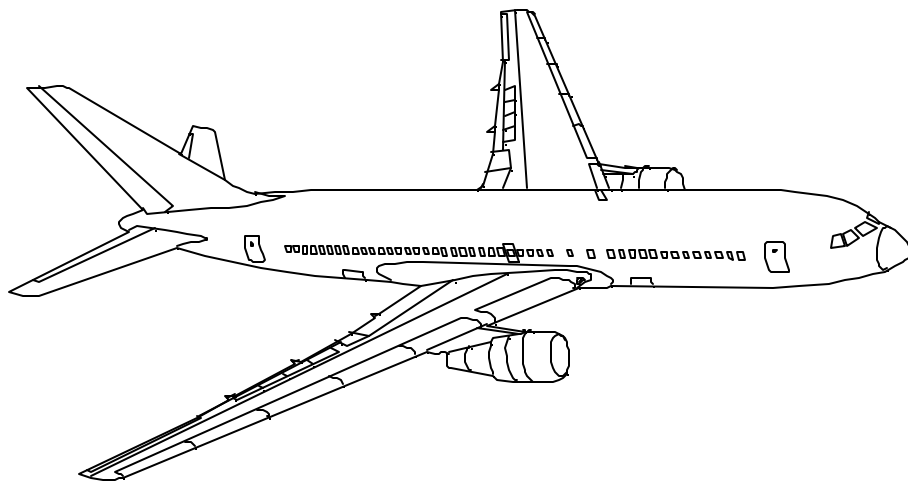


AIRLINE QUARTERLY FINANCIAL REVIEW

THIRD QUARTER 2003



MAJORS



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

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INTRODUCTION

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

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

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

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

QUARTERLY FINANCIAL & TRAFFIC REVIEW
SYSTEM OPERATIONS
System All Majors

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2003/09	2002/09	2003/09	2003/06	2003/03	2002/12	2002/09
	<u>FINANCIAL RESULTS: (\$Millions)</u>							
1	Operating Revenues	26,776.6	24,863.0	99,700.3	97,786.8	97,502.5	96,133.4	93,585.0
2	Operating Expenses	26,385.6	27,048.1	105,245.7	105,908.2	106,546.1	104,765.0	103,713.5
3	Operating Profit (Loss)	391.0	-2,185.0	-5,545.4	-8,121.4	-9,043.6	-8,631.6	-10,128.5
4	Net Income (Loss)	-441.0	-2,539.4	-5,968.7	-8,067.1	-9,777.1	-11,042.8	-10,251.6
	<u>TRAFFIC: (Mllions)</u>							
5	RPMs - Scheduled Rev. Svc.	158.3	159.0	577.7	579.3	588.8	585.8	571.0
6	ASMs - Scheduled Rev. Svc.	204.1	215.0	789.2	801.7	818.2	811.2	802.1
7	Overall RTMs (All Svc.)	21.7	21.8	81.4	81.5	82.6	82.0	79.6
8	Overall ATMs (All Svc.)	37.9	38.5	144.4	145.3	147.8	146.6	144.2
	<u>YIELD & UNIT COST & PROFITS: (Cents)</u>							
9	Operating Revenue per RTM	123.3	114.3	122.5	119.9	118.1	117.2	117.6
10	Operating Expense per RTM	121.5	124.3	129.3	129.9	129.1	127.7	130.3
11	Operating Profit (Loss) per RTM	1.8	-10.0	-6.8	-10.0	-11.0	-10.5	-12.7
12	Operating Expense per ATM	69.7	70.2	72.9	72.9	72.1	71.5	71.9
13	Passenger Revenue per RPM	11.37	11.01	11.46	11.34	11.35	11.44	11.44
	<u>FINANCIAL RATIOS:</u>							
14	Operating Revenues to Total Investment	*	*	1.33	3.33	6.52	1.18	1.11
15	Times Interest Earned	*	*	-0.92	-1.72	-2.62	-3.45	-3.63
16	Current Assets to Current Liabilities	*	*	0.82	0.83	0.72	0.73	0.80
17	No. of Days Cash Coverage of Cash Exp.	*	*	62.2	59.4	44.3	47.8	50.8
	<u>FINANCIAL PERCENTAGES:</u>							
18	Operating Profit (Loss) to Operating Revenue	1.5	-8.8	-5.6	-8.3	-9.3	-9.0	-10.8
19	Net Income to Stockholders Equity	*	*	-39.0	-43.8	-45.1	-44.2	-35.5
20	Corporate Return on Investment	*	*	-3.7	-16.5	-44.1	-9.8	-8.7
21	Debt to Total Investment	*	*	83.8	82.8	81.7	80.9	69.6
	<u>LOAD FACTOR: (%)</u>							
22	Passenger Load Factor (Sch. Svc.)	77.6	73.9	73.2	72.3	72.0	72.2	71.2
23	Ton Load Factor (All Svc.)	57.3	56.5	56.4	56.1	55.9	56.0	55.2
	<u>Employment & Productivity:</u>							
24	Employment, Total Weighted Avg CY	494,726	552,188	517,812	532,178	543,074	547,622	553,278
25	Overall RTM's per Employee (000)	43.9	39.4	157.2	153.2	152.0	149.8	143.9

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	7.7	-2.4	6.5	3.8	-0.4	-6.7	-15.3
27	Operating Expenses (%)	-2.4	-7.9	1.5	-0.1	-2.3	-6.7	-10.1
28	Operating Profit (Loss) (in Millions \$)	2,576.0	1,710.4	4,583.1	3,717.5	2,122.5	598.6	-5,265.9
29	Net Income (Loss)(in Millions \$)	2,098.4	-231.5	4,282.9	1,953.0	-436.9	-4,108.9	-6,292.9
30	RPMs (Sch. Svc.) (%)	-0.4	-1.2	1.2	1.1	-0.2	-3.4	-10.4
31	ASMs (Sch. Svc.) (%)	-5.1	-3.3	-1.6	-0.9	-1.9	-6.0	-10.5
32	Operating Revenues per RTM (%)	7.9	-3.8	4.2	0.9	-2.5	-6.0	-7.8
33	Operating Expense per RTM (%)	-2.3	-9.3	-0.8	-2.9	-4.3	-6.0	-2.1
34	Passenger Revenue per RPM (Sch. Svc.)(%)	3.3	-4.2	0.2	-2.0	-4.2	-6.9	-10.3

QUARTERLY FINANCIAL & TRAFFIC REVIEW
SYSTEM OPERATIONS
Domestic All Majors

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2003/09	2002/09	2003/09	2003/06	2003/03	2002/12	2002/09
	<u>FINANCIAL RESULTS: (\$Millions)</u>							
1	Operating Revenues	20,101.5	18,084.7	75,030.3	73,013.5	72,452.4	71,625.7	70,261.7
2	Operating Expenses	20,283.6	20,296.2	79,929.6	79,942.2	80,187.5	79,092.9	78,990.3
3	Operating Profit (Loss)	-182.1	-2,211.5	-4,899.3	-6,928.7	-7,735.1	-7,467.2	-8,728.6
4	Net Income (Loss)	-799.6	-2,342.4	-4,448.1	-5,990.9	-7,523.0	-9,050.4	-8,773.0
	<u>TRAFFIC: (Mllions)</u>							
5	RTMs - Scheduled Svc.	114.9	114.9	425.6	425.6	427.7	427.8	420.0
6	ATMs - Scheduled Svc.	151.1	159.7	588.3	596.8	605.6	606.4	600.8
7	Overall RTMs (All Svc.)	14.5	14.4	54.4	54.3	54.6	54.6	53.3
8	Overall ATMs (All Svc.)	25.3	26.1	97.8	98.6	100.0	100.1	98.8
	<u>YIELD & UNIT COST & PROFITS: (Cents)</u>							
9	Operating Revenue per RTM	138.8	125.5	137.9	134.4	132.8	131.3	131.7
10	Operating Expense per RTM	140.1	140.9	146.9	147.1	146.9	145.0	148.1
11	Operating Profit (Loss) per RTM	-1.3	-15.4	-9.0	-12.8	-14.2	-13.7	-16.4
12	Operating Expense per ATM	80.2	77.9	81.7	81.1	80.2	79.0	80.0
13	Passenger Revenue per RPM	11.81	11.26	12.02	11.87	11.93	11.97	11.97
	<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	-0.9	-12.2	-6.5	-9.5	-10.7	-10.4	-12.4
19	Net Income to Stockholders Equity	*	*	**	**	**	**	**
20	Corporate Return on Investment	*	*	-3.6	-15.8	-44.6	-11.0	-10.3
21	Debt to Total Investment	*	*	**	**	**	**	**
	<u>LOAD FACTOR: (%)</u>							
22	Passenger Load Factor (Sch. Svc.)	83.8	88.6	83.8	82.5	81.6	80.8	69.6
23	Ton Load Factor (All Svc.)	76.1	72.0	72.4	71.3	70.6	70.5	69.9
	<u>Employment & Productivity:</u>							
24	Employment, Total Weighted Avg CY	*	*	**	**	**	**	**
25	Overall RTM's per Employee (000)	*	*	**	**	**	**	**

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	11.2	-3.9	6.8	2.9	-2.2	-8.5	-16.4
27	Operating Expenses (%)	-0.1	-7.1	1.2	-0.8	-3.4	-7.4	-9.9
28	Operating Profit (Loss) (in Millions \$)	2,029.4	829.6	3,829.3	2,629.5	1,113.8	-334.2	-5,108.6
29	Net Income (Loss)(in Millions \$)	1,542.8	-419.5	4,324.9	2,362.6	107.0	-3,337.5	-5,564.4
30	RPMs (Sch. Svc.) (%)	0.0	-0.1	1.3	1.3	-0.8	-3.1	-8.8
31	ASMs (Sch. Svc.) (%)	-5.4	-2.0	-2.1	-1.2	-2.2	-4.8	-8.8
32	Operating Revenues per RTM (%)	10.6	-6.2	4.7	0.3	-3.5	-8.1	-10.6
33	Operating Expense per RTM (%)	-0.6	-9.4	-0.8	-3.2	-4.6	-7.0	-3.7
34	Passenger Revenue per RPM (Sch. Svc.)(%)	4.9	-6.4	0.4	-2.5	-5.0	-8.5	-12.5

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

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2003/09	2002/09	2003/09	2003/06	2003/03	2002/12	2002/09
	<u>FINANCIAL RESULTS: (\$Millions)</u>							
1	Operating Revenues	6,675.1	6,778.3	24,670.1	24,773.3	25,050.1	24,507.7	23,323.3
2	Operating Expenses	6,102.0	6,751.8	25,316.1	25,966.0	26,358.6	25,672.1	24,723.3
3	Operating Profit (Loss)	573.1	26.5	-646.1	-1,192.7	-1,308.4	-1,164.3	-1,399.9
4	Net Income (Loss)	358.6	-197.0	-1,520.6	-2,076.2	-2,254.1	-1,992.4	-1,478.6
	<u>TRAFFIC: (Mllions)</u>							
5	RTMs - Scheduled Svc.	43.4	45.1	152.2	153.9	161.0	161.8	154.6
6	ATMs - Scheduled Svc.	53.0	56.8	201.2	205.0	212.6	210.7	206.9
7	Overall RTMs (All Svc.)	7.3	7.5	27.1	27.3	28.0	27.9	26.6
8	Overall ATMs (All Svc.)	12.6	12.6	46.6	46.7	47.8	47.2	46.1
	<u>YIELD & UNIT COST & PROFITS: (Cents)</u>							
9	Operating Revenue per RTM	92.1	91.0	91.0	90.7	89.3	88.0	87.6
10	Operating Expense per RTM	84.2	90.6	93.4	95.1	94.0	92.1	92.9
11	Operating Profit (Loss) per RTM	7.9	0.4	-2.4	-4.4	-4.7	-4.2	-5.3
12	Operating Expense per ATM	48.4	53.5	54.3	55.6	55.2	54.4	53.6
13	Passenger Revenue per RPM	10.22	10.12	9.87	9.85	9.83	9.78	9.73
	<u>FINANCIAL RATIOS:</u>							
14	Operating Revenues to Total Investment	*	*	**	**	**	**	**
15	Times Interest Earned	*	*	**	**	**	**	**
16	Current Assets to Current Liabilities	*	*	**	**	**	**	**
17	No. of Days Cash Coverage of Cash Exp.	*	*	**	**	**	**	**
	<u>FINANCIAL PERCENTAGES:</u>							
18	Operating Profit (Loss) to Operating Revenue	8.6	0.4	-2.6	-4.8	-5.2	-4.8	-6.0
19	Net Income to Stockholders Equity	*	*	**	**	**	**	**
20	Corporate Return on Investment	*	*	-4.3	-18.9	-42.6	-6.2	-3.9
21	Debt to Total Investment	*	*	**	**	**	**	**
	<u>LOAD FACTOR: (%)</u>							
22	Passenger Load Factor (Sch. Svc.)	81.9	79.3	75.7	75.1	75.8	76.8	74.7
23	Ton Load Factor (All Svc.)	57.5	59.0	58.1	58.5	58.7	59.0	57.7
	<u>Employment & Productivity:</u>							
24	Employment, Total Weighted Avg CY	*	*	**	**	**	**	**
25	Overall RTM's per Employee (000)	*	*	**	**	**	**	**

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	-1.5	1.6	5.8	6.7	5.4	-1.0	-12.2
27	Operating Expenses (%)	-9.6	-10.3	2.4	1.8	1.1	-4.4	-11.1
28	Operating Profit (Loss) (in Millions \$)	546.6	880.8	753.9	1,088.0	1,008.7	932.2	-158.8
29	Net Income (Loss)(in Millions \$)	555.6	188.0	-42.0	-409.6	-543.8	-771.6	-729.5
30	RTMs (All Svc.) (%)	-3.7	-3.5	-1.5	-1.5	-0.8	-3.3	-13.6
31	ATMs (All Svc.) (%)	-6.8	-6.1	-2.8	-2.7	-3.2	-8.2	-13.8
32	Operating Revenues per RTM (%)	1.3	1.9	3.9	4.1	2.7	-0.2	-1.4
33	Operating Expense per RTM (%)	-7.1	-10.0	0.6	-0.6	-1.6	-3.6	-0.2
34	Passenger Revenue per RPM (Sch. Svc.)(%)	1.0	1.4	1.5	1.6	1.1	-2.3	-5.1

COMPARISONS AMONG MAJOR GROUP AIRLINES

Chart 1.
Operating and Net Profit (Loss)
For the Quarter Ended September 2003

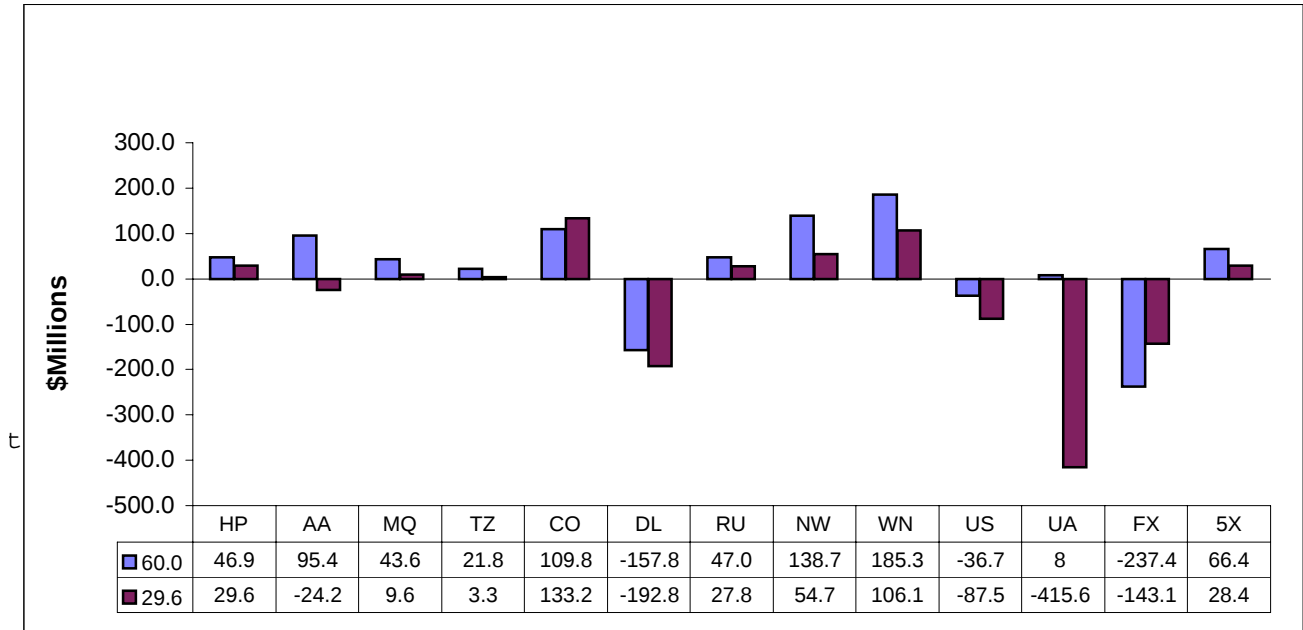
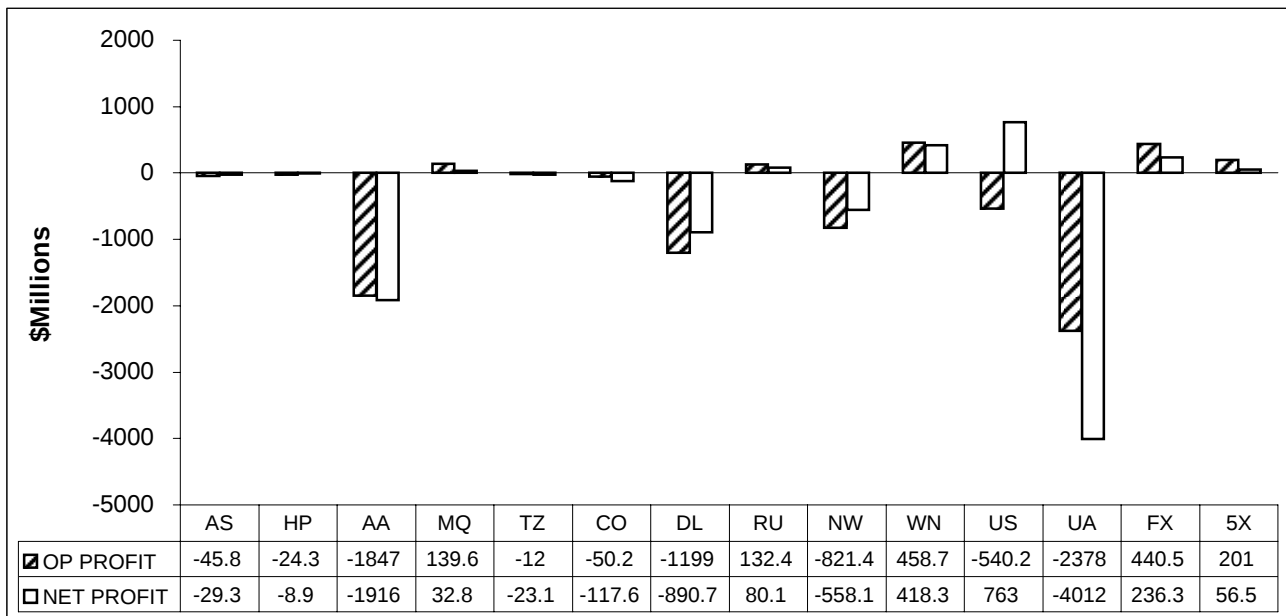


Chart 2
Operating and Net Profit (Loss)
For the 12 Months Ended September 2003



BY QUARTER

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

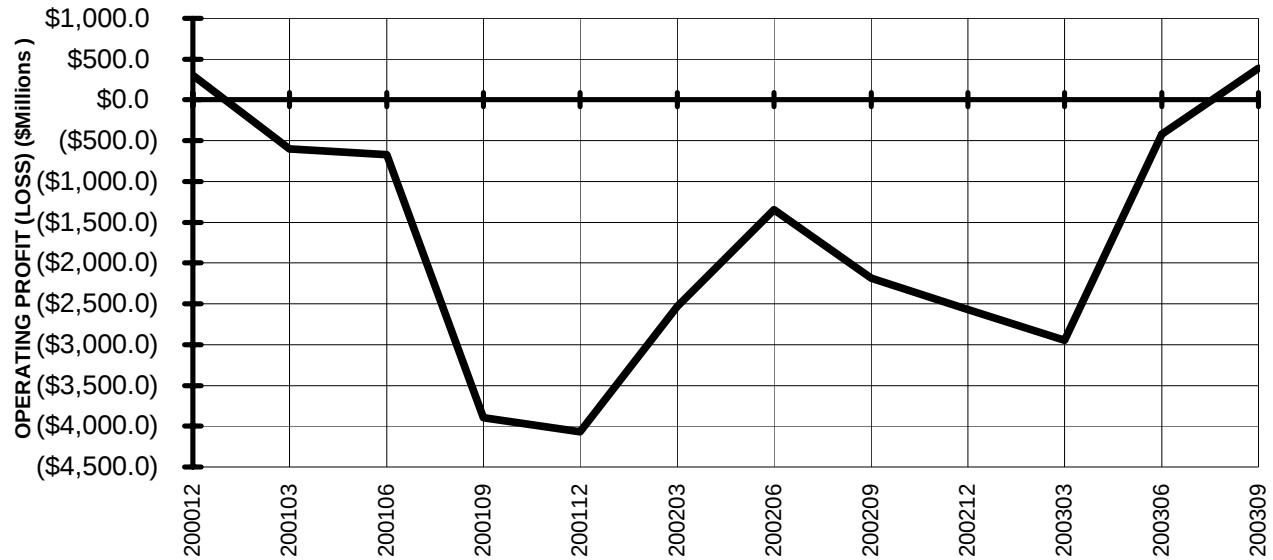
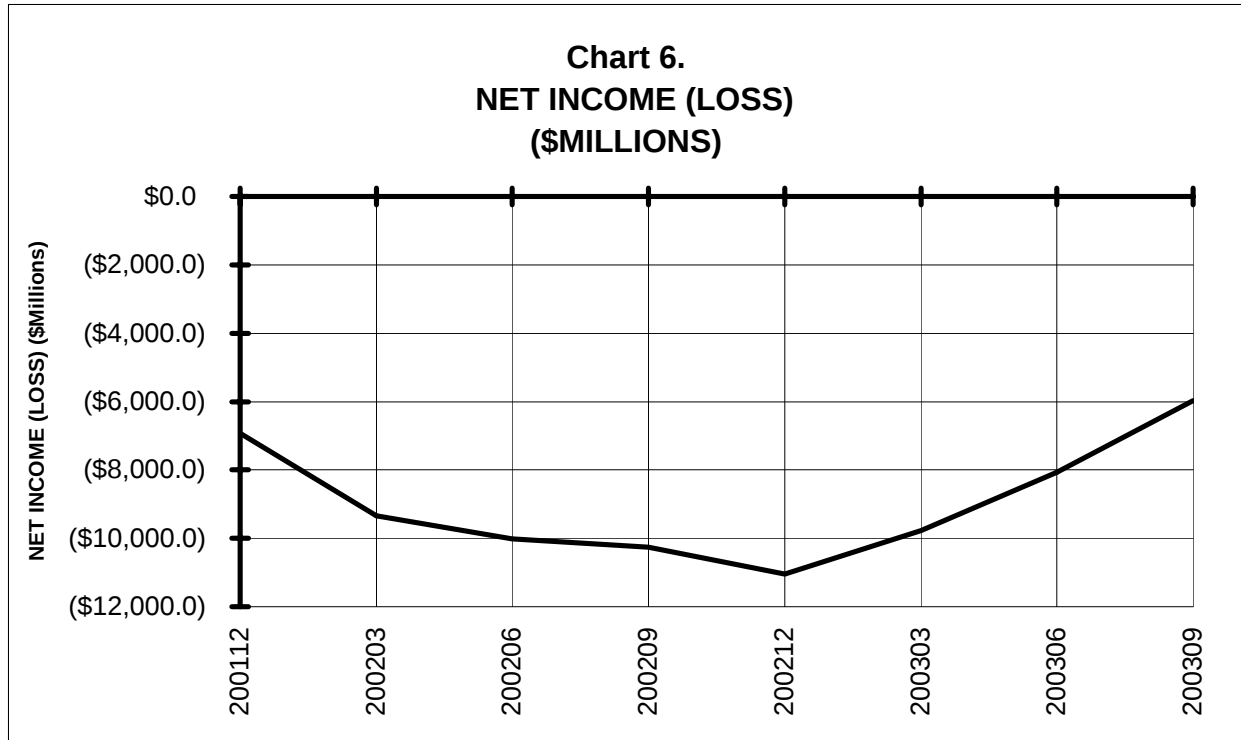
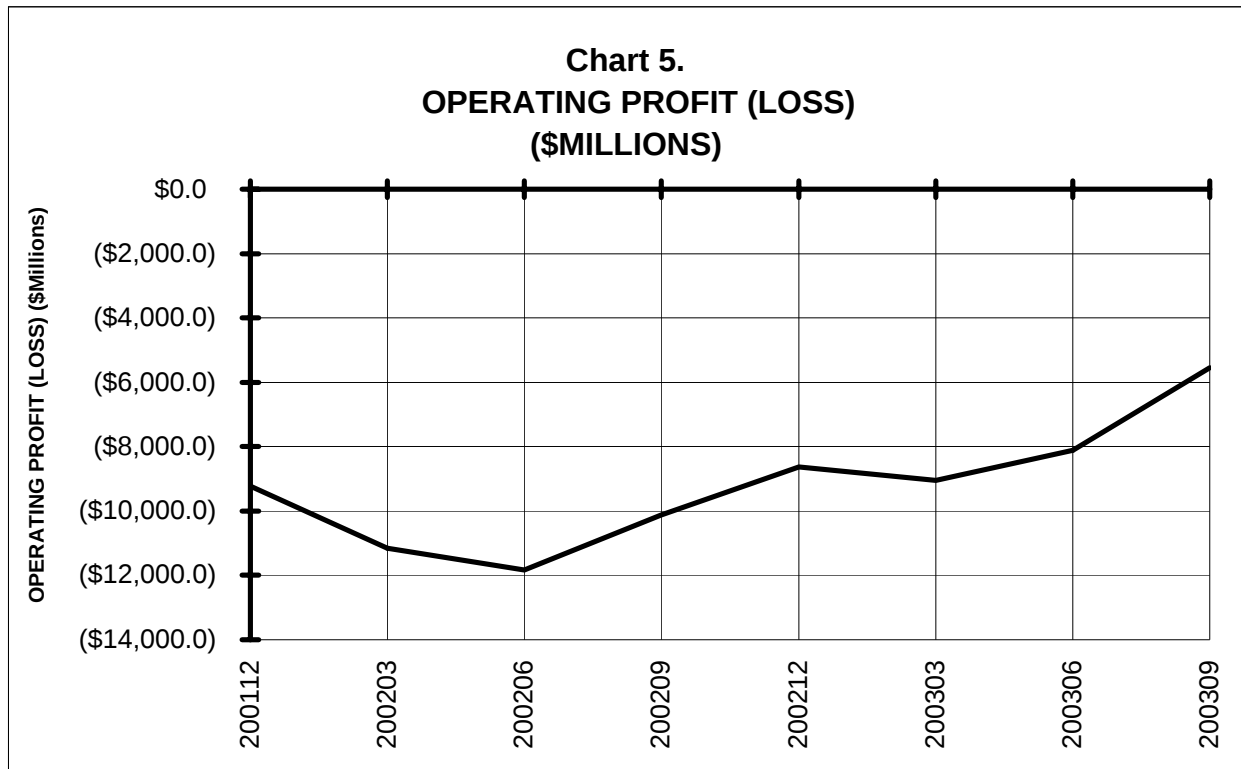


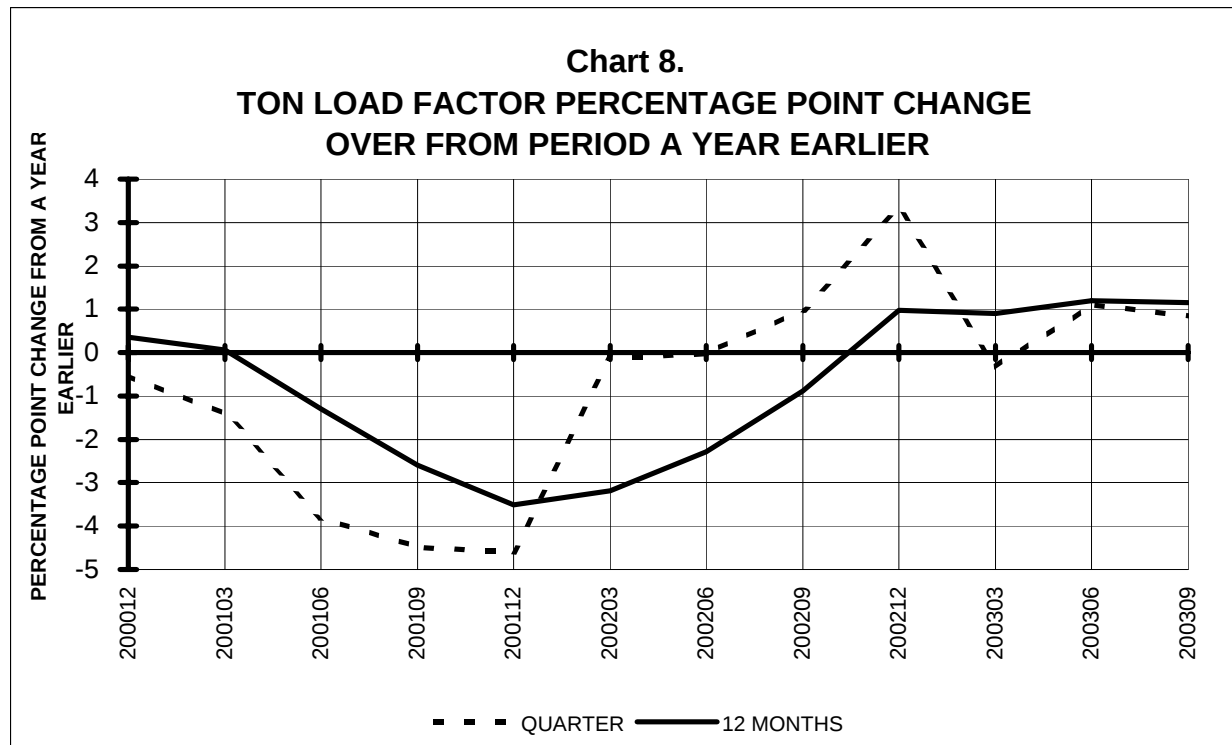
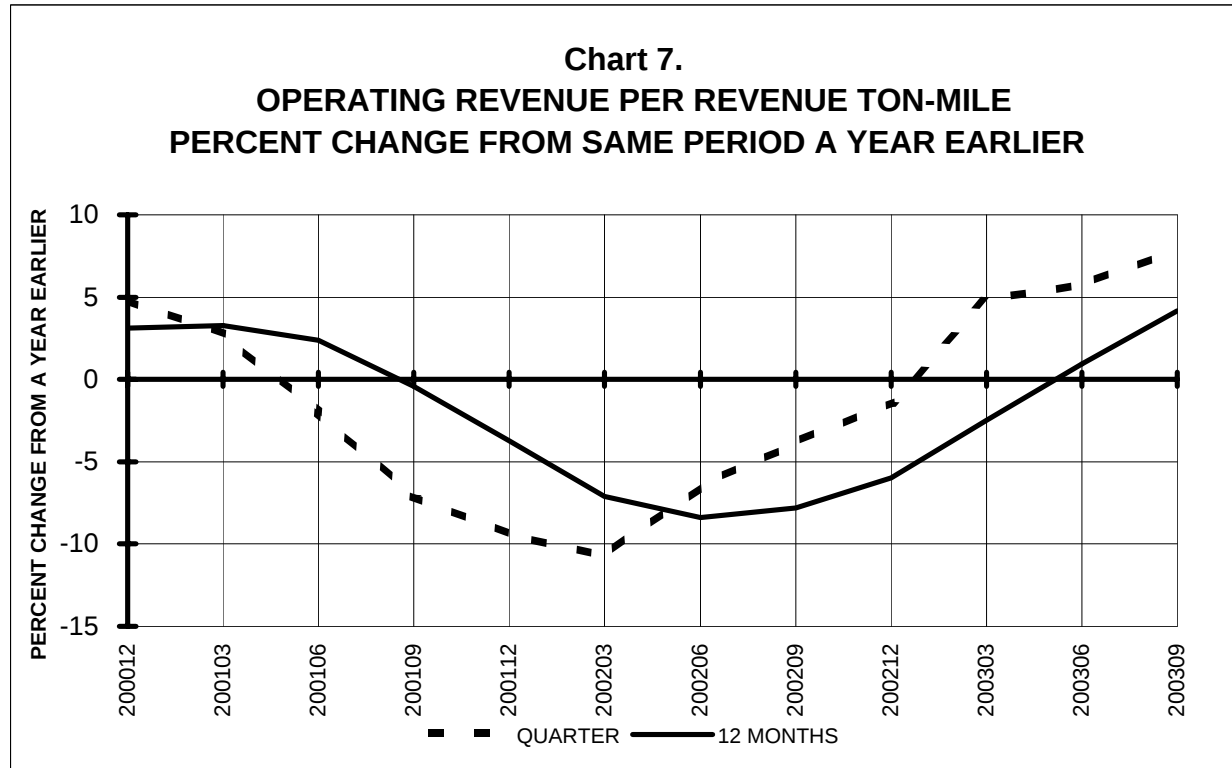
Chart 4.
NET INCOME (LOSS)
(\$MILLIONS)



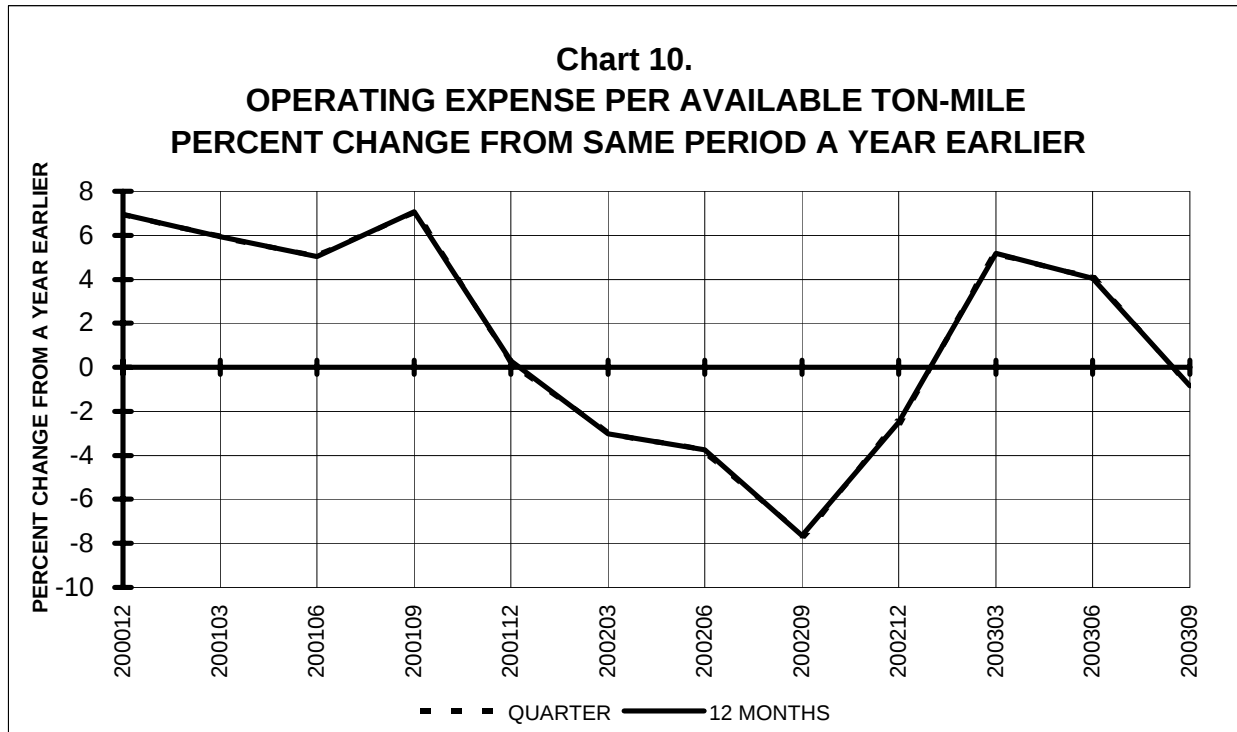
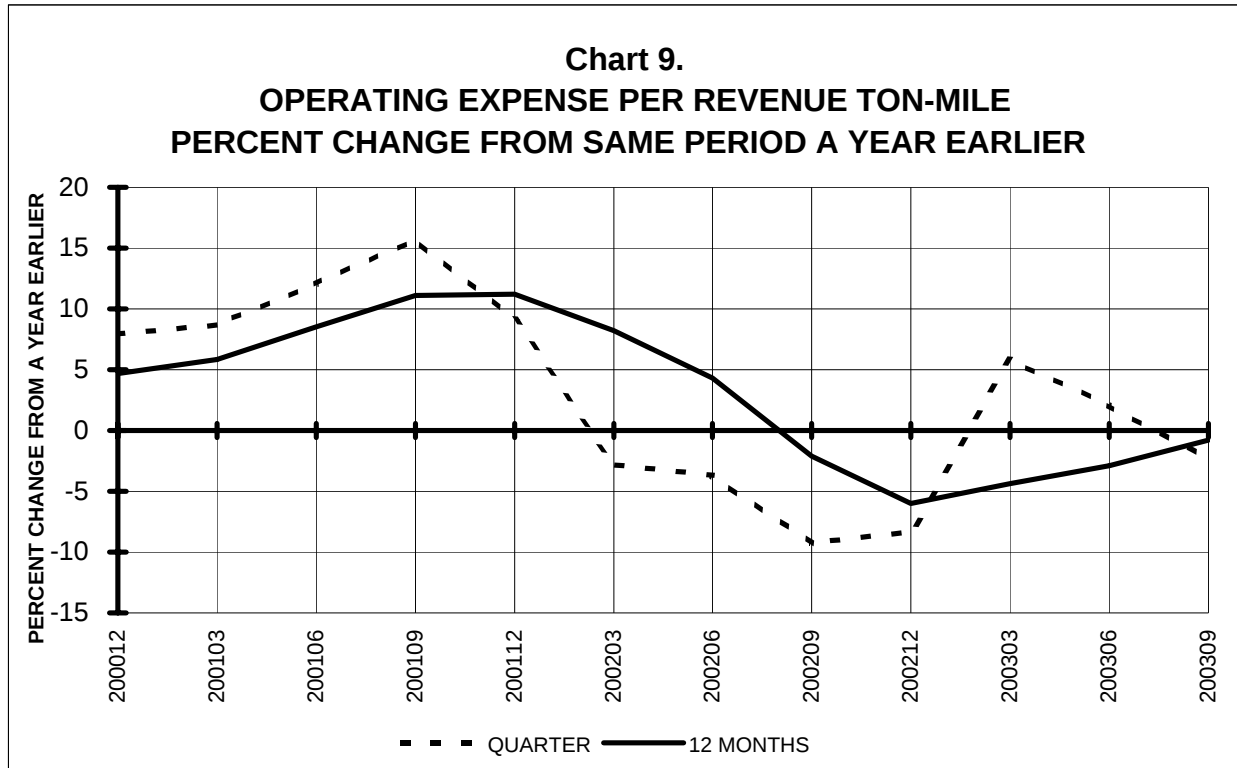
BY 12-MONTH ENDING PERIODS



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



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



QUARTERLY FINANCIAL & TRAFFIC REVIEW
SYSTEM OPERATIONS
System Passenger Majors

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2003/09	2002/09	2003/09	2003/06	2003/03	2002/12	2002/09
	<u>FINANCIAL RESULTS: (\$Millions)</u>							
1	Operating Revenues	21,886.9	20,141.3	80,103.9	78,358.3	78,385.3	77,340.3	75,112.4
2	Operating Expenses	21,325.0	22,554.7	86,290.8	87,520.5	88,336.2	86,912.3	86,311.1
3	Operating Profit (Loss)	561.9	-2,413.4	-6,186.9	-9,162.2	-9,950.9	-9,572.0	-11,198.7
4	Net Income (Loss)	-326.4	-2,655.7	-6,261.5	-8,590.8	-10,217.0	-11,491.6	-10,740.8
	<u>TRAFFIC: (Mllions)</u>							
5	RPMs - Scheduled Svc.	158.3	160.0	577.7	579.3	588.8	589.8	574.7
6	ASMs - Scheduled Svc.	204.1	216.6	789.2	801.7	818.2	817.4	808.0
7	Overall RTMs (All Svc.)	18.1	18.4	67.3	67.6	68.8	68.8	67.0
8	Overall ATMs (All Svc.)	31.2	33.0	120.4	122.3	124.9	124.7	123.2
	<u>YIELD & UNIT COST & PROFITS: (Cents)</u>							
9	Operating Revenue per RTM	120.8	109.3	119.0	115.9	114.0	112.4	112.2
10	Operating Expense per RTM	117.7	122.4	128.2	129.4	128.4	126.3	128.9
11	Operating Profit (Loss) per RTM	3.1	-13.1	-9.2	-13.5	-14.5	-13.9	-16.7
12	Operating Expense per ATM	68.5	68.3	71.7	71.6	70.7	69.7	70.1
13	Passenger Revenue per RPM	11.37	10.94	11.46	11.34	11.35	11.36	11.36
	<u>FINANCIAL RATIOS:</u>							
14	Operating Revenues to Total Investment	*	*	1.25	3.14	6.13	1.09	1.02
15	Times Interest Earned	*	*	-1.13	-2.09	-2.97	-3.85	-4.07
16	Current Assets to Current Liabilities	*	*	0.80	0.80	0.68	0.69	0.77
17	No. of Days Cash Coverage of Cash Exp.	*	*	75.1	71.2	52.7	57.0	60.4
	<u>FINANCIAL PERCENTAGES:</u>							
18	Operating Profit (Loss) to Operating Revenue	2.6	-12.0	-7.7	-11.7	-12.7	-12.4	-14.9
19	Net Income to Stockholders Equity	*	*	-68.0	-69.2	-64.7	-59.9	-46.3
20	Corporate Return on Investment	*	*	-5.0	-22.0	-55.8	-12.0	-10.8
21	Debt to Total Investment	*	*	90.9	89.8	88.4	87.3	73.5
	<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>							
22	Actual	77.6	73.9	73.2	72.3	72.0	72.1	71.1
23	Breakeven	74.7	86.9	81.0	84.2	85.0	85.2	86.1
	<u>Employment & Productivity:</u>							
24	Employment, Total Weighted Avg CY	374,339	431,027	396,815	410,987	421,696	425,983	431,165
25	Overall RTM's per Employee (000)	48.4	42.5	169.6	164.5	163.1	160.6	154.4

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	8.7	-4.8	6.6	2.9	-2.1	-9.2	-18.9
27	Operating Expenses (%)	-5.5	-10.3	0.0	-1.6	-4.0	-8.8	-12.1
28	Operating Profit (Loss) (in Millions \$)	2,975.3	1,572.7	5,011.8	3,609.2	2,003.5	537.7	-5,646.4
29	Net Income (Loss)(in Millions \$)	2,329.3	-263.0	4,479.3	1,887.0	-510.5	-4,090.8	-6,377.7
30	RPMs (Sch. Svc.) (%)	-1.1	-1.1	0.5	0.5	-0.8	-3.1	-10.1
31	ASMs (Sch. Svc.) (%)	-5.8	-3.1	-2.3	-1.6	-2.5	-5.7	-10.1
32	Operating Revenues per RTM (%)	10.5	-3.7	6.1	2.2	-1.5	-6.0	-9.1
33	Operating Expense per RTM (%)	-3.8	-9.3	-0.6	-2.2	-3.5	-5.6	-1.4
34	Passenger Revenue per RPM (Sch. Svc.)(%)	4.0	-4.3	0.8	-1.4	-3.7	-7.1	-10.6

QUARTERLY FINANCIAL & TRAFFIC REVIEW
SYSTEM OPERATIONS
Domestic Passenger Majors

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2003/09	2002/09	2003/09	2003/06	2003/03	2002/12	2002/09
	<u>FINANCIAL RESULTS: (\$Millions)</u>							
1	Operating Revenues	16,519.0	14,763.7	61,207.8	59,452.5	59,027.5	58,331.3	57,043.6
2	Operating Expenses	16,540.8	17,110.9	66,347.4	66,917.5	67,182.3	66,219.0	66,295.6
3	Operating Profit (Loss)	-21.9	-2,347.3	-5,139.6	-7,465.0	-8,154.8	-7,887.7	-9,252.0
4	Net Income (Loss)	-695.0	-2,409.9	-4,537.2	-6,252.1	-7,712.1	-9,228.3	-8,989.4
	<u>TRAFFIC: (Mllions)</u>							
5	RPMs - Scheduled Svc.	114.9	114.9	425.6	425.6	427.7	427.8	420.0
6	ASMs - Scheduled Svc.	151.1	159.7	588.3	596.8	605.6	606.4	600.8
7	Overall RTMs (All Svc.)	12.2	12.2	45.6	45.6	45.9	45.9	45.0
8	Overall ATMs (All Svc.)	21.2	22.4	82.5	83.8	85.1	85.3	84.4
	<u>YIELD & UNIT COST & PROFITS: (Cents)</u>							
9	Operating Revenue per RTM	134.9	120.6	134.1	130.3	128.6	127.0	126.7
10	Operating Expense per RTM	135.1	139.8	145.4	146.6	146.4	144.2	147.2
11	Operating Profit (Loss) per RTM	-0.2	-19.2	-11.3	-16.4	-17.8	-17.2	-20.5
12	Operating Expense per ATM	78.2	76.4	80.4	79.9	78.9	77.7	78.5
13	Passenger Revenue per RPM	11.81	11.26	12.02	11.87	11.93	11.97	11.97
	<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	-0.1	-15.9	-8.4	-12.6	-13.8	-13.5	-16.2
19	Net Income to Stockholders Equity	*	*	**	**	**	**	**
20	Corporate Return on Investment	*	*	-4.4	-19.9	-53.6	-12.9	-12.1
21	Debt to Total Investment	*	*	**	**	**	**	**
	<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>							
22	Actual	76.1	72.0	72.4	71.3	70.6	70.5	69.9
23	Breakeven	75.0	87.8	80.0	83.2	84.0	83.9	85.3
	<u>Employment & Productivity:</u>							
24	Employment, Total Weighted Avg CY	*	*	**	**	**	**	**
25	Overall RTM's per Employee (000)	*	*	**	**	**	**	**

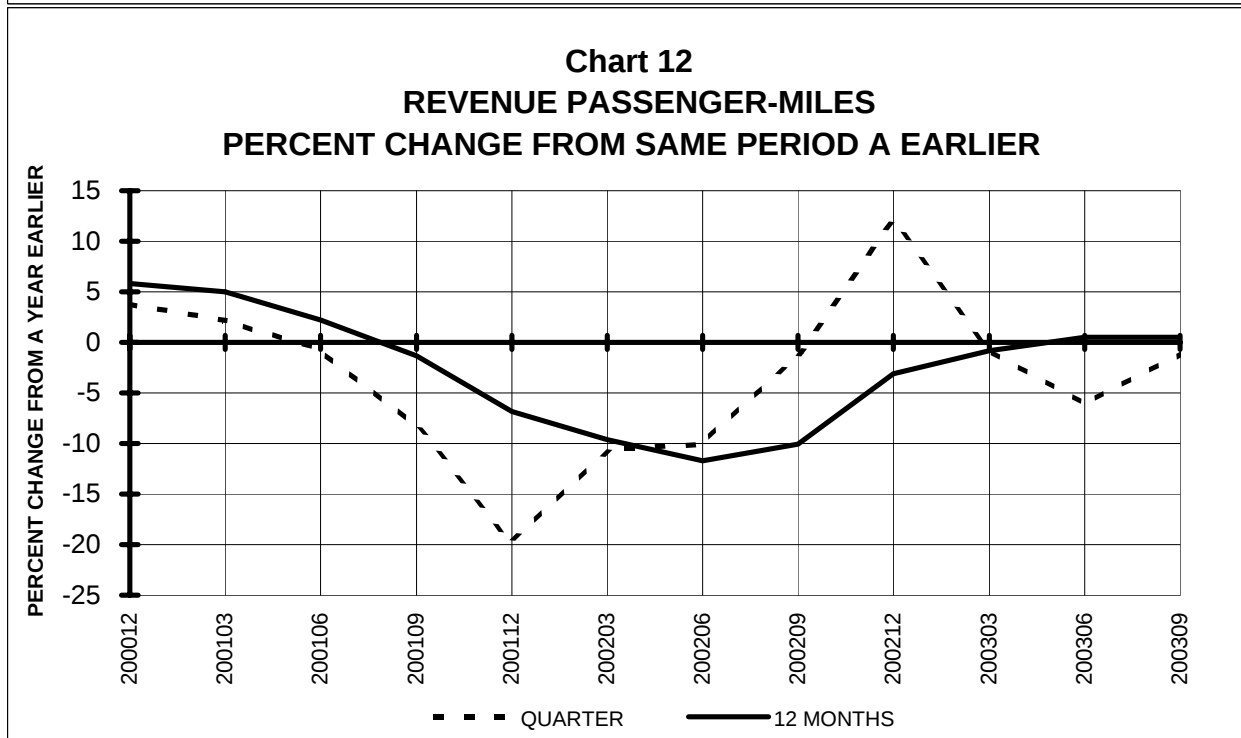
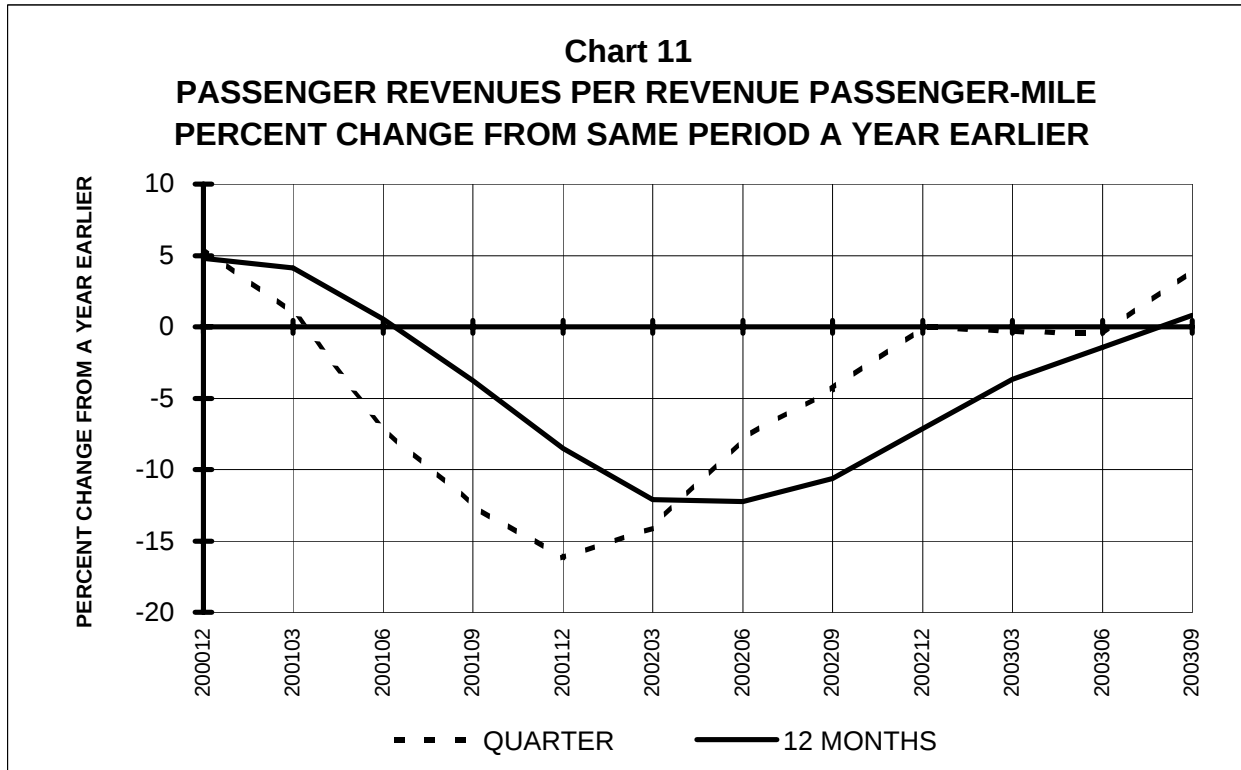
		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	11.9	-5.3	7.3	2.7	-3.2	-10.1	-19.1
27	Operating Expenses (%)	-3.3	-8.7	0.1	-1.5	-4.5	-9.0	-11.4
28	Operating Profit (Loss) (in Millions \$)	2,325.4	806.7	4,112.4	2,593.7	1,222.0	-42.7	-4,958.1
29	Net Income (Loss)(in Millions \$)	1,714.9	-317.8	4,452.2	2,419.5	241.3	-3,062.4	-5,376.9
30	RPMs (Sch. Svc.) (%)	0.0	-0.1	1.3	1.3	-0.8	-3.1	-8.8
31	ASMs (Sch. Svc.) (%)	-5.4	-2.0	-2.1	-1.2	-2.2	-4.8	-8.8
32	Operating Revenues per RTM (%)	11.9	-4.6	5.9	1.6	-2.0	-6.7	-10.3
33	Operating Expense per RTM (%)	-3.4	-8.0	-1.2	-2.6	-3.4	-5.5	-1.7
34	Passenger Revenue per RPM (Sch. Svc.)(%)	4.9	-6.4	0.4	-2.5	-5.0	-8.5	-12.5

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

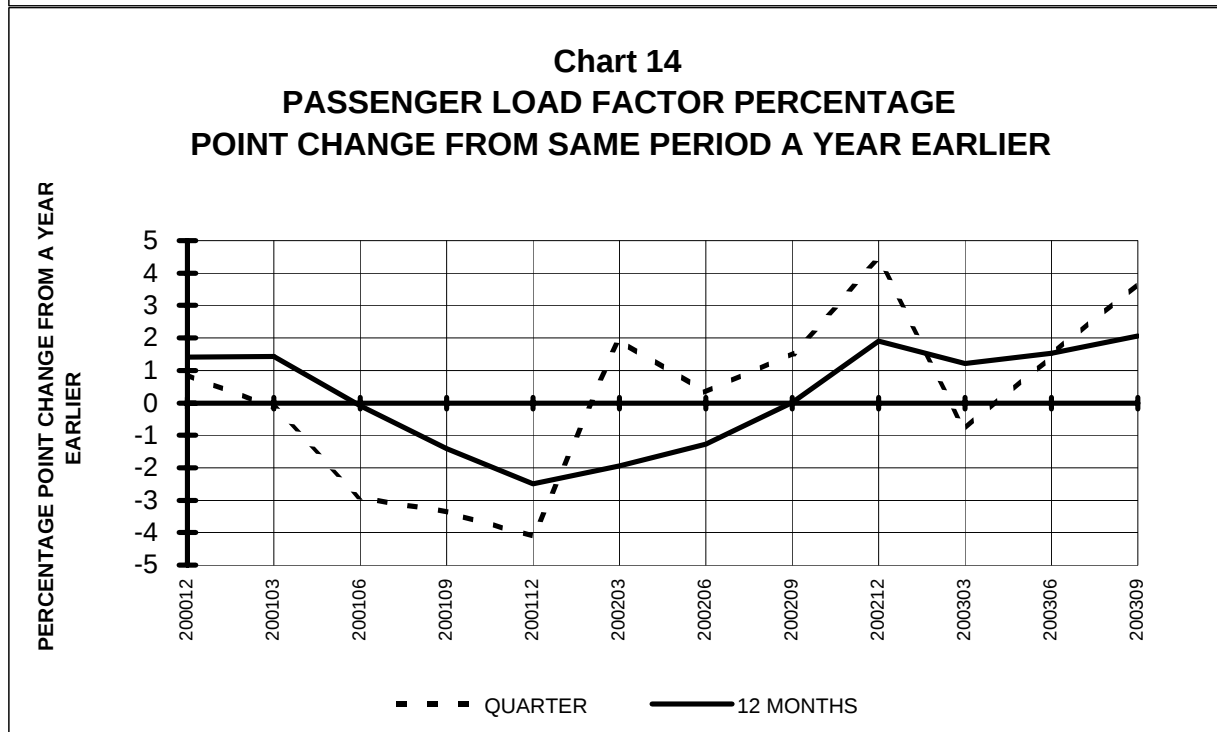
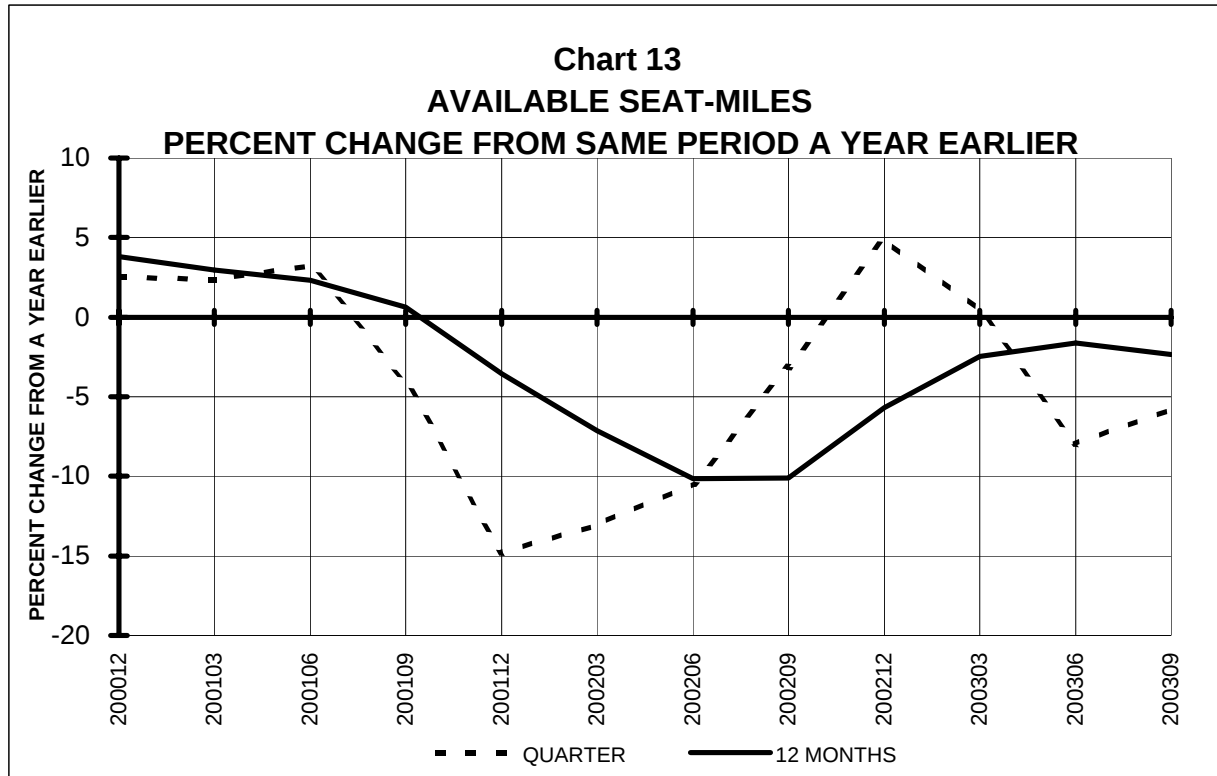
ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2003/09	2002/09	2003/09	2003/06	2003/03	2002/12	2002/09
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	5,367.9	5,377.7	18,896.1	18,905.8	19,357.8	19,009.0	18,068.8
2	Operating Expenses	4,784.1	5,443.8	19,943.4	20,603.0	21,153.8	20,693.3	20,015.5
3	Operating Profit (Loss)	583.8	-66.1	-1,047.2	-1,697.2	-1,796.1	-1,684.3	-1,946.7
4	Net Income (Loss)	368.6	-245.8	-1,724.3	-2,338.7	-2,504.9	-2,263.3	-1,751.3
<u>TRAFFIC: (Mllions)</u>								
5	RPMs - Scheduled Svc.	43.4	45.1	152.2	153.9	161.0	161.8	154.6
6	ASMs - Scheduled Svc.	53.0	56.8	201.2	205.0	212.6	210.7	206.9
7	Overall RTMs (All Svc.)	5.9	6.2	21.8	22.1	22.9	22.9	21.9
8	Overall ATMs (All Svc.)	10.0	10.6	37.9	38.5	39.8	39.4	38.7
<u>YIELD & UNIT COST & PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	91.4	86.9	86.8	85.6	84.4	83.2	82.5
10	Operating Expense per RTM	81.4	88.0	91.6	93.3	92.3	90.5	91.4
11	Operating Profit (Loss) per RTM	9.9	-1.1	-4.8	-7.7	-7.8	-7.4	-8.9
12	Operating Expense per ATM	47.9	51.2	52.6	53.5	53.1	52.5	51.7
13	Passenger Revenue per RPM	10.22	10.12	9.87	9.85	9.83	9.78	9.73
<u>FINANCIAL RATIOS:</u>								
14	Operating Revenues to Total Investment	*	*	**	**	**	**	**
15	Times Interest Earned	*	*	**	**	**	**	**
16	Current Assets to Current Liabilities	*	*	**	**	**	**	**
17	No. of Days Cash Coverage of Cash Exp.	*	*	**	**	**	**	**
<u>FINANCIAL PERCENTAGES:</u>								
18	Operating Profit (Loss) to Operating Revenue	10.9	-1.2	-5.5	-9.0	-9.3	-8.9	-10.8
19	Net Income to Stockholders Equity	*	*	**	**	**	**	**
20	Corporate Return on Investment	*	*	-7.0	-29.5	-63.7	-9.2	-6.3
21	Debt to Total Investment	*	*	**	**	**	**	**
<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>								
22	Actual	81.9	79.3	75.7	75.1	75.8	76.8	74.7
23	Breakeven	72.8	83.4	83.8	86.7	87.6	88.7	87.8
<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 (%)	-0.2	-3.4	4.6	3.5	1.5	-6.0	-18.3
27	Operating Expenses (%)	-12.1	-14.9	-0.4	-1.8	-2.3	-8.0	-14.4
28	Operating Profit (Loss) (in Millions \$)	649.9	766.0	899.4	1,015.5	781.5	579.8	-689.7
29	Net Income (Loss)(in Millions \$)	614.4	54.8	27.0	-532.5	-751.8	-1,028.5	-1,001.8
30	RPMs (Sch. Svc.) (%)	-3.7	-3.5	-1.5	-1.5	-0.8	-3.3	-13.6
31	ASMs (Sch. Svc.) (%)	-6.8	-6.1	-2.8	-2.7	-3.2	-8.2	-13.8
32	Operating Revenues per RTM (%)	5.1	-1.6	5.1	3.2	0.6	-3.3	-6.2
33	Operating Expense per RTM (%)	-7.4	-13.3	0.2	-2.1	-3.2	-5.3	-1.7
34	Passenger Revenue per RPM (Sch. Svc.)(%)	1.0	1.4	1.5	1.6	1.1	-2.3	-5.1

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

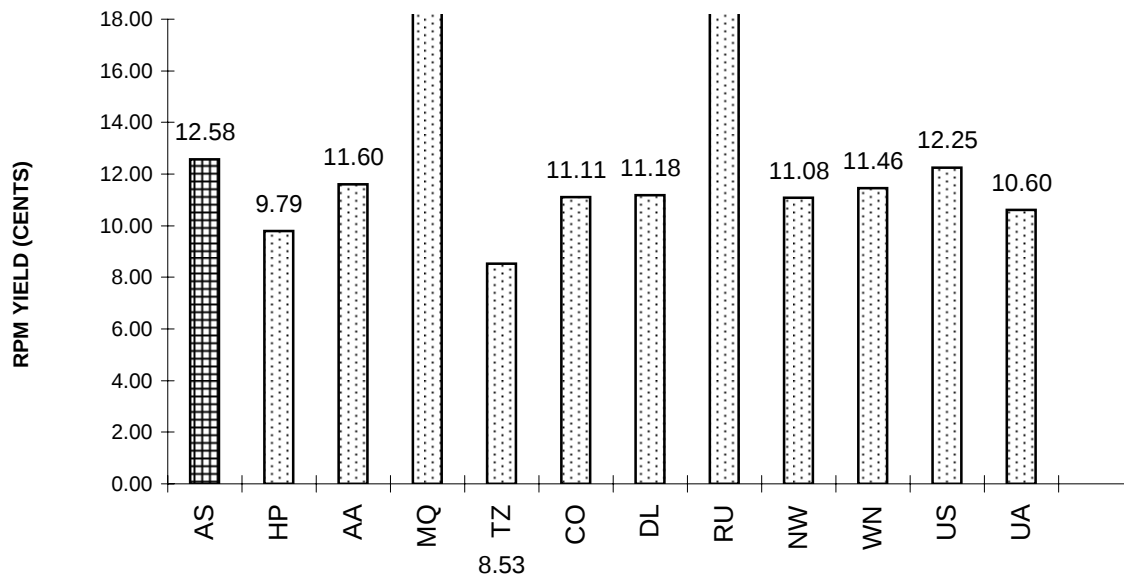


TOTAL PASSENGER MAJORS (SYSTEM) QUARTERLY AND 12-MONTH BASIS (SCH. SVC.)

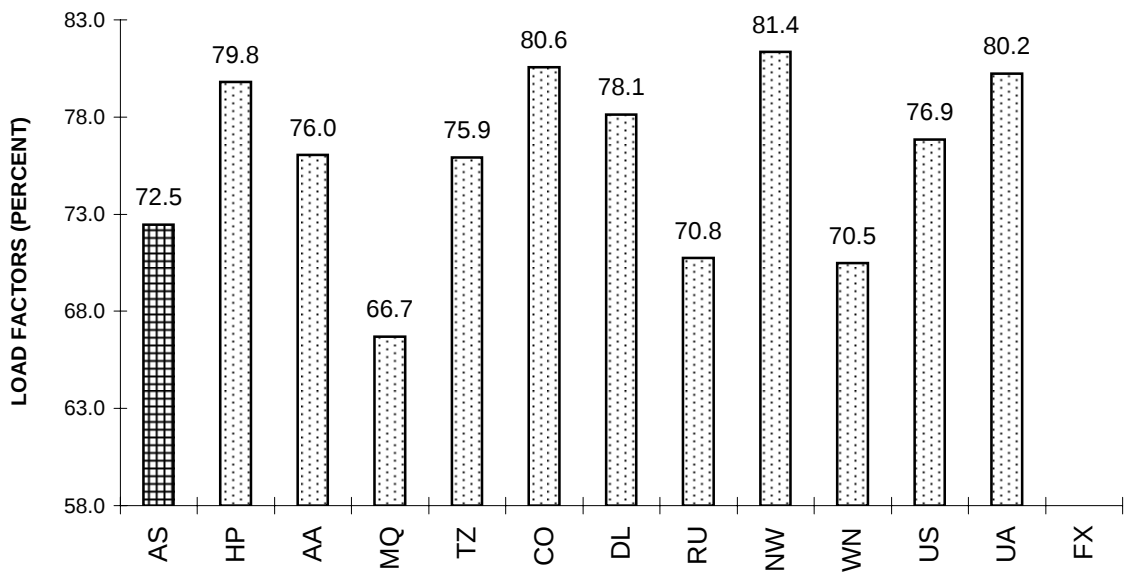


TOTAL PASSENGER MAJORS (SYSTEM) THIRD QUARTER 2003

**Chart 15
PASSENGER (RPM) YIELD**



**Chart 16
PASSENGER LOAD FACTOR**



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

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2003/09	2002/09	2003/09	2003/06	2003/03	2002/12	2002/09
	<u>FINANCIAL RESULTS: (\$Millions)</u>							
1	Operating Revenues	585.3	511.5	1,952.7	1,878.9	1,847.0	1,832.4	1,786.0
2	Operating Expenses	525.2	494.1	1,998.5	1,967.3	1,947.4	1,913.2	1,874.9
3	Operating Profit (Loss)	60.0	17.4	-45.8	-88.4	-100.4	-80.8	-88.9
4	Net Income (Loss)	29.6	7.2	-29.3	-51.7	-91.9	-75.0	-38.8
	<u>TRAFFIC: (Mllions)</u>							
5	RPMs - Scheduled Svc.	4.1	3.7	14.1	13.7	13.4	13.2	12.7
6	ASMs - Scheduled Svc.	5.7	5.2	20.4	19.9	19.6	19.4	18.7
7	Overall RTMs (All Svc.)	0.4	0.4	1.5	1.4	1.4	1.4	1.3
8	Overall ATMs (All Svc.)	0.7	0.7	2.7	2.6	2.6	2.5	2.5
	<u>YIELD & UNIT COST & PROFITS: (Cents)</u>							
9	Operating Revenue per RTM	135.2	132.7	131.5	130.8	131.6	132.4	133.3
10	Operating Expense per RTM	121.3	128.2	134.6	136.9	138.8	138.2	139.9
11	Operating Profit (Loss) per RTM	13.9	4.5	-3.1	-6.2	-7.2	-5.8	-6.6
12	Operating Expense per ATM	71.1	72.9	75.5	76.1	76.3	75.8	76.6
13	Passenger Revenue per RPM	12.58	12.40	12.24	12.18	12.26	12.33	12.39
	<u>FINANCIAL RATIOS:</u>							
14	Operating Revenues to Total Investment	*	*	1.24	3.00	6.08	1.16	1.11
15	Times Interest Earned	*	*	0.56	-0.36	-1.81	-1.13	-0.22
16	Current Assets to Current Liabilities	*	*	1.38	1.32	1.30	1.32	1.34
17	No. of Days Cash Coverage of Cash Exp.	*	*	145.1	142.2	122.5	128.9	137.3
	<u>FINANCIAL PERCENTAGES:</u>							
18	Operating Profit (Loss) to Operating Revenue	10.3	3.4	-2.3	-4.7	-5.4	-4.4	-5.0
19	Net Income to Stockholders Equity	*	*	-4.7	-8.2	-14.4	-11.3	-5.6
20	Corporate Return on Investment	*	*	0.9	-1.3	-15.8	-1.9	0.5
21	Debt to Total Investment	*	*	60.9	61.5	61.4	61.4	55.7
	<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>							
22	Actual	72.5	70.5	69.3	68.7	68.1	68.1	68.2
23	Breakeven	68.0	72.0	76.1	77.4	77.2	76.4	76.9
	<u>Employment & Productivity:</u>							
24	Employment, Total Weighted Avg CY	10,106	10,306	9,651	9,701	10,202	10,124	10,062
25	Overall RTM's per Employee (000)	42.8	37.4	153.8	148.1	137.6	136.7	133.2

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	14.4	5.6	9.3	6.8	5.3	3.9	-1.4
27	Operating Expenses (%)	6.3	5.6	6.6	6.4	6.4	4.7	1.1
28	Operating Profit (Loss) (in Millions \$)	42.6	0.9	43.1	1.3	-25.5	-16.0	-45.5
29	Net Income (Loss)(in Millions \$)	22.4	-14.0	9.5	-27.0	-75.2	-64.9	-20.6
30	RPMs (Sch. Svc.) (%)	12.4	10.4	10.8	10.2	8.4	7.8	2.7
31	ASMs (Sch. Svc.) (%)	9.4	11.1	9.0	9.4	9.4	8.2	2.9
32	Operating Revenues per RTM (%)	1.9	-4.4	-1.3	-3.1	-0.1	-0.5	-1.2
33	Operating Expense per RTM (%)	-5.4	-4.4	-3.8	-3.5	1.0	0.2	1.3
34	Passenger Revenue per RPM (Sch. Svc.)(%)	1.5	-4.2	-1.2	-2.8	-2.8	-3.7	-4.9

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

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2003/09	2002/09	2003/09	2003/06	2003/03	2002/12	2002/09
	<u>FINANCIAL RESULTS: (\$Millions)</u>							
1	Operating Revenues	583.6	512.3	2,183.9	2,112.7	2,081.4	2,021.0	1,898.5
2	Operating Expenses	536.6	554.6	2,208.2	2,226.2	2,210.0	2,185.1	2,162.2
3	Operating Profit (Loss)	46.9	-42.2	-24.3	-113.5	-128.6	-164.2	-263.7
4	Net Income (Loss)	29.6	-51.8	-8.9	-90.3	-183.1	-377.0	-384.9
	<u>TRAFFIC: (Mllions)</u>							
5	RPMs - Scheduled Svc.	5.6	5.4	21.1	20.8	20.5	19.9	18.8
6	ASMs - Scheduled Svc.	7.1	7.1	27.8	27.9	27.7	27.0	25.9
7	Overall RTMs (All Svc.)	0.6	0.6	2.2	2.2	2.1	2.1	2.0
8	Overall ATMs (All Svc.)	1.0	0.9	3.7	3.7	3.7	3.6	3.4
	<u>YIELD & UNIT COST & PROFITS: (Cents)</u>							
9	Operating Revenue per RTM	100.7	92.9	100.3	98.3	98.3	98.2	97.3
10	Operating Expense per RTM	92.6	100.6	101.4	103.5	104.4	106.2	110.8
11	Operating Profit (Loss) per RTM	8.1	-7.7	-1.1	-5.3	-6.1	-8.0	-13.5
12	Operating Expense per ATM	56.7	58.7	59.6	60.1	60.1	61.2	63.1
13	Passenger Revenue per RPM	9.79	9.08	9.89	9.70	9.70	9.67	9.58
	<u>FINANCIAL RATIOS:</u>							
14	Operating Revenues to Total Investment	*	*	2.06	5.20	10.62	1.80	1.62
15	Times Interest Earned	*	*	0.89	-0.12	-1.27	-1.76	-2.78
16	Current Assets to Current Liabilities	*	*	1.14	1.15	1.04	1.20	1.05
17	No. of Days Cash Coverage of Cash Exp.	*	*	71.6	64.2	51.4	60.7	72.4
	<u>FINANCIAL PERCENTAGES:</u>							
18	Operating Profit (Loss) to Operating Revenue	8.0	-8.2	-1.1	-5.4	-6.2	-8.1	-13.9
19	Net Income to Stockholders Equity	*	*	-2.8	-27.4	-52.6	-84.7	-70.7
20	Corporate Return on Investment	*	*	6.9	-2.4	-52.2	-26.5	-26.9
21	Debt to Total Investment	*	*	69.7	69.4	74.6	71.1	66.8
	<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>							
22	Actual	79.8	75.0	75.8	74.6	73.8	73.6	72.6
23	Breakeven	75.1	84.9	79.6	82.0	81.8	83.2	86.9
	<u>Employment & Productivity:</u>							
24	Employment, Total Weighted Avg CY	10,898	11,704	11,257	11,459	11,588	11,500	11,343
25	Overall RTM's per Employee (000)	53.2	47.1	193.5	187.6	182.7	179.0	172.0

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	13.9	6.2	15.0	13.1	8.9	-0.7	-14.0
27	Operating Expenses (%)	-3.2	-4.9	2.1	1.6	-3.4	-7.2	-12.2
28	Operating Profit (Loss) (in Millions \$)	89.2	58.7	239.4	208.9	248.6	156.0	-8.7
29	Net Income (Loss)(in Millions \$)	81.4	-20.7	376.0	273.8	208.9	-228.6	-253.9
30	RPMs (Sch. Svc.) (%)	5.3	8.0	11.9	12.7	10.9	4.2	-4.8
31	ASMs (Sch. Svc.) (%)	-1.1	6.6	7.1	9.3	8.6	1.7	-5.8
32	Operating Revenues per RTM (%)	8.4	-1.2	3.1	0.6	-1.3	-4.3	-9.3
33	Operating Expense per RTM (%)	-7.9	-11.5	-8.5	-9.6	-12.5	-10.6	-7.4
34	Passenger Revenue per RPM (Sch. Svc.)(%)	7.8	-2.3	3.2	0.6	-1.6	-4.7	-9.7

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

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2003/09	2002/09	2003/09	2003/06	2003/03	2002/12	2002/09
	<u>FINANCIAL RESULTS: (\$Millions)</u>							
1	Operating Revenues	4,596.0	4,127.3	16,844.9	16,376.3	16,170.7	15,870.6	15,548.8
2	Operating Expenses	4,500.6	5,378.9	18,691.9	19,570.2	19,664.3	19,183.5	19,289.5
3	Operating Profit (Loss)	95.4	-1,251.6	-1,846.9	-3,193.9	-3,493.6	-3,312.9	-3,740.7
4	Net Income (Loss)	-24.2	-850.9	-1,916.3	-2,743.0	-3,095.8	-3,495.7	-3,545.2
	<u>TRAFFIC: (Mllions)</u>							
5	RPMs - Scheduled Svc.	32.7	33.1	119.9	120.3	121.6	121.7	117.6
6	ASMs - Scheduled Svc.	42.9	45.9	165.7	168.6	172.2	172.1	169.6
7	Overall RTMs (All Svc.)	3.8	3.8	14.0	14.1	14.2	14.2	13.7
8	Overall ATMs (All Svc.)	7.1	7.6	27.4	27.9	28.5	28.4	28.0
	<u>YIELD & UNIT COST & PROFITS: (Cents)</u>							
9	Operating Revenue per RTM	122.3	108.4	120.1	116.4	113.7	111.9	113.5
10	Operating Expense per RTM	119.7	141.3	133.3	139.1	138.3	135.2	140.8
11	Operating Profit (Loss) per RTM	2.5	-32.9	-13.2	-22.7	-24.6	-23.4	-27.3
12	Operating Expense per ATM	63.6	70.8	68.3	70.2	69.0	67.5	69.0
13	Passenger Revenue per RPM	11.60	11.34	11.76	11.69	11.76	11.85	12.01
	<u>FINANCIAL RATIOS:</u>							
14	Operating Revenues to Total Investment	*	*	1.41	3.66	7.08	1.14	1.07
15	Times Interest Earned	*	*	-3.39	-6.80	-9.11	-12.93	-15.87
16	Current Assets to Current Liabilities	*	*	0.73	0.68	0.59	0.77	0.98
17	No. of Days Cash Coverage of Cash Exp.	*	*	67.9	47.0	36.0	55.2	57.0
	<u>FINANCIAL PERCENTAGES:</u>							
18	Operating Profit (Loss) to Operating Revenue	2.1	-30.3	-11.0	-19.5	-21.6	-20.9	-24.1
19	Net Income to Stockholders Equity	*	*	-156.5	-127.5	-100.2	-83.3	-67.4
20	Corporate Return on Investment	*	*	-12.3	-51.8	-118.8	-22.6	-22.3
21	Debt to Total Investment	*	*	101.7	97.9	93.8	86.0	73.8
	<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>							
22	Actual	76.0	72.0	72.4	71.3	70.6	70.7	69.4
23	Breakeven	78.8	102.4	87.1	93.2	93.4	92.2	92.3
	<u>Employment & Productivity:</u>							
24	Employment, Total Weighted Avg CY	81,611	99,209	89,902	94,301	96,878	97,760	98,576
25	Overall RTM's per Employee (000)	46.1	38.4	156.0	149.2	146.8	145.1	139.0

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	11.4	-7.3	8.3	3.2	-4.4	-13.1	-22.6
27	Operating Expenses (%)	-16.3	-5.7	-3.1	-0.2	-5.1	-10.7	-13.2
28	Operating Profit (Loss) (in Millions \$)	1,347.0	-0.1	1,893.7	546.7	310.1	-110.6	-1,612.4
29	Net Income (Loss)(in Millions \$)	826.7	-561.0	1,628.9	241.2	-146.4	-1,766.3	-2,474.7
30	RPMs (Sch. Svc.) (%)	-1.2	-1.3	1.9	1.9	-0.7	-4.1	-13.1
31	ASMs (Sch. Svc.) (%)	-6.4	-2.1	-2.3	-1.1	-2.4	-6.7	-12.3
32	Operating Revenues per RTM (%)	12.8	-5.4	5.8	1.0	-3.7	-8.7	-9.8
33	Operating Expense per RTM (%)	-15.2	-3.8	-5.3	-2.3	-4.4	-6.1	1.2
34	Passenger Revenue per RPM (Sch. Svc.)(%)	2.3	-5.5	-2.0	-4.1	-5.7	-8.5	-10.0

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

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2003/09	2002/09	2003/09	2003/06	2003/03	2002/12	2002/09
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	278.5	317.4	1,120.0	1,158.9	1,199.0	1,199.2	1,159.7
2	Operating Expenses	234.9	390.3	980.4	1,135.8	1,203.2	1,249.4	1,301.8
3	Operating Profit (Loss)	43.6	-73.0	139.6	23.1	-4.2	-50.2	-142.0
4	Net Income (Loss)	9.6	-68.8	32.8	-45.6	-97.7	-118.5	-169.2
<u>TRAFFIC: (Mllions)</u>								
5	RPMs - Scheduled Svc.	1.0	1.0	3.9	3.9	3.8	3.7	3.5
6	ASMs - Scheduled Svc.	1.5	1.5	6.1	6.1	5.9	5.8	5.7
7	Overall RTMs (All Svc.)	0.1	0.1	0.4	0.4	0.4	0.4	0.4
8	Overall ATMs (All Svc.)	0.2	0.2	0.7	0.7	0.7	0.7	0.7
<u>YIELD & UNIT COST & PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	270.7	324.3	286.3	300.1	318.1	324.8	327.8
10	Operating Expense per RTM	228.3	398.8	250.6	294.1	319.3	338.4	367.9
11	Operating Profit (Loss) per RTM	42.4	-74.6	35.7	6.0	-1.1	-13.6	-40.1
12	Operating Expense per ATM	126.9	212.7	134.6	156.3	169.0	179.2	191.7
13	Passenger Revenue per RPM	26.89	31.09	28.14	29.21	30.81	31.26	31.52
<u>FINANCIAL RATIOS:</u>								
14	Operating Revenues to Total Investment	*	*	0.37	0.96	2.03	0.42	0.42
15	Times Interest Earned	*	*	1.32	0.25	-0.31	-0.74	-1.80
16	Current Assets to Current Liabilities	*	*	0.13	0.14	0.12	0.15	0.18
17	No. of Days Cash Coverage of Cash Exp.	*	*	0.0	0.0	0.0	0.7	0.7
<u>FINANCIAL PERCENTAGES:</u>								
18	Operating Profit (Loss) to Operating Revenue	15.7	-23.0	12.5	2.0	-0.4	-4.2	-12.2
19	Net Income to Stockholders Equity	*	*	24.6	142.2		-2,714.4	-680.1
20	Corporate Return on Investment	*	*	4.6	5.1	0.9	-0.7	-2.8
21	Debt to Total Investment	*	*	98.8	99.0	100.4	100.0	102.1
<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>								
22	Actual	66.7	64.2	64.1	63.4	63.2	63.1	61.8
23	Breakeven	55.0	81.4	55.0	62.0	63.5	66.2	70.6
<u>Employment & Productivity:</u>								
24	Employment, Total Weighted Avg CY	7,188	8,588	7,608	7,958	8,164	8,347	8,502
25	Overall RTM's per Employee (000)	14.3	11.4	51.4	48.5	46.2	44.2	41.6

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	-12.2	4.9	-3.4	1.2	0.0	-3.6	-11.5
27	Operating Expenses (%)	-39.8	-3.4	-24.7	-13.6	-18.0	-16.7	-13.2
28	Operating Profit (Loss) (in Millions \$)	116.6	28.2	281.7	193.3	265.0	205.8	48.3
29	Net Income (Loss)(in Millions \$)	78.4	17.3	202.0	140.9	144.1	107.7	16.9
30	RPMs (Sch. Svc.) (%)	5.9	15.5	11.1	13.6	12.2	11.9	6.9
31	ASMs (Sch. Svc.) (%)	2.0	3.6	7.2	7.7	4.7	2.5	0.8
32	Operating Revenues per RTM (%)	-16.5	-9.3	-12.7	-10.7	-10.9	-13.9	-17.3
33	Operating Expense per RTM (%)	-42.7	-16.4	-31.9	-23.8	-27.0	-25.6	-18.9
34	Passenger Revenue per RPM (Sch. Svc.)(%)	-13.5	-10.2	-10.7	-9.9	-10.6	-14.2	-17.9

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

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2003/09	2002/09	2003/09	2003/06	2003/03	2002/12	2002/09
	<u>FINANCIAL RESULTS: (\$Millions)</u>							
1	Operating Revenues	358.9	289.2	1,340.0	1,270.4	1,200.0	1,150.0	1,095.8
2	Operating Expenses	337.1	337.3	1,352.1	1,352.3	1,352.1	1,290.7	1,304.2
3	Operating Profit (Loss)	21.8	-48.0	-12.0	-81.9	-152.1	-140.8	-208.4
4	Net Income (Loss)	3.3	-63.6	-23.1	-90.0	-184.6	-169.4	-195.7
	<u>TRAFFIC: (Mllions)</u>							
5	RPMs - Scheduled Svc.	3.2	2.6	11.1	10.4	9.8	9.4	8.9
6	ASMs - Scheduled Svc.	4.2	3.4	15.2	14.4	13.6	12.9	11.9
7	Overall RTMs (All Svc.)	0.4	0.3	1.3	1.2	1.2	1.2	1.1
8	Overall ATMs (All Svc.)	0.6	0.5	2.2	2.0	2.0	2.0	1.9
	<u>YIELD & UNIT COST & PROFITS: (Cents)</u>							
9	Operating Revenue per RTM	93.9	92.9	105.1	105.5	101.6	96.1	96.1
10	Operating Expense per RTM	88.2	108.3	106.0	112.3	114.4	107.9	114.4
11	Operating Profit (Loss) per RTM	5.7	-15.4	-0.9	-6.8	-12.9	-11.8	-18.3
12	Operating Expense per ATM	53.3	66.4	62.3	66.1	66.9	63.8	69.9
13	Passenger Revenue per RPM	8.53	8.29	8.67	8.62	8.67	8.71	8.71
	<u>FINANCIAL RATIOS:</u>							
14	Operating Revenues to Total Investment	*	*	3.71	8.61	17.17	2.76	2.21
15	Times Interest Earned	*	*	0.47	-1.75	-4.88	-4.92	-6.99
16	Current Assets to Current Liabilities	*	*	0.62	0.90	0.86	1.10	0.76
17	No. of Days Cash Coverage of Cash Exp.	*	*	57.7	56.2	48.4	63.0	37.8
	<u>FINANCIAL PERCENTAGES:</u>							
18	Operating Profit (Loss) to Operating Revenue	6.1	-16.6	-0.9	-6.4	-12.7	-12.2	-19.0
19	Net Income to Stockholders Equity	*	*					
20	Corporate Return on Investment	*	*	5.1	-35.6	-212.7	-32.8	-33.1
21	Debt to Total Investment	*	*	130.2	130.9	145.8	140.1	130.9
	<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>							
22	Actual	75.9	75.7	72.9	72.6	72.4	73.0	74.4
23	Breakeven	69.2	94.5	74.0	80.1	86.8	87.0	96.8
	<u>Employment & Productivity:</u>							
24	Employment, Total Weighted Avg CY	7,518	6,716	7,130	6,929	6,862	6,826	6,804
25	Overall RTM's per Employee (000)	50.8	46.4	178.9	173.9	172.2	175.3	167.6

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	24.1	-2.6	22.3	15.1	5.1	-0.4	-8.3
27	Operating Expenses (%)	-0.1	17.3	3.7	7.8	11.0	4.2	9.2
28	Operating Profit (Loss) (in Millions \$)	69.9	-57.3	196.4	69.2	-75.8	-56.2	-208.5
29	Net Income (Loss)(in Millions \$)	66.9	-64.3	172.5	41.4	-114.7	-91.4	-173.4
30	RPMs (Sch. Svc.) (%)	24.3	15.7	25.0	22.8	17.2	13.1	6.1
31	ASMs (Sch. Svc.) (%)	23.9	20.2	27.6	26.9	23.0	19.1	9.3
32	Operating Revenues per RTM (%)	1.1	0.2	9.3	9.8	2.9	-3.9	-7.3
33	Operating Expense per RTM (%)	-18.6	20.6	-7.3	2.8	8.7	0.5	10.3
34	Passenger Revenue per RPM (Sch. Svc.)(%)	2.9	-6.0	-0.5	-2.8	-5.7	-6.8	-8.9

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

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2003/09	2002/09	2003/09	2003/06	2003/03	2002/12	2002/09
	<u>FINANCIAL RESULTS: (\$Millions)</u>							
1	Operating Revenues	1,927.3	1,918.4	7,258.7	7,249.8	7,332.0	7,352.8	7,092.1
2	Operating Expenses	1,817.6	1,931.1	7,308.9	7,422.5	7,853.0	7,833.5	7,811.1
3	Operating Profit (Loss)	109.8	-12.7	-50.2	-172.7	-521.0	-480.8	-719.0
4	Net Income (Loss)	133.2	-37.3	-117.6	-288.0	-505.7	-451.0	-491.5
	<u>TRAFFIC: (Mllions)</u>							
5	RPMs - Scheduled Svc.	15.8	15.3	56.1	55.6	56.4	57.0	55.9
6	ASMs - Scheduled Svc.	19.6	20.2	75.0	75.6	76.9	76.8	75.5
7	Overall RTMs (All Svc.)	1.8	1.8	6.6	6.5	6.6	6.6	6.4
8	Overall ATMs (All Svc.)	2.7	2.7	10.1	10.1	10.2	10.1	9.9
	<u>YIELD & UNIT COST & PROFITS: (Cents)</u>							
9	Operating Revenue per RTM	107.2	109.3	110.8	111.4	111.7	111.6	110.3
10	Operating Expense per RTM	101.1	110.0	111.6	114.0	119.6	118.9	121.5
11	Operating Profit (Loss) per RTM	6.1	-0.7	-0.8	-2.7	-7.9	-7.3	-11.2
12	Operating Expense per ATM	68.4	72.7	72.4	73.5	77.1	77.5	78.8
13	Passenger Revenue per RPM	11.11	11.15	11.59	11.60	11.63	11.55	11.43
	<u>FINANCIAL RATIOS:</u>							
14	Operating Revenues to Total Investment	*	*	1.12	2.88	5.97	1.14	1.12
15	Times Interest Earned	*	*	0.56	-0.30	-1.35	-1.22	-1.61
16	Current Assets to Current Liabilities	*	*	0.88	0.89	0.70	0.77	0.75
17	No. of Days Cash Coverage of Cash Exp.	*	*	76.3	78.7	50.9	59.9	57.2
	<u>FINANCIAL PERCENTAGES:</u>							
18	Operating Profit (Loss) to Operating Revenue	5.7	-0.7	-0.7	-2.4	-7.1	-6.5	-10.1
19	Net Income to Stockholders Equity	*	*	-15.3	-34.1	-55.0	-43.4	-43.2
20	Corporate Return on Investment	*	*	3.4	1.9	-13.8	-2.0	-3.0
21	Debt to Total Investment	*	*	88.7	90.2	91.1	88.2	83.2
	<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>							
22	Actual	80.6	75.8	74.8	73.6	73.3	74.2	74.0
23	Breakeven	76.1	75.8	74.8	74.7	78.3	79.0	81.4
	<u>Employment & Productivity:</u>							
24	Employment, Total Weighted Avg CY	34,652	36,937	35,460	36,031	36,439	36,497	36,321
25	Overall RTM's per Employee (000)	51.9	47.5	184.8	180.7	180.1	180.5	177.0

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	0.5	-1.5	2.3	1.8	-1.7	-7.8	-18.6
27	Operating Expenses (%)	-5.9	0.2	-6.4	-4.9	-0.5	-3.2	-7.1
28	Operating Profit (Loss) (in Millions \$)	122.5	-34.4	668.8	511.9	-85.2	-360.6	-1,023.1
29	Net Income (Loss)(in Millions \$)	170.5	-40.3	373.9	163.1	-235.1	-355.9	-589.2
30	RPMs (Sch. Svc.) (%)	3.3	-1.4	0.5	-0.8	-2.1	-2.9	-8.9
31	ASMs (Sch. Svc.) (%)	-2.8	-4.2	-0.7	-1.1	-2.1	-5.3	-10.5
32	Operating Revenues per RTM (%)	-1.9	-1.5	0.4	0.6	-1.3	-5.5	-10.1
33	Operating Expense per RTM (%)	-8.1	0.3	-8.2	-6.1	-0.1	-0.8	2.6
34	Passenger Revenue per RPM (Sch. Svc.)(%)	-0.3	-2.0	1.4	1.0	-0.9	-5.2	-9.7

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

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2003/09	2002/09	2003/09	2003/06	2003/03	2002/12	2002/09
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	3,685.2	3,189.7	13,628.1	13,132.5	12,836.6	12,410.4	12,011.5
2	Operating Expenses	3,843.1	3,414.9	14,827.2	14,399.0	13,989.5	13,445.8	13,360.4
3	Operating Profit (Loss)	-157.8	-225.2	-1,199.1	-1,266.5	-1,152.9	-1,035.4	-1,348.9
4	Net Income (Loss)	-192.8	-342.2	-890.7	-1,040.1	-1,373.0	-1,295.0	-1,648.8
<u>TRAFFIC: (Mllions)</u>								
5	RPMs - Scheduled Svc.	24.0	25.6	88.8	90.4	93.3	94.3	92.6
6	ASMs - Scheduled Svc.	30.7	34.2	120.1	123.6	128.4	130.0	131.3
7	Overall RTMs (All Svc.)	2.7	2.9	10.3	10.5	10.8	10.9	10.7
8	Overall ATMs (All Svc.)	4.8	5.3	18.7	19.2	19.9	20.1	20.2
<u>YIELD & UNIT COST & PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	134.7	109.3	132.8	125.7	118.9	114.1	112.3
10	Operating Expense per RTM	140.5	117.1	144.5	137.8	129.6	123.6	125.0
11	Operating Profit (Loss) per RTM	-5.8	-7.7	-11.7	-12.1	-10.7	-9.5	-12.6
12	Operating Expense per ATM	80.1	64.4	79.4	75.1	70.3	67.0	66.2
13	Passenger Revenue per RPM	11.18	10.77	11.59	11.47	11.46	11.42	11.32
<u>FINANCIAL RATIOS:</u>								
14	Operating Revenues to Total Investment	*	*	1.20	2.96	6.01	1.02	0.96
15	Times Interest Earned	*	*	-0.96	-1.33	-2.14	-2.17	-3.25
16	Current Assets to Current Liabilities	*	*	0.81	0.84	0.57	0.63	0.65
17	No. of Days Cash Coverage of Cash Exp.	*	*	59.1	66.2	39.3	45.9	41.6
<u>FINANCIAL PERCENTAGES:</u>								
18	Operating Profit (Loss) to Operating Revenue	-4.3	-7.1	-8.8	-9.6	-9.0	-8.3	-11.2
19	Net Income to Stockholders Equity	*	*	-66.5	-54.8	-55.7	-41.5	-42.6
20	Corporate Return on Investment	*	*	-1.5	-7.5	-31.8	-5.3	-8.3
21	Debt to Total Investment	*	*	93.9	92.3	92.5	88.9	75.2
<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>								
22	Actual	78.1	74.9	73.9	73.1	72.6	72.5	70.5
23	Breakeven	69.0	82.9	73.4	76.9	78.9	81.0	81.3
<u>Employment & Productivity:</u>								
24	Employment, Total Weighted Avg CY	58,844	66,007	61,110	62,900	64,599	65,567	67,023
25	Overall RTM's per Employee (000)	46.5	44.2	168.0	166.1	167.1	166.0	159.5

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	15.5	-2.1	13.5	8.7	2.2	-6.1	-15.7
27	Operating Expenses (%)	12.5	-4.3	11.0	6.5	1.2	-5.2	-8.1
28	Operating Profit (Loss) (in Millions \$)	67.4	85.4	149.8	167.8	101.7	-63.4	-1,067.1
29	Net Income (Loss)(in Millions \$)	149.4	-104.5	758.1	504.3	-5.4	-187.9	-1,209.4
30	RPMs (Sch. Svc.) (%)	-6.3	-1.1	-4.1	-2.7	-2.2	-3.4	-9.6
31	ASMs (Sch. Svc.) (%)	-10.2	-5.2	-8.5	-7.2	-6.3	-8.0	-9.9
32	Operating Revenues per RTM (%)	23.2	-0.5	18.2	11.7	4.4	-2.2	-5.9
33	Operating Expense per RTM (%)	20.0	-2.8	15.6	9.5	3.4	-1.3	2.6
34	Passenger Revenue per RPM (Sch. Svc.)(%)	3.8	-5.0	2.5	0.0	-2.3	-6.1	-10.3

QUARTERLY FINANCIAL & TRAFFIC REVIEW
SYSTEM OPERATIONS
Express One 1/

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2003/09	2002/09	2003/09	2003/06	2003/03	2002/12	2002/09
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	343.6	0.0	970.5	626.9	306.6	0.0	0.0
2	Operating Expenses	296.6	0.0	838.1	541.5	263.2	0.0	0.0
3	Operating Profit (Loss)	47.0	0.0	132.4	85.4	43.4	0.0	0.0
4	Net Income (Loss)	27.8	0.0	80.1	52.3	25.8	0.0	0.0
<u>TRAFFIC: (Mllions)</u>								
5	RPMs - Scheduled Svc.	1.6	1.0	5.2	4.7	4.2	4.0	3.7
6	ASMs - Scheduled Svc.	2.3	1.6	7.8	7.1	6.6	6.2	5.9
7	Overall RTMs (All Svc.)	0.2	0.1	0.5	0.5	0.4	0.4	0.4
8	Overall ATMs (All Svc.)	0.3	0.2	0.9	0.9	0.8	0.8	0.7
<u>YIELD & UNIT COST & PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	213.5	0.0	185.7	134.7	73.0	0.0	0.0
10	Operating Expense per RTM	184.3	0.0	160.4	116.3	62.6	0.0	0.0
11	Operating Profit (Loss) per RTM	29.2	0.0	25.3	18.3	10.3	0.0	0.0
12	Operating Expense per ATM	107.8	0.0	88.8	62.7	33.0	0.0	0.0
13	Passenger Revenue per RPM	21.39	0.00	18.58	13.46	7.30	0.00	0.00
<u>FINANCIAL RATIOS:</u>								
14	Operating Revenues to Total Investment	*	*	3.97	1.43	0.55	0.00	0.00
15	Times Interest Earned	*	*	23.02	24.41	22.20	0.00	0.00
16	Current Assets to Current Liabilities	*	*	1.09	1.26	1.12	1.90	1.90
17	No. of Days Cash Coverage of Cash Exp.	*	*	74.4	81.1	204.0	0.0	0.0
<u>FINANCIAL PERCENTAGES:</u>								
18	Operating Profit (Loss) to Operating Revenue	13.7	0.0	13.6	13.6	14.1	0.0	0.0
19	Net Income to Stockholders Equity	*	*	0.0	632.9	28.7	0.0	0.0
20	Corporate Return on Investment	*	*	35.2	12.7	4.9	0.0	0.0
21	Debt to Total Investment	*	*	112.9	123.1	84.0	.	.
<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>								
22	Actual	70.8	64.9	67.1	65.4	63.9	63.5	63.0
23	Breakeven	60.0	0.0	56.9	55.5	53.9	0.0	0.0
<u>Employment & Productivity:</u>								
24	Employment, Total Weighted Avg CY	5,702	.	4,181	2,756	1,354	.	.
25	Overall RTM's per Employee (000)	28.2	.	125.0	168.9	310.3	.	.

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
27	Operating Expenses (%)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
28	Operating Profit (Loss) (in Millions \$)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
29	Net Income (Loss)(in Millions \$)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
30	RPMs (Sch. Svc.) (%)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
31	ASMs (Sch. Svc.) (%)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
32	Operating Revenues per RTM (%)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
33	Operating Expense per RTM (%)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
34	Passenger Revenue per RPM (Sch. Svc.)(%)	0.0	0.0	0.0	0.0	0.0	0.0	0.0

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

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2003/09	2002/09	2003/09	2003/06	2003/03	2002/12	2002/09
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	2,468.9	2,504.5	9,100.8	9,136.3	9,236.6	9,151.6	8,815.5
2	Operating Expenses	2,330.2	2,492.3	9,922.2	10,084.3	10,153.9	9,935.1	9,436.4
3	Operating Profit (Loss)	138.7	12.2	-821.4	-948.0	-917.3	-783.5	-620.9
4	Net Income (Loss)	54.7	-53.9	-558.1	-666.7	-990.6	-766.4	-507.6
<u>TRAFFIC: (Mllions)</u>								
5	RPMs - Scheduled Svc.	18.9	19.8	69.0	69.8	72.0	72.0	69.5
6	ASMs - Scheduled Svc.	23.3	25.1	90.2	92.0	94.2	93.4	91.5
7	Overall RTMs (All Svc.)	2.5	2.5	9.1	9.2	9.5	9.4	9.1
8	Overall ATMs (All Svc.)	3.8	4.1	14.8	15.0	15.4	15.2	15.0
<u>YIELD & UNIT COST & PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	99.8	98.8	99.6	99.3	97.7	97.0	96.9
10	Operating Expense per RTM	94.2	98.3	108.5	109.6	107.5	105.3	103.7
11	Operating Profit (Loss) per RTM	5.6	0.5	-9.0	-10.3	-9.7	-8.3	-6.8
12	Operating Expense per ATM	60.7	61.5	66.9	67.1	66.1	65.2	63.1
13	Passenger Revenue per RPM	11.08	10.93	10.94	10.90	10.79	10.77	10.76
<u>FINANCIAL RATIOS:</u>								
14	Operating Revenues to Total Investment	*	*	0.94	2.50	5.27	0.91	0.85
15	Times Interest Earned	*	*	-0.89	-1.25	-2.22	-1.97	-1.04
16	Current Assets to Current Liabilities	*	*	0.92	0.81	0.70	0.73	0.84
17	No. of Days Cash Coverage of Cash Exp.	*	*	113.3	111.3	86.7	84.1	101.3
<u>FINANCIAL PERCENTAGES:</u>								
18	Operating Profit (Loss) to Operating Revenue	5.6	0.5	-9.0	-10.4	-9.9	-8.6	-7.0
19	Net Income to Stockholders Equity	*	*	-20.2	-21.7	-29.1	-19.6	-11.7
20	Corporate Return on Investment	*	*	-1.2	-6.4	-32.5	-3.6	-1.2
21	Debt to Total Investment	*	*	74.2	72.7	77.9	72.1	61.0
<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>								
22	Actual	81.4	78.8	76.5	75.9	76.5	77.1	76.0
23	Breakeven	77.6	81.1	89.0	89.8	89.7	88.7	86.0
<u>Employment & Productivity:</u>								
24	Employment, Total Weighted Avg CY	38,497	45,048	40,836	42,474	43,850	44,255	44,444
25	Overall RTM's per Employee (000)	64.2	56.3	223.9	216.7	215.5	213.2	204.7

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	-1.4	-0.7	3.2	3.4	1.0	-4.6	-14.4
27	Operating Expenses (%)	-6.5	-6.7	5.1	4.9	2.5	-4.4	-11.8
28	Operating Profit (Loss) (in Millions \$)	126.5	161.9	-200.5	-165.1	-160.5	13.1	-226.5
29	Net Income (Loss)(in Millions \$)	108.6	-65.4	-50.5	-224.5	-589.5	-348.3	-226.8
30	RPMs (Sch. Svc.) (%)	-4.1	0.1	-0.8	0.4	0.9	-1.5	-9.7
31	ASMs (Sch. Svc.) (%)	-7.1	-3.7	-1.3	-0.4	-1.0	-5.0	-10.6
32	Operating Revenues per RTM (%)	1.0	-1.5	2.7	2.0	-1.1	-4.1	-5.7
33	Operating Expense per RTM (%)	-4.2	-7.5	4.6	3.4	0.4	-3.8	-2.7
34	Passenger Revenue per RPM (Sch. Svc.)(%)	1.4	-1.5	1.7	0.9	-1.4	-4.2	-6.6

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

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2003/09	2002/09	2003/09	2003/06	2003/03	2002/12	2002/09
	<u>FINANCIAL RESULTS: (\$Millions)</u>							
1	Operating Revenues	1,553.4	1,391.2	5,820.3	5,658.1	5,615.8	5,521.8	5,358.9
2	Operating Expenses	1,368.1	1,300.0	5,361.6	5,293.5	5,202.4	5,104.3	4,991.8
3	Operating Profit (Loss)	185.3	91.3	458.7	364.7	413.4	417.6	367.2
4	Net Income (Loss)	106.1	74.9	418.3	387.0	243.4	241.0	262.1
	<u>TRAFFIC: (Mllions)</u>							
5	RPMs - Scheduled Svc.	12.8	11.9	47.4	46.5	45.9	45.4	45.1
6	ASMs - Scheduled Svc.	18.2	17.6	71.1	70.5	69.8	68.9	68.0
7	Overall RTMs (All Svc.)	1.3	1.2	4.9	4.8	4.7	4.7	4.6
8	Overall ATMs (All Svc.)	2.5	2.4	9.7	9.6	9.5	9.4	9.3
	<u>YIELD & UNIT COST & PROFITS: (Cents)</u>							
9	Operating Revenue per RTM	117.9	113.7	119.3	118.2	118.8	118.1	115.4
10	Operating Expense per RTM	103.8	106.3	109.9	110.6	110.0	109.1	107.5
11	Operating Profit (Loss) per RTM	14.1	7.5	9.4	7.6	8.7	8.9	7.9
12	Operating Expense per ATM	55.2	54.2	55.4	55.1	54.7	54.3	53.8
13	Passenger Revenue per RPM	11.46	11.05	11.64	11.54	11.60	11.54	11.27
	<u>FINANCIAL RATIOS:</u>							
14	Operating Revenues to Total Investment	*	*	0.93	2.25	4.57	0.93	0.92
15	Times Interest Earned	*	*	10.56	8.88	5.58	5.40	5.95
16	Current Assets to Current Liabilities	*	*	1.53	1.55	1.46	1.55	1.63
17	No. of Days Cash Coverage of Cash Exp.	*	*	149.0	163.6	142.5	139.5	152.7
	<u>FINANCIAL PERCENTAGES:</u>							
18	Operating Profit (Loss) to Operating Revenue	11.9	6.6	7.9	6.4	7.4	7.6	6.9
19	Net Income to Stockholders Equity	*	*	9.2	8.7	5.7	5.7	6.4
20	Corporate Return on Investment	*	*	7.8	18.6	26.9	5.5	6.0
21	Debt to Total Investment	*	*	25.4	26.1	27.3	27.6	28.1
	<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>							
22	Actual	70.5	67.7	66.6	65.9	65.8	65.9	66.3
23	Breakeven	60.6	62.4	60.4	60.9	60.1	60.0	61.0
	<u>Employment & Productivity:</u>							
24	Employment, Total Weighted Avg CY	32,787	33,584	33,252	33,452	33,416	33,057	32,494
25	Overall RTM's per Employee (000)	40.2	36.4	146.8	143.1	141.5	141.5	142.9

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	11.7	4.2	8.6	6.7	4.3	-0.6	-7.4
27	Operating Expenses (%)	5.2	4.7	7.4	7.3	5.9	3.7	1.0
28	Operating Profit (Loss) (in Millions \$)	94.1	-1.8	91.6	-4.3	-57.4	-213.6	-477.1
29	Net Income (Loss)(in Millions \$)	31.2	-76.1	156.2	48.9	-168.1	-270.2	-340.2
30	RPMs (Sch. Svc.) (%)	7.6	5.8	5.1	4.5	3.8	2.0	1.1
31	ASMs (Sch. Svc.) (%)	3.3	7.5	4.5	5.6	5.6	5.4	5.6
32	Operating Revenues per RTM (%)	3.6	-1.3	3.3	2.1	0.6	-2.6	-8.2
33	Operating Expense per RTM (%)	-2.3	-0.9	2.2	2.6	2.1	1.6	0.1
34	Passenger Revenue per RPM (Sch. Svc.)(%)	3.6	-1.9	3.2	1.8	0.2	-3.0	-8.9

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

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2003/09	2002/09	2003/09	2003/06	2003/03	2002/12	2002/09
	<u>FINANCIAL RESULTS: (\$Millions)</u>							
1	Operating Revenues	1,748.8	1,735.1	6,615.2	6,601.5	6,732.5	6,914.9	6,874.7
2	Operating Expenses	1,785.5	1,917.5	7,155.5	7,287.4	7,485.0	7,834.3	8,468.2
3	Operating Profit (Loss)	-36.7	-182.4	-540.2	-685.9	-752.5	-919.3	-1,593.4
4	Net Income (Loss)	-87.5	-357.9	763.0	492.7	251.9	-1,658.8	-1,934.8
	<u>TRAFFIC: (Mllions)</u>							
5	RPMs - Scheduled Svc.	10.3	10.7	37.1	37.5	38.7	40.0	40.2
6	ASMs - Scheduled Svc.	13.4	15.0	51.4	52.9	54.5	56.3	57.6
7	Overall RTMs (All Svc.)	1.1	1.2	4.1	4.2	4.3	4.4	4.4
8	Overall ATMs (All Svc.)	2.0	2.2	7.6	7.8	8.1	8.3	8.4
	<u>YIELD & UNIT COST & PROFITS: (Cents)</u>							
9	Operating Revenue per RTM	157.1	148.0	161.6	159.0	157.3	156.8	155.5
10	Operating Expense per RTM	160.4	163.6	174.8	175.5	174.8	177.7	191.5
11	Operating Profit (Loss) per RTM	-3.3	-15.6	-13.2	-16.5	-17.6	-20.8	-36.0
12	Operating Expense per ATM	89.5	87.1	93.8	93.0	93.0	94.7	100.7
13	Passenger Revenue per RPM	12.25	12.21	13.03	13.01	13.01	13.05	13.08
	<u>FINANCIAL RATIOS:</u>							
14	Operating Revenues to Total Investment	*	*	2.41	5.06	10.54	2.56	2.09
15	Times Interest Earned	*	*	3.70	2.46	1.41	-4.87	-4.63
16	Current Assets to Current Liabilities	*	*	0.91	0.98	0.91	0.38	0.48
17	No. of Days Cash Coverage of Cash Exp.	*	*	72.6	73.5	63.8	30.3	39.9
	<u>FINANCIAL PERCENTAGES:</u>							
18	Operating Profit (Loss) to Operating Revenue	-2.1	-10.5	-8.2	-10.4	-11.2	-13.3	-23.2
19	Net Income to Stockholders Equity	*	*	-37.1	5.2	922.6		
20	Corporate Return on Investment	*	*	37.2	59.9	89.2	-49.3	-49.0
21	Debt to Total Investment	*	*	92.5	90.8	94.5	314.4	141.9
	<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>							
22	Actual	76.9	71.8	72.2	70.9	70.9	71.0	69.7
23	Breakeven	83.2	84.2	83.9	84.1	84.5	86.5	94.8
	<u>Employment & Productivity:</u>							
24	Employment, Total Weighted Avg CY	26,355	33,437	28,064	29,834	31,670	33,322	34,922
25	Overall RTM's per Employee (000)	42.3	35.1	145.9	139.2	135.2	132.3	126.6

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	0.8	-12.4	-3.8	-7.3	-12.7	-16.2	-24.0
27	Operating Expenses (%)	-6.9	-10.1	-15.5	-16.1	-17.5	-17.0	-10.3
28	Operating Profit (Loss) (in Millions \$)	145.7	-30.4	1,053.2	877.1	603.3	262.1	-1,197.7
29	Net Income (Loss)(in Millions \$)	270.4	398.1	2,697.8	2,825.5	2,376.4	330.6	-901.3
30	RPMs (Sch. Svc.) (%)	-3.8	-11.9	-7.6	-9.8	-12.3	-12.9	-18.4
31	ASMs (Sch. Svc.) (%)	-10.2	-12.8	-10.7	-11.4	-14.0	-15.5	-18.0
32	Operating Revenues per RTM (%)	6.1	-1.6	3.9	2.0	-1.7	-4.5	-7.9
33	Operating Expense per RTM (%)	-2.0	1.0	-8.7	-7.7	-7.1	-5.4	8.7
34	Passenger Revenue per RPM (Sch. Svc.)(%)	0.3	-5.1	-0.4	-1.7	-5.5	-8.9	-12.1

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

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2003/09	2002/09	2003/09	2003/06	2003/03	2002/12	2002/09
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	3,757.4	3,644.6	13,268.6	13,155.9	13,827.2	13,915.6	13,470.8
2	Operating Expenses	3,749.4	4,343.7	15,646.3	16,240.5	17,012.3	16,937.4	16,310.7
3	Operating Profit (Loss)	8.0	-699.0	-2,377.6	-3,084.6	-3,185.1	-3,021.8	-2,839.9
4	Net Income (Loss)	-415.6	-911.3	-4,011.6	-4,507.3	-4,215.9	-3,325.8	-2,086.3
<u>TRAFFIC: (Mllions)</u>								
5	RPMs - Scheduled Svc.	28.2	30.0	104.1	105.9	109.3	109.4	106.3
6	ASMs - Scheduled Svc.	35.1	39.8	138.5	143.2	148.9	148.6	146.5
7	Overall RTMs (All Svc.)	3.3	3.6	12.5	12.8	13.2	13.2	12.8
8	Overall ATMs (All Svc.)	5.5	6.3	22.0	22.8	23.7	23.7	23.4
<u>YIELD & UNIT COST & PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	115.2	102.1	106.2	102.7	104.4	105.3	105.2
10	Operating Expense per RTM	115.0	121.7	125.2	126.8	128.5	128.2	127.4
11	Operating Profit (Loss) per RTM	0.2	-19.6	-19.0	-24.1	-24.0	-22.9	-22.2
12	Operating Expense per ATM	67.8	68.6	71.3	71.4	71.8	71.6	69.8
13	Passenger Revenue per RPM	10.60	10.14	10.15	10.03	10.28	10.53	10.59
<u>FINANCIAL RATIOS:</u>								
14	Operating Revenues to Total Investment	*	*	1.43	4.05	7.69	1.01	0.91
15	Times Interest Earned	*	*	-6.09	-6.17	-5.85	-4.77	-3.66
16	Current Assets to Current Liabilities	*	*	0.52	0.53	0.50	0.51	0.57
17	No. of Days Cash Coverage of Cash Exp.	*	*	48.2	44.3	25.6	33.8	36.2
<u>FINANCIAL PERCENTAGES:</u>								
18	Operating Profit (Loss) to Operating Revenue	0.2	-19.2	-17.9	-23.4	-23.0	-21.7	-21.1
19	Net Income to Stockholders Equity	*	*		-24,000.5	-252.7	-118.8	-56.9
20	Corporate Return on Investment	*	*	-37.6	-121.4	-202.5	-19.9	-10.3
21	Debt to Total Investment	*	*	166.3	152.9	124.7	108.2	77.6
<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>								
22	Actual	80.2	75.4	75.1	74.0	73.4	73.6	72.6
23	Breakeven	80.0	95.8	94.7	98.9	97.9	96.3	94.3
<u>Employment & Productivity:</u>								
24	Employment, Total Weighted Avg CY	60,181	79,491	68,364	73,192	76,674	78,728	80,674
25	Overall RTM's per Employee (000)	54.2	44.9	182.8	175.0	172.7	167.9	158.8

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	3.1	-11.0	-1.5	-5.5	-7.0	-13.5	-24.9
27	Operating Expenses (%)	-13.7	-29.5	-4.1	-10.4	-9.9	-14.6	-22.2
28	Operating Profit (Loss) (in Millions \$)	707.0	1,361.6	462.3	1,116.8	835.8	721.3	172.0
29	Net Income (Loss)(in Millions \$)	495.7	267.9	-1,925.3	-2,153.1	-1,931.2	-1,215.6	-205.0
30	RPMs (Sch. Svc.) (%)	-6.1	-4.5	-2.1	-1.6	-2.8	-6.2	-14.2
31	ASMs (Sch. Svc.) (%)	-11.8	-7.4	-5.4	-4.3	-5.1	-9.8	-15.6
32	Operating Revenues per RTM (%)	12.8	-7.9	0.9	-4.6	-5.1	-8.0	-11.8
33	Operating Expense per RTM (%)	-5.5	-27.0	-1.7	-9.5	-8.1	-9.2	-8.5
34	Passenger Revenue per RPM (Sch. Svc.)(%)	4.5	-5.4	-4.2	-6.8	-6.9	-8.8	-12.9

QUARTERLY FINANCIAL & TRAFFIC REVIEW
SYSTEM OPERATIONS
System Cargo Majors

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2003/09	2002/09	2003/09	2003/06	2003/03	2002/12	2002/09
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	4,889.7	4,721.7	19,596.4	19,428.5	19,117.3	18,793.1	18,472.6
2	Operating Expenses	5,060.6	4,493.4	18,954.9	18,387.7	18,209.9	17,852.7	17,402.4
3	Operating Profit (Loss)	-171.0	228.3	641.5	1,040.8	907.3	940.4	1,070.2
4	Net Income (Loss)	-114.6	116.3	292.8	523.7	439.9	448.8	489.2
<u>TRAFFIC: (Mllions)</u>								
5	RTMs - Scheduled Svc.	3.5	2.7	13.8	13.1	12.3	11.5	10.4
6	ATMs - Scheduled Svc.	6.6	4.4	23.6	21.4	20.1	18.6	16.7
7	Overall RTMs (All Svc.)	3.6	3.4	14.1	13.9	13.8	13.6	13.0
8	Overall ATMs (All Svc.)	6.7	5.7	24.0	23.0	22.8	22.6	21.7
<u>YIELD & UNIT COST & PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	135.4	137.6	139.0	139.6	138.7	137.9	141.8
10	Operating Expense per RTM	140.2	130.9	134.5	132.1	132.1	131.0	133.6
11	Operating Profit (Loss) per RTM	-4.7	6.7	4.6	7.5	6.6	6.9	8.2
12	Operating Expense per ATM	75.2	79.4	78.8	80.1	79.8	79.1	80.1
13	Passenger Revenue per RPM	*	*	**	**	**	**	**
<u>FINANCIAL RATIOS:</u>								
14	Operating Revenues to Total Investment	*	*	**	**	**	**	**
15	Times Interest Earned	*	*	**	**	**	**	**
16	Current Assets to Current Liabilities	*	*	**	**	**	**	**
17	No. of Days Cash Coverage of Cash Exp.	*	*	**	**	**	**	**
<u>FINANCIAL PERCENTAGES:</u>								
18	Operating Profit (Loss) to Operating Revenue	-3.5	4.8	3.3	5.4	4.7	5.0	5.8
19	Net Income to Stockholders Equity	*	*	**	**	**	**	**
20	Corporate Return on Investment	*	*	3.7	14.4	25.1	5.3	5.6
21	Debt to Total Investment	*	*	**	**	**	**	**
<u>TON LOAD FACTOR: (%)</u>								
22	Scheduled Svc.	53.5	62.6	58.6	61.0	61.3	61.8	61.9
23	All Services	53.6	60.7	58.6	60.6	60.4	60.4	60.0
<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 (%)	3.6	9.3	6.1	7.5	7.2	5.1	3.2
27	Operating Expenses (%)	12.6	6.2	8.9	7.3	6.9	5.0	1.1
28	Operating Profit (Loss) (in Millions \$)	-399.3	137.7	-428.7	108.3	119.0	60.9	380.5
29	Net Income (Loss)(in Millions \$)	-230.9	31.6	-196.4	66.1	73.6	-18.1	84.8
30	RTMs (All Svc.) (%)	29.1	27.0	33.7	33.5	33.2	28.8	17.5
31	ATMs (All Svc.) (%)	50.9	20.9	41.2	34.0	31.5	25.8	15.7
32	Operating Revenues per RTM (%)	-1.5	-8.1	-2.0	-3.6	-6.7	-9.8	-6.7
33	Operating Expense per RTM (%)	7.1	-10.7	0.7	-3.8	-7.0	-9.8	-8.6
34	Passenger Revenue per RPM (Sch. Svc.)(%)	0.0	0.0	0.0	0.0	0.0	0.0	0.0

QUARTERLY FINANCIAL & TRAFFIC REVIEW
SYSTEM OPERATIONS
Domestic Cargo Majors

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2003/09	2002/09	2003/09	2003/06	2003/03	2002/12	2002/09
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	3,582.5	3,321.1	13,822.5	13,561.1	13,424.9	13,294.4	13,218.1
2	Operating Expenses	3,742.8	3,185.3	13,582.1	13,024.7	13,005.2	12,873.9	12,694.6
3	Operating Profit (Loss)	-160.2	135.8	240.3	536.4	419.7	420.5	523.5
4	Net Income (Loss)	-104.7	67.5	89.1	261.2	189.1	177.9	216.4
<u>TRAFFIC: (Mllions)</u>								
5	RTMs - Scheduled Svc.	2.2	1.5	8.7	8.0	7.3	6.6	5.7
6	ATMs - Scheduled Svc.	4.1	2.4	15.2	13.5	12.3	11.0	9.5
7	Overall RTMs (All Svc.)	2.2	2.2	8.8	8.7	8.7	8.6	8.3
8	Overall ATMs (All Svc.)	4.1	3.7	15.3	14.8	14.9	14.8	14.3
<u>YIELD & UNIT COST & PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	160.0	153.2	157.6	155.9	154.7	154.1	159.4
10	Operating Expense per RTM	167.2	146.9	154.9	149.7	149.8	149.3	153.1
11	Operating Profit (Loss) per RTM	-7.2	6.3	2.7	6.2	4.8	4.9	6.3
12	Operating Expense per ATM	90.8	87.3	88.7	87.8	87.6	87.0	88.6
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	-4.5	4.1	1.7	4.0	3.1	3.2	4.0
19	Net Income to Stockholders Equity	*	*	**	**	**	**	**
20	Corporate Return on Investment	*	*	2.1	11.3	17.8	3.5	3.9
21	Debt to Total Investment	*	*	**	**	**	**	**
<u>TON LOAD FACTOR: (%)</u>								
22	Scheduled Svc.	54.0	61.9	57.2	59.0	59.4	60.0	60.3
23	All Services	54.3	59.4	57.3	58.6	58.4	58.3	57.9
<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 (%)	7.9	3.1	4.6	3.4	2.1	-0.4	-1.9
27	Operating Expenses (%)	17.5	2.5	7.0	3.2	3.1	1.9	-0.8
28	Operating Profit (Loss) (in Millions \$)	-296.0	22.9	-283.1	35.8	-108.2	-291.5	-150.5
29	Net Income (Loss)(in Millions \$)	-172.1	-101.7	-127.3	-56.9	-134.4	-275.0	-187.6
30	RTMs (All Svc.) (%)	49.1	37.9	52.6	50.6	50.9	45.6	32.5
31	ATMs (All Svc.) (%)	70.8	32.4	60.8	52.4	49.2	41.6	28.9
32	Operating Revenues per RTM (%)	4.5	-18.0	-1.1	-6.7	-12.7	-17.9	-16.8
33	Operating Expense per RTM (%)	13.8	-18.5	1.2	-6.9	-11.9	-16.0	-15.9
34	Passenger Revenue per RPM (Sch. Svc.)(%)	0.0	0.0	0.0	0.0	0.0	0.0	0.0

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

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2003/09	2002/09	2003/09	2003/06	2003/03	2002/12	2002/09
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	1,307.2	1,400.6	5,773.9	5,867.4	5,692.4	5,498.7	5,254.5
2	Operating Expenses	1,317.9	1,308.1	5,372.8	5,362.9	5,204.7	4,978.8	4,707.8
3	Operating Profit (Loss)	-10.7	92.6	401.2	504.5	487.6	520.0	546.8
4	Net Income (Loss)	-10.0	48.8	203.7	262.5	250.8	270.8	272.8
<u>TRAFFIC: (Mllions)</u>								
5	RTMs - Scheduled Svc.	1.3	1.2	5.1	5.1	5.0	4.9	4.7
6	ATMs - Scheduled Svc.	2.5	2.0	8.4	7.9	7.8	7.6	7.3
7	Overall RTMs (All Svc.)	1.4	1.3	5.3	5.2	5.1	5.0	4.7
8	Overall ATMs (All Svc.)	2.6	2.0	8.7	8.1	8.0	7.8	7.4
<u>YIELD & UNIT COST & PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	95.3	110.8	108.5	112.5	111.5	109.9	111.1
10	Operating Expense per RTM	96.1	103.5	100.9	102.8	101.9	99.5	99.5
11	Operating Profit (Loss) per RTM	-0.8	7.3	7.5	9.7	9.5	10.4	11.6
12	Operating Expense per ATM	50.5	65.2	61.6	66.0	65.3	64.0	63.7
13	Passenger Revenue per RPM	*	*	**	**	**	**	**
<u>FINANCIAL RATIOS:</u>								
14	Operating Revenues to Total Investment	*	*	**	**	**	**	**
15	Times Interest Earned	*	*	**	**	**	**	**
16	Current Assets to Current Liabilities	*	*	**	**	**	**	**
17	No. of Days Cash Coverage of Cash Exp.	*	*	**	**	**	**	**
<u>FINANCIAL PERCENTAGES:</u>								
18	Operating Profit (Loss) to Operating Revenue	-0.8	6.6	6.9	8.6	8.6	9.5	10.4
19	Net Income to Stockholders Equity	*	*	**	**	**	**	**
20	Corporate Return on Investment	*	*	6.9	20.4	40.1	9.1	9.4
21	Debt to Total Investment	*	*	**	**	**	**	**
<u>TON LOAD FACTOR: (%)</u>								
22	Scheduled Svc.	52.4	62.9	61.3	64.5	64.3	64.4	64.1
23	All Services	52.6	63.0	61.0	64.2	64.1	64.4	64.0
<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 (%)	-6.7	27.2	9.9	18.4	21.6	21.2	18.7
27	Operating Expenses (%)	0.8	16.4	14.1	18.6	17.7	14.0	6.8
28	Operating Profit (Loss) (in Millions \$)	-103.3	114.8	-145.6	72.5	227.2	352.4	531.0
29	Net Income (Loss)(in Millions \$)	-58.8	133.2	-69.1	122.9	208.0	256.9	272.4
30	RTMs (All Svc.) (%)	5.2	16.1	10.5	13.3	13.7	11.5	3.2
31	ATMs (All Svc.) (%)	26.8	9.3	15.6	10.9	10.7	8.3	2.0
32	Operating Revenues per RTM (%)	-14.0	17.0	-2.3	5.1	9.1	11.2	19.0
33	Operating Expense per RTM (%)	-7.1	7.1	1.4	5.2	5.6	4.6	7.0
34	Passenger Revenue per RPM (Sch. Svc.)(%)	0.0	0.0	0.0	0.0	0.0	0.0	0.0

QUARTERLY FINANCIAL & TRAFFIC REVIEW
SYSTEM OPERATIONS
Federal Express Corporation

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2003/09	2002/09	2003/09	2003/06	2003/03	2002/12	2002/09
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	4,131.9	3,951.5	16,615.6	16,435.3	16,192.2	15,941.2	15,679.7
2	Operating Expenses	4,369.3	3,814.2	16,175.2	15,620.1	15,470.8	15,205.0	14,775.5
3	Operating Profit (Loss)	-237.4	137.3	440.5	815.2	721.4	736.2	904.2
4	Net Income (Loss)	-143.1	71.9	236.3	451.3	395.1	402.2	440.4
<u>TRAFFIC: (Mllions)</u>								
5	RTMs - Scheduled Svc.	2.3	2.3	9.2	9.2	9.1	9.0	8.7
6	ATMs - Scheduled Svc.	3.7	3.6	14.8	14.8	14.8	14.5	14.2
7	Overall RTMs (All Svc.)	2.4	2.3	9.4	9.3	9.2	9.1	8.8
8	Overall ATMs (All Svc.)	3.8	3.7	15.2	15.1	15.0	14.7	14.4
<u>YIELD & UNIT COST & PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	173.0	173.2	176.0	176.1	175.3	175.3	178.1
10	Operating Expense per RTM	182.9	167.2	171.3	167.4	167.5	167.2	167.8
11	Operating Profit (Loss) per RTM	-9.9	6.0	4.7	8.7	7.8	8.1	10.3
12	Operating Expense per ATM	114.8	103.5	106.1	103.3	103.4	103.1	102.6
13	Passenger Revenue per RPM	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<u>FINANCIAL RATIOS:</u>								
14	Operating Revenues to Total Investment	*	*	2.79	6.80	13.85	2.82	2.81
15	Times Interest Earned	*	*	11.72	16.19	13.82	12.91	13.36
16	Current Assets to Current Liabilities	*	*	1.16	1.21	1.19	1.19	1.24
17	No. of Days Cash Coverage of Cash Exp.	*	*	4.0	3.5	3.1	3.1	2.9
<u>FINANCIAL PERCENTAGES:</u>								
18	Operating Profit (Loss) to Operating Revenue	-5.7	3.5	2.7	5.0	4.5	4.6	5.8
19	Net Income to Stockholders Equity	*	*	4.7	9.2	8.2	8.6	9.6
20	Corporate Return on Investment	*	*	4.5	20.7	38.0	8.1	8.9
21	Debt to Total Investment	*	*	20.3	17.0	14.6	14.8	15.3
<u>TON LOAD FACTOR: (%)</u>								
22	Scheduled Svc.	62.8	62.0	62.1	61.8	61.8	61.7	61.1
23	All Services	62.7	61.9	62.0	61.7	61.7	61.7	61.1
<u>Employment & Productivity:</u>								
24	Employment, Total Weighted Avg CY	114,293	115,267	114,942	115,186	115,432	115,811	116,315
25	Overall RTM's per Employee (000)	20.9	19.8	82.1	81.0	80.0	78.5	75.7

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	4.6	8.8	6.0	7.0	6.9	5.1	3.3
27	Operating Expenses (%)	14.6	6.6	9.5	7.4	7.1	5.7	1.2
28	Operating Profit (Loss) (in Millions \$)	-374.7	83.4	-463.7	-5.6	19.0	-42.3	319.9
29	Net Income (Loss)(in Millions \$)	-215.0	-1.9	-204.1	8.9	18.2	-50.8	44.9
30	RTMs (All Svc.) (%)	2.1	25.5	5.9	11.2	17.8	20.5	20.1
31	ATMs (All Svc.) (%)	0.7	21.5	4.4	9.1	14.0	16.3	17.8
32	Operating Revenues per RTM (%)	-0.1	-12.3	-1.2	-4.2	-8.6	-12.1	-12.2
33	Operating Expense per RTM (%)	9.4	-14.1	2.1	-3.8	-8.4	-11.6	-13.9
34	Passenger Revenue per RPM (Sch. Svc.)(%)	0.0	0.0	0.0	0.0	0.0	0.0	0.0

QUARTERLY FINANCIAL & TRAFFIC REVIEW
SYSTEM OPERATIONS
United Parcel Service

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2003/09	2002/09	2003/09	2003/06	2003/03	2002/12	2002/09
	<u>FINANCIAL RESULTS: (\$Millions)</u>							
1	Operating Revenues	757.8	770.2	2,980.8	2,993.2	2,925.1	2,851.9	2,792.9
2	Operating Expenses	691.3	679.2	2,779.7	2,767.6	2,739.2	2,647.7	2,626.9
3	Operating Profit (Loss)	66.4	91.0	201.0	225.6	185.9	204.3	166.0
4	Net Income (Loss)	28.4	44.3	56.5	72.4	44.8	46.6	48.7
	<u>TRAFFIC: (Mllions)</u>							
5	RTMs - Scheduled Svc.	1.2	0.5	4.6	3.9	3.2	2.6	1.7
6	ATMs - Scheduled Svc.	2.9	0.7	8.8	6.6	5.4	4.1	2.5
7	Overall RTMs (All Svc.)	1.2	1.2	4.7	4.6	4.6	4.5	4.2
8	Overall ATMs (All Svc.)	2.9	2.0	8.8	7.9	7.9	7.8	7.3
	<u>YIELD & UNIT COST & PROFITS: (Cents)</u>							
9	Operating Revenue per RTM	62.0	66.9	64.0	65.3	64.3	62.9	66.2
10	Operating Expense per RTM	56.6	59.0	59.7	60.4	60.2	58.4	62.2
11	Operating Profit (Loss) per RTM	5.4	7.9	4.3	4.9	4.1	4.5	3.9
12	Operating Expense per ATM	23.7	34.5	31.6	35.3	34.9	33.8	35.9
13	Passenger Revenue per RPM	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	<u>FINANCIAL RATIOS:</u>							
14	Operating Revenues to Total Investment	*	*	0.62	1.52	2.97	0.60	0.57
15	Times Interest Earned	*	*	2.55	3.23	2.87	2.99	3.60
16	Current Assets to Current Liabilities	*	*	0.39	0.57	0.57	0.70	0.64
17	No. of Days Cash Coverage of Cash Exp.	*	*	5.5	6.7	6.8	7.1	6.4
	<u>FINANCIAL PERCENTAGES:</u>							
18	Operating Profit (Loss) to Operating Revenue	8.8	11.8	6.7	7.5	6.4	7.2	5.9
19	Net Income to Stockholders Equity	*	*	5.1	6.6	4.1	4.3	4.6
20	Corporate Return on Investment	*	*	2.6	6.7	9.9	2.0	1.8
21	Debt to Total Investment	*	*	75.5	77.7	77.7	76.3	76.2
	<u>TON LOAD FACTOR: (%)</u>							
22	Scheduled Svc.	41.8	65.8	52.8	59.3	60.1	62.1	66.5
23	All Services	41.8	58.4	52.9	58.4	57.9	58.0	57.7
	<u>Employment & Productivity:</u>							
24	Employment, Total Weighted Avg CY	6,094	5,894	6,055	6,005	5,946	5,828	5,798
25	Overall RTM's per Employee (000)	200.4	195.2	768.6	763.2	765.4	778.0	728.0

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	-1.6	11.9	6.7	10.4	9.2	5.0	3.1
27	Operating Expenses (%)	1.8	4.3	5.8	6.5	5.6	1.3	0.9
28	Operating Profit (Loss) (in Millions \$)	-24.6	54.2	35.0	113.8	99.9	103.2	60.7
29	Net Income (Loss)(in Millions \$)	-15.9	33.5	7.7	57.1	55.4	32.7	39.9
30	RTMs (All Svc.) (%)	156.4	34.8	178.3	152.2	110.8	69.6	5.7
31	ATMs (All Svc.) (%)	301.1	17.8	249.9	174.5	127.6	77.2	5.1
32	Operating Revenues per RTM (%)	-7.3	2.0	-3.2	-0.8	-1.6	-5.2	4.7
33	Operating Expense per RTM (%)	-4.1	-5.0	-4.0	-4.3	-4.8	-8.6	2.5
34	Passenger Revenue per RPM (Sch. Svc.)(%)	0.0	0.0	0.0	0.0	0.0	0.0	0.0

**Comparison of Operating Profit (Loss) and Net Income (Loss)
For Individual Passenger and All-Cargo Majors
Quarterly and 12-Month Ended Periods
September 2002 and 2003**

Operating Profit (Loss) (\$Millions)						
Group/Carrier	Quarterly Data			12 Month Ended Data		
	9/2002	9/2003	\$Chg	9/2002	9/2003	\$Chg
System Passenger Majors	(2,413.4)	561.9	2,975.3	(11,198.7)	(6,186.9)	5,011.8
Alaska	17.4	60.0	42.6	(88.9)	(45.8)	43.1
America West	(42.2)	46.9	89.2	(263.7)	(24.3)	239.4
American	(1,251.6)	95.4	1,347.0	(3,740.7)	(1,846.9)	1,893.7
American Eagle	(73.0)	43.6	116.6	(142.0)	139.6	281.7
American Trans Air	(48.0)	21.8	69.9	(208.4)	(12.0)	196.4
Continental	(12.7)	109.8	122.5	(719.0)	(50.2)	668.8
Delta	(225.2)	(157.8)	67.4	(1,348.9)	(1,199.1)	149.8
Express One	-	47.0	47.0	0.0	132.4	132.4
Northwest	12.2	138.7	126.5	(620.9)	(821.4)	(200.5)
Southwest	91.3	185.3	94.1	367.2	458.7	91.6
United	(699.0)	8.0	707.0	(2,839.9)	(2,377.6)	462.3
US Airways	(182.4)	(36.7)	145.7	(1,593.4)	(540.2)	1,053.2
System Cargo Majors	228.3	(171.0)	(399.3)	1,070.2	641.5	(428.7)
Federal Express	137.3	(237.4)	(374.7)	904.2	440.5	(463.7)
UPS	91.0	66.4	(24.6)	166.0	201.0	35.0
System Total Majors	(2,185.0)	391.0	2,576.0	(10,128.5)	(5,545.4)	4,583.1

Net Income (Loss) (\$Millions)						
Group/Carrier	Quarterly Data			12 Month Ended Data		
	9/2002	9/2003	\$Chg	9/2002	9/2003	\$Chg
System Passenger Majors	(2,655.7)	(326.4)	2,329.3	(10,740.8)	(6,261.5)	4,479.3
Alaska	7.2	29.6	22.4	(38.8)	(29.3)	9.5
America West	(51.8)	29.6	81.4	(384.9)	(8.9)	376.0
American	(850.9)	(24.2)	826.7	(3,545.2)	(1,916.3)	1,628.9
American Eagle	(68.8)	9.6	78.4	(169.2)	32.8	202.0
American Trans Air	(63.6)	3.3	66.9	(195.7)	(23.1)	172.5
Continental	(37.3)	133.2	170.5	(491.5)	(117.6)	373.9
Delta	(342.2)	(192.8)	149.4	(1,648.8)	(890.7)	758.1
Express One	-	27.8	27.8	-	80.1	80.1
Northwest	(53.9)	54.7	108.6	(507.6)	(558.1)	(50.5)
Southwest	74.9	106.1	31.2	262.1	418.3	156.2
United	(911.3)	(415.6)	495.7	(2,086.3)	(4,011.6)	(1,925.3)
US Airways	(357.9)	(87.5)	270.4	(1,934.8)	763.0	2,697.8
System Cargo Majors	116.3	(114.6)	(230.9)	489.2	292.8	(196.4)
Federal Express	71.9	(143.1)	(215.0)	440.4	236.3	(204.1)
UPS	44.3	28.4	(15.9)	48.7	56.5	7.7
System Total Majors	(2,539.4)	(441.0)	2,098.4	(10,251.6)	(5,968.7)	4,282.9

**Comparison of Passenger Load Factors and Passenger Yields
For Individual Passenger and All-Cargo Majors
Quarterly and 12-Month Ended Periods
September 2002 and 2003**

Passenger Load Factor (Percent)						
Group/Carrier	Quarterly Data			12 Month Ended Data		
	9/2002	9/2003	Pt.Chg.	9/2002	9/2003	Pt.Chg.
System Passenger Majors	73.9	77.6	3.7	71.1	73.2	2.1
Alaska	70.5	72.5	1.9	68.2	69.3	1.1
America West	75.0	79.8	4.8	72.6	75.8	3.2
American	72.0	76.0	4.0	69.4	72.4	3.0
American Eagle	64.2	66.7	2.5	61.8	64.1	2.2
American Trans Air	75.7	75.9	0.3	74.4	72.9	(1.5)
Continental	75.8	80.6	4.7	74.0	74.8	0.9
Delta	74.9	78.1	3.2	70.5	73.9	3.4
Express One	64.9	70.8	5.9	63.0	67.1	4.1
Northwest	78.8	81.4	2.5	76.0	76.5	0.4
Southwest	67.7	70.5	2.8	66.3	66.6	0.3
United	75.4	80.2	4.9	72.6	75.1	2.6
US Airways	71.8	76.9	5.1	69.7	72.2	2.5
System Cargo Majors	-	-	-	-	-	-
Federal Express	-	-	-	-	-	-
UPS	-	-	-	-	-	-
System Total Majors	73.9	77.6	3.6	71.2	73.2	2.0

Scheduled Passenger Yield (Cents)						
Group/Carrier	Quarterly Data			12 Month Ended Data		
	9/2002	9/2003	Pct.Chg.	9/2002	9/2003	Pct.Chg.
System Passenger Majors	10.94	11.37	4.0	11.36	11.46	0.8
Alaska	12.40	12.58	1.5	12.39	12.24	(1.2)
America West	9.08	9.79	7.8	9.58	9.89	3.2
American	11.34	11.60	2.3	12.01	11.76	(2.0)
American Eagle	31.09	26.89	(13.5)	31.52	28.14	(10.7)
American Trans Air	8.29	8.53	2.9	8.71	8.67	(0.5)
Continental	11.15	11.11	(0.3)	11.43	11.59	1.4
Delta	10.77	11.18	3.8	11.32	11.59	2.5
Express One	-	21.39	7.0	-	18.58	2.0
Northwest	10.93	11.08	1.4	10.76	10.94	1.7
Southwest	11.05	11.46	3.6	11.27	11.64	3.2
United	10.14	10.60	4.5	10.59	10.15	(4.2)
US Airways	12.21	12.25	0.3	13.08	13.03	(0.4)
System Cargo Majors	-	-	-	-	-	-
Federal Express	-	-	-	-	-	-
UPS	-	-	-	-	-	-
System Total Majors	11.01	11.37	3.3	11.44	11.46	0.2

**Comparison of Operating Profit Margin, Debt-to-Investment and Total Debt
For Individual Passenger and All-Cargo Majors
Quarterly and 12-Month Ended Periods
September 2002 and 2003**

Operating Profit Margin (Percent)						
Group/Carrier	Quarterly Data			12 Month Ended Data		
	9/2002	9/2003	Pt. Chg	9/2002	9/2003	Pt. Chg.
System Passenger Majors	(12.0)	2.6	14.5	(14.9)	(7.7)	7.2
Alaska	3.4	10.3	6.9	(5.0)	(2.3)	2.6
America West	(8.2)	8.0	16.3	(13.9)	(1.1)	12.8
American	(30.3)	2.1	32.4	(24.1)	(11.0)	13.1
American Eagle	(23.0)	15.7	38.6	(12.2)	12.5	24.7
American Trans Air	(16.6)	6.1	22.7	(19.0)	(0.9)	18.1
Continental	(0.7)	5.7	6.4	(10.1)	(0.7)	9.4
Delta	(7.1)	(4.3)	2.8	(11.2)	(8.8)	2.4
Express One	-	13.7	13.7	6.0	13.6	13.6
Northwest	0.5	5.6	5.1	(7.0)	(9.0)	(2.0)
Southwest	6.6	11.9	5.4	6.9	7.9	1.0
United	(19.2)	0.2	19.4	(21.1)	(17.9)	3.2
US Airways	(10.5)	(2.1)	8.4	(23.2)	(8.2)	15.0
System Cargo Majors	4.8	(3.5)	(8.3)	5.8	3.3	(2.5)
Federal Express	3.5	(5.7)	(9.2)	5.8	2.7	(3.1)
UPS	11.8	8.8	(3.1)	5.9	6.7	0.8
System Total Majors	(8.8)	1.5	10.2	(10.8)	(5.6)	5.3

Group/Carrier	Debt To Investment (Percent)			Total Debt (\$Billions)		
	Quarterly Data			Quarterly Data		
	9/2002	9/2003	Pt.Chg.	9/2002	9/2003	\$ Chg.
System Passenger Majors	73.5	90.9	17.5	52.7	56.1	3.3
Alaska	55.7	60.9	5.2	0.9	1.0	0.1
America West	66.8	69.7	2.9	0.7	0.8	0.1
American	73.8	101.7	27.9	10.2	11.0	0.8
American Eagle	102.1	98.8	(3.3)	2.9	3.1	0.2
American Trans Air	130.9	130.2	(0.6)	0.4	0.5	0.1
Continental	83.2	88.7	5.4	5.6	6.0	0.4
Delta	75.2	93.9	18.7	9.5	10.5	1.0
Express One	-	112.9	0.9	-	0.4	0.4
Northwest	61.0	74.2	13.1	6.4	7.5	1.0
Southwest	28.1	25.4	(2.7)	1.7	1.7	(0.0)
United	77.6	166.3	88.7	10.5	10.7	0.2
US Airways	141.9	92.5	(49.4)	4.0	2.9	(1.1)
System Cargo Majors	42.9	44.1	1.1	4.4	4.9	0.5
Federal Express	15.3	20.3	5.0	0.9	1.3	0.4
UPS	76.2	75.5	(0.7)	3.6	3.6	0.0
System Total Majors	69.6	83.8	14.2	57.2	61.0	3.8

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.
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