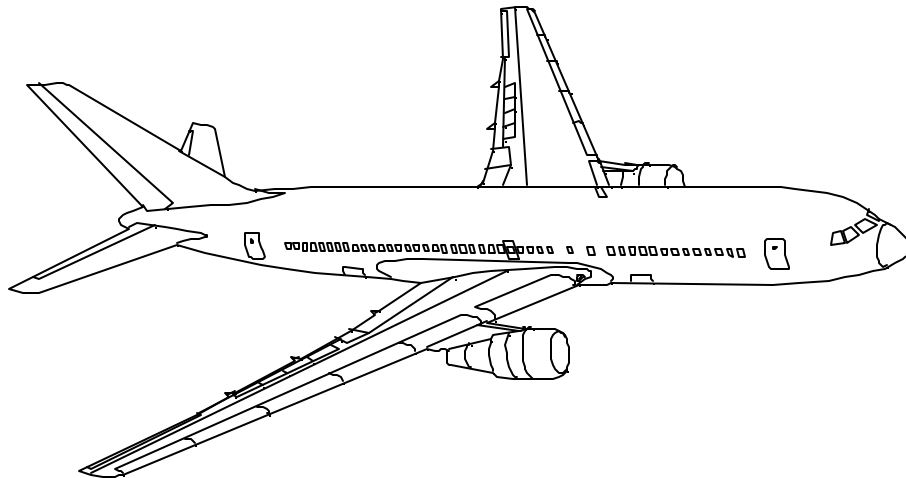


AIRLINE QUARTERLY FINANCIAL REVIEW

FOURTH QUARTER 2001



MAJORS



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

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INTRODUCTION

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

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

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

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

QUARTERLY FINANCIAL & TRAFFIC REVIEW

TOTAL SYSTEM PASSENGER & ALL-CARGO MAJORS

QUARTERLY RESULTS

- American Eagle and American Trans Air achieved major airline status effective January 1, 2000. Beginning with the second quarter 2000, this report will include the results of these carriers. For comparison purposes, all prior period results have been adjusted to include these carriers as well.
- Following the September 11, 2001 terrorist attacks, passenger traffic has been slow to return, resulting in virtually every major passenger airline, suffering significant operating and net losses during the fourth quarter. The all-cargo carriers have been less severely impacted. Year-to-year comparisons were the ever worst for the group, as were overall results.
- For the fourth quarter 2001, operating revenues fell 27.4 percent, while operating expenses declined a lesser 11.8 percent, resulting in a \$4.58 billion drop in operating results to a loss of \$4.3 billion. The passenger major group tumbled \$4.76 billion to a loss of \$4.73 billion, while the all-cargo group gained \$183.5 million to a profit of \$426.7 million.
- Due largely to the shutdown in operations, total fuel expense declined 37.1 percent (\$1.5 billion).
- Net income dropped \$3.34 billion to a loss of \$3.54 billion. The passenger major group was down \$3.37 billion to a loss of \$3.67 billion, while the all-cargo group rose \$27.1 million to a positive \$130.2 million.

| OPERATING PROFIT (LOSS) AND NET INCOME (LOSS) 1/ (\$MILLIONS) | | | | | | |
|--|-------------------------|---------|----------|-------------------|---------|----------|
| CARRIER | OPERATING PROFIT (LOSS) | | | NET INCOME (LOSS) | | |
| | 4Q 2000 | 4Q 2001 | \$CHANGE | 4Q 2000 | 4Q 2001 | \$CHANGE |
| TOTAL ALL MAJORS | 278.9 | -3931.8 | -4210.7 | -194.1 | -3116.2 | -2922.1 |
| TOTAL PASSENGER MAJORS | 35.7 | -4316.8 | -4352.5 | -297.3 | -3256.1 | -2958.8 |
| ALASKA | -39.7 | -61.1 | -21.4 | -22.5 | -14.5 | 8.0 |
| AMERICA WEST | -72.9 | -138.1 | -65.2 | -43.6 | -61.0 | -17.4 |
| AMERICAN | 71.0 | -808.9 | -879.9 | 33.2 | -534.5 | -567.7 |
| AMERICAN EAGLE | -1.3 | -66.9 | -65.6 | -16.8 | -56.9 | -40.1 |
| AMERICAN TRANS AIR | -26.7 | -111.4 | -84.7 | -78.6 | -22.9 | 55.7 |
| CONTINENTAL | 99.3 | -341.3 | -440.6 | 39.5 | -154.7 | -194.2 |
| DELTA | 132.1 | -558.1 | -690.2 | -37.4 | -705.0 | -667.6 |
| NORTHWEST | 5.6 | -396.6 | -402.2 | -44.8 | -182.1 | -137.3 |
| SOUTHWEST | 250.3 | 37.2 | -213.1 | 154.7 | 63.5 | -91.2 |
| TRANS WORLD | -133.1 | -105.9 | 27.2 | -151.6 | -162.3 | -10.7 |
| UNITED | -168.4 | -899.6 | -731.2 | -87.0 | -315.9 | -228.9 |
| US AIRWAYS | -80.5 | -866.2 | -785.7 | -98.1 | -1054.0 | -955.9 |
| TOTAL ALL-CARGO MAJORS | 243.2 | 384.9 | 141.7 | 103.1 | 139.9 | 36.8 |
| DHL AIRWAYS | -24.9 | -73.0 | -48.1 | -34.8 | -60.6 | -25.8 |
| FEDERAL EXPRESS | 245.7 | 439.9 | 194.2 | 137.4 | 194.9 | 57.5 |
| UNITED PARCEL SERVICE | 22.4 | 18.1 | -4.3 | 0.5 | 5.5 | 5.0 |

- The passenger load factor slid 4.1 percentage points to 66.1 percent, as RPM traffic fell 20.1 percent and ASM capacity declined a lesser 15 percent.
- Passenger (RPM) yield was down 15.2 percent to 11.44 cents.
- Interest expense jumped \$148.7 million to \$694.8 million.
- Total debt surged \$12.9 billion to \$51.5 billion, causing the debt-to-investment ratio to jump 10.8 percentage points to 62.8 percent.

12-MONTH RESULTS

- Operating results declined from a year ago for the thirteenth consecutive period, while net results were down for the seventh consecutive period.
- Operating results fell deeper into the red, following seven years of continuous improvements. For the calendar year 2001, operating results dropped a sharp \$16.43 billion from a year ago to a loss of \$9.89 billion. The passenger group declined \$16 billion to a \$10.58 billion loss, while the all-cargo group declined \$348.1 million, but remained in the black with a profit of \$696.2 million.
- Net results fell \$10.17 billion to a loss of \$7.57 billion. The passenger group fell \$9.9 billion to a \$7.81 billion loss, and the all-cargo group declined \$274.8 million to a profit of \$240.9 million.

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

| ITEMS | | QUARTER ENDED | | 12 MONTHS ENDED | | | | |
|-------|---|---------------|----------|-----------------|-----------|-----------|-----------|-----------|
| | | 2001/12 | 2000/12 | 2001/12 | 2001/09 | 2001/06 | 2001/03 | 2000/12 |
| | <u>FINANCIAL RESULTS: (\$Millions)</u> | | | | | | | |
| 1 | Operating Revenues | 21,605.0 | 29,194.0 | 104,712.4 | 112,301.4 | 117,257.6 | 118,546.1 | 117,711.3 |
| 2 | Operating Expenses | 25,536.8 | 28,915.0 | 114,228.9 | 117,607.1 | 116,070.5 | 113,535.3 | 111,171.4 |
| 3 | Operating Profit (Loss) | -3,931.8 | 278.9 | -9,516.5 | -5,305.8 | 1,187.1 | 5,010.8 | 6,539.9 |
| 4 | Net Income (Loss) | -3,116.2 | -194.1 | -7,152.6 | -4,230.5 | -893.4 | 1,709.5 | 2,599.5 |
| | <u>TRAFFIC: (Billions)</u> | | | | | | | |
| 5 | RPMs - Scheduled Rev. Svc. | 125.54 | 157.02 | 606.69 | 638.17 | 653.15 | 654.67 | 651.79 |
| 6 | ASMs - Scheduled Rev. Svc. | 189.99 | 223.55 | 862.94 | 896.50 | 906.42 | 899.64 | 894.93 |
| 7 | Overall RTMs (All Svc.) | 18.18 | 22.10 | 83.14 | 87.05 | 89.38 | 89.93 | 89.85 |
| 8 | Overall ATMs (All Svc.) | 34.73 | 38.80 | 151.39 | 155.46 | 156.47 | 154.79 | 153.63 |
| | <u>YIELD & UNIT COST & PROFITS: (Cents)</u> | | | | | | | |
| 9 | Operating Revenue per RTM | 118.8 | 132.1 | 126.0 | 129.0 | 131.2 | 131.8 | 131.0 |
| 10 | Operating Expense per RTM | 140.4 | 130.8 | 137.4 | 135.1 | 129.9 | 126.2 | 123.7 |
| 11 | Operating Profit (Loss) per RTM | -21.6 | 1.3 | -11.4 | -6.1 | 1.3 | 5.6 | 7.3 |
| 12 | Operating Expense per ATM | 73.5 | 74.5 | 75.5 | 75.7 | 74.2 | 73.3 | 72.4 |
| 13 | Passenger Revenue per RPM | 11.44 | 13.49 | 12.31 | 12.77 | 13.15 | 13.36 | 13.33 |
| | <u>FINANCIAL RATIOS:</u> | | | | | | | |
| 14 | Operating Revenues to Total Investment | * | * | 1.36 | 1.49 | 1.61 | 1.65 | 1.66 |
| 15 | Times Interest Earned | * | * | -3.22 | -1.75 | 0.67 | 2.77 | 3.85 |
| 16 | Current Assets to Current Liabilities | * | * | 0.80 | 0.79 | 0.66 | 0.70 | 0.72 |
| 17 | No. of Days Cash Coverage of Cash Exp. | * | * | 52.1 | 49.1 | 29.7 | 32.6 | 33.4 |
| | <u>FINANCIAL PERCENTAGES:</u> | | | | | | | |
| 18 | Operating Profit (Loss) to Operating Revenue | -18.2 | 1.0 | -9.1 | -4.7 | 1.0 | 4.2 | 5.6 |
| 19 | Net Income to Stockholders Equity | * | * | -21.1 | -12.0 | -2.5 | 4.7 | 7.2 |
| 20 | Corporate Return on Investment | * | * | -6.3 | -2.9 | 1.5 | 5.1 | 6.3 |
| 21 | Debt to Total Investment | * | * | 62.8 | 58.7 | 53.3 | 52.8 | 52.0 |
| | <u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u> | | | | | | | |
| 22 | Actual | 66.1 | 70.2 | 70.3 | 71.2 | 72.1 | 72.8 | 72.8 |
| 23 | Breakeven | 87.4 | 71.5 | 81.2 | 77.7 | 72.8 | 70.6 | 69.2 |
| | <u>Employment & Productivity:</u> | | | | | | | |
| 24 | Employment, Total Weighted Avg CY | 523,940 | 559,937 | 556,727 | 565,727 | 562,620 | 563,230 | 558,518 |
| 25 | Overall RTM's per Employee (000) | 34.7 | 39.5 | 149.3 | 153.9 | 158.9 | 159.7 | 160.9 |

| | | CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER | | | | | | |
|----|--|---|--------|-----------|-----------|----------|----------|----------|
| 26 | Operating Revenues (%) | -26.0 | 7.5 | -11.1 | -2.9 | 3.9 | 7.8 | 9.4 |
| 27 | Operating Expenses (%) | -11.7 | 10.8 | 2.8 | 8.5 | 10.1 | 10.5 | 11.0 |
| 28 | Operating Profit (Loss) (in Millions \$) | -4,210.7 | -764.2 | -16,056.4 | -12,609.9 | -6,268.9 | -2,217.3 | -989.8 |
| 29 | Net Income (Loss)(in Millions \$) | -2,922.1 | -997.2 | -9,752.1 | -7,827.2 | -5,015.4 | -2,803.2 | -2,506.5 |
| 30 | RPMs (Sch. Svc.) (%) | -20.1 | 3.7 | -6.9 | -1.2 | 2.4 | 5.0 | 5.8 |
| 31 | ASMs (Sch. Svc.) (%) | -15.0 | 2.4 | -3.6 | 0.8 | 2.6 | 2.9 | 3.7 |
| 32 | Operating Revenues per RTM (%) | -10.1 | 4.8 | -3.8 | -0.4 | 2.4 | 3.3 | 3.1 |
| 33 | Operating Expense per RTM (%) | 7.3 | 7.9 | 11.1 | 11.3 | 8.5 | 5.9 | 4.7 |
| 34 | Passenger Revenue per RPM (Sch. Svc.)(%) | -15.2 | 5.6 | -7.7 | -3.0 | 1.3 | 4.1 | 4.7 |

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

| ITEMS | | QUARTER ENDED | | 12 MONTHS ENDED | | | | |
|---|--|---------------|----------|-----------------|----------|----------|----------|----------|
| | | 2001/12 | 2000/12 | 2001/12 | 2001/09 | 2001/06 | 2001/03 | 2000/12 |
| <u>FINANCIAL RESULTS: (\$Millions)</u> | | | | | | | | |
| 1 | Operating Revenues | 16,409.5 | 22,161.3 | 78,630.1 | 84,381.9 | 88,353.1 | 89,654.8 | 89,290.6 |
| 2 | Operating Expenses | 19,526.5 | 21,966.3 | 86,372.9 | 88,812.7 | 87,846.9 | 85,883.7 | 84,208.5 |
| 3 | Operating Profit (Loss) | -3,117.1 | 194.9 | -7,742.7 | -4,430.8 | 506.2 | 3,771.2 | 5,082.1 |
| 4 | Net Income (Loss) | -2,696.3 | -195.4 | -6,309.6 | -3,808.6 | -1,152.1 | 1,094.7 | 1,996.9 |
| <u>TRAFFIC: (Billions)</u> | | | | | | | | |
| 5 | RPMs - Scheduled Rev. Svc. | 94.07 | 113.83 | 438.93 | 458.69 | 468.92 | 470.92 | 470.50 |
| 6 | ASMs - Scheduled Rev. Svc. | 141.35 | 163.99 | 633.25 | 655.90 | 662.83 | 658.64 | 657.13 |
| 7 | Overall RTMs (All Svc.) | 12.25 | 14.45 | 54.76 | 56.96 | 58.43 | 58.92 | 59.10 |
| 8 | Overall ATMs (All Svc.) | 23.69 | 25.90 | 101.08 | 103.28 | 104.03 | 103.17 | 102.76 |
| <u>YIELD & UNIT COST & PROFITS: (Cents)</u> | | | | | | | | |
| 9 | Operating Revenue per RTM | 134.0 | 153.4 | 143.6 | 148.1 | 151.2 | 152.2 | 151.1 |
| 10 | Operating Expense per RTM | 159.4 | 152.0 | 157.7 | 155.9 | 150.3 | 145.8 | 142.5 |
| 11 | Operating Profit (Loss) per RTM | -25.4 | 1.3 | -14.1 | -7.8 | 0.9 | 6.4 | 8.6 |
| 12 | Operating Expense per ATM | 82.4 | 84.8 | 85.5 | 86.0 | 84.4 | 83.2 | 81.9 |
| 13 | Passenger Revenue per RPM | 12.55 | 14.58 | 13.25 | 13.72 | 14.17 | 14.41 | 14.38 |
| <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 | -19.0 | 0.9 | -9.8 | -5.3 | 0.6 | 4.2 | 5.7 |
| 19 | Net Income to Stockholders Equity | * | * | ** | ** | ** | ** | ** |
| 20 | Corporate Return on Investment | * | * | -7.8 | -3.9 | 0.6 | 4.7 | 6.5 |
| 21 | Debt to Total Investment | * | * | ** | ** | ** | ** | ** |
| <u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u> | | | | | | | | |
| 22 | Actual | 66.6 | 69.4 | 69.3 | 69.9 | 70.7 | 71.5 | 71.6 |
| 23 | Breakeven | 85.0 | 70.5 | 79.8 | 76.3 | 71.6 | 69.3 | 67.9 |
| <u>Employment & Productivity:</u> | | | | | | | | |
| 24 | Employment, Total Weighted Avg CY | * | * | ** | ** | ** | ** | ** |
| 25 | Overall RTM's per Employee (000) | * | * | ** | ** | ** | ** | ** |

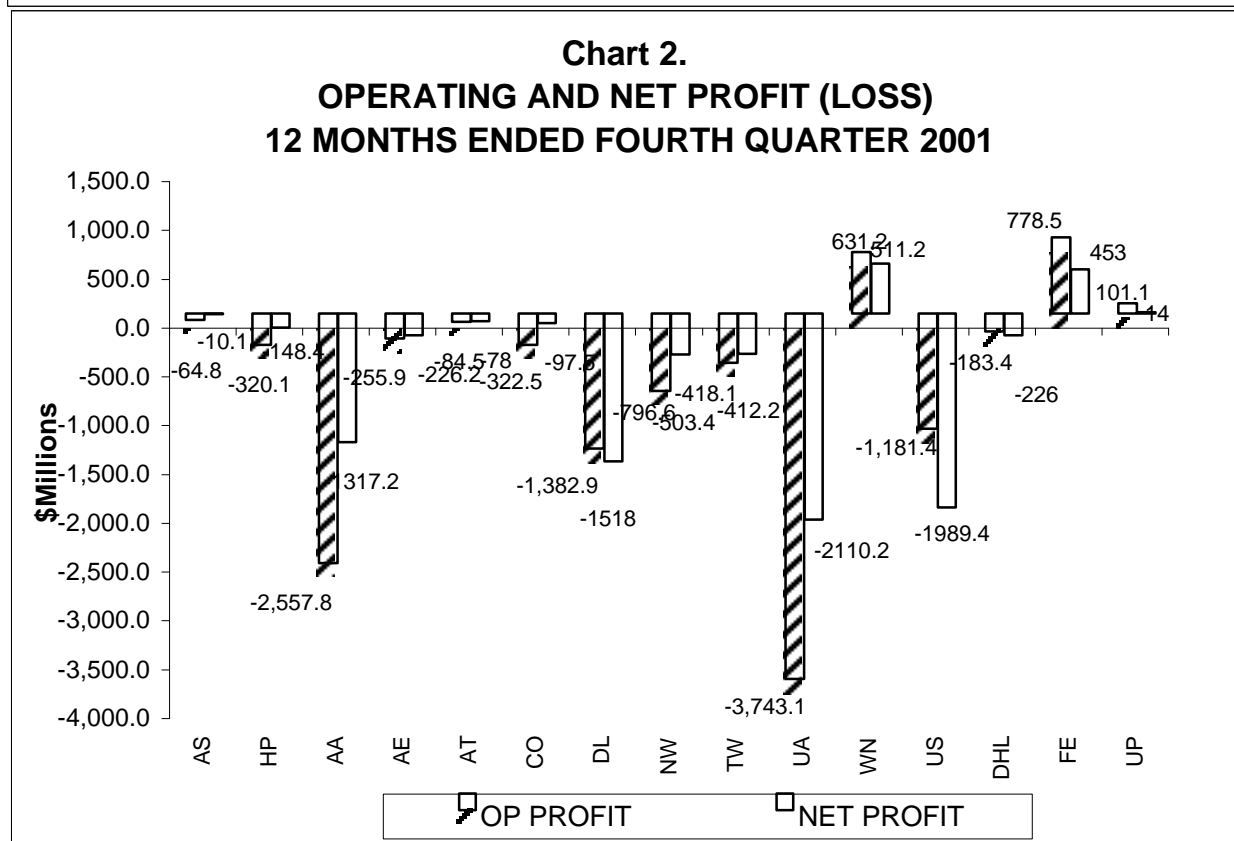
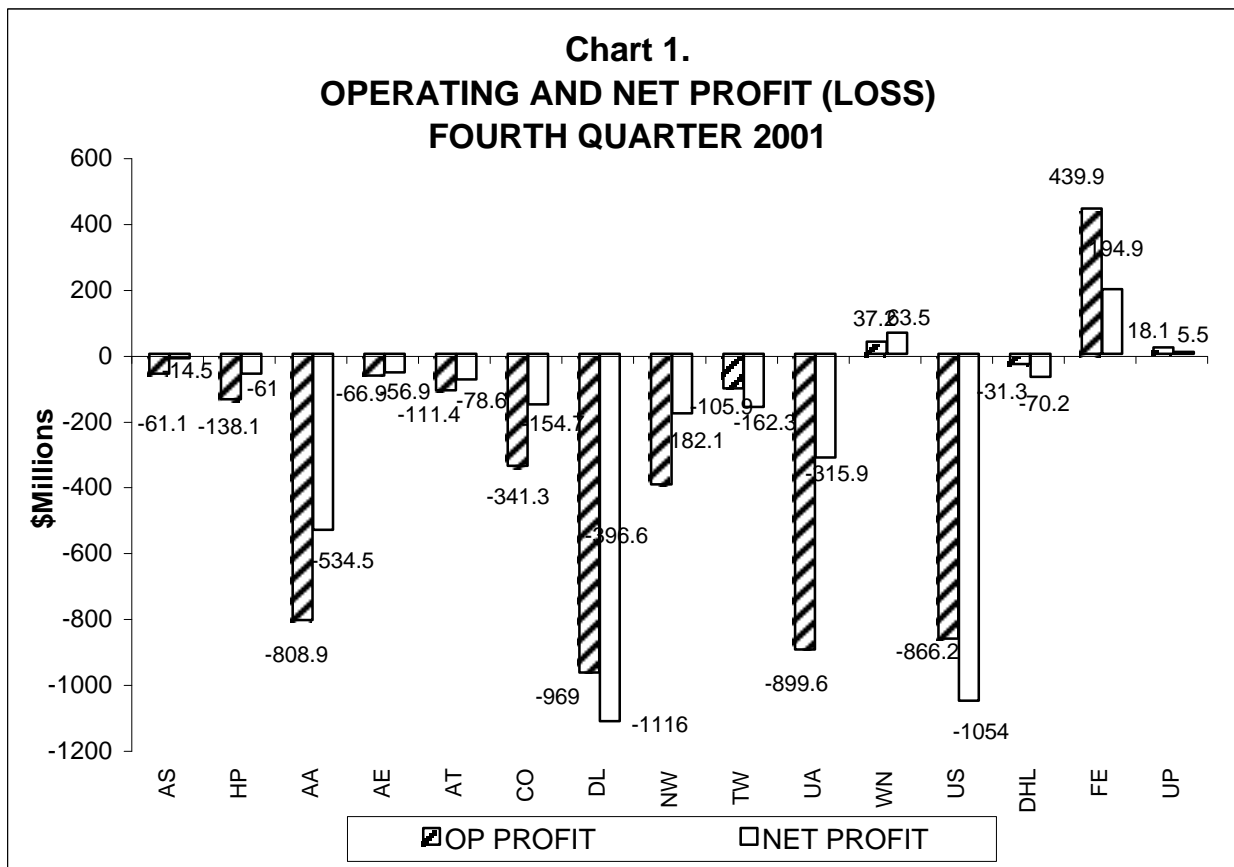
| | | CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER | | | | | | |
|----|--|---|--------|-----------|-----------|----------|----------|----------|
| 26 | Operating Revenues (%) | -26.0 | 6.7 | -11.9 | -4.0 | 2.5 | 6.4 | 8.1 |
| 27 | Operating Expenses (%) | -11.1 | 9.8 | 2.6 | 8.0 | 9.3 | 9.4 | 10.1 |
| 28 | Operating Profit (Loss) (in Millions \$) | -3,312.0 | -562.3 | -12,824.8 | -10,075.1 | -5,264.4 | -1,923.1 | -1,026.8 |
| 29 | Net Income (Loss)(in Millions \$) | -2,500.9 | -930.6 | -8,306.5 | -6,736.2 | -4,643.9 | -2,764.6 | -2,392.2 |
| 30 | RPMs (Sch. Svc.) (%) | -17.4 | 2.2 | -6.7 | -2.0 | 1.2 | 3.7 | 4.9 |
| 31 | ASMs (Sch. Svc.) (%) | -13.8 | 0.7 | -3.6 | 0.0 | 1.5 | 1.7 | 3.0 |
| 32 | Operating Revenues per RTM (%) | -12.7 | 6.2 | -5.0 | -0.5 | 2.7 | 3.8 | 3.6 |
| 33 | Operating Expense per RTM (%) | 4.9 | 9.2 | 10.7 | 11.8 | 9.4 | 6.7 | 5.5 |
| 34 | Passenger Revenue per RPM (Sch. Svc.)(%) | -13.9 | 6.6 | -7.9 | -3.2 | 1.3 | 4.2 | 4.8 |

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

| ITEMS | | QUARTER ENDED | | 12 MONTHS ENDED | | | | |
|-------|---|---------------|---------|-----------------|----------|----------|----------|----------|
| | | 2001/12 | 2000/12 | 2001/12 | 2001/09 | 2001/06 | 2001/03 | 2000/12 |
| | <u>FINANCIAL RESULTS: (\$Millions)</u> | | | | | | | |
| 1 | Operating Revenues | 5,195.5 | 7,032.7 | 26,082.2 | 27,919.4 | 28,904.5 | 28,891.2 | 28,420.8 |
| 2 | Operating Expenses | 6,010.3 | 6,948.7 | 27,856.0 | 28,794.4 | 28,223.6 | 27,651.6 | 26,962.9 |
| 3 | Operating Profit (Loss) | -814.8 | 84.0 | -1,773.8 | -875.0 | 680.9 | 1,239.6 | 1,457.9 |
| 4 | Net Income (Loss) | -419.9 | 1.2 | -843.0 | -421.9 | 258.6 | 614.8 | 602.6 |
| | <u>TRAFFIC: (Billions)</u> | | | | | | | |
| 5 | RPMs - Scheduled Rev. Svc. | 31.48 | 43.19 | 167.76 | 179.48 | 184.23 | 183.75 | 181.29 |
| 6 | ASMs - Scheduled Rev. Svc. | 48.64 | 59.55 | 229.68 | 240.60 | 243.59 | 241.00 | 237.79 |
| 7 | Overall RTMs (All Svc.) | 5.93 | 7.65 | 28.37 | 30.09 | 30.95 | 31.01 | 30.75 |
| 8 | Overall ATMs (All Svc.) | 11.03 | 12.90 | 50.31 | 52.18 | 52.44 | 51.62 | 50.87 |
| | <u>YIELD & UNIT COST & PROFITS: (Cents)</u> | | | | | | | |
| 9 | Operating Revenue per RTM | 87.6 | 91.9 | 91.9 | 92.8 | 93.4 | 93.2 | 92.4 |
| 10 | Operating Expense per RTM | 101.3 | 90.8 | 98.2 | 95.7 | 91.2 | 89.2 | 87.7 |
| 11 | Operating Profit (Loss) per RTM | -13.7 | 1.1 | -6.3 | -2.9 | 2.2 | 4.0 | 4.7 |
| 12 | Operating Expense per ATM | 54.5 | 53.9 | 55.4 | 55.2 | 53.8 | 53.6 | 53.0 |
| 13 | Passenger Revenue per RPM | 8.14 | 10.60 | 9.86 | 10.34 | 10.54 | 10.65 | 10.58 |
| | <u>FINANCIAL RATIOS:</u> | | | | | | | |
| 14 | Operating Revenues to Total Investment | * | * | ** | ** | ** | ** | ** |
| 15 | Times Interest Earned | * | * | ** | ** | ** | ** | ** |
| 16 | Current Assets to Current Liabilities | * | * | ** | ** | ** | ** | ** |
| 17 | No. of Days Cash Coverage of Cash Exp. | * | * | ** | ** | ** | ** | ** |
| | <u>FINANCIAL PERCENTAGES:</u> | | | | | | | |
| 18 | Operating Profit (Loss) to Operating Revenue | -15.7 | 1.2 | -6.8 | -3.1 | 2.4 | 4.3 | 5.1 |
| 19 | Net Income to Stockholders Equity | * | * | ** | ** | ** | ** | ** |
| 20 | Corporate Return on Investment | * | * | -1.7 | 0.4 | 4.1 | 6.0 | 5.9 |
| 21 | Debt to Total Investment | * | * | ** | ** | ** | ** | ** |
| | <u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u> | | | | | | | |
| 22 | Actual | 64.7 | 72.5 | 73.0 | 74.6 | 75.6 | 76.2 | 76.2 |
| 23 | Breakeven | 98.8 | 74.7 | 85.4 | 81.0 | 75.8 | 73.9 | 73.2 |
| | <u>Employment & Productivity:</u> | | | | | | | |
| 24 | Employment, Total Weighted Avg CY | * | * | ** | ** | ** | ** | ** |
| 25 | Overall RTM's per Employee (000) | * | * | ** | ** | ** | ** | ** |

| | | CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER | | | | | | |
|----|--|---|--------|----------|----------|----------|--------|--------|
| 26 | Operating Revenues (%) | -26.1 | 10.2 | -8.2 | 0.5 | 8.2 | 12.2 | 13.6 |
| 27 | Operating Expenses (%) | -13.5 | 14.0 | 3.3 | 10.3 | 12.7 | 14.2 | 14.2 |
| 28 | Operating Profit (Loss) (in Millions \$) | -898.8 | -201.9 | -3,231.7 | -2,534.7 | -1,004.5 | -294.2 | 37.1 |
| 29 | Net Income (Loss)(in Millions \$) | -421.1 | -66.7 | -1,445.6 | -1,091.1 | -371.6 | -38.5 | -114.3 |
| 30 | RPMs (Sch. Svc.) (%) | -27.1 | 7.9 | -7.5 | 0.8 | 5.7 | 8.5 | 8.1 |
| 31 | ASMs (Sch. Svc.) (%) | -18.3 | 7.2 | -3.4 | 2.9 | 5.7 | 6.4 | 5.8 |
| 32 | Operating Revenues per RTM (%) | -4.7 | 3.1 | -0.6 | 1.1 | 3.3 | 4.0 | 3.8 |
| 33 | Operating Expense per RTM (%) | 11.6 | 6.7 | 12.0 | 10.9 | 7.7 | 5.8 | 4.5 |
| 34 | Passenger Revenue per RPM (Sch. Svc.)(%) | -23.2 | 3.1 | -6.8 | -1.6 | 2.1 | 4.7 | 5.1 |

COMPARISONS AMONG MAJOR GROUP AIRLINES



TOTAL ALL MAJORS (SYSTEM) BY QUARTER

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

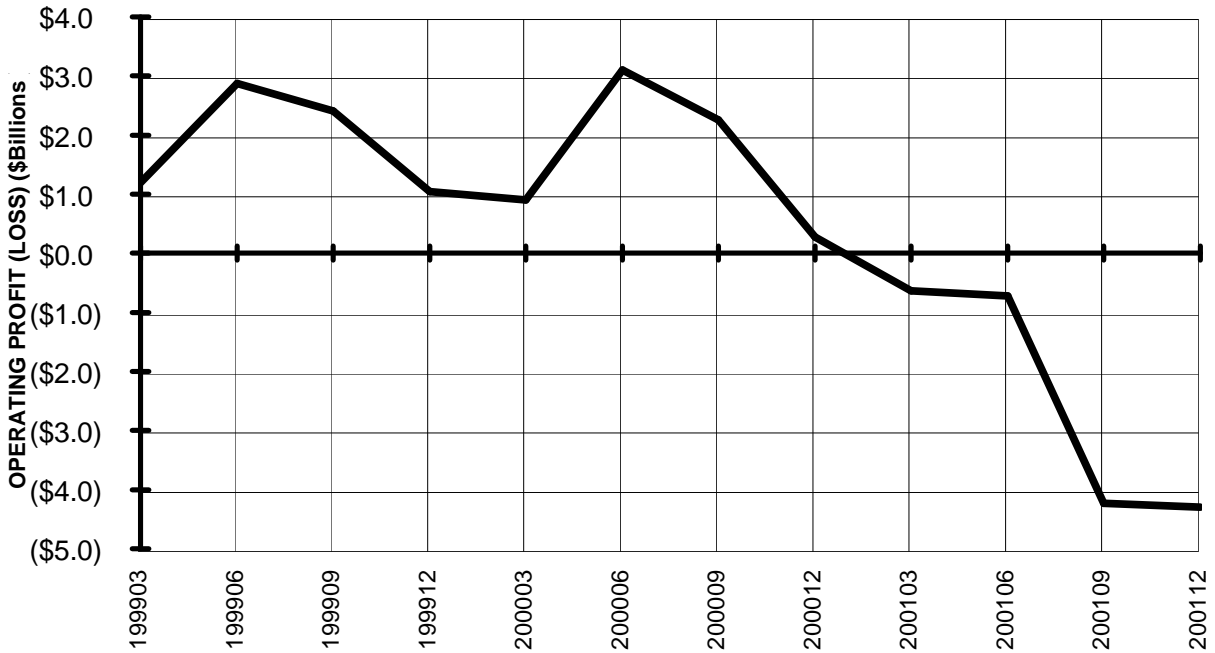
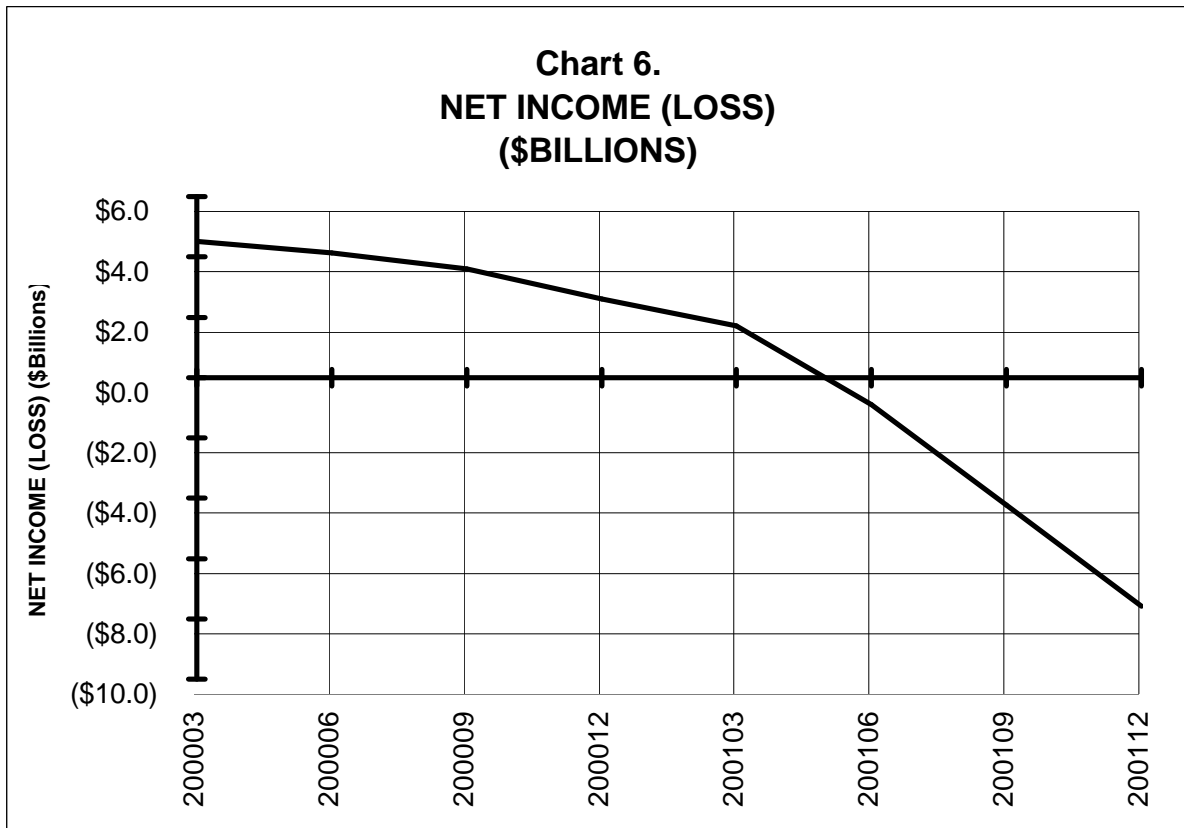
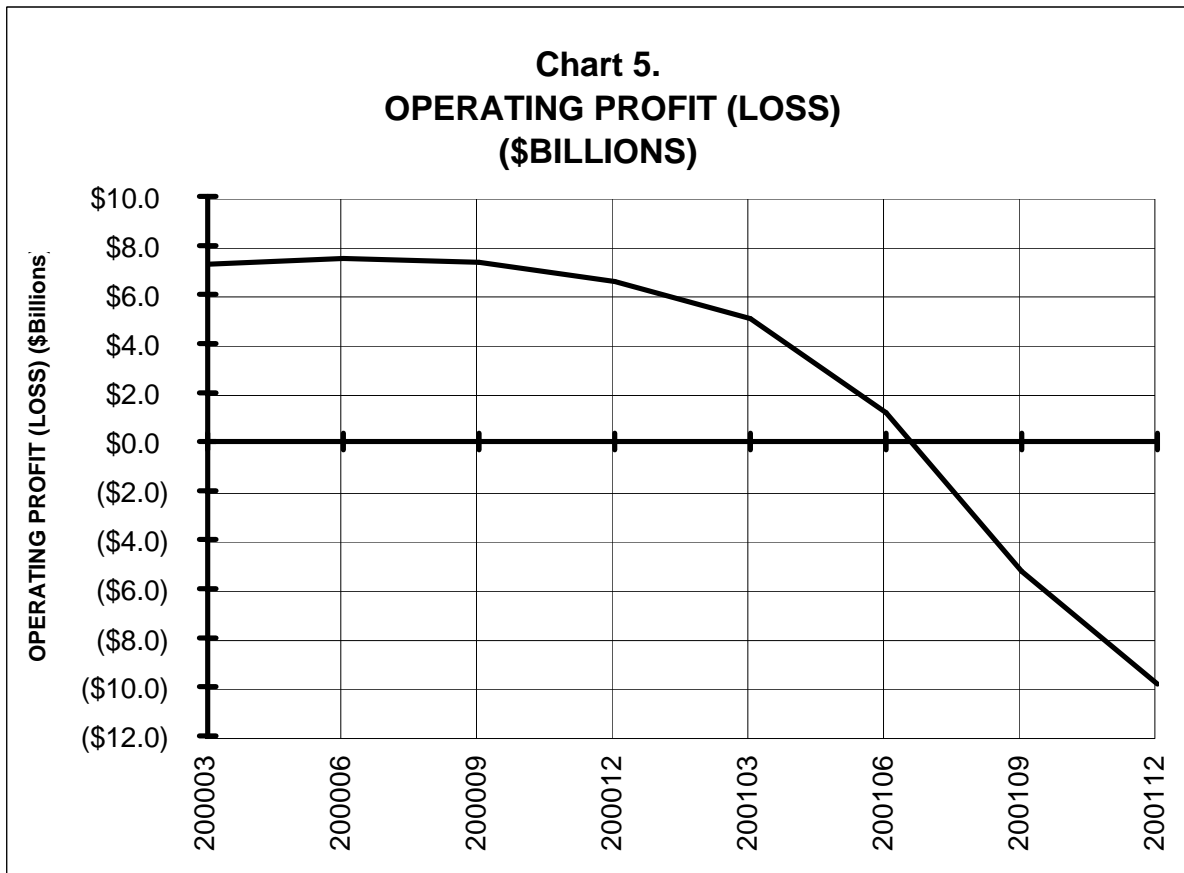


Chart 4.
NET INCOME (LOSS)
(\$BILLIONS)



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



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

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

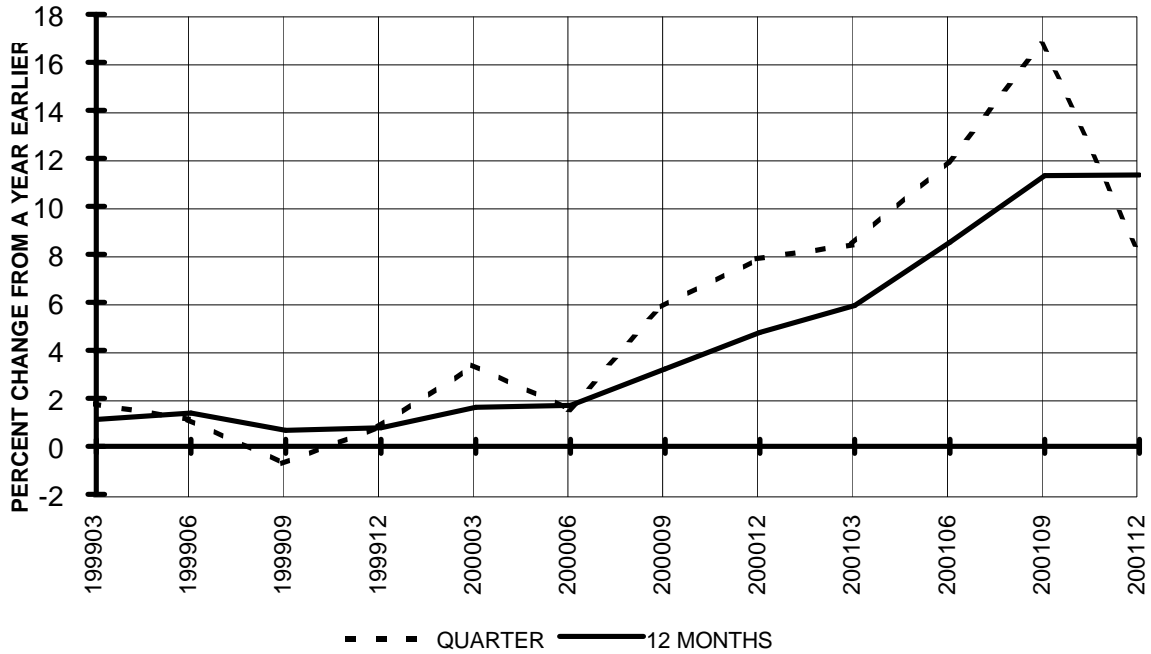
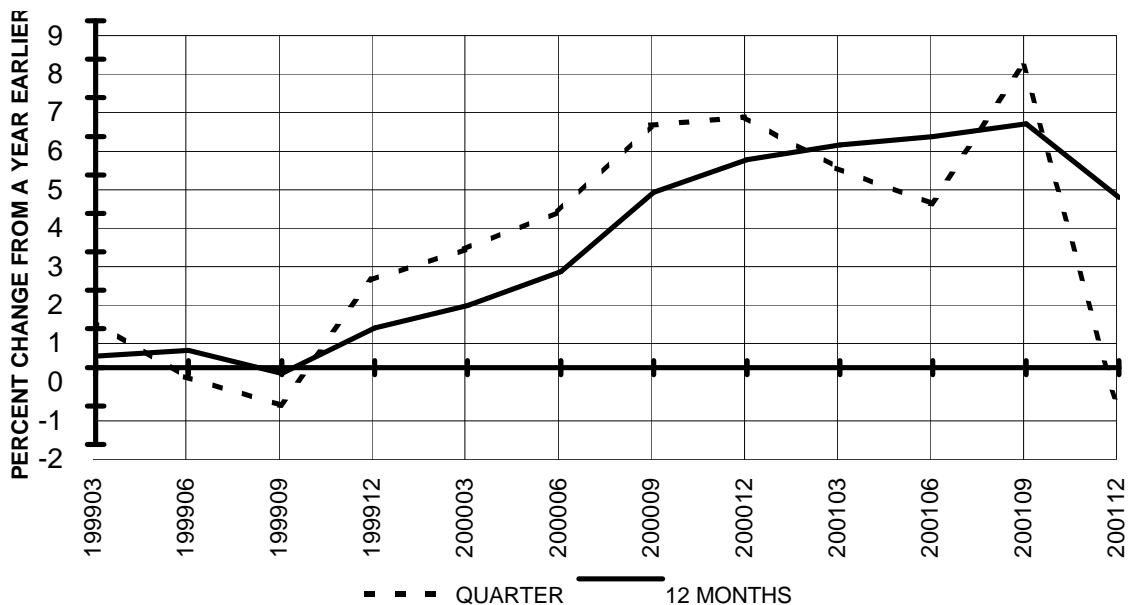


Chart 10.
OPERATING EXPENSE PER AVAILABLE TON-MILE
PERCENT CHANGE FROM SAME PERIOD A YEAR
EARLIER



QUARTERLY FINANCIAL & TRAFFIC REVIEW

TOTAL PASSENGER MAJORS 1/

QUARTERLY RESULTS

- For the quarter ended December 2001, the U.S. economic slowdown combined with the September 11 terrorist attacks continued to have an extreme negative impact on the industry as a whole. Passenger traffic and passenger yields were down significantly for nearly every major carrier resulting in the largest operating and net losses ever reported by the group in airline history.
- With the exception of a small increase in net income reported by Alaska, and an improvement in net results reported by Trans World, all twelve passenger carriers reported a sharp drop in both operating and net results. These declines resulted in all passenger carriers – excluding Southwest – experiencing operating and net losses for the quarter. Some individual carrier losses were staggering. Delta reported a drop in operating results of \$1.1 billion to a loss of \$969 million, and a drop in net results of \$1.08 billion to a loss of 1.12 billion.
- For the group, operating expenses fell 13.3 percent, but operating revenues tumbled 33.3 percent, resulting in operating profit plunging \$4.77 billion to a loss of \$4.73 billion.
- Due in large part to the sharp reductions in operations, fuel consumption was down 24 percent, total fuel expense fell 37.9 percent (\$1.38 billion).
- Net income dropped \$3.37 billion to a loss of \$3.67 billion.

| Quarter Ended | \$ Millions | | | | | |
|---------------|-------------------------|-------------------|--------------|-------------------|-------------------|--------------|
| | OPERATING PROFIT (LOSS) | | | NET INCOME (LOSS) | | |
| | LAST YEAR 2000 | THIS YEAR 2001 | \$ Change | LAST YEAR 2000 | THIS YEAR 2001 | \$ Change |
| March | 712.1 | -858.5 | -1,570.7 | -25.3 | -955.6 | -930.3 |
| June | 2,803.9 | -724.4 | -3,528.3 | 1,663.2 | -729.2 | -2,392.4 |
| Sept. | 1,943.8 | -4,271.3 | -6,215.1 | 743.2 | -2,462.3 | -3,205.5 |
| Dec. | 35.7 | -4,727.7 | -4,763.4 | -297.3 | -3,667.0 | -3,369.7 |

- RPM traffic continued its sharp decline begun in the third quarter, down 20.1 percent in the fourth quarter, while ASM capacity fell 15 percent, causing the passenger load factor to decline 4.1 percentage points to 66.1 percent. Alaska, America West and American Trans Air posted slim increases in passenger load factor, but most were down sharply.
- Every major carrier, except for TWA, showed a drop in passenger (RPM) yield, which for the group fell 17.6 percent to 11.12 cents, the lowest yield since the middle of the last recession in the third quarter 1992.
- All entities experienced deteriorations and losses in both operating and net results. The domestic entity was by the far most dominant, however, with operating results dropping \$3.33 billion to a \$3.24 billion loss, and net results falling \$2.46 billion to a loss of \$2.67 billion.

| ENTITY | \$ Millions | | | | | | TRAFFIC (Billions) | | | CAPACITY (Billions) | | | PAX. L.F. |
|----------|-------------------------|----------|-----------|-------------------|----------|-----------|--------------------|-------|----------|---------------------|-------|----------|--------------|
| | OPERATING PROFIT (LOSS) | | | NET INCOME (LOSS) | | | RPMs (Sch. Svc.) | | | ASMs (Sch. Svc.) | | | |
| | 2000 | 2001 | \$ Change | 2000 | 2001 | \$ Change | 2000 | 2001 | Change % | 2000 | 2001 | Change % | |
| Domestic | 85.9 | -3,243.1 | -3,329.0 | -209.3 | -2,674.1 | -2,464.8 | 113.8 | 94.1 | -17.4 | 164.0 | 141.3 | -13.8 | 66.6% |
| Int'l | -50.2 | -1,484.7 | -1,434.4 | -88.0 | -992.9 | -904.9 | 43.2 | 31.5 | -27.1 | 59.6 | 48.6 | -18.3 | 64.7% |
| Atlantic | -51.5 | -767.1 | -715.6 | -82.8 | -536.8 | -454.0 | 20.4 | 14.6 | -28.5 | 27.6 | 22.1 | -19.8 | 65.8% |
| Latin | 3.2 | -297.5 | -300.7 | 0.7 | -219.9 | -220.6 | 8.7 | 7.3 | -16.4 | 13.1 | 11.8 | -9.9 | 61.9% |
| Pacific | -1.9 | -420.0 | -418.1 | -5.9 | -236.3 | -230.4 | 14.1 | 9.6 | -31.9 | 18.8 | 14.7 | -22.0 | 65.3% |
| System | 35.7 | -4,727.7 | -4,763.4 | -297.3 | -3,667.0 | -3,369.7 | 157.0 | 125.5 | -20.0 | 223.5 | 190.0 | -15.0 | 66.1% |

- The operating profit margin fell from a positive 0.1 percent a year ago to a negative 29.2 percent, a deterioration of 29.3 percentage points to the downside.

12-MONTH RESULTS

- The major passenger group reported the largest calendar year operating and net losses in airline history.
- Operating expenses rose 3.2 percent while operating revenues were dropped 13.4 percent, resulting in a sharp drop in operating results, down \$16 billion to a loss of \$10.6 billion. All majors contributed to the decline and reported individual carrier record losses, with the lone exception of Southwest. United experienced the largest deterioration, down \$4.48 billion to a loss of \$3.73 billion, and American reported a drop of \$3.8 billion to a loss \$2.56 billion.
- Net income also fell into the red, down nearly \$10 billion to a \$7.81 billion loss.
- The passenger load decreased 2.5 percentage points to 70.3 percent and passenger (RPM) yield fell 8.2 percent to 12.24 cents.

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

QUARTERLY FINANCIAL & TRAFFIC REVIEW
SYSTEM OPERATIONS
TOTAL PASSENGER MAJORS

| ITEMS | | QUARTER ENDED | | 12 MONTHS ENDED | | | | |
|---|--|---------------|----------|-----------------|----------|----------|----------|----------|
| | | 2001/12 | 2000/12 | 2001/12 | 2001/09 | 2001/06 | 2001/03 | 2000/12 |
| <u>FINANCIAL RESULTS: (\$Millions)</u> | | | | | | | | |
| 1 | Operating Revenues | 16,614.1 | 24,162.5 | 85,367.2 | 92,915.6 | 97,609.6 | 98,796.5 | 98,087.6 |
| 2 | Operating Expenses | 20,930.9 | 24,126.8 | 95,538.2 | 98,734.1 | 97,213.1 | 94,871.5 | 92,592.0 |
| 3 | Operating Profit (Loss) | -4,316.8 | 35.7 | -10,171.0 | -5,818.5 | 396.6 | 3,924.9 | 5,495.6 |
| 4 | Net Income (Loss) | -3,256.1 | -297.3 | -7,403.1 | -4,444.3 | -1,238.9 | 1,153.5 | 2,083.8 |
| <u>TRAFFIC: (Billions)</u> | | | | | | | | |
| 5 | RPMs - Scheduled Rev. Svc. | 125.54 | 157.02 | 606.69 | 638.17 | 653.15 | 654.67 | 651.79 |
| 6 | ASMs - Scheduled Rev. Svc. | 189.99 | 223.55 | 862.94 | 896.50 | 906.42 | 899.64 | 894.93 |
| 7 | Overall RTMs (All Svc.) | 14.81 | 18.82 | 70.84 | 74.85 | 76.92 | 77.33 | 77.19 |
| 8 | Overall ATMs (All Svc.) | 29.02 | 33.49 | 130.56 | 135.02 | 135.97 | 134.41 | 133.20 |
| <u>YIELD & UNIT COST & PROFITS: (Cents)</u> | | | | | | | | |
| 9 | Operating Revenue per RTM | 112.2 | 128.4 | 120.5 | 124.1 | 126.9 | 127.8 | 127.1 |
| 10 | Operating Expense per RTM | 141.4 | 128.2 | 134.9 | 131.9 | 126.4 | 122.7 | 119.9 |
| 11 | Operating Profit (Loss) per RTM | -29.2 | 0.2 | -14.4 | -7.8 | 0.5 | 5.1 | 7.1 |
| 12 | Operating Expense per ATM | 72.1 | 72.0 | 73.2 | 73.1 | 71.5 | 70.6 | 69.5 |
| 13 | Passenger Revenue per RPM | 11.44 | 13.49 | 12.31 | 12.77 | 13.15 | 13.36 | 13.33 |
| <u>FINANCIAL RATIOS:</u> | | | | | | | | |
| 14 | Operating Revenues to Total Investment | * | * | 1.27 | 1.42 | 1.54 | 1.59 | 1.60 |
| 15 | Times Interest Earned | * | * | -3.65 | -2.11 | 0.32 | 2.37 | 3.56 |
| 16 | Current Assets to Current Liabilities | * | * | 0.78 | 0.76 | 0.63 | 0.66 | 0.67 |
| 17 | No. of Days Cash Coverage of Cash Exp. | * | * | 61.8 | 58.0 | 34.9 | 38.5 | 39.6 |
| <u>FINANCIAL PERCENTAGES:</u> | | | | | | | | |
| 18 | Operating Profit (Loss) to Operating Revenue | -26.0 | 0.1 | -11.9 | -6.3 | 0.4 | 4.0 | 5.6 |
| 19 | Net Income to Stockholders Equity | * | * | -25.8 | -14.7 | -4.0 | 3.7 | 6.7 |
| 20 | Corporate Return on Investment | * | * | -7.8 | -3.8 | 1.0 | 4.8 | 6.3 |
| 21 | Debt to Total Investment | * | * | 65.5 | 60.1 | 54.2 | 53.5 | 52.7 |
| <u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u> | | | | | | | | |
| 22 | Actual | 66.1 | 70.2 | 70.3 | 71.2 | 72.1 | 72.8 | 72.8 |
| 23 | Breakeven | 89.5 | 71.9 | 82.1 | 78.2 | 73.2 | 70.9 | 69.4 |
| <u>Employment & Productivity:</u> | | | | | | | | |
| 24 | Employment, Total Weighted Avg CY | 415,605 | 452,926 | 448,168 | 457,499 | 455,297 | 456,308 | 451,813 |
| 25 | Overall RTM's per Employee (000) | 35.6 | 41.5 | 158.1 | 163.6 | 169.0 | 169.5 | 170.9 |

| | | CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER | | | | | | |
|----|--|---|--------|-----------|-----------|----------|----------|----------|
| 26 | Operating Revenues (%) | -31.3 | 8.5 | -13.0 | -3.4 | 4.0 | 8.1 | 9.5 |
| 27 | Operating Expenses (%) | -13.3 | 11.8 | 3.2 | 9.7 | 11.1 | 11.3 | 11.4 |
| 28 | Operating Profit (Loss) (in Millions \$) | -4,352.5 | -657.9 | -15,666.6 | -11,972.0 | -6,008.0 | -2,266.7 | -970.5 |
| 29 | Net Income (Loss)(in Millions \$) | -2,958.8 | -872.6 | -9,486.9 | -7,400.7 | -4,764.9 | -2,789.2 | -2,460.5 |
| 30 | RPMs (Sch. Svc.) (%) | -20.1 | 3.7 | -6.9 | -1.2 | 2.4 | 5.0 | 5.8 |
| 31 | ASMs (Sch. Svc.) (%) | -15.0 | 2.4 | -3.6 | 0.8 | 2.6 | 2.9 | 3.7 |
| 32 | Operating Revenues per RTM (%) | -12.6 | 5.6 | -5.2 | -1.0 | 2.4 | 3.6 | 3.7 |
| 33 | Operating Expense per RTM (%) | 10.3 | 8.8 | 12.5 | 12.4 | 9.4 | 6.7 | 5.4 |
| 34 | Passenger Revenue per RPM (Sch. Svc.)(%) | -15.2 | 5.6 | -7.7 | -3.0 | 1.3 | 4.1 | 4.7 |

QUARTERLY FINANCIAL & TRAFFIC REVIEW
DOMESTIC OPERATIONS
TOTAL PASSENGER MAJORS

| ITEMS | | QUARTER ENDED | | 12 MONTHS ENDED | | | | |
|---|--|---------------|----------|-----------------|----------|----------|----------|----------|
| | | 2001/12 | 2000/12 | 2001/12 | 2001/09 | 2001/06 | 2001/03 | 2000/12 |
| <u>FINANCIAL RESULTS: (\$Millions)</u> | | | | | | | | |
| 1 | Operating Revenues | 12,934.4 | 18,544.9 | 64,928.8 | 70,539.3 | 74,243.3 | 75,389.1 | 75,095.9 |
| 2 | Operating Expenses | 16,177.4 | 18,459.0 | 72,851.1 | 75,132.6 | 74,129.5 | 72,225.0 | 70,524.9 |
| 3 | Operating Profit (Loss) | -3,243.1 | 85.9 | -7,922.3 | -4,593.3 | 113.8 | 3,164.1 | 4,570.9 |
| 4 | Net Income (Loss) | -2,674.1 | -209.3 | -6,229.6 | -3,764.8 | -1,184.7 | 901.2 | 1,789.1 |
| <u>TRAFFIC: (Billions)</u> | | | | | | | | |
| 5 | RPMs - Scheduled Rev. Svc. | 94.07 | 113.83 | 438.93 | 458.69 | 468.92 | 470.92 | 470.50 |
| 6 | ASMs - Scheduled Rev. Svc. | 141.35 | 163.99 | 633.25 | 655.90 | 662.83 | 658.64 | 657.13 |
| 7 | Overall RTMs (All Svc.) | 10.11 | 12.48 | 47.37 | 49.74 | 51.00 | 51.32 | 51.37 |
| 8 | Overall ATMs (All Svc.) | 19.88 | 22.55 | 88.00 | 90.67 | 91.29 | 90.37 | 89.82 |
| <u>YIELD & UNIT COST & PROFITS: (Cents)</u> | | | | | | | | |
| 9 | Operating Revenue per RTM | 127.9 | 148.6 | 137.1 | 141.8 | 145.6 | 146.9 | 146.2 |
| 10 | Operating Expense per RTM | 160.0 | 147.9 | 153.8 | 151.1 | 145.4 | 140.7 | 137.3 |
| 11 | Operating Profit (Loss) per RTM | -32.1 | 0.7 | -16.7 | -9.2 | 0.2 | 6.2 | 8.9 |
| 12 | Operating Expense per ATM | 81.4 | 81.9 | 82.8 | 82.9 | 81.2 | 79.9 | 78.5 |
| 13 | Passenger Revenue per RPM | 12.55 | 14.58 | 13.25 | 13.72 | 14.17 | 14.41 | 14.38 |
| <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 | -25.1 | 0.5 | -12.2 | -6.5 | 0.2 | 4.2 | 6.1 |
| 19 | Net Income to Stockholders Equity | * | * | ** | ** | ** | ** | ** |
| 20 | Corporate Return on Investment | * | * | -8.9 | -4.5 | 0.5 | 4.9 | 6.8 |
| 21 | Debt to Total Investment | * | * | ** | ** | ** | ** | ** |
| <u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u> | | | | | | | | |
| 22 | Actual | 66.6 | 69.4 | 69.3 | 69.9 | 70.7 | 71.5 | 71.6 |
| 23 | Breakeven | 85.9 | 70.4 | 80.1 | 76.4 | 71.5 | 69.2 | 67.6 |
| <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 (%) | -30.3 | 7.8 | -13.5 | -4.4 | 2.7 | 6.9 | 8.6 |
| 27 | Operating Expenses (%) | -12.4 | 11.2 | 3.3 | 9.4 | 10.7 | 10.6 | 10.9 |
| 28 | Operating Profit (Loss) (in Millions \$) | -3,329.0 | -522.3 | -12,493.2 | -9,686.5 | -5,217.9 | -2,075.1 | -999.3 |
| 29 | Net Income (Loss)(in Millions \$) | -2,464.8 | -860.3 | -8,018.7 | -6,414.3 | -4,323.0 | -2,561.9 | -2,227.5 |
| 30 | RPMs (Sch. Svc.) (%) | -17.4 | 2.2 | -6.7 | -2.0 | 1.2 | 3.7 | 4.9 |
| 31 | ASMs (Sch. Svc.) (%) | -13.8 | 0.7 | -3.6 | 0.0 | 1.5 | 1.7 | 3.0 |
| 32 | Operating Revenues per RTM (%) | -13.9 | 6.4 | -6.2 | -1.5 | 2.3 | 3.7 | 3.9 |
| 33 | Operating Expense per RTM (%) | 8.2 | 9.8 | 12.0 | 12.7 | 10.3 | 7.3 | 6.2 |
| 34 | Passenger Revenue per RPM (Sch. Svc.)(%) | -13.9 | 6.6 | -7.9 | -3.2 | 1.3 | 4.2 | 4.8 |

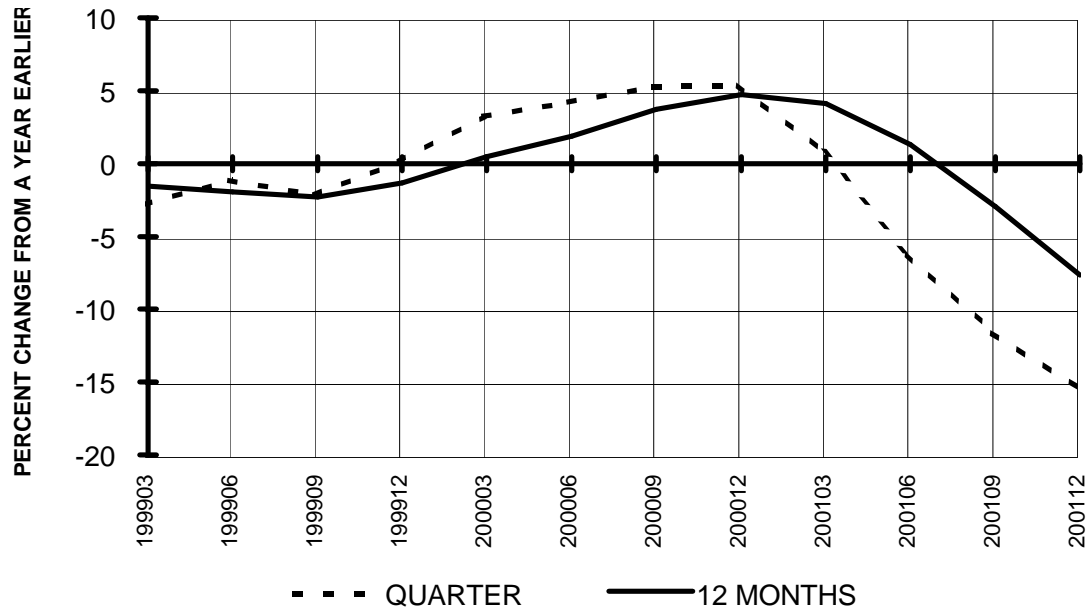
QUARTERLY FINANCIAL & TRAFFIC REVIEW
INTERNATIONAL OPERATIONS
TOTAL PASSENGER MAJORS

| ITEMS | | QUARTER ENDED | | 12 MONTHS ENDED | | | | |
|---|--|---------------|---------|-----------------|----------|----------|----------|----------|
| | | 2001/12 | 2000/12 | 2001/12 | 2001/09 | 2001/06 | 2001/03 | 2000/12 |
| <u>FINANCIAL RESULTS: (\$Millions)</u> | | | | | | | | |
| 1 | Operating Revenues | 3,679.7 | 5,617.6 | 20,438.4 | 22,376.3 | 23,366.3 | 23,407.4 | 22,991.8 |
| 2 | Operating Expenses | 4,753.4 | 5,667.8 | 22,687.1 | 23,601.5 | 23,083.6 | 22,646.6 | 22,067.1 |
| 3 | Operating Profit (Loss) | -1,073.7 | -50.2 | -2,248.7 | -1,225.2 | 282.7 | 760.8 | 924.7 |
| 4 | Net Income (Loss) | -582.0 | -88.0 | -1,173.5 | -679.5 | -54.2 | 252.4 | 294.7 |
| <u>TRAFFIC: (Billions)</u> | | | | | | | | |
| 5 | RPMs - Scheduled Rev. Svc. | 31.48 | 43.19 | 167.76 | 179.48 | 184.23 | 183.75 | 181.29 |
| 6 | ASMs - Scheduled Rev. Svc. | 48.64 | 59.55 | 229.68 | 240.60 | 243.59 | 241.00 | 237.79 |
| 7 | Overall RTMs (All Svc.) | 4.70 | 6.34 | 23.47 | 25.11 | 25.93 | 26.01 | 25.82 |
| 8 | Overall ATMs (All Svc.) | 9.14 | 10.94 | 42.56 | 44.36 | 44.67 | 44.04 | 43.39 |
| <u>YIELD & UNIT COST & PROFITS: (Cents)</u> | | | | | | | | |
| 9 | Operating Revenue per RTM | 78.4 | 88.7 | 87.1 | 89.1 | 90.1 | 90.0 | 89.0 |
| 10 | Operating Expense per RTM | 101.2 | 89.4 | 96.7 | 94.0 | 89.0 | 87.1 | 85.5 |
| 11 | Operating Profit (Loss) per RTM | -22.9 | -0.8 | -9.6 | -4.9 | 1.1 | 2.9 | 3.6 |
| 12 | Operating Expense per ATM | 52.0 | 51.8 | 53.3 | 53.2 | 51.7 | 51.4 | 50.9 |
| 13 | Passenger Revenue per RPM | 8.14 | 10.60 | 9.86 | 10.34 | 10.54 | 10.65 | 10.58 |
| <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 | -29.2 | -0.9 | -11.0 | -5.5 | 1.2 | 3.3 | 4.0 |
| 19 | Net Income to Stockholders Equity | * | * | ** | ** | ** | ** | ** |
| 20 | Corporate Return on Investment | * | * | -4.2 | -1.4 | 2.5 | 4.4 | 4.6 |
| 21 | Debt to Total Investment | * | * | ** | ** | ** | ** | ** |
| <u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u> | | | | | | | | |
| 22 | Actual | 64.7 | 72.5 | 73.0 | 74.6 | 75.6 | 76.2 | 76.2 |
| 23 | Breakeven | 106.8 | 77.1 | 88.3 | 83.0 | 77.6 | 75.7 | 75.1 |
| <u>Employment & Productivity:</u> | | | | | | | | |
| 24 | Employment, Total Weighted Avg CY | * | * | ** | ** | ** | ** | ** |
| 25 | Overall RTM's per Employee (000) | * | * | ** | ** | ** | ** | ** |

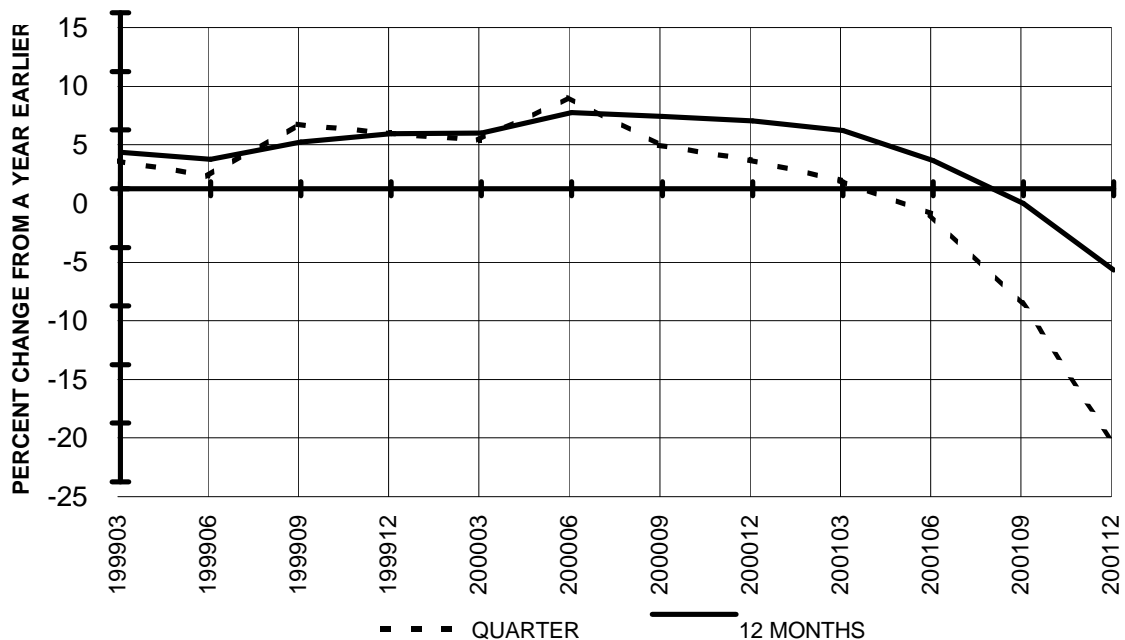
| | | CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER | | | | | | |
|----|--|---|--------|----------|----------|--------|--------|--------|
| 26 | Operating Revenues (%) | -34.5 | 10.9 | -11.1 | -0.3 | 8.1 | 12.0 | 12.5 |
| 27 | Operating Expenses (%) | -16.1 | 13.8 | 2.8 | 10.4 | 12.3 | 13.6 | 12.9 |
| 28 | Operating Profit (Loss) (in Millions \$) | -1,023.5 | -135.6 | -3,173.4 | -2,285.5 | -790.2 | -191.6 | 28.8 |
| 29 | Net Income (Loss)(in Millions \$) | -494.0 | -12.2 | -1,468.2 | -986.4 | -441.9 | -227.2 | -233.0 |
| 30 | RPMs (Sch. Svc.) (%) | -27.1 | 7.9 | -7.5 | 0.8 | 5.7 | 8.5 | 8.1 |
| 31 | ASMs (Sch. Svc.) (%) | -18.3 | 7.2 | -3.4 | 2.9 | 5.7 | 6.4 | 5.8 |
| 32 | Operating Revenues per RTM (%) | -11.6 | 4.8 | -2.1 | 1.1 | 4.0 | 4.8 | 4.1 |
| 33 | Operating Expense per RTM (%) | 13.2 | 7.6 | 13.1 | 12.0 | 8.1 | 6.2 | 4.7 |
| 34 | Passenger Revenue per RPM (Sch. Svc.)(%) | -23.2 | 3.1 | -6.8 | -1.6 | 2.1 | 4.7 | 5.1 |

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

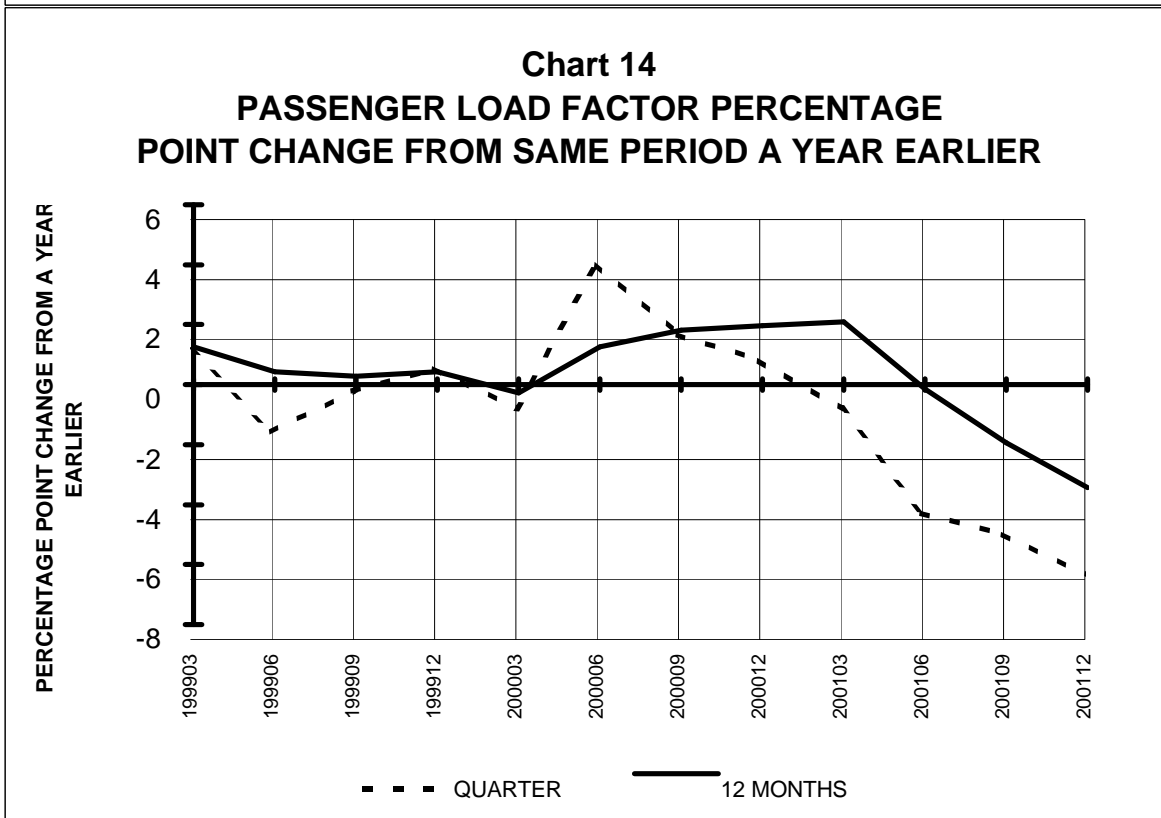
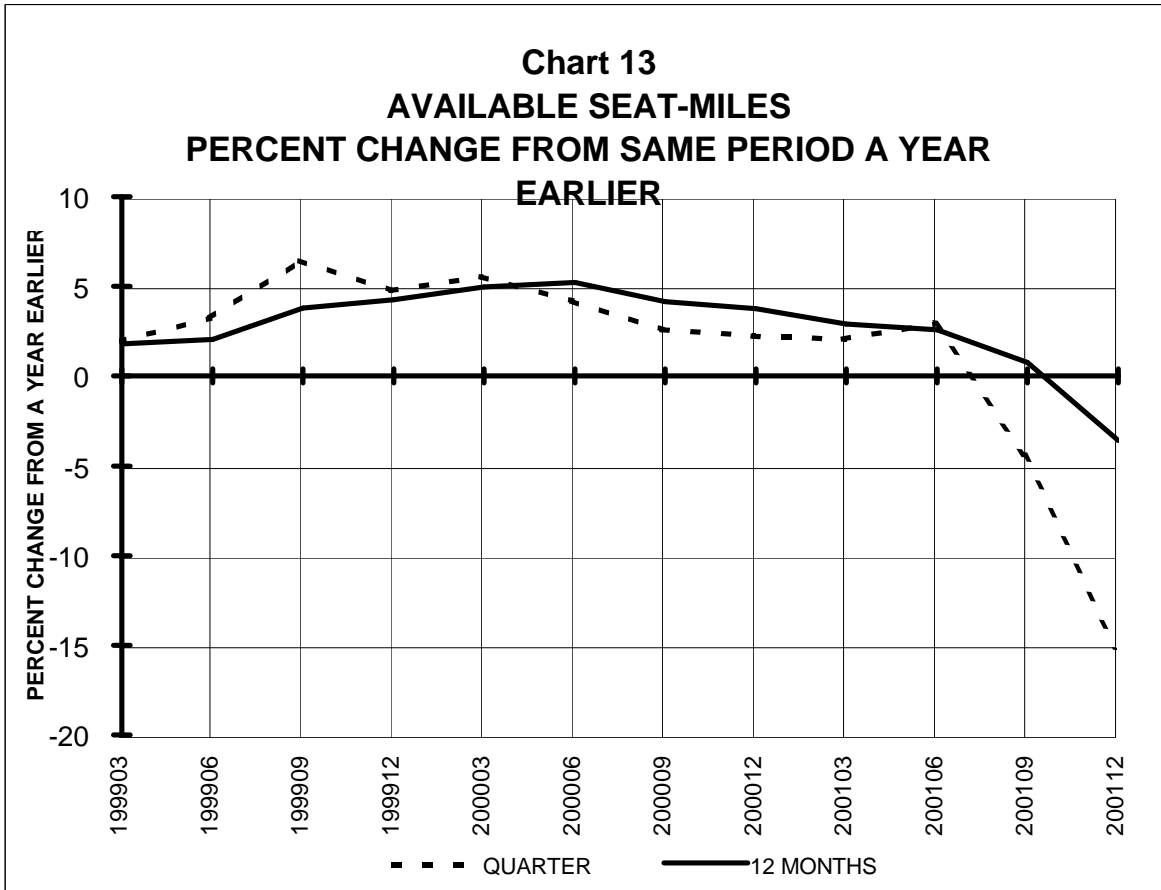
**Chart 11
PASSENGER REVENUES PER REVENUE PASSENGER-
MILE
PERCENT CHANGE FROM SAME PERIOD A YEAR
EARLIER**



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

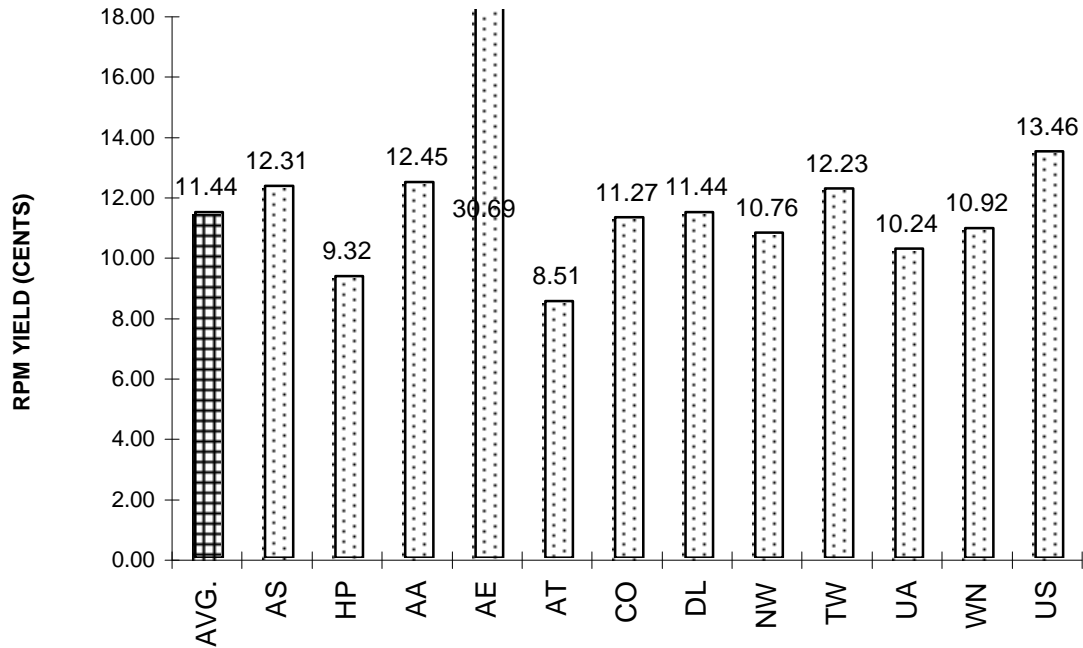


**TOTAL PASSENGER MAJORS (SYSTEM)
QUARTERLY AND 12-MONTH BASIS (SCH. SVC.)**

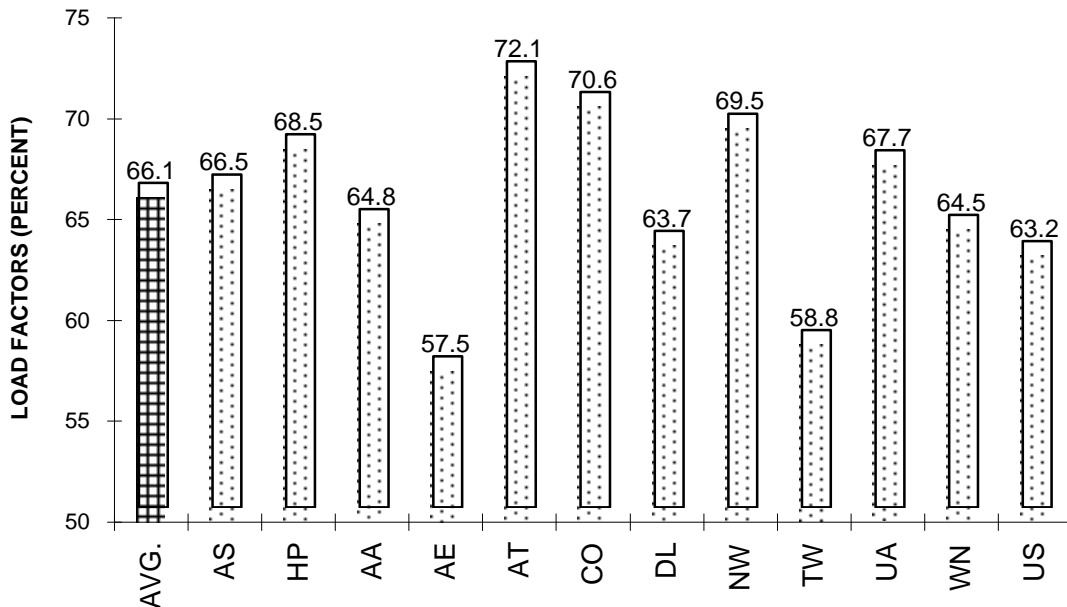


**TOTAL PASSENGER MAJORS (SYSTEM)
FOURTH QUARTER 2001 (SCH. SVC.)**

**Chart 15
PASSENGER (RPM) YIELD**



**Chart 16
PASSENGER LOAD FACTOR**



QUARTERLY FINANCIAL & TRAFFIC REVIEW
SYSTEM OPERATIONS
ALASKA AIRLINES

| ITEMS | | QUARTER ENDED | | 12 MONTHS ENDED | | | | |
|-------|---|---------------|---------|-----------------|---------|---------|---------|---------|
| | | 2001/12 | 2000/12 | 2001/12 | 2001/09 | 2001/06 | 2001/03 | 2000/12 |
| | <u>FINANCIAL RESULTS: (\$Millions)</u> | | | | | | | |
| 1 | Operating Revenues | 383.4 | 431.3 | 1,763.1 | 1,810.9 | 1,813.6 | 1,785.5 | 1,759.9 |
| 2 | Operating Expenses | 444.5 | 470.9 | 1,827.8 | 1,854.3 | 1,839.8 | 1,814.5 | 1,772.2 |
| 3 | Operating Profit (Loss) | -61.1 | -39.7 | -64.8 | -43.4 | -26.2 | -29.1 | -12.4 |
| 4 | Net Income (Loss) | -14.5 | -22.5 | -10.1 | -18.2 | -22.0 | -20.8 | -64.3 |
| | <u>TRAFFIC: (Billions)</u> | | | | | | | |
| 5 | RPMs - Scheduled Rev. Svc. | 2.73 | 2.90 | 12.23 | 12.40 | 12.30 | 12.06 | 11.98 |
| 6 | ASMs - Scheduled Rev. Svc. | 4.10 | 4.38 | 17.88 | 18.16 | 17.97 | 17.49 | 17.30 |
| 7 | Overall RTMs (All Svc.) | 0.29 | 0.31 | 1.29 | 1.31 | 1.30 | 1.27 | 1.27 |
| 8 | Overall ATMs (All Svc.) | 0.54 | 0.57 | 2.34 | 2.37 | 2.35 | 2.29 | 2.27 |
| | <u>YIELD & UNIT COST & PROFITS: (Cents)</u> | | | | | | | |
| 9 | Operating Revenue per RTM | 133.2 | 141.2 | 136.8 | 138.7 | 139.8 | 140.2 | 139.0 |
| 10 | Operating Expense per RTM | 154.4 | 154.2 | 141.9 | 142.0 | 141.8 | 142.5 | 140.0 |
| 11 | Operating Profit (Loss) per RTM | -21.2 | -13.0 | -5.0 | -3.3 | -2.0 | -2.3 | -1.0 |
| 12 | Operating Expense per ATM | 82.2 | 82.4 | 78.1 | 78.2 | 78.3 | 79.2 | 78.0 |
| 13 | Passenger Revenue per RPM | 12.31 | 13.33 | 12.80 | 13.03 | 13.21 | 13.28 | 13.17 |
| | <u>FINANCIAL RATIOS:</u> | | | | | | | |
| 14 | Operating Revenues to Total Investment | * | * | 1.21 | 1.33 | 1.47 | 1.54 | 1.58 |
| 15 | Times Interest Earned | * | * | 0.68 | 0.11 | 0.09 | 0.00 | 0.66 |
| 16 | Current Assets to Current Liabilities | * | * | 1.29 | 1.44 | 1.07 | 1.12 | 1.24 |
| 17 | No. of Days Cash Coverage of Cash Exp. | * | * | 139.8 | 138.6 | 77.4 | 82.8 | 99.8 |
| | <u>FINANCIAL PERCENTAGES:</u> | | | | | | | |
| 18 | Operating Profit (Loss) to Operating Revenue | -15.9 | -9.2 | -3.7 | -2.4 | -1.4 | -1.6 | -0.7 |
| 19 | Net Income to Stockholders Equity | * | * | -1.5 | -2.7 | -3.3 | -3.2 | -10.0 |
| 20 | Corporate Return on Investment | * | * | 2.3 | 1.4 | 0.9 | 0.7 | -3.6 |
| 21 | Debt to Total Investment | * | * | 56.8 | 56.2 | 50.3 | 47.4 | 49.0 |
| | <u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u> | | | | | | | |
| 22 | Actual | 66.5 | 66.2 | 68.4 | 68.3 | 68.5 | 68.9 | 69.3 |
| 23 | Breakeven | 83.6 | 76.3 | 74.6 | 73.1 | 72.3 | 72.9 | 72.5 |
| | <u>Employment & Productivity:</u> | | | | | | | |
| 24 | Employment, Total Weighted Avg CY | 9,261 | 9,032 | 9,441 | 9,384 | 9,176 | 8,921 | 8,687 |
| 25 | Overall RTM's per Employee (000) | 31.1 | 33.8 | 136.5 | 139.2 | 141.4 | 142.7 | 145.7 |

| | | CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER | | | | | | |
|----|--|---|-------|-------|-------|--------|--------|--------|
| 26 | Operating Revenues (%) | -11.1 | 5.3 | 0.2 | 4.2 | 4.9 | 4.2 | 3.8 |
| 27 | Operating Expenses (%) | -5.6 | 20.5 | 3.1 | 9.6 | 12.1 | 14.9 | 16.7 |
| 28 | Operating Profit (Loss) (in Millions \$) | -21.4 | -58.5 | -52.4 | -89.5 | -114.4 | -164.6 | -189.1 |
| 29 | Net Income (Loss)(in Millions \$) | 8.0 | -37.8 | 54.2 | 8.2 | -26.9 | -56.4 | -183.7 |
| 30 | RPMs (Sch. Svc.) (%) | -5.9 | 2.4 | 2.1 | 4.1 | 2.9 | 1.5 | 1.8 |
| 31 | ASMs (Sch. Svc.) (%) | -6.3 | 1.6 | 3.4 | 5.4 | 3.4 | 0.4 | -0.1 |
| 32 | Operating Revenues per RTM (%) | -5.7 | 3.4 | -1.6 | 0.6 | 2.4 | 3.2 | 2.5 |
| 33 | Operating Expense per RTM (%) | 0.1 | 18.4 | 1.4 | 5.7 | 9.5 | 13.9 | 15.2 |
| 34 | Passenger Revenue per RPM (Sch. Svc.)(%) | -7.7 | 7.2 | -2.8 | 0.6 | 3.3 | 4.8 | 4.7 |

QUARTERLY FINANCIAL & TRAFFIC REVIEW
SYSTEM OPERATIONS
AMERICA WEST AIRLINES

| ITEMS | | QUARTER ENDED | | 12 MONTHS ENDED | | | | |
|---|--|---------------|---------|-----------------|---------|---------|---------|---------|
| | | 2001/12 | 2000/12 | 2001/12 | 2001/09 | 2001/06 | 2001/03 | 2000/12 |
| <u>FINANCIAL RESULTS: (\$Millions)</u> | | | | | | | | |
| 1 | Operating Revenues | 394.3 | 566.8 | 2,035.5 | 2,208.0 | 2,308.4 | 2,340.4 | 2,309.3 |
| 2 | Operating Expenses | 532.3 | 639.7 | 2,355.6 | 2,463.0 | 2,463.4 | 2,390.3 | 2,322.1 |
| 3 | Operating Profit (Loss) | -138.1 | -72.9 | -320.1 | -255.0 | -155.0 | -49.9 | -12.7 |
| 4 | Net Income (Loss) | -61.0 | -43.6 | -148.4 | -131.0 | -100.7 | -29.1 | -0.5 |
| <u>TRAFFIC: (Billions)</u> | | | | | | | | |
| 5 | RPMs - Scheduled Rev. Svc. | 4.02 | 4.73 | 19.06 | 19.76 | 19.83 | 19.66 | 19.10 |
| 6 | ASMs - Scheduled Rev. Svc. | 5.88 | 6.90 | 26.50 | 27.53 | 27.72 | 27.65 | 27.08 |
| 7 | Overall RTMs (All Svc.) | 0.42 | 0.49 | 1.98 | 2.06 | 2.07 | 2.05 | 1.99 |
| 8 | Overall ATMs (All Svc.) | 0.78 | 0.89 | 3.47 | 3.59 | 3.60 | 3.56 | 3.46 |
| <u>YIELD & UNIT COST & PROFITS: (Cents)</u> | | | | | | | | |
| 9 | Operating Revenue per RTM | 94.3 | 114.7 | 102.6 | 107.2 | 111.7 | 114.2 | 115.9 |
| 10 | Operating Expense per RTM | 127.3 | 129.5 | 118.8 | 119.6 | 119.2 | 116.7 | 116.5 |
| 11 | Operating Profit (Loss) per RTM | -33.0 | -14.8 | -16.1 | -12.4 | -7.5 | -2.4 | -0.6 |
| 12 | Operating Expense per ATM | 68.6 | 71.6 | 67.8 | 68.6 | 68.5 | 67.1 | 67.0 |
| 13 | Passenger Revenue per RPM | 9.32 | 11.38 | 10.14 | 10.61 | 11.01 | 11.26 | 11.39 |
| <u>FINANCIAL RATIOS:</u> | | | | | | | | |
| 14 | Operating Revenues to Total Investment | * | * | 1.80 | 1.94 | 2.07 | 2.07 | 2.04 |
| 15 | Times Interest Earned | * | * | -5.60 | -5.41 | -4.69 | -0.61 | 1.66 |
| 16 | Current Assets to Current Liabilities | * | * | 0.86 | 0.97 | 1.00 | 1.08 | 1.08 |
| 17 | No. of Days Cash Coverage of Cash Exp. | * | * | 23.9 | 21.2 | 24.8 | 20.7 | 30.8 |
| <u>FINANCIAL PERCENTAGES:</u> | | | | | | | | |
| 18 | Operating Profit (Loss) to Operating Revenue | -35.0 | -12.9 | -15.7 | -11.5 | -6.7 | -2.1 | -0.6 |
| 19 | Net Income to Stockholders Equity | * | * | -18.1 | -15.2 | -11.4 | -3.2 | -0.1 |
| 20 | Corporate Return on Investment | * | * | -10.1 | -8.8 | -6.7 | -0.4 | 2.0 |
| 21 | Debt to Total Investment | * | * | 31.8 | 37.6 | 19.2 | 20.5 | 25.7 |
| <u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u> | | | | | | | | |
| 22 | Actual | 68.5 | 68.4 | 71.9 | 71.8 | 71.6 | 71.1 | 70.5 |
| 23 | Breakeven | 99.0 | 80.4 | 87.2 | 83.4 | 79.1 | 74.6 | 72.7 |
| <u>Employment & Productivity:</u> | | | | | | | | |
| 24 | Employment, Total Weighted Avg CY | 9,790 | 10,992 | 10,858 | 11,159 | 11,065 | 10,833 | 10,518 |
| 25 | Overall RTM's per Employee (000) | 42.7 | 44.9 | 182.7 | 184.5 | 186.8 | 189.1 | 189.4 |

| | | CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER | | | | | | |
|----|--|---|--------|--------|--------|--------|--------|--------|
| 26 | Operating Revenues (%) | -30.5 | 1.7 | -11.9 | -4.0 | 2.4 | 6.2 | 6.7 |
| 27 | Operating Expenses (%) | -16.8 | 22.8 | 1.4 | 11.8 | 16.3 | 17.0 | 18.1 |
| 28 | Operating Profit (Loss) (in Millions \$) | -65.2 | -109.0 | -307.4 | -351.3 | -291.1 | -210.8 | -210.6 |
| 29 | Net Income (Loss)(in Millions \$) | -17.4 | -72.5 | -147.9 | -202.9 | -194.7 | -136.3 | -117.1 |
| 30 | RPMs (Sch. Svc.) (%) | -14.9 | 4.2 | -0.2 | 4.5 | 6.9 | 9.3 | 8.0 |
| 31 | ASMs (Sch. Svc.) (%) | -14.9 | 5.1 | -2.1 | 3.0 | 5.0 | 6.1 | 4.7 |
| 32 | Operating Revenues per RTM (%) | -17.8 | -1.6 | -11.5 | -7.8 | -3.7 | -1.9 | -0.1 |
| 33 | Operating Expense per RTM (%) | -1.7 | 18.8 | 2.0 | 7.3 | 9.4 | 8.2 | 10.5 |
| 34 | Passenger Revenue per RPM (Sch. Svc.)(%) | -18.1 | -0.5 | -11.0 | -6.9 | -3.3 | -1.7 | -0.4 |

QUARTERLY FINANCIAL & TRAFFIC REVIEW
SYSTEM OPERATIONS
AMERICAN AIRLINES

| ITEMS | | QUARTER ENDED | | 12 MONTHS ENDED | | | | |
|-------|---|---------------|---------|-----------------|----------|----------|----------|----------|
| | | 2001/12 | 2000/12 | 2001/12 | 2001/09 | 2001/06 | 2001/03 | 2000/12 |
| | <u>FINANCIAL RESULTS: (\$Millions)</u> | | | | | | | |
| 1 | Operating Revenues | 3,056.5 | 4,472.3 | 15,638.8 | 17,054.6 | 18,085.7 | 18,292.7 | 18,117.1 |
| 2 | Operating Expenses | 3,865.5 | 4,401.3 | 18,196.6 | 18,732.5 | 18,175.1 | 17,230.7 | 16,874.1 |
| 3 | Operating Profit (Loss) | -808.9 | 71.0 | -2,557.8 | -1,677.9 | -89.4 | 1,062.0 | 1,243.0 |
| 4 | Net Income (Loss) | -534.5 | 33.2 | -1,317.2 | -749.5 | -142.5 | 618.2 | 778.0 |
| | <u>TRAFFIC: (Billions)</u> | | | | | | | |
| 5 | RPMs - Scheduled Rev. Svc. | 22.09 | 27.52 | 106.15 | 111.58 | 115.00 | 115.95 | 116.51 |
| 6 | ASMs - Scheduled Rev. Svc. | 34.09 | 39.47 | 152.92 | 158.30 | 160.79 | 159.87 | 160.91 |
| 7 | Overall RTMs (All Svc.) | 2.65 | 3.34 | 12.69 | 13.38 | 13.80 | 13.89 | 13.95 |
| 8 | Overall ATMs (All Svc.) | 5.71 | 6.52 | 25.54 | 26.35 | 26.57 | 26.16 | 25.95 |
| | <u>YIELD & UNIT COST & PROFITS: (Cents)</u> | | | | | | | |
| 9 | Operating Revenue per RTM | 115.5 | 133.8 | 123.3 | 127.4 | 131.0 | 131.7 | 129.9 |
| 10 | Operating Expense per RTM | 146.1 | 131.7 | 143.4 | 140.0 | 131.7 | 124.0 | 121.0 |
| 11 | Operating Profit (Loss) per RTM | -30.6 | 2.1 | -20.2 | -12.5 | -0.6 | 7.6 | 8.9 |
| 12 | Operating Expense per ATM | 67.7 | 67.5 | 71.2 | 71.1 | 68.4 | 65.9 | 65.0 |
| 13 | Passenger Revenue per RPM | 12.45 | 14.67 | 13.27 | 13.78 | 14.19 | 14.26 | 14.05 |
| | <u>FINANCIAL RATIOS:</u> | | | | | | | |
| 14 | Operating Revenues to Total Investment | * | * | 1.27 | 1.46 | 1.61 | 1.64 | 1.62 |
| 15 | Times Interest Earned | * | * | -12.08 | -10.13 | -1.67 | 53.14 | -190.98 |
| 16 | Current Assets to Current Liabilities | * | * | 1.26 | 0.99 | 0.64 | 0.65 | 0.65 |
| 17 | No. of Days Cash Coverage of Cash Exp. | * | * | 63.8 | 48.0 | 30.2 | 32.6 | 37.8 |
| | <u>FINANCIAL PERCENTAGES:</u> | | | | | | | |
| 18 | Operating Profit (Loss) to Operating Revenue | -26.5 | 1.6 | -16.4 | -9.8 | -0.5 | 5.8 | 6.9 |
| 19 | Net Income to Stockholders Equity | * | * | -20.2 | -11.0 | -2.1 | 8.7 | 10.7 |
| 20 | Corporate Return on Investment | * | * | -9.4 | -5.6 | -0.8 | 5.7 | 6.9 |
| 21 | Debt to Total Investment | * | * | 56.1 | 48.0 | 46.9 | 41.0 | 38.8 |
| | <u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u> | | | | | | | |
| 22 | Actual | 64.8 | 69.7 | 69.4 | 70.5 | 71.5 | 72.5 | 72.4 |
| 23 | Breakeven | 88.8 | 70.9 | 83.6 | 79.3 | 72.3 | 70.2 | 69.3 |
| | <u>Employment & Productivity:</u> | | | | | | | |
| 24 | Employment, Total Weighted Avg CY | 79,940 | 85,802 | 85,243 | 86,708 | 86,004 | 84,974 | 83,855 |
| 25 | Overall RTM's per Employee (000) | 33.1 | 39.0 | 148.8 | 154.4 | 160.5 | 163.5 | 166.4 |

| | | CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER | | | | | | |
|----|--|---|--------|----------|----------|----------|--------|-------|
| 26 | Operating Revenues (%) | -31.7 | 8.2 | -13.7 | -4.1 | 5.1 | 9.7 | 12.6 |
| 27 | Operating Expenses (%) | -12.2 | 13.1 | 7.8 | 14.5 | 14.2 | 11.1 | 11.8 |
| 28 | Operating Profit (Loss) (in Millions \$) | -879.9 | -173.0 | -3,800.8 | -3,093.9 | -1,370.7 | -100.6 | 239.2 |
| 29 | Net Income (Loss)(in Millions \$) | -567.7 | -122.6 | -2,095.2 | -1,650.1 | -949.5 | -79.3 | 151.7 |
| 30 | RPMs (Sch. Svc.) (%) | -19.7 | 0.0 | -8.9 | -4.2 | 0.2 | 3.0 | 5.8 |
| 31 | ASMs (Sch. Svc.) (%) | -13.6 | -3.3 | -5.0 | -2.4 | -1.0 | -1.1 | 1.7 |
| 32 | Operating Revenues per RTM (%) | -13.7 | 8.2 | -5.1 | -0.1 | 4.6 | 6.3 | 5.8 |
| 33 | Operating Expense per RTM (%) | 10.9 | 13.1 | 18.5 | 19.4 | 13.6 | 7.5 | 5.1 |
| 34 | Passenger Revenue per RPM (Sch. Svc.)(%) | -15.1 | 8.1 | -5.6 | -0.1 | 5.0 | 7.1 | 7.1 |

QUARTERLY FINANCIAL & TRAFFIC REVIEW
SYSTEM OPERATIONS
AMERICAN EAGLE AIRLINES

| ITEMS | | QUARTER ENDED | | 12 MONTHS ENDED | | | | |
|-------|---|---------------|---------|-----------------|---------|---------|---------|---------|
| | | 2001/12 | 2000/12 | 2001/12 | 2001/09 | 2001/06 | 2001/03 | 2000/12 |
| | <u>FINANCIAL RESULTS: (\$Millions)</u> | | | | | | | |
| 1 | Operating Revenues | 252.5 | 318.4 | 1,244.0 | 1,309.9 | 1,343.3 | 1,286.9 | 1,245.8 |
| 2 | Operating Expenses | 319.4 | 319.7 | 1,500.0 | 1,500.3 | 1,395.3 | 1,230.3 | 1,183.7 |
| 3 | Operating Profit (Loss) | -66.9 | -1.3 | -255.9 | -190.4 | -52.0 | 56.6 | 62.1 |
| 4 | Net Income (Loss) | -56.9 | -16.8 | -226.2 | -186.1 | -93.5 | -23.3 | -21.5 |
| | <u>TRAFFIC: (Billions)</u> | | | | | | | |
| 5 | RPMs - Scheduled Rev. Svc. | 0.78 | 0.79 | 3.28 | 3.29 | 3.29 | 3.18 | 3.14 |
| 6 | ASMs - Scheduled Rev. Svc. | 1.37 | 1.33 | 5.67 | 5.64 | 5.54 | 5.33 | 5.15 |
| 7 | Overall RTMs (All Svc.) | 0.08 | 0.08 | 0.33 | 0.33 | 0.33 | 0.32 | 0.32 |
| 8 | Overall ATMs (All Svc.) | 0.16 | 0.15 | 0.66 | 0.65 | 0.64 | 0.61 | 0.59 |
| | <u>YIELD & UNIT COST & PROFITS: (Cents)</u> | | | | | | | |
| 9 | Operating Revenue per RTM | 321.0 | 400.1 | 377.5 | 396.4 | 407.1 | 402.6 | 394.5 |
| 10 | Operating Expense per RTM | 406.1 | 401.8 | 455.2 | 454.0 | 422.9 | 384.9 | 374.9 |
| 11 | Operating Profit (Loss) per RTM | -85.1 | -1.7 | -77.7 | -57.6 | -15.8 | 17.7 | 19.7 |
| 12 | Operating Expense per ATM | 200.6 | 211.7 | 228.2 | 231.1 | 219.5 | 201.6 | 201.5 |
| 13 | Passenger Revenue per RPM | 30.69 | 38.82 | 36.43 | 38.38 | 39.43 | 38.93 | 38.14 |
| | <u>FINANCIAL RATIOS:</u> | | | | | | | |
| 14 | Operating Revenues to Total Investment | * | * | 0.47 | 0.50 | 0.51 | 0.50 | 0.56 |
| 15 | Times Interest Earned | * | * | -4.19 | -3.79 | -1.58 | 0.59 | 0.69 |
| 16 | Current Assets to Current Liabilities | * | * | 0.24 | 0.75 | 0.81 | 0.88 | 1.03 |
| 17 | No. of Days Cash Coverage of Cash Exp. | * | * | 1.7 | 10.0 | 29.9 | 43.4 | 65.9 |
| | <u>FINANCIAL PERCENTAGES:</u> | | | | | | | |
| 18 | Operating Profit (Loss) to Operating Revenue | -26.5 | -0.4 | -20.6 | -14.5 | -3.9 | 4.4 | 5.0 |
| 19 | Net Income to Stockholders Equity | * | * | -132.3 | -86.7 | -37.9 | -8.9 | -8.0 |
| 20 | Corporate Return on Investment | * | * | -6.0 | -4.9 | -1.6 | 0.9 | 1.0 |
| 21 | Debt to Total Investment | * | * | 98.1 | 96.1 | 93.2 | 90.7 | 90.0 |
| | <u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u> | | | | | | | |
| 22 | Actual | 57.5 | 59.4 | 57.8 | 58.3 | 59.3 | 59.7 | 61.1 |
| 23 | Breakeven | 75.3 | 59.7 | 71.5 | 68.1 | 61.9 | 56.7 | 57.6 |
| | <u>Employment & Productivity:</u> | | | | | | | |
| 24 | Employment, Total Weighted Avg CY | 7,907 | 8,120 | 8,302 | 8,355 | 8,192 | 13,972 | 13,796 |
| 25 | Overall RTM's per Employee (000) | 9.9 | 9.8 | 39.7 | 39.6 | 40.3 | 22.9 | 22.9 |

| | | CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER | | | | | | |
|----|--|---|-------|--------|--------|--------|-------|-------|
| 26 | Operating Revenues (%) | -20.7 | 18.5 | -0.1 | 9.5 | 18.3 | 18.6 | 20.2 |
| 27 | Operating Expenses (%) | -0.1 | 28.1 | 26.7 | 34.7 | 30.5 | 19.9 | 20.5 |
| 28 | Operating Profit (Loss) (in Millions \$) | -65.6 | -20.5 | -318.0 | -272.9 | -118.2 | -1.9 | 7.7 |
| 29 | Net Income (Loss)(in Millions \$) | -40.1 | -23.1 | -204.7 | -187.8 | -97.9 | -31.5 | -39.9 |
| 30 | RPMs (Sch. Svc.) (%) | -1.0 | 10.5 | 4.4 | 7.2 | 11.7 | 49.2 | 56.5 |
| 31 | ASMs (Sch. Svc.) (%) | 2.4 | 13.4 | 10.2 | 13.1 | 15.9 | 51.5 | 55.7 |
| 32 | Operating Revenues per RTM (%) | -19.8 | 7.4 | -4.3 | 2.2 | 6.0 | -16.4 | -19.0 |
| 33 | Operating Expense per RTM (%) | 1.1 | 16.1 | 21.4 | 25.7 | 16.9 | -15.5 | -18.7 |
| 34 | Passenger Revenue per RPM (Sch. Svc.)(%) | -20.9 | 8.1 | -4.5 | 2.5 | 6.4 | -20.2 | -22.8 |

QUARTERLY FINANCIAL & TRAFFIC REVIEW
SYSTEM OPERATIONS
AMERICAN TRANS AIR

| ITEMS | | QUARTER ENDED | | 12 MONTHS ENDED | | | | |
|-------|---|---------------|---------|-----------------|---------|---------|---------|---------|
| | | 2001/12 | 2000/12 | 2001/12 | 2001/09 | 2001/06 | 2001/03 | 2000/12 |
| | <u>FINANCIAL RESULTS: (\$Millions)</u> | | | | | | | |
| 1 | Operating Revenues | 223.9 | 264.2 | 1,154.3 | 1,194.6 | 1,221.9 | 1,202.0 | 1,182.1 |
| 2 | Operating Expenses | 335.3 | 290.9 | 1,238.8 | 1,194.4 | 1,212.5 | 1,187.6 | 1,162.8 |
| 3 | Operating Profit (Loss) | -111.4 | -26.7 | -84.5 | 0.1 | 9.4 | 14.3 | 19.3 |
| 4 | Net Income (Loss) | -78.6 | -22.9 | -78.0 | -22.3 | -15.5 | -11.7 | -5.6 |
| | <u>TRAFFIC: (Billions)</u> | | | | | | | |
| 5 | RPMs - Scheduled Rev. Svc. | 1.80 | 1.82 | 8.32 | 8.35 | 8.02 | 7.77 | 7.49 |
| 6 | ASMs - Scheduled Rev. Svc. | 2.49 | 2.55 | 10.82 | 10.88 | 10.53 | 10.18 | 9.80 |
| 7 | Overall RTMs (All Svc.) | 0.23 | 0.23 | 1.13 | 1.12 | 1.06 | 1.01 | 0.99 |
| 8 | Overall ATMs (All Svc.) | 0.40 | 0.33 | 1.77 | 1.70 | 1.55 | 1.40 | 1.31 |
| | <u>YIELD & UNIT COST & PROFITS: (Cents)</u> | | | | | | | |
| 9 | Operating Revenue per RTM | 97.0 | 115.5 | 102.6 | 106.4 | 114.8 | 119.4 | 119.4 |
| 10 | Operating Expense per RTM | 145.2 | 127.2 | 110.1 | 106.4 | 114.0 | 118.0 | 117.4 |
| 11 | Operating Profit (Loss) per RTM | -48.2 | -11.7 | -7.5 | 0.0 | 0.9 | 1.4 | 2.0 |
| 12 | Operating Expense per ATM | 84.3 | 89.3 | 70.1 | 70.4 | 78.4 | 84.8 | 88.6 |
| 13 | Passenger Revenue per RPM | 8.51 | 9.48 | 9.35 | 9.55 | 9.95 | 9.96 | 10.02 |
| | <u>FINANCIAL RATIOS:</u> | | | | | | | |
| 14 | Operating Revenues to Total Investment | * | * | 1.92 | 2.01 | 2.27 | 2.35 | 2.44 |
| 15 | Times Interest Earned | * | * | -3.34 | -0.20 | 0.28 | 0.52 | 0.83 |
| 16 | Current Assets to Current Liabilities | * | * | 0.93 | 0.93 | 0.59 | 0.60 | 0.63 |
| 17 | No. of Days Cash Coverage of Cash Exp. | * | * | 67.7 | 55.5 | 36.5 | 43.5 | 46.8 |
| | <u>FINANCIAL PERCENTAGES:</u> | | | | | | | |
| 18 | Operating Profit (Loss) to Operating Revenue | -49.7 | -10.1 | -7.3 | 0.0 | 0.8 | 1.2 | 1.6 |
| 19 | Net Income to Stockholders Equity | * | * | -96.6 | -22.2 | -15.1 | -11.2 | -5.2 |
| 20 | Corporate Return on Investment | * | * | -8.4 | 0.7 | 2.0 | 2.9 | 4.1 |
| 21 | Debt to Total Investment | * | * | 96.1 | 86.8 | 84.1 | 84.1 | 82.6 |
| | <u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u> | | | | | | | |
| 22 | Actual | 72.1 | 71.4 | 76.9 | 76.7 | 76.1 | 76.3 | 76.4 |
| 23 | Breakeven | 130.5 | 87.2 | 86.2 | 77.5 | 75.9 | 75.6 | 75.1 |
| | <u>Employment & Productivity:</u> | | | | | | | |
| 24 | Employment, Total Weighted Avg CY | 6,132 | 6,912 | 6,792 | 6,987 | 6,947 | 6,781 | 6,488 |
| 25 | Overall RTM's per Employee (000) | 37.7 | 33.1 | 165.7 | 160.7 | 153.2 | 148.5 | 152.6 |

| | | CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER | | | | | | |
|----|--|---|-------|--------|-------|-------|-------|-------|
| 26 | Operating Revenues (%) | -15.3 | 16.7 | -2.4 | 4.4 | 11.4 | 15.4 | 18.1 |
| 27 | Operating Expenses (%) | 15.2 | 28.3 | 6.5 | 8.7 | 16.8 | 21.6 | 27.1 |
| 28 | Operating Profit (Loss) (in Millions \$) | -84.7 | -26.4 | -103.8 | -45.6 | -49.3 | -50.9 | -67.0 |
| 29 | Net Income (Loss)(in Millions \$) | -55.7 | -16.8 | -72.4 | -33.6 | -38.1 | -40.5 | -48.9 |
| 30 | RPMs (Sch. Svc.) (%) | -1.4 | 13.6 | 11.1 | 14.8 | 9.9 | 10.3 | 10.0 |
| 31 | ASMs (Sch. Svc.) (%) | -2.3 | 19.4 | 10.4 | 15.9 | 12.5 | 11.9 | 11.7 |
| 32 | Operating Revenues per RTM (%) | -16.0 | 10.2 | -14.1 | -9.1 | 5.1 | 14.0 | 20.5 |
| 33 | Operating Expense per RTM (%) | 14.2 | 21.1 | -6.2 | -5.3 | 10.3 | 20.2 | 29.6 |
| 34 | Passenger Revenue per RPM (Sch. Svc.)(%) | -10.2 | 7.8 | -6.7 | -3.3 | 4.2 | 6.2 | 1.1 |

QUARTERLY FINANCIAL & TRAFFIC REVIEW
SYSTEM OPERATIONS
CONTINENTAL AIR LINES

| ITEMS | | QUARTER ENDED | | 12 MONTHS ENDED | | | | |
|-------|---|---------------|---------|-----------------|---------|---------|---------|---------|
| | | 2001/12 | 2000/12 | 2001/12 | 2001/09 | 2001/06 | 2001/03 | 2000/12 |
| | <u>FINANCIAL RESULTS: (\$Millions)</u> | | | | | | | |
| 1 | Operating Revenues | 1,538.4 | 2,310.5 | 8,199.7 | 8,971.8 | 9,457.1 | 9,576.3 | 9,449.2 |
| 2 | Operating Expenses | 1,879.7 | 2,211.2 | 8,522.2 | 8,853.7 | 8,927.8 | 8,921.9 | 8,860.0 |
| 3 | Operating Profit (Loss) | -341.3 | 99.3 | -322.5 | 118.1 | 529.3 | 654.4 | 589.1 |
| 4 | Net Income (Loss) | -154.7 | 39.5 | -97.5 | 96.8 | 213.7 | 309.7 | 308.1 |
| | <u>TRAFFIC: (Billions)</u> | | | | | | | |
| 5 | RPMs - Scheduled Rev. Svc. | 12.36 | 15.18 | 59.15 | 61.96 | 63.52 | 63.48 | 63.53 |
| 6 | ASMs - Scheduled Rev. Svc. | 17.50 | 21.07 | 81.27 | 84.83 | 85.85 | 85.13 | 84.85 |
| 7 | Overall RTMs (All Svc.) | 1.42 | 1.78 | 6.73 | 7.10 | 7.32 | 7.35 | 7.37 |
| 8 | Overall ATMs (All Svc.) | 2.26 | 2.74 | 10.47 | 10.96 | 11.19 | 11.18 | 11.18 |
| | <u>YIELD & UNIT COST & PROFITS: (Cents)</u> | | | | | | | |
| 9 | Operating Revenue per RTM | 108.6 | 129.9 | 121.8 | 126.4 | 129.3 | 130.4 | 128.2 |
| 10 | Operating Expense per RTM | 132.6 | 124.3 | 126.6 | 124.8 | 122.0 | 121.4 | 120.2 |
| 11 | Operating Profit (Loss) per RTM | -24.1 | 5.6 | -4.8 | 1.7 | 7.2 | 8.9 | 8.0 |
| 12 | Operating Expense per ATM | 83.1 | 80.6 | 81.4 | 80.8 | 79.8 | 79.8 | 79.2 |
| 13 | Passenger Revenue per RPM | 11.27 | 13.35 | 12.44 | 12.89 | 13.18 | 13.31 | 13.11 |
| | <u>FINANCIAL RATIOS:</u> | | | | | | | |
| 14 | Operating Revenues to Total Investment | * | * | 1.47 | 1.67 | 1.82 | 1.87 | 1.85 |
| 15 | Times Interest Earned | * | * | 0.48 | 1.89 | 2.89 | 3.63 | 3.48 |
| 16 | Current Assets to Current Liabilities | * | * | 0.64 | 0.69 | 0.67 | 0.65 | 0.85 |
| 17 | No. of Days Cash Coverage of Cash Exp. | * | * | 47.7 | 48.5 | 40.2 | 40.1 | 60.1 |
| | <u>FINANCIAL PERCENTAGES:</u> | | | | | | | |
| 18 | Operating Profit (Loss) to Operating Revenue | -22.2 | 4.3 | -3.9 | 1.3 | 5.6 | 6.8 | 6.2 |
| 19 | Net Income to Stockholders Equity | * | * | -7.0 | 6.7 | 14.2 | 20.2 | 19.1 |
| 20 | Corporate Return on Investment | * | * | 2.7 | 5.8 | 8.1 | 10.1 | 10.2 |
| 21 | Debt to Total Investment | * | * | 76.9 | 75.2 | 74.2 | 75.0 | 74.0 |
| | <u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u> | | | | | | | |
| 22 | Actual | 70.6 | 72.0 | 72.8 | 73.0 | 74.0 | 74.6 | 74.9 |
| 23 | Breakeven | 86.9 | 70.4 | 76.4 | 73.0 | 70.7 | 70.5 | 71.4 |
| | <u>Employment & Productivity:</u> | | | | | | | |
| 24 | Employment, Total Weighted Avg CY | 31,716 | 35,969 | 35,448 | 36,511 | 36,307 | 35,902 | 35,588 |
| 25 | Overall RTM's per Employee (000) | 44.7 | 49.5 | 190.0 | 194.3 | 201.5 | 204.6 | 207.1 |

| | | CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER | | | | | | |
|----|--|---|--------|--------|--------|--------|-------|--------|
| 26 | Operating Revenues (%) | -33.4 | 12.0 | -13.2 | -2.5 | 6.4 | 11.9 | 12.7 |
| 27 | Operating Expenses (%) | -15.0 | 5.2 | -3.8 | 1.2 | 4.8 | 8.6 | 11.7 |
| 28 | Operating Profit (Loss) (in Millions \$) | -440.6 | 138.0 | -911.6 | -333.0 | 158.3 | 309.7 | 140.0 |
| 29 | Net Income (Loss)(in Millions \$) | -194.2 | -110.7 | -405.6 | -322.0 | -167.6 | -62.7 | -141.5 |
| 30 | RPMs (Sch. Svc.) (%) | -18.6 | 2.5 | -6.9 | -1.9 | 2.2 | 4.8 | 6.8 |
| 31 | ASMs (Sch. Svc.) (%) | -16.9 | 1.9 | -4.2 | 0.4 | 2.6 | 3.2 | 4.8 |
| 32 | Operating Revenues per RTM (%) | -16.4 | 10.6 | -5.0 | 1.0 | 5.3 | 7.4 | 5.4 |
| 33 | Operating Expense per RTM (%) | 6.7 | 3.9 | 5.3 | 4.9 | 3.7 | 4.2 | 4.5 |
| 34 | Passenger Revenue per RPM (Sch. Svc.)(%) | -15.6 | 10.1 | -5.1 | 0.5 | 5.5 | 8.7 | 7.8 |

QUARTERLY FINANCIAL & TRAFFIC REVIEW
SYSTEM OPERATIONS
DELTA AIR LINES

| ITEMS | | QUARTER ENDED | | 12 MONTHS ENDED | | | | |
|-------|---|---------------|---------|-----------------|----------|----------|----------|----------|
| | | 2001/12 | 2000/12 | 2001/12 | 2001/09 | 2001/06 | 2001/03 | 2000/12 |
| | <u>FINANCIAL RESULTS: (\$Millions)</u> | | | | | | | |
| 1 | Operating Revenues | 2,673.4 | 3,713.6 | 13,211.2 | 14,251.4 | 15,031.9 | 15,294.4 | 15,320.9 |
| 2 | Operating Expenses | 3,231.5 | 3,581.4 | 14,183.2 | 14,533.1 | 14,526.7 | 14,235.6 | 13,861.5 |
| 3 | Operating Profit (Loss) | -558.1 | 132.1 | -972.0 | -281.8 | 505.2 | 1,058.7 | 1,459.4 |
| 4 | Net Income (Loss) | -705.0 | -37.4 | -1,107.1 | -439.5 | -144.7 | 316.5 | 686.5 |
| | <u>TRAFFIC: (Billions)</u> | | | | | | | |
| 5 | RPMs - Scheduled Rev. Svc. | 20.44 | 25.19 | 97.60 | 102.35 | 105.68 | 107.36 | 107.78 |
| 6 | ASMs - Scheduled Rev. Svc. | 32.09 | 36.46 | 141.28 | 145.66 | 147.62 | 147.34 | 147.06 |
| 7 | Overall RTMs (All Svc.) | 2.40 | 3.01 | 11.33 | 11.94 | 12.34 | 12.57 | 12.62 |
| 8 | Overall ATMs (All Svc.) | 4.90 | 5.51 | 21.49 | 22.09 | 22.37 | 22.28 | 22.17 |
| | <u>YIELD & UNIT COST & PROFITS: (Cents)</u> | | | | | | | |
| 9 | Operating Revenue per RTM | 111.3 | 123.5 | 116.6 | 119.4 | 121.8 | 121.7 | 121.4 |
| 10 | Operating Expense per RTM | 134.6 | 119.1 | 125.2 | 121.8 | 117.7 | 113.3 | 109.9 |
| 11 | Operating Profit (Loss) per RTM | -23.2 | 4.4 | -8.6 | -2.4 | 4.1 | 8.4 | 11.6 |
| 12 | Operating Expense per ATM | 65.9 | 65.0 | 66.0 | 65.8 | 64.9 | 63.9 | 62.5 |
| 13 | Passenger Revenue per RPM | 11.44 | 13.36 | 12.17 | 12.61 | 12.88 | 13.17 | 13.12 |
| | <u>FINANCIAL RATIOS:</u> | | | | | | | |
| 14 | Operating Revenues to Total Investment | * | * | 1.13 | 1.24 | 1.36 | 1.40 | 1.41 |
| 15 | Times Interest Earned | * | * | -3.37 | -0.83 | 0.93 | 2.76 | 4.11 |
| 16 | Current Assets to Current Liabilities | * | * | 0.63 | 0.65 | 0.56 | 0.57 | 0.40 |
| 17 | No. of Days Cash Coverage of Cash Exp. | * | * | 51.1 | 65.0 | 33.3 | 21.0 | 22.4 |
| | <u>FINANCIAL PERCENTAGES:</u> | | | | | | | |
| 18 | Operating Profit (Loss) to Operating Revenue | -20.9 | 3.6 | -7.4 | -2.0 | 3.4 | 6.9 | 9.5 |
| 19 | Net Income to Stockholders Equity | * | * | -22.2 | -8.4 | -2.7 | 6.1 | 13.3 |
| 20 | Corporate Return on Investment | * | * | -6.1 | -0.6 | 2.0 | 6.4 | 10.1 |
| 21 | Debt to Total Investment | * | * | 66.9 | 60.1 | 51.9 | 52.2 | 55.1 |
| | <u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u> | | | | | | | |
| 22 | Actual | 63.7 | 69.1 | 69.1 | 70.3 | 71.6 | 72.9 | 73.3 |
| 23 | Breakeven | 81.0 | 66.0 | 76.0 | 72.5 | 69.3 | 66.0 | 64.2 |
| | <u>Employment & Productivity:</u> | | | | | | | |
| 24 | Employment, Total Weighted Avg CY | 64,662 | 66,618 | 67,911 | 68,400 | 67,730 | 66,362 | 65,837 |
| 25 | Overall RTM's per Employee (000) | 37.1 | 45.1 | 166.8 | 174.5 | 182.2 | 189.4 | 191.6 |

| | | CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER | | | | | | |
|----|--|---|--------|----------|----------|----------|--------|--------|
| 26 | Operating Revenues (%) | -28.0 | 4.0 | -13.8 | -6.1 | 0.3 | 2.4 | 2.8 |
| 27 | Operating Expenses (%) | -9.8 | 9.2 | 2.3 | 7.2 | 8.7 | 7.2 | 5.2 |
| 28 | Operating Profit (Loss) (in Millions \$) | -690.2 | -160.1 | -2,431.4 | -1,901.3 | -1,109.7 | -591.5 | -270.6 |
| 29 | Net Income (Loss)(in Millions \$) | -667.6 | -388.8 | -1,793.6 | -1,514.8 | -1,515.4 | -984.1 | -598.0 |
| 30 | RPMs (Sch. Svc.) (%) | -18.8 | 0.2 | -9.5 | -5.0 | -1.0 | 2.4 | 2.9 |
| 31 | ASMs (Sch. Svc.) (%) | -12.0 | 0.8 | -3.9 | -0.8 | 0.8 | 1.4 | 1.7 |
| 32 | Operating Revenues per RTM (%) | -9.9 | 3.4 | -4.0 | -0.8 | 1.7 | 0.1 | -0.4 |
| 33 | Operating Expense per RTM (%) | 13.0 | 8.7 | 13.9 | 13.2 | 10.1 | 4.7 | 2.0 |
| 34 | Passenger Revenue per RPM (Sch. Svc.)(%) | -14.4 | 6.6 | -7.2 | -2.4 | 0.6 | 4.3 | 4.0 |

QUARTERLY FINANCIAL & TRAFFIC REVIEW
SYSTEM OPERATIONS
NORTHWEST AIRLINES

| ITEMS | | QUARTER ENDED | | 12 MONTHS ENDED | | | | |
|---|--|---------------|---------|-----------------|----------|----------|----------|----------|
| | | 2001/12 | 2000/12 | 2001/12 | 2001/09 | 2001/06 | 2001/03 | 2000/12 |
| <u>FINANCIAL RESULTS: (\$Millions)</u> | | | | | | | | |
| 1 | Operating Revenues | 1,928.3 | 2,638.6 | 9,591.8 | 10,302.1 | 10,856.7 | 11,048.3 | 10,956.6 |
| 2 | Operating Expenses | 2,324.9 | 2,633.0 | 10,388.4 | 10,696.5 | 10,736.8 | 10,632.9 | 10,293.1 |
| 3 | Operating Profit (Loss) | -396.6 | 5.6 | -796.6 | -394.5 | 119.9 | 415.4 | 663.5 |
| 4 | Net Income (Loss) | -182.1 | -44.8 | -418.1 | -280.8 | -98.4 | 85.8 | 269.9 |
| <u>TRAFFIC: (Billions)</u> | | | | | | | | |
| 5 | RPMs - Scheduled Rev. Svc. | 14.68 | 18.55 | 73.11 | 76.98 | 79.20 | 79.59 | 79.10 |
| 6 | ASMs - Scheduled Rev. Svc. | 21.11 | 25.11 | 98.33 | 102.33 | 103.88 | 103.78 | 103.32 |
| 7 | Overall RTMs (All Svc.) | 1.99 | 2.53 | 9.49 | 10.02 | 10.35 | 10.45 | 10.41 |
| 8 | Overall ATMs (All Svc.) | 3.53 | 4.11 | 16.04 | 16.63 | 16.76 | 16.66 | 16.50 |
| <u>YIELD & UNIT COST & PROFITS: (Cents)</u> | | | | | | | | |
| 9 | Operating Revenue per RTM | 96.9 | 104.4 | 101.1 | 102.8 | 104.9 | 105.8 | 105.2 |
| 10 | Operating Expense per RTM | 116.8 | 104.1 | 109.5 | 106.7 | 103.8 | 101.8 | 98.8 |
| 11 | Operating Profit (Loss) per RTM | -19.9 | 0.2 | -8.4 | -3.9 | 1.2 | 4.0 | 6.4 |
| 12 | Operating Expense per ATM | 65.9 | 64.1 | 64.7 | 64.3 | 64.1 | 63.8 | 62.4 |
| 13 | Passenger Revenue per RPM | 10.76 | 12.02 | 11.24 | 11.52 | 11.85 | 12.04 | 12.04 |
| <u>FINANCIAL RATIOS:</u> | | | | | | | | |
| 14 | Operating Revenues to Total Investment | * | * | 1.05 | 1.16 | 1.26 | 1.29 | 1.27 |
| 15 | Times Interest Earned | * | * | -0.93 | -0.34 | 0.56 | 1.51 | 2.41 |
| 16 | Current Assets to Current Liabilities | * | * | 0.86 | 0.92 | 0.62 | 0.71 | 0.52 |
| 17 | No. of Days Cash Coverage of Cash Exp. | * | * | 94.4 | 102.1 | 45.7 | 81.2 | 25.0 |
| <u>FINANCIAL PERCENTAGES:</u> | | | | | | | | |
| 18 | Operating Profit (Loss) to Operating Revenue | -20.6 | 0.2 | -8.3 | -3.8 | 1.1 | 3.8 | 6.1 |
| 19 | Net Income to Stockholders Equity | * | * | -8.7 | -5.7 | -2.0 | 1.7 | 5.5 |
| 20 | Corporate Return on Investment | * | * | -0.9 | 0.4 | 2.4 | 4.6 | 6.8 |
| 21 | Debt to Total Investment | * | * | 54.7 | 52.3 | 44.4 | 42.3 | 41.0 |
| <u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u> | | | | | | | | |
| 22 | Actual | 69.5 | 73.9 | 74.3 | 75.2 | 76.2 | 76.7 | 76.6 |
| 23 | Breakeven | 92.1 | 76.4 | 85.0 | 81.5 | 77.7 | 75.3 | 72.9 |
| <u>Employment & Productivity:</u> | | | | | | | | |
| 24 | Employment, Total Weighted Avg CY | 43,672 | 49,925 | 47,896 | 49,460 | 49,960 | 49,808 | 49,478 |
| 25 | Overall RTM's per Employee (000) | 45.6 | 50.6 | 198.1 | 202.7 | 207.1 | 209.7 | 210.5 |

| | | CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER | | | | | | |
|----|--|---|-------|----------|----------|--------|--------|--------|
| 26 | Operating Revenues (%) | -26.9 | 6.5 | -12.5 | -4.6 | 3.7 | 8.9 | 11.0 |
| 27 | Operating Expenses (%) | -11.7 | 11.0 | 0.9 | 6.6 | 10.8 | 13.5 | 13.1 |
| 28 | Operating Profit (Loss) (in Millions \$) | -402.2 | -98.3 | -1,460.1 | -1,156.4 | -653.9 | -356.3 | -105.3 |
| 29 | Net Income (Loss)(in Millions \$) | -137.3 | -62.2 | -688.0 | -612.9 | -411.7 | -219.5 | -17.9 |
| 30 | RPMs (Sch. Svc.) (%) | -20.9 | 4.3 | -7.6 | -1.7 | 2.6 | 5.3 | 6.7 |
| 31 | ASMs (Sch. Svc.) (%) | -15.9 | 3.0 | -4.8 | -0.3 | 2.0 | 2.8 | 3.9 |
| 32 | Operating Revenues per RTM (%) | -7.2 | 3.7 | -3.9 | -1.5 | 2.2 | 3.9 | 4.1 |
| 33 | Operating Expense per RTM (%) | 12.2 | 7.9 | 10.8 | 10.0 | 9.3 | 8.2 | 6.0 |
| 34 | Passenger Revenue per RPM (Sch. Svc.)(%) | -10.5 | 1.4 | -6.6 | -4.0 | 0.3 | 3.0 | 4.0 |

QUARTERLY FINANCIAL & TRAFFIC REVIEW
SYSTEM OPERATIONS
SOUTHWEST AIRLINES

| ITEMS | | QUARTER ENDED | | 12 MONTHS ENDED | | | | |
|-------|---|---------------|---------|-----------------|---------|---------|---------|---------|
| | | 2001/12 | 2000/12 | 2001/12 | 2001/09 | 2001/06 | 2001/03 | 2000/12 |
| | <u>FINANCIAL RESULTS: (\$Millions)</u> | | | | | | | |
| 1 | Operating Revenues | 1,237.7 | 1,467.4 | 5,555.2 | 5,785.0 | 5,928.7 | 5,835.6 | 5,649.6 |
| 2 | Operating Expenses | 1,200.5 | 1,217.1 | 4,924.1 | 4,940.7 | 4,877.4 | 4,760.7 | 4,629.1 |
| 3 | Operating Profit (Loss) | 37.2 | 250.3 | 631.2 | 844.3 | 1,051.3 | 1,074.9 | 1,020.5 |
| 4 | Net Income (Loss) | 63.5 | 154.7 | 511.2 | 602.3 | 635.6 | 650.6 | 603.1 |
| | <u>TRAFFIC: (Billions)</u> | | | | | | | |
| 5 | RPMs - Scheduled Rev. Svc. | 10.77 | 10.84 | 44.50 | 44.57 | 44.28 | 43.44 | 42.23 |
| 6 | ASMs - Scheduled Rev. Svc. | 16.69 | 15.71 | 65.40 | 64.42 | 63.35 | 61.65 | 59.94 |
| 7 | Overall RTMs (All Svc.) | 1.11 | 1.13 | 4.59 | 4.61 | 4.59 | 4.51 | 4.39 |
| 8 | Overall ATMs (All Svc.) | 2.28 | 1.99 | 8.77 | 8.48 | 8.18 | 7.80 | 7.58 |
| | <u>YIELD & UNIT COST & PROFITS: (Cents)</u> | | | | | | | |
| 9 | Operating Revenue per RTM | 111.7 | 130.3 | 121.0 | 125.5 | 129.2 | 129.4 | 128.8 |
| 10 | Operating Expense per RTM | 108.3 | 108.0 | 107.3 | 107.2 | 106.3 | 105.6 | 105.5 |
| 11 | Operating Profit (Loss) per RTM | 3.4 | 22.2 | 13.7 | 18.3 | 22.9 | 23.8 | 23.3 |
| 12 | Operating Expense per ATM | 52.7 | 61.3 | 56.1 | 58.3 | 59.6 | 61.1 | 61.0 |
| 13 | Passenger Revenue per RPM | 10.92 | 12.94 | 11.89 | 12.38 | 12.78 | 12.83 | 12.78 |
| | <u>FINANCIAL RATIOS:</u> | | | | | | | |
| 14 | Operating Revenues to Total Investment | * | * | 1.13 | 1.27 | 1.38 | 1.42 | 1.43 |
| 15 | Times Interest Earned | * | * | 17.80 | 24.90 | 24.94 | 25.64 | 25.03 |
| 16 | Current Assets to Current Liabilities | * | * | 1.12 | 0.91 | 0.81 | 0.70 | 0.64 |
| 17 | No. of Days Cash Coverage of Cash Exp. | * | * | 180.6 | 117.6 | 77.3 | 55.9 | 44.1 |
| | <u>FINANCIAL PERCENTAGES:</u> | | | | | | | |
| 18 | Operating Profit (Loss) to Operating Revenue | 3.0 | 17.1 | 11.4 | 14.6 | 17.7 | 18.4 | 18.1 |
| 19 | Net Income to Stockholders Equity | * | * | 13.5 | 16.7 | 18.5 | 20.2 | 19.7 |
| 20 | Corporate Return on Investment | * | * | 11.4 | 14.1 | 15.8 | 16.9 | 16.4 |
| 21 | Debt to Total Investment | * | * | 31.5 | 23.9 | 18.4 | 19.2 | 20.1 |
| | <u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u> | | | | | | | |
| 22 | Actual | 64.5 | 69.0 | 68.0 | 69.2 | 69.9 | 70.5 | 70.5 |
| 23 | Breakeven | 62.3 | 55.2 | 58.9 | 57.3 | 55.3 | 55.3 | 55.6 |
| | <u>Employment & Productivity:</u> | | | | | | | |
| 24 | Employment, Total Weighted Avg CY | 31,248 | 28,605 | 30,130 | 29,469 | 28,794 | 28,231 | 27,830 |
| 25 | Overall RTM's per Employee (000) | 35.5 | 39.4 | 152.4 | 156.4 | 159.4 | 159.7 | 157.7 |

| | | CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER | | | | | | |
|----|--|---|------|--------|-------|-------|-------|-------|
| 26 | Operating Revenues (%) | -15.7 | 21.8 | -1.7 | 7.4 | 15.3 | 19.0 | 19.3 |
| 27 | Operating Expenses (%) | -1.4 | 15.9 | 6.4 | 10.7 | 13.1 | 15.2 | 17.1 |
| 28 | Operating Profit (Loss) (in Millions \$) | -213.1 | 96.1 | -389.3 | -80.1 | 220.3 | 304.4 | 239.0 |
| 29 | Net Income (Loss)(in Millions \$) | -91.2 | 60.9 | -91.9 | 60.1 | 150.7 | 198.6 | 128.7 |
| 30 | RPMs (Sch. Svc.) (%) | -0.7 | 15.9 | 5.4 | 9.4 | 12.4 | 14.6 | 15.8 |
| 31 | ASMs (Sch. Svc.) (%) | 6.2 | 13.1 | 9.1 | 10.8 | 12.3 | 12.8 | 13.3 |
| 32 | Operating Revenues per RTM (%) | -14.3 | 5.8 | -6.1 | -1.3 | 3.0 | 4.3 | 3.6 |
| 33 | Operating Expense per RTM (%) | 0.3 | 0.6 | 1.7 | 1.8 | 1.1 | 1.0 | 1.6 |
| 34 | Passenger Revenue per RPM (Sch. Svc.)(%) | -15.6 | 5.6 | -7.0 | -1.9 | 2.7 | 4.2 | 3.6 |

QUARTERLY FINANCIAL & TRAFFIC REVIEW
SYSTEM OPERATIONS
TRANS WORLD AIRLINES

| ITEMS | | QUARTER ENDED | | 12 MONTHS ENDED | | | | |
|-------|---|---------------|---------|-----------------|---------|---------|---------|---------|
| | | 2001/12 | 2000/12 | 2001/12 | 2001/09 | 2001/06 | 2001/03 | 2000/12 |
| | <u>FINANCIAL RESULTS: (\$Millions)</u> | | | | | | | |
| 1 | Operating Revenues | 446.8 | 848.0 | 2,632.8 | 3,034.1 | 3,353.8 | 3,563.6 | 3,584.6 |
| 2 | Operating Expenses | 552.6 | 981.1 | 3,136.3 | 3,564.8 | 3,635.9 | 3,818.4 | 3,817.3 |
| 3 | Operating Profit (Loss) | -105.9 | -133.1 | -503.4 | -530.7 | -282.1 | -254.8 | -232.7 |
| 4 | Net Income (Loss) | -162.3 | -151.6 | -412.2 | -401.4 | -356.8 | -347.3 | -266.7 |
| | <u>TRAFFIC: (Billions)</u> | | | | | | | |
| 5 | RPMs - Scheduled Rev. Svc. | 3.30 | 6.36 | 20.76 | 23.82 | 26.08 | 26.97 | 27.21 |
| 6 | ASMs - Scheduled Rev. Svc. | 5.62 | 9.20 | 31.40 | 34.97 | 36.87 | 37.56 | 37.63 |
| 7 | Overall RTMs (All Svc.) | 0.34 | 0.70 | 2.21 | 2.57 | 2.83 | 2.94 | 2.97 |
| 8 | Overall ATMs (All Svc.) | 0.82 | 1.33 | 4.51 | 5.02 | 5.28 | 5.40 | 5.40 |
| | <u>YIELD & UNIT COST & PROFITS: (Cents)</u> | | | | | | | |
| 9 | Operating Revenue per RTM | 130.3 | 121.0 | 119.1 | 118.2 | 118.5 | 121.2 | 120.5 |
| 10 | Operating Expense per RTM | 161.2 | 140.0 | 141.9 | 138.8 | 128.5 | 129.9 | 128.4 |
| 11 | Operating Profit (Loss) per RTM | -30.9 | -19.0 | -22.8 | -20.7 | -10.0 | -8.7 | -7.8 |
| 12 | Operating Expense per ATM | 67.7 | 73.9 | 69.6 | 71.0 | 68.8 | 70.7 | 70.7 |
| 7 | Passenger Revenue per RPM | 12.23 | 11.87 | 11.33 | 11.35 | 11.51 | 11.90 | 11.92 |
| | <u>FINANCIAL RATIOS:</u> | | | | | | | |
| 14 | Operating Revenues to Total Investment | * | * | 9.23 | 8.00 | 7.50 | 7.95 | 7.18 |
| 15 | Times Interest Earned | * | * | -8.19 | -5.04 | -2.90 | -2.15 | -1.78 |
| 16 | Current Assets to Current Liabilities | * | * | 0.26 | 0.27 | 0.36 | 0.36 | 0.32 |
| 17 | No. of Days Cash Coverage of Cash Exp. | * | * | -0.2 | 1.2 | 4.8 | 7.0 | 10.1 |
| | <u>FINANCIAL PERCENTAGES:</u> | | | | | | | |
| 18 | Operating Profit (Loss) to Operating Revenue | -23.7 | -15.7 | -19.1 | -17.5 | -8.4 | -7.1 | -6.5 |
| 19 | Net Income to Stockholders Equity | * | * | 148.9 | 142.4 | 113.9 | 96.5 | 96.6 |
| 20 | Corporate Return on Investment | * | * | -123.2 | -86.1 | -60.5 | -55.2 | -35.2 |
| 21 | Debt to Total Investment | * | * | 0.0 | 161.2 | 102.7 | 243.8 | 213.0 |
| | <u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u> | | | | | | | |
| 22 | Actual | 58.8 | 69.2 | 66.1 | 68.1 | 70.7 | 71.8 | 72.3 |
| 23 | Breakeven | 76.9 | 84.0 | 82.8 | 84.0 | 79.2 | 79.3 | 79.3 |
| | <u>Employment & Productivity:</u> | | | | | | | |
| 24 | Employment, Total Weighted Avg CY | 13,301 | 18,849 | 16,771 | 18,158 | 18,589 | 18,864 | 19,079 |
| 25 | Overall RTM's per Employee (000) | 25.8 | 37.2 | 131.8 | 141.4 | 152.2 | 155.8 | 155.9 |

| | | CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER | | | | | | |
|----|--|---|-------|--------|--------|-------|-------|-------|
| 26 | Operating Revenues (%) | -47.3 | 5.8 | -26.6 | -14.3 | -2.6 | 6.3 | 8.3 |
| | Operating Expenses (%) | -43.7 | -8.0 | -17.9 | -8.7 | -5.7 | 1.5 | 4.5 |
| 28 | Operating Profit (Loss) (in Millions \$) | 27.2 | 131.4 | -270.7 | -166.6 | 130.0 | 154.2 | 110.0 |
| 29 | Net Income (Loss)(in Millions \$) | -10.7 | 120.3 | -145.5 | -14.3 | 49.2 | 60.7 | 86.7 |
| 30 | RPMs (Sch. Svc.) (%) | -48.0 | 2.2 | -23.7 | -12.1 | -1.9 | 2.5 | 4.6 |
| 31 | ASMs (Sch. Svc.) (%) | -38.9 | 1.9 | -16.6 | -6.7 | -0.3 | 3.5 | 5.7 |
| 32 | Operating Revenues per RTM (%) | 7.7 | 5.2 | -1.2 | -0.8 | 0.5 | 4.6 | 4.3 |
| 33 | Operating Expense per RTM (%) | 15.1 | -8.5 | 10.5 | 5.6 | -2.7 | -0.1 | 0.7 |
| 34 | Passenger Revenue per RPM (Sch. Svc.)(%) | 3.0 | 3.6 | -5.0 | -4.0 | -1.5 | 3.9 | 4.7 |

QUARTERLY FINANCIAL & TRAFFIC REVIEW
SYSTEM OPERATIONS
UNITED AIR LINES

| ITEMS | | QUARTER ENDED | | 12 MONTHS ENDED | | | | |
|-------|---|---------------|---------|-----------------|----------|----------|----------|----------|
| | | 2001/12 | 2000/12 | 2001/12 | 2001/09 | 2001/06 | 2001/03 | 2000/12 |
| | <u>FINANCIAL RESULTS: (\$Millions)</u> | | | | | | | |
| 1 | Operating Revenues | 2,924.5 | 4,784.6 | 16,087.4 | 17,947.5 | 18,766.3 | 19,216.0 | 19,331.3 |
| 2 | Operating Expenses | 3,824.1 | 4,953.0 | 19,830.5 | 20,959.3 | 19,747.1 | 19,190.5 | 18,590.5 |
| 3 | Operating Profit (Loss) | -899.6 | -168.4 | -3,743.1 | -3,011.9 | -980.8 | 25.5 | 740.8 |
| 4 | Net Income (Loss) | -315.9 | -87.0 | -2,110.2 | -1,881.3 | -813.2 | -188.7 | 51.6 |
| | <u>TRAFFIC: (Billions)</u> | | | | | | | |
| 5 | RPMs - Scheduled Rev. Svc. | 23.68 | 30.99 | 116.60 | 123.91 | 126.04 | 126.65 | 126.88 |
| 6 | ASMs - Scheduled Rev. Svc. | 35.00 | 43.81 | 164.77 | 173.59 | 175.60 | 174.98 | 175.40 |
| 7 | Overall RTMs (All Svc.) | 2.89 | 3.90 | 14.05 | 15.06 | 15.51 | 15.70 | 15.83 |
| 8 | Overall ATMs (All Svc.) | 5.61 | 6.90 | 25.95 | 27.24 | 27.53 | 27.47 | 27.56 |
| | <u>YIELD & UNIT COST & PROFITS: (Cents)</u> | | | | | | | |
| 9 | Operating Revenue per RTM | 101.1 | 122.8 | 114.5 | 119.2 | 121.0 | 122.4 | 122.1 |
| 10 | Operating Expense per RTM | 132.2 | 127.1 | 141.1 | 139.2 | 127.3 | 122.2 | 117.4 |
| 11 | Operating Profit (Loss) per RTM | -31.1 | -4.3 | -26.6 | -20.0 | -6.3 | 0.2 | 4.7 |
| 12 | Operating Expense per ATM | 68.2 | 71.8 | 76.4 | 76.9 | 71.7 | 69.9 | 67.5 |
| 13 | Passenger Revenue per RPM | 10.24 | 12.99 | 11.55 | 12.16 | 12.62 | 12.99 | 13.09 |
| | <u>FINANCIAL RATIOS:</u> | | | | | | | |
| 14 | Operating Revenues to Total Investment | * | * | 1.23 | 1.41 | 1.52 | 1.60 | 1.66 |
| 15 | Times Interest Earned | * | * | -6.22 | -6.00 | -2.21 | 0.18 | 2.25 |
| 16 | Current Assets to Current Liabilities | * | * | 0.65 | 0.63 | 0.52 | 0.63 | 0.73 |
| 17 | No. of Days Cash Coverage of Cash Exp. | * | * | 48.0 | 48.4 | 19.0 | 29.3 | 44.0 |
| | <u>FINANCIAL PERCENTAGES:</u> | | | | | | | |
| 18 | Operating Profit (Loss) to Operating Revenue | -30.8 | -3.5 | -23.3 | -16.8 | -5.2 | 0.1 | 3.8 |
| 19 | Net Income to Stockholders Equity | * | * | -45.9 | -37.2 | -14.7 | -3.3 | 0.9 |
| 20 | Corporate Return on Investment | * | * | -12.6 | -11.5 | -3.4 | 1.5 | 3.4 |
| 21 | Debt to Total Investment | * | * | 74.9 | 72.9 | 60.1 | 59.1 | 57.3 |
| | <u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u> | | | | | | | |
| 22 | Actual | 67.7 | 70.7 | 70.8 | 71.4 | 71.8 | 72.4 | 72.3 |
| 23 | Breakeven | 97.6 | 76.4 | 94.7 | 89.4 | 78.8 | 74.4 | 70.8 |
| | <u>Employment & Productivity:</u> | | | | | | | |
| 24 | Employment, Total Weighted Avg CY | 81,669 | 90,576 | 88,818 | 91,045 | 90,702 | 90,138 | 89,635 |
| 25 | Overall RTM's per Employee (000) | 35.4 | 43.0 | 158.2 | 165.4 | 171.0 | 174.2 | 176.7 |

| | | CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER | | | | | | |
|----|--|---|--------|----------|----------|----------|----------|----------|
| 26 | Operating Revenues (%) | -38.9 | 7.4 | -16.8 | -5.5 | -0.8 | 4.7 | 7.6 |
| 27 | Operating Expenses (%) | -22.8 | 15.9 | 6.7 | 17.0 | 14.9 | 13.9 | 11.9 |
| 28 | Operating Profit (Loss) (in Millions \$) | -731.2 | -348.3 | -4,483.9 | -4,101.0 | -2,708.6 | -1,481.1 | -617.1 |
| 29 | Net Income (Loss)(in Millions \$) | -228.9 | -198.6 | -2,161.8 | -2,131.5 | -1,528.5 | -1,236.7 | -1,152.2 |
| 30 | RPMs (Sch. Svc.) (%) | -23.6 | 1.6 | -8.1 | -2.0 | -1.1 | 1.1 | 1.2 |
| 31 | ASMs (Sch. Svc.) (%) | -20.1 | -0.2 | -6.1 | -1.1 | -0.5 | -1.1 | -0.7 |
| 32 | Operating Revenues per RTM (%) | -17.7 | 7.3 | -6.2 | -0.7 | 1.8 | 4.4 | 6.1 |
| 33 | Operating Expense per RTM (%) | 4.0 | 15.8 | 20.2 | 23.1 | 17.8 | 13.6 | 10.3 |
| 34 | Passenger Revenue per RPM (Sch. Svc.)(%) | -21.2 | 5.8 | -11.8 | -5.8 | -1.4 | 3.4 | 6.3 |

QUARTERLY FINANCIAL & TRAFFIC REVIEW
SYSTEM OPERATIONS
US AIRWAYS

| ITEMS | | QUARTER ENDED | | 12 MONTHS ENDED | | | | |
|---|--|---------------|---------|-----------------|----------|---------|---------|---------|
| | | 2001/12 | 2000/12 | 2001/12 | 2001/09 | 2001/06 | 2001/03 | 2000/12 |
| <u>FINANCIAL RESULTS: (\$Millions)</u> | | | | | | | | |
| 1 | Operating Revenues | 1,554.4 | 2,346.9 | 8,253.4 | 9,045.8 | 9,442.3 | 9,355.0 | 9,181.2 |
| 2 | Operating Expenses | 2,420.7 | 2,427.4 | 9,434.8 | 9,441.5 | 9,675.4 | 9,458.2 | 9,225.6 |
| 3 | Operating Profit (Loss) | -866.2 | -80.5 | -1,181.4 | -395.7 | -233.1 | -103.2 | -44.4 |
| 4 | Net Income (Loss) | -1,054.0 | -98.1 | -1,989.4 | -1,033.5 | -300.7 | -206.4 | -254.8 |
| <u>TRAFFIC: (Billions)</u> | | | | | | | | |
| 5 | RPMs - Scheduled Rev. Svc. | 8.89 | 12.16 | 45.93 | 49.21 | 49.90 | 48.57 | 46.83 |
| 6 | ASMs - Scheduled Rev. Svc. | 14.05 | 17.55 | 66.68 | 70.18 | 70.70 | 68.68 | 66.49 |
| 7 | Overall RTMs (All Svc.) | 0.99 | 1.33 | 5.02 | 5.36 | 5.43 | 5.28 | 5.08 |
| 8 | Overall ATMs (All Svc.) | 2.04 | 2.46 | 9.53 | 9.95 | 9.96 | 9.60 | 9.23 |
| <u>YIELD & UNIT COST & PROFITS: (Cents)</u> | | | | | | | | |
| 9 | Operating Revenue per RTM | 156.5 | 176.5 | 164.4 | 168.8 | 173.7 | 177.1 | 180.7 |
| 10 | Operating Expense per RTM | 243.6 | 182.6 | 187.9 | 176.2 | 178.0 | 179.1 | 181.5 |
| 11 | Operating Profit (Loss) per RTM | -87.2 | -6.1 | -23.5 | -7.4 | -4.3 | -2.0 | -0.9 |
| 12 | Operating Expense per ATM | 118.8 | 98.8 | 99.0 | 94.8 | 97.2 | 98.5 | 100.0 |
| 13 | Passenger Revenue per RPM | 13.46 | 15.90 | 14.32 | 14.87 | 15.46 | 15.82 | 16.14 |
| <u>FINANCIAL RATIOS:</u> | | | | | | | | |
| 14 | Operating Revenues to Total Investment | * | * | 1.88 | 1.95 | 2.01 | 2.03 | 2.06 |
| 15 | Times Interest Earned | * | * | -5.04 | -3.17 | -0.68 | -0.17 | 0.15 |
| 16 | Current Assets to Current Liabilities | * | * | 0.61 | 0.78 | 0.90 | 0.85 | 0.91 |
| 17 | No. of Days Cash Coverage of Cash Exp. | * | * | 41.6 | 39.9 | 47.1 | 42.6 | 52.3 |
| <u>FINANCIAL PERCENTAGES:</u> | | | | | | | | |
| 18 | Operating Profit (Loss) to Operating Revenue | -55.7 | -3.4 | -14.3 | -4.4 | -2.5 | -1.1 | -0.5 |
| 19 | Net Income to Stockholders Equity | * | * | -182.1 | -67.1 | -17.6 | -12.1 | -14.5 |
| 20 | Corporate Return on Investment | * | * | -38.7 | -16.2 | -0.8 | 1.0 | -0.4 |
| 21 | Debt to Total Investment | * | * | 111.1 | 79.7 | 67.4 | 66.3 | 62.6 |
| <u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u> | | | | | | | | |
| 22 | Actual | 63.2 | 69.3 | 68.9 | 70.1 | 70.6 | 70.7 | 70.4 |
| 23 | Breakeven | 115.7 | 75.4 | 85.3 | 77.2 | 76.3 | 75.0 | 74.2 |
| <u>Employment & Productivity:</u> | | | | | | | | |
| 24 | Employment, Total Weighted Avg CY | 36,307 | 41,526 | 40,558 | 41,863 | 41,831 | 41,522 | 41,022 |
| 25 | Overall RTM's per Employee (000) | 27.4 | 32.0 | 123.8 | 128.0 | 129.9 | 127.2 | 123.9 |

| | | CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER | | | | | | |
|----|--|---|-------|----------|--------|--------|--------|--------|
| 26 | Operating Revenues (%) | -33.8 | 11.6 | -10.1 | 1.2 | 9.4 | 10.3 | 8.5 |
| 27 | Operating Expenses (%) | -0.3 | 12.7 | 2.3 | 5.5 | 10.4 | 11.2 | 11.7 |
| 28 | Operating Profit (Loss) (in Millions \$) | -785.7 | -29.4 | -1,137.0 | -380.7 | -100.6 | -77.2 | -246.7 |
| 29 | Net Income (Loss)(in Millions \$) | -955.9 | -20.6 | -1,734.6 | -799.3 | -34.3 | -201.4 | -528.3 |
| 30 | RPMs (Sch. Svc.) (%) | -26.9 | 17.3 | -1.9 | 9.3 | 16.5 | 16.8 | 12.9 |
| 31 | ASMs (Sch. Svc.) (%) | -20.0 | 14.5 | 0.3 | 9.2 | 15.0 | 14.4 | 12.5 |
| 32 | Operating Revenues per RTM (%) | -11.3 | -5.2 | -9.0 | -7.8 | -6.7 | -6.0 | -4.2 |
| 33 | Operating Expense per RTM (%) | 33.4 | -4.2 | 3.5 | -3.9 | -5.8 | -5.2 | -1.4 |
| 34 | Passenger Revenue per RPM (Sch. Svc.)(%) | -15.3 | -2.3 | -11.3 | -8.4 | -5.5 | -4.3 | -2.2 |

QUARTERLY FINANCIAL & TRAFFIC REVIEW

SYSTEM OPERATIONS

TOTAL ALL-CARGO MAJORS

QUARTERLY RESULTS

- For the fourth quarter, excluding operating results for Federal Express, all three all-cargo carriers reported a decline in both operating and net results, but only DHL experienced an operating or net loss. Federal Express reported an increase in operating profit from \$245.7 million to \$439.9 million.
- Due to the strength of Federal Express, operating profit for the all-cargo group rose \$183.5 million to a \$426.7 million profit. Operating revenues dipped 0.8 percent but operating expenses fell a sharper 4.7 percent.
- Operating results benefited from a 30.9 percent (\$135.8 million) drop in total fuel expense.
- Net income improved \$27.1 million to \$130.2 million.

| Quarter Ended | \$ Millions | | | | | |
|---------------|-------------------------|-------------------|--------------|-------------------|-------------------|--------------|
| | OPERATING PROFIT (LOSS) | | | NET INCOME (LOSS) | | |
| | LAST YEAR 2000 | THIS YEAR 2001 | \$ Change | LAST YEAR 2000 | THIS YEAR 2001 | \$ Change |
| March | 186.5 | 228.1 | 41.6 | 82.3 | 122.6 | 40.3 |
| June | 300.6 | 5.2 | -295.4 | 167.9 | -42.6 | -210.5 |
| Sept. | 314.0 | 36.2 | -277.8 | 162.3 | 30.7 | -131.6 |
| Dec. | 243.2 | 426.7 | 183.5 | 103.1 | 130.2 | 27.1 |

- Only the Latin entity experienced a decline in operating and net results, while all entities reported both an operating and net profit. Domestic operating profit was up \$62.9 million to \$171.9 million but domestic net income dipped \$4.9 million to a positive \$9 million.

| ENTITY | \$ Millions | | | | | | TRAFFIC (Billions) | | | CAPACITY (Billions) | | | TON L.F. |
|----------|-------------------------|-------|-----------|-------------------|-------|-----------|--------------------|------|----------|---------------------|------|----------|-------------|
| | OPERATING PROFIT (LOSS) | | | NET INCOME (LOSS) | | | RTMs (All Svc.) | | | ATMs (All Svc.) | | | |
| | 2000 | 2001 | \$ Change | 2000 | 2001 | \$ Change | 2000 | 2001 | Change % | 2000 | 2001 | Change % | |
| Domestic | 109.0 | 171.9 | 62.9 | 13.9 | 9.0 | -4.9 | 2.0 | 2.0 | 2.7 | 3.4 | 3.6 | 7.3 | 56.1% |
| Int'l | 134.2 | 254.8 | 120.6 | 89.2 | 121.2 | 32.0 | 1.3 | 1.2 | -12.1 | 2.0 | 1.8 | -9.0 | 65.0% |
| Atlantic | 70.1 | 87.1 | 17.0 | 12.4 | 24.9 | 12.4 | 0.4 | 0.4 | -3.4 | 0.6 | 0.6 | -0.6 | 66.5% |
| Latin | 73.8 | 71.0 | -2.8 | 53.8 | 41.9 | -11.9 | 0.1 | 0.1 | -16.5 | 0.2 | 0.2 | -8.6 | 55.5% |
| Pacific | -9.6 | 96.7 | 106.4 | 23.0 | 54.4 | 31.4 | 0.8 | 0.7 | -15.6 | 1.2 | 1.0 | -13.3 | 66.0% |
| System | 243.2 | 426.7 | 183.5 | 103.1 | 130.2 | 27.1 | 3.3 | 3.2 | -3.2 | 5.3 | 5.4 | 1.3 | 59.1% |

- The ton load factor slid 2.7 percentage points to 59.1 percent as RTM traffic fell 3.2 percent and ATM capacity rose 1.3 percent.
- RTM yield gained 2.5 percent as RTM unit costs declined 1.5 percent enhancing profitability.

12-MONTH RESULTS

- For the twelve months ended December 2001, operating and net results were down for all three all-cargo carriers, but only DHL Airways reported an operating or net loss.
- Operating expenses rose a slight 0.4 percent, but declining operating revenues, down 1.4 percent, producing a \$348.1 million deterioration in operating results to a positive \$696.2 million.
- Net income was more than cut in half, dropping \$274.8 million to a positive \$240.9 million.
- Interest on debt fell \$19.3 million to \$76.4 million.
- The ton load factor was down 2.9 percentage points to 59 percent as RTM traffic fell 4 percent and ATM capacity climbed 0.4 percent.

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

| ITEMS | | QUARTER ENDED | | 12 MONTHS ENDED | | | | |
|-------|---|---------------|---------|-----------------|----------|----------|----------|----------|
| | | 2001/12 | 2000/12 | 2001/12 | 2001/09 | 2001/06 | 2001/03 | 2000/12 |
| | <u>FINANCIAL RESULTS: (\$Millions)</u> | | | | | | | |
| 1 | Operating Revenues | 4,990.9 | 5,031.4 | 19,345.2 | 19,385.8 | 19,648.0 | 19,749.6 | 19,623.7 |
| 2 | Operating Expenses | 4,564.2 | 4,788.2 | 18,649.0 | 18,873.0 | 18,857.5 | 18,663.7 | 18,579.4 |
| 3 | Operating Profit (Loss) | 426.7 | 243.2 | 696.2 | 512.7 | 790.5 | 1,085.9 | 1,044.3 |
| 4 | Net Income (Loss) | 130.2 | 103.1 | 240.9 | 213.8 | 345.4 | 556.0 | 515.7 |
| | <u>TRAFFIC: (Billions)</u> | | | | | | | |
| 5 | RTMs - Scheduled Rev. Svc. | 2.58 | 2.47 | 9.40 | 9.29 | 9.40 | 9.41 | 9.37 |
| 6 | ATMs - Scheduled Rev. Svc. | 4.25 | 3.89 | 15.57 | 15.21 | 15.20 | 14.99 | 14.81 |
| 7 | Overall RTMs (All Services) | 3.18 | 3.28 | 12.09 | 12.20 | 12.46 | 12.60 | 12.65 |
| 8 | Overall ATMs (All Services) | 5.38 | 5.31 | 20.51 | 20.44 | 20.50 | 20.39 | 20.43 |
| | <u>YIELD & UNIT COST & PROFITS: (Cents)</u> | | | | | | | |
| 9 | Operating Revenue per RTM | 157.1 | 153.3 | 160.0 | 158.9 | 157.7 | 156.8 | 155.1 |
| 10 | Operating Expense per RTM | 143.7 | 145.9 | 154.2 | 154.7 | 151.4 | 148.2 | 146.8 |
| 11 | Operating Profit (Loss) per RTM | 13.4 | 7.4 | 5.8 | 4.2 | 6.3 | 8.6 | 8.3 |
| 12 | Operating Expense per ATM | 84.9 | 90.2 | 90.9 | 92.4 | 92.0 | 91.5 | 90.9 |
| 13 | Passenger Revenue per RPM | ++ | ++ | ++ | ++ | ++ | ++ | ++ |
| | <u>FINANCIAL RATIOS:</u> | | | | | | | |
| 14 | Operating Revenues to Total Investment | * | * | 1.93 | 1.98 | 2.04 | 2.06 | 2.07 |
| 15 | Times Interest Earned | * | * | 7.06 | 5.44 | 6.71 | 8.99 | 7.92 |
| 16 | Current Assets to Current Liabilities | * | * | 1.03 | 1.08 | 1.02 | 1.29 | 1.26 |
| 17 | No. of Days Cash Coverage of Cash Exp. | * | * | 3.6 | 3.0 | 2.7 | 3.0 | 2.3 |
| | <u>FINANCIAL PERCENTAGES:</u> | | | | | | | |
| 18 | Operating Profit (Loss) to Operating Revenue | 8.5 | 4.8 | 3.6 | 2.6 | 4.0 | 5.5 | 5.3 |
| 19 | Net Income to Stockholders Equity | * | * | 4.6 | 4.2 | 6.8 | 10.8 | 10.0 |
| 20 | Corporate Return on Investment | * | * | 3.3 | 3.2 | 4.7 | 7.0 | 6.7 |
| 21 | Debt to Total Investment | * | * | 44.8 | 48.7 | 47.5 | 48.4 | 47.8 |
| | <u>TON LOAD FACTOR: (Sch. Svc. %)</u> | | | | | | | |
| 22 | Actual | 59.1 | 61.8 | 59.0 | 59.7 | 60.8 | 61.8 | 61.9 |
| 23 | Breakeven | ++ | ++ | ++ | ++ | ++ | ++ | ++ |
| | <u>Employment & Productivity:</u> | | | | | | | |
| 24 | Employment, Total Weighted Avg CY | 108,335 | 107,011 | 108,559 | 108,228 | 107,323 | 106,922 | 106,705 |
| 25 | Overall RTM's per Employee (000) | 29.3 | 30.7 | 111.4 | 112.7 | 116.1 | 117.8 | 118.6 |

| | | CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER | | | | | | |
|----|--|---|--------|--------|--------|--------|-------|-------|
| 26 | Operating Revenues (%) | -0.8 | 3.1 | -1.4 | -0.4 | 3.4 | 6.5 | 8.8 |
| 27 | Operating Expenses (%) | -4.7 | 5.7 | 0.4 | 3.0 | 5.1 | 6.6 | 9.5 |
| 28 | Operating Profit (Loss) (in Millions \$) | 183.5 | -106.3 | -348.1 | -637.8 | -260.9 | 49.4 | -19.3 |
| 29 | Net Income (Loss)(in Millions \$) | 27.1 | -124.7 | -274.8 | -426.5 | -250.6 | -14.0 | -46.0 |
| 30 | RTMs (All Svc.) (%) | -3.2 | 1.8 | -4.4 | -3.2 | 0.9 | 4.4 | 8.5 |
| 31 | ATMs (All Svc.) (%) | 1.3 | 0.0 | 0.4 | 0.0 | 0.5 | 0.7 | 3.2 |
| 32 | Operating Revenues per RTM (%) | 2.5 | 1.3 | 3.2 | 2.8 | 2.5 | 2.0 | 0.3 |
| 33 | Operating Expense per RTM (%) | -1.5 | 3.8 | 5.0 | 6.4 | 4.2 | 2.1 | 0.9 |
| 34 | Passenger Revenue per RPM (Sch. Svc.)(%) | ++ | ++ | ++ | ++ | ++ | ++ | ++ |

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

| ITEMS | | QUARTER ENDED | | 12 MONTHS ENDED | | | | |
|-------|---|---------------|---------|-----------------|----------|----------|----------|----------|
| | | 2001/12 | 2000/12 | 2001/12 | 2001/09 | 2001/06 | 2001/03 | 2000/12 |
| | <u>FINANCIAL RESULTS: (\$Millions)</u> | | | | | | | |
| 1 | Operating Revenues | 3,486.3 | 3,616.3 | 13,712.6 | 13,842.6 | 14,109.8 | 14,265.7 | 14,194.7 |
| 2 | Operating Expenses | 3,314.5 | 3,507.4 | 13,487.2 | 13,680.1 | 13,717.4 | 13,658.7 | 13,683.6 |
| 3 | Operating Profit (Loss) | 171.9 | 109.0 | 225.4 | 162.5 | 392.4 | 607.1 | 511.2 |
| 4 | Net Income (Loss) | 9.0 | 13.9 | -48.7 | -43.8 | 32.7 | 193.5 | 207.8 |
| | <u>TRAFFIC: (Billions)</u> | | | | | | | |
| 5 | RTMs - Scheduled Rev. Svc. | 1.43 | 1.22 | 4.70 | 4.49 | 4.60 | 4.69 | 4.72 |
| 6 | ATMs - Scheduled Rev. Svc. | 2.49 | 2.05 | 8.16 | 7.72 | 7.85 | 7.86 | 7.83 |
| 7 | Overall RTMs (All Services) | 2.02 | 1.97 | 7.27 | 7.22 | 7.43 | 7.60 | 7.72 |
| 8 | Overall ATMs (All Services) | 3.60 | 3.35 | 12.86 | 12.62 | 12.73 | 12.80 | 12.94 |
| | <u>YIELD & UNIT COST & PROFITS: (Cents)</u> | | | | | | | |
| 9 | Operating Revenue per RTM | 172.6 | 183.8 | 188.5 | 191.7 | 189.8 | 187.6 | 183.8 |
| 10 | Operating Expense per RTM | 164.1 | 178.3 | 185.4 | 189.4 | 184.5 | 179.6 | 177.2 |
| 11 | Operating Profit (Loss) per RTM | 8.5 | 5.5 | 3.1 | 2.3 | 5.3 | 8.0 | 6.6 |
| 12 | Operating Expense per ATM | 92.1 | 104.6 | 104.9 | 108.4 | 107.7 | 106.7 | 105.7 |
| 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 | 4.9 | 3.0 | 1.6 | 1.2 | 2.8 | 4.3 | 3.6 |
| 19 | Net Income to Stockholders Equity | * | * | ** | ** | ** | ** | ** |
| 20 | Corporate Return on Investment | * | * | 0.2 | 0.3 | 1.5 | 3.9 | 4.2 |
| 21 | Debt to Total Investment | * | * | ** | ** | ** | ** | ** |
| | <u>TON LOAD FACTOR: (Sch. Svc. %)</u> | | | | | | | |
| 22 | Actual | 56.1 | 58.7 | 56.6 | 57.2 | 58.4 | 59.4 | 59.7 |
| 23 | Breakeven | ++ | ++ | ++ | ++ | ++ | ++ | ++ |
| | <u>Employment & Productivity:</u> | | | | | | | |
| 24 | Employment, Total Weighted Avg CY | * | * | ** | ** | ** | ** | ** |
| 25 | Overall RTM's per Employee (000) | * | * | ** | ** | ** | ** | ** |

| | | CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER | | | | | | |
|----|--|---|-------|--------|--------|--------|--------|--------|
| 26 | Operating Revenues (%) | -3.6 | 1.5 | -3.4 | -2.1 | 1.5 | 4.2 | 5.6 |
| 27 | Operating Expenses (%) | -5.5 | 2.8 | -1.4 | 0.7 | 1.9 | 3.2 | 6.0 |
| 28 | Operating Profit (Loss) (in Millions \$) | 62.9 | -40.0 | -285.8 | -388.7 | -46.5 | 152.0 | -27.5 |
| 29 | Net Income (Loss)(in Millions \$) | -4.9 | -70.3 | -256.5 | -321.9 | -320.8 | -202.8 | -164.6 |
| 30 | RTMs (All Svc.) (%) | 2.7 | -4.1 | -5.8 | -7.5 | -4.1 | -0.4 | 3.4 |
| 31 | ATMs (All Svc.) (%) | 7.3 | -5.4 | -0.6 | -4.0 | -4.0 | -3.5 | -1.2 |
| 32 | Operating Revenues per RTM (%) | -6.1 | 5.8 | 2.6 | 5.8 | 5.9 | 4.6 | 2.1 |
| 33 | Operating Expense per RTM (%) | -8.0 | 7.2 | 4.6 | 8.8 | 6.2 | 3.6 | 2.5 |
| 34 | Passenger Revenue per RPM (Sch. Svc.)(%) | ++ | ++ | ++ | ++ | ++ | ++ | ++ |

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

| ITEMS | | QUARTER ENDED | | 12 MONTHS ENDED | | | | |
|-------|---|---------------|---------|-----------------|---------|---------|---------|---------|
| | | 2001/12 | 2000/12 | 2001/12 | 2001/09 | 2001/06 | 2001/03 | 2000/12 |
| | <u>FINANCIAL RESULTS: (\$Millions)</u> | | | | | | | |
| 1 | Operating Revenues | 1,504.6 | 1,415.1 | 5,632.6 | 5,543.1 | 5,538.2 | 5,483.8 | 5,429.0 |
| 2 | Operating Expenses | 1,249.8 | 1,280.9 | 5,161.8 | 5,192.9 | 5,140.0 | 5,005.0 | 4,895.8 |
| 3 | Operating Profit (Loss) | 254.8 | 134.2 | 470.8 | 350.2 | 398.1 | 478.8 | 533.2 |
| 4 | Net Income (Loss) | 121.2 | 89.2 | 289.6 | 257.6 | 312.8 | 362.5 | 307.8 |
| | <u>TRAFFIC: (Billions)</u> | | | | | | | |
| 5 | RTMs - Scheduled Rev. Svc. | 1.15 | 1.24 | 4.70 | 4.80 | 4.79 | 4.72 | 4.65 |
| 6 | ATMs - Scheduled Rev. Svc. | 1.76 | 1.84 | 7.42 | 7.49 | 7.36 | 7.13 | 6.98 |
| 7 | Overall RTMs (All Services) | 1.16 | 1.31 | 4.82 | 4.98 | 5.02 | 4.99 | 4.93 |
| 8 | Overall ATMs (All Services) | 1.78 | 1.96 | 7.64 | 7.82 | 7.77 | 7.59 | 7.49 |
| | <u>YIELD & UNIT COST & PROFITS: (Cents)</u> | | | | | | | |
| 9 | Operating Revenue per RTM | 130.2 | 107.7 | 116.9 | 111.4 | 110.2 | 109.9 | 110.1 |
| 10 | Operating Expense per RTM | 108.1 | 97.5 | 107.1 | 104.3 | 102.3 | 100.3 | 99.3 |
| 11 | Operating Profit (Loss) per RTM | 22.0 | 10.2 | 9.8 | 7.0 | 7.9 | 9.6 | 10.8 |
| 12 | Operating Expense per ATM | 70.2 | 65.5 | 67.5 | 66.4 | 66.2 | 66.0 | 65.4 |
| 13 | Passenger Revenue per RPM | ++ | ++ | ++ | ++ | ++ | ++ | ++ |
| | <u>FINANCIAL RATIOS:</u> | | | | | | | |
| 14 | Operating Revenues to Total Investment | * | * | ** | ** | ** | ** | ** |
| 15 | Times Interest Earned | * | * | ** | ** | ** | ** | ** |
| 16 | Current Assets to Current Liabilities | * | * | ** | ** | ** | ** | ** |
| 17 | No. of Days Cash Coverage of Cash Exp. | * | * | ** | ** | ** | ** | ** |
| | <u>FINANCIAL PERCENTAGES:</u> | | | | | | | |
| 18 | Operating Profit (Loss) to Operating Revenue | 16.9 | 9.5 | 8.4 | 6.3 | 7.2 | 8.7 | 9.8 |
| 19 | Net Income to Stockholders Equity | * | * | ** | ** | ** | ** | ** |
| 20 | Corporate Return on Investment | * | * | 10.9 | 10.3 | 12.6 | 14.9 | 13.5 |
| 21 | Debt to Total Investment | * | * | ** | ** | ** | ** | ** |
| | <u>TON LOAD FACTOR: (Sch. Svc. %)</u> | | | | | | | |
| 22 | Actual | 65.0 | 67.2 | 63.1 | 63.7 | 64.7 | 65.8 | 65.9 |
| 23 | Breakeven | ++ | ++ | ++ | ++ | ++ | ++ | ++ |
| | <u>Employment & Productivity:</u> | | | | | | | |
| 24 | Employment, Total Weighted Avg CY | * | * | ** | ** | ** | ** | ** |
| 25 | Overall RTM's per Employee (000) | * | * | ** | ** | ** | ** | ** |

| | | CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER | | | | | | |
|----|--|---|-------|-------|--------|--------|--------|-------|
| 26 | Operating Revenues (%) | 6.3 | 7.4 | 3.8 | 4.0 | 8.6 | 12.8 | 18.4 |
| 27 | Operating Expenses (%) | -2.4 | 14.7 | 5.4 | 9.7 | 14.6 | 16.9 | 20.6 |
| 28 | Operating Profit (Loss) (in Millions \$) | 120.6 | -66.2 | -62.4 | -249.2 | -214.4 | -102.6 | 8.3 |
| 29 | Net Income (Loss)(in Millions \$) | 32.0 | -54.4 | -18.2 | -104.7 | 70.3 | 188.8 | 118.5 |
| 30 | RTMs (All Svc.) (%) | -12.1 | 11.9 | -2.3 | 3.9 | 9.3 | 12.7 | 17.5 |
| 31 | ATMs (All Svc.) (%) | -9.1 | 10.9 | 2.1 | 7.2 | 8.9 | 8.8 | 12.0 |
| 32 | Operating Revenues per RTM (%) | 20.9 | -4.0 | 6.2 | 0.2 | -0.6 | 0.1 | 0.8 |
| 33 | Operating Expense per RTM (%) | 10.9 | 2.5 | 7.9 | 5.7 | 4.8 | 3.7 | 2.7 |
| 34 | Passenger Revenue per RPM (Sch. Svc.)(%) | ++ | ++ | ++ | ++ | ++ | ++ | ++ |

QUARTERLY FINANCIAL & TRAFFIC REVIEW
SYSTEM OPERATIONS
DHL AIRWAYS

| ITEMS | | QUARTER ENDED | | 12 MONTHS ENDED | | | | |
|-------|---|---------------|---------|-----------------|---------|---------|---------|---------|
| | | 2001/12 | 2000/12 | 2001/12 | 2001/09 | 2001/06 | 2001/03 | 2000/12 |
| | <u>FINANCIAL RESULTS: (\$Millions)</u> | | | | | | | |
| 1 | Operating Revenues | 359.6 | 388.3 | 1,462.7 | 1,491.4 | 1,510.3 | 1,497.2 | 1,497.3 |
| 2 | Operating Expenses | 390.9 | 413.2 | 1,646.1 | 1,668.4 | 1,652.9 | 1,597.9 | 1,568.0 |
| 3 | Operating Profit (Loss) | -31.3 | -24.9 | -183.4 | -177.0 | -142.5 | -100.6 | -70.8 |
| 4 | Net Income (Loss) | -70.2 | -34.8 | -226.0 | -190.6 | -151.0 | -106.8 | -67.0 |
| | <u>TRAFFIC: (Billions)</u> | | | | | | | |
| 5 | RTMs - Scheduled Rev. Svc. | 0.09 | 0.12 | 0.38 | 0.41 | 0.47 | 0.45 | 0.45 |
| 6 | ATMs - Scheduled Rev. Svc. | 0.21 | 0.22 | 0.76 | 0.77 | 0.89 | 0.87 | 0.85 |
| 7 | Overall RTMs (All Services) | 0.10 | 0.13 | 0.39 | 0.42 | 0.48 | 0.46 | 0.46 |
| 8 | Overall ATMs (All Services) | 0.22 | 0.23 | 0.78 | 0.79 | 0.91 | 0.89 | 0.88 |
| | <u>YIELD & UNIT COST & PROFITS: (Cents)</u> | | | | | | | |
| 9 | Operating Revenue per RTM | 359.6 | 300.8 | 374.0 | 354.9 | 313.3 | 325.4 | 326.2 |
| 10 | Operating Expense per RTM | 390.9 | 320.1 | 420.9 | 397.0 | 342.8 | 347.2 | 341.6 |
| 11 | Operating Profit (Loss) per RTM | -31.3 | -19.3 | -46.9 | -42.1 | -29.6 | -21.9 | -15.4 |
| 12 | Operating Expense per ATM | 175.5 | 180.4 | 210.9 | 212.1 | 181.9 | 179.3 | 179.1 |
| 13 | Passenger Revenue per RPM | ++ | ++ | ++ | ++ | ++ | ++ | ++ |
| | <u>FINANCIAL RATIOS:</u> | | | | | | | |
| 14 | Operating Revenues to Total Investment | * | * | 8.33 | 8.40 | 6.23 | 5.24 | 5.89 |
| 15 | Times Interest Earned | * | * | -13.85 | -10.53 | -7.62 | -5.94 | -5.16 |
| 16 | Current Assets to Current Liabilities | * | * | 0.00 | 0.02 | 0.52 | 1.20 | 1.23 |
| 17 | No. of Days Cash Coverage of Cash Exp. | * | * | 3.7 | 3.0 | 0.2 | 0.2 | 0.2 |
| | <u>FINANCIAL PERCENTAGES:</u> | | | | | | | |
| 18 | Operating Profit (Loss) to Operating Revenue | -8.7 | -6.4 | -12.5 | -11.9 | -9.4 | -6.7 | -4.7 |
| 19 | Net Income to Stockholders Equity | * | * | -902.4 | 0.0 | -265.5 | -121.3 | -58.5 |
| 20 | Corporate Return on Investment | * | * | -120.4 | -97.0 | -53.6 | -30.4 | -19.7 |
| 21 | Debt to Total Investment | * | * | 15.1 | -38.0 | 351.8 | 97.2 | 82.0 |
| | <u>TON LOAD FACTOR: (Sch. Svc. %)</u> | | | | | | | |
| 22 | Actual | 44.9 | 56.4 | 50.1 | 53.4 | 53.0 | 51.7 | 52.4 |
| 23 | Breakeven | ++ | ++ | ++ | ++ | ++ | ++ | ++ |
| | <u>Employment & Productivity:</u> | | | | | | | |
| 24 | Employment, Total Weighted Avg CY | 8,790 | 8,889 | 8,993 | 9,018 | 8,957 | 8,814 | 8,633 |
| 25 | Overall RTM's per Employee (000) | 11.4 | 14.5 | 43.5 | 46.6 | 53.8 | 52.2 | 53.2 |

| | | CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER | | | | | | |
|----|--|---|-------|--------|--------|--------|--------|--------|
| 26 | Operating Revenues (%) | -7.4 | 4.8 | -2.3 | 0.8 | 3.9 | 5.4 | 9.3 |
| 27 | Operating Expenses (%) | -5.4 | 17.9 | 5.0 | 10.8 | 13.5 | 13.9 | 17.6 |
| 28 | Operating Profit (Loss) (in Millions \$) | -6.4 | -45.1 | -112.6 | -151.3 | -140.2 | -118.6 | -107.6 |
| 29 | Net Income (Loss)(in Millions \$) | -35.4 | -47.4 | -159.0 | -171.0 | -160.8 | -127.7 | -98.8 |
| 30 | RTMs (Sch. Svc.) (%) | -22.5 | 8.1 | -14.8 | -6.5 | 9.1 | 5.2 | 6.8 |
| 31 | ATMs (Sch. Svc.) (%) | -2.8 | 12.6 | -10.9 | -7.4 | 12.2 | 14.6 | 16.5 |
| 32 | Operating Revenues per RTM (%) | 19.5 | -3.0 | 14.7 | 7.8 | -4.8 | 0.2 | 2.3 |
| 33 | Operating Expense per RTM (%) | 22.1 | 9.1 | 23.2 | 18.5 | 4.0 | 8.2 | 10.1 |
| 34 | Passenger Revenue per RPM (Sch. Svc.)(%) | ++ | ++ | ++ | ++ | ++ | ++ | ++ |

QUARTERLY FINANCIAL & TRAFFIC REVIEW
SYSTEM OPERATIONS
FEDERAL EXPRESS CORP.

| ITEMS | | QUARTER ENDED | | 12 MONTHS ENDED | | | | |
|-------|---|---------------|---------|-----------------|----------|----------|----------|----------|
| | | 2001/12 | 2000/12 | 2001/12 | 2001/09 | 2001/06 | 2001/03 | 2000/12 |
| | <u>FINANCIAL RESULTS: (\$Millions)</u> | | | | | | | |
| 1 | Operating Revenues | 3,960.5 | 3,978.5 | 15,166.9 | 15,184.9 | 15,424.9 | 15,606.2 | 15,596.5 |
| 2 | Operating Expenses | 3,520.7 | 3,732.8 | 14,388.4 | 14,600.6 | 14,639.9 | 14,582.4 | 14,597.2 |
| 3 | Operating Profit (Loss) | 439.9 | 245.7 | 778.5 | 584.3 | 785.0 | 1,023.7 | 999.4 |
| 4 | Net Income (Loss) | 194.9 | 137.4 | 453.0 | 395.5 | 451.6 | 595.3 | 545.4 |
| | <u>TRAFFIC: (Billions)</u> | | | | | | | |
| 5 | RTMs - Scheduled Rev. Svc. | 2.14 | 1.93 | 7.44 | 7.23 | 7.31 | 7.42 | 7.44 |
| 6 | ATMs - Scheduled Rev. Svc. | 3.54 | 3.10 | 12.49 | 12.05 | 12.01 | 11.93 | 11.83 |
| 7 | Overall RTMs (All Services) | 2.15 | 2.03 | 7.61 | 7.49 | 7.63 | 7.79 | 7.84 |
| 8 | Overall ATMs (All Services) | 3.56 | 3.28 | 12.79 | 12.51 | 12.56 | 12.54 | 12.47 |
| | <u>YIELD & UNIT COST & PROFITS: (Cents)</u> | | | | | | | |
| 9 | Operating Revenue per RTM | 184.3 | 195.9 | 199.3 | 202.7 | 202.1 | 200.3 | 199.0 |
| 10 | Operating Expense per RTM | 163.9 | 183.8 | 189.1 | 194.9 | 191.8 | 187.1 | 186.3 |
| 11 | Operating Profit (Loss) per RTM | 20.5 | 12.1 | 10.2 | 7.8 | 10.3 | 13.1 | 12.8 |
| 12 | Operating Expense per ATM | 99.0 | 113.7 | 112.5 | 116.7 | 116.5 | 116.3 | 117.1 |
| 13 | Passenger Revenue per RPM | ++ | ++ | ++ | ++ | ++ | ++ | ++ |
| | <u>FINANCIAL RATIOS:</u> | | | | | | | |
| 14 | Operating Revenues to Total Investment | * | * | 2.84 | 2.91 | 3.02 | 3.05 | 3.04 |
| 15 | Times Interest Earned | * | * | 14.70 | 12.14 | 12.69 | 14.88 | 12.20 |
| 16 | Current Assets to Current Liabilities | * | * | 1.09 | 1.10 | 0.99 | 1.18 | 1.16 |
| 17 | No. of Days Cash Coverage of Cash Exp. | * | * | 3.5 | 2.8 | 2.7 | 3.3 | 2.4 |
| | <u>FINANCIAL PERCENTAGES:</u> | | | | | | | |
| 18 | Operating Profit (Loss) to Operating Revenue | 11.1 | 6.2 | 5.1 | 3.8 | 5.1 | 6.6 | 6.4 |
| 19 | Net Income to Stockholders Equity | * | * | 10.6 | 9.5 | 11.1 | 14.7 | 13.5 |
| 20 | Corporate Return on Investment | * | * | 9.4 | 8.6 | 10.0 | 13.0 | 12.2 |
| 21 | Debt to Total Investment | * | * | 20.1 | 19.4 | 19.8 | 20.0 | 20.6 |
| | <u>TON LOAD FACTOR: (Sch. Svc. %)</u> | | | | | | | |
| 22 | Actual | 60.4 | 61.9 | 59.5 | 59.9 | 60.8 | 62.1 | 62.9 |
| 23 | Breakeven | ++ | ++ | ++ | ++ | ++ | ++ | ++ |
| | <u>Employment & Productivity:</u> | | | | | | | |
| 24 | Employment, Total Weighted Avg CY | 93,877 | 92,937 | 94,019 | 93,784 | 93,089 | 92,975 | 93,062 |
| 25 | Overall RTM's per Employee (000) | 22.9 | 21.8 | 80.9 | 79.9 | 82.0 | 83.8 | 84.2 |

| | | CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER | | | | | | |
|----|--|---|------|--------|--------|--------|-------|------|
| 26 | Operating Revenues (%) | -0.5 | 3.2 | -2.8 | -1.9 | 1.5 | 4.9 | 7.5 |
| 27 | Operating Expenses (%) | -5.7 | 3.3 | -1.4 | 0.8 | 2.7 | 4.4 | 7.3 |
| 28 | Operating Profit (Loss) (in Millions \$) | 194.2 | 3.8 | -220.9 | -411.2 | -162.5 | 112.7 | 89.5 |
| 29 | Net Income (Loss)(in Millions \$) | 57.5 | -3.5 | -92.4 | -153.4 | -76.0 | 104.2 | 81.7 |
| 30 | RTMs (Sch. Svc.) (%) | 5.8 | 3.1 | -2.9 | -3.7 | 0.6 | 5.5 | 10.5 |
| 31 | ATMs (Sch. Svc.) (%) | 8.4 | 5.4 | 2.5 | 1.7 | 4.0 | 5.6 | 8.2 |
| 32 | Operating Revenues per RTM (%) | -5.9 | 0.1 | 0.2 | 1.9 | 0.9 | -0.6 | -2.7 |
| 33 | Operating Expense per RTM (%) | -10.8 | 0.2 | 1.5 | 4.7 | 2.1 | -1.1 | -2.8 |
| 34 | Passenger Revenue per RPM (Sch. Svc.)(%) | ++ | ++ | ++ | ++ | ++ | ++ | ++ |

QUARTERLY FINANCIAL & TRAFFIC REVIEW
SYSTEM OPERATIONS
UNITED PARCEL SERVICE

| ITEMS | | QUARTER ENDED | | 12 MONTHS ENDED | | | | |
|-------|---|---------------|---------|-----------------|---------|---------|---------|---------|
| | | 2001/12 | 2000/12 | 2001/12 | 2001/09 | 2001/06 | 2001/03 | 2000/12 |
| | <u>FINANCIAL RESULTS: (\$Millions)</u> | | | | | | | |
| 1 | Operating Revenues | 670.8 | 664.6 | 2,715.6 | 2,709.4 | 2,712.7 | 2,646.2 | 2,530.0 |
| 2 | Operating Expenses | 652.7 | 642.2 | 2,614.5 | 2,604.0 | 2,564.7 | 2,483.4 | 2,414.2 |
| 3 | Operating Profit (Loss) | 18.1 | 22.4 | 101.1 | 105.4 | 148.0 | 162.8 | 115.7 |
| 4 | Net Income (Loss) | 5.5 | 0.5 | 14.0 | 8.9 | 44.9 | 67.5 | 37.2 |
| | <u>TRAFFIC: (Billions)</u> | | | | | | | |
| 5 | RTMs - Scheduled Rev. Svc. | 0.35 | 0.41 | 1.57 | 1.64 | 1.62 | 1.55 | 1.48 |
| 6 | ATMs - Scheduled Rev. Svc. | 0.50 | 0.56 | 2.32 | 2.39 | 2.30 | 2.19 | 2.13 |
| 7 | Overall RTMs (All Services) | 0.93 | 1.12 | 4.09 | 4.29 | 4.34 | 4.34 | 4.36 |
| 8 | Overall ATMs (All Services) | 1.60 | 1.80 | 6.94 | 7.14 | 7.03 | 6.96 | 7.09 |
| | <u>YIELD & UNIT COST & PROFITS: (Cents)</u> | | | | | | | |
| 9 | Operating Revenue per RTM | 72.3 | 59.2 | 66.3 | 63.2 | 62.5 | 60.9 | 58.1 |
| 10 | Operating Expense per RTM | 70.4 | 57.3 | 63.9 | 60.7 | 59.0 | 57.2 | 55.4 |
| 11 | Operating Profit (Loss) per RTM | 2.0 | 2.0 | 2.5 | 2.5 | 3.4 | 3.7 | 2.7 |
| 12 | Operating Expense per ATM | 40.8 | 35.7 | 37.7 | 36.5 | 36.5 | 35.7 | 34.1 |
| 13 | Passenger Revenue per RPM | ++ | ++ | ++ | ++ | ++ | ++ | ++ |
| | <u>FINANCIAL RATIOS:</u> | | | | | | | |
| 14 | Operating Revenues to Total Investment | * | * | 0.60 | 0.61 | 0.63 | 0.63 | 0.61 |
| 15 | Times Interest Earned | * | * | 3.62 | 2.63 | 4.45 | 5.13 | 3.46 |
| 16 | Current Assets to Current Liabilities | * | * | 0.66 | 2.76 | 2.45 | 2.90 | 2.28 |
| 17 | No. of Days Cash Coverage of Cash Exp. | * | * | 4.0 | 4.2 | 4.6 | 3.1 | 3.7 |
| | <u>FINANCIAL PERCENTAGES:</u> | | | | | | | |
| 18 | Operating Profit (Loss) to Operating Revenue | 2.7 | 3.4 | 3.7 | 3.9 | 5.5 | 6.2 | 4.6 |
| 19 | Net Income to Stockholders Equity | * | * | 1.4 | 0.9 | 4.6 | 6.9 | 3.8 |
| 20 | Corporate Return on Investment | * | * | 0.9 | 0.8 | 1.7 | 2.3 | 1.5 |
| 21 | Debt to Total Investment | * | * | 76.5 | 80.5 | 79.2 | 78.3 | 77.6 |
| | <u>TON LOAD FACTOR: (Sch. Svc. %)</u> | | | | | | | |
| 22 | Actual | 58.0 | 62.4 | 59.0 | 60.1 | 61.8 | 62.4 | 61.5 |
| 23 | Breakeven | ++ | ++ | ++ | ++ | ++ | ++ | ++ |
| | <u>Employment & Productivity:</u> | | | | | | | |
| 24 | Employment, Total Weighted Avg CY | 5,668 | 5,185 | 5,547 | 5,426 | 5,277 | 5,133 | 5,010 |
| 25 | Overall RTM's per Employee (000) | 163.6 | 216.3 | 738.1 | 790.4 | 823.1 | 846.2 | 869.8 |

| | | CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER | | | | | | |
|----|--|---|-------|-------|--------|-------|------|-------|
| 26 | Operating Revenues (%) | 0.9 | 1.9 | 7.3 | 7.6 | 15.7 | 17.5 | 17.5 |
| 27 | Operating Expenses (%) | 1.6 | 13.6 | 8.3 | 11.4 | 14.6 | 15.8 | 18.6 |
| 28 | Operating Profit (Loss) (in Millions \$) | -4.3 | -64.9 | -14.6 | -75.3 | 41.8 | 55.3 | -1.2 |
| 29 | Net Income (Loss)(in Millions \$) | 5.0 | -73.8 | -23.2 | -102.1 | -13.7 | 9.6 | -29.1 |
| 30 | RTMs (Sch. Svc.) (%) | -17.4 | -1.3 | -6.1 | -1.9 | 0.6 | 2.5 | 5.2 |
| 31 | ATMs (Sch. Svc.) (%) | -11.1 | -9.7 | -2.1 | -2.0 | -6.4 | -8.3 | -5.8 |
| 32 | Operating Revenues per RTM (%) | 22.1 | 3.1 | 14.1 | 9.7 | 15.1 | 14.7 | 11.7 |
| 33 | Operating Expense per RTM (%) | 22.9 | 15.1 | 15.3 | 13.5 | 13.9 | 13.0 | 12.6 |
| 34 | Passenger Revenue per RPM (Sch. Svc.)(%) | ++ | ++ | ++ | ++ | ++ | ++ | ++ |

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

| Operating Profit (Loss) (\$Millions) | | | | | | |
|---|-----------------------|----------------|--------------|----------------------------|----------------|--------------|
| Group/Carrier | Quarterly Data | | | 12 Month Ended Data | | |
| | 12/2000 | 12/2001 | \$Chg | 12/2000 | 12/2001 | \$Chg |
| System Passenger Majors | 35.7 | (4,727.7) | (4,763.4) | 5,495.6 | (10,581.9) | (16,077.5) |
| US Airways | (80.5) | (866.2) | (785.7) | (44.4) | (1,181.4) | (1,137.0) |
| Alaska | (39.7) | (61.1) | (21.4) | (12.4) | (64.8) | (52.4) |
| American Trans Air | (26.7) | (111.4) | (84.7) | 19.3 | (84.5) | (103.8) |
| America West | (72.9) | (138.1) | (65.2) | (12.7) | (320.1) | (307.4) |
| Southwest | 250.3 | 37.2 | (213.1) | 1,020.5 | 631.2 | (389.3) |
| American Eagle | (1.3) | (66.9) | (65.6) | 62.1 | (255.9) | (318.0) |
| American | 71.0 | (808.9) | (879.9) | 1,243.0 | (2,557.8) | (3,800.8) |
| Continental | 99.3 | (341.3) | (440.6) | 589.1 | (322.5) | (911.6) |
| Delta | 132.1 | (969.0) | (1,101.1) | 1,459.4 | (1,382.9) | (2,842.3) |
| Northwest | 5.6 | (396.6) | (402.2) | 663.5 | (796.6) | (1,460.1) |
| Trans World | (133.1) | (105.9) | 27.2 | (232.7) | (503.4) | (270.7) |
| United | (168.4) | (899.6) | (731.2) | 740.8 | (3,743.1) | (4,483.9) |
| System Cargo Majors | 243.2 | 426.7 | 183.5 | 1,044.3 | 696.2 | (348.1) |
| DHL Airways | (24.9) | (31.3) | (6.4) | (70.8) | (183.4) | (112.6) |
| Federal Express | 245.7 | 439.9 | 194.2 | 999.4 | 778.5 | (220.9) |
| United Parcel Service | 22.4 | 18.1 | (4.3) | 115.7 | 101.1 | (14.6) |
| System Total Majors | 278.9 | (4,301.0) | (4,579.9) | 6,539.9 | (9,885.7) | (16,425.6) |

| Net Income (Loss) (\$Millions) | | | | | | |
|---------------------------------------|-----------------------|----------------|--------------|----------------------------|----------------|--------------|
| Group/Carrier | Quarterly Data | | | 12 Month Ended Data | | |
| | 12/2000 | 12/2001 | \$Chg | 12/2000 | 12/2001 | \$Chg |
| System Passenger Majors | (297.3) | (3,667.0) | (3,369.7) | 2,083.8 | (7,814.1) | (9,897.9) |
| US Airways | (98.1) | (1,054.0) | (955.9) | (254.8) | (1,989.4) | (1,734.6) |
| Alaska | (22.5) | (14.5) | 8.0 | (64.3) | (10.1) | 54.2 |
| American Trans Air | (22.9) | (78.6) | (55.7) | (5.6) | (78.0) | (72.4) |
| America West | (43.6) | (61.0) | (17.4) | (0.5) | (148.4) | (147.9) |
| Southwest | 154.7 | 63.5 | (91.2) | 603.1 | 511.2 | (91.9) |
| American Eagle | (16.8) | (56.9) | (40.1) | (21.5) | (226.2) | (204.7) |
| American | 33.2 | (534.5) | (567.7) | 778.0 | (1,317.2) | (2,095.2) |
| Continental | 39.5 | (154.7) | (194.2) | 308.1 | (97.5) | (405.6) |
| Delta | (37.4) | (1,116.0) | (1,078.6) | 686.5 | (1,518.0) | (2,204.5) |
| Northwest | (44.8) | (182.1) | (137.3) | 269.9 | (418.1) | (688.0) |
| Trans World | (151.6) | (162.3) | (10.7) | (266.7) | (412.2) | (145.5) |
| United | (87.0) | (315.9) | (228.9) | 51.6 | (2,110.2) | (2,161.8) |
| System Cargo Majors | 103.1 | 130.2 | 27.1 | 515.7 | 240.9 | (274.8) |
| DHL Airways | (34.8) | (70.2) | (35.4) | (67.0) | (226.0) | (159.0) |
| Federal Express | 137.4 | 194.9 | 57.5 | 545.4 | 453.0 | (92.4) |
| United Parcel Service | 0.5 | 5.5 | 5.0 | 37.2 | 14.0 | (23.2) |
| System Total Majors | (194.1) | (3,536.8) | (3,342.7) | 2,599.5 | (7,573.2) | (10,172.7) |

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

| Passenger Load Factor (Percent) | | | | | | |
|--|-----------------------|----------------|-----------------|----------------------------|----------------|-----------------|
| Group/Carrier | Quarterly Data | | | 12 Month Ended Data | | |
| | 12/2000 | 12/2001 | Pct.Chg. | 12/2000 | 12/2001 | Pct.Chg. |
| System Passenger Majors | 70.2 | 66.1 | (4.1) | 72.8 | 70.3 | (2.5) |
| Alaska | 66.2 | 66.5 | 0.3 | 69.3 | 68.4 | (0.9) |
| America West | 68.4 | 68.5 | 0.1 | 70.5 | 71.9 | 1.4 |
| American | 69.7 | 64.8 | (4.9) | 72.4 | 69.4 | (3.0) |
| American Eagle | 59.4 | 57.5 | (1.9) | 61.1 | 57.8 | (3.3) |
| American Trans Air | 71.4 | 72.1 | 0.7 | 76.4 | 76.9 | 0.5 |
| Continental | 72.0 | 70.6 | (1.4) | 74.9 | 72.8 | (2.1) |
| Delta | 69.1 | 63.7 | (5.4) | 73.3 | 69.1 | (4.2) |
| Northwest | 73.9 | 69.5 | (4.4) | 76.6 | 74.3 | (2.3) |
| Southwest | 69.0 | 64.5 | (4.5) | 70.5 | 68.0 | (2.5) |
| Trans World | 69.2 | 58.8 | (10.4) | 72.3 | 66.1 | (6.2) |
| United | 70.7 | 67.7 | (3.0) | 72.3 | 70.8 | (1.5) |
| US Airways | 69.3 | 63.2 | (6.1) | 70.4 | 68.9 | (1.5) |
| System Cargo Majors | 61.8 | 59.1 | (2.7) | 61.9 | 59.0 | (2.9) |
| DHL | 56.4 | 44.9 | (11.5) | 52.4 | 50.1 | (2.3) |
| Federal Express | 61.9 | 60.4 | (1.5) | 62.9 | 59.5 | (3.4) |
| UPS | 62.4 | 58.0 | (4.4) | 61.5 | 59.0 | (2.5) |
| System Total Majors | 70.2 | 66.1 | (4.1) | 72.8 | 70.3 | (2.5) |

| Scheduled Passenger Yield (Cents) | | | | | | |
|--|-----------------------|----------------|-----------------|----------------------------|----------------|-----------------|
| Group/Carrier | Quarterly Data | | | 12 Month Ended Data | | |
| | 12/2000 | 12/2001 | Pct.Chg. | 12/2000 | 12/2001 | Pct.Chg. |
| System Passenger Majors | 13.49 | 11.12 | (17.6) | 13.33 | 12.24 | (8.2) |
| Alaska | 13.33 | 12.31 | (7.7) | 13.17 | 12.80 | (2.8) |
| America West | 11.38 | 9.32 | (18.1) | 11.39 | 10.14 | (11.0) |
| American | 14.67 | 12.45 | (15.1) | 14.05 | 13.27 | (5.6) |
| American Eagle | 38.82 | 30.69 | (20.9) | 38.14 | 36.43 | (4.5) |
| American Trans Air | 9.48 | 8.51 | (10.2) | 10.02 | 9.35 | (6.7) |
| Continental | 13.35 | 11.27 | (15.6) | 13.11 | 12.44 | (5.1) |
| Delta | 13.36 | 9.43 | (29.4) | 13.12 | 11.75 | (10.4) |
| Northwest | 12.02 | 10.76 | (10.5) | 12.04 | 11.24 | (6.6) |
| Southwest | 12.94 | 10.92 | (15.6) | 12.78 | 11.89 | (7.0) |
| Trans World | 11.87 | 12.23 | 3.0 | 11.92 | 11.33 | (5.0) |
| United | 12.99 | 10.24 | (21.2) | 13.09 | 11.55 | (11.8) |
| US Airways | 15.90 | 13.46 | (15.3) | 16.14 | 14.32 | (11.3) |
| System Cargo Majors | - | - | - | - | - | - |
| DHL | - | - | - | - | - | - |
| Federal Express | - | - | - | - | - | - |
| UPS | - | - | - | - | - | - |
| System Total Majors | 13.49 | 11.12 | (17.6) | 13.33 | 12.24 | (8.2) |

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

| Operating Profit Margin (Percent) | | | | | | |
|--|-----------------------|----------------|-----------------|----------------------------|----------------|-----------------|
| Group/Carrier | Quarterly Data | | | 12 Month Ended Data | | |
| | 12/2000 | 12/2001 | Pt. Chg. | 12/2000 | 12/2001 | Pt. Chg. |
| System Passenger Majors | 0.1 | (29.2) | (29.3) | 5.6 | (12.5) | (18.1) |
| Alaska | (9.2) | (15.9) | (6.7) | (0.7) | (3.7) | (3.0) |
| America West | (12.9) | (35.0) | (22.1) | (0.6) | (15.7) | (15.1) |
| American | 1.6 | (26.5) | (28.1) | 6.9 | (16.4) | (23.3) |
| American Eagle | (0.4) | (26.5) | (26.1) | 5.0 | (20.6) | (25.6) |
| American Trans Air | (10.1) | (49.7) | (39.6) | 1.6 | (7.3) | (8.9) |
| Continental | 4.3 | (22.2) | (26.5) | 6.2 | (3.9) | (10.1) |
| Delta | 3.6 | (42.8) | (46.4) | 9.5 | (10.8) | (20.3) |
| Northwest | 0.2 | (20.6) | (20.8) | 6.1 | (8.3) | (14.4) |
| Southwest | 17.1 | 3.0 | (14.1) | 18.1 | 11.4 | (6.7) |
| Trans World | (15.7) | (23.7) | (8.0) | (6.5) | (19.1) | (12.6) |
| United | (3.5) | (30.8) | (27.3) | 3.8 | (23.3) | (27.1) |
| US Airways | (3.4) | (55.7) | (52.3) | (0.5) | (14.3) | (13.8) |
| System Cargo Majors | 4.8 | 8.5 | 3.7 | 5.3 | 3.6 | (1.7) |
| DHL | (6.4) | (8.7) | (2.3) | (4.7) | (12.5) | (7.8) |
| Federal Express | 6.2 | 11.1 | 4.9 | 6.4 | 5.1 | (1.3) |
| UPS | 3.4 | 2.7 | (0.7) | 4.6 | 3.7 | (0.9) |
| System Total Majors | 1.0 | (20.3) | (21.3) | 5.6 | (9.5) | (15.1) |

| Group/Carrier | Debt To Investment (Percent) | | | Total Debt (\$Millions) | | |
|-------------------------|-------------------------------------|----------------|----------------|--------------------------------|----------------|----------------|
| | Quarterly Data | | | Quarterly Data | | |
| | 12/2000 | 12/2001 | Pt.Chg. | 12/2000 | 12/2001 | \$ Chg. |
| System Passenger Majors | 52.7 | 65.5 | 12.8 | 33,915.3 | 46,826.9 | 12,911.6 |
| Alaska | 49.0 | 56.8 | 7.8 | 675.9 | 906.5 | 230.6 |
| America West | 25.7 | 31.8 | 6.1 | 305.2 | 342.1 | 36.9 |
| American | 38.8 | 56.1 | 17.3 | 4,073.0 | 8,302.0 | 4,229.0 |
| American Eagle | 90.0 | 98.1 | 8.1 | 2,394.8 | 2,624.0 | 229.2 |
| American Trans Air | 82.6 | 96.1 | 13.5 | 457.9 | 497.6 | 39.7 |
| Continental | 74.0 | 76.9 | 2.9 | 3,757.2 | 4,544.1 | 786.9 |
| Delta | 55.1 | 66.9 | 11.8 | 6,503.8 | 8,272.5 | 1,768.7 |
| Northwest | 41.0 | 54.7 | 13.7 | 3,495.4 | 5,357.0 | 1,861.6 |
| Southwest | 20.1 | 31.5 | 11.4 | 869.7 | 1,841.7 | 972.0 |
| Trans World | 213.0 | 0.0 | -213.0 | 815.0 | 234.3 | (580.7) |
| United | 57.3 | 74.9 | 17.6 | 7,595.4 | 10,231.5 | 2,636.1 |
| US Airways | 62.6 | 111.1 | 48.5 | 2,971.9 | 3,673.6 | 701.7 |
| System Cargo Majors | 47.8 | 44.8 | -3.0 | 4,696.1 | 4,697.3 | 1.2 |
| DHL | 82.0 | 15.1 | -66.9 | 277.9 | 36.0 | (241.9) |
| Federal Express | 20.6 | 20.1 | -0.5 | 1,060.9 | 1,135.7 | 74.8 |
| UPS | 77.6 | 76.5 | -1.1 | 3,357.4 | 3,525.6 | 168.2 |
| System Total Majors | 52.0 | 62.8 | 10.8 | 38,611.5 | 51,524.1 | 12,912.6 |

FOOTNOTES

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

EXPLANATION OF LINE ITEMS

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

EXPLANATION OF LINE ITEMS

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