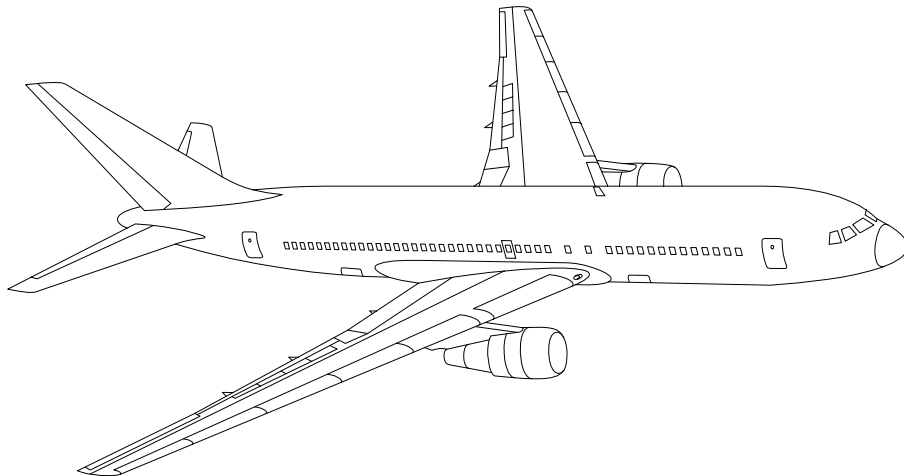


AIRLINE QUARTERLY FINANCIAL REVIEW

THIRD QUARTER 2004



MAJORS



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

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INTRODUCTION

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

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

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

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

QUARTERLY FINANCIAL & TRAFFIC REVIEW
SYSTEM OPERATIONS
System All Majors

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2004/09	2003/09	2004/09	2004/06	2004/03	2003/12	2003/09
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	29,297.8	26,776.6	111,303.2	108,844.8	104,873.4	102,161.2	99,700.3
2	Operating Expenses	29,363.8	26,385.6	111,526.2	108,594.2	105,861.9	105,417.1	105,245.7
3	Operating Profit (Loss)	-66.0	391.0	-222.9	250.6	-988.5	-3,255.9	-5,545.4
4	Net Income (Loss)	-1,171.8	-441.0	-4,997.2	-4,254.3	-1,956.6	-2,370.9	-5,968.7
<u>TRAFFIC: (Millions)</u>								
5	RPMs - Scheduled Rev. Svc.	172.0	158.3	626.6	613.3	591.5	581.4	577.7
6	ASMs - Scheduled Rev. Svc.	217.1	204.1	828.0	815.5	795.0	786.9	789.2
7	Overall RTMs (All Svc.)	23.5	21.7	87.4	85.7	83.1	81.7	81.4
8	Overall ATMs (All Svc.)	38.9	37.9	150.1	149.1	146.0	144.8	144.4
<u>YIELD & UNIT COST & PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	124.6	123.3	127.3	127.0	126.2	125.0	122.5
10	Operating Expense per RTM	124.9	121.5	127.5	126.7	127.4	129.0	129.3
11	Operating Profit (Loss) per RTM	-0.3	1.8	-0.3	0.3	-1.2	-4.0	-6.8
12	Operating Expense per ATM	75.5	69.7	74.3	72.8	72.5	72.8	72.9
13	Passenger Revenue per RPM	11.02	11.37	11.51	11.61	11.61	11.55	11.46
<u>FINANCIAL RATIOS:</u>								
14	Operating Revenues to Total Investment	*	*	1.56	1.51	1.45	1.40	1.33
15	Times Interest Earned	*	*	-0.07	0.09	0.41	0.22	-0.92
16	Current Assets to Current Liabilities	*	*	0.72	0.75	0.76	0.78	0.82
17	No. of Days Cash Coverage of Cash Exp.	*	*	52.2	58.0	60.6	60.5	62.2
<u>FINANCIAL PERCENTAGES:</u>								
18	Operating Profit (Loss) to Operating Revenue	-0.2	1.5	-0.2	0.2	-0.9	-3.2	-5.6
19	Net Income to Stockholders Equity	*	*	-43.5	-36.0	-16.2	-18.6	-39.0
20	Corporate Return on Investment	*	*	-2.5	-1.5	1.6	1.0	-3.7
21	Debt to Total Investment	*	*	84.1	82.9	85.0	83.5	83.8
<u>LOAD FACTOR: (%)</u>								
22	Passenger Load Factor (Sch. Svc.)	79.2	77.6	75.7	75.2	74.4	73.9	73.2
23	Ton Load Factor (All Svc.)	60.4	57.3	58.3	57.5	56.9	56.4	56.4
<u>Employment & Productivity:</u>								
24	Employment, Total Weighted Avg CY	485,872	494,726	487,728	487,017	494,214	504,399	517,812
25	Overall RTM's per Employee (000)	48.4	43.9	179.3	175.9	168.1	162.0	157.2

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	9.4	7.7	11.6	11.3	7.6	6.3	6.5
27	Operating Expenses (%)	11.3	-2.4	6.0	2.5	-0.6	0.6	1.5
28	Operating Profit (Loss) (in Millions \$)	-457.0	2,576.0	5,322.4	8,372.0	8,055.1	5,375.6	4,583.1
29	Net Income (Loss)(in Millions \$)	-730.7	2,098.4	971.6	3,812.8	7,820.6	8,671.9	4,282.9
30	RPMs (Sch. Svc.) (%)	8.6	-0.4	8.5	5.9	0.5	-0.8	1.2
31	ASMs (Sch. Svc.) (%)	6.4	-5.1	4.9	1.7	-2.8	-3.0	-1.6
32	Operating Revenues per RTM (%)	1.1	7.9	3.9	5.9	6.9	6.7	4.2
33	Operating Expense per RTM (%)	2.8	-2.3	-1.3	-2.4	-1.3	1.0	-0.8
34	Passenger Revenue per RPM (Sch. Svc.)(%)	-3.2	3.3	0.4	2.4	2.3	1.0	0.2

QUARTERLY FINANCIAL & TRAFFIC REVIEW
SYSTEM OPERATIONS
Domestic All Majors

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2004/09	2003/09	2004/09	2004/06	2004/03	2003/12	2003/09
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	21,323.3	20,101.5	82,937.6	81,715.8	79,181.8	77,196.3	75,030.3
2	Operating Expenses	22,086.4	20,283.6	85,178.3	83,375.6	81,423.6	80,742.9	79,929.6
3	Operating Profit (Loss)	-763.1	-182.1	-2,240.7	-1,659.7	-2,241.8	-3,546.6	-4,899.3
4	Net Income (Loss)	-1,534.9	-799.6	-5,616.3	-4,881.0	-2,576.2	-2,003.8	-4,448.1
<u>TRAFFIC: (Millions)</u>								
5	RTMs - Scheduled Svc.	123.1	114.9	453.8	445.7	434.7	428.4	425.6
6	ATMs - Scheduled Svc.	157.7	151.1	611.0	604.3	594.2	587.8	588.3
7	Overall RTMs (All Svc.)	15.4	14.5	57.7	56.8	55.5	54.7	54.4
8	Overall ATMs (All Svc.)	25.6	25.3	100.4	100.1	98.8	98.0	97.8
<u>YIELD & UNIT COST & PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	138.8	138.8	143.8	143.9	142.6	141.0	137.9
10	Operating Expense per RTM	143.8	140.1	147.7	146.8	146.6	147.5	146.9
11	Operating Profit (Loss) per RTM	-5.0	-1.3	-3.9	-2.9	-4.0	-6.5	-9.0
12	Operating Expense per ATM	86.4	80.2	84.9	83.3	82.4	82.4	81.7
13	Passenger Revenue per RPM	11.14	11.81	11.92	12.11	12.14	12.11	12.02
<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	-3.6	-0.9	-2.7	-2.0	-2.8	-4.6	-6.5
19	Net Income to Stockholders Equity	*	*	**	**	**	**	**
20	Corporate Return on Investment	*	*	-5.8	-4.5	-0.4	0.7	-3.6
21	Debt to Total Investment	*	*	**	**	**	**	**
<u>LOAD FACTOR: (%)</u>								
22	Passenger Load Factor (Sch. Svc.)	84.1	83.8	84.1	82.9	85.0	83.5	83.8
23	Ton Load Factor (All Svc.)	78.0	76.1	74.3	73.7	73.2	72.9	72.4
<u>Employment & Productivity:</u>								
24	Employment, Total Weighted Avg CY	*	*	**	**	**	**	**
25	Overall RTM's per Employee (000)	*	*	**	**	**	**	**

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	6.1	11.2	10.5	11.9	9.3	7.8	6.8
27	Operating Expenses (%)	8.9	-0.1	6.6	4.3	1.5	2.1	1.2
28	Operating Profit (Loss) (in Millions \$)	-581.0	2,029.4	2,658.6	5,269.0	5,493.3	3,920.6	3,829.3
29	Net Income (Loss)(in Millions \$)	-735.3	1,542.8	-1,168.2	1,109.9	4,946.7	7,046.6	4,324.9
30	RPMs (Sch. Svc.) (%)	7.1	0.0	6.6	4.7	1.6	0.1	1.3
31	ASMs (Sch. Svc.) (%)	4.4	-5.4	3.9	1.3	-1.9	-3.1	-2.1
32	Operating Revenues per RTM (%)	0.0	10.6	4.3	7.1	7.4	7.4	4.7
33	Operating Expense per RTM (%)	2.6	-0.6	0.6	-0.2	-0.2	1.7	-0.8
34	Passenger Revenue per RPM (Sch. Svc.)(%)	-5.7	4.9	-0.8	2.0	1.8	1.2	0.4

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

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2004/09	2003/09	2004/09	2004/06	2004/03	2003/12	2003/09
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	7,974.6	6,675.1	28,339.1	26,976.8	25,691.6	24,964.9	24,670.1
2	Operating Expenses	7,277.5	6,102.0	26,328.1	25,106.4	24,438.3	24,674.2	25,316.1
3	Operating Profit (Loss)	697.1	573.1	2,010.9	1,870.4	1,253.3	290.7	-646.1
4	Net Income (Loss)	363.1	358.6	615.0	598.3	619.7	-367.1	-1,520.6
<u>TRAFFIC: (Millions)</u>								
5	RTMs - Scheduled Svc.	48.9	43.4	172.8	166.9	157.0	153.2	152.2
6	ATMs - Scheduled Svc.	59.4	53.0	217.0	210.2	201.0	199.4	201.2
7	Overall RTMs (All Svc.)	8.2	7.3	29.8	28.9	27.6	27.1	27.1
8	Overall ATMs (All Svc.)	13.4	12.6	49.7	48.9	47.2	46.8	46.6
<u>YIELD & UNIT COST & PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	97.9	92.1	95.2	93.5	93.1	92.2	91.0
10	Operating Expense per RTM	89.3	84.2	88.4	87.0	88.6	91.1	93.4
11	Operating Profit (Loss) per RTM	8.6	7.9	6.8	6.5	4.5	1.1	-2.4
12	Operating Expense per ATM	54.5	48.4	53.0	51.3	51.8	52.8	54.3
13	Passenger Revenue per RPM	10.71	10.22	10.40	10.24	10.13	9.97	9.87
<u>FINANCIAL RATIOS:</u>								
14	Operating Revenues to Total Investment	*	*	**	**	**	**	**
15	Times Interest Earned	*	*	**	**	**	**	**
16	Current Assets to Current Liabilities	*	*	**	**	**	**	**
17	No. of Days Cash Coverage of Cash Exp.	*	*	**	**	**	**	**
<u>FINANCIAL PERCENTAGES:</u>								
18	Operating Profit (Loss) to Operating Revenue	8.7	8.6	7.1	6.9	4.9	1.2	-2.6
19	Net Income to Stockholders Equity	*	*	**	**	**	**	**
20	Corporate Return on Investment	*	*	8.8	8.6	8.5	2.3	-4.3
21	Debt to Total Investment	*	*	**	**	**	**	**
<u>LOAD FACTOR: (%)</u>								
22	Passenger Load Factor (Sch. Svc.)	82.4	81.9	79.6	79.4	78.1	76.8	75.7
23	Ton Load Factor (All Svc.)	61.0	57.5	59.9	59.0	58.4	57.9	58.1
<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 (%)	19.5	-1.5	14.9	8.9	2.6	1.9	5.8
27	Operating Expenses (%)	19.3	-9.6	4.0	-3.3	-7.3	-3.9	2.4
28	Operating Profit (Loss) (in Millions \$)	124.0	546.6	2,657.0	3,063.1	2,561.7	1,455.0	753.9
29	Net Income (Loss)(in Millions \$)	4.5	555.6	2,135.6	2,674.5	2,873.8	1,625.3	-42.0
30	RTMs (All Svc.) (%)	12.7	-3.7	13.5	8.5	-2.5	-5.3	-1.5
31	ATMs (All Svc.) (%)	12.1	-6.8	7.9	2.5	-5.4	-5.4	-2.8
32	Operating Revenues per RTM (%)	6.3	1.3	4.5	3.1	4.2	4.8	3.9
33	Operating Expense per RTM (%)	6.1	-7.1	-5.4	-8.5	-5.8	-1.1	0.6
34	Passenger Revenue per RPM (Sch. Svc.)(%)	4.7	1.0	5.3	4.0	3.0	2.0	1.5

COMPARISONS AMONG MAJOR GROUP AIRLINES

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

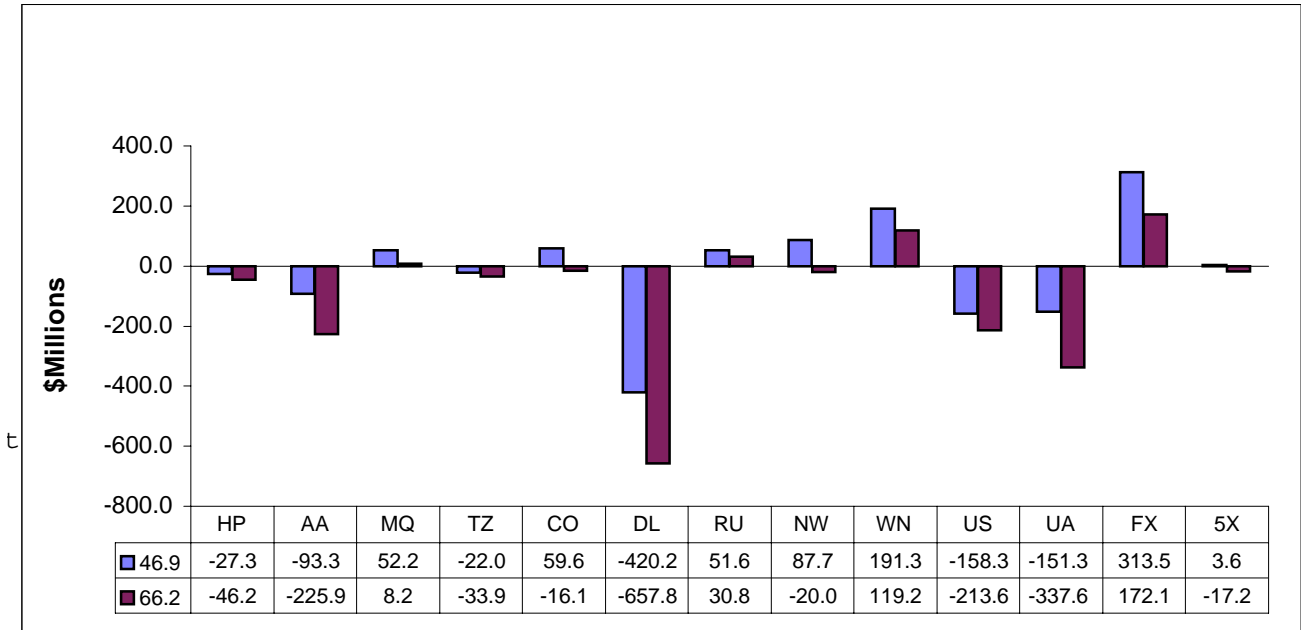
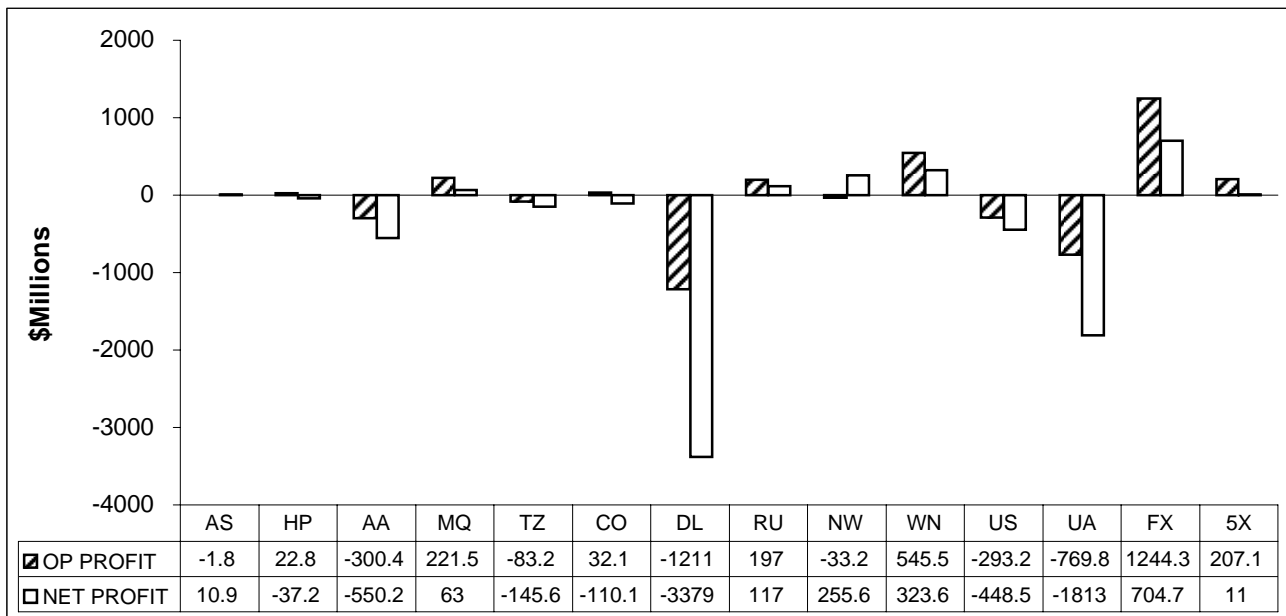
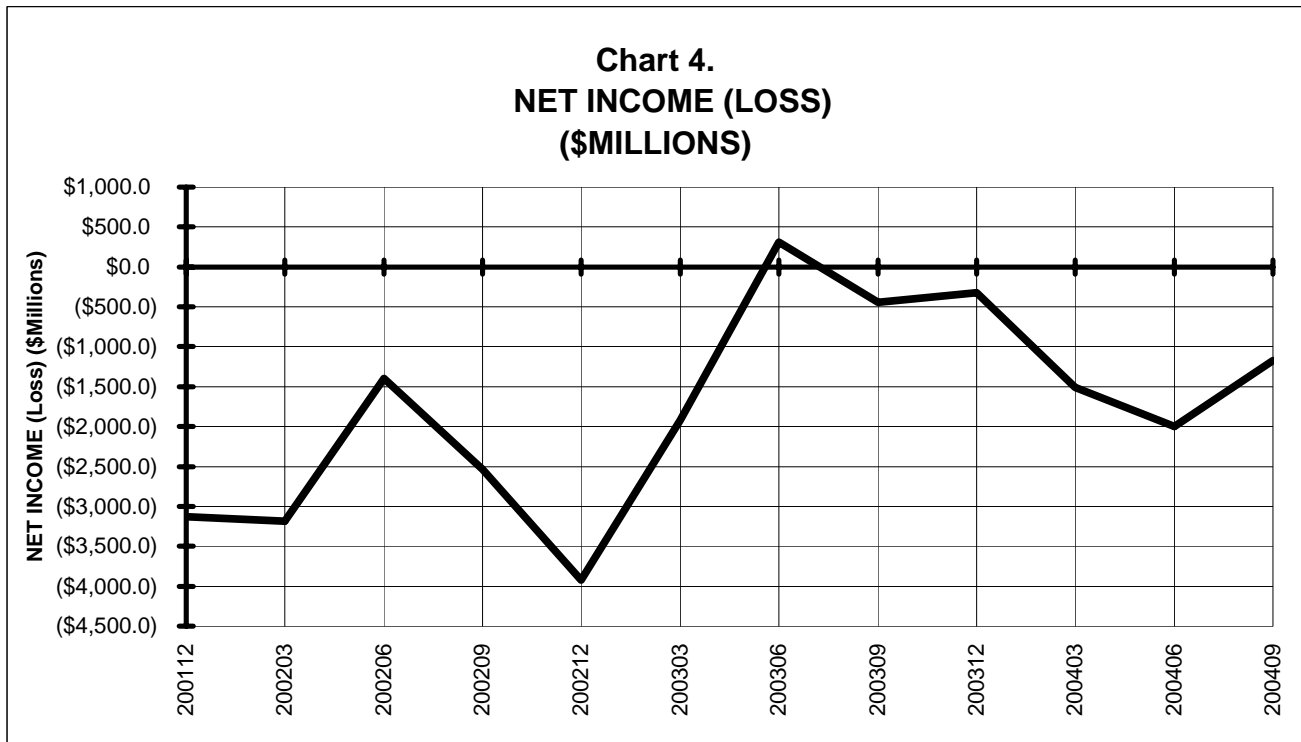
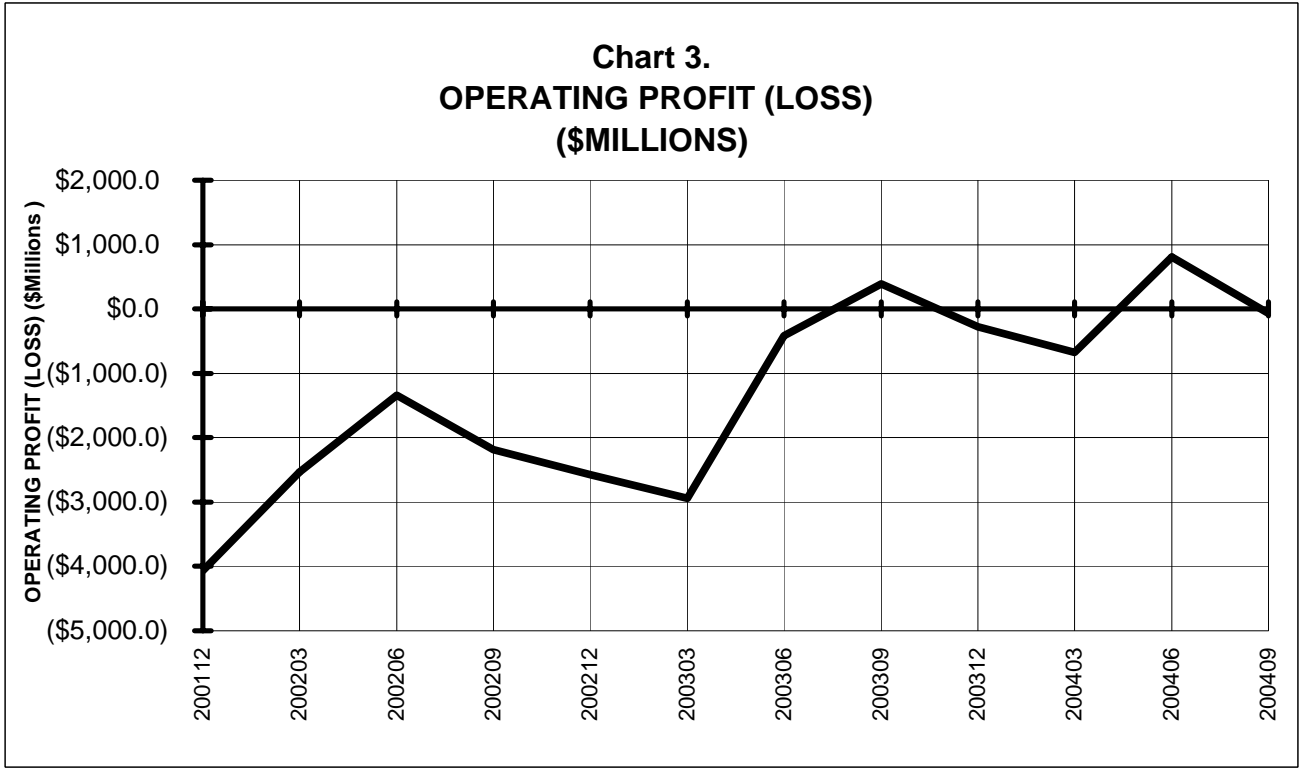


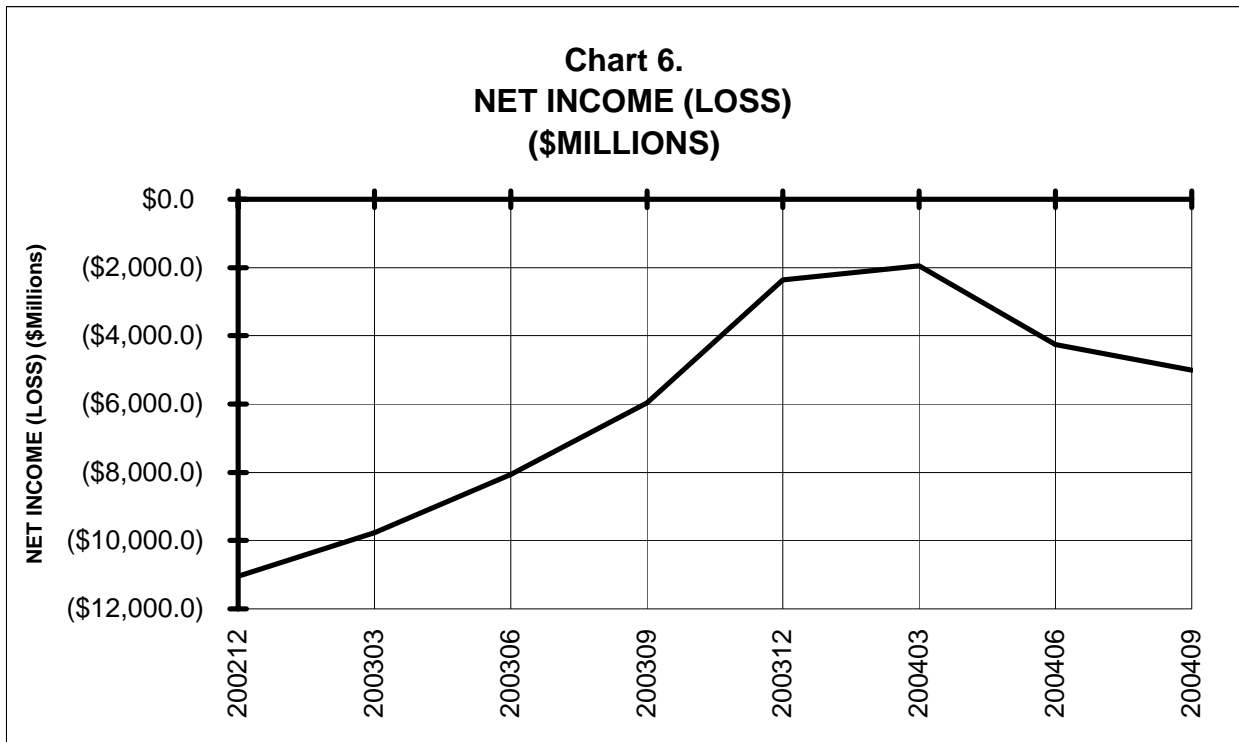
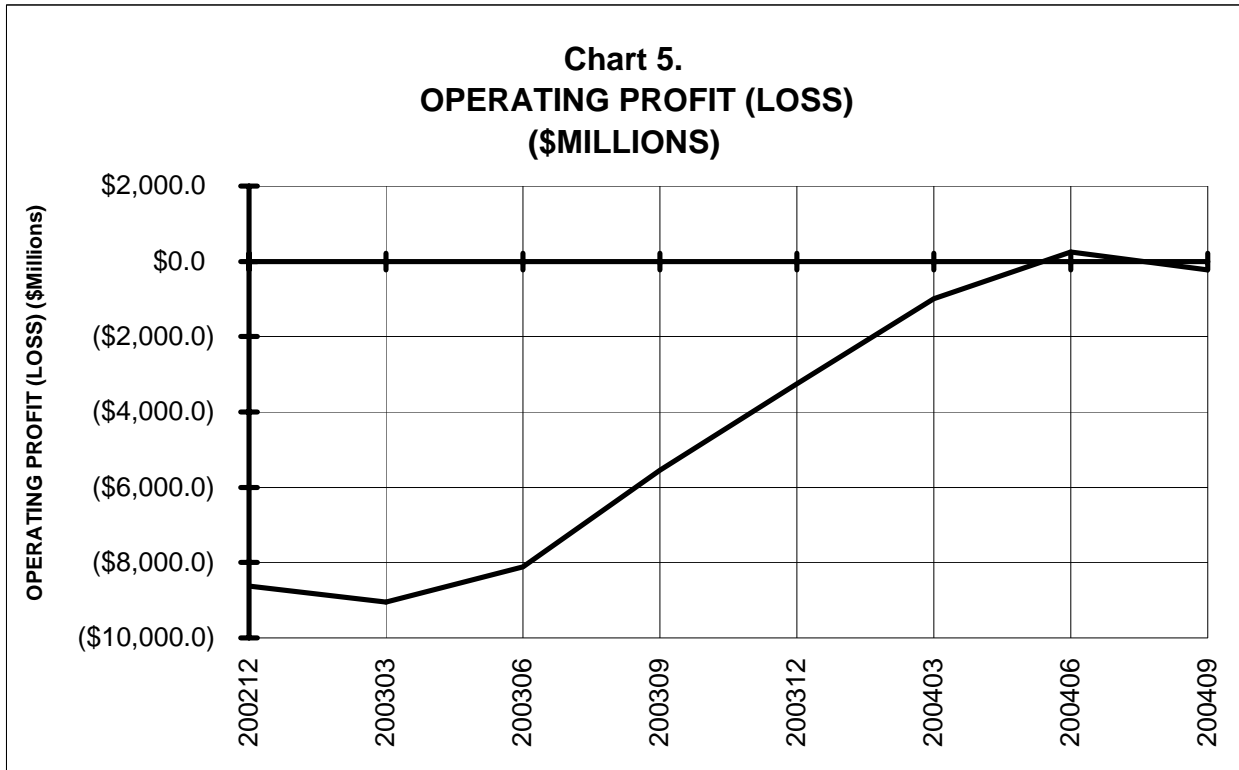
Chart 2
Operating and Net Profit (Loss)
For the 12 Months Ended September 2004



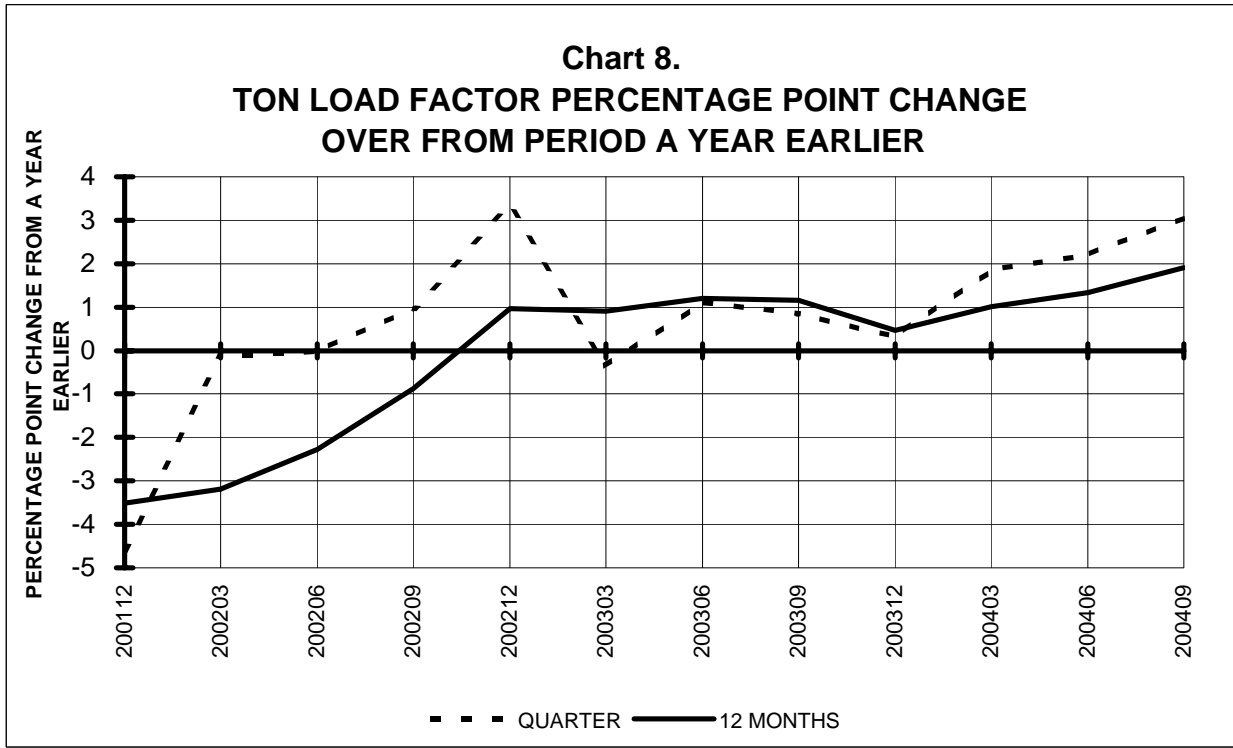
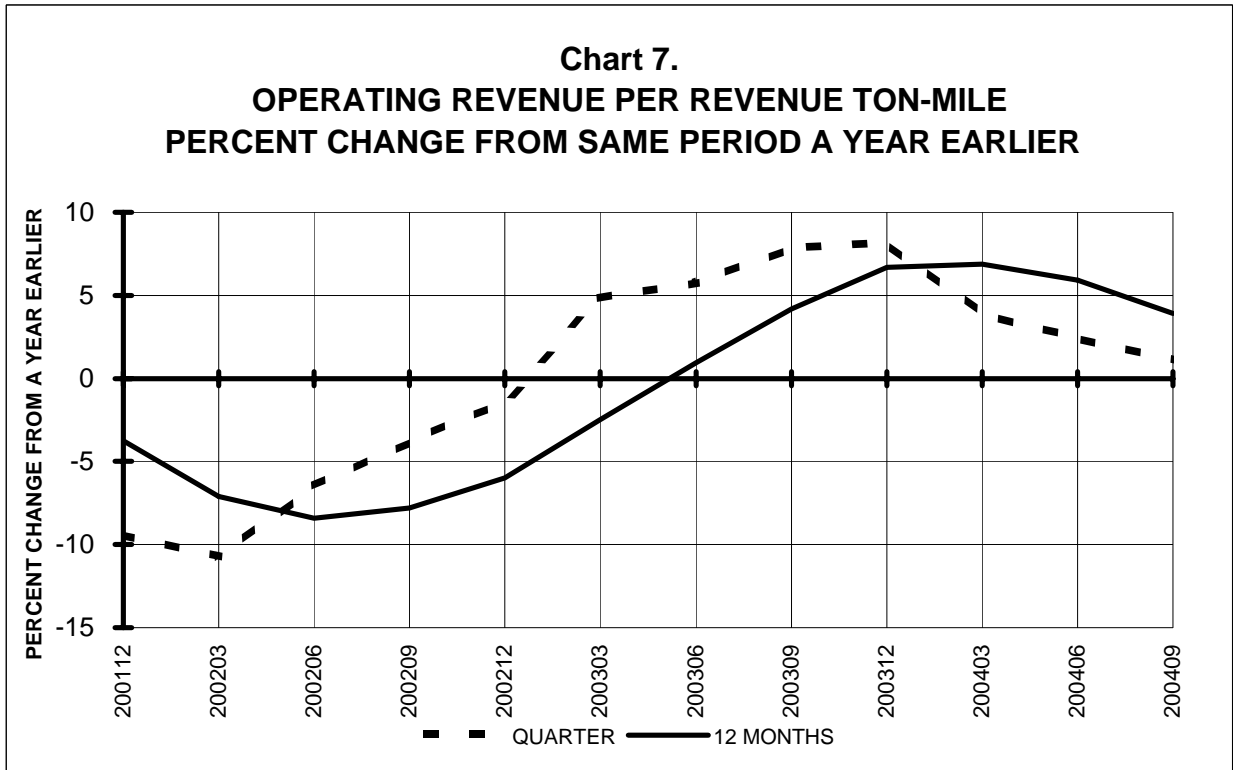
TOTAL ALL MAJORS (SYSTEM) BY QUARTER



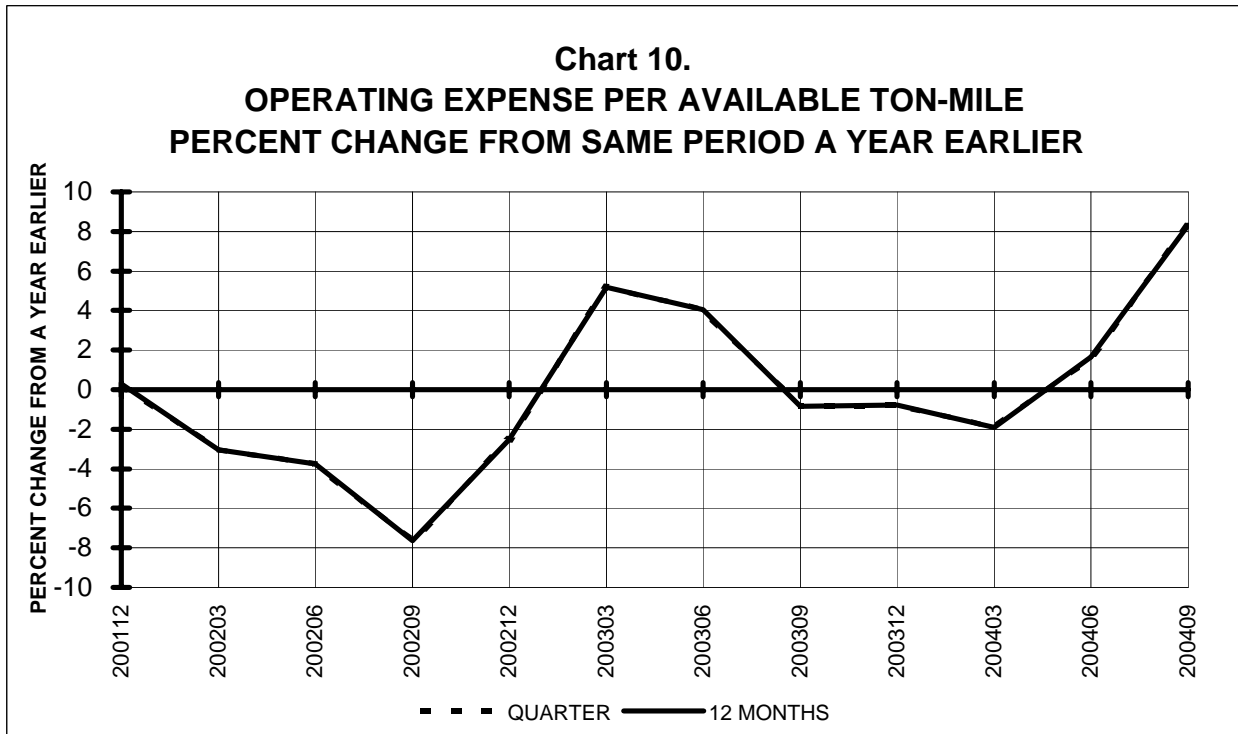
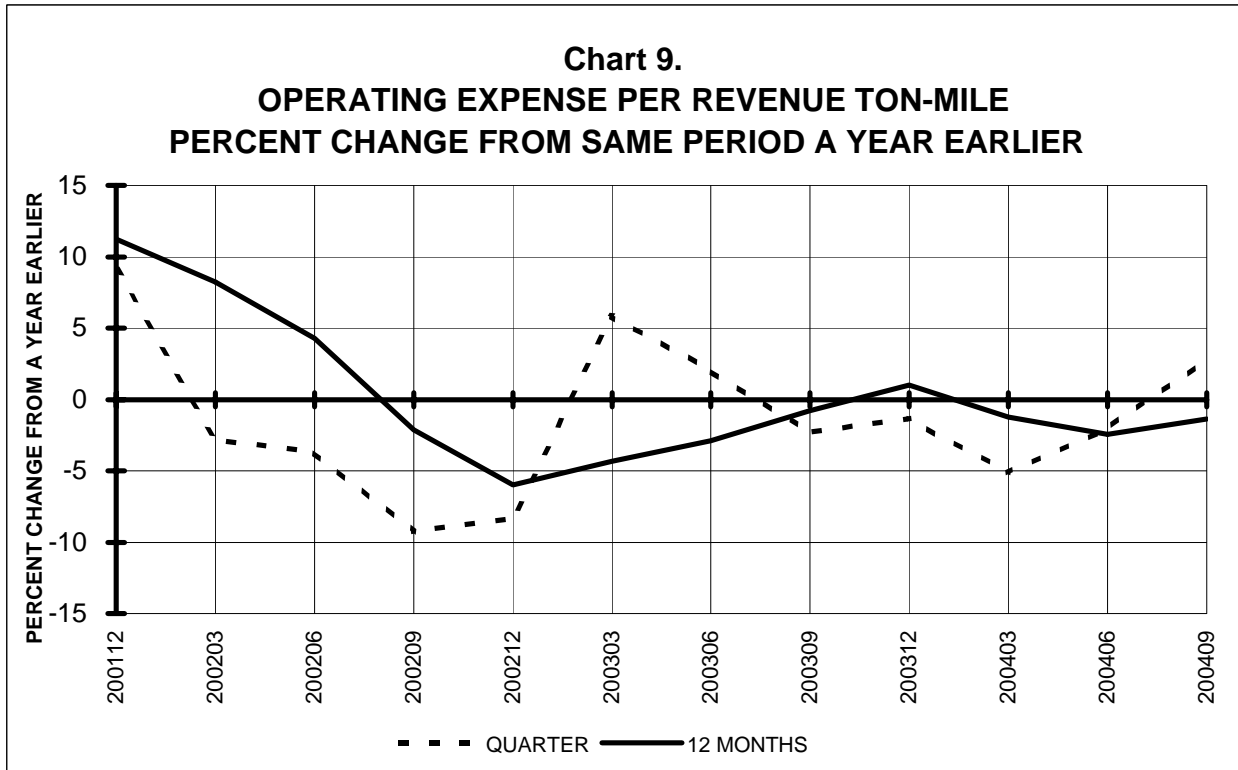
**TOTAL ALL MAJORS (SYSTEM)
BY 12-MONTH ENDING PERIODS**



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



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



QUARTERLY FINANCIAL & TRAFFIC REVIEW
SYSTEM OPERATIONS
System Passenger Majors

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2004/09	2003/09	2004/09	2004/06	2004/03	2003/12	2003/09
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	23,894.5	21,886.9	90,021.7	88,076.9	84,609.4	82,308.2	80,103.9
2	Operating Expenses	24,277.6	21,325.0	91,696.0	88,789.7	86,464.4	86,266.5	86,290.8
3	Operating Profit (Loss)	-383.0	561.9	-1,674.3	-712.8	-1,855.0	-3,958.2	-6,186.9
4	Net Income (Loss)	-1,326.7	-326.4	-5,712.9	-4,700.4	-2,342.1	-2,661.0	-6,261.5
<u>TRAFFIC: (Millions)</u>								
5	RPMs - Scheduled Svc.	172.0	158.3	626.6	613.3	591.5	581.4	577.7
6	ASMs - Scheduled Svc.	217.1	204.1	828.0	815.5	795.0	786.9	789.2
7	Overall RTMs (All Svc.)	19.7	18.1	72.4	70.9	68.5	67.5	67.3
8	Overall ATMs (All Svc.)	33.0	31.2	125.7	124.0	121.0	119.9	120.4
<u>YIELD & UNIT COST & PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	121.5	120.8	124.4	124.3	123.5	122.0	119.0
10	Operating Expense per RTM	123.5	117.7	126.7	125.3	126.2	127.8	128.2
11	Operating Profit (Loss) per RTM	-1.9	3.1	-2.3	-1.0	-2.7	-5.9	-9.2
12	Operating Expense per ATM	73.6	68.5	72.9	71.6	71.5	71.9	71.7
13	Passenger Revenue per RPM	11.02	11.37	11.51	11.61	11.61	11.55	11.46
<u>FINANCIAL RATIOS:</u>								
14	Operating Revenues to Total Investment	*	*	1.50	1.45	1.38	1.33	1.25
15	Times Interest Earned	*	*	-0.48	-0.17	0.19	0.05	-1.13
16	Current Assets to Current Liabilities	*	*	0.69	0.73	0.75	0.76	0.80
17	No. of Days Cash Coverage of Cash Exp.	*	*	62.5	69.8	73.2	73.0	75.1
<u>FINANCIAL PERCENTAGES:</u>								
18	Operating Profit (Loss) to Operating Revenue	-1.6	2.6	-1.9	-0.8	-2.2	-4.8	-7.7
19	Net Income to Stockholders Equity	*	*	-152.9	-98.3	-40.5	-40.8	-68.0
20	Corporate Return on Investment	*	*	-4.4	-2.8	1.1	0.6	-5.0
21	Debt to Total Investment	*	*	98.1	96.3	93.0	90.9	90.9
<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>								
22	Actual	79.2	77.6	75.7	75.2	74.4	73.9	73.2
23	Breakeven	83.4	74.7	78.1	75.8	76.4	78.4	81.0
<u>Employment & Productivity:</u>								
24	Employment, Total Weighted Avg CY	368,940	374,339	369,563	367,988	374,540	383,995	396,815
25	Overall RTM's per Employee (000)	53.3	48.4	195.9	192.6	183.0	175.8	169.6

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	9.2	8.7	12.4	12.4	7.9	6.4	6.6
27	Operating Expenses (%)	13.8	-5.5	6.3	1.5	-2.1	-0.7	0.0
28	Operating Profit (Loss) (in Millions \$)	-945.0	2,975.3	4,512.6	8,449.4	8,095.9	5,613.8	5,011.8
29	Net Income (Loss)(in Millions \$)	-1,000.3	2,329.3	548.6	3,890.4	7,875.0	8,830.5	4,479.3
30	RPMs (Sch. Svc.) (%)	8.6	-1.1	8.5	5.9	0.5	-1.4	0.5
31	ASMs (Sch. Svc.) (%)	6.4	-5.8	4.9	1.7	-2.8	-3.7	-2.3
32	Operating Revenues per RTM (%)	0.6	10.5	4.5	7.2	8.3	8.5	6.1
33	Operating Expense per RTM (%)	4.9	-3.8	-1.2	-3.2	-1.8	1.2	-0.6
34	Passenger Revenue per RPM (Sch. Svc.)(%)	-3.2	4.0	0.4	2.4	2.3	1.7	0.8

QUARTERLY FINANCIAL & TRAFFIC REVIEW
SYSTEM OPERATIONS
Domestic Passenger Majors

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2004/09	2003/09	2004/09	2004/06	2004/03	2003/12	2003/09
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	17,546.8	16,519.0	67,776.2	66,748.4	64,689.4	63,062.6	61,207.8
2	Operating Expenses	18,403.9	16,540.8	70,780.0	68,916.9	67,347.4	66,926.3	66,347.4
3	Operating Profit (Loss)	-857.2	-21.9	-3,003.8	-2,168.5	-2,658.1	-3,863.6	-5,139.6
4	Net Income (Loss)	-1,565.9	-695.0	-5,967.5	-5,096.5	-2,726.6	-2,102.1	-4,537.2
<u>TRAFFIC: (Millions)</u>								
5	RPMs - Scheduled Svc.	123.1	114.9	453.8	445.7	434.7	428.4	425.6
6	ASMs - Scheduled Svc.	157.7	151.1	611.0	604.3	594.2	587.8	588.3
7	Overall RTMs (All Svc.)	13.0	12.2	48.4	47.6	46.5	45.9	45.6
8	Overall ATMs (All Svc.)	21.9	21.2	85.1	84.3	83.1	82.4	82.5
<u>YIELD & UNIT COST & PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	134.8	134.9	140.1	140.3	139.1	137.4	134.1
10	Operating Expense per RTM	141.4	135.1	146.3	144.8	144.8	145.8	145.4
11	Operating Profit (Loss) per RTM	-6.6	-0.2	-6.2	-4.6	-5.7	-8.4	-11.3
12	Operating Expense per ATM	84.1	78.2	83.2	81.7	81.0	81.3	80.4
13	Passenger Revenue per RPM	11.14	11.81	11.92	12.11	12.14	12.11	12.02
<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	-4.9	-0.1	-4.4	-3.2	-4.1	-6.1	-8.4
19	Net Income to Stockholders Equity	*	*	**	**	**	**	**
20	Corporate Return on Investment	*	*	-7.8	-5.9	-0.9	0.4	-4.4
21	Debt to Total Investment	*	*	**	**	**	**	**
<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>								
22	Actual	78.0	76.1	74.3	73.7	73.2	72.9	72.4
23	Breakeven	85.7	75.0	78.5	75.8	76.0	77.9	80.0
<u>Employment & Productivity:</u>								
24	Employment, Total Weighted Avg CY	*	*	**	**	**	**	**
25	Overall RTM's per Employee (000)	*	*	**	**	**	**	**

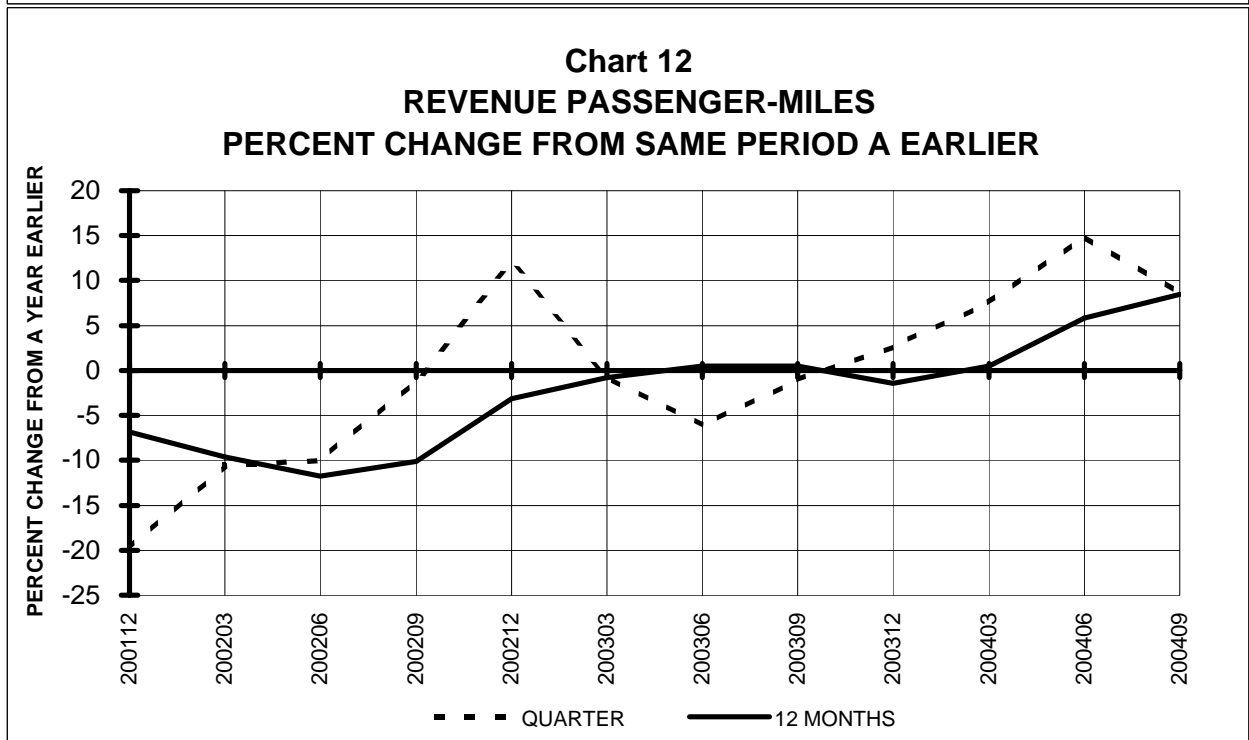
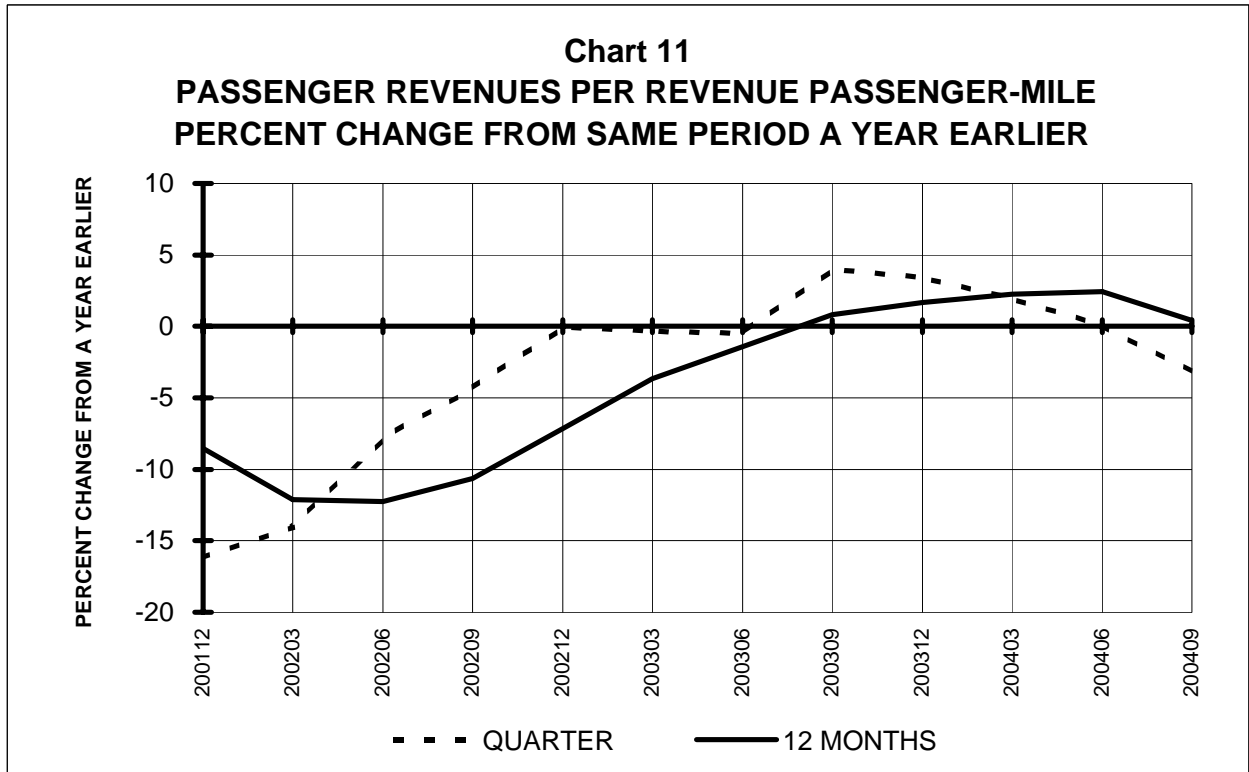
		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	6.2	11.9	10.7	12.3	9.6	8.1	7.3
27	Operating Expenses (%)	11.3	-3.3	6.7	3.0	0.2	1.1	0.1
28	Operating Profit (Loss) (in Millions \$)	-835.3	2,325.4	2,135.8	5,296.5	5,496.8	4,024.1	4,112.4
29	Net Income (Loss)(in Millions \$)	-871.0	1,714.9	-1,430.3	1,155.6	4,985.5	7,126.2	4,452.2
30	RPMs (Sch. Svc.) (%)	7.1	0.0	6.6	4.7	1.6	0.1	1.3
31	ASMs (Sch. Svc.) (%)	4.4	-5.4	3.9	1.3	-1.9	-3.1	-2.1
32	Operating Revenues per RTM (%)	-0.1	11.9	4.5	7.7	8.1	8.2	5.9
33	Operating Expense per RTM (%)	4.6	-3.4	0.7	-1.2	-1.1	1.1	-1.2
34	Passenger Revenue per RPM (Sch. Svc.)(%)	-5.7	4.9	-0.8	2.0	1.8	1.2	0.4

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

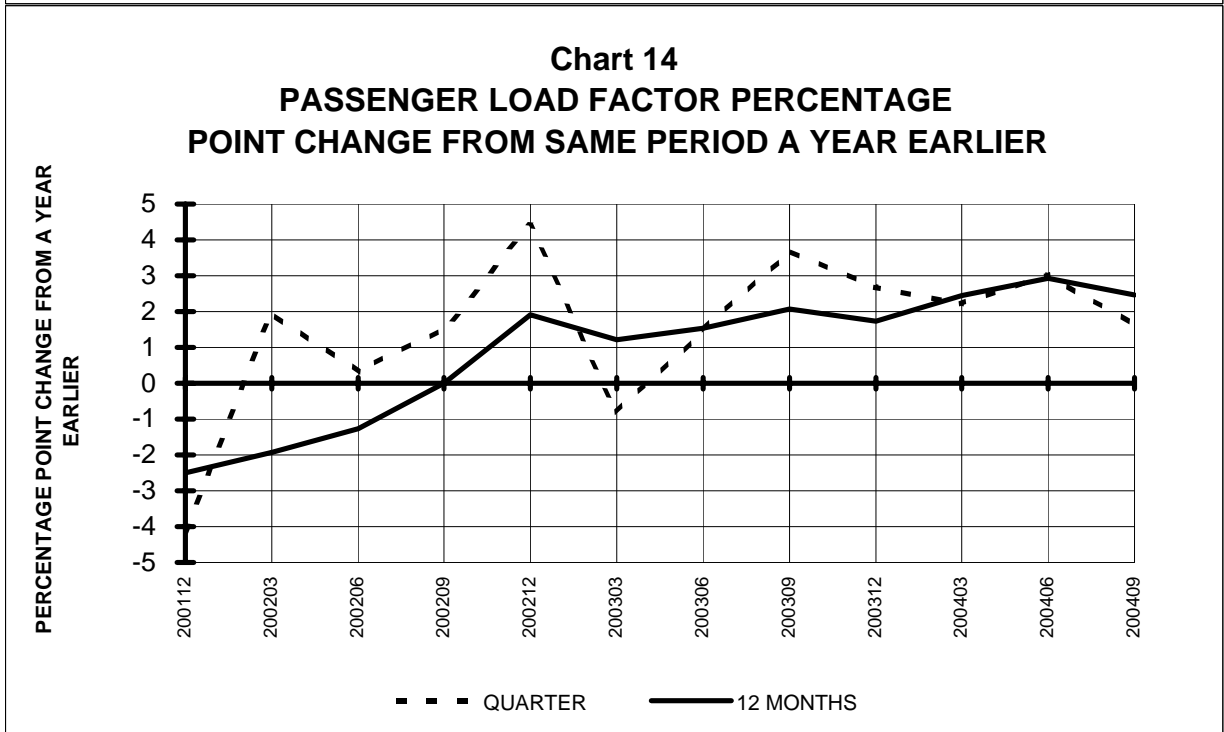
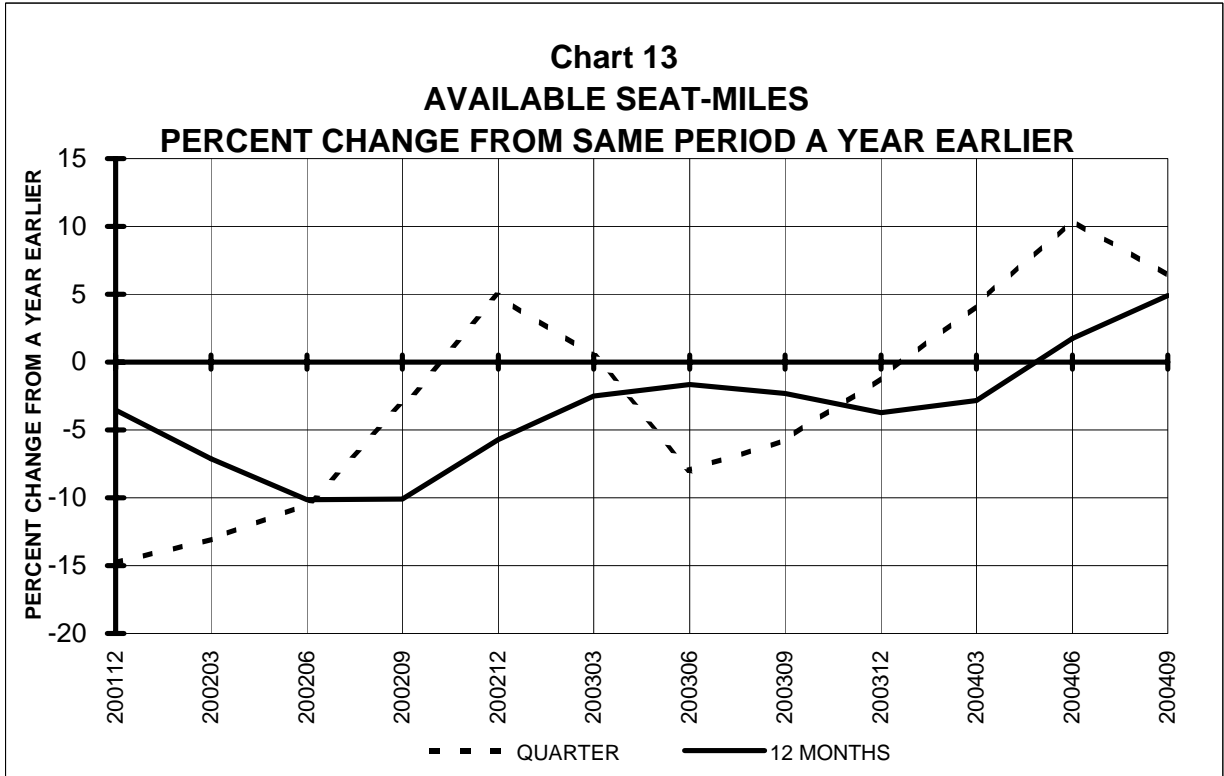
ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2004/09	2003/09	2004/09	2004/06	2004/03	2003/12	2003/09
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	6,347.7	5,367.9	22,219.0	21,176.4	19,920.0	19,245.6	18,896.1
2	Operating Expenses	5,873.6	4,784.1	20,896.3	19,760.5	19,117.0	19,340.2	19,943.4
3	Operating Profit (Loss)	474.1	583.8	1,322.7	1,415.9	803.0	-94.6	-1,047.2
4	Net Income (Loss)	239.2	368.6	250.5	367.7	384.5	-558.9	-1,724.3
<u>TRAFFIC: (Millions)</u>								
5	RPMs - Scheduled Svc.	48.9	43.4	172.8	166.9	157.0	153.2	152.2
6	ASMs - Scheduled Svc.	59.4	53.0	217.0	210.2	201.0	199.4	201.2
7	Overall RTMs (All Svc.)	6.6	5.9	24.0	23.2	22.1	21.7	21.8
8	Overall ATMs (All Svc.)	11.1	10.0	40.7	39.5	37.9	37.6	37.9
<u>YIELD & UNIT COST & PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	95.6	91.4	92.5	91.2	90.3	88.7	86.8
10	Operating Expense per RTM	88.5	81.4	87.0	85.1	86.6	89.1	91.6
11	Operating Profit (Loss) per RTM	7.1	9.9	5.5	6.1	3.6	-0.4	-4.8
12	Operating Expense per ATM	52.9	47.9	51.4	50.0	50.4	51.4	52.6
13	Passenger Revenue per RPM	10.71	10.22	10.40	10.24	10.13	9.97	9.87
<u>FINANCIAL RATIOS:</u>								
14	Operating Revenues to Total Investment	*	*	**	**	**	**	**
15	Times Interest Earned	*	*	**	**	**	**	**
16	Current Assets to Current Liabilities	*	*	**	**	**	**	**
17	No. of Days Cash Coverage of Cash Exp.	*	*	**	**	**	**	**
<u>FINANCIAL PERCENTAGES:</u>								
18	Operating Profit (Loss) to Operating Revenue	7.5	10.9	6.0	6.7	4.0	-0.5	-5.5
19	Net Income to Stockholders Equity	*	*	**	**	**	**	**
20	Corporate Return on Investment	*	*	8.0	8.7	8.6	1.2	-7.0
21	Debt to Total Investment	*	*	**	**	**	**	**
<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>								
22	Actual	82.4	81.9	79.6	79.4	78.1	76.8	75.7
23	Breakeven	76.7	72.8	76.1	75.2	76.8	79.8	83.8
<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 (%)	18.3	-0.2	17.6	12.0	2.9	1.2	4.6
27	Operating Expenses (%)	22.8	-12.1	4.8	-4.1	-9.6	-6.5	-0.4
28	Operating Profit (Loss) (in Millions \$)	-109.7	649.9	2,370.0	3,113.1	2,599.1	1,589.7	899.4
29	Net Income (Loss)(in Millions \$)	-129.3	614.4	1,974.8	2,706.4	2,889.4	1,704.4	27.0
30	RPMs (Sch. Svc.) (%)	12.7	-3.7	13.5	8.5	-2.5	-5.3	-1.5
31	ASMs (Sch. Svc.) (%)	12.1	-6.8	7.9	2.5	-5.4	-5.4	-2.8
32	Operating Revenues per RTM (%)	4.6	5.1	6.6	6.6	6.9	6.6	5.1
33	Operating Expense per RTM (%)	8.6	-7.4	-5.0	-8.7	-6.1	-1.6	0.2
34	Passenger Revenue per RPM (Sch. Svc.)(%)	4.7	1.0	5.3	4.0	3.0	2.0	1.5

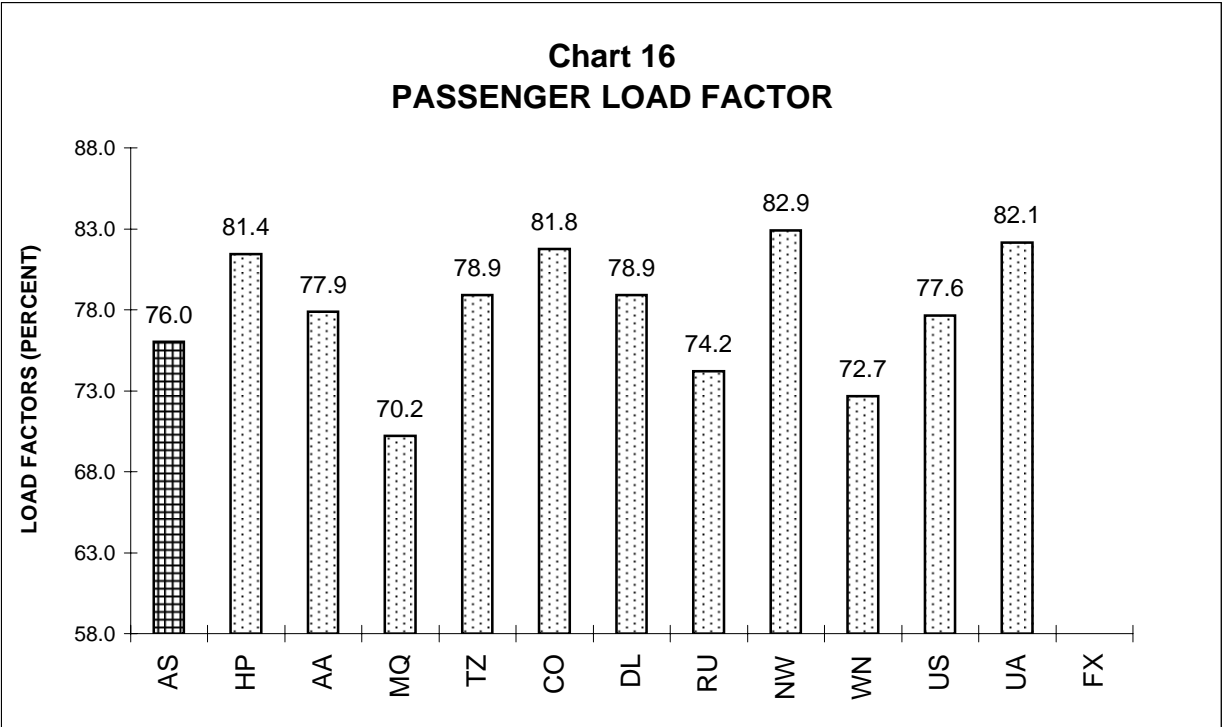
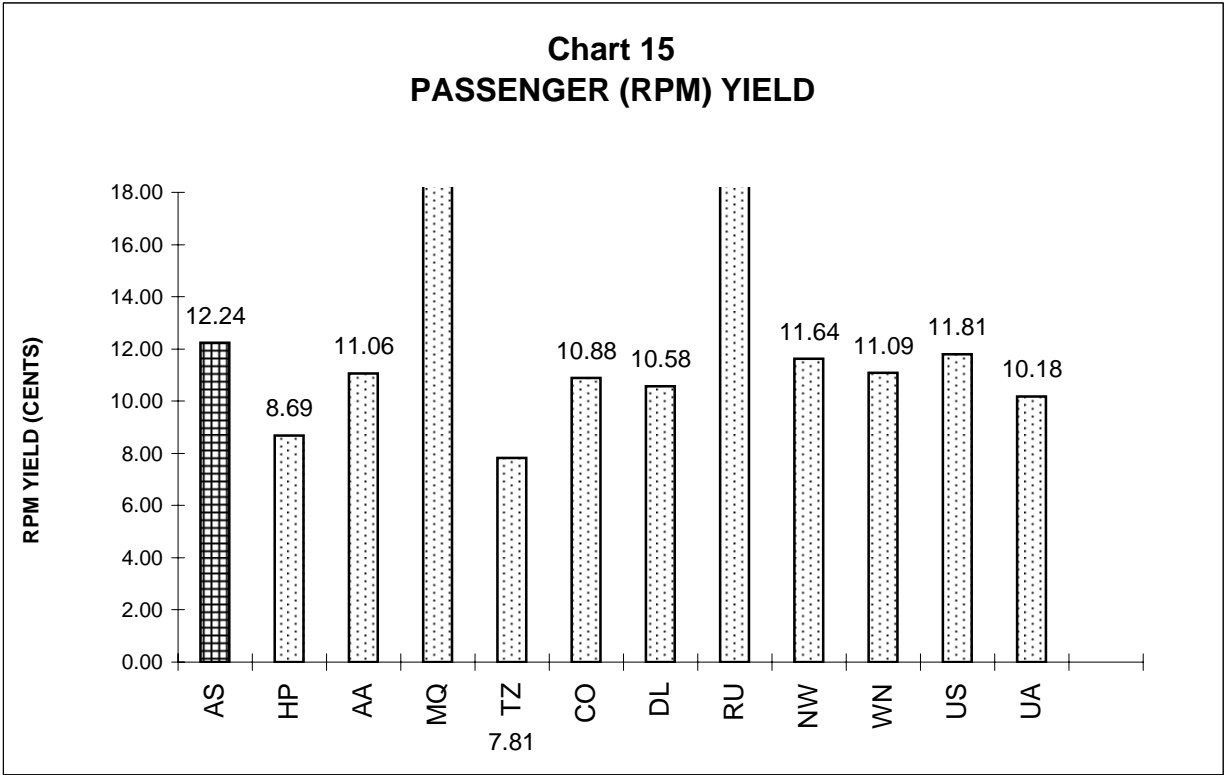
**TOTAL PASSENGER MAJORS (SYSTEM)
QUARTERLY AND 12-MONTH BASIS (SCH. SVC.)**



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



**TOTAL PASSENGER MAJORS (SYSTEM)
THIRD QUARTER 2004**



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

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2004/09	2003/09	2004/09	2004/06	2004/03	2003/12	2003/09
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	641.2	585.3	2,214.5	2,158.6	2,091.6	2,027.4	1,952.7
2	Operating Expenses	594.2	525.2	2,216.4	2,147.4	2,088.0	2,038.0	1,998.5
3	Operating Profit (Loss)	46.9	60.0	-1.8	11.3	3.6	-10.6	-45.8
4	Net Income (Loss)	66.2	29.6	10.9	-25.7	13.7	3.0	-29.3
<u>TRAFFIC: (Millions)</u>								
5	RPMs - Scheduled Svc.	4.6	4.1	15.9	15.4	15.0	14.6	14.1
6	ASMs - Scheduled Svc.	6.0	5.7	22.0	21.7	21.3	20.8	20.4
7	Overall RTMs (All Svc.)	0.5	0.4	1.7	1.6	1.6	1.5	1.5
8	Overall ATMs (All Svc.)	0.8	0.7	2.9	2.8	2.8	2.7	2.7
<u>YIELD & UNIT COST & PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	134.4	135.2	133.5	133.7	133.0	132.7	131.5
10	Operating Expense per RTM	124.5	121.3	133.6	133.0	132.8	133.4	134.6
11	Operating Profit (Loss) per RTM	9.8	13.9	-0.1	0.7	0.2	-0.7	-3.1
12	Operating Expense per ATM	74.5	71.1	76.7	75.9	75.7	75.5	75.5
13	Passenger Revenue per RPM	12.24	12.58	12.28	12.37	12.35	12.32	12.24
<u>FINANCIAL RATIOS:</u>								
14	Operating Revenues to Total Investment	*	*	1.35	1.32	1.29	1.28	1.24
15	Times Interest Earned	*	*	1.52	0.25	1.66	1.27	0.56
16	Current Assets to Current Liabilities	*	*	1.40	1.28	1.19	1.18	1.38
17	No. of Days Cash Coverage of Cash Exp.	*	*	153.4	156.1	154.2	154.5	145.1
<u>FINANCIAL PERCENTAGES:</u>								
18	Operating Profit (Loss) to Operating Revenue	7.3	10.3	-0.1	0.5	0.2	-0.5	-2.3
19	Net Income to Stockholders Equity	*	*	1.6	-3.9	2.1	0.5	-4.7
20	Corporate Return on Investment	*	*	3.4	1.1	3.6	3.0	0.9
21	Debt to Total Investment	*	*	54.2	57.9	60.1	58.0	60.9
<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>								
22	Actual	76.0	72.5	72.0	71.1	70.5	70.0	69.3
23	Breakeven	74.8	68.0	77.3	75.4	75.2	75.3	76.1
<u>Employment & Productivity:</u>								
24	Employment, Total Weighted Avg CY	10,080	10,106	10,009	10,015	9,529	9,591	9,651
25	Overall RTM's per Employee (000)	47.3	42.8	165.7	161.2	165.0	159.3	153.8

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	9.5	14.4	13.4	14.9	13.2	10.6	9.3
27	Operating Expenses (%)	13.1	6.3	10.9	9.2	7.2	6.5	6.6
28	Operating Profit (Loss) (in Millions \$)	-13.1	42.6	43.9	99.7	103.9	70.2	43.1
29	Net Income (Loss)(in Millions \$)	36.6	22.4	40.2	26.0	105.6	78.0	9.5
30	RPMs (Sch. Svc.) (%)	10.7	12.4	12.4	12.9	12.3	10.5	10.8
31	ASMs (Sch. Svc.) (%)	5.5	9.4	8.0	9.1	8.6	7.6	9.0
32	Operating Revenues per RTM (%)	-0.6	1.9	1.5	2.2	1.1	0.2	-1.3
33	Operating Expense per RTM (%)	2.6	-5.4	-0.8	-2.9	-4.3	-3.5	-3.8
34	Passenger Revenue per RPM (Sch. Svc.)(%)	-2.7	1.5	0.4	1.6	0.7	0.0	-1.2

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

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2004/09	2003/09	2004/09	2004/06	2004/03	2003/12	2003/09
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	617.1	583.6	2,424.0	2,390.5	2,311.8	2,223.3	2,183.9
2	Operating Expenses	644.4	536.6	2,401.3	2,293.5	2,222.6	2,199.5	2,208.2
3	Operating Profit (Loss)	-27.3	46.9	22.8	97.0	89.2	23.9	-24.3
4	Net Income (Loss)	-46.2	29.6	-37.2	38.7	109.4	44.8	-8.9
<u>TRAFFIC: (Millions)</u>								
5	RPMs - Scheduled Svc.	6.2	5.6	22.7	22.1	21.7	21.3	21.1
6	ASMs - Scheduled Svc.	7.6	7.1	29.5	29.0	28.4	27.8	27.8
7	Overall RTMs (All Svc.)	0.6	0.6	2.3	2.3	2.2	2.2	2.2
8	Overall ATMs (All Svc.)	1.0	1.0	4.0	3.9	3.8	3.7	3.7
<u>YIELD & UNIT COST & PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	96.7	100.7	103.7	104.9	103.1	101.1	100.3
10	Operating Expense per RTM	101.0	92.6	102.7	100.6	99.1	100.0	101.4
11	Operating Profit (Loss) per RTM	-4.3	8.1	1.0	4.3	4.0	1.1	-1.1
12	Operating Expense per ATM	62.9	56.7	60.7	59.1	58.4	59.0	59.6
13	Passenger Revenue per RPM	8.69	9.79	9.54	9.84	9.88	9.91	9.89
<u>FINANCIAL RATIOS:</u>								
14	Operating Revenues to Total Investment	*	*	2.11	2.10	2.10	2.06	2.06
15	Times Interest Earned	*	*	0.58	1.44	2.25	1.52	0.89
16	Current Assets to Current Liabilities	*	*	0.97	1.08	1.12	1.22	1.14
17	No. of Days Cash Coverage of Cash Exp.	*	*	54.7	65.9	64.0	79.9	71.6
<u>FINANCIAL PERCENTAGES:</u>								
18	Operating Profit (Loss) to Operating Revenue	-4.4	8.0	0.9	4.1	3.9	1.1	-1.1
19	Net Income to Stockholders Equity	*	*	-10.0	10.7	32.9	14.2	-2.8
20	Corporate Return on Investment	*	*	4.4	11.1	17.9	12.2	6.9
21	Debt to Total Investment	*	*	67.6	66.1	66.4	69.4	69.7
<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>								
22	Actual	81.4	79.8	76.9	76.4	76.6	76.4	75.8
23	Breakeven	89.6	75.1	79.2	75.6	75.9	78.3	79.6
<u>Employment & Productivity:</u>								
24	Employment, Total Weighted Avg CY	11,450	10,898	11,335	11,197	11,067	11,107	11,257
25	Overall RTM's per Employee (000)	55.7	53.2	206.3	203.6	202.6	198.0	193.5

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	5.8	13.9	11.0	13.1	11.1	10.0	15.0
27	Operating Expenses (%)	20.1	-3.2	8.7	3.0	0.6	0.7	2.1
28	Operating Profit (Loss) (in Millions \$)	-74.2	89.2	47.1	210.5	217.8	188.0	239.4
29	Net Income (Loss)(in Millions \$)	-75.8	81.4	-28.3	129.0	292.5	421.8	376.0
30	RPMs (Sch. Svc.) (%)	10.5	5.3	7.9	6.6	6.2	7.1	11.9
31	ASMs (Sch. Svc.) (%)	8.2	-1.1	6.3	4.0	2.3	3.3	7.1
32	Operating Revenues per RTM (%)	-4.0	8.4	3.4	6.7	4.9	3.0	3.1
33	Operating Expense per RTM (%)	9.0	-7.9	1.3	-2.8	-5.0	-5.8	-8.5
34	Passenger Revenue per RPM (Sch. Svc.)(%)	-11.3	7.8	-3.5	1.4	1.9	2.5	3.2

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

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2004/09	2003/09	2004/09	2004/06	2004/03	2003/12	2003/09
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	4,752.8	4,596.0	18,460.3	18,303.5	17,798.6	17,403.3	16,844.9
2	Operating Expenses	4,846.1	4,500.6	18,760.8	18,415.3	18,364.6	18,847.3	18,691.9
3	Operating Profit (Loss)	-93.3	95.4	-300.4	-111.8	-566.0	-1,444.0	-1,846.9
4	Net Income (Loss)	-225.9	-24.2	-550.2	-348.6	-468.6	-1,318.5	-1,916.3
<u>TRAFFIC: (Millions)</u>								
5	RPMs - Scheduled Svc.	34.6	32.7	127.7	125.7	122.5	120.0	119.9
6	ASMs - Scheduled Svc.	44.5	42.9	172.3	170.7	167.1	164.8	165.7
7	Overall RTMs (All Svc.)	4.0	3.8	14.9	14.7	14.3	14.0	14.0
8	Overall ATMs (All Svc.)	7.2	7.1	28.0	27.9	27.4	27.2	27.4
<u>YIELD & UNIT COST & PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	118.9	122.3	123.5	124.5	124.3	123.9	120.1
10	Operating Expense per RTM	121.2	119.7	125.6	125.2	128.3	134.2	133.3
11	Operating Profit (Loss) per RTM	-2.3	2.5	-2.0	-0.8	-4.0	-10.3	-13.2
12	Operating Expense per ATM	67.3	63.6	67.0	66.1	67.0	69.4	68.3
13	Passenger Revenue per RPM	11.06	11.60	11.72	11.86	11.87	11.86	11.76
<u>FINANCIAL RATIOS:</u>								
14	Operating Revenues to Total Investment	*	*	1.67	1.65	1.60	1.53	1.41
15	Times Interest Earned	*	*	-0.49	-0.04	-0.36	-2.55	-3.39
16	Current Assets to Current Liabilities	*	*	0.75	0.76	0.77	0.72	0.73
17	No. of Days Cash Coverage of Cash Exp.	*	*	74.4	81.2	78.9	64.6	67.9
<u>FINANCIAL PERCENTAGES:</u>								
18	Operating Profit (Loss) to Operating Revenue	-2.0	2.1	-1.6	-0.6	-3.2	-8.3	-11.0
19	Net Income to Stockholders Equity	*	*	-226.9	-138.4	-152.0	-231.7	-156.5
20	Corporate Return on Investment	*	*	-1.1	0.7	-0.5	-8.1	-12.3
21	Debt to Total Investment	*	*	98.3	96.2	96.0	96.9	101.7
<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>								
22	Actual	77.9	76.0	74.1	73.6	73.3	72.8	72.4
23	Breakeven	85.4	78.8	80.8	79.1	81.0	85.5	87.1
<u>Employment & Productivity:</u>								
24	Employment, Total Weighted Avg CY	79,604	81,611	79,360	79,861	81,974	85,559	89,902
25	Overall RTM's per Employee (000)	50.2	46.1	188.3	184.1	174.6	164.1	156.0

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	3.4	11.4	9.6	11.8	10.1	9.7	8.3
27	Operating Expenses (%)	7.7	-16.3	0.4	-5.9	-6.6	-1.8	-3.1
28	Operating Profit (Loss) (in Millions \$)	-188.6	1,347.0	1,546.5	3,082.1	2,927.6	1,868.9	1,893.7
29	Net Income (Loss)(in Millions \$)	-201.6	826.7	1,366.1	2,394.4	2,627.2	2,177.2	1,628.9
30	RPMs (Sch. Svc.) (%)	6.1	-1.2	6.5	4.5	0.7	-1.4	1.9
31	ASMs (Sch. Svc.) (%)	3.6	-6.4	4.0	1.2	-2.9	-4.2	-2.3
32	Operating Revenues per RTM (%)	-2.8	12.8	2.9	7.0	9.3	10.8	5.8
33	Operating Expense per RTM (%)	1.3	-15.2	-5.8	-9.9	-7.2	-0.8	-5.3
34	Passenger Revenue per RPM (Sch. Svc.)(%)	-4.6	2.3	-0.4	1.5	0.9	0.1	-2.0

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

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2004/09	2003/09	2004/09	2004/06	2004/03	2003/12	2003/09
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	371.4	278.5	1,346.8	1,254.0	1,185.1	1,128.0	1,120.0
2	Operating Expenses	319.2	234.9	1,125.4	1,041.1	981.0	951.5	980.4
3	Operating Profit (Loss)	52.2	43.6	221.5	212.9	204.2	176.5	139.6
4	Net Income (Loss)	8.2	9.6	63.0	64.4	87.1	60.3	32.8
<u>TRAFFIC: (Millions)</u>								
5	RPMs - Scheduled Svc.	1.6	1.0	5.4	4.8	4.5	4.1	3.9
6	ASMs - Scheduled Svc.	2.3	1.5	7.9	7.2	6.8	6.4	6.1
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	1.0	0.9	0.8	0.8	0.7
<u>YIELD & UNIT COST & PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	235.4	270.7	249.7	258.8	266.4	272.6	286.3
10	Operating Expense per RTM	202.3	228.3	208.6	214.9	220.5	230.0	250.6
11	Operating Profit (Loss) per RTM	33.1	42.4	41.1	43.9	45.9	42.7	35.7
12	Operating Expense per ATM	117.6	126.9	117.6	119.6	120.9	124.7	134.6
13	Passenger Revenue per RPM	23.44	26.89	24.86	25.75	26.45	27.04	28.14
<u>FINANCIAL RATIOS:</u>								
14	Operating Revenues to Total Investment	*	*	0.38	0.37	0.37	0.36	0.37
15	Times Interest Earned	*	*	1.47	1.51	1.80	1.56	1.32
16	Current Assets to Current Liabilities	*	*	0.24	0.33	0.13	0.17	0.13
17	No. of Days Cash Coverage of Cash Exp.	*	*	0.0	0.0	0.0	0.0	0.0
<u>FINANCIAL PERCENTAGES:</u>								
18	Operating Profit (Loss) to Operating Revenue	14.1	15.7	16.4	17.0	17.2	15.6	12.5
19	Net Income to Stockholders Equity	*	*	64.3	83.2	173.4	206.2	24.6
20	Corporate Return on Investment	*	*	5.2	5.2	6.1	5.4	4.6
21	Debt to Total Investment	*	*	96.5	96.7	97.0	97.3	98.8
<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>								
22	Actual	70.2	66.7	68.0	67.1	65.9	64.9	64.1
23	Breakeven	59.2	55.0	55.5	54.3	53.2	53.5	55.0
<u>Employment & Productivity:</u>								
24	Employment, Total Weighted Avg CY	8,780	7,188	8,198	7,800	7,608	7,559	7,608
25	Overall RTM's per Employee (000)	18.0	14.3	65.8	62.1	58.5	54.7	51.4

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	33.3	-12.2	20.3	8.2	-1.2	-5.9	-3.4
27	Operating Expenses (%)	35.9	-39.8	14.8	-8.3	-18.5	-23.8	-24.7
28	Operating Profit (Loss) (in Millions \$)	8.6	116.6	81.9	189.8	208.4	226.7	281.7
29	Net Income (Loss)(in Millions \$)	-1.4	78.4	30.2	110.0	184.7	178.8	202.0
30	RPMs (Sch. Svc.) (%)	53.4	5.9	38.0	25.8	18.5	12.6	11.1
31	ASMs (Sch. Svc.) (%)	45.7	2.0	29.9	18.9	13.8	9.5	7.2
32	Operating Revenues per RTM (%)	-13.1	-16.5	-12.8	-13.7	-16.3	-16.1	-12.7
33	Operating Expense per RTM (%)	-11.4	-42.7	-16.7	-26.9	-30.9	-32.0	-31.9
34	Passenger Revenue per RPM (Sch. Svc.)(%)	-12.8	-13.5	-11.6	-11.8	-14.2	-13.5	-10.7

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

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2004/09	2003/09	2004/09	2004/06	2004/03	2003/12	2003/09
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	372.3	358.9	1,426.3	1,412.9	1,410.8	1,398.4	1,340.0
2	Operating Expenses	394.3	337.1	1,509.5	1,452.2	1,420.4	1,384.2	1,352.1
3	Operating Profit (Loss)	-22.0	21.8	-83.2	-39.4	-9.6	14.2	-12.0
4	Net Income (Loss)	-33.9	3.3	-145.6	-108.4	-39.5	13.2	-23.1
<u>TRAFFIC: (Millions)</u>								
5	RPMs - Scheduled Svc.	3.4	3.2	12.7	12.5	12.2	11.6	11.1
6	ASMs - Scheduled Svc.	4.3	4.2	17.6	17.5	17.0	16.0	15.2
7	Overall RTMs (All Svc.)	0.4	0.4	1.5	1.5	1.4	1.3	1.3
8	Overall ATMs (All Svc.)	0.7	0.6	2.7	2.6	2.5	2.3	2.2
<u>YIELD & UNIT COST & PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	91.7	93.9	94.3	94.9	98.9	104.3	105.1
10	Operating Expense per RTM	97.1	88.2	99.8	97.6	99.6	103.3	106.0
11	Operating Profit (Loss) per RTM	-5.4	5.7	-5.5	-2.6	-0.7	1.1	-0.9
12	Operating Expense per ATM	58.0	53.3	56.1	54.9	57.0	60.5	62.3
13	Passenger Revenue per RPM	7.81	8.53	8.29	8.48	8.54	8.67	8.67
<u>FINANCIAL RATIOS:</u>								
14	Operating Revenues to Total Investment	*	*	5.83	4.15	3.95	3.78	3.71
15	Times Interest Earned	*	*	-2.26	-1.39	0.02	1.19	0.47
16	Current Assets to Current Liabilities	*	*	-0.11	0.70	0.74	0.82	0.62
17	No. of Days Cash Coverage of Cash Exp.	*	*	15.0	40.0	36.4	45.3	57.7
<u>FINANCIAL PERCENTAGES:</u>								
18	Operating Profit (Loss) to Operating Revenue	-5.9	6.1	-5.8	-2.8	-0.7	1.0	-0.9
19	Net Income to Stockholders Equity	*	*					
20	Corporate Return on Investment	*	*	-39.7	-18.0	1.6	15.3	5.1
21	Debt to Total Investment	*	*	-190.6	186.2	166.4	136.7	130.2
<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>								
22	Actual	78.9	75.9	72.1	71.3	71.4	72.3	72.9
23	Breakeven	86.2	69.2	78.4	74.3	72.2	71.2	74.0
<u>Employment & Productivity:</u>								
24	Employment, Total Weighted Avg CY	6,640	7,518	6,985	7,204	7,321	7,328	7,130
25	Overall RTM's per Employee (000)	61.2	50.8	216.5	206.6	194.8	182.9	178.9

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	3.7	24.1	6.4	11.2	17.6	21.6	22.3
27	Operating Expenses (%)	17.0	-0.1	11.6	7.4	5.1	7.2	3.7
28	Operating Profit (Loss) (in Millions \$)	-43.8	69.9	-71.2	42.5	142.5	154.9	196.4
29	Net Income (Loss)(in Millions \$)	-37.2	66.9	-122.4	-18.4	145.1	182.6	172.5
30	RPMs (Sch. Svc.) (%)	5.9	24.3	14.6	19.7	23.8	23.3	25.0
31	ASMs (Sch. Svc.) (%)	1.9	23.9	15.9	21.9	25.4	24.4	27.6
32	Operating Revenues per RTM (%)	-2.4	1.1	-10.2	-10.0	-2.6	8.5	9.3
33	Operating Expense per RTM (%)	10.1	-18.6	-5.8	-13.1	-13.0	-4.3	-7.3
34	Passenger Revenue per RPM (Sch. Svc.)(%)	-8.3	2.9	-4.3	-1.6	-1.5	-0.5	-0.5

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

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2004/09	2003/09	2004/09	2004/06	2004/03	2003/12	2003/09
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	2,096.0	1,927.3	7,852.7	7,684.0	7,487.9	7,333.4	7,258.7
2	Operating Expenses	2,036.4	1,817.6	7,820.6	7,601.8	7,266.6	7,303.7	7,308.9
3	Operating Profit (Loss)	59.6	109.8	32.1	82.3	221.3	29.7	-50.2
4	Net Income (Loss)	-16.1	133.2	-110.1	39.2	134.9	38.2	-117.6
<u>TRAFFIC: (Millions)</u>								
5	RPMs - Scheduled Svc.	17.3	15.8	61.7	60.2	58.2	56.9	56.1
6	ASMs - Scheduled Svc.	21.1	19.6	80.0	78.5	76.1	75.0	75.0
7	Overall RTMs (All Svc.)	2.0	1.8	7.1	7.0	6.8	6.6	6.6
8	Overall ATMs (All Svc.)	2.9	2.7	10.9	10.7	10.4	10.2	10.1
<u>YIELD & UNIT COST & PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	106.7	107.2	110.1	110.3	110.8	110.7	110.8
10	Operating Expense per RTM	103.6	101.1	109.6	109.1	107.5	110.3	111.6
11	Operating Profit (Loss) per RTM	3.0	6.1	0.4	1.2	3.3	0.4	-0.8
12	Operating Expense per ATM	69.6	68.4	71.5	71.3	70.2	71.8	72.4
13	Passenger Revenue per RPM	10.88	11.11	11.32	11.39	11.44	11.52	11.59
<u>FINANCIAL RATIOS:</u>								
14	Operating Revenues to Total Investment	*	*	1.17	1.15	1.14	1.13	1.12
15	Times Interest Earned	*	*	0.53	1.21	1.68	1.28	0.56
16	Current Assets to Current Liabilities	*	*	0.95	0.90	0.87	0.91	0.88
17	No. of Days Cash Coverage of Cash Exp.	*	*	85.0	94.6	84.2	84.6	76.3
<u>FINANCIAL PERCENTAGES:</u>								
18	Operating Profit (Loss) to Operating Revenue	2.8	5.7	0.4	1.1	3.0	0.4	-0.7
19	Net Income to Stockholders Equity	*	*	-15.3	5.5	19.8	5.4	-15.3
20	Corporate Return on Investment	*	*	3.9	6.0	7.4	5.8	3.4
21	Debt to Total Investment	*	*	89.5	89.9	90.0	88.3	88.7
<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>								
22	Actual	81.8	80.6	77.2	76.8	76.5	75.9	74.8
23	Breakeven	82.6	76.1	79.9	78.2	75.4	75.6	74.8
<u>Employment & Productivity:</u>								
24	Employment, Total Weighted Avg CY	34,781	34,652	34,546	34,514	34,574	34,927	35,460
25	Overall RTM's per Employee (000)	56.5	51.9	206.5	201.8	195.5	189.7	184.8

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	8.7	0.5	8.2	6.0	2.1	-0.3	2.3
27	Operating Expenses (%)	12.0	-5.9	7.0	2.4	-7.5	-6.8	-6.4
28	Operating Profit (Loss) (in Millions \$)	-50.2	122.5	82.3	255.0	742.3	510.4	668.8
29	Net Income (Loss)(in Millions \$)	-149.3	170.5	7.5	327.2	640.5	489.2	373.9
30	RPMs (Sch. Svc.) (%)	9.3	3.3	10.0	8.3	3.3	-0.2	0.5
31	ASMs (Sch. Svc.) (%)	7.7	-2.8	6.6	3.8	-1.0	-2.4	-0.7
32	Operating Revenues per RTM (%)	-0.5	-1.9	-0.6	-0.9	-0.8	-0.8	0.4
33	Operating Expense per RTM (%)	2.5	-8.1	-1.7	-4.3	-10.2	-7.3	-8.2
34	Passenger Revenue per RPM (Sch. Svc.)(%)	-2.0	-0.3	-2.4	-1.9	-1.6	-0.2	1.4

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

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2004/09	2003/09	2004/09	2004/06	2004/03	2003/12	2003/09
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	3,913.7	3,685.2	15,126.6	14,898.1	14,422.2	14,203.0	13,628.1
2	Operating Expenses	4,334.0	3,843.1	16,338.0	15,847.1	15,478.3	15,360.2	14,827.2
3	Operating Profit (Loss)	-420.2	-157.8	-1,211.4	-949.0	-1,056.1	-1,157.2	-1,199.1
4	Net Income (Loss)	-657.8	-192.8	-3,378.6	-2,913.7	-811.3	-895.6	-890.7
<u>TRAFFIC: (Millions)</u>								
5	RPMs - Scheduled Svc.	26.4	24.0	96.3	93.9	90.0	89.2	88.8
6	ASMs - Scheduled Svc.	33.4	30.7	127.6	124.8	120.3	119.9	120.1
7	Overall RTMs (All Svc.)	3.0	2.7	11.1	10.8	10.4	10.3	10.3
8	Overall ATMs (All Svc.)	5.1	4.8	19.6	19.3	18.6	18.6	18.7
<u>YIELD & UNIT COST & PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	130.7	134.7	136.8	137.9	139.1	138.0	132.8
10	Operating Expense per RTM	144.7	140.5	147.7	146.7	149.3	149.2	144.5
11	Operating Profit (Loss) per RTM	-14.0	-5.8	-11.0	-8.8	-10.2	-11.2	-11.7
12	Operating Expense per ATM	84.7	80.1	83.5	82.3	83.2	82.5	79.4
13	Passenger Revenue per RPM	10.58	11.18	11.25	11.42	11.50	11.52	11.59
<u>FINANCIAL RATIOS:</u>								
14	Operating Revenues to Total Investment	*	*	1.64	1.48	1.35	1.31	1.20
15	Times Interest Earned	*	*	-2.11	-1.67	-0.77	-0.89	-0.96
16	Current Assets to Current Liabilities	*	*	0.61	0.64	0.74	0.81	0.81
17	No. of Days Cash Coverage of Cash Exp.	*	*	29.2	35.9	41.8	53.8	59.1
<u>FINANCIAL PERCENTAGES:</u>								
18	Operating Profit (Loss) to Operating Revenue	-10.7	-4.3	-8.0	-6.4	-7.3	-8.1	-8.8
19	Net Income to Stockholders Equity	*	*			-362.3	-145.8	-66.5
20	Corporate Return on Investment	*	*	-28.7	-21.8	-0.9	-1.5	-1.5
21	Debt to Total Investment	*	*	145.7	134.4	107.7	105.0	93.9
<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>								
22	Actual	78.9	78.1	75.5	75.2	74.8	74.3	73.9
23	Breakeven	93.0	69.0	73.9	67.9	68.6	69.5	73.4
<u>Employment & Productivity:</u>								
24	Employment, Total Weighted Avg CY	57,648	58,844	58,118	58,417	58,552	59,526	61,110
25	Overall RTM's per Employee (000)	51.9	46.5	190.3	184.9	177.1	172.9	168.0

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	6.2	15.5	11.0	13.4	12.4	14.4	13.5
27	Operating Expenses (%)	12.8	12.5	10.2	10.1	10.6	14.2	11.0
28	Operating Profit (Loss) (in Millions \$)	-262.4	67.4	-12.4	317.4	96.8	-121.8	149.8
29	Net Income (Loss)(in Millions \$)	-465.0	149.4	-2,487.9	-1,873.6	561.7	399.4	758.1
30	RPMs (Sch. Svc.) (%)	10.0	-6.3	8.5	3.9	-3.5	-5.4	-4.1
31	ASMs (Sch. Svc.) (%)	8.8	-10.2	6.2	1.0	-6.4	-7.8	-8.5
32	Operating Revenues per RTM (%)	-3.0	23.2	3.0	9.7	16.9	21.0	18.2
33	Operating Expense per RTM (%)	3.0	20.0	2.3	6.5	15.2	20.8	15.6
34	Passenger Revenue per RPM (Sch. Svc.)(%)	-5.3	3.8	-2.9	-0.4	0.4	0.9	2.5

QUARTERLY FINANCIAL & TRAFFIC REVIEW
SYSTEM OPERATIONS
Express One 1/

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2004/09	2003/09	2004/09	2004/06	2004/03	2003/12	2003/09
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	385.7	343.6	1,461.5	1,482.3	1,368.9	1,311.4	970.5
2	Operating Expenses	334.0	296.6	1,264.5	1,273.4	1,184.7	1,132.5	838.1
3	Operating Profit (Loss)	51.6	47.0	197.0	208.8	184.2	178.9	132.4
4	Net Income (Loss)	30.8	27.8	117.0	126.2	111.0	108.0	80.1
<u>TRAFFIC: (Mllions)</u>								
5	RPMs - Scheduled Svc.	2.0	1.6	6.9	6.9	6.2	5.8	5.2
6	ASMs - Scheduled Svc.	2.7	2.3	9.8	9.9	9.1	8.4	7.8
7	Overall RTMs (All Svc.)	0.2	0.2	0.7	0.7	0.6	0.6	0.5
8	Overall ATMs (All Svc.)	0.3	0.3	1.2	1.2	1.1	1.0	0.9
<u>YIELD & UNIT COST & PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	192.3	213.5	210.0	215.0	218.9	226.7	185.7
10	Operating Expense per RTM	166.6	184.3	181.7	184.7	189.4	195.8	160.4
11	Operating Profit (Loss) per RTM	25.7	29.2	28.3	30.3	29.5	30.9	25.3
12	Operating Expense per ATM	102.3	107.8	106.4	106.6	107.8	110.8	88.8
13	Passenger Revenue per RPM	19.28	21.39	21.07	21.57	21.94	22.70	18.58
<u>FINANCIAL RATIOS:</u>								
14	Operating Revenues to Total Investment	*	*	4.69	4.65	3.74	4.34	3.97
15	Times Interest Earned	*	*	17.03	18.16	19.16	20.56	23.02
16	Current Assets to Current Liabilities	*	*	1.05	1.04	1.09	0.95	1.09
17	No. of Days Cash Coverage of Cash Exp.	*	*	48.4	63.0	64.4	57.4	74.4
<u>FINANCIAL PERCENTAGES:</u>								
18	Operating Profit (Loss) to Operating Revenue	13.4	13.7	13.5	14.1	13.5	13.6	13.6
19	Net Income to Stockholders Equity	*	*				0.0	0.0
20	Corporate Return on Investment	*	*	41.4	43.2	33.0	38.7	35.2
21	Debt to Total Investment	*	*	155.6	155.9	165.5	130.2	112.9
<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>								
22	Actual	74.2	70.8	70.7	69.7	68.8	68.5	67.1
23	Breakeven	63.1	60.0	60.1	58.8	58.5	58.1	56.9
<u>Employment & Productivity:</u>								
24	Employment, Total Weighted Avg CY	6,239	5,702	5,979	2,922	5,712	5,598	4,181
25	Overall RTM's per Employee (000)	32.1	28.2	116.4	235.9	109.5	103.3	125.0

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	12.2	0.0	50.6	136.5	346.5	0.0	0.0
27	Operating Expenses (%)	12.6	0.0	50.9	135.2	350.1	0.0	0.0
28	Operating Profit (Loss) (in Millions \$)	4.7	0.0	64.6	123.4	140.8	0.0	0.0
29	Net Income (Loss)(in Millions \$)	3.0	0.0	36.9	73.9	85.2	0.0	0.0
30	RPMs (Sch. Svc.) (%)	24.6	0.0	32.9	47.7	48.6	0.0	0.0
31	ASMs (Sch. Svc.) (%)	18.8	0.0	26.1	38.8	38.0	0.0	0.0
32	Operating Revenues per RTM (%)	-9.9	0.0	13.1	59.7	200.0	0.0	0.0
33	Operating Expense per RTM (%)	-9.6	0.0	13.3	58.8	202.4	0.0	0.0
34	Passenger Revenue per RPM (Sch. Svc.)(%)	-9.9	0.0	13.4	60.2	200.6	0.0	0.0

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

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2004/09	2003/09	2004/09	2004/06	2004/03	2003/12	2003/09
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	3,056.9	2,468.9	10,845.4	10,257.4	9,613.5	9,183.8	9,100.8
2	Operating Expenses	2,969.1	2,330.2	10,878.5	10,239.6	9,667.7	9,460.4	9,922.2
3	Operating Profit (Loss)	87.7	138.7	-33.2	17.8	-54.2	-276.5	-821.4
4	Net Income (Loss)	-20.0	54.7	255.6	330.2	662.1	478.1	-558.1
<u>TRAFFIC: (Millions)</u>								
5	RPMs - Scheduled Svc.	19.7	18.9	71.8	71.0	68.6	68.5	69.0
6	ASMs - Scheduled Svc.	23.8	23.3	89.8	89.2	87.9	88.6	90.2
7	Overall RTMs (All Svc.)	2.6	2.5	9.5	9.4	9.1	9.1	9.1
8	Overall ATMs (All Svc.)	3.9	3.8	14.8	14.7	14.5	14.6	14.8
<u>YIELD & UNIT COST & PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	119.6	99.8	114.4	109.2	105.4	101.4	99.6
10	Operating Expense per RTM	116.2	94.2	114.8	109.0	105.9	104.4	108.5
11	Operating Profit (Loss) per RTM	3.4	5.6	-0.3	0.2	-0.6	-3.1	-9.0
12	Operating Expense per ATM	75.8	60.7	73.4	69.5	66.6	64.9	66.9
13	Passenger Revenue per RPM	11.64	11.08	11.64	11.50	11.38	11.13	10.94
<u>FINANCIAL RATIOS:</u>								
14	Operating Revenues to Total Investment	*	*	1.00	0.97	0.95	0.94	0.94
15	Times Interest Earned	*	*	1.54	1.72	2.44	2.00	-0.89
16	Current Assets to Current Liabilities	*	*	0.86	0.89	0.92	0.88	0.92
17	No. of Days Cash Coverage of Cash Exp.	*	*	90.6	108.2	119.2	113.2	113.3
<u>FINANCIAL PERCENTAGES:</u>								
18	Operating Profit (Loss) to Operating Revenue	2.9	5.6	-0.3	0.2	-0.6	-3.0	-9.0
19	Net Income to Stockholders Equity	*	*	8.3	11.0	24.0	18.1	-20.2
20	Corporate Return on Investment	*	*	6.7	7.5	11.1	9.5	-1.2
21	Debt to Total Investment	*	*	71.8	71.4	71.0	69.1	74.2
<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>								
22	Actual	82.9	81.4	80.0	79.6	78.1	77.3	76.5
23	Breakeven	83.5	77.6	84.2	82.7	82.0	84.1	89.0
<u>Employment & Productivity:</u>								
24	Employment, Total Weighted Avg CY	38,142	38,497	38,244	38,332	38,443	39,407	40,836
25	Overall RTM's per Employee (000)	67.0	64.2	247.8	245.1	237.4	229.9	223.9

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	23.8	-1.4	19.2	12.3	4.1	0.4	3.2
27	Operating Expenses (%)	27.4	-6.5	9.6	1.5	-4.8	-4.8	5.1
28	Operating Profit (Loss) (in Millions \$)	-51.0	126.5	788.3	965.8	863.1	506.9	-200.5
29	Net Income (Loss)(in Millions \$)	-74.6	108.6	813.7	996.9	1,652.7	1,244.5	-50.5
30	RPMs (Sch. Svc.) (%)	4.2	-4.1	4.1	1.7	-4.8	-4.9	-0.8
31	ASMs (Sch. Svc.) (%)	2.3	-7.1	-0.5	-3.0	-6.7	-5.2	-1.3
32	Operating Revenues per RTM (%)	19.8	1.0	15.0	10.0	7.8	4.5	2.7
33	Operating Expense per RTM (%)	23.3	-4.2	5.8	-0.5	-1.4	-0.8	4.6
34	Passenger Revenue per RPM (Sch. Svc.)(%)	5.0	1.4	6.4	5.5	5.5	3.3	1.7

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

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2004/09	2003/09	2004/09	2004/06	2004/03	2003/12	2003/09
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	1,674.4	1,553.4	6,391.6	6,270.6	6,069.4	5,936.7	5,820.3
2	Operating Expenses	1,483.1	1,368.1	5,846.1	5,731.1	5,586.4	5,454.6	5,361.6
3	Operating Profit (Loss)	191.3	185.3	545.5	539.5	483.0	482.1	458.7
4	Net Income (Loss)	119.2	106.1	323.6	310.5	443.6	441.6	418.3
<u>TRAFFIC: (Millions)</u>								
5	RPMs - Scheduled Svc.	14.2	12.8	51.9	50.6	48.8	47.9	47.4
6	ASMs - Scheduled Svc.	19.5	18.2	74.9	73.7	72.8	71.8	71.1
7	Overall RTMs (All Svc.)	1.5	1.3	5.4	5.2	5.0	4.9	4.9
8	Overall ATMs (All Svc.)	2.7	2.5	10.2	10.0	9.9	9.8	9.7
<u>YIELD & UNIT COST & PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	114.5	117.9	119.0	119.9	120.4	120.1	119.3
10	Operating Expense per RTM	101.4	103.8	108.8	109.6	110.8	110.3	109.9
11	Operating Profit (Loss) per RTM	13.1	14.1	10.2	10.3	9.6	9.7	9.4
12	Operating Expense per ATM	56.0	55.2	57.4	57.2	56.4	55.8	55.4
13	Passenger Revenue per RPM	11.09	11.46	11.56	11.67	11.72	11.71	11.64
<u>FINANCIAL RATIOS:</u>								
14	Operating Revenues to Total Investment	*	*	0.94	0.95	0.94	0.93	0.93
15	Times Interest Earned	*	*	12.98	12.27	16.14	13.35	10.56
16	Current Assets to Current Liabilities	*	*	1.19	1.07	1.10	1.34	1.53
17	No. of Days Cash Coverage of Cash Exp.	*	*	126.3	121.3	128.2	134.3	149.0
<u>FINANCIAL PERCENTAGES:</u>								
18	Operating Profit (Loss) to Operating Revenue	11.4	11.9	8.5	8.6	8.0	8.1	7.9
19	Net Income to Stockholders Equity	*	*	6.3	6.2	9.2	9.4	9.2
20	Corporate Return on Investment	*	*	5.4	5.4	7.6	7.9	7.8
21	Debt to Total Investment	*	*	25.9	22.9	23.9	23.3	25.4
<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>								
22	Actual	72.7	70.5	69.3	68.7	67.1	66.8	66.6
23	Breakeven	62.8	60.6	62.3	61.7	60.8	60.4	60.4
<u>Employment & Productivity:</u>								
24	Employment, Total Weighted Avg CY	31,073	32,787	31,784	32,212	32,599	32,972	33,252
25	Overall RTM's per Employee (000)	47.1	40.2	169.0	162.3	154.7	150.0	146.8

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	7.8	11.7	9.8	10.8	8.1	7.5	8.6
27	Operating Expenses (%)	8.4	5.2	9.0	8.3	7.4	6.9	7.4
28	Operating Profit (Loss) (in Millions \$)	6.0	94.1	86.7	174.8	69.6	64.5	91.6
29	Net Income (Loss)(in Millions \$)	13.1	31.2	-94.6	-76.5	200.1	200.7	156.2
30	RPMs (Sch. Svc.) (%)	10.4	7.6	9.7	9.0	6.4	5.6	5.1
31	ASMs (Sch. Svc.) (%)	7.0	3.3	5.4	4.5	4.3	4.2	4.5
32	Operating Revenues per RTM (%)	-2.9	3.6	-0.2	1.4	1.3	1.7	3.3
33	Operating Expense per RTM (%)	-2.3	-2.3	-1.0	-0.9	0.7	1.1	2.2
34	Passenger Revenue per RPM (Sch. Svc.)(%)	-3.2	3.6	-0.7	1.1	1.1	1.5	3.2

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

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2004/09	2003/09	2004/09	2004/06	2004/03	2003/12	2003/09
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	1,787.8	1,748.8	7,159.8	7,120.8	6,933.0	6,761.6	6,615.2
2	Operating Expenses	1,946.1	1,785.5	7,452.9	7,292.4	7,298.7	7,183.0	7,155.5
3	Operating Profit (Loss)	-158.3	-36.7	-293.2	-171.5	-365.7	-421.3	-540.2
4	Net Income (Loss)	-213.6	-87.5	-448.5	-322.4	-341.5	1,452.1	763.0
<u>TRAFFIC: (Millions)</u>								
5	RPMs - Scheduled Svc.	10.9	10.3	40.1	39.6	38.6	37.7	37.1
6	ASMs - Scheduled Svc.	14.0	13.4	53.5	52.9	52.3	51.5	51.4
7	Overall RTMs (All Svc.)	1.2	1.1	4.4	4.3	4.2	4.1	4.1
8	Overall ATMs (All Svc.)	2.1	2.0	7.9	7.8	7.7	7.6	7.6
<u>YIELD & UNIT COST & PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	153.3	157.1	164.2	165.3	164.5	163.4	161.6
10	Operating Expense per RTM	166.9	160.4	171.0	169.3	173.1	173.6	174.8
11	Operating Profit (Loss) per RTM	-13.6	-3.3	-6.7	-4.0	-8.7	-10.2	-13.2
12	Operating Expense per ATM	94.6	89.5	94.8	93.5	94.4	94.1	93.8
13	Passenger Revenue per RPM	11.81	12.25	12.82	12.95	13.00	13.05	13.03
<u>FINANCIAL RATIOS:</u>								
14	Operating Revenues to Total Investment	*	*	2.44	2.36	2.25	2.42	2.41
15	Times Interest Earned	*	*	-1.07	-0.47	-0.51	7.11	3.70
16	Current Assets to Current Liabilities	*	*	0.48	0.72	0.70	0.79	0.91
17	No. of Days Cash Coverage of Cash Exp.	*	*	37.9	50.0	49.9	67.1	72.6
<u>FINANCIAL PERCENTAGES:</u>								
18	Operating Profit (Loss) to Operating Revenue	-8.9	-2.1	-4.1	-2.4	-5.3	-6.2	-8.2
19	Net Income to Stockholders Equity	*	*	-6,600.7	-291.1	-229.9		-37.1
20	Corporate Return on Investment	*	*	-7.7	-3.3	-3.9	60.6	37.2
21	Debt to Total Investment	*	*	107.4	100.5	102.4	97.1	92.5
<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>								
22	Actual	77.6	76.9	75.0	74.7	73.8	73.3	72.2
23	Breakeven	90.4	83.2	82.5	80.7	83.0	83.6	83.9
<u>Employment & Productivity:</u>								
24	Employment, Total Weighted Avg CY	25,817	26,355	26,176	26,311	26,489	26,809	28,064
25	Overall RTM's per Employee (000)	45.2	42.3	166.5	163.7	159.1	154.4	145.9

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	2.2	0.8	8.2	7.9	3.0	-2.2	-3.8
27	Operating Expenses (%)	9.0	-6.9	4.2	0.1	-2.5	-8.3	-15.5
28	Operating Profit (Loss) (in Millions \$)	-121.6	145.7	247.1	514.4	386.9	498.0	1,053.2
29	Net Income (Loss)(in Millions \$)	-126.1	270.4	-1,211.5	-815.1	-593.3	3,110.9	2,697.8
30	RPMs (Sch. Svc.) (%)	5.2	-3.8	8.0	5.4	-0.2	-5.7	-7.6
31	ASMs (Sch. Svc.) (%)	4.1	-10.2	4.0	0.0	-4.1	-8.6	-10.7
32	Operating Revenues per RTM (%)	-2.4	6.1	1.6	4.0	4.6	4.2	3.9
33	Operating Expense per RTM (%)	4.1	-2.0	-2.2	-3.5	-1.0	-2.3	-8.7
34	Passenger Revenue per RPM (Sch. Svc.)(%)	-3.6	0.3	-1.6	-0.5	-0.1	0.0	-0.4

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

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2004/09	2003/09	2004/09	2004/06	2004/03	2003/12	2003/09
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	4,225.3	3,757.4	15,312.2	14,844.2	13,916.5	13,397.7	13,268.6
2	Operating Expenses	4,376.6	3,749.4	16,082.0	15,454.8	14,905.4	14,951.5	15,646.3
3	Operating Profit (Loss)	-151.3	8.0	-769.8	-610.6	-988.9	-1,553.7	-2,377.6
4	Net Income (Loss)	-337.6	-415.6	-1,812.9	-1,891.0	-2,243.0	-3,086.2	-4,011.6
<u>TRAFFIC: (Millions)</u>								
5	RPMs - Scheduled Svc.	31.1	28.2	113.4	110.4	105.3	103.9	104.1
6	ASMs - Scheduled Svc.	37.9	35.1	143.2	140.4	136.1	135.9	138.5
7	Overall RTMs (All Svc.)	3.6	3.3	13.3	12.9	12.4	12.3	12.5
8	Overall ATMs (All Svc.)	6.0	5.5	22.7	22.2	21.5	21.5	22.0
<u>YIELD & UNIT COST & PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	116.1	115.2	115.2	114.9	112.3	108.7	106.2
10	Operating Expense per RTM	120.3	115.0	121.0	119.7	120.3	121.3	125.2
11	Operating Profit (Loss) per RTM	-4.2	0.2	-5.8	-4.7	-8.0	-12.6	-19.0
12	Operating Expense per ATM	72.9	67.8	70.9	69.6	69.3	69.6	71.3
13	Passenger Revenue per RPM	10.18	10.60	10.43	10.55	10.46	10.22	10.15
<u>FINANCIAL RATIOS:</u>								
14	Operating Revenues to Total Investment	*	*	2.82	2.51	2.06	1.72	1.43
15	Times Interest Earned	*	*	-2.73	-2.85	-3.48	-5.04	-6.09
16	Current Assets to Current Liabilities	*	*	0.44	0.44	0.46	0.46	0.52
17	No. of Days Cash Coverage of Cash Exp.	*	*	39.5	40.2	53.1	48.7	48.2
<u>FINANCIAL PERCENTAGES:</u>								
18	Operating Profit (Loss) to Operating Revenue	-3.6	0.2	-5.0	-4.1	-7.1	-11.6	-17.9
19	Net Income to Stockholders Equity	*	*					
20	Corporate Return on Investment	*	*	-24.5	-23.7	-25.8	-33.0	-37.6
21	Debt to Total Investment	*	*	218.1	213.7	198.2	175.8	166.3
<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>								
22	Actual	82.1	80.2	79.2	78.6	77.3	76.4	75.1
23	Breakeven	85.8	80.0	84.2	82.7	85.0	89.1	94.7
<u>Employment & Productivity:</u>								
24	Employment, Total Weighted Avg CY	58,686	60,181	58,829	59,203	60,672	63,612	68,364
25	Overall RTM's per Employee (000)	62.0	54.2	226.0	218.1	204.2	193.8	182.8

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	12.5	3.1	15.4	12.8	0.6	-3.7	-1.5
27	Operating Expenses (%)	16.7	-13.7	2.8	-4.8	-12.4	-11.7	-4.1
28	Operating Profit (Loss) (in Millions \$)	-159.2	707.0	1,607.8	2,474.0	2,196.1	1,468.1	462.3
29	Net Income (Loss)(in Millions \$)	78.1	495.7	2,198.7	2,616.3	1,972.9	239.6	-1,925.3
30	RPMs (Sch. Svc.) (%)	10.5	-6.1	8.9	4.2	-3.7	-5.0	-2.1
31	ASMs (Sch. Svc.) (%)	7.9	-11.8	3.4	-2.0	-8.6	-8.6	-5.4
32	Operating Revenues per RTM (%)	0.8	12.8	8.5	11.9	7.6	3.2	0.9
33	Operating Expense per RTM (%)	4.6	-5.5	-3.4	-5.6	-6.3	-5.4	-1.7
34	Passenger Revenue per RPM (Sch. Svc.)(%)	-4.0	4.5	2.8	5.2	1.7	-2.9	-4.2

QUARTERLY FINANCIAL & TRAFFIC REVIEW
SYSTEM OPERATIONS
System Cargo Majors

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2004/09	2003/09	2004/09	2004/06	2004/03	2003/12	2003/09
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	5,403.3	4,889.7	21,281.5	20,767.9	20,264.0	19,853.0	19,596.4
2	Operating Expenses	5,086.3	5,060.6	19,830.2	19,804.5	19,397.5	19,150.7	18,954.9
3	Operating Profit (Loss)	317.0	-171.0	1,451.4	963.4	866.5	702.3	641.5
4	Net Income (Loss)	154.9	-114.6	715.7	446.1	385.5	290.1	292.8
<u>TRAFFIC: (Mllions)</u>								
5	RTMs - Scheduled Svc.	3.8	3.5	14.7	14.5	14.2	13.9	13.8
6	ATMs - Scheduled Svc.	5.8	6.6	23.8	24.6	24.5	24.3	23.6
7	Overall RTMs (All Svc.)	3.9	3.6	15.1	14.8	14.5	14.2	14.1
8	Overall ATMs (All Svc.)	5.9	6.7	24.4	25.2	25.0	24.8	24.0
<u>YIELD & UNIT COST & PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	140.4	135.4	141.3	140.1	139.3	139.7	139.0
10	Operating Expense per RTM	132.2	140.2	131.7	133.6	133.4	134.7	134.5
11	Operating Profit (Loss) per RTM	8.2	-4.7	9.6	6.5	6.0	4.9	4.6
12	Operating Expense per ATM	85.6	75.2	81.3	78.7	77.5	77.1	78.8
13	Passenger Revenue per RPM	*	*	**	**	**	**	**
<u>FINANCIAL RATIOS:</u>								
14	Operating Revenues to Total Investment	*	*	**	**	**	**	**
15	Times Interest Earned	*	*	**	**	**	**	**
16	Current Assets to Current Liabilities	*	*	**	**	**	**	**
17	No. of Days Cash Coverage of Cash Exp.	*	*	**	**	**	**	**
<u>FINANCIAL PERCENTAGES:</u>								
18	Operating Profit (Loss) to Operating Revenue	5.9	-3.5	6.8	4.6	4.3	3.5	3.3
19	Net Income to Stockholders Equity	*	*	**	**	**	**	**
20	Corporate Return on Investment	*	*	7.6	5.1	4.6	3.7	3.7
21	Debt to Total Investment	*	*	**	**	**	**	**
<u>TON LOAD FACTOR: (%)</u>								
22	Scheduled Svc.	64.9	53.5	61.8	58.8	58.0	57.2	58.6
23	All Services	64.8	53.6	61.8	58.9	58.1	57.2	58.6
<u>Employment & Productivity:</u>								
24	Employment, Total Weighted Avg CY	*	*	**	**	**	**	**
25	Overall RTM's per Employee (000)	*	*	**	**	**	**	**

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	10.5	3.6	8.6	6.9	6.0	5.6	6.1
27	Operating Expenses (%)	0.5	12.6	4.6	7.7	6.5	7.3	8.9
28	Operating Profit (Loss) (in Millions \$)	488.0	-399.3	809.8	-77.4	-40.8	-238.2	-428.7
29	Net Income (Loss)(in Millions \$)	269.6	-230.9	422.9	-77.5	-54.4	-158.6	-196.4
30	RTMs (All Svc.) (%)	6.6	29.1	6.4	11.1	15.3	20.8	33.7
31	ATMs (All Svc.) (%)	-12.1	50.9	1.0	15.2	21.8	30.4	41.2
32	Operating Revenues per RTM (%)	3.6	-1.5	1.6	0.4	0.5	1.3	-2.0
33	Operating Expense per RTM (%)	-5.7	7.1	-2.1	1.1	1.0	2.8	0.7
34	Passenger Revenue per RPM (Sch. Svc.)(%)	0.0	0.0	0.0	0.0	0.0	0.0	0.0

QUARTERLY FINANCIAL & TRAFFIC REVIEW
SYSTEM OPERATIONS
Domestic Cargo Majors

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2004/09	2003/09	2004/09	2004/06	2004/03	2003/12	2003/09
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	3,776.5	3,582.5	15,161.5	14,967.5	14,492.5	14,133.7	13,822.5
2	Operating Expenses	3,682.4	3,742.8	14,398.3	14,458.6	14,076.2	13,816.7	13,582.1
3	Operating Profit (Loss)	94.1	-160.2	763.1	508.8	416.3	317.0	240.3
4	Net Income (Loss)	31.0	-104.7	351.2	215.5	150.3	98.3	89.1
<u>TRAFFIC: (Mllions)</u>								
5	RTMs - Scheduled Svc.	2.3	2.2	9.2	9.1	8.9	8.8	8.7
6	ATMs - Scheduled Svc.	3.6	4.1	15.2	15.6	15.6	15.6	15.2
7	Overall RTMs (All Svc.)	2.3	2.2	9.3	9.2	9.0	8.8	8.8
8	Overall ATMs (All Svc.)	3.7	4.1	15.3	15.8	15.7	15.7	15.3
<u>YIELD & UNIT COST & PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	161.2	160.0	163.2	162.9	160.6	160.0	157.6
10	Operating Expense per RTM	157.2	167.2	155.0	157.4	156.0	156.4	154.9
11	Operating Profit (Loss) per RTM	4.0	-7.2	8.2	5.5	4.6	3.6	2.7
12	Operating Expense per ATM	100.0	90.8	94.0	91.7	89.4	88.1	88.7
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	2.5	-4.5	5.0	3.4	2.9	2.2	1.7
19	Net Income to Stockholders Equity	*	*	**	**	**	**	**
20	Corporate Return on Investment	*	*	5.7	3.8	3.0	2.3	2.1
21	Debt to Total Investment	*	*	**	**	**	**	**
<u>TON LOAD FACTOR: (%)</u>								
22	Scheduled Svc.	63.5	54.0	60.5	58.2	57.2	56.3	57.2
23	All Services	63.6	54.3	60.6	58.3	57.3	56.4	57.3
<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 (%)	5.4	7.9	9.7	10.4	8.0	6.3	4.6
27	Operating Expenses (%)	-1.6	17.5	6.0	11.0	8.2	7.3	7.0
28	Operating Profit (Loss) (in Millions \$)	254.3	-296.0	522.8	-27.5	-3.4	-103.4	-283.1
29	Net Income (Loss)(in Millions \$)	135.7	-172.1	262.1	-45.7	-38.8	-79.6	-127.3
30	RTMs (All Svc.) (%)	4.5	49.1	5.6	14.0	22.1	32.5	52.6
31	ATMs (All Svc.) (%)	-11.0	70.8	-0.3	15.5	26.8	41.2	60.8
32	Operating Revenues per RTM (%)	0.7	4.5	3.5	4.5	3.8	3.8	-1.1
33	Operating Expense per RTM (%)	-6.0	13.8	0.1	5.1	4.1	4.8	1.2
34	Passenger Revenue per RPM (Sch. Svc.)(%)	0.0	0.0	0.0	0.0	0.0	0.0	0.0

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

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2004/09	2003/09	2004/09	2004/06	2004/03	2003/12	2003/09
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	1,626.8	1,307.2	6,120.1	5,800.4	5,771.6	5,719.2	5,773.9
2	Operating Expenses	1,403.9	1,317.9	5,431.8	5,345.9	5,321.3	5,334.0	5,372.8
3	Operating Profit (Loss)	223.0	-10.7	688.2	454.6	450.3	385.2	401.2
4	Net Income (Loss)	123.9	-10.0	364.5	230.6	235.1	191.8	203.7
<u>TRAFFIC: (Mllions)</u>								
5	RTMs - Scheduled Svc.	1.4	1.3	5.5	5.4	5.3	5.2	5.1
6	ATMs - Scheduled Svc.	2.2	2.5	8.7	9.0	8.9	8.8	8.4
7	Overall RTMs (All Svc.)	1.5	1.4	5.8	5.6	5.5	5.4	5.3
8	Overall ATMs (All Svc.)	2.3	2.6	9.1	9.4	9.3	9.2	8.7
<u>YIELD & UNIT COST & PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	108.0	95.3	106.1	103.0	104.5	106.3	108.5
10	Operating Expense per RTM	93.2	96.1	94.2	94.9	96.4	99.2	100.9
11	Operating Profit (Loss) per RTM	14.8	-0.8	11.9	8.1	8.2	7.2	7.5
12	Operating Expense per ATM	62.1	50.5	60.0	56.8	57.2	58.3	61.6
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	13.7	-0.8	11.2	7.8	7.8	6.7	6.9
19	Net Income to Stockholders Equity	*	*	**	**	**	**	**
20	Corporate Return on Investment	*	*	12.2	8.2	8.2	6.7	6.9
21	Debt to Total Investment	*	*	**	**	**	**	**
<u>TON LOAD FACTOR: (%)</u>								
22	Scheduled Svc.	67.0	52.4	63.9	60.0	59.4	59.0	61.3
23	All Services	66.6	52.6	63.7	59.9	59.3	58.8	61.0
<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 (%)	24.5	-6.7	6.0	-1.1	1.4	4.0	9.9
27	Operating Expenses (%)	6.5	0.8	1.1	-0.3	2.2	7.1	14.1
28	Operating Profit (Loss) (in Millions \$)	233.7	-103.3	287.0	-49.9	-37.4	-134.7	-145.6
29	Net Income (Loss)(in Millions \$)	133.9	-58.8	160.8	-31.8	-15.6	-79.0	-69.1
30	RTMs (All Svc.) (%)	10.1	5.2	7.9	6.6	5.3	5.0	10.5
31	ATMs (All Svc.) (%)	-14.1	26.8	3.4	14.8	14.0	14.8	15.6
32	Operating Revenues per RTM (%)	13.3	-14.0	-2.1	-8.4	-6.2	-3.3	-2.3
33	Operating Expense per RTM (%)	-3.0	-7.1	-6.7	-7.7	-5.4	-0.4	1.4
34	Passenger Revenue per RPM (Sch. Svc.)(%)	0.0	0.0	0.0	0.0	0.0	0.0	0.0

QUARTERLY FINANCIAL & TRAFFIC REVIEW
SYSTEM OPERATIONS
Federal Express Corporation

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2004/09	2003/09	2004/09	2004/06	2004/03	2003/12	2003/09
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	4,603.0	4,131.9	18,046.5	17,575.4	17,185.0	16,806.5	16,615.6
2	Operating Expenses	4,289.6	4,369.3	16,802.2	16,881.9	16,549.6	16,332.7	16,175.2
3	Operating Profit (Loss)	313.5	-237.4	1,244.3	693.4	635.4	473.8	440.5
4	Net Income (Loss)	172.1	-143.1	704.7	389.6	346.1	250.2	236.3
<u>TRAFFIC: (Millions)</u>								
5	RTMs - Scheduled Svc.	2.4	2.3	9.5	9.4	9.3	9.2	9.2
6	ATMs - Scheduled Svc.	3.7	3.7	14.8	14.8	14.8	14.8	14.8
7	Overall RTMs (All Svc.)	2.5	2.4	9.9	9.8	9.6	9.5	9.4
8	Overall ATMs (All Svc.)	3.8	3.8	15.3	15.3	15.3	15.3	15.2
<u>YIELD & UNIT COST & PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	184.0	173.0	183.0	180.3	178.2	177.1	176.0
10	Operating Expense per RTM	171.5	182.9	170.3	173.1	171.6	172.2	171.3
11	Operating Profit (Loss) per RTM	12.5	-9.9	12.6	7.1	6.6	5.0	4.7
12	Operating Expense per ATM	112.3	114.8	110.0	110.6	108.2	107.0	106.1
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	*	*	2.72	2.71	2.73	2.74	2.79
15	Times Interest Earned	*	*	18.20	13.00	13.15	10.62	11.72
16	Current Assets to Current Liabilities	*	*	1.13	1.07	1.13	1.12	1.16
17	No. of Days Cash Coverage of Cash Exp.	*	*	4.6	5.2	4.7	4.2	4.0
<u>FINANCIAL PERCENTAGES:</u>								
18	Operating Profit (Loss) to Operating Revenue	6.8	-5.7	6.9	3.9	3.7	2.8	2.7
19	Net Income to Stockholders Equity	*	*	13.1	7.4	6.7	4.9	4.7
20	Corporate Return on Investment	*	*	11.6	6.8	6.2	4.7	4.5
21	Debt to Total Investment	*	*	17.8	18.4	19.1	19.7	20.3
<u>TON LOAD FACTOR: (%)</u>								
22	Scheduled Svc.	65.5	62.8	64.5	63.9	63.1	62.3	62.1
23	All Services	65.5	62.7	64.6	63.9	63.0	62.2	62.0
<u>Employment & Productivity:</u>								
24	Employment, Total Weighted Avg CY	110,839	114,293	112,085	112,949	113,586	114,306	114,942
25	Overall RTM's per Employee (000)	22.6	20.9	88.0	86.3	84.9	83.0	82.1

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	11.4	4.6	8.6	6.9	6.1	5.4	6.0
27	Operating Expenses (%)	-1.8	14.6	3.9	8.1	7.0	7.4	9.5
28	Operating Profit (Loss) (in Millions \$)	550.8	-374.7	803.8	-121.8	-86.0	-262.3	-463.7
29	Net Income (Loss)(in Millions \$)	315.2	-215.0	468.4	-61.8	-49.0	-151.9	-204.1
30	RTMs (All Svc.) (%)	4.8	2.1	3.7	3.1	2.3	2.7	5.9
31	ATMs (All Svc.) (%)	0.4	0.7	-0.3	-0.2	0.2	1.7	4.4
32	Operating Revenues per RTM (%)	6.4	-0.1	4.0	2.4	1.6	1.1	-1.2
33	Operating Expense per RTM (%)	-6.3	9.4	-0.6	3.5	2.4	3.0	2.1
34	Passenger Revenue per RPM (Sch. Svc.)(%)	0.0	0.0	0.0	0.0	0.0	0.0	0.0

QUARTERLY FINANCIAL & TRAFFIC REVIEW
SYSTEM OPERATIONS
United Parcel Service

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2004/09	2003/09	2004/09	2004/06	2004/03	2003/12	2003/09
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	800.3	757.8	3,235.1	3,192.5	3,079.0	3,046.4	2,980.8
2	Operating Expenses	796.7	691.3	3,028.0	2,922.6	2,847.9	2,818.0	2,779.7
3	Operating Profit (Loss)	3.6	66.4	207.1	269.9	231.1	228.4	201.0
4	Net Income (Loss)	-17.2	28.4	11.0	56.6	39.4	39.9	56.5
<u>TRAFFIC: (Mllions)</u>								
5	RTMs - Scheduled Svc.	1.3	1.2	5.2	5.1	4.9	4.7	4.6
6	ATMs - Scheduled Svc.	2.1	2.9	9.1	9.9	9.7	9.5	8.8
7	Overall RTMs (All Svc.)	1.4	1.2	5.2	5.1	4.9	4.7	4.7
8	Overall ATMs (All Svc.)	2.1	2.9	9.1	9.9	9.8	9.6	8.8
<u>YIELD & UNIT COST & PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	59.4	62.0	62.3	63.0	62.8	64.5	64.0
10	Operating Expense per RTM	59.2	56.6	58.3	57.7	58.1	59.6	59.7
11	Operating Profit (Loss) per RTM	0.3	5.4	4.0	5.3	4.7	4.8	4.3
12	Operating Expense per ATM	37.5	23.7	33.3	29.5	29.2	29.4	31.6
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	*	*	0.68	0.67	0.65	0.64	0.62
15	Times Interest Earned	*	*	0.99	1.99	1.47	1.72	2.55
16	Current Assets to Current Liabilities	*	*	0.29	0.39	0.27	0.34	0.39
17	No. of Days Cash Coverage of Cash Exp.	*	*	7.4	6.7	6.5	5.9	5.5
<u>FINANCIAL PERCENTAGES:</u>								
18	Operating Profit (Loss) to Operating Revenue	0.4	8.8	6.4	8.5	7.5	7.5	6.7
19	Net Income to Stockholders Equity	*	*	0.5	3.2	3.5	3.5	5.1
20	Corporate Return on Investment	*	*	2.0	2.8	2.4	2.3	2.6
21	Debt to Total Investment	*	*	12.0	13.2	74.8	74.4	75.5
<u>TON LOAD FACTOR: (%)</u>								
22	Scheduled Svc.	63.5	41.8	57.3	51.3	50.3	49.5	52.8
23	All Services	63.5	41.8	57.1	51.2	50.3	49.4	52.9
<u>Employment & Productivity:</u>								
24	Employment, Total Weighted Avg CY	6,093	6,094	6,080	6,080	6,088	6,098	6,055
25	Overall RTM's per Employee (000)	221.1	200.4	854.3	833.7	805.1	775.1	768.6

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	5.6	-1.6	8.5	6.7	5.3	6.8	6.7
27	Operating Expenses (%)	15.2	1.8	8.9	5.6	4.0	6.4	5.8
28	Operating Profit (Loss) (in Millions \$)	-62.9	-24.6	6.0	44.3	45.2	24.2	35.0
29	Net Income (Loss)(in Millions \$)	-45.6	-15.9	-45.5	-15.8	-5.4	-6.7	7.7
30	RTMs (All Svc.) (%)	9.8	156.4	11.7	30.0	52.1	84.1	178.3
31	ATMs (All Svc.) (%)	-27.9	301.1	3.2	50.0	81.4	131.9	249.9
32	Operating Revenues per RTM (%)	-4.2	-7.3	-2.8	-3.6	-2.3	2.5	-3.2
33	Operating Expense per RTM (%)	4.5	-4.1	-2.4	-4.5	-3.5	2.1	-4.0
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 2003 and 2004**

Operating Profit (Loss) (\$Millions)						
Group/Carrier	Quarterly Data			12 Month Ended Data		
	9/2003	9/2004	\$Chg	9/2003	9/2004	\$Chg
System Passenger Majors	561.9	(383.0)	(945.0)	(6,186.9)	(1,674.3)	4,512.6
Alaska	60.0	46.9	(13.1)	(45.8)	(1.8)	43.9
America West	46.9	(27.3)	(74.2)	(24.3)	22.8	47.1
American	95.4	(93.3)	(188.6)	(1,846.9)	(300.4)	1,546.5
American Eagle	43.6	52.2	8.6	139.6	221.5	81.9
American Trans Air	21.8	(22.0)	(43.8)	(12.0)	(83.2)	(71.2)
Continental	109.8	59.6	(50.2)	(50.2)	32.1	82.3
Delta	(157.8)	(420.2)	(262.4)	(1,199.1)	(1,211.4)	(12.4)
Express One	47.0	51.6	4.7	132.4	197.0	64.6
Northwest	138.7	87.7	(51.0)	(821.4)	(33.2)	788.3
Southwest	185.3	191.3	6.0	458.7	545.5	86.7
United	8.0	(151.3)	(159.2)	(2,377.6)	(769.8)	1,607.8
US Airways	(36.7)	(158.3)	(121.6)	(540.2)	(293.2)	247.1
System Cargo Majors	(171.0)	317.0	488.0	641.5	1,451.4	809.8
Federal Express	(237.4)	313.5	550.8	440.5	1,244.3	803.8
UPS	66.4	3.6	(62.9)	201.0	207.1	6.0
System Total Majors	391.0	(66.0)	(457.0)	(5,545.4)	(222.9)	5,322.4

Net Income (Loss) (\$Millions)						
Group/Carrier	Quarterly Data			12 Month Ended Data		
	9/2003	9/2004	\$Chg	9/2003	9/2004	\$Chg
System Passenger Majors	(326.4)	(1,326.7)	(1,000.3)	(6,261.5)	(5,712.9)	548.6
Alaska	29.6	66.2	36.6	(29.3)	10.9	40.2
America West	29.6	(46.2)	(75.8)	(8.9)	(37.2)	(28.3)
American	(24.2)	(225.9)	(201.6)	(1,916.3)	(550.2)	1,366.1
American Eagle	9.6	8.2	(1.4)	32.8	63.0	30.2
American Trans Air	3.3	(33.9)	(37.2)	(23.1)	(145.6)	(122.4)
Continental	133.2	(16.1)	(149.3)	(117.6)	(110.1)	7.5
Delta	(192.8)	(657.8)	(465.0)	(890.7)	(3,378.6)	(2,487.9)
Express One	27.8	30.8	3.0	80.1	117.0	36.9
Northwest	54.7	(20.0)	(74.6)	(558.1)	255.6	813.7
Southwest	106.1	119.2	13.1	418.3	323.6	(94.6)
United	(415.6)	(337.6)	78.1	(4,011.6)	(1,812.9)	2,198.7
US Airways	(87.5)	(213.6)	(126.1)	763.0	(448.5)	(1,211.5)
System Cargo Majors	(114.6)	154.9	269.6	292.8	715.7	422.9
Federal Express	(143.1)	172.1	315.2	236.3	704.7	468.4
UPS	28.4	(17.2)	(45.6)	56.5	11.0	(45.5)
System Total Majors	(441.0)	(1,171.8)	(730.7)	(5,968.7)	(4,997.2)	971.6

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

Passenger Load Factor (Percent)						
Group/Carrier	Quarterly Data			12 Month Ended Data		
	9/2003	9/2004	Pt.Chg.	9/2003	9/2004	Pt.Chg.
System Passenger Majors	77.6	79.2	1.6	73.2	75.7	2.5
Alaska	72.5	76.0	3.6	69.3	72.0	2.8
America West	79.8	81.4	1.6	75.8	76.9	1.1
American	76.0	77.9	1.8	72.4	74.1	1.8
American Eagle	66.7	70.2	3.5	64.1	68.0	4.0
American Trans Air	75.9	78.9	3.0	72.9	72.1	(0.8)
Continental	80.6	81.8	1.2	74.8	77.2	2.3
Delta	78.1	78.9	0.8	73.9	75.5	1.6
Express One	70.8	74.2	3.4	67.1	70.7	3.6
Northwest	81.4	82.9	1.5	76.5	80.0	3.5
Southwest	70.5	72.7	2.2	66.6	69.3	2.7
United	80.2	82.1	1.9	75.1	79.2	4.0
US Airways	76.9	77.6	0.8	72.2	75.0	2.8
System Cargo Majors	-	-	-	-	-	-
Federal Express	-	-	-	-	-	-
UPS	-	-	-	-	-	-
System Total Majors	77.6	79.2	1.6	73.2	75.7	2.5

Scheduled Passenger Yield (Cents)						
Group/Carrier	Quarterly Data			12 Month Ended Data		
	9/2003	9/2004	Pct.Chg.	9/2003	9/2004	Pct.Chg.
System Passenger Majors	11.37	11.02	(3.2)	11.46	11.51	0.4
Alaska	12.58	12.24	(2.7)	12.24	12.28	0.4
America West	9.79	8.69	(11.3)	9.89	9.54	(3.5)
American	11.60	11.06	(4.6)	11.76	11.72	(0.4)
American Eagle	26.89	23.44	(12.8)	28.14	24.86	(11.6)
American Trans Air	8.53	7.81	(8.3)	8.67	8.29	(4.3)
Continental	11.11	10.88	(2.0)	11.59	11.32	(2.4)
Delta	11.18	10.58	(5.3)	11.59	11.25	(2.9)
Express One	21.39	19.28	(9.9)	18.58	21.07	13.4
Northwest	11.08	11.64	5.0	10.94	11.64	6.4
Southwest	11.46	11.09	(3.2)	11.64	11.56	(0.7)
United	10.60	10.18	(4.0)	10.15	10.43	2.8
US Airways	12.25	11.81	(3.6)	13.03	12.82	(1.6)
System Cargo Majors	-	-	-	-	-	-
Federal Express	-	-	-	-	-	-
UPS	-	-	-	-	-	-
System Total Majors	11.37	11.02	(3.2)	11.46	11.51	0.4

**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 2003 and 2004**

Operating Profit Margin (Percent)						
Group/Carrier	Quarterly Data			12 Month Ended Data		
	9/2003	9/2004	Pt. Chg	9/2003	9/2004	Pt. Chg.
System Passenger Majors	2.6	(1.6)	(4.2)	(7.7)	(1.9)	5.9
Alaska	10.3	7.3	(2.9)	(2.3)	(0.1)	2.3
America West	8.0	(4.4)	(12.5)	(1.1)	0.9	2.1
American	2.1	(2.0)	(4.0)	(11.0)	(1.6)	9.3
American Eagle	15.7	14.1	(1.6)	12.5	16.4	4.0
American Trans Air	6.1	(5.9)	(12.0)	(0.9)	(5.8)	(4.9)
Continental	5.7	2.8	(2.9)	(0.7)	0.4	1.1
Delta	(4.3)	(10.7)	(6.5)	(8.8)	(8.0)	0.8
Express One	13.7	13.4	(0.3)	13.6	13.5	(0.2)
Northwest	5.6	2.9	(2.7)	(9.0)	(0.3)	8.7
Southwest	11.9	11.4	(0.5)	7.9	8.5	0.7
United	0.2	(3.6)	(3.8)	(17.9)	(5.0)	12.9
US Airways	(2.1)	(8.9)	(6.8)	(8.2)	(4.1)	4.1
System Cargo Majors	(3.5)	5.9	9.4	3.3	6.8	3.5
Federal Express	(5.7)	6.8	12.6	2.7	6.9	4.2
UPS	8.8	0.4	(8.3)	6.7	6.4	(0.3)
System Total Majors	1.5	(0.2)	(1.7)	(5.6)	(0.2)	5.4

Group/Carrier	Debt To Investment (Percent)			Total Debt (\$Billions)		
	Quarterly Data			Quarterly Data		
	9/2003	9/2004	Pt.Chg.	9/2003	9/2004	\$ Chg.
System Passenger Majors	90.9	98.1	7.1	56.1	56.4	0.3
Alaska	60.9	54.2	(6.7)	1.0	0.9	(0.1)
America West	69.7	67.6	(2.0)	0.8	0.8	(0.1)
American	101.7	98.3	(3.4)	11.0	10.6	(0.4)
American Eagle	98.8	96.5	(2.2)	3.1	3.7	0.5
American Trans Air	130.2	(190.6)	(320.8)	0.5	0.2	(0.3)
Continental	88.7	89.5	0.9	6.0	5.8	(0.1)
Delta	93.9	145.7	51.8	10.5	10.6	0.0
Expree One	112.9	155.6	42.7	0.4	0.4	0.0
Northwest	74.2	71.8	(2.3)	7.5	8.0	0.5
Southwest	25.4	25.9	0.5	1.7	1.9	0.3
United	166.3	218.1	51.8	10.7	10.5	(0.2)
US Airways	92.5	107.4	14.8	2.9	3.1	0.2
System Cargo Majors	44.1	15.4	(28.6)	4.9	1.8	(3.1)
Federal Express	20.3	17.8	(2.5)	1.3	1.2	(0.0)
UPS	75.5	12.0	(63.6)	3.6	0.6	(3.0)
System Total Majors	83.8	84.1	0.3	61.0	58.2	(2.7)

FOOTNOTES

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

EXPLANATION OF LINE ITEMS

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

EXPLANATION OF LINE ITEMS

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