.7	-1,209.4	-1,399.6	-1,684.1	-1,793.5	-1,514.8
30	RPMs (Sch. Svc.) (%)	-1.1	-11.4	-9.6	-12.2	-11.1	-9.4	-5.0
31	ASMs (Sch. Svc.) (%)	-5.2	-5.2	-9.9	-9.8	-6.9	-3.9	-0.8
32	Operating Revenues per RTM (%)	-0.5	-8.3	-5.9	-7.6	-6.3	-4.0	-0.8
33	Operating Expense per RTM (%)	-2.8	13.9	2.6	6.9	10.7	13.9	13.2
34	Passenger Revenue per RPM (Sch. Svc.)(%)	-5.0	-9.1	-10.3	-11.0	-10.9	-7.3	-2.4

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

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2002/09	2001/09	2002/09	2002/06	2002/03	2001/12	2001/09
	<u>FINANCIAL RESULTS: (\$Millions)</u>							
1	Operating Revenues	2,504.5	2,520.9	8,815.5	8,831.8	9,146.7	9,591.8	10,302.1
2	Operating Expenses	2,492.3	2,670.6	9,436.4	9,614.7	9,903.5	10,388.4	10,696.5
3	Operating Profit (Loss)	12.2	-149.8	-620.9	-782.9	-756.8	-796.6	-394.5
4	Net Income (Loss)	-53.9	11.5	-507.6	-442.2	-401.0	-418.1	-280.8
	<u>TRAFFIC: (Billions)</u>							
5	RPMs - Scheduled Rev. Svc.	19.75	19.73	69.54	69.52	71.38	73.11	76.98
6	ASMs - Scheduled Rev. Svc.	25.05	26.01	91.45	92.41	95.11	98.33	102.33
7	Overall RTMs (All Svc.)	2.53	2.51	9.10	9.07	9.25	9.49	10.02
8	Overall ATMs (All Svc.)	4.05	4.23	14.95	15.13	15.55	16.04	16.63
	<u>YIELD & UNIT COST & PROFITS: (Cents)</u>							
9	Operating Revenue per RTM	98.8	100.4	96.9	97.4	98.8	101.1	102.8
10	Operating Expense per RTM	98.3	106.3	103.7	106.0	107.0	109.5	106.7
11	Operating Profit (Loss) per RTM	0.5	-6.0	-6.8	-8.6	-8.2	-8.4	-3.9
12	Operating Expense per ATM	61.5	63.1	63.1	63.5	63.7	64.7	64.3
13	Passenger Revenue per RPM	10.93	11.10	10.76	10.80	10.94	11.24	11.52
	<u>FINANCIAL RATIOS:</u>							
14	Operating Revenues to Total Investment	*	*	0.87	0.90	0.97	1.05	1.16
15	Times Interest Earned	*	*	-1.04	-0.83	-0.74	-0.93	-0.34
16	Current Assets to Current Liabilities	*	*	0.84	0.90	0.94	0.86	0.92
17	No. of Days Cash Coverage of Cash Exp.	*	*	101.3	110.6	98.2	94.4	102.1
	<u>FINANCIAL PERCENTAGES:</u>							
18	Operating Profit (Loss) to Operating Revenue	0.5	-5.9	-7.0	-8.9	-8.3	-8.3	-3.8
19	Net Income to Stockholders Equity	*	*	-11.7	-9.8	-8.6	-8.7	-5.7
20	Corporate Return on Investment	*	*	-1.2	-0.7	-0.5	-0.9	0.4
21	Debt to Total Investment	*	*	61.0	59.7	58.0	54.7	52.3
	<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>							
22	Actual	78.8	75.8	76.0	75.2	75.1	74.3	75.2
23	Breakeven	81.1	83.6	86.0	86.7	85.9	85.0	81.5
	<u>Employment & Productivity:</u>							
24	Employment, Total Weighted Avg CY	43,925	47,891	43,352	44,343	46,088	47,896	49,460
25	Overall RTM's per Employee (000)	57.7	52.4	209.8	204.6	200.8	198.1	202.7

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	-0.7	-18.0	-14.4	-18.7	-17.2	-12.5	-4.6
27	Operating Expenses (%)	-6.7	-1.5	-11.8	-10.5	-6.9	0.9	6.6
28	Operating Profit (Loss) (in Millions \$)	161.9	-514.4	-226.5	-902.8	-1,172.3	-1,460.1	-1,156.4
29	Net Income (Loss)(in Millions \$)	-65.4	-182.4	-226.8	-343.8	-486.8	-688.0	-612.9
30	RPMs (Sch. Svc.) (%)	0.1	-10.1	-9.7	-12.2	-10.3	-7.6	-1.7
31	ASMs (Sch. Svc.) (%)	-3.7	-5.6	-10.6	-11.0	-8.4	-4.8	-0.2
32	Operating Revenues per RTM (%)	-1.6	-7.6	-5.7	-7.2	-6.5	-3.9	-1.6
33	Operating Expense per RTM (%)	-7.5	11.1	-2.8	2.1	5.1	10.8	10.0
34	Passenger Revenue per RPM (Sch. Svc.)(%)	-1.5	-9.9	-6.6	-8.8	-9.2	-6.6	-4.0

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

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2002/09	2001/09	2002/09	2002/06	2002/03	2001/12	2001/09
	<u>FINANCIAL RESULTS: (\$Millions)</u>							
1	Operating Revenues	1,391.2	1,335.1	5,358.9	5,302.9	5,383.9	5,555.2	5,785.0
2	Operating Expenses	1,300.0	1,242.1	4,991.8	4,933.9	4,913.0	4,924.1	4,940.7
3	Operating Profit (Loss)	91.3	93.0	367.2	369.0	470.9	631.2	844.3
4	Net Income (Loss)	74.9	151.0	262.1	338.2	411.5	511.2	602.3
	<u>TRAFFIC: (Billions)</u>							
5	RPMs - Scheduled Rev. Svc.	11.92	11.27	45.08	44.43	44.23	44.50	44.57
6	ASMs - Scheduled Rev. Svc.	17.62	16.39	68.01	66.78	66.06	65.40	64.42
7	Overall RTMs (All Svc.)	1.22	1.16	4.64	4.58	4.56	4.59	4.61
8	Overall ATMs (All Svc.)	2.40	2.24	9.28	9.11	9.02	8.77	8.48
	<u>YIELD & UNIT COST & PROFITS: (Cents)</u>							
9	Operating Revenue per RTM	113.7	115.1	115.4	115.8	118.1	121.0	125.5
10	Operating Expense per RTM	106.3	107.1	107.5	107.7	107.7	107.3	107.2
11	Operating Profit (Loss) per RTM	7.5	8.0	7.9	8.1	10.3	13.7	18.3
12	Operating Expense per ATM	54.2	55.5	53.8	54.1	54.5	56.1	58.3
13	Passenger Revenue per RPM	11.05	11.27	11.27	11.33	11.58	11.89	12.38
	<u>FINANCIAL RATIOS:</u>							
14	Operating Revenues to Total Investment	*	*	0.93	0.96	1.03	1.13	1.27
15	Times Interest Earned	*	*	5.95	8.63	12.01	17.80	24.90
16	Current Assets to Current Liabilities	*	*	1.63	1.46	1.40	1.12	0.91
17	No. of Days Cash Coverage of Cash Exp.	*	*	152.7	168.0	168.1	180.6	117.5
	<u>FINANCIAL PERCENTAGES:</u>							
18	Operating Profit (Loss) to Operating Revenue	6.6	7.0	6.9	7.0	8.7	11.4	14.6
19	Net Income to Stockholders Equity	*	*	6.4	8.4	10.5	13.5	16.7
20	Corporate Return on Investment	*	*	6.0	7.5	9.0	11.4	14.1
21	Debt to Total Investment	*	*	28.1	28.6	29.8	31.5	23.9
	<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>							
22	Actual	67.7	68.8	66.3	66.5	67.0	68.0	69.2
23	Breakeven	62.4	63.1	61.0	61.1	60.1	58.9	57.3
	<u>Employment & Productivity:</u>							
24	Employment, Total Weighted Avg CY	33,228	30,475	32,089	31,401	30,762	30,130	29,469
25	Overall RTM's per Employee (000)	36.8	38.0	144.7	145.8	148.2	152.4	156.4

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	4.2	-9.7	-7.4	-10.6	-7.7	-1.7	7.4
27	Operating Expenses (%)	4.7	5.4	1.0	1.2	3.2	6.4	10.7
28	Operating Profit (Loss) (in Millions \$)	-1.8	-207.0	-477.1	-682.4	-604.0	-389.3	-80.1
29	Net Income (Loss)(in Millions \$)	-76.1	-33.3	-340.2	-297.5	-239.1	-91.9	60.1
30	RPMs (Sch. Svc.) (%)	5.8	2.7	1.1	0.3	1.8	5.4	9.4
31	ASMs (Sch. Svc.) (%)	7.5	7.0	5.6	5.4	7.2	9.1	10.8
32	Operating Revenues per RTM (%)	-1.2	-11.3	-8.0	-10.3	-8.8	-6.0	-1.2
33	Operating Expense per RTM (%)	-0.8	3.6	0.3	1.4	2.1	1.7	1.8
34	Passenger Revenue per RPM (Sch. Svc.)(%)	-1.9	-12.4	-8.9	-11.3	-9.8	-7.0	-1.9

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

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2002/09	2001/09	2002/09	2002/06	2002/03	2001/12	2001/09
	<u>FINANCIAL RESULTS: (\$Millions)</u>							
1	Operating Revenues	3,644.6	4,097.0	13,470.8	13,923.1	14,865.3	16,087.4	17,947.5
2	Operating Expenses	4,343.7	6,157.6	16,310.7	18,124.6	18,886.2	19,830.5	20,959.3
3	Operating Profit (Loss)	-699.0	-2,060.6	-2,839.9	-4,201.5	-4,020.9	-3,743.1	-3,011.9
4	Net Income (Loss)	-911.3	-1,179.2	-2,086.3	-2,354.2	-2,284.7	-2,110.2	-1,881.3
	<u>TRAFFIC: (Billions)</u>							
5	RPMs - Scheduled Rev. Svc.	30.03	31.44	106.28	107.69	112.51	116.60	123.91
6	ASMs - Scheduled Rev. Svc.	39.84	43.01	146.46	149.63	156.85	164.77	173.59
7	Overall RTMs (All Svc.)	3.57	3.69	12.81	12.93	13.51	14.05	15.06
8	Overall ATMs (All Svc.)	6.33	6.80	23.38	23.85	24.90	25.95	27.24
	<u>YIELD & UNIT COST & PROFITS: (Cents)</u>							
9	Operating Revenue per RTM	102.1	110.9	105.2	107.7	110.1	114.5	119.2
10	Operating Expense per RTM	121.7	166.7	127.4	140.1	139.8	141.1	139.2
11	Operating Profit (Loss) per RTM	-19.6	-55.8	-22.2	-32.5	-29.8	-26.6	-20.0
12	Operating Expense per ATM	68.6	90.5	69.8	76.0	75.9	76.4	76.9
13	Passenger Revenue per RPM	10.14	10.72	10.59	10.76	11.04	11.55	12.16
	<u>FINANCIAL RATIOS:</u>							
14	Operating Revenues to Total Investment	*	*	0.97	1.01	1.10	1.23	1.41
15	Times Interest Earned	*	*	-3.66	-6.09	-6.36	-6.22	-6.00
16	Current Assets to Current Liabilities	*	*	0.57	0.73	0.69	0.65	0.63
17	No. of Days Cash Coverage of Cash Exp.	*	*	36.2	52.8	55.8	48.0	48.4
	<u>FINANCIAL PERCENTAGES:</u>							
18	Operating Profit (Loss) to Operating Revenue	-19.2	-50.3	-21.1	-30.2	-27.0	-23.3	-16.8
19	Net Income to Stockholders Equity	*	*	-56.9	-57.6	-52.5	-45.9	-37.2
20	Corporate Return on Investment	*	*	-10.9	-13.3	-13.3	-12.6	-11.5
21	Debt to Total Investment	*	*	77.6	72.9	70.6	74.9	72.9
	<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>							
22	Actual	75.4	73.1	72.6	72.0	71.7	70.8	71.4
23	Breakeven	95.8	125.1	94.3	102.7	99.3	94.7	89.4
	<u>Employment & Productivity:</u>							
24	Employment, Total Weighted Avg CY	76,047	91,439	77,082	80,930	84,962	88,818	91,045
25	Overall RTM's per Employee (000)	46.9	40.4	166.2	159.8	159.0	158.2	165.4

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	-11.0	-16.7	-24.9	-25.8	-22.6	-16.8	-5.5
27	Operating Expenses (%)	-29.5	24.5	-22.2	-8.2	-1.6	6.7	17.0
28	Operating Profit (Loss) (in Millions \$)	1,361.6	-2,031.1	172.0	-3,220.7	-4,046.4	-4,483.9	-4,101.0
29	Net Income (Loss)(in Millions \$)	267.9	-1,068.1	-205.0	-1,541.0	-2,096.0	-2,161.8	-2,131.5
30	RPMs (Sch. Svc.) (%)	-4.5	-6.4	-14.2	-14.6	-11.2	-8.1	-2.0
31	ASMs (Sch. Svc.) (%)	-7.4	-4.5	-15.6	-14.8	-10.4	-6.1	-1.1
32	Operating Revenues per RTM (%)	-7.9	-6.6	-11.8	-11.0	-10.1	-6.2	-0.7
33	Operating Expense per RTM (%)	-27.0	39.6	-8.5	10.1	14.4	20.2	23.1
34	Passenger Revenue per RPM (Sch. Svc.)(%)	-5.4	-14.5	-12.9	-14.7	-15.0	-11.8	-5.8

QUARTERLY FINANCIAL & TRAFFIC REVIEW
SYSTEM OPERATIONS
US AIRWAYS

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2002/09	2001/09	2002/09	2002/06	2002/03	2001/12	2001/09
	<u>FINANCIAL RESULTS: (\$Millions)</u>							
1	Operating Revenues	1,735.1	1,980.0	6,874.7	7,119.6	7,715.3	8,253.4	9,045.8
2	Operating Expenses	1,917.5	2,132.0	8,468.2	8,682.7	9,071.1	9,434.8	9,441.5
3	Operating Profit (Loss)	-182.4	-152.0	-1,593.4	-1,563.0	-1,355.8	-1,181.4	-395.7
4	Net Income (Loss)	-357.9	-756.0	-1,934.8	-2,332.9	-2,124.5	-1,989.4	-1,033.5
	<u>TRAFFIC: (Billions)</u>							
5	RPMs - Scheduled Rev. Svc.	10.73	12.18	40.15	41.61	44.11	45.93	49.21
6	ASMs - Scheduled Rev. Svc.	14.95	17.14	57.57	59.77	63.42	66.68	70.18
7	Overall RTMs (All Svc.)	1.17	1.32	4.42	4.57	4.82	5.02	5.36
8	Overall ATMs (All Svc.)	2.20	2.46	8.41	8.67	9.13	9.53	9.95
	<u>YIELD & UNIT COST & PROFITS: (Cents)</u>							
9	Operating Revenue per RTM	148.0	150.5	155.5	156.0	160.1	164.4	168.8
10	Operating Expense per RTM	163.6	162.1	191.5	190.2	188.2	187.9	176.2
11	Operating Profit (Loss) per RTM	-15.6	-11.6	-36.0	-34.2	-28.1	-23.5	-7.4
12	Operating Expense per ATM	87.1	86.5	100.7	100.1	99.4	99.0	94.8
13	Passenger Revenue per RPM	12.21	12.88	13.08	13.24	13.78	14.32	14.87
	<u>FINANCIAL RATIOS:</u>							
14	Operating Revenues to Total Investment	*	*	2.10	1.93	1.90	1.88	1.95
15	Times Interest Earned	*	*	-4.63	-5.89	-5.33	-5.04	-3.17
16	Current Assets to Current Liabilities	*	*	0.48	0.46	0.58	0.61	0.78
17	No. of Days Cash Coverage of Cash Exp.	*	*	39.9	24.0	21.2	41.6	39.9
	<u>FINANCIAL PERCENTAGES:</u>							
18	Operating Profit (Loss) to Operating Revenue	-10.5	-7.7	-23.2	-22.0	-17.6	-14.3	-4.4
19	Net Income to Stockholders Equity	*	*	#	-1,997.8	-347.0	-182.1	-67.1
20	Corporate Return on Investment	*	*	-49.3	-54.6	-44.8	-38.7	-16.2
21	Debt to Total Investment	*	*	141.9	129.1	120.2	111.1	79.7
	<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>							
22	Actual	71.8	71.1	69.7	69.6	69.5	68.9	70.1
23	Breakeven	84.2	80.6	94.8	93.3	89.0	85.2	77.2
	<u>Employment & Productivity:</u>							
24	Employment, Total Weighted Avg CY	32,034	41,736	33,302	35,728	38,250	40,558	41,863
25	Overall RTM's per Employee (000)	36.6	31.5	132.8	127.8	126.0	123.8	128.0

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	-12.4	-16.7	-24.0	-24.6	-17.5	-10.1	1.2
27	Operating Expenses (%)	-10.1	-9.9	-10.3	-10.3	-4.1	2.3	5.5
28	Operating Profit (Loss) (in Millions \$)	-30.4	-162.6	-1,197.7	-1,329.9	-1,252.6	-1,137.0	-380.7
29	Net Income (Loss)(in Millions \$)	398.1	-732.7	-901.3	-2,032.1	-1,918.1	-1,734.6	-799.3
30	RPMs (Sch. Svc.) (%)	-11.9	-5.4	-18.4	-16.6	-9.2	-1.9	9.3
31	ASMs (Sch. Svc.) (%)	-12.8	-2.9	-18.0	-15.5	-7.7	0.3	9.2
32	Operating Revenues per RTM (%)	-1.7	-11.8	-7.9	-10.2	-9.6	-9.0	-7.8
33	Operating Expense per RTM (%)	0.9	-4.6	8.7	6.8	5.1	3.5	-3.9
34	Passenger Revenue per RPM (Sch. Svc.)(%)	-5.2	-15.7	-12.1	-14.4	-12.9	-11.2	-8.4

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

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2002/09	2001/09	2002/09	2002/06	2002/03	2001/12	2001/09
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	4,783.8	4,670.7	19,019.7	18,906.6	18,980.4	19,344.1	19,384.6
2	Operating Expenses	4,552.0	4,637.0	18,013.0	18,098.1	18,380.7	18,702.0	18,884.3
3	Operating Profit (Loss)	231.9	33.7	1,006.6	808.4	599.7	642.1	500.4
4	Net Income (Loss)	118.1	30.7	433.5	346.1	165.9	215.0	178.3
<u>TRAFFIC: (Billions)</u>								
5	RTMs - Scheduled Rev. Svc.	1.53	2.32	9.40	10.19	9.77	9.53	9.34
6	ATMs - Scheduled Rev. Svc.	4.50	3.82	17.45	16.76	16.19	15.81	15.33
7	Overall RTMs (All Services)	3.50	3.00	13.46	12.96	12.57	12.35	12.25
8	Overall ATMs (All Services)	5.80	5.06	22.69	21.94	21.38	20.95	20.55
<u>YIELD & UNIT COST & PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	136.8	155.8	141.3	145.8	151.0	156.6	158.2
10	Operating Expense per RTM	130.2	154.6	133.8	139.6	146.2	151.4	154.1
11	Operating Profit (Loss) per RTM	6.6	1.1	7.5	6.2	4.8	5.2	4.1
12	Operating Expense per ATM	78.4	91.7	79.4	82.5	86.0	89.3	91.9
13	Passenger Revenue per RPM	++	++	++	++	++	++	++
<u>FINANCIAL RATIOS:</u>								
14	Operating Revenues to Total Investment	*	*	1.84	1.85	1.87	1.93	1.98
15	Times Interest Earned	*	*	8.57	7.49	5.62	6.72	5.14
16	Current Assets to Current Liabilities	*	*	1.14	1.06	1.07	1.03	1.08
17	No. of Days Cash Coverage of Cash Exp.	*	*	4.0	3.6	2.9	3.5	3.0
<u>FINANCIAL PERCENTAGES:</u>								
18	Operating Profit (Loss) to Operating Revenue	4.8	0.7	5.3	4.3	3.2	3.3	2.6
19	Net Income to Stockholders Equity	*	*	7.6	6.3	3.1	4.1	3.5
20	Corporate Return on Investment	*	*	5.2	4.4	2.6	3.1	2.9
21	Debt to Total Investment	*	*	42.7	43.6	45.0	44.8	48.7
<u>TON LOAD FACTOR: (Sch. Svc. %)</u>								
22	Actual	60.3	59.3	59.3	59.1	58.8	59.0	59.6
23	Breakeven	++	++	++	++	++	++	++
<u>Employment & Productivity:</u>								
24	Employment, Total Weighted Avg CY	99,203	108,978	101,744	104,188	106,477	108,555	108,228
25	Overall RTM's per Employee (000)	35.3	27.5	132.3	124.4	118.1	113.8	113.2

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	2.4	-5.3	-1.9	-3.8	-3.9	-1.4	-0.4
27	Operating Expenses (%)	-1.8	0.4	-4.6	-4.1	-1.5	0.7	3.1
28	Operating Profit (Loss) (in Millions \$)	198.2	-280.3	506.3	27.8	-485.1	-402.2	-650.2
29	Net Income (Loss)(in Millions \$)	87.4	-131.6	255.2	36.2	-390.1	-300.6	-462.0
30	RTMs (All Svc.) (%)	-33.9	-2.5	0.7	8.4	3.7	1.8	1.2
31	ATMs (All Svc.) (%)	17.9	3.3	13.8	10.2	8.0	6.7	5.0
32	Operating Revenues per RTM (%)	-12.2	1.2	-10.7	-7.5	-3.7	1.0	2.3
33	Operating Expense per RTM (%)	-15.8	7.3	-13.2	-7.8	-1.3	3.1	6.0
34	Passenger Revenue per RPM (Sch. Svc.)(%)	++	++	++	++	++	++	++

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

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2002/09	2001/09	2002/09	2002/06	2002/03	2001/12	2001/09
	<u>FINANCIAL RESULTS: (\$Millions)</u>							
1	Operating Revenues	3,373.5	3,298.2	13,457.1	13,381.8	13,442.5	13,681.8	13,823.0
2	Operating Expenses	3,235.0	3,321.5	13,073.0	13,159.5	13,337.6	13,524.8	13,683.1
3	Operating Profit (Loss)	138.5	-23.3	384.1	222.3	104.9	156.9	139.9
4	Net Income (Loss)	68.9	33.3	73.3	37.7	-123.1	-126.2	-90.0
	<u>TRAFFIC: (Billions)</u>							
5	RTMs - Scheduled Rev. Svc.	1.53	1.13	5.84	5.43	5.03	4.75	4.54
6	ATMs - Scheduled Rev. Svc.	2.50	1.92	9.90	9.32	8.72	8.27	7.84
7	Overall RTMs (All Services)	2.22	1.78	8.55	8.11	7.72	7.45	7.27
8	Overall ATMs (All Services)	3.76	3.10	14.98	14.33	13.71	13.19	12.73
	<u>YIELD & UNIT COST & PROFITS: (Cents)</u>							
9	Operating Revenue per RTM	152.3	185.6	157.4	165.0	174.1	183.8	190.0
10	Operating Expense per RTM	146.0	186.9	152.9	162.3	172.8	181.7	188.1
11	Operating Profit (Loss) per RTM	6.3	-1.3	4.5	2.7	1.4	2.1	1.9
12	Operating Expense per ATM	86.1	107.1	87.2	91.9	97.3	102.5	107.5
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	4.1	-0.7	2.9	1.7	0.8	1.1	1.0
19	Net Income to Stockholders Equity	*	*	**	**	**	**	**
20	Corporate Return on Investment	*	*	2.0	1.5	-0.8	-0.9	-0.3
21	Debt to Total Investment	*	*	**	**	**	**	**
	<u>TON LOAD FACTOR: (Sch. Svc. %)</u>							
22	Actual	58.9	57.3	57.0	56.6	56.3	56.4	57.1
23	Breakeven	++	++	++	++	++	++	++
	<u>Employment & Productivity:</u>							
24	Employment, Total Weighted Avg CY	*	*	**	**	**	**	**
25	Overall RTM's per Employee (000)	*	*	**	**	**	**	**

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	2.3	-7.7	-2.6	-5.1	-5.7	-3.6	-2.2
27	Operating Expenses (%)	-2.6	-1.1	-4.5	-4.1	-2.4	-1.2	0.7
28	Operating Profit (Loss) (in Millions \$)	161.7	-238.8	244.1	-156.4	-493.6	-354.2	-411.2
29	Net Income (Loss)(in Millions \$)	35.6	-84.7	163.3	43.0	-308.3	-334.0	-368.1
30	RTMs (All Svc.) (%)	35.7	-5.4	28.6	18.0	7.3	0.7	-3.7
31	ATMs (All Svc.) (%)	30.2	-0.6	26.3	18.8	10.9	5.7	0.5
32	Operating Revenues per RTM (%)	-17.9	0.6	-17.2	-13.0	-7.1	0.0	4.9
33	Operating Expense per RTM (%)	-21.9	7.9	-18.7	-12.1	-3.8	2.5	8.0
34	Passenger Revenue per RPM (Sch. Svc.)(%)	++	++	++	++	++	++	++

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

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2002/09	2001/09	2002/09	2002/06	2002/03	2001/12	2001/09
	<u>FINANCIAL RESULTS: (\$Millions)</u>							
1	Operating Revenues	1,410.4	1,372.5	5,562.6	5,524.7	5,537.9	5,662.4	5,561.6
2	Operating Expenses	1,317.0	1,315.6	4,940.0	4,938.6	5,043.1	5,177.2	5,201.2
3	Operating Profit (Loss)	93.4	56.9	622.6	586.1	494.9	485.2	360.4
4	Net Income (Loss)	49.3	-2.5	360.2	308.4	288.9	341.2	268.4
	<u>TRAFFIC: (Billions)</u>							
5	RTMs - Scheduled Rev. Svc.	1.26	1.19	4.83	4.76	4.74	4.78	4.80
6	ATMs - Scheduled Rev. Svc.	2.00	1.90	7.55	7.44	7.47	7.53	7.50
7	Overall RTMs (All Services)	1.28	1.22	4.91	4.85	4.85	4.90	4.98
8	Overall ATMs (All Services)	2.04	1.95	7.70	7.61	7.67	7.76	7.83
	<u>YIELD & UNIT COST & PROFITS: (Cents)</u>							
9	Operating Revenue per RTM	110.0	112.4	113.2	113.8	114.1	115.4	111.6
10	Operating Expense per RTM	102.8	107.7	100.5	101.7	103.9	105.6	104.4
11	Operating Profit (Loss) per RTM	7.3	4.7	12.7	12.1	10.2	9.9	7.2
12	Operating Expense per ATM	64.4	67.3	64.1	64.9	65.7	66.7	66.5
13	Passenger Revenue per RPM	++	++	++	++	++	++	++
	<u>FINANCIAL RATIOS:</u>							
14	Operating Revenues to Total Investment	*	*	**	**	**	**	**
15	Times Interest Earned	*	*	**	**	**	**	**
16	Current Assets to Current Liabilities	*	*	**	**	**	**	**
17	No. of Days Cash Coverage of Cash Exp.	*	*	**	**	**	**	**
	<u>FINANCIAL PERCENTAGES:</u>							
18	Operating Profit (Loss) to Operating Revenue	6.6	4.1	11.2	10.6	8.9	8.6	6.5
19	Net Income to Stockholders Equity	*	*	**	**	**	**	**
20	Corporate Return on Investment	*	*	12.3	11.1	10.7	12.7	10.6
21	Debt to Total Investment	*	*	**	**	**	**	**
	<u>TON LOAD FACTOR: (Sch. Svc. %)</u>							
22	Actual	62.7	62.5	63.8	63.8	63.2	63.2	63.7
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 (%)	2.8	0.9	0.0	-0.4	0.9	4.3	4.3
27	Operating Expenses (%)	0.1	4.2	-5.0	-4.1	0.8	5.7	9.9
28	Operating Profit (Loss) (in Millions \$)	36.5	-41.5	262.1	184.2	8.5	-48.0	-238.9
29	Net Income (Loss)(in Millions \$)	51.8	-46.9	91.8	-6.8	-81.8	33.4	-93.9
30	RTMs (All Svc.) (%)	5.8	0.4	0.6	-0.8	0.2	2.9	6.3
31	ATMs (All Svc.) (%)	5.5	7.4	0.7	1.1	4.8	7.9	10.2
32	Operating Revenues per RTM (%)	-2.1	4.7	1.4	3.1	3.8	4.9	0.4
33	Operating Expense per RTM (%)	-4.6	8.2	-3.7	-0.6	3.7	6.3	5.7
34	Passenger Revenue per RPM (Sch. Svc.)(%)	++	++	++	++	++	++	++

QUARTERLY FINANCIAL & TRAFFIC REVIEW
SYSTEM OPERATIONS
DHL AIRWAYS

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2002/09	2001/09	2002/09	2002/06	2002/03	2001/12	2001/09
	<u>FINANCIAL RESULTS: (\$Millions)</u>							
1	Operating Revenues	62.1	349.0	547.1	833.9	1,155.1	1,461.6	1,490.3
2	Operating Expenses	58.6	406.0	610.6	958.0	1,343.7	1,699.1	1,679.7
3	Operating Profit (Loss)	3.5	-57.0	-63.6	-124.1	-188.6	-237.5	-189.3
4	Net Income (Loss)	1.9	-54.0	-55.7	-111.5	-200.4	-251.9	-226.1
	<u>TRAFFIC: (Billions)</u>							
5	RTMs - Scheduled Rev. Svc.	0.05	0.11	0.21	0.27	0.36	0.44	0.47
6	ATMs - Scheduled Rev. Svc.	0.14	0.21	0.62	0.69	0.79	0.88	0.89
7	Overall RTMs (All Services)	0.06	0.11	0.24	0.28	0.37	0.45	0.48
8	Overall ATMs (All Services)	0.15	0.21	0.65	0.71	0.81	0.90	0.91
	<u>YIELD & UNIT COST & PROFITS: (Cents)</u>							
9	Operating Revenue per RTM	96.1	320.6	228.5	294.0	310.7	327.4	313.5
10	Operating Expense per RTM	90.7	372.9	255.1	337.8	361.4	380.6	353.3
11	Operating Profit (Loss) per RTM	5.4	-52.4	-26.6	-43.8	-50.7	-53.2	-39.8
12	Operating Expense per ATM	39.8	190.4	94.1	134.0	166.9	189.0	185.6
13	Passenger Revenue per RPM	++	++	++	++	++	++	++
	<u>FINANCIAL RATIOS:</u>							
14	Operating Revenues to Total Investment	*	*	5.57	10.82	8.82	8.32	8.40
15	Times Interest Earned	*	*	-11.90	-18.53	-20.32	-15.94	-12.20
16	Current Assets to Current Liabilities	*	*	1.31	0.98	0.93	0.00	0.02
17	No. of Days Cash Coverage of Cash Exp.	*	*	22.3	4.1	2.0	3.6	3.0
	<u>FINANCIAL PERCENTAGES:</u>							
18	Operating Profit (Loss) to Operating Revenue	5.7	-16.3	-11.6	-14.9	-16.3	-16.2	-12.7
19	Net Income to Stockholders Equity	*	*	-78.5	-233.3	-634.0	-1,005.5	-3,413.6
20	Corporate Return on Investment	*	*	-52.7	-137.6	-146.0	-135.1	-117.0
21	Debt to Total Investment	*	*	18.8	19.1	19.1	15.1	0.0
	<u>TON LOAD FACTOR: (Sch. Svc. %)</u>							
22	Actual	43.8	51.1	36.9	39.7	46.2	49.7	52.5
23	Breakeven	++	++	++	++	++	++	++
	<u>Employment & Productivity:</u>							
24	Employment, Total Weighted Avg CY	921	8,978	2,889	4,904	6,954	8,993	9,018
25	Overall RTM's per Employee (000)	70.1	12.1	82.9	57.8	53.5	49.6	52.7

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	-82.2	-5.1	-63.3	-44.7	-22.8	-2.4	0.7
27	Operating Expenses (%)	-85.6	4.7	-63.6	-42.3	-16.0	8.4	11.6
28	Operating Profit (Loss) (in Millions \$)	60.5	-37.0	125.8	28.3	-86.9	-166.7	-163.7
29	Net Income (Loss)(in Millions \$)	55.8	-39.5	170.4	75.0	-93.6	-184.9	-206.5
30	RTMs (Sch. Svc.) (%)	-56.4	-5.6	-54.6	-42.3	-19.4	-1.6	7.0
31	ATMs (Sch. Svc.) (%)	-33.4	-1.6	-30.2	-22.6	-10.0	3.2	7.1
32	Operating Revenues per RTM (%)	-70.0	3.7	-27.1	-5.4	-3.8	0.4	-4.8
33	Operating Expense per RTM (%)	-75.7	14.4	-27.8	-1.3	4.8	11.4	5.5
34	Passenger Revenue per RPM (Sch. Svc.)(%)	++	++	++	++	++	++	++

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

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2002/09	2001/09	2002/09	2002/06	2002/03	2001/12	2001/09
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	3,951.5	3,633.6	15,679.7	15,361.8	15,146.5	15,166.9	15,184.9
2	Operating Expenses	3,814.2	3,579.6	14,775.5	14,541.0	14,444.2	14,388.4	14,600.6
3	Operating Profit (Loss)	137.3	53.9	904.2	820.8	702.4	778.5	584.3
4	Net Income (Loss)	71.9	73.9	440.4	442.4	376.8	453.0	395.5
<u>TRAFFIC: (Billions)</u>								
5	RTMs - Scheduled Rev. Svc.	1.48	1.79	7.91	8.23	7.73	7.44	7.23
6	ATMs - Scheduled Rev. Svc.	3.63	2.99	14.20	13.56	12.94	12.49	12.05
7	Overall RTMs (All Services)	2.28	1.84	8.80	8.36	7.89	7.61	7.49
8	Overall ATMs (All Services)	3.69	3.07	14.39	13.78	13.21	12.79	12.51
<u>YIELD & UNIT COST & PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	173.2	197.3	178.1	183.7	191.9	199.3	202.7
10	Operating Expense per RTM	167.2	194.4	167.9	173.9	183.0	189.1	194.9
11	Operating Profit (Loss) per RTM	6.0	2.9	10.3	9.8	8.9	10.2	7.8
12	Operating Expense per ATM	103.5	116.6	102.6	105.5	109.3	112.5	116.7
13	Passenger Revenue per RPM	++	++	++	++	++	++	++
<u>FINANCIAL RATIOS:</u>								
14	Operating Revenues to Total Investment	*	*	2.81	2.79	2.79	2.84	2.91
15	Times Interest Earned	*	*	13.36	12.71	11.22	14.70	12.14
16	Current Assets to Current Liabilities	*	*	1.24	1.18	1.14	1.09	1.10
17	No. of Days Cash Coverage of Cash Exp.	*	*	2.9	3.2	2.8	3.5	2.8
<u>FINANCIAL PERCENTAGES:</u>								
18	Operating Profit (Loss) to Operating Revenue	3.5	1.5	5.8	5.3	4.6	5.1	3.8
19	Net Income to Stockholders Equity	*	*	9.6	9.9	8.6	10.6	9.5
20	Corporate Return on Investment	*	*	8.9	9.1	8.0	9.4	8.6
21	Debt to Total Investment	*	*	15.3	16.9	18.4	20.1	19.4
<u>TON LOAD FACTOR: (Sch. Svc. %)</u>								
22	Actual	61.9	60.0	61.1	60.7	59.8	59.5	59.9
23	Breakeven	++	++	++	++	++	++	++
<u>Employment & Productivity:</u>								
24	Employment, Total Weighted Avg CY	92,517	94,353	93,185	93,644	93,938	94,019	93,784
25	Overall RTM's per Employee (000)	24.7	19.5	94.5	89.3	84.0	80.9	79.9

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	8.8	-6.2	3.3	-0.4	-2.9	-2.8	-1.9
27	Operating Expenses (%)	6.6	-1.1	1.2	-0.7	-0.9	-1.4	0.8
28	Operating Profit (Loss) (in Millions \$)	83.4	-200.7	319.9	35.7	-321.4	-220.9	-411.2
29	Net Income (Loss)(in Millions \$)	-1.9	-56.1	44.9	-9.2	-218.5	-92.4	-153.4
30	RTMs (Sch. Svc.) (%)	-17.7	-4.1	9.4	12.6	4.2	0.0	-2.2
31	ATMs (Sch. Svc.) (%)	21.5	1.3	17.9	12.9	8.4	5.6	3.1
32	Operating Revenues per RTM (%)	-12.2	1.0	-12.1	-9.1	-4.2	0.2	1.9
33	Operating Expense per RTM (%)	-14.0	6.5	-13.9	-9.3	-2.2	1.5	4.7
34	Passenger Revenue per RPM (Sch. Svc.)(%)	++	++	++	++	++	++	++

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

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2002/09	2001/09	2002/09	2002/06	2002/03	2001/12	2001/09
	<u>FINANCIAL RESULTS: (\$Millions)</u>							
1	Operating Revenues	770.2	688.2	2,792.9	2,710.9	2,678.8	2,715.6	2,709.4
2	Operating Expenses	679.2	651.4	2,626.9	2,599.1	2,592.8	2,614.5	2,604.0
3	Operating Profit (Loss)	91.0	36.8	166.0	111.8	86.0	101.1	105.4
4	Net Income (Loss)	44.3	10.8	48.7	15.2	-10.6	14.0	8.9
	<u>TRAFFIC: (Billions)</u>							
5	RTMs - Scheduled Rev. Svc.	0.01	0.42	1.28	1.69	1.67	1.66	1.64
6	ATMs - Scheduled Rev. Svc.	0.73	0.62	2.62	2.51	2.47	2.44	2.39
7	Overall RTMs (All Services)	1.15	1.05	4.42	4.32	4.30	4.30	4.29
8	Overall ATMs (All Services)	1.97	1.77	7.64	7.44	7.36	7.27	7.14
	<u>YIELD & UNIT COST & PROFITS: (Cents)</u>							
9	Operating Revenue per RTM	66.9	65.7	63.2	62.8	62.2	63.2	63.2
10	Operating Expense per RTM	59.0	62.1	59.4	60.2	60.2	60.9	60.7
11	Operating Profit (Loss) per RTM	7.9	3.5	3.8	2.6	2.0	2.4	2.5
12	Operating Expense per ATM	34.5	36.7	34.4	34.9	35.2	36.0	36.5
13	Passenger Revenue per RPM	++	++	++	++	++	++	++
	<u>FINANCIAL RATIOS:</u>							
14	Operating Revenues to Total Investment	*	*	0.60	0.58	0.58	0.60	0.61
15	Times Interest Earned	*	*	3.60	2.39	2.22	3.62	2.63
16	Current Assets to Current Liabilities	*	*	0.64	0.53	0.69	0.66	2.76
17	No. of Days Cash Coverage of Cash Exp.	*	*	6.4	6.3	4.5	4.0	4.2
	<u>FINANCIAL PERCENTAGES:</u>							
18	Operating Profit (Loss) to Operating Revenue	11.8	5.3	5.9	4.1	3.2	3.7	3.9
19	Net Income to Stockholders Equity	*	*	4.6	1.5	-1.1	1.4	0.9
20	Corporate Return on Investment	*	*	1.9	1.0	0.4	0.9	0.8
21	Debt to Total Investment	*	*	76.2	76.8	77.2	76.5	80.5
	<u>TON LOAD FACTOR: (Sch. Svc. %)</u>							
22	Actual	58.4	59.1	57.9	58.0	58.5	59.1	60.1
23	Breakeven	++	++	++	++	++	++	++
	<u>Employment & Productivity:</u>							
24	Employment, Total Weighted Avg CY	5,765	5,647	5,670	5,640	5,585	5,543	5,426
25	Overall RTM's per Employee (000)	199.6	185.6	779.9	765.9	770.7	774.9	790.4

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	11.9	-0.5	3.1	-0.1	1.2	7.3	7.6
27	Operating Expenses (%)	4.3	6.4	0.9	1.3	4.4	8.3	11.4
28	Operating Profit (Loss) (in Millions \$)	54.2	-42.7	60.7	-36.2	-76.8	-14.6	-75.3
29	Net Income (Loss)(in Millions \$)	33.5	-36.0	39.9	-29.6	-78.1	-23.3	-102.1
30	RTMs (Sch. Svc.) (%)	-98.4	5.8	-21.9	4.5	8.1	11.7	16.9
31	ATMs (Sch. Svc.) (%)	17.9	16.4	9.8	9.1	12.8	14.5	14.7
32	Operating Revenues per RTM (%)	1.9	4.8	0.0	0.5	2.2	8.8	9.7
33	Operating Expense per RTM (%)	-4.9	11.9	-2.2	1.9	5.4	9.9	13.5
34	Passenger Revenue per RPM (Sch. Svc.)(%)	++	++	++	++	++	++	++

Comparison of Operating Profit (Loss) and Net Income (Loss)
For Individual Passenger and All-Cargo Majors
Quarterly and 12-Month Ended Periods
September 2001 and 2002

Operating Profit (Loss) (\$Millions)						
Group/Carrier	Quarterly Data			12 Month Ended Data		
	9/2001	9/2002	\$Chg	9/2001	9/2002	\$Chg
System Passenger Majors	(4,178.2)	(2,393.2)	1,785.1	(5,684.8)	(11,212.2)	(5,527.5)
Alaska	16.5	17.4	0.9	(43.4)	(88.9)	(45.5)
America West	(100.9)	(42.2)	58.7	(255.0)	(302.9)	(48.0)
American	(1,251.5)	(1,251.6)	(0.1)	(2,128.3)	(3,740.7)	(1,612.4)
American Eagle	(101.2)	(73.0)	28.2	(190.4)	(142.0)	48.3
American Trans Air	9.3	(48.0)	(57.3)	0.1	(208.4)	(208.5)
Continental	(170.4)	7.5	177.9	171.6	(693.3)	(864.9)
Delta	(310.6)	(225.2)	85.4	(281.8)	(1,348.9)	(1,067.1)
Northwest	(149.8)	12.2	161.9	(394.5)	(620.9)	(226.5)
Southwest	93.0	91.3	(1.8)	844.3	367.2	(477.1)
United	(2,060.6)	(699.0)	1,361.6	(3,011.9)	(2,839.9)	172.0
US Airways	(152.0)	(182.4)	(30.4)	(395.7)	(1,593.4)	(1,197.7)
System Cargo Majors	33.7	231.9	198.2	500.4	1,006.6	506.3
DHL	(57.0)	3.5	60.5	(189.3)	(63.6)	125.8
Federal Express	53.9	137.3	83.4	584.3	904.2	319.9
UPS	36.8	91.0	54.2	105.4	166.0	60.7
System Total Majors	(4,144.6)	(2,161.3)	1,983.2	(5,184.4)	(10,205.6)	(5,021.2)

Net Income (Loss) (\$Millions)						
Group/Carrier	Quarterly Data			12 Month Ended Data		
	9/2001	9/2002	\$Chg	9/2001	9/2002	\$Chg
System Passenger Majors	(2,368.2)	(2,622.4)	(254.2)	(4,306.5)	(10,774.9)	(6,468.4)
Alaska	21.2	7.2	(14.0)	(18.2)	(38.8)	(20.6)
America West	(31.1)	(32.3)	(1.3)	(131.0)	(440.7)	(309.7)
American	(289.9)	(850.9)	(561.0)	(1,070.6)	(3,545.2)	(2,474.7)
American Eagle	(86.1)	(68.8)	17.3	(186.1)	(169.2)	16.9
American Trans Air	0.6	(63.6)	(64.3)	(22.3)	(195.7)	(173.4)
Continental	27.4	(23.5)	(50.9)	154.3	(469.8)	(624.1)
Delta	(237.8)	(342.2)	(104.5)	(439.5)	(1,648.8)	(1,209.4)
Northwest	11.5	(53.9)	(65.4)	(280.8)	(507.6)	(226.8)
Southwest	151.0	74.9	(76.1)	602.3	262.1	(340.2)
United	(1,179.2)	(911.3)	267.9	(1,881.3)	(2,086.3)	(205.0)
US Airways	(756.0)	(357.9)	398.1	(1,033.5)	(1,934.8)	(901.3)
System Cargo Majors	30.7	118.1	87.4	178.3	433.5	255.2
DHL	(54.0)	1.9	55.8	(226.1)	(55.7)	170.4
Federal Express	73.9	71.9	(1.9)	395.5	440.4	44.9
UPS	10.8	44.3	33.5	8.9	48.7	39.9
System Total Majors	(2,337.5)	(2,504.3)	(166.8)	(4,128.2)	(10,341.4)	(6,213.3)

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

Passenger Load Factor (Percent)						
Group/Carrier	Quarterly Data			12 Month Ended Data		
	9/2001	9/2002	Pt.Chg.	9/2001	9/2002	Pt.Chg.
System Passenger Majors	72.4	73.9	1.5	71.2	71.2	0.0
Alaska	71.0	70.5	(0.5)	68.3	68.2	(0.1)
America West	74.0	75.0	0.9	71.8	72.6	0.8
American	71.5	72.0	0.5	70.1	69.4	(0.7)
American Eagle	57.6	64.2	6.6	58.3	61.8	3.5
American Trans Air	78.7	75.7	(3.0)	76.7	74.4	(2.3)
Continental	73.7	75.7	2.1	72.7	73.9	1.1
Delta	71.8	74.9	3.1	70.3	70.5	0.2
Northwest	75.8	78.8	3.0	75.2	76.0	0.8
Southwest	68.8	67.7	(1.1)	69.2	66.3	(2.9)
United	73.1	75.4	2.3	71.4	72.6	1.2
US Airways	71.1	71.8	0.7	70.1	69.7	(0.4)
System Cargo Majors	-	-	-	-	-	-
DHL	-	-	-	-	-	-
Federal Express	-	-	-	-	-	-
UPS	-	-	-	-	-	-
System Total Majors	72.4	73.9	1.5	71.2	71.2	0.0

Scheduled Passenger Yield (Cents)						
Group/Carrier	Quarterly Data			12 Month Ended Data		
	9/2001	9/2002	Pct.Chg.	9/2001	9/2002	Pct.Chg.
System Passenger Majors	11.5	11.0	(4.3)	12.8	11.4	(10.3)
Alaska	12.9	12.4	(4.2)	13.0	12.4	(4.9)
America West	9.3	9.1	(2.3)	10.6	9.6	(9.7)
American	12.0	11.3	(5.5)	13.3	12.0	(10.0)
American Eagle	34.6	31.1	(10.2)	38.4	31.5	(17.9)
American Trans Air	8.8	8.3	(5.3)	9.5	8.7	(8.7)
Continental	11.5	11.3	(2.5)	12.7	11.5	(9.9)
Delta	11.3	10.8	(5.0)	12.6	11.3	(10.3)
Northwest	11.1	10.9	(1.5)	11.5	10.8	(6.6)
Southwest	11.3	11.1	(1.9)	12.4	11.3	(8.9)
United	10.7	10.1	(5.4)	12.2	10.6	(12.9)
US Airways	12.9	12.2	(5.1)	14.9	13.1	(12.1)
System Cargo Majors	-	-	-	-	-	-
DHL	-	-	-	-	-	-
Federal Express	-	-	-	-	-	-
UPS	-	-	-	-	-	-
System Total Majors	11.5	11.0	(4.3)	12.8	11.4	(10.3)

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

Group/Carrier	Operating Profit Margin (Percent)					
	Quarterly Data			12 Month Ended Data		
	9/2001	9/2002	Pt. Chg	9/2001	9/2002	Pt. Chg.
System Passenger Majors	(19.6)	(11.8)	7.8	(6.1)	(14.9)	(8.8)
Alaska	3.4	3.4	(0.0)	(2.4)	(5.0)	(2.6)
America West	(20.9)	(8.2)	12.7	(11.5)	(16.0)	(4.5)
American	(28.1)	(30.3)	(2.2)	(10.6)	(24.1)	(13.5)
American Eagle	(33.4)	(23.0)	10.4	(14.5)	(12.2)	2.3
American Trans Air	3.1	(16.6)	(19.7)	-	(19.0)	(19.0)
Continental	(8.2)	0.4	8.6	1.9	(9.3)	(11.2)
Delta	(9.5)	(7.1)	2.4	(2.0)	(11.2)	(9.2)
Northwest	(5.9)	0.5	6.4	(3.8)	(7.0)	(3.2)
Southwest	7.0	6.6	(0.4)	14.6	6.9	(7.7)
United	(50.3)	(19.2)	31.1	(16.8)	(21.1)	(4.3)
US Airways	(7.7)	(10.5)	(2.8)	(4.4)	(23.2)	(18.8)
System Cargo Majors	0.7	4.8	4.1	2.6	5.3	2.7
DHL	(16.3)	5.7	22.0	(12.7)	(11.6)	1.1
Federal Express	1.5	3.5	2.0	3.8	5.8	2.0
UPS	5.3	11.8	6.5	3.9	5.9	2.0
System Total Majors	(16.0)	(8.6)	7.3	(4.6)	(10.8)	(6.2)

Group/Carrier	Debt To Investment (Percent)			Total Debt (\$Millions)		
	Quarterly Data			Quarterly Data		
	9/2001	9/2002	Pt.Chg.	9/2001	9/2002	\$ Chg.
System Passenger Majors	60.3	73.4	13.2	42,554.3	52,766.2	10,211.9
Alaska	56.2	55.7	(0.5)	907.2	889.9	(17.3)
America West	37.6	65.1	27.5	479.3	732.2	252.9
American	49.2	73.8	24.5	6,874.5	10,189.5	3,315.0
American Eagle	96.1	102.1	6.0	2,529.8	2,890.3	360.5
American Trans Air	86.8	130.9	44.1	656.5	415.5	(241.0)
Continental	78.0	83.2	5.2	4,432.2	5,574.8	1,142.6
Delta	60.1	75.2	15.1	7,434.4	9,495.1	2,060.7
Northwest	52.3	61.0	8.8	5,236.4	6,419.4	1,183.0
Southwest	23.9	28.1	4.2	1,241.8	1,690.9	449.2
United	72.9	77.6	4.6	9,459.3	10,481.0	1,021.7
US Airways	79.7	141.9	62.2	3,303.0	3,987.6	684.5
System Cargo Majors	48.7	42.7	(6.1)	4,849.6	4,437.4	(412.2)
DHL	-	18.8	18.8	34.8	21.6	(13.2)
Federal Express	19.4	15.3	(4.1)	1,038.8	856.9	(181.8)
UPS	80.5	76.2	(4.3)	3,776.1	3,558.8	(217.2)
System Total Majors	58.8	69.5	10.7	47,403.9	57,203.5	9,799.7

FOOTNOTES

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

EXPLANATION OF LINE ITEMS

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

EXPLANATION OF LINE ITEMS

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