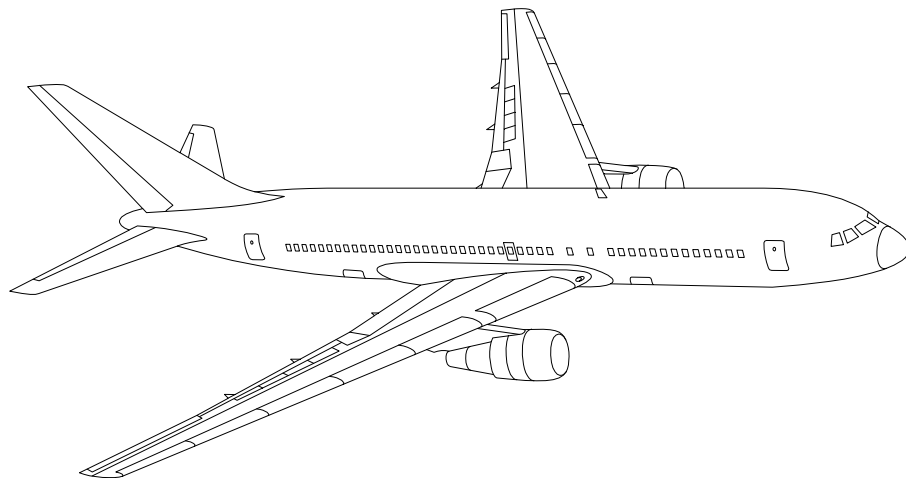


AIRLINE QUARTERLY FINANCIAL REVIEW

FOURTH QUARTER 2002



MAJORS



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

TABLE OF CONTENTS

	<u>DESCRIPTION</u>	<u>PAGE</u>
Introduction		3
Total System Passenger & All-Cargo Majors		4
Chart 1	Operating and Net Profit (Loss) Fourth Quarter 2002 ..	7
Chart 2	Operating and Net Profit (Loss) 12 Months Ended Fourth Quarter 2002	7
Chart 3	Operating Profit (Loss) By Quarter	8
Chart 4	Net Income (Loss) By Quarter	8
Chart 5	Operating Profit (Loss) By 12-Month Ending Periods ...	9
Chart 6	Net Income (Loss) By 12-Month Ending Periods	9
Chart 7	Operating Revenue Per Revenue Ton-Mile Percent Change From Same Period A Year Earlier	10
Chart 8	Ton Load Factor Percentage Point Change From Year Earlier	10
Chart 9	Operating Expense Per Revenue Ton-Mile, Percent Change From Same Period A Year Earlier	11
Chart 10	Operating Expense Per Available Ton-Mile, Percent Change From Same Period A Year Earlier	11
Total Passenger Majors		12
Chart 11	Passenger Revenues Per Revenue Passenger-Mile, Percent Change From Same Period A Year Earlier	15
Chart 12	Revenue Passenger-Miles, Percent Change From Same Period A Year Earlier	15
Chart 13	Available Seat-Miles, Percent Change From Same Period A Year Earlier	16
Chart 14	Passenger Load Factor, Percentage Point Change From Same Period A Year Earlier	16
Chart 15	Passenger (RPM) Yield	17
Chart 16	Passenger Load Factor	17
Alaska Airlines, Inc.		18
America West Airlines, Inc.		19
American Airlines, Inc.		20
American Eagle, Inc.		21
American Trans Air		22
Continental Airlines, Inc.		23
Delta Air Lines, Inc.		24
Northwest Airlines, Inc.		25
Southwest Airlines Co.		26
United Air Lines, Inc.		27
US Airways, Inc.		28
Total All-Cargo Majors		29
DHL Airways.....		32
Federal Express Corp.		33
United Parcel Service		34
Comparison of Individual Major Operating Profit ant Net Income ...		35
Comparison of Individual Major Scheduled Passenger Load Factor And Scheduled Passenger Yield		36
Comparison of Individual Major Operating Profit Margin and Debt ..		37
Footnotes		38
Explanation of Line Items		39

INTRODUCTION

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

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

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

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

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

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2002/12	2001/12	2002/12	2002/09	2002/06	2002/03	2001/12
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	23,905.6	21,643.3	96,742.6	94,480.3	95,411.5	99,438.3	104,934.1
2	Operating Expenses	26,473.9	25,795.2	105,364.6	104,685.9	107,600.4	111,012.9	114,561.4
3	Operating Profit (Loss)	-2,568.3	-4,151.9	-8,622.0	-10,205.6	-12,188.9	-11,574.7	-9,627.3
4	Net Income (Loss)	-3,920.4	-3,192.6	-11,069.2	-10,341.4	-10,174.6	-9,586.8	-7,139.0
<u>TRAFFIC: (Billions)</u>								
5	RPMs - Scheduled Rev. Svc.	140.06	125.95	587.50	573.38	575.43	592.80	609.05
6	ASMs - Scheduled Rev. Svc.	201.42	190.72	816.10	805.40	812.81	837.39	866.65
7	Overall RTMs (All Svc.)	20.41	18.25	82.48	80.32	80.04	81.64	83.52
8	Overall ATMs (All Svc.)	37.04	34.83	147.84	145.63	145.82	148.63	151.99
<u>YIELD & UNIT COST & PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	117.1	118.6	117.3	117.6	119.2	121.8	125.6
10	Operating Expense per RTM	129.7	141.4	127.7	130.3	134.4	136.0	137.2
11	Operating Profit (Loss) per RTM	-12.6	-22.8	-10.5	-12.7	-15.2	-14.2	-11.5
12	Operating Expense per ATM	71.5	74.1	71.3	71.9	73.8	74.7	75.4
13	Passenger Revenue per RPM	11.50	11.43	11.46	11.44	11.58	11.86	12.30
<u>FINANCIAL RATIOS:</u>								
14	Operating Revenues to Total Investment	*	*	1.20	1.15	1.16	1.22	1.32
15	Times Interest Earned	*	*	-3.44	-3.64	-2.17	-2.23	-2.02
16	Current Assets to Current Liabilities	*	*	0.73	0.80	0.83	0.81	0.80
17	No. of Days Cash Coverage of Cash Exp.	*	*	47.7	50.4	52.8	47.9	52.0
<u>FINANCIAL PERCENTAGES:</u>								
18	Operating Profit (Loss) to Operating Revenue	-10.7	-19.2	-8.9	-10.8	-12.8	-11.6	-9.2
19	Net Income to Stockholders Equity	*	*	-44.1	-35.8	-32.9	-29.6	-21.2
20	Corporate Return on Investment	*	*	-9.9	-9.0	-9.1	-8.7	-6.1
21	Debt to Total Investment	*	*	80.8	69.5	65.9	64.5	62.9
<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>								
22	Actual	69.5	66.0	72.0	71.2	70.8	70.8	70.3
23	Breakeven	83.3	88.3	83.6	84.7	86.2	84.8	81.8
<u>Employment & Productivity:</u>								
24	Employment, Total Weighted Avg CY	496,322	510,622	499,301	502,877	513,820	528,015	539,952
25	Overall RTM's per Employee (000)	41.1	35.7	165.2	159.7	155.8	154.6	154.7

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	10.5	-26.0	-7.8	-16.0	-18.8	-16.3	-11.0
27	Operating Expenses (%)	2.6	-10.9	-8.0	-11.1	-7.4	-2.3	2.9
28	Operating Profit (Loss) (in Millions \$)	1,583.6	-4,442.9	1,005.3	-5,021.2	-13,425.5	-16,651.6	-16,231.3
29	Net Income (Loss)(in Millions \$)	-727.7	-3,010.8	-3,930.2	-6,213.3	-9,308.9	-11,366.3	-9,804.4
30	RPMs (Sch. Svc.) (%)	11.2	-20.0	-3.5	-10.5	-12.2	-9.7	-6.8
31	ASMs (Sch. Svc.) (%)	5.6	-14.9	-5.8	-10.5	-10.6	-7.2	-3.5
32	Operating Revenues per RTM (%)	-1.3	-10.1	-6.6	-8.6	-9.0	-7.4	-3.9
33	Operating Expense per RTM (%)	-8.3	8.3	-6.9	-3.2	3.8	8.0	11.1
34	Passenger Revenue per RPM (Sch. Svc.)(%)	0.6	-15.2	-6.8	-10.3	-11.8	-11.1	-7.6

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

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2002/12	2001/12	2002/12	2002/09	2002/06	2002/03	2001/12
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	17,735.4	16,398.7	71,837.3	70,500.7	71,254.6	74,418.5	78,599.8
2	Operating Expenses	19,662.0	19,738.0	79,333.7	79,409.7	81,353.7	83,951.5	86,509.6
3	Operating Profit (Loss)	-1,926.6	-3,339.3	-7,496.4	-8,909.0	-10,099.1	-9,532.9	-7,909.8
4	Net Income (Loss)	-2,912.5	-2,784.8	-9,101.5	-8,973.8	-8,711.0	-8,231.8	-6,366.5
<u>TRAFFIC: (Billions)</u>								
5	RPMs - Scheduled Rev. Svc.	102.45	94.07	424.81	416.43	416.73	427.83	438.94
6	ASMs - Scheduled Rev. Svc.	147.86	141.35	601.66	595.14	598.67	614.22	633.27
7	Overall RTMs (All Svc.)	13.43	12.25	54.40	53.23	52.88	53.76	54.80
8	Overall ATMs (All Svc.)	24.91	23.69	99.95	98.74	98.31	99.52	101.16
<u>YIELD & UNIT COST & PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	132.1	133.9	132.0	132.5	134.8	138.4	143.4
10	Operating Expense per RTM	146.4	161.1	145.8	149.2	153.9	156.2	157.9
11	Operating Profit (Loss) per RTM	-14.3	-27.3	-13.8	-16.7	-19.1	-17.7	-14.4
12	Operating Expense per ATM	78.9	83.3	79.4	80.4	82.7	84.4	85.5
13	Passenger Revenue per RPM	12.05	12.13	12.05	12.07	12.28	12.66	13.16
<u>FINANCIAL RATIOS:</u>								
14	Operating Revenues to Total Investment	*	*	**	**	**	**	**
15	Times Interest Earned	*	*	**	**	**	**	**
16	Current Assets to Current Liabilities	*	*	**	**	**	**	**
17	No. of Days Cash Coverage of Cash Exp.	*	*	**	**	**	**	**
<u>FINANCIAL PERCENTAGES:</u>								
18	Operating Profit (Loss) to Operating Revenue	-10.9	-20.4	-10.4	-12.6	-14.2	-12.8	-10.1
19	Net Income to Stockholders Equity	*	*	**	**	**	**	**
20	Corporate Return on Investment	*	*	-11.2	-10.9	-10.0	-9.8	-7.3
21	Debt to Total Investment	*	*	**	**	**	**	**
<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>								
22	Actual	69.3	66.6	70.6	70.0	69.6	69.7	69.3
23	Breakeven	82.4	89.2	82.9	84.6	85.6	84.2	81.3
<u>Employment & Productivity:</u>								
24	Employment, Total Weighted Avg CY	*	*	**	**	**	**	**
25	Overall RTM's per Employee (000)	*	*	**	**	**	**	**

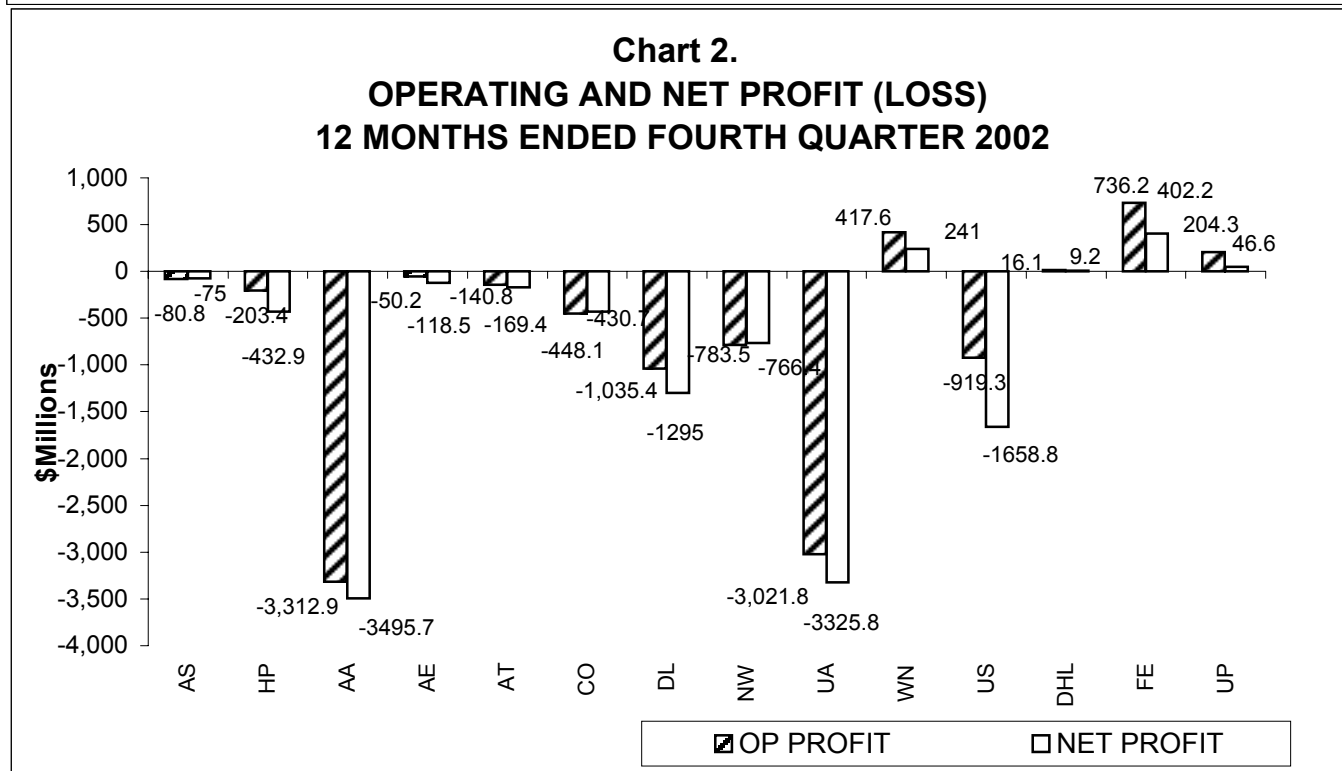
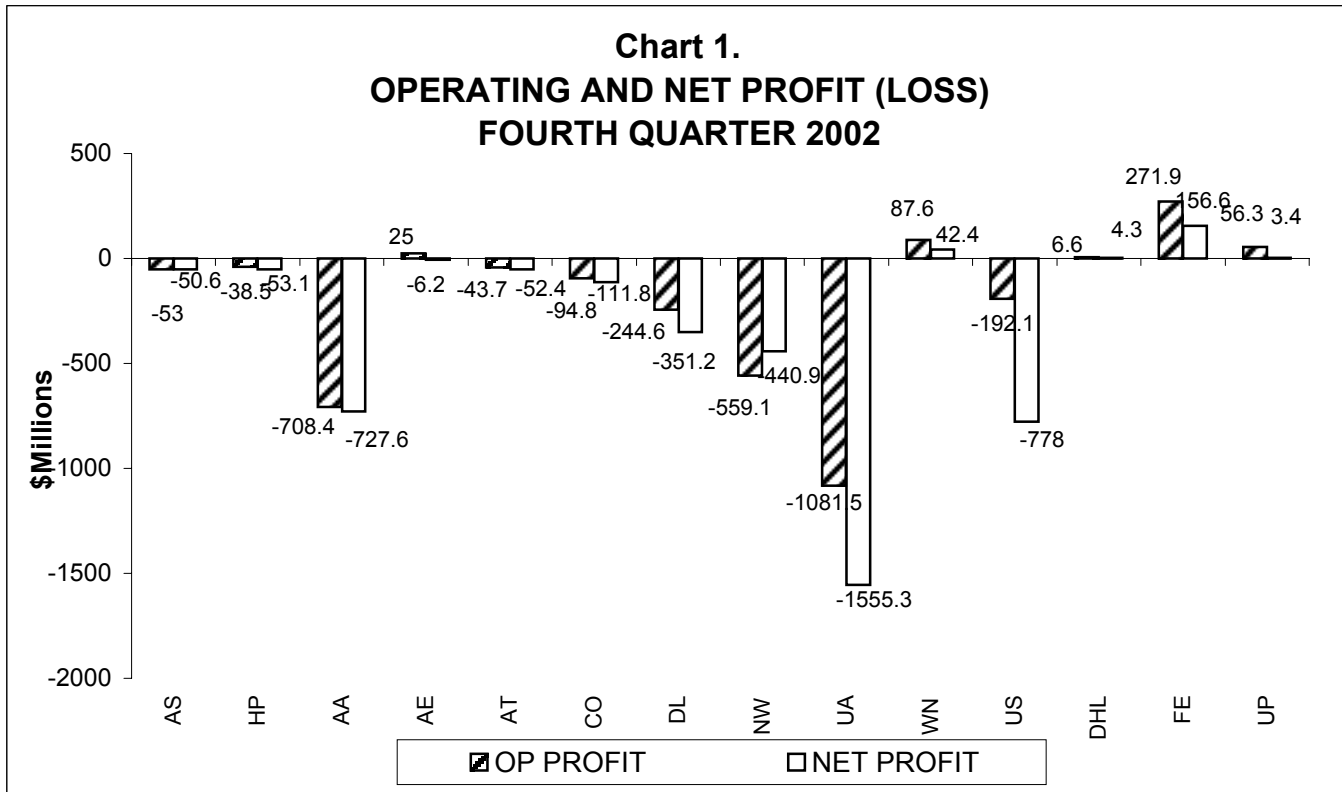
		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	8.2	-26.0	-8.6	-16.4	-19.3	-17.0	-12.0
27	Operating Expenses (%)	-0.4	-10.1	-8.3	-10.5	-7.4	-2.3	2.7
28	Operating Profit (Loss) (in Millions \$)	1,412.6	-3,534.2	413.4	-4,533.5	-10,591.7	-13,295.5	-12,991.8
29	Net Income (Loss)(in Millions \$)	-127.6	-2,589.4	-2,735.0	-5,196.8	-7,521.0	-9,318.1	-8,363.4
30	RPMs (Sch. Svc.) (%)	8.9	-17.4	-3.2	-9.2	-11.1	-9.1	-6.7
31	ASMs (Sch. Svc.) (%)	4.6	-13.8	-5.0	-9.3	-9.7	-6.7	-3.6
32	Operating Revenues per RTM (%)	-1.3	-12.7	-7.9	-10.5	-10.9	-9.0	-5.1
33	Operating Expense per RTM (%)	-9.1	6.0	-7.6	-4.2	2.3	7.1	10.8
34	Passenger Revenue per RPM (Sch. Svc.)(%)	-0.7	-16.8	-8.4	-12.0	-13.3	-12.2	-8.5

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

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2002/12	2001/12	2002/12	2002/09	2002/06	2002/03	2001/12
	<u>FINANCIAL RESULTS: (\$Millions)</u>							
1	Operating Revenues	6,170.2	5,244.5	24,905.3	23,979.6	24,157.0	25,019.7	26,334.3
2	Operating Expenses	6,811.9	6,057.2	26,030.9	25,276.2	26,246.7	27,061.5	28,051.8
3	Operating Profit (Loss)	-641.7	-812.7	-1,125.6	-1,296.6	-2,089.8	-2,041.8	-1,717.5
4	Net Income (Loss)	-1,007.9	-407.8	-1,967.7	-1,367.6	-1,463.6	-1,355.1	-772.5
	<u>TRAFFIC: (Billions)</u>							
5	RPMs - Scheduled Rev. Svc.	37.62	31.88	162.69	156.95	158.70	164.97	170.11
6	ASMs - Scheduled Rev. Svc.	53.55	49.37	214.44	210.26	214.14	223.17	233.38
7	Overall RTMs (All Svc.)	6.99	6.00	28.08	27.09	27.16	27.88	28.72
8	Overall ATMs (All Svc.)	12.13	11.14	47.89	46.90	47.51	49.11	50.84
	<u>YIELD & UNIT COST & PROFITS: (Cents)</u>							
9	Operating Revenue per RTM	88.3	87.4	88.7	88.5	88.9	89.7	91.7
10	Operating Expense per RTM	97.5	101.0	92.7	93.3	96.6	97.1	97.7
11	Operating Profit (Loss) per RTM	-9.2	-13.6	-4.0	-4.8	-7.7	-7.3	-6.0
12	Operating Expense per ATM	56.2	54.4	54.4	53.9	55.2	55.1	55.2
13	Passenger Revenue per RPM	10.00	9.36	9.91	9.77	9.74	9.79	10.07
	<u>FINANCIAL RATIOS:</u>							
14	Operating Revenues to Total Investment	*	*	**	**	**	**	**
15	Times Interest Earned	*	*	**	**	**	**	**
16	Current Assets to Current Liabilities	*	*	**	**	**	**	**
17	No. of Days Cash Coverage of Cash Exp.	*	*	**	**	**	**	**
	<u>FINANCIAL PERCENTAGES:</u>							
18	Operating Profit (Loss) to Operating Revenue	-10.4	-15.5	-4.5	-5.4	-8.7	-8.2	-6.5
19	Net Income to Stockholders Equity	*	*	**	**	**	**	**
20	Corporate Return on Investment	*	*	-6.1	-3.4	-5.7	-5.4	-1.7
21	Debt to Total Investment	*	*	**	**	**	**	**
	<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>							
22	Actual	70.2	64.6	75.9	74.6	74.1	73.9	72.9
23	Breakeven	86.4	85.4	84.8	84.3	87.3	86.0	82.6
	<u>Employment & Productivity:</u>							
24	Employment, Total Weighted Avg CY	*	*	**	**	**	**	**
25	Overall RTM's per Employee (000)	*	*	**	**	**	**	**

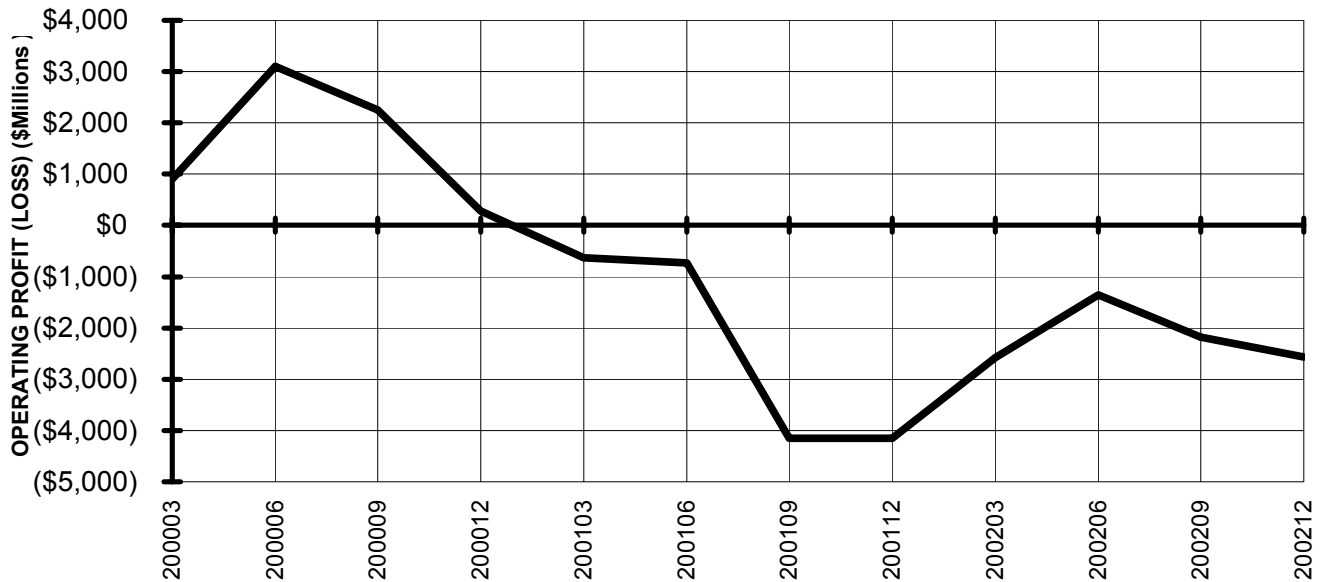
		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	17.7	-25.9	-5.4	-14.9	-17.1	-14.0	-8.0
27	Operating Expenses (%)	12.5	-13.3	-7.2	-12.8	-7.6	-2.6	3.5
28	Operating Profit (Loss) (in Millions \$)	171.0	-908.7	591.9	-487.8	-2,833.8	-3,356.1	-3,239.5
29	Net Income (Loss)(in Millions \$)	-600.1	-421.4	-1,195.2	-1,016.5	-1,787.9	-2,048.1	-1,441.0
30	RPMs (Sch. Svc.) (%)	18.0	-26.9	-4.4	-13.7	-14.9	-11.2	-7.1
31	ASMs (Sch. Svc.) (%)	8.5	-18.0	-8.1	-13.9	-13.3	-8.5	-3.0
32	Operating Revenues per RTM (%)	1.0	-4.6	-3.3	-4.3	-4.5	-3.4	-0.5
33	Operating Expense per RTM (%)	-3.5	11.7	-5.1	-2.0	6.5	9.4	11.9
34	Passenger Revenue per RPM (Sch. Svc.)(%)	6.9	-11.6	-1.6	-5.3	-7.4	-7.9	-4.7

COMPARISONS AMONG MAJOR GROUP AIRLINES

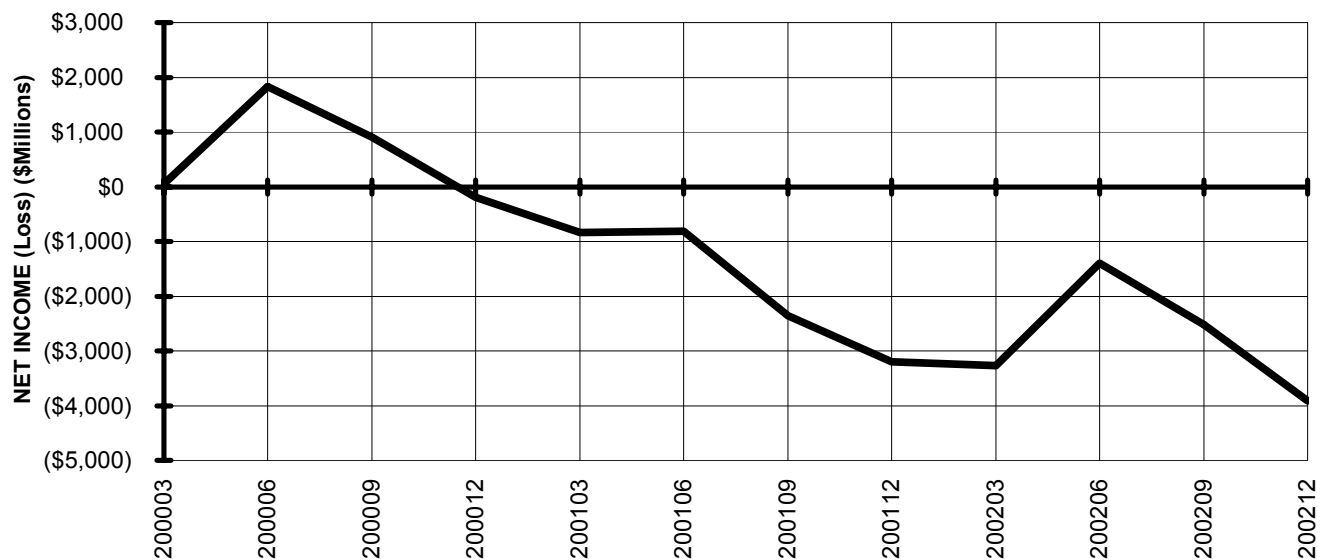


TOTAL ALL MAJORS (SYSTEM) BY QUARTER

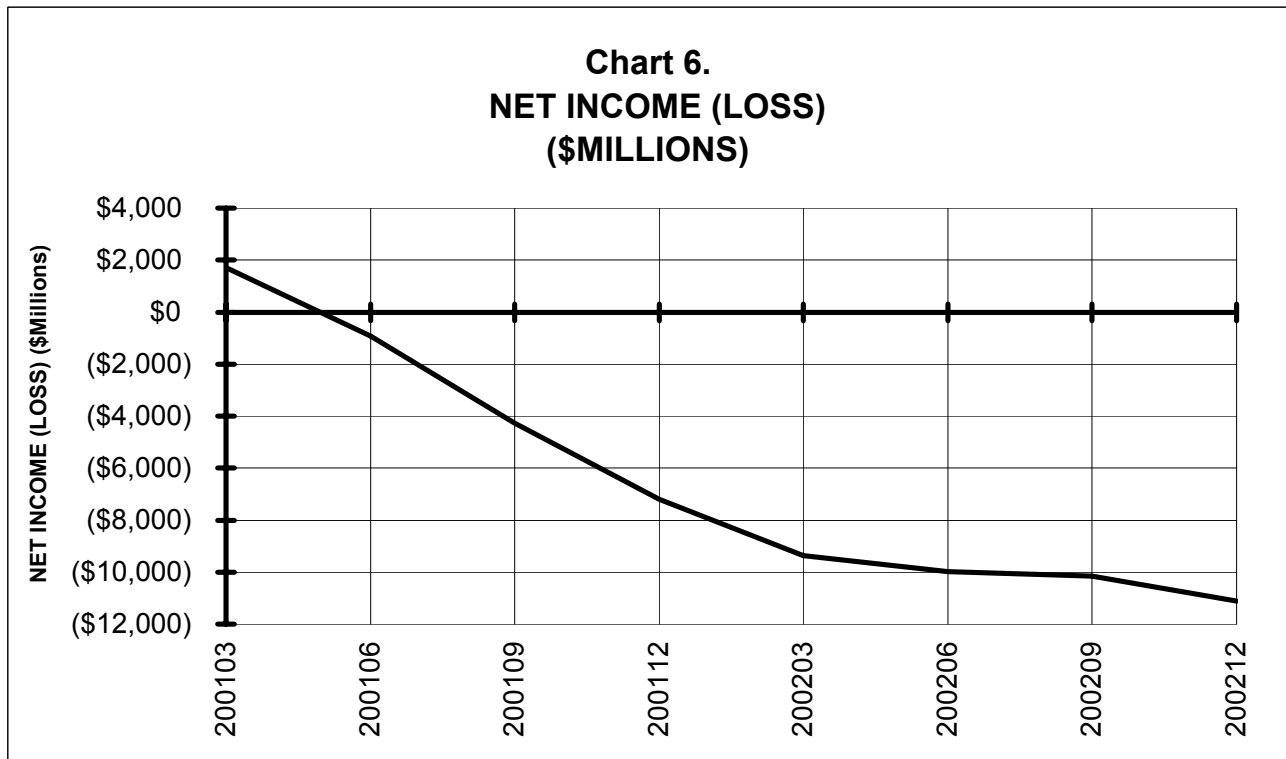
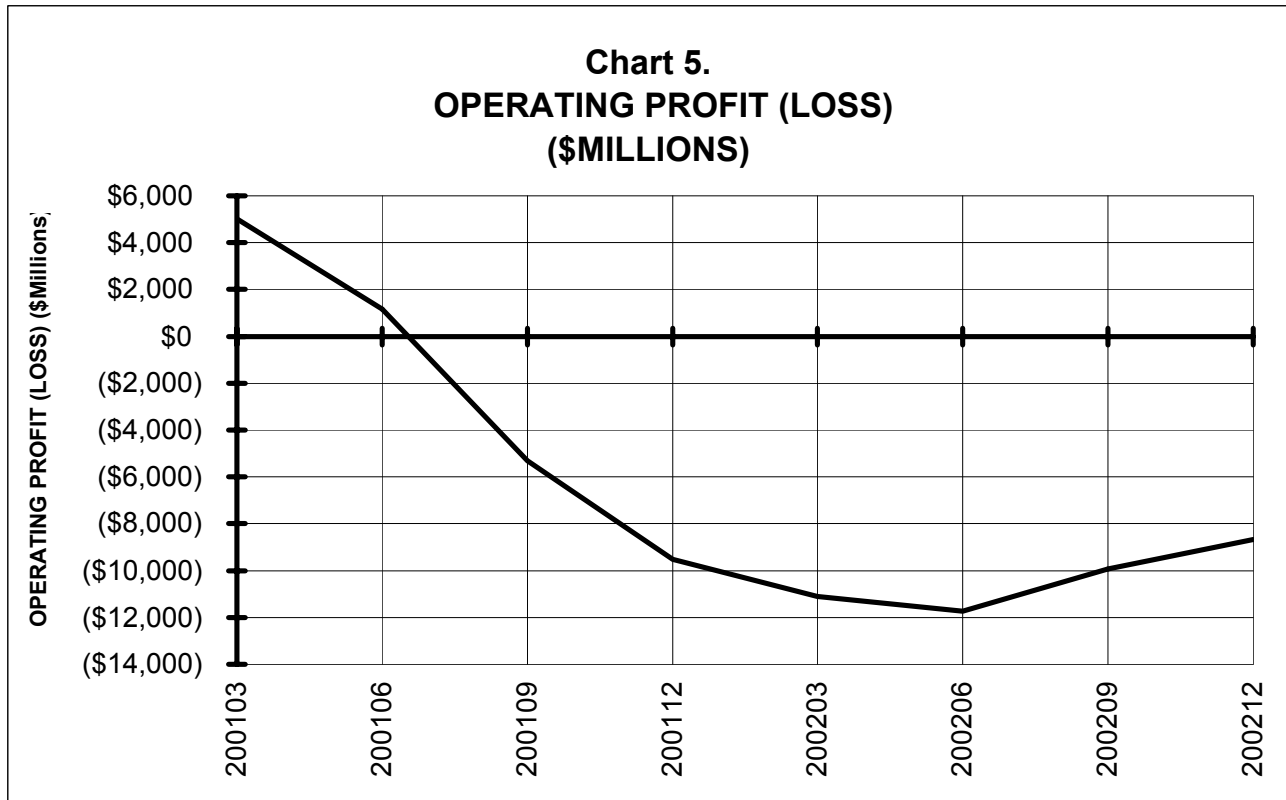
**Chart 3.
OPERATING PROFIT (LOSS)
(\$MILLIONS)**



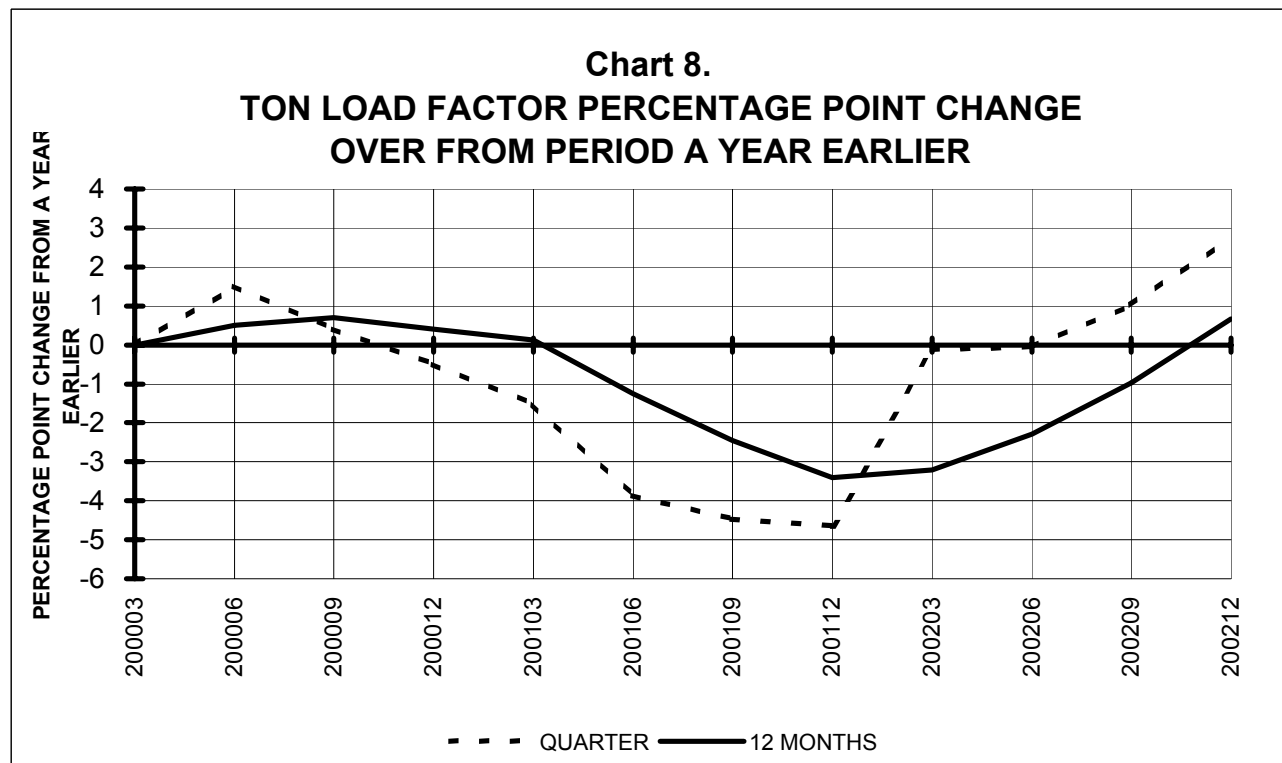
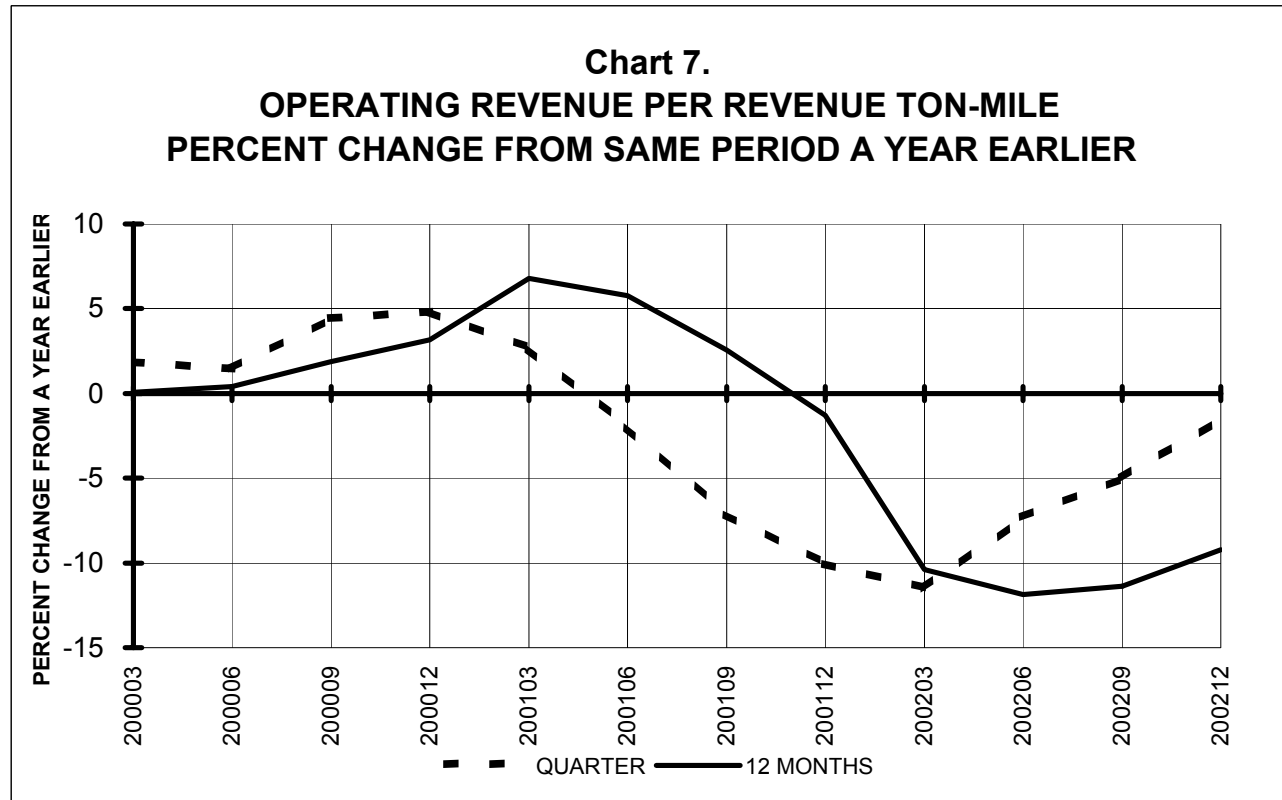
**Chart 4.
NET INCOME (LOSS)
(\$MILLIONS)**



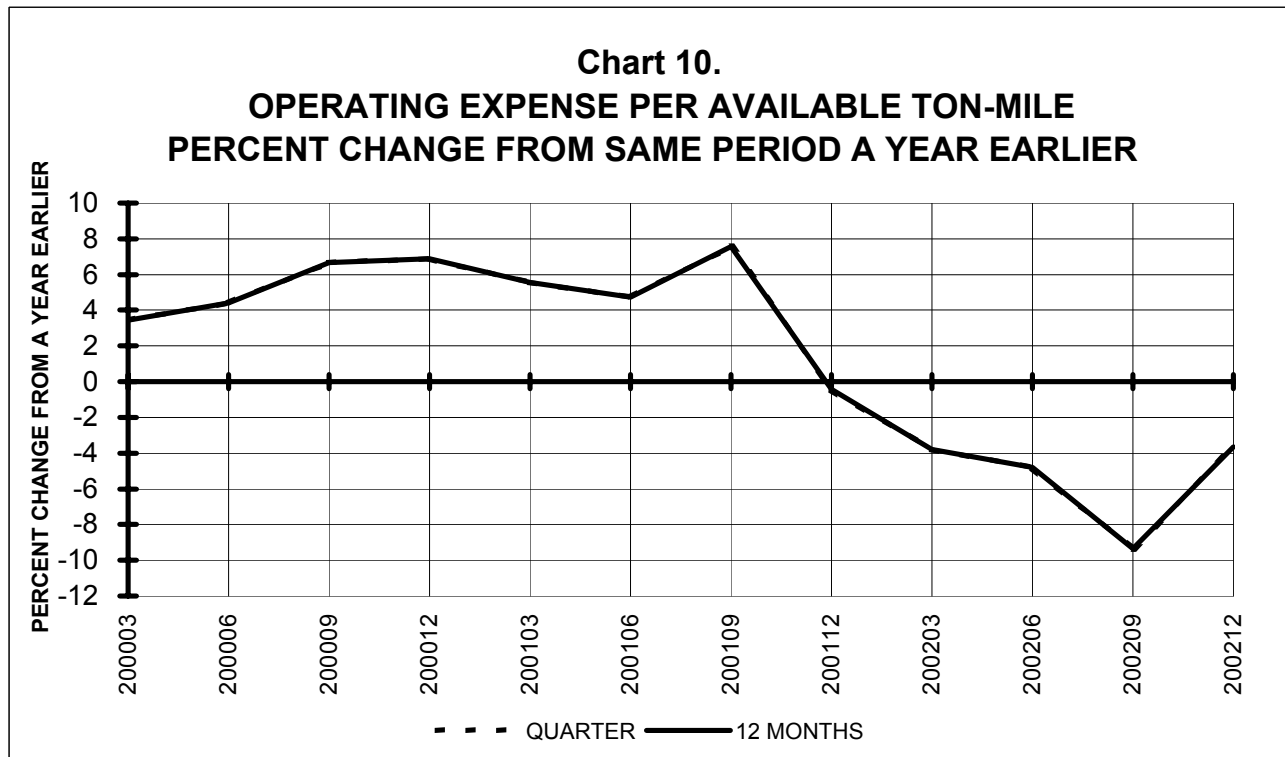
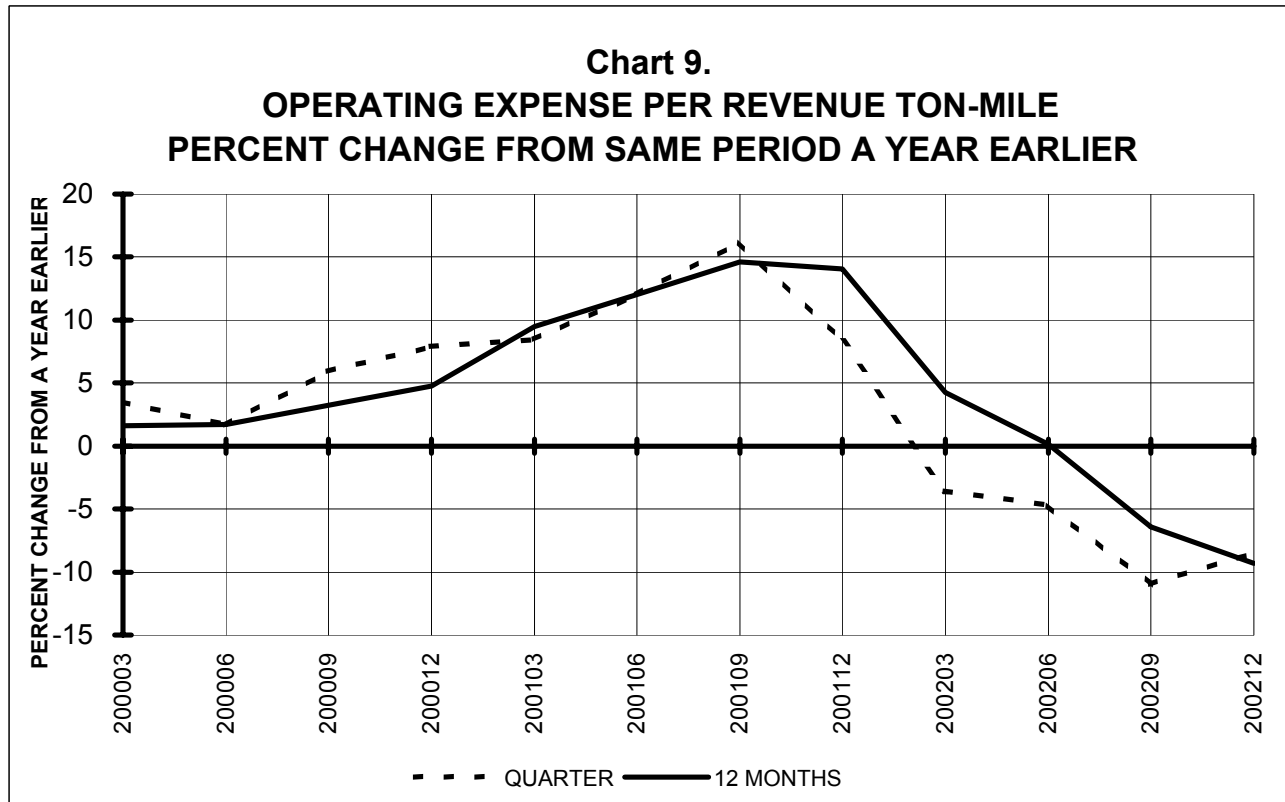
TOTAL ALL MAJORS (SYSTEM) BY 12-MONTH ENDING PERIODS



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



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



QUARTERLY FINANCIAL & TRAFFIC REVIEW
SYSTEM OPERATIONS
TOTAL PASSENGER MAJORS

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2002/12	2001/12	2002/12	2002/09	2002/06	2002/03	2001/12
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	18,887.3	16,652.4	77,695.6	75,460.6	76,505.0	80,457.9	85,590.0
2	Operating Expenses	21,790.5	21,189.2	87,274.2	86,672.9	89,502.3	92,632.3	95,859.4
3	Operating Profit (Loss)	-2,903.2	-4,536.9	-9,578.5	-11,212.2	-12,997.3	-12,174.4	-10,269.4
4	Net Income (Loss)	-4,084.7	-3,332.5	-11,527.2	-10,774.9	-10,520.7	-9,752.7	-7,354.0
<u>TRAFFIC: (Billions)</u>								
5	RPMs - Scheduled Rev. Svc.	140.1	126.0	587.5	573.4	575.4	592.8	609.1
6	ASMs - Scheduled Rev. Svc.	201.4	190.7	816.1	805.4	812.8	837.4	866.7
7	Overall RTMs (All Svc.)	16.7	14.9	68.6	66.9	67.1	69.1	71.2
8	Overall ATMs (All Svc.)	30.9	29.1	124.7	123.0	123.9	127.3	131.1
<u>YIELD & UNIT COST & PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	113.4	112.0	113.2	112.9	114.0	116.5	120.2
10	Operating Expense per RTM	130.8	142.5	127.1	129.6	133.4	134.1	134.7
11	Operating Profit (Loss) per RTM	-17.4	-30.5	-14.0	-16.8	-19.4	-17.6	-14.4
12	Operating Expense per ATM	70.6	72.7	70.0	70.5	72.2	72.8	73.1
13	Passenger Revenue per RPM	11.50	11.43	11.46	11.44	11.58	11.86	12.30
<u>FINANCIAL RATIOS:</u>								
14	Operating Revenues to Total Investment	*	*	1.11	1.05	1.06	1.13	1.23
15	Times Interest Earned	*	*	-3.85	-4.07	-2.54	-2.55	-2.39
16	Current Assets to Current Liabilities	*	*	0.69	0.77	0.81	0.79	0.78
17	No. of Days Cash Coverage of Cash Exp.	*	*	56.73	60.15	62.93	57.05	61.61
<u>FINANCIAL PERCENTAGES:</u>								
18	Operating Profit (Loss) to Operating Revenue	-15.4	-27.2	-12.3	-14.9	-17.0	-15.1	-12.0
19	Net Income to Stockholders Equity	*	*	-60.0	-46.4	-41.5	-36.2	-25.9
20	Corporate Return on Investment	*	*	-12.2	-11.1	-11.0	-10.3	-7.4
21	Debt to Total Investment	*	*	87.3	73.4	69.1	67.2	65.6
<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>								
22	Actual	69.5	66.0	72.0	71.2	70.8	70.8	70.3
23	Breakeven	85.1	90.5	84.9	86.2	87.6	85.9	82.7
<u>Employment & Productivity:</u>								
24	Employment, Total Weighted Avg CY	397,477	402,304	399,926	401,133	409,632	421,538	431,397
25	Overall RTM's per Employee (000)	41.9	37.0	171.6	166.7	163.8	163.9	165.0

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	13.4	-31.2	-9.2	-19.0	-21.8	-18.7	-12.9
27	Operating Expenses (%)	2.8	-12.3	-9.0	-12.3	-8.1	-2.5	3.4
28	Operating Profit (Loss) (in Millions \$)	1,633.7	-4,584.6	690.8	-5,527.5	-13,453.2	-16,166.5	-15,829.1
29	Net Income (Loss)(in Millions \$)	-752.2	-3,047.5	-4,173.1	-6,468.4	-9,345.1	-10,976.2	-9,503.8
30	RPMs (Sch. Svc.) (%)	11.2	-20.0	-3.5	-10.5	-12.2	-9.7	-6.8
31	ASMs (Sch. Svc.) (%)	5.6	-14.9	-5.8	-10.5	-10.6	-7.2	-3.5
32	Operating Revenues per RTM (%)	1.3	-12.6	-5.9	-8.9	-9.9	-8.7	-5.2
33	Operating Expense per RTM (%)	-8.2	11.4	-5.6	-1.3	5.9	9.6	12.5
34	Passenger Revenue per RPM (Sch. Svc.)(%)	0.6	-15.2	-6.8	-10.3	-11.8	-11.1	-7.6

QUARTERLY FINANCIAL & TRAFFIC REVIEW
DOMESTIC OPERATIONS
TOTAL PASSENGER MAJORS

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2002/12	2001/12	2002/12	2002/09	2002/06	2002/03	2001/12
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	14,211.4	12,923.7	58,331.3	57,043.6	57,872.7	60,976.0	64,918.1
2	Operating Expenses	16,312.3	16,388.9	66,260.1	66,336.7	68,194.2	70,613.8	72,984.8
3	Operating Profit (Loss)	-2,101.0	-3,465.3	-7,928.8	-9,293.1	-10,321.4	-9,637.8	-8,066.7
4	Net Income (Loss)	-3,001.5	-2,762.6	-9,286.0	-9,047.1	-8,748.7	-8,108.7	-6,240.3
<u>TRAFFIC: (Billions)</u>								
5	RPMS - Scheduled Rev. Svc.	102.45	94.07	424.81	416.43	416.73	427.83	438.94
6	ASMs - Scheduled Rev. Svc.	147.86	141.35	601.66	595.14	598.67	614.22	633.27
7	Overall RTMs (All Svc.)	11.06	10.11	45.63	44.68	44.78	46.06	47.37
8	Overall ATMs (All Svc.)	20.84	19.88	84.71	83.75	84.02	85.85	88.00
<u>YIELD & UNIT COST & PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	128.5	127.8	127.8	127.7	129.2	132.4	137.0
10	Operating Expense per RTM	147.5	162.1	145.2	148.5	152.3	153.3	154.1
11	Operating Profit (Loss) per RTM	-19.0	-34.3	-17.4	-20.8	-23.0	-20.9	-17.0
12	Operating Expense per ATM	78.3	82.4	78.2	79.2	81.2	82.3	82.9
13	Passenger Revenue per RPM	12.05	12.13	12.05	12.07	12.28	12.66	13.16
<u>FINANCIAL RATIOS:</u>								
14	Operating Revenues to Total Investment	*	*	**	**	**	**	**
15	Times Interest Earned	*	*	**	**	**	**	**
16	Current Assets to Current Liabilities	*	*	**	**	**	**	**
17	No. of Days Cash Coverage of Cash Exp.	*	*	**	**	**	**	**
<u>FINANCIAL PERCENTAGES:</u>								
18	Operating Profit (Loss) to Operating Revenue	-14.8	-26.8	-13.6	-16.3	-17.8	-15.8	-12.4
19	Net Income to Stockholders Equity	*	*	**	**	**	**	**
20	Corporate Return on Investment	*	*	-13.2	-12.5	-11.4	-10.9	-8.2
21	Debt to Total Investment	*	*	**	**	**	**	**
<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>								
22	Actual	69.3	66.6	70.6	70.0	69.6	69.7	69.3
23	Breakeven	83.7	90.3	84.0	85.6	86.4	84.7	81.6
<u>Employment & Productivity:</u>								
24	Employment, Total Weighted Avg CY	*	*	**	**	**	**	**
25	Overall RTM's per Employee (000)	*	*	**	**	**	**	**

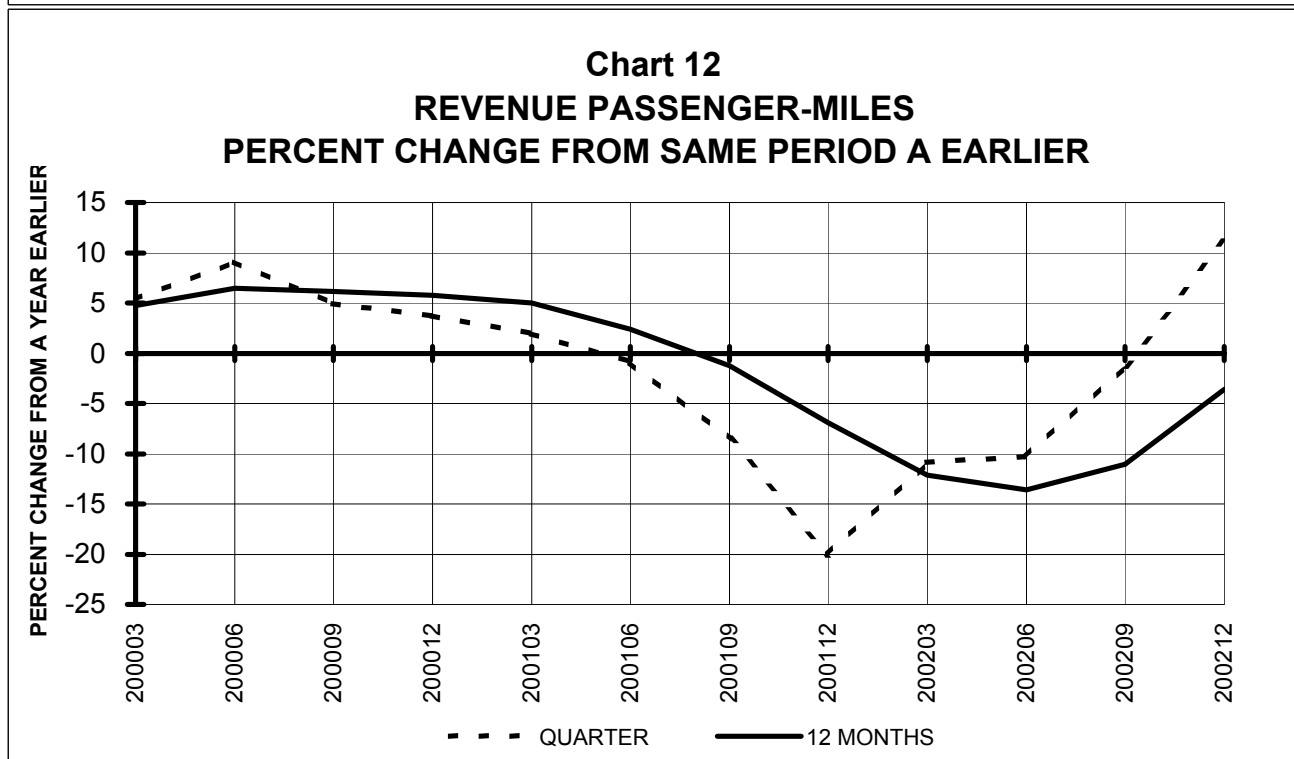
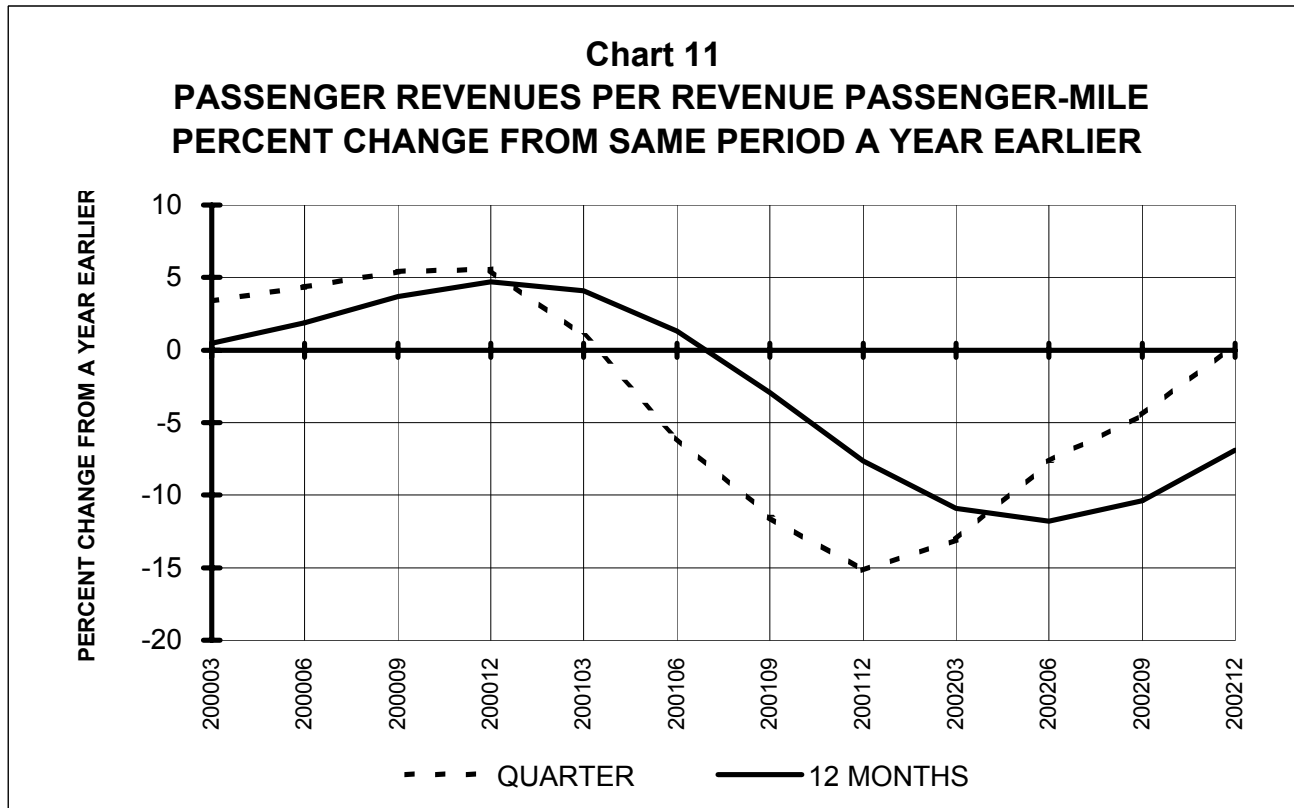
		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	10.0	-30.3	-10.1	-19.1	-22.0	-19.1	-13.6
27	Operating Expenses (%)	-0.5	-11.2	-9.2	-11.6	-8.0	-2.2	3.5
28	Operating Profit (Loss) (in Millions \$)	1,364.3	-3,551.2	137.9	-4,777.6	-10,435.3	-12,801.9	-12,637.6
29	Net Income (Loss)(in Millions \$)	-238.9	-2,553.3	-3,045.7	-5,360.1	-7,564.0	-9,009.9	-8,029.4
30	RPMS (Sch. Svc.) (%)	8.9	-17.4	-3.2	-9.2	-11.1	-9.1	-6.7
31	ASMs (Sch. Svc.) (%)	4.6	-13.8	-5.0	-9.3	-9.7	-6.7	-3.6
32	Operating Revenues per RTM (%)	0.5	-14.0	-6.7	-10.0	-11.2	-9.9	-6.2
33	Operating Expense per RTM (%)	-9.0	9.6	-5.7	-1.6	4.8	8.9	12.2
34	Passenger Revenue per RPM (Sch. Svc.)(%)	-0.7	-16.8	-8.4	-12.0	-13.3	-12.2	-8.5

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

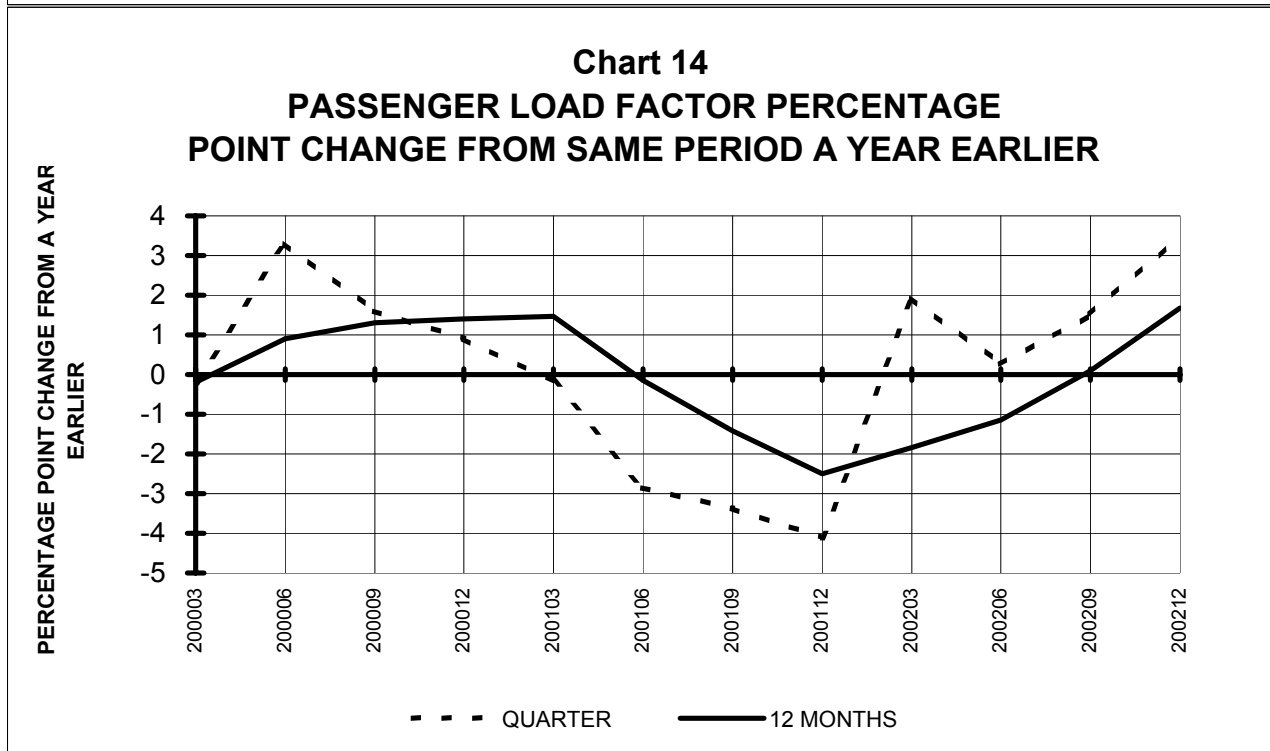
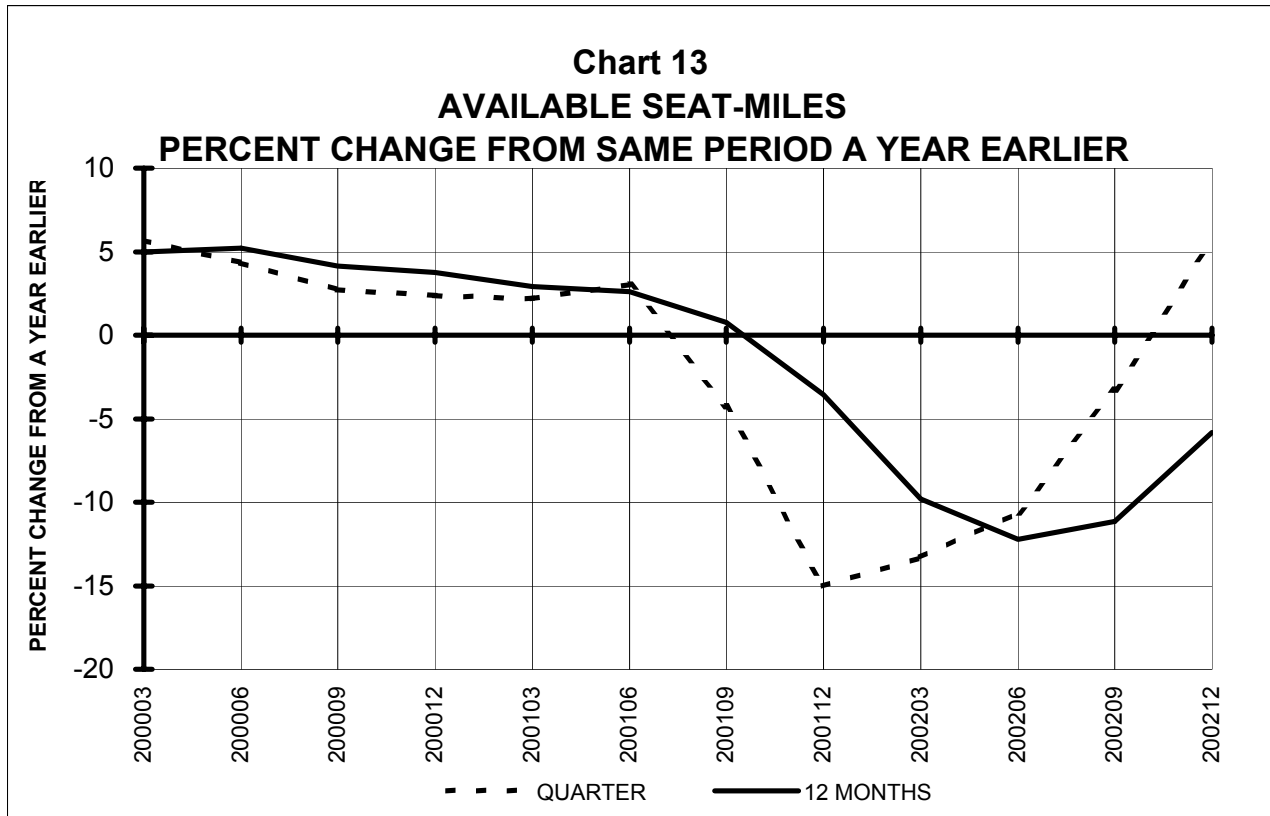
ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2002/12	2001/12	2002/12	2002/09	2002/06	2002/03	2001/12
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	4,676.0	3,728.7	19,364.3	18,417.0	18,632.2	19,481.8	20,672.0
2	Operating Expenses	5,478.2	4,800.3	21,014.0	20,336.2	21,308.1	22,018.4	22,874.6
3	Operating Profit (Loss)	-802.2	-1,071.6	-1,649.8	-1,919.2	-2,675.9	-2,536.6	-2,202.7
4	Net Income (Loss)	-1,083.2	-569.9	-2,241.1	-1,727.8	-1,772.0	-1,644.0	-1,113.7
<u>TRAFFIC: (Billions)</u>								
5	RPMs - Scheduled Rev. Svc.	37.62	31.88	162.69	156.95	158.70	164.97	170.11
6	ASMs - Scheduled Rev. Svc.	53.55	49.37	214.44	210.26	214.14	223.17	233.38
7	Overall RTMs (All Svc.)	5.60	4.76	23.01	22.18	22.31	23.03	23.82
8	Overall ATMs (All Svc.)	10.01	9.25	39.96	39.20	39.89	41.44	43.08
<u>YIELD & UNIT COST & PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	83.6	78.3	84.1	83.0	83.5	84.6	86.8
10	Operating Expense per RTM	97.9	100.8	91.3	91.7	95.5	95.6	96.0
11	Operating Profit (Loss) per RTM	-14.3	-22.5	-7.2	-8.7	-12.0	-11.0	-9.2
12	Operating Expense per ATM	54.7	51.9	52.6	51.9	53.4	53.1	53.1
13	Passenger Revenue per RPM	10.00	9.36	9.91	9.77	9.74	9.79	10.07
<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	-17.2	-28.7	-8.5	-10.4	-14.4	-13.0	-10.7
19	Net Income to Stockholders Equity	*	*	**	**	**	**	**
20	Corporate Return on Investment	*	*	-9.1	-6.3	-10.0	-9.7	-5.5
21	Debt to Total Investment	*	*	**	**	**	**	**
<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>								
22	Actual	70.2	64.6	75.9	74.6	74.1	73.9	72.9
23	Breakeven	89.7	91.7	87.2	87.4	90.5	88.9	85.5
<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 (%)	25.4	-34.2	-6.3	-18.5	-21.0	-17.5	-10.8
27	Operating Expenses (%)	14.1	-15.8	-8.1	-14.5	-8.4	-3.4	3.1
28	Operating Profit (Loss) (in Millions \$)	269.4	-1,033.4	552.9	-749.9	-3,018.0	-3,364.6	-3,191.5
29	Net Income (Loss)(in Millions \$)	-513.4	-494.2	-1,127.4	-1,108.3	-1,781.0	-1,966.3	-1,474.4
30	RPMs (Sch. Svc.) (%)	18.0	-26.9	-4.4	-13.7	-14.9	-11.2	-7.1
31	ASMs (Sch. Svc.) (%)	8.5	-18.0	-8.1	-13.9	-13.3	-8.5	-3.0
32	Operating Revenues per RTM (%)	6.7	-11.4	-3.1	-6.5	-7.0	-5.7	-2.2
33	Operating Expense per RTM (%)	-2.9	13.3	-4.9	-1.8	7.9	10.5	13.0
34	Passenger Revenue per RPM (Sch. Svc.)(%)	6.9	-11.6	-1.6	-5.3	-7.4	-7.9	-4.7

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

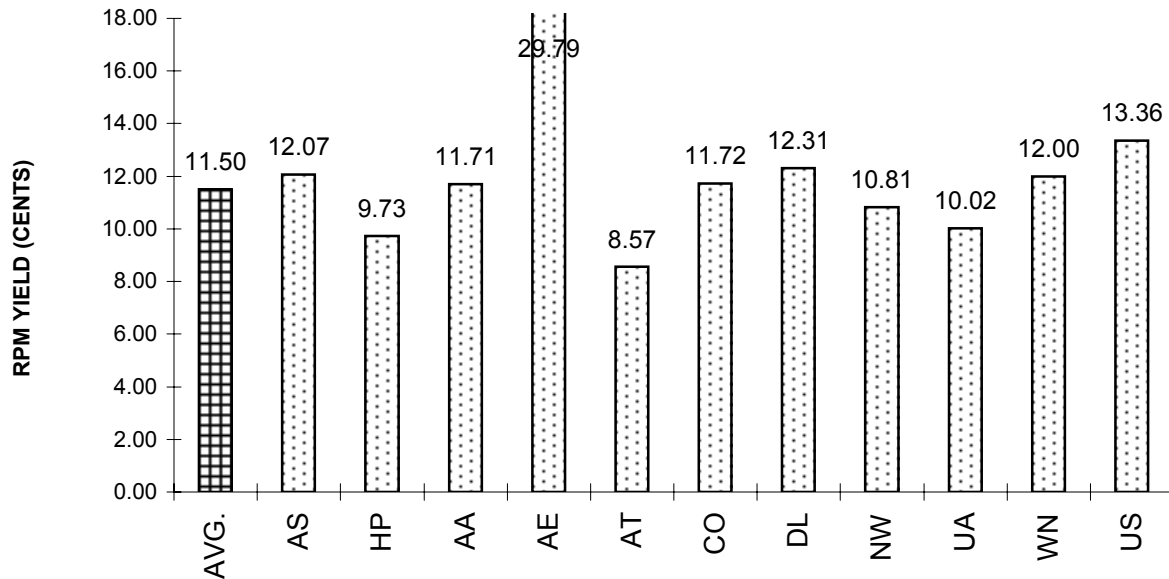


**TOTAL PASSENGER MAJORS (SYSTEM)
QUARTERLY AND 12-MONTH BASIS (SCH. SVC.)**

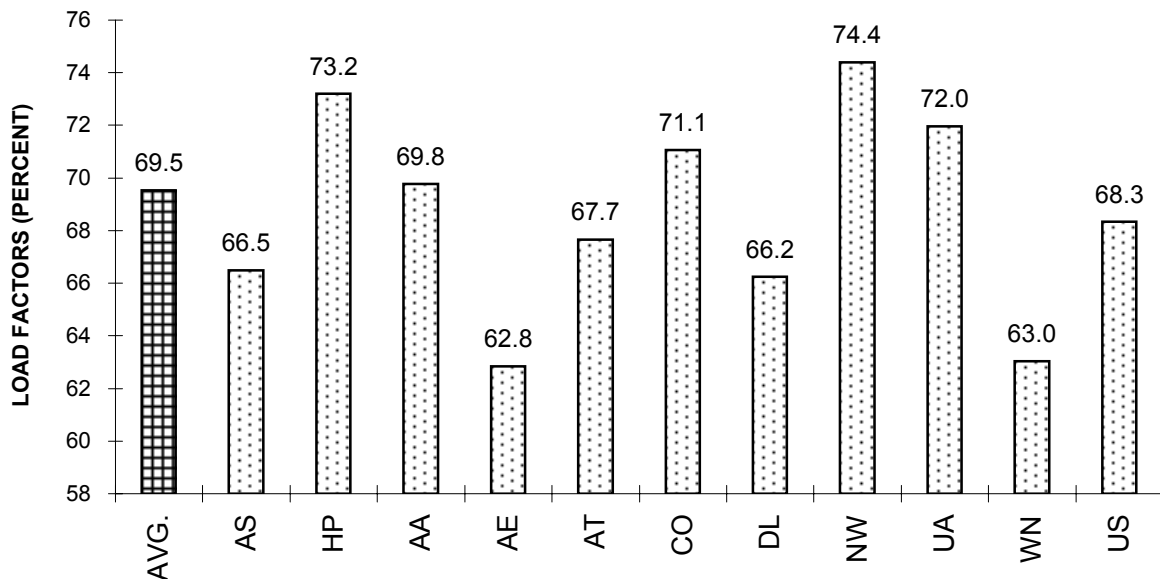


**TOTAL PASSENGER MAJORS (SYSTEM)
FOURTH QUARTER 2002 (SCH. SVC.)**

**Chart 15
PASSENGER (RPM) YIELD**



**Chart 16
PASSENGER LOAD FACTOR**



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

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2002/12	2001/12	2002/12	2002/09	2002/06	2002/03	2001/12
	<u>FINANCIAL RESULTS: (\$Millions)</u>							
1	Operating Revenues	429.8	383.4	1,832.4	1,786.0	1,758.9	1,754.8	1,763.1
2	Operating Expenses	482.8	444.5	1,913.2	1,874.9	1,848.6	1,829.7	1,827.8
3	Operating Profit (Loss)	-53.0	-61.1	-80.8	-88.9	-89.8	-74.9	-64.8
4	Net Income (Loss)	-50.6	-14.5	-75.0	-38.8	-24.8	-16.7	-10.1
	<u>TRAFFIC: (Billions)</u>							
5	RPMs - Scheduled Rev. Svc.	3.16	2.73	13.18	12.74	12.39	12.31	12.23
6	ASMs - Scheduled Rev. Svc.	4.76	4.10	19.35	18.69	18.17	17.92	17.88
7	Overall RTMs (All Svc.)	0.33	0.29	1.38	1.34	1.30	1.29	1.29
8	Overall ATMs (All Svc.)	0.62	0.54	2.53	2.45	2.38	2.35	2.34
	<u>YIELD & UNIT COST & PROFITS: (Cents)</u>							
9	Operating Revenue per RTM	129.4	133.2	132.4	133.3	135.0	135.5	136.8
10	Operating Expense per RTM	145.3	154.4	138.2	139.9	141.8	141.3	141.9
11	Operating Profit (Loss) per RTM	-16.0	-21.2	-5.8	-6.6	-6.9	-5.8	-5.0
12	Operating Expense per ATM	77.9	82.2	75.8	76.6	77.7	77.9	78.1
13	Passenger Revenue per RPM	12.07	12.31	12.33	12.39	12.53	12.62	12.80
	<u>FINANCIAL RATIOS:</u>							
14	Operating Revenues to Total Investment	*	*	1.17	1.12	1.13	1.18	1.21
15	Times Interest Earned	*	*	-1.13	-0.22	0.23	0.47	0.68
16	Current Assets to Current Liabilities	*	*	1.32	1.34	1.34	1.30	1.29
17	No. of Days Cash Coverage of Cash Exp.	*	*	128.9	137.3	148.5	131.3	139.8
	<u>FINANCIAL PERCENTAGES:</u>							
18	Operating Profit (Loss) to Operating Revenue	-12.3	-15.9	-4.4	-5.0	-5.1	-4.3	-3.7
19	Net Income to Stockholders Equity	*	*	-11.3	-5.6	-3.6	-2.4	-1.5
20	Corporate Return on Investment	*	*	-1.9	0.5	1.4	1.9	2.3
21	Debt to Total Investment	*	*	61.4	55.7	58.5	57.5	56.8
	<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>							
22	Actual	66.5	66.5	68.1	68.2	68.2	68.7	68.4
23	Breakeven	80.6	83.6	75.8	76.3	76.2	75.6	74.6
	<u>Employment & Productivity:</u>							
24	Employment, Total Weighted Avg CY	9,525	9,261	9,422	9,356	9,345	9,405	9,441
25	Overall RTM's per Employee (000)	34.9	31.1	146.9	143.2	139.5	137.7	136.5

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	12.1	-11.1	3.9	-1.4	-3.0	-1.7	0.2
27	Operating Expenses (%)	8.6	-5.6	4.7	1.1	0.5	0.8	3.1
28	Operating Profit (Loss) (in Millions \$)	8.1	-21.4	-16.0	-45.5	-63.6	-45.8	-52.4
29	Net Income (Loss)(in Millions \$)	-36.1	8.1	-64.9	-20.6	-2.7	4.1	54.2
30	RPMs (Sch. Svc.) (%)	16.1	-5.9	7.8	2.7	0.8	2.1	2.1
31	ASMs (Sch. Svc.) (%)	16.0	-6.3	8.2	2.9	1.1	2.4	3.4
32	Operating Revenues per RTM (%)	-2.9	-5.7	-3.3	-3.9	-3.5	-3.4	-1.6
33	Operating Expense per RTM (%)	-5.9	0.1	-2.6	-1.4	0.0	-0.9	1.3
34	Passenger Revenue per RPM (Sch. Svc.)(%)	-1.9	-7.7	-3.7	-4.9	-5.1	-5.0	-2.8

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

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2002/12	2001/12	2002/12	2002/09	2002/06	2002/03	2001/12
	<u>FINANCIAL RESULTS: (\$Millions)</u>							
1	Operating Revenues	516.8	394.3	2,021.0	1,898.5	1,868.6	1,910.8	2,035.5
2	Operating Expenses	555.3	532.3	2,224.4	2,201.4	2,230.2	2,327.2	2,355.6
3	Operating Profit (Loss)	-38.5	-138.1	-203.4	-302.9	-361.6	-416.4	-320.1
4	Net Income (Loss)	-53.1	-61.0	-432.9	-440.7	-439.4	-472.7	-148.4
	<u>TRAFFIC: (Billions)</u>							
5	RPMs - Scheduled Rev. Svc.	5.06	4.02	19.85	18.81	18.42	18.44	19.06
6	ASMs - Scheduled Rev. Svc.	6.92	5.88	26.96	25.92	25.48	25.53	26.50
7	Overall RTMs (All Svc.)	0.53	0.42	2.06	1.95	1.91	1.92	1.98
8	Overall ATMs (All Svc.)	0.92	0.78	3.57	3.43	3.36	3.36	3.47
	<u>YIELD & UNIT COST & PROFITS: (Cents)</u>							
9	Operating Revenue per RTM	98.4	94.3	98.2	97.3	97.7	99.6	102.6
10	Operating Expense per RTM	105.7	127.3	108.1	112.8	116.6	121.4	118.8
11	Operating Profit (Loss) per RTM	-7.3	-33.0	-9.9	-15.5	-18.9	-21.7	-16.1
12	Operating Expense per ATM	60.6	68.6	62.3	64.2	66.3	69.3	67.8
13	Passenger Revenue per RPM	9.73	9.32	9.67	9.58	9.65	9.86	10.14
	<u>FINANCIAL RATIOS:</u>							
14	Operating Revenues to Total Investment	*	*	1.77	1.60	1.60	1.66	1.80
15	Times Interest Earned	*	*	-2.26	-3.35	-3.85	-6.35	-5.60
16	Current Assets to Current Liabilities	*	*	1.20	1.14	1.27	1.26	0.86
17	No. of Days Cash Coverage of Cash Exp.	*	*	59.6	71.1	81.3	67.9	23.9
	<u>FINANCIAL PERCENTAGES:</u>							
18	Operating Profit (Loss) to Operating Revenue	-7.5	-35.0	-10.1	-16.0	-19.4	-21.8	-15.7
19	Net Income to Stockholders Equity	*	*	-94.9	-79.4	-68.5	-64.7	-18.1
20	Corporate Return on Investment	*	*	-31.0	-31.3	-32.5	-37.1	-10.1
21	Debt to Total Investment	*	*	71.1	65.1	64.1	66.5	31.8
	<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>							
22	Actual	73.2	68.5	73.6	72.6	72.3	72.2	71.9
23	Breakeven	82.1	99.0	84.9	88.7	91.1	92.9	87.2
	<u>Employment & Productivity:</u>							
24	Employment, Total Weighted Avg CY	10,341	9,790	10,176	10,038	10,193	10,480	10,858
25	Overall RTM's per Employee (000)	50.8	42.7	202.3	194.4	187.7	183.0	182.7

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	31.1	-30.4	-0.7	-14.0	-19.1	-18.4	-11.9
27	Operating Expenses (%)	4.3	-16.8	-5.6	-10.6	-9.5	-2.6	1.4
28	Operating Profit (Loss) (in Millions \$)	99.6	-65.1	116.7	-48.0	-206.7	-366.5	-307.4
29	Net Income (Loss)(in Millions \$)	7.8	-17.4	-284.5	-309.7	-338.8	-443.6	-147.9
30	RPMs (Sch. Svc.) (%)	25.9	-14.9	4.2	-4.8	-7.1	-6.2	-0.2
31	ASMs (Sch. Svc.) (%)	17.7	-14.9	1.7	-5.8	-8.1	-7.7	-2.1
32	Operating Revenues per RTM (%)	4.4	-17.8	-4.3	-9.3	-12.5	-12.8	-11.4
33	Operating Expense per RTM (%)	-16.9	-1.7	-9.0	-5.7	-2.2	4.0	2.0
34	Passenger Revenue per RPM (Sch. Svc.)(%)	4.4	-18.1	-4.7	-9.7	-12.4	-12.5	-10.9

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

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2002/12	2001/12	2002/12	2002/09	2002/06	2002/03	2001/12
	<u>FINANCIAL RESULTS: (\$Millions)</u>							
1	Operating Revenues	3,825.1	3,503.3	15,870.6	15,102.1	14,776.3	15,069.0	18,271.6
2	Operating Expenses	4,533.4	4,639.4	19,183.5	18,515.5	18,010.4	18,354.2	21,332.9
3	Operating Profit (Loss)	-708.4	-1,136.2	-3,312.9	-3,413.5	-3,234.1	-3,285.1	-3,061.3
4	Net Income (Loss)	-727.6	-777.1	-3,495.7	-3,302.6	-2,742.5	-2,693.9	-1,729.3
	<u>TRAFFIC: (Billions)</u>							
5	RPMs - Scheduled Rev. Svc.	29.46	25.39	121.67	114.30	109.38	107.50	126.91
6	ASMs - Scheduled Rev. Svc.	42.21	39.71	172.08	163.95	156.96	154.02	184.32
7	Overall RTMs (All Svc.)	3.48	2.99	14.19	13.36	12.87	12.74	12.69
8	Overall ATMs (All Svc.)	6.99	6.53	28.43	27.15	26.10	25.68	25.54
	<u>YIELD & UNIT COST & PROFITS: (Cents)</u>							
9	Operating Revenue per RTM	110.0	117.2	111.9	113.1	114.8	118.3	144.0
10	Operating Expense per RTM	130.4	155.2	135.2	138.6	140.0	144.1	168.1
11	Operating Profit (Loss) per RTM	-20.4	-38.0	-23.3	-25.6	-25.1	-25.8	-24.1
12	Operating Expense per ATM	64.9	71.1	67.5	68.2	69.0	71.5	83.5
13	Passenger Revenue per RPM	11.71	12.42	11.85	12.00	12.26	12.68	12.95
	<u>FINANCIAL RATIOS:</u>							
14	Operating Revenues to Total Investment	*	*	1.27	1.09	1.11	1.10	1.45
15	Times Interest Earned	*	*	1.00	1.00	1.00	1.00	-11.07
16	Current Assets to Current Liabilities	*	*	0.77	0.98	0.91	0.98	1.00
17	No. of Days Cash Coverage of Cash Exp.	*	*	55.2	59.4	55.3	49.0	54.1
	<u>FINANCIAL PERCENTAGES:</u>							
18	Operating Profit (Loss) to Operating Revenue	-18.5	-32.4	-20.9	-22.6	-21.9	-21.8	-16.8
19	Net Income to Stockholders Equity	*	*	-199.2	-91.2	-61.7	-54.6	-27.7
20	Corporate Return on Investment	*	*	-25.1	-21.7	-18.7	-18.0	-12.4
21	Debt to Total Investment	*	*	86.0	73.8	66.6	64.2	57.8
	<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>							
22	Actual	69.8	64.0	70.7	69.7	69.7	69.8	68.9
23	Breakeven	89.2	92.1	92.2	92.3	91.4	91.4	83.4
	<u>Employment & Productivity:</u>							
24	Employment, Total Weighted Avg CY	89,588	79,940	89,820	87,408	86,379	86,043	85,243
25	Overall RTM's per Employee (000)	38.8	33.1	158.0	152.8	149.0	148.0	148.8

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	9.2	-34.2	-13.1	-24.8	-31.1	-31.1	-15.8
27	Operating Expenses (%)	-2.3	-13.8	-10.1	-17.0	-17.4	-12.8	3.1
28	Operating Profit (Loss) (in Millions \$)	427.8	-1,074.1	-251.7	-1,204.9	-2,862.6	-4,092.4	-4,071.6
29	Net Income (Loss)(in Millions \$)	49.6	-658.8	-1,766.3	-2,151.7	-2,243.1	-2,964.8	-2,240.6
30	RPMs (Sch. Svc.) (%)	16.0	-25.0	-4.1	-15.6	-22.5	-24.8	-11.7
31	ASMs (Sch. Svc.) (%)	6.3	-18.4	-6.6	-15.2	-20.6	-22.0	-7.2
32	Operating Revenues per RTM (%)	-6.2	-26.3	-22.3	-24.7	-26.1	-24.8	-7.4
33	Operating Expense per RTM (%)	-16.0	-3.6	-19.6	-16.8	-11.4	-4.9	13.4
34	Passenger Revenue per RPM (Sch. Svc.)(%)	-5.7	-12.2	-8.5	-10.1	-10.5	-8.2	-5.1

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

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2002/12	2001/12	2002/12	2002/09	2002/06	2002/03	2001/12
	<u>FINANCIAL RESULTS: (\$Millions)</u>							
1	Operating Revenues	292.0	252.5	1,199.2	1,159.7	1,145.0	1,198.6	1,244.0
2	Operating Expenses	267.0	319.4	1,249.4	1,301.8	1,315.3	1,467.8	1,500.0
3	Operating Profit (Loss)	25.0	-66.9	-50.2	-142.0	-170.3	-269.2	-255.9
4	Net Income (Loss)	-6.2	-56.9	-118.5	-169.2	-186.5	-241.8	-226.2
	<u>TRAFFIC: (Billions)</u>							
5	RPMs - Scheduled Rev. Svc.	0.94	0.78	3.67	3.52	3.39	3.34	3.28
6	ASMs - Scheduled Rev. Svc.	1.49	1.37	5.82	5.69	5.64	5.67	5.67
7	Overall RTMs (All Svc.)	0.09	0.08	0.37	0.35	0.34	0.34	0.33
8	Overall ATMs (All Svc.)	0.18	0.16	0.70	0.68	0.66	0.66	0.66
	<u>YIELD & UNIT COST & PROFITS: (Cents)</u>							
9	Operating Revenue per RTM	310.7	321.0	324.8	327.7	336.4	357.1	377.5
10	Operating Expense per RTM	284.1	406.1	338.4	367.8	386.4	437.3	455.2
11	Operating Profit (Loss) per RTM	26.6	-85.1	-13.6	-40.1	-50.0	-80.2	-77.7
12	Operating Expense per ATM	150.5	200.6	179.2	191.7	197.8	222.3	228.2
13	Passenger Revenue per RPM	29.79	30.69	31.26	31.52	32.41	34.47	36.43
	<u>FINANCIAL RATIOS:</u>							
14	Operating Revenues to Total Investment	*	*	0.43	0.42	0.42	0.45	0.47
15	Times Interest Earned	*	*	-0.74	-1.80	-2.31	-3.86	-4.19
16	Current Assets to Current Liabilities	*	*	0.15	0.18	0.21	0.19	0.24
17	No. of Days Cash Coverage of Cash Exp.	*	*	0.7	0.7	0.7	0.6	1.7
	<u>FINANCIAL PERCENTAGES:</u>							
18	Operating Profit (Loss) to Operating Revenue	8.5	-26.5	-4.2	-12.2	-14.9	-22.5	-20.6
19	Net Income to Stockholders Equity	*	*	-2,714.6	-680.1	-253.5	-199.2	-132.3
20	Corporate Return on Investment	*	*	-0.8	-2.8	-3.8	-6.2	-6.0
21	Debt to Total Investment	*	*	100.0	102.1	99.6	99.3	98.1
	<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>							
22	Actual	62.8	57.5	63.1	61.8	60.1	59.0	57.8
23	Breakeven	56.6	75.3	66.2	70.6	70.5	74.3	71.6
	<u>Employment & Productivity:</u>							
24	Employment, Total Weighted Avg CY	7,362	7,907	7,759	7,896	8,049	8,214	8,302
25	Overall RTM's per Employee (000)	12.8	9.9	47.6	44.8	42.3	40.9	39.7

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	15.6	-20.7	-3.6	-11.5	-14.8	-6.9	-0.1
27	Operating Expenses (%)	-16.4	-0.1	-16.7	-13.2	-5.7	19.3	26.7
28	Operating Profit (Loss) (in Millions \$)	91.9	-65.6	205.8	48.3	-118.3	-325.8	-318.0
29	Net Income (Loss)(in Millions \$)	50.7	-40.1	107.7	16.9	-93.0	-218.5	-204.7
30	RPMs (Sch. Svc.) (%)	19.6	-1.0	11.9	6.9	3.1	5.0	4.4
31	ASMs (Sch. Svc.) (%)	9.4	2.4	2.5	0.8	1.8	6.3	10.2
32	Operating Revenues per RTM (%)	-3.2	-19.8	-14.0	-17.3	-17.4	-11.3	-4.3
33	Operating Expense per RTM (%)	-30.0	1.1	-25.7	-19.0	-8.6	13.6	21.4
34	Passenger Revenue per RPM (Sch. Svc.)(%)	-2.9	-20.9	-14.2	-17.9	-17.8	-11.4	-4.5

**QUARTERLY FINANCIAL & TRAFFIC REVIEW
SYSTEM OPERATIONS
AMERICAN TRANS AIR**

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2002/12	2001/12	2002/12	2002/09	2002/06	2002/03	2001/12
	<u>FINANCIAL RESULTS: (\$Millions)</u>							
1	Operating Revenues	278.1	223.9	1,150.0	1,095.8	1,103.4	1,141.4	1,154.3
2	Operating Expenses	321.8	335.3	1,290.7	1,304.2	1,254.5	1,217.7	1,238.8
3	Operating Profit (Loss)	-43.7	-111.4	-140.8	-208.4	-151.1	-76.2	-84.5
4	Net Income (Loss)	-52.4	-78.6	-169.4	-195.7	-131.4	-69.9	-78.0
	<u>TRAFFIC: (Billions)</u>							
5	RPMs - Scheduled Rev. Svc.	2.36	1.80	9.42	8.85	8.52	8.39	8.34
6	ASMs - Scheduled Rev. Svc.	3.49	2.49	12.89	11.90	11.34	11.04	10.84
7	Overall RTMs (All Svc.)	0.29	0.23	1.20	1.13	1.14	1.16	1.13
8	Overall ATMs (All Svc.)	0.54	0.40	2.02	1.88	1.86	1.84	1.77
	<u>YIELD & UNIT COST & PROFITS: (Cents)</u>							
9	Operating Revenue per RTM	95.2	97.0	96.1	96.5	96.5	98.8	102.4
10	Operating Expense per RTM	110.1	145.2	107.9	114.9	109.8	105.4	109.9
11	Operating Profit (Loss) per RTM	-15.0	-48.2	-11.8	-18.4	-13.2	-6.6	-7.5
12	Operating Expense per ATM	59.1	84.3	63.8	69.5	67.6	66.1	69.9
13	Passenger Revenue per RPM	8.57	8.51	8.71	8.71	8.85	9.17	9.33
	<u>FINANCIAL RATIOS:</u>							
14	Operating Revenues to Total Investment	*	*	2.76	2.21	2.00	1.95	2.00
15	Times Interest Earned	*	*	-4.92	-6.99	-4.98	-2.87	-3.34
16	Current Assets to Current Liabilities	*	*	1.10	0.76	0.86	0.88	1.02
17	No. of Days Cash Coverage of Cash Exp.	*	*	63.0	37.8	54.0	50.7	67.7
	<u>FINANCIAL PERCENTAGES:</u>							
18	Operating Profit (Loss) to Operating Revenue	-15.7	-49.7	-12.2	-19.0	-13.7	-6.7	-7.3
19	Net Income to Stockholders Equity	*	*	#	#	-363.2	-110.1	-96.6
20	Corporate Return on Investment	*	*	-32.8	-33.1	-18.2	-7.3	-8.8
21	Debt to Total Investment	*	*	140.1	130.9	110.7	98.3	94.9
	<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>							
22	Actual	67.7	72.1	73.0	74.4	75.1	76.0	76.9
23	Breakeven	84.1	130.5	87.0	96.8	91.8	84.3	86.2
	<u>Employment & Productivity:</u>							
24	Employment, Total Weighted Avg CY	6,465	6,132	6,468	6,385	6,488	6,610	6,792
25	Overall RTM's per Employee (000)	45.2	37.7	185.0	177.8	176.2	174.8	166.0

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	24.2	-15.2	-0.4	-8.3	-9.7	-5.0	-2.4
27	Operating Expenses (%)	-4.0	15.2	4.2	9.2	3.5	2.5	6.5
28	Operating Profit (Loss) (in Millions \$)	67.7	-84.6	-56.2	-208.5	-160.6	-90.6	-103.9
29	Net Income (Loss)(in Millions \$)	26.2	-55.7	-91.4	-173.4	-115.9	-58.2	-72.5
30	RPMs (Sch. Svc.) (%)	31.4	-1.4	12.9	5.9	6.2	8.0	11.3
31	ASMs (Sch. Svc.) (%)	39.9	-2.3	18.9	9.1	7.7	8.5	10.6
32	Operating Revenues per RTM (%)	-1.9	-16.0	-6.1	-9.0	-15.9	-17.2	-14.3
33	Operating Expense per RTM (%)	-24.2	14.2	-1.8	8.3	-3.7	-10.6	-6.4
34	Passenger Revenue per RPM (Sch. Svc.)(%)	0.7	-10.2	-6.6	-8.7	-11.1	-7.9	-6.9

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

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2002/12	2001/12	2002/12	2002/09	2002/06	2002/03	2001/12
	<u>FINANCIAL RESULTS: (\$Millions)</u>							
1	Operating Revenues	1,844.5	1,576.7	7,708.1	7,440.3	7,496.0	7,861.9	8,422.6
2	Operating Expenses	1,939.2	1,916.7	8,156.2	8,133.6	8,367.2	8,478.6	8,702.4
3	Operating Profit (Loss)	-94.8	-340.0	-448.1	-693.3	-871.2	-616.7	-279.8
4	Net Income (Loss)	-111.8	-150.8	-430.7	-469.8	-418.9	-236.0	-48.4
	<u>TRAFFIC: (Billions)</u>							
5	RPMs - Scheduled Rev. Svc.	13.92	12.76	59.40	58.24	58.57	60.19	61.49
6	ASMs - Scheduled Rev. Svc.	19.59	18.23	80.21	78.86	79.90	82.20	84.96
7	Overall RTMs (All Svc.)	1.64	1.48	6.88	6.72	6.73	6.90	7.08
8	Overall ATMs (All Svc.)	2.58	2.37	10.58	10.36	10.43	10.66	10.99
	<u>YIELD & UNIT COST & PROFITS: (Cents)</u>							
9	Operating Revenue per RTM	112.2	106.5	112.1	110.8	111.4	113.9	119.0
10	Operating Expense per RTM	118.0	129.4	118.6	121.1	124.4	122.8	122.9
11	Operating Profit (Loss) per RTM	-5.8	-23.0	-6.5	-10.3	-12.9	-8.9	-4.0
12	Operating Expense per ATM	75.2	80.9	77.1	78.5	80.2	79.5	79.2
13	Passenger Revenue per RPM	11.72	11.17	11.60	11.48	11.56	11.81	12.29
	<u>FINANCIAL RATIOS:</u>							
14	Operating Revenues to Total Investment	*	*	1.20	1.19	1.12	1.19	1.47
15	Times Interest Earned	*	*	-1.12	-1.48	1.00	1.00	1.00
16	Current Assets to Current Liabilities	*	*	0.77	0.75	0.71	0.67	0.64
17	No. of Days Cash Coverage of Cash Exp.	*	*	57.4	54.9	54.4	49.9	46.7
	<u>FINANCIAL PERCENTAGES:</u>							
18	Operating Profit (Loss) to Operating Revenue	-5.1	-21.6	-5.8	-9.3	-11.6	-7.8	-3.3
19	Net Income to Stockholders Equity	*	*	-41.4	-41.3	-36.1	-20.4	-4.1
20	Corporate Return on Investment	*	*	-1.7	-2.6	-2.0	0.4	3.5
21	Debt to Total Investment	*	*	88.2	83.2	82.7	84.4	79.8
	<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>							
22	Actual	71.1	70.0	74.1	73.9	73.3	73.2	72.4
23	Breakeven	75.1	85.8	78.3	80.8	82.2	79.2	75.4
	<u>Employment & Productivity:</u>							
24	Employment, Total Weighted Avg CY	33,168	31,716	32,904	32,541	33,235	34,379	35,448
25	Overall RTM's per Employee (000)	49.6	44.7	209.1	206.4	191.8	190.8	190.0

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	17.0	-33.2	-8.5	-19.2	-22.6	-19.7	-12.6
27	Operating Expenses (%)	1.2	-14.7	-6.3	-10.0	-8.0	-6.5	-3.2
28	Operating Profit (Loss) (in Millions \$)	245.2	-451.4	-168.3	-864.9	-1,459.9	-1,338.2	-933.0
29	Net Income (Loss)(in Millions \$)	39.0	-202.7	-382.4	-624.1	-695.8	-615.6	-422.4
30	RPMs (Sch. Svc.) (%)	9.1	-18.2	-3.4	-9.5	-10.9	-8.0	-5.9
31	ASMs (Sch. Svc.) (%)	7.4	-16.1	-5.6	-10.9	-10.4	-6.6	-3.0
32	Operating Revenues per RTM (%)	5.4	-16.3	-5.8	-10.3	-11.9	-10.8	-5.4
33	Operating Expense per RTM (%)	-8.9	6.7	-3.6	-0.1	4.7	3.8	4.9
34	Passenger Revenue per RPM (Sch. Svc.)(%)	4.9	-15.6	-5.6	-9.9	-11.4	-10.4	-5.4

1/ Includes financial and traffic data for Continental Micronesia.

QUARTERLY FINANCIAL & TRAFFIC REVIEW
SYSTEM OPERATIONS
DELTA AIR LINES

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2002/12	2001/12	2002/12	2002/09	2002/06	2002/03	2001/12
	<u>FINANCIAL RESULTS: (\$Millions)</u>							
1	Operating Revenues	3,072.3	2,673.4	12,410.4	12,011.5	12,079.6	12,565.3	13,211.2
2	Operating Expenses	3,316.8	3,231.5	13,445.8	13,360.4	13,513.9	13,820.0	14,183.2
3	Operating Profit (Loss)	-244.6	-558.1	-1,035.4	-1,348.9	-1,434.3	-1,254.7	-972.0
4	Net Income (Loss)	-351.2	-705.0	-1,295.0	-1,648.8	-1,544.4	-1,367.6	-1,107.1
	<u>TRAFFIC: (Billions)</u>							
5	RPMs - Scheduled Rev. Svc.	21.38	20.44	93.49	92.56	92.83	95.41	97.60
6	ASMs - Scheduled Rev. Svc.	32.28	32.09	131.46	131.27	133.15	137.12	141.28
7	Overall RTMs (All Svc.)	2.53	2.40	10.82	10.69	10.74	11.02	11.33
8	Overall ATMs (All Svc.)	5.00	4.90	20.27	20.17	20.38	20.91	21.49
	<u>YIELD & UNIT COST & PROFITS: (Cents)</u>							
9	Operating Revenue per RTM	121.5	111.3	114.7	112.3	112.5	114.0	116.6
10	Operating Expense per RTM	131.2	134.6	124.3	125.0	125.9	125.4	125.2
11	Operating Profit (Loss) per RTM	-9.7	-23.2	-9.6	-12.6	-13.4	-11.4	-8.6
12	Operating Expense per ATM	66.3	65.9	66.3	66.2	66.3	66.1	66.0
13	Passenger Revenue per RPM	12.31	11.44	11.52	11.32	11.47	11.73	12.17
	<u>FINANCIAL RATIOS:</u>							
14	Operating Revenues to Total Investment	*	*	1.02	0.96	1.00	1.07	1.13
15	Times Interest Earned	*	*	-2.17	-3.25	-3.45	-3.51	-3.37
16	Current Assets to Current Liabilities	*	*	0.63	0.65	0.67	0.57	0.63
17	No. of Days Cash Coverage of Cash Exp.	*	*	45.9	41.6	44.0	33.0	51.1
	<u>FINANCIAL PERCENTAGES:</u>							
18	Operating Profit (Loss) to Operating Revenue	-8.0	-20.9	-8.3	-11.2	-11.9	-10.0	-7.4
19	Net Income to Stockholders Equity	*	*	-41.5	-42.6	-35.9	-29.3	-22.2
20	Corporate Return on Investment	*	*	-5.4	-8.4	-8.3	-7.7	-6.1
21	Debt to Total Investment	*	*	88.9	75.2	73.1	69.1	66.9
	<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>							
22	Actual	66.2	63.7	71.1	70.5	69.7	69.6	69.1
23	Breakeven	73.6	81.0	79.4	81.3	80.6	78.7	76.0
	<u>Employment & Productivity:</u>							
24	Employment, Total Weighted Avg CY	60,532	64,662	60,651	61,684	63,541	66,345	67,911
25	Overall RTM's per Employee (000)	41.8	37.1	178.4	173.3	169.0	166.2	166.8

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	14.9	-28.0	-6.1	-15.7	-19.6	-17.8	-13.8
27	Operating Expenses (%)	2.6	-9.8	-5.2	-8.1	-7.0	-2.9	2.3
28	Operating Profit (Loss) (in Millions \$)	313.5	-690.2	-63.4	-1,067.1	-1,939.5	-2,313.4	-2,431.3
29	Net Income (Loss)(in Millions \$)	353.9	-667.6	-187.9	-1,209.4	-1,399.6	-1,684.1	-1,793.5
30	RPMs (Sch. Svc.) (%)	4.6	-18.8	-4.2	-9.6	-12.2	-11.1	-9.4
31	ASMs (Sch. Svc.) (%)	0.6	-12.0	-7.0	-9.9	-9.8	-6.9	-3.9
32	Operating Revenues per RTM (%)	9.2	-9.9	-1.6	-5.9	-7.6	-6.3	-4.0
33	Operating Expense per RTM (%)	-2.6	13.0	-0.7	2.6	6.9	10.7	13.9
34	Passenger Revenue per RPM (Sch. Svc.)(%)	7.6	-14.4	-5.3	-10.3	-11.0	-10.9	-7.3

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

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2002/12	2001/12	2002/12	2002/09	2002/06	2002/03	2001/12
	<u>FINANCIAL RESULTS: (\$Millions)</u>							
1	Operating Revenues	2,264.5	1,928.3	9,151.6	8,815.5	8,831.8	9,146.7	9,591.8
2	Operating Expenses	2,823.6	2,324.9	9,935.1	9,436.4	9,614.7	9,903.5	10,388.4
3	Operating Profit (Loss)	-559.1	-396.6	-783.5	-620.9	-782.9	-756.8	-796.6
4	Net Income (Loss)	-440.9	-182.1	-766.4	-507.6	-442.2	-401.0	-418.1
	<u>TRAFFIC: (Billions)</u>							
5	RPMs - Scheduled Rev. Svc.	17.14	14.68	72.00	69.54	69.52	71.38	73.11
6	ASMs - Scheduled Rev. Svc.	23.05	21.11	93.38	91.45	92.41	95.11	98.33
7	Overall RTMs (All Svc.)	2.33	1.99	9.44	9.10	9.07	9.25	9.49
8	Overall ATMs (All Svc.)	3.82	3.53	15.24	14.95	15.13	15.55	16.04
	<u>YIELD & UNIT COST & PROFITS: (Cents)</u>							
9	Operating Revenue per RTM	97.1	96.9	97.0	96.9	97.4	98.8	101.1
10	Operating Expense per RTM	121.1	116.8	105.3	103.7	106.0	107.0	109.5
11	Operating Profit (Loss) per RTM	-24.0	-19.9	-8.3	-6.8	-8.6	-8.2	-8.4
12	Operating Expense per ATM	74.0	65.9	65.2	63.1	63.5	63.7	64.7
13	Passenger Revenue per RPM	10.81	10.76	10.77	10.76	10.80	10.94	11.24
	<u>FINANCIAL RATIOS:</u>							
14	Operating Revenues to Total Investment	*	*	0.91	0.87	0.90	0.97	1.05
15	Times Interest Earned	*	*	-1.97	-1.04	-0.83	-0.74	-0.93
16	Current Assets to Current Liabilities	*	*	0.73	0.84	0.90	0.94	0.86
17	No. of Days Cash Coverage of Cash Exp.	*	*	84.1	101.3	110.6	98.2	94.4
	<u>FINANCIAL PERCENTAGES:</u>							
18	Operating Profit (Loss) to Operating Revenue	-24.7	-20.6	-8.6	-7.0	-8.9	-8.3	-8.3
19	Net Income to Stockholders Equity	*	*	-19.6	-11.7	-9.8	-8.6	-8.7
20	Corporate Return on Investment	*	*	-3.6	-1.2	-0.7	-0.5	-0.9
21	Debt to Total Investment	*	*	72.1	61.0	59.7	58.0	54.7
	<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>							
22	Actual	74.4	69.5	77.1	76.0	75.2	75.1	74.3
23	Breakeven	102.7	92.1	88.7	86.0	86.7	85.9	85.0
	<u>Employment & Productivity:</u>							
24	Employment, Total Weighted Avg CY	42,813	43,672	43,137	43,352	44,343	46,088	47,896
25	Overall RTM's per Employee (000)	54.5	45.6	218.8	209.8	204.6	200.8	198.1

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	17.4	-26.9	-4.6	-14.4	-18.7	-17.2	-12.5
27	Operating Expenses (%)	21.4	-11.7	-4.4	-11.8	-10.5	-6.9	0.9
28	Operating Profit (Loss) (in Millions \$)	-162.5	-402.1	13.1	-226.5	-902.8	-1,172.3	-1,460.1
29	Net Income (Loss)(in Millions \$)	-258.8	-137.3	-348.3	-226.8	-343.8	-486.8	-688.0
30	RPMs (Sch. Svc.) (%)	16.8	-20.9	-1.5	-9.7	-12.2	-10.3	-7.6
31	ASMs (Sch. Svc.) (%)	9.2	-15.9	-5.0	-10.6	-11.0	-8.4	-4.8
32	Operating Revenues per RTM (%)	0.2	-7.2	-4.1	-5.7	-7.2	-6.5	-3.9
33	Operating Expense per RTM (%)	3.7	12.2	-3.9	-2.8	2.1	5.1	10.8
34	Passenger Revenue per RPM (Sch. Svc.)(%)	0.5	-10.5	-4.2	-6.6	-8.8	-9.2	-6.6

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

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2002/12	2001/12	2002/12	2002/09	2002/06	2002/03	2001/12
	<u>FINANCIAL RESULTS: (\$Millions)</u>							
1	Operating Revenues	1,400.6	1,237.7	5,521.8	5,358.9	5,302.9	5,383.9	5,555.2
2	Operating Expenses	1,313.0	1,200.5	5,104.3	4,991.8	4,933.9	4,913.0	4,924.1
3	Operating Profit (Loss)	87.6	37.2	417.6	367.2	369.0	470.9	631.2
4	Net Income (Loss)	42.4	63.5	241.0	262.1	338.2	411.5	511.2
	<u>TRAFFIC: (Billions)</u>							
5	RPMs - Scheduled Rev. Svc.	11.08	10.77	45.40	45.08	44.43	44.23	44.50
6	ASMs - Scheduled Rev. Svc.	17.59	16.69	68.91	68.01	66.78	66.06	65.40
7	Overall RTMs (All Svc.)	1.14	1.11	4.68	4.64	4.58	4.56	4.59
8	Overall ATMs (All Svc.)	2.40	2.28	9.39	9.28	9.11	9.02	8.77
	<u>YIELD & UNIT COST & PROFITS: (Cents)</u>							
9	Operating Revenue per RTM	122.5	111.7	118.1	115.4	115.8	118.1	121.0
10	Operating Expense per RTM	114.9	108.3	109.1	107.5	107.7	107.7	107.3
11	Operating Profit (Loss) per RTM	7.7	3.4	8.9	7.9	8.1	10.3	13.7
12	Operating Expense per ATM	54.8	52.7	54.3	53.8	54.1	54.5	56.1
13	Passenger Revenue per RPM	12.00	10.92	11.54	11.27	11.33	11.58	11.89
	<u>FINANCIAL RATIOS:</u>							
14	Operating Revenues to Total Investment	*	*	0.93	0.93	0.96	1.03	1.13
15	Times Interest Earned	*	*	5.40	5.95	8.63	12.01	17.80
16	Current Assets to Current Liabilities	*	*	1.55	1.63	1.46	1.40	1.12
17	No. of Days Cash Coverage of Cash Exp.	*	*	139.5	152.7	168.0	168.1	180.6
	<u>FINANCIAL PERCENTAGES:</u>							
18	Operating Profit (Loss) to Operating Revenue	6.3	3.0	7.6	6.9	7.0	8.7	11.4
19	Net Income to Stockholders Equity	*	*	5.7	6.4	8.4	10.5	13.5
20	Corporate Return on Investment	*	*	5.6	6.0	7.5	9.0	11.4
21	Debt to Total Investment	*	*	27.6	28.1	28.6	29.8	31.5
	<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>							
22	Actual	63.0	64.5	65.9	66.3	66.5	67.0	68.0
23	Breakeven	58.4	62.3	60.0	61.0	61.1	60.1	58.9
	<u>Employment & Productivity:</u>							
24	Employment, Total Weighted Avg CY	33,490	31,248	32,650	32,089	31,401	30,762	30,130
25	Overall RTM's per Employee (000)	34.1	35.5	143.3	144.7	145.8	148.2	152.4

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	13.2	-15.7	-0.6	-7.4	-10.6	-7.7	-1.7
27	Operating Expenses (%)	9.4	-1.4	3.7	1.0	1.2	3.2	6.4
28	Operating Profit (Loss) (in Millions \$)	50.4	-213.1	-213.6	-477.1	-682.4	-604.0	-389.3
29	Net Income (Loss)(in Millions \$)	-21.1	-91.2	-270.2	-340.2	-297.5	-239.1	-91.9
30	RPMs (Sch. Svc.) (%)	2.9	-0.7	2.0	1.1	0.3	1.8	5.4
31	ASMs (Sch. Svc.) (%)	5.4	6.2	5.4	5.6	5.4	7.2	9.1
32	Operating Revenues per RTM (%)	9.7	-14.3	-2.4	-8.0	-10.3	-8.8	-6.0
33	Operating Expense per RTM (%)	6.1	0.3	1.7	0.3	1.4	2.1	1.7
34	Passenger Revenue per RPM (Sch. Svc.)(%)	9.9	-15.6	-3.0	-8.9	-11.3	-9.8	-7.0

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

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2002/12	2001/12	2002/12	2002/09	2002/06	2002/03	2001/12
	<u>FINANCIAL RESULTS: (\$Millions)</u>							
1	Operating Revenues	3,369.3	2,924.5	13,915.6	13,470.8	13,923.1	14,865.3	16,087.4
2	Operating Expenses	4,450.8	3,824.1	16,937.4	16,310.7	18,124.6	18,886.2	19,830.5
3	Operating Profit (Loss)	-1,081.5	-899.6	-3,021.8	-2,839.9	-4,201.5	-4,020.9	-3,743.1
4	Net Income (Loss)	-1,555.3	-315.9	-3,325.8	-2,086.3	-2,354.2	-2,284.7	-2,110.2
	<u>TRAFFIC: (Billions)</u>							
5	RPMs - Scheduled Rev. Svc.	26.80	23.68	109.39	106.28	107.69	112.51	116.60
6	ASMs - Scheduled Rev. Svc.	37.24	35.00	148.70	146.46	149.63	156.85	164.77
7	Overall RTMs (All Svc.)	3.31	2.89	13.22	12.81	12.93	13.51	14.05
8	Overall ATMs (All Svc.)	5.92	5.61	23.68	23.38	23.85	24.90	25.95
	<u>YIELD & UNIT COST & PROFITS: (Cents)</u>							
9	Operating Revenue per RTM	101.9	101.1	105.3	105.2	107.7	110.1	114.5
10	Operating Expense per RTM	134.6	132.2	128.1	127.4	140.1	139.8	141.1
11	Operating Profit (Loss) per RTM	-32.7	-31.1	-22.9	-22.2	-32.5	-29.8	-26.6
12	Operating Expense per ATM	75.2	68.2	71.5	69.8	76.0	75.9	76.4
13	Passenger Revenue per RPM	10.02	10.24	10.53	10.59	10.76	11.04	11.55
	<u>FINANCIAL RATIOS:</u>							
14	Operating Revenues to Total Investment	*	*	1.04	0.97	1.01	1.10	1.23
15	Times Interest Earned	*	*	-4.77	-3.66	-6.09	-6.36	-6.22
16	Current Assets to Current Liabilities	*	*	0.51	0.57	0.73	0.69	0.65
17	No. of Days Cash Coverage of Cash Exp.	*	*	33.8	36.2	52.8	55.8	48.0
	<u>FINANCIAL PERCENTAGES:</u>							
18	Operating Profit (Loss) to Operating Revenue	-32.1	-30.8	-21.7	-21.1	-30.2	-27.0	-23.3
19	Net Income to Stockholders Equity	*	*	-118.8	-56.9	-57.6	-52.5	-45.9
20	Corporate Return on Investment	*	*	-20.5	-10.9	-13.3	-13.3	-12.6
21	Debt to Total Investment	*	*	108.2	77.6	72.9	70.6	74.9
	<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>							
22	Actual	72.0	67.7	73.6	72.6	72.0	71.7	70.8
23	Breakeven	105.6	97.6	96.2	94.3	102.7	99.3	94.7
	<u>Employment & Productivity:</u>							
24	Employment, Total Weighted Avg CY	74,249	81,669	75,227	77,082	80,930	84,962	88,818
25	Overall RTM's per Employee (000)	44.5	35.4	175.8	166.2	159.8	159.0	158.2

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	15.2	-38.9	-13.5	-24.9	-25.8	-22.6	-16.8
27	Operating Expenses (%)	16.4	-22.8	-14.6	-22.2	-8.2	-1.6	6.7
28	Operating Profit (Loss) (in Millions \$)	-181.9	-731.2	721.3	172.0	-3,220.7	-4,046.4	-4,483.9
29	Net Income (Loss)(in Millions \$)	-1,239.4	-228.9	-1,215.6	-205.0	-1,541.0	-2,096.0	-2,161.8
30	RPMs (Sch. Svc.) (%)	13.2	-23.6	-6.2	-14.2	-14.6	-11.2	-8.1
31	ASMs (Sch. Svc.) (%)	6.4	-20.1	-9.8	-15.6	-14.8	-10.4	-6.1
32	Operating Revenues per RTM (%)	0.8	-17.7	-8.1	-11.8	-11.0	-10.1	-6.2
33	Operating Expense per RTM (%)	1.8	4.0	-9.2	-8.5	10.1	14.4	20.2
34	Passenger Revenue per RPM (Sch. Svc.)(%)	-2.2	-21.2	-8.8	-12.9	-14.7	-15.0	-11.8

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

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2002/12	2001/12	2002/12	2002/09	2002/06	2002/03	2001/12
	<u>FINANCIAL RESULTS: (\$Millions)</u>							
1	Operating Revenues	1,594.6	1,554.4	6,914.9	6,874.7	7,119.6	7,715.3	8,253.4
2	Operating Expenses	1,786.7	2,420.7	7,834.3	8,468.2	8,682.7	9,071.1	9,434.8
3	Operating Profit (Loss)	-192.1	-866.2	-919.3	-1,593.4	-1,563.0	-1,355.8	-1,181.4
4	Net Income (Loss)	-778.0	-1,054.0	-1,658.8	-1,934.8	-2,332.9	-2,124.5	-1,989.4
	<u>TRAFFIC: (Billions)</u>							
5	RPMs - Scheduled Rev. Svc.	8.76	8.89	40.02	40.15	41.61	44.11	45.93
6	ASMs - Scheduled Rev. Svc.	12.81	14.05	56.34	57.57	59.77	63.42	66.68
7	Overall RTMs (All Svc.)	0.98	0.99	4.41	4.42	4.57	4.82	5.02
8	Overall ATMs (All Svc.)	1.90	2.04	8.27	8.41	8.67	9.13	9.53
	<u>YIELD & UNIT COST & PROFITS: (Cents)</u>							
9	Operating Revenue per RTM	162.6	156.5	156.8	155.5	156.0	160.1	164.4
10	Operating Expense per RTM	182.1	243.6	177.7	191.5	190.2	188.2	187.9
11	Operating Profit (Loss) per RTM	-19.6	-87.2	-20.8	-36.0	-34.2	-28.1	-23.5
12	Operating Expense per ATM	94.1	118.8	94.7	100.7	100.1	99.4	99.0
13	Passenger Revenue per RPM	13.36	13.46	13.05	13.08	13.24	13.78	14.32
	<u>FINANCIAL RATIOS:</u>							
14	Operating Revenues to Total Investment	*	*	2.57	2.10	1.93	1.90	1.88
15	Times Interest Earned	*	*	-4.87	-4.63	-5.89	-5.33	-5.04
16	Current Assets to Current Liabilities	*	*	0.38	0.48	0.46	0.58	0.61
17	No. of Days Cash Coverage of Cash Exp.	*	*	30.3	39.9	24.0	21.2	41.6
	<u>FINANCIAL PERCENTAGES:</u>							
18	Operating Profit (Loss) to Operating Revenue	-12.0	-55.7	-13.3	-23.2	-22.0	-17.6	-14.3
19	Net Income to Stockholders Equity	*	*	#	#	-1,997.8	-347.0	-182.1
20	Corporate Return on Investment	*	*	-49.6	-49.3	-54.6	-44.8	-38.7
21	Debt to Total Investment	*	*	314.4	141.9	129.1	120.2	111.1
	<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>							
22	Actual	68.3	63.2	71.0	69.7	69.6	69.5	68.9
23	Breakeven	82.2	115.7	86.5	94.8	93.3	89.0	85.2
	<u>Employment & Productivity:</u>							
24	Employment, Total Weighted Avg CY	29,944	36,307	31,712	33,302	35,728	38,250	40,558
25	Overall RTM's per Employee (000)	32.8	27.4	139.0	132.8	127.8	126.0	123.8

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	2.6	-33.8	-16.2	-24.0	-24.6	-17.5	-10.1
27	Operating Expenses (%)	-26.2	-0.3	-17.0	-10.3	-10.3	-4.1	2.3
28	Operating Profit (Loss) (in Millions \$)	674.1	-785.7	262.1	-1,197.7	-1,329.9	-1,252.6	-1,137.0
29	Net Income (Loss)(in Millions \$)	276.0	-955.9	330.6	-901.3	-2,032.1	-1,918.1	-1,734.6
30	RPMs (Sch. Svc.) (%)	-1.4	-26.9	-12.9	-18.4	-16.6	-9.2	-1.9
31	ASMs (Sch. Svc.) (%)	-8.8	-19.9	-15.5	-18.0	-15.5	-7.7	0.3
32	Operating Revenues per RTM (%)	3.9	-11.3	-4.6	-7.9	-10.2	-9.6	-9.0
33	Operating Expense per RTM (%)	-25.2	33.4	-5.4	8.7	6.8	5.1	3.5
34	Passenger Revenue per RPM (Sch. Svc.)(%)	-0.8	-15.3	-8.9	-12.1	-14.4	-12.9	-11.2

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

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2002/12	2001/12	2002/12	2002/09	2002/06	2002/03	2001/12
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	5,018.2	4,990.9	19,047.0	19,019.7	18,906.6	18,980.4	19,344.1
2	Operating Expenses	4,683.4	4,606.0	18,090.5	18,013.0	18,098.1	18,380.7	18,702.0
3	Operating Profit (Loss)	334.8	384.9	956.5	1,006.6	808.4	599.7	642.1
4	Net Income (Loss)	164.4	139.9	458.0	433.5	346.1	165.9	215.0
<u>TRAFFIC: (Billions)</u>								
5	RTMs - Scheduled Rev. Svc.	2.35	2.66	9.10	9.40	10.19	9.77	9.53
6	ATMs - Scheduled Rev. Svc.	6.11	4.36	19.20	17.45	16.76	16.19	15.81
7	Overall RTMs (All Services)	3.76	3.38	13.85	13.46	12.96	12.57	12.35
8	Overall ATMs (All Services)	6.19	5.70	23.17	22.69	21.94	21.38	20.95
<u>YIELD & UNIT COST & PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	133.5	147.8	137.6	141.3	145.8	151.0	156.6
10	Operating Expense per RTM	124.6	136.4	130.7	133.8	139.6	146.2	151.4
11	Operating Profit (Loss) per RTM	8.9	11.4	6.9	7.5	6.2	4.8	5.2
12	Operating Expense per ATM	75.7	80.7	78.1	79.4	82.5	86.0	89.3
13	Passenger Revenue per RPM	++	++	++	++	++	++	++
<u>FINANCIAL RATIOS:</u>								
14	Operating Revenues to Total Investment	*	*	1.82	1.84	1.85	1.87	1.93
15	Times Interest Earned	*	*	8.13	8.57	7.49	5.62	6.72
16	Current Assets to Current Liabilities	*	*	1.12	1.14	1.06	1.07	1.03
17	No. of Days Cash Coverage of Cash Exp.	*	*	4.4	4.0	3.6	2.9	3.5
<u>FINANCIAL PERCENTAGES:</u>								
18	Operating Profit (Loss) to Operating Revenue	6.7	7.7	5.0	5.3	4.3	3.2	3.3
19	Net Income to Stockholders Equity	*	*	7.8	7.6	6.3	3.1	4.1
20	Corporate Return on Investment	*	*	5.4	5.2	4.4	2.6	3.1
21	Debt to Total Investment	*	*	42.0	42.7	43.6	45.0	44.8
<u>TON LOAD FACTOR: (Sch. Svc. %)</u>								
22	Actual	60.8	59.2	59.8	59.3	59.1	58.8	59.0
23	Breakeven	++	++	++	++	++	++	++
<u>Employment & Productivity:</u>								
24	Employment, Total Weighted Avg CY	98,845	108,318	99,375	101,744	104,188	106,477	108,555
25	Overall RTM's per Employee (000)	38.0	31.2	139.3	132.3	124.4	118.1	113.8

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	0.5	-0.8	-1.5	-1.9	-3.8	-3.9	-1.4
27	Operating Expenses (%)	1.7	-3.8	-3.3	-4.6	-4.1	-1.5	0.7
28	Operating Profit (Loss) (in Millions \$)	-50.1	141.7	314.4	506.3	27.8	-485.1	-402.2
29	Net Income (Loss)(in Millions \$)	24.5	36.7	242.9	255.2	36.2	-390.1	-300.6
30	RTMs (All Svc.) (%)	-11.5	7.9	-4.6	0.7	8.4	3.7	1.8
31	ATMs (All Svc.) (%)	40.2	12.2	21.5	13.8	10.2	8.0	6.7
32	Operating Revenues per RTM (%)	-9.7	-3.6	-12.2	-10.7	-7.5	-3.7	1.0
33	Operating Expense per RTM (%)	-8.7	-6.5	-13.7	-13.2	-7.8	-1.3	3.1
34	Passenger Revenue per RPM (Sch. Svc.)(%)	++	++	++	++	++	++	++

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

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2002/12	2001/12	2002/12	2002/09	2002/06	2002/03	2001/12
	<u>FINANCIAL RESULTS: (\$Millions)</u>							
1	Operating Revenues	3,524.0	3,475.1	13,506.0	13,457.1	13,381.8	13,442.5	13,681.8
2	Operating Expenses	3,349.7	3,349.1	13,073.6	13,073.0	13,159.5	13,337.6	13,524.8
3	Operating Profit (Loss)	174.3	126.0	432.4	384.1	222.3	104.9	156.9
4	Net Income (Loss)	89.1	-22.2	184.5	73.3	37.7	-123.1	-126.2
	<u>TRAFFIC: (Billions)</u>							
5	RTMs - Scheduled Rev. Svc.	2.35	1.43	6.76	5.84	5.43	5.03	4.75
6	ATMs - Scheduled Rev. Svc.	4.04	2.49	11.45	9.90	9.32	8.72	8.27
7	Overall RTMs (All Services)	2.37	2.14	8.78	8.55	8.11	7.72	7.45
8	Overall ATMs (All Services)	4.07	3.82	15.24	14.98	14.33	13.71	13.19
	<u>YIELD & UNIT COST & PROFITS: (Cents)</u>							
9	Operating Revenue per RTM	148.8	162.4	153.9	157.4	165.0	174.1	183.8
10	Operating Expense per RTM	141.5	156.6	149.0	152.9	162.3	172.8	181.7
11	Operating Profit (Loss) per RTM	7.4	5.9	4.9	4.5	2.7	1.4	2.1
12	Operating Expense per ATM	82.3	87.8	85.8	87.2	91.9	97.3	102.5
13	Passenger Revenue per RPM	++	++	++	++	++	++	++
	<u>FINANCIAL RATIOS:</u>							
14	Operating Revenues to Total Investment	*	*	**	**	**	**	**
15	Times Interest Earned	*	*	**	**	**	**	**
16	Current Assets to Current Liabilities	*	*	**	**	**	**	**
17	No. of Days Cash Coverage of Cash Exp.	*	*	**	**	**	**	**
	<u>FINANCIAL PERCENTAGES:</u>							
18	Operating Profit (Loss) to Operating Revenue	4.9	3.6	3.2	2.9	1.7	0.8	1.1
19	Net Income to Stockholders Equity	*	*	**	**	**	**	**
20	Corporate Return on Investment	*	*	3.6	2.0	1.5	-0.8	-0.9
21	Debt to Total Investment	*	*	**	**	**	**	**
	<u>TON LOAD FACTOR: (Sch. Svc. %)</u>							
22	Actual	58.2	56.1	57.6	57.0	56.6	56.3	56.4
23	Breakeven	++	++	++	++	++	++	++
	<u>Employment & Productivity:</u>							
24	Employment, Total Weighted Avg CY	*	*	**	**	**	**	**
25	Overall RTM's per Employee (000)	*	*	**	**	**	**	**

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	1.4	-3.9	-1.3	-2.6	-5.1	-5.7	-3.6
27	Operating Expenses (%)	0.0	-4.5	-3.3	-4.5	-4.1	-2.4	-1.2
28	Operating Profit (Loss) (in Millions \$)	48.3	17.0	275.5	244.1	-156.4	-493.6	-354.2
29	Net Income (Loss)(in Millions \$)	111.2	-36.1	310.7	163.3	43.0	-308.3	-334.0
30	RTMs (All Svc.) (%)	64.3	17.4	42.2	28.6	18.0	7.3	0.7
31	ATMs (All Svc.) (%)	62.4	21.3	38.4	26.3	18.8	10.9	5.7
32	Operating Revenues per RTM (%)	-8.4	-11.6	-16.3	-17.2	-13.0	-7.1	0.0
33	Operating Expense per RTM (%)	-9.6	-12.2	-18.0	-18.7	-12.1	-3.8	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				
		2002/12	2001/12	2002/12	2002/09	2002/06	2002/03	2001/12
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	1,494.2	1,515.8	5,541.0	5,562.6	5,524.7	5,537.9	5,662.4
2	Operating Expenses	1,333.7	1,256.9	5,016.9	4,940.0	4,938.6	5,043.1	5,177.2
3	Operating Profit (Loss)	160.5	259.0	524.1	622.6	586.1	494.9	485.2
4	Net Income (Loss)	75.3	162.0	273.4	360.2	308.4	288.9	341.2
<u>TRAFFIC: (Billions)</u>								
5	RTMs - Scheduled Rev. Svc.	1.37	1.23	4.97	4.83	4.76	4.74	4.78
6	ATMs - Scheduled Rev. Svc.	2.07	1.87	7.75	7.55	7.44	7.47	7.53
7	Overall RTMs (All Services)	1.39	1.24	5.07	4.91	4.85	4.85	4.90
8	Overall ATMs (All Services)	2.12	1.89	7.93	7.70	7.61	7.67	7.76
<u>YIELD & UNIT COST & PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	107.4	122.5	109.3	113.2	113.8	114.1	115.4
10	Operating Expense per RTM	95.8	101.6	99.0	100.5	101.7	103.9	105.6
11	Operating Profit (Loss) per RTM	11.5	20.9	10.3	12.7	12.1	10.2	9.9
12	Operating Expense per ATM	63.1	66.5	63.3	64.1	64.9	65.7	66.7
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	10.7	17.1	9.5	11.2	10.6	8.9	8.6
19	Net Income to Stockholders Equity	*	*	**	**	**	**	**
20	Corporate Return on Investment	*	*	9.3	12.3	11.1	10.7	12.7
21	Debt to Total Investment	*	*	**	**	**	**	**
<u>TON LOAD FACTOR: (Sch. Svc. %)</u>								
22	Actual	65.8	65.5	63.9	63.8	63.8	63.2	63.2
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 (%)	-1.4	7.1	-2.1	0.0	-0.4	0.9	4.3
27	Operating Expenses (%)	6.1	-1.9	-3.1	-5.0	-4.1	0.8	5.7
28	Operating Profit (Loss) (in Millions \$)	-98.4	124.7	39.0	262.1	184.2	8.5	-48.0
29	Net Income (Loss)(in Millions \$)	-86.7	72.8	-67.8	91.8	-6.8	-81.8	33.4
30	RTMs (All Svc.) (%)	11.3	-1.4	3.8	0.6	-0.8	0.2	2.9
31	ATMs (All Svc.) (%)	10.6	2.0	2.9	0.7	1.1	4.8	7.9
32	Operating Revenues per RTM (%)	-12.3	13.7	-5.3	1.4	3.1	3.8	4.9
33	Operating Expense per RTM (%)	-5.6	4.2	-6.2	-3.7	-0.6	3.7	6.3
34	Passenger Revenue per RPM (Sch. Svc.)(%)	++	++	++	++	++	++	++

QUARTERLY FINANCIAL & TRAFFIC REVIEW
SYSTEM OPERATIONS
DHL AIRWAYS

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2002/12	2001/12	2002/12	2002/09	2002/06	2002/03	2001/12
	<u>FINANCIAL RESULTS: (\$Millions)</u>							
1	Operating Revenues	66.5	359.6	253.9	547.1	833.9	1,155.1	1,461.6
2	Operating Expenses	59.8	432.6	237.8	610.6	958.0	1,343.7	1,699.1
3	Operating Profit (Loss)	6.6	-73.0	16.1	-63.6	-124.1	-188.6	-237.5
4	Net Income (Loss)	4.3	-60.6	9.2	-55.7	-111.5	-200.4	-251.9
	<u>TRAFFIC: (Billions)</u>							
5	RTMs - Scheduled Rev. Svc.	0.05	0.09	0.17	0.21	0.27	0.36	0.44
6	ATMs - Scheduled Rev. Svc.	0.14	0.21	0.55	0.62	0.69	0.79	0.88
7	Overall RTMs (All Services)	0.08	0.10	0.22	0.24	0.28	0.37	0.45
8	Overall ATMs (All Services)	0.17	0.22	0.60	0.65	0.71	0.81	0.90
	<u>YIELD & UNIT COST & PROFITS: (Cents)</u>							
9	Operating Revenue per RTM	84.6	359.6	116.5	228.5	294.0	310.7	327.4
10	Operating Expense per RTM	76.2	432.6	109.1	255.1	337.8	361.4	380.6
11	Operating Profit (Loss) per RTM	8.4	-73.0	7.4	-26.6	-43.8	-50.7	-53.2
12	Operating Expense per ATM	34.5	194.3	39.6	94.1	134.0	166.9	189.0
13	Passenger Revenue per RPM	++	++	++	++	++	++	++
	<u>FINANCIAL RATIOS:</u>							
14	Operating Revenues to Total Investment	*	*	1.82	5.57	10.82	8.82	8.32
15	Times Interest Earned	*	*	10.34	-11.90	-18.53	-20.32	-15.94
16	Current Assets to Current Liabilities	*	*	1.16	1.31	0.98	0.93	0.00
17	No. of Days Cash Coverage of Cash Exp.	*	*	65.7	22.3	4.1	2.0	3.6
	<u>FINANCIAL PERCENTAGES:</u>							
18	Operating Profit (Loss) to Operating Revenue	10.0	-20.3	6.3	-11.6	-14.9	-16.3	-16.2
19	Net Income to Stockholders Equity	*	*	8.0	-78.5	-233.3	-634.0	-1,005.5
20	Corporate Return on Investment	*	*	7.7	-52.7	-137.6	-146.0	-135.1
21	Debt to Total Investment	*	*	18.6	18.8	19.1	19.1	15.1
	<u>TON LOAD FACTOR: (Sch. Svc. %)</u>							
22	Actual	45.2	44.9	36.3	36.9	39.7	46.2	49.7
23	Breakeven	++	++	++	++	++	++	++
	<u>Employment & Productivity:</u>							
24	Employment, Total Weighted Avg CY	922	8,790	922	2,889	4,904	6,954	8,993
25	Overall RTM's per Employee (000)	85.2	11.4	236.4	82.9	57.8	53.5	49.6

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	-81.5	-7.4	-82.6	-63.3	-44.7	-22.8	-2.4
27	Operating Expenses (%)	-86.2	4.7	-86.0	-63.6	-42.3	-16.0	8.4
28	Operating Profit (Loss) (in Millions \$)	79.7	-48.2	253.6	125.8	28.3	-86.9	-166.7
29	Net Income (Loss)(in Millions \$)	64.9	-25.8	261.0	170.4	75.0	-93.6	-184.9
30	RTMs (Sch. Svc.) (%)	-45.0	-24.2	-61.1	-54.6	-42.3	-19.4	-1.6
31	ATMs (Sch. Svc.) (%)	-31.9	-4.4	-37.1	-30.2	-22.6	-10.0	3.2
32	Operating Revenues per RTM (%)	-76.5	19.5	-64.4	-27.1	-5.4	-3.8	0.4
33	Operating Expense per RTM (%)	-82.4	35.1	-71.3	-27.8	-1.3	4.8	11.4
34	Passenger Revenue per RPM (Sch. Svc.)(%)	++	++	++	++	++	++	++

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

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2002/12	2001/12	2002/12	2002/09	2002/06	2002/03	2001/12
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	4,222.0	3,960.5	15,941.2	15,679.7	15,361.8	15,146.5	15,166.9
2	Operating Expenses	3,950.1	3,520.7	15,205.0	14,775.5	14,541.0	14,444.2	14,388.4
3	Operating Profit (Loss)	271.9	439.9	736.2	904.2	820.8	702.4	778.5
4	Net Income (Loss)	156.6	194.9	402.2	440.4	442.4	376.8	453.0
<u>TRAFFIC: (Billions)</u>								
5	RTMs - Scheduled Rev. Svc.	1.56	2.14	7.34	7.91	8.23	7.73	7.44
6	ATMs - Scheduled Rev. Svc.	3.86	3.54	14.53	14.20	13.56	12.94	12.49
7	Overall RTMs (All Services)	2.44	2.15	9.09	8.80	8.36	7.89	7.61
8	Overall ATMs (All Services)	3.91	3.56	14.74	14.39	13.78	13.21	12.79
<u>YIELD & UNIT COST & PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	173.0	184.3	175.3	178.1	183.7	191.9	199.3
10	Operating Expense per RTM	161.8	163.9	167.2	167.9	173.9	183.0	189.1
11	Operating Profit (Loss) per RTM	11.1	20.5	8.1	10.3	9.8	8.9	10.2
12	Operating Expense per ATM	101.1	99.0	103.1	102.6	105.5	109.3	112.5
13	Passenger Revenue per RPM	++	++	++	++	++	++	++
<u>FINANCIAL RATIOS:</u>								
14	Operating Revenues to Total Investment	*	*	2.82	2.81	2.79	2.79	2.84
15	Times Interest Earned	*	*	12.91	13.36	12.71	11.22	14.70
16	Current Assets to Current Liabilities	*	*	1.19	1.24	1.18	1.14	1.09
17	No. of Days Cash Coverage of Cash Exp.	*	*	3.1	2.9	3.2	2.8	3.5
<u>FINANCIAL PERCENTAGES:</u>								
18	Operating Profit (Loss) to Operating Revenue	6.4	11.1	4.6	5.8	5.3	4.6	5.1
19	Net Income to Stockholders Equity	*	*	8.6	9.6	9.9	8.6	10.6
20	Corporate Return on Investment	*	*	8.1	8.9	9.1	8.0	9.4
21	Debt to Total Investment	*	*	14.8	15.3	16.9	18.4	20.1
<u>TON LOAD FACTOR: (Sch. Svc. %)</u>								
22	Actual	62.5	60.4	61.7	61.1	60.7	59.8	59.5
23	Breakeven	++	++	++	++	++	++	++
<u>Employment & Productivity:</u>								
24	Employment, Total Weighted Avg CY	92,148	93,877	92,752	93,185	93,644	93,938	94,019
25	Overall RTM's per Employee (000)	26.5	22.9	98.0	94.5	89.3	84.0	80.9

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	6.6	-0.5	5.1	3.3	-0.4	-2.9	-2.8
27	Operating Expenses (%)	12.2	-5.7	5.7	1.2	-0.7	-0.9	-1.4
28	Operating Profit (Loss) (in Millions \$)	-168.0	194.2	-42.3	319.9	35.7	-321.4	-220.9
29	Net Income (Loss)(in Millions \$)	-38.3	57.4	-50.8	44.9	-9.2	-218.5	-92.4
30	RTMs (Sch. Svc.) (%)	-26.8	10.9	-1.4	9.4	12.6	4.2	0.0
31	ATMs (Sch. Svc.) (%)	9.1	14.1	16.3	17.9	12.9	8.4	5.6
32	Operating Revenues per RTM (%)	-6.2	-5.9	-12.1	-12.1	-9.1	-4.2	0.2
33	Operating Expense per RTM (%)	-1.3	-10.8	-11.6	-13.9	-9.3	-2.2	1.5
34	Passenger Revenue per RPM (Sch. Svc.)(%)	++	++	++	++	++	++	++

QUARTERLY FINANCIAL & TRAFFIC REVIEW
SYSTEM OPERATIONS
UNITED PARCEL SERVICE

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2002/12	2001/12	2002/12	2002/09	2002/06	2002/03	2001/12
	<u>FINANCIAL RESULTS: (\$Millions)</u>							
1	Operating Revenues	729.8	670.8	2,851.9	2,792.9	2,710.9	2,678.8	2,715.6
2	Operating Expenses	673.5	652.7	2,647.7	2,626.9	2,599.1	2,592.8	2,614.5
3	Operating Profit (Loss)	56.3	18.1	204.3	166.0	111.8	86.0	101.1
4	Net Income (Loss)	3.4	5.5	46.6	48.7	15.2	-10.6	14.0
	<u>TRAFFIC: (Billions)</u>							
5	RTMs - Scheduled Rev. Svc.	0.74	0.43	1.59	1.28	1.69	1.67	1.66
6	ATMs - Scheduled Rev. Svc.	2.11	0.61	4.12	2.62	2.51	2.47	2.44
7	Overall RTMs (All Services)	1.24	1.13	4.53	4.42	4.32	4.30	4.30
8	Overall ATMs (All Services)	2.11	1.92	7.82	7.64	7.44	7.36	7.27
	<u>YIELD & UNIT COST & PROFITS: (Cents)</u>							
9	Operating Revenue per RTM	58.9	59.5	62.9	63.2	62.8	62.2	63.2
10	Operating Expense per RTM	54.3	57.9	58.4	59.4	60.2	60.2	60.9
11	Operating Profit (Loss) per RTM	4.5	1.6	4.5	3.8	2.6	2.0	2.4
12	Operating Expense per ATM	32.0	33.9	33.8	34.4	34.9	35.2	36.0
13	Passenger Revenue per RPM	++	++	++	++	++	++	++
	<u>FINANCIAL RATIOS:</u>							
14	Operating Revenues to Total Investment	*	*	0.61	0.60	0.58	0.58	0.60
15	Times Interest Earned	*	*	2.99	3.60	2.39	2.22	3.62
16	Current Assets to Current Liabilities	*	*	0.70	0.64	0.53	0.69	0.66
17	No. of Days Cash Coverage of Cash Exp.	*	*	7.1	6.4	6.3	4.5	4.0
	<u>FINANCIAL PERCENTAGES:</u>							
18	Operating Profit (Loss) to Operating Revenue	7.7	2.7	7.2	5.9	4.1	3.2	3.7
19	Net Income to Stockholders Equity	*	*	4.3	4.6	1.5	-1.1	1.4
20	Corporate Return on Investment	*	*	2.1	1.9	1.0	0.4	0.9
21	Debt to Total Investment	*	*	76.3	76.2	76.8	77.2	76.5
	<u>TON LOAD FACTOR: (Sch. Svc. %)</u>							
22	Actual	58.9	58.6	58.0	57.9	58.0	58.5	59.1
23	Breakeven	++	++	++	++	++	++	++
	<u>Employment & Productivity:</u>							
24	Employment, Total Weighted Avg CY	5,775	5,651	5,701	5,670	5,640	5,585	5,543
25	Overall RTM's per Employee (000)	214.7	199.6	795.3	779.9	765.9	770.7	774.9

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	8.8	0.9	5.0	3.1	-0.1	1.2	7.3
27	Operating Expenses (%)	3.2	1.6	1.3	0.9	1.3	4.4	8.3
28	Operating Profit (Loss) (in Millions \$)	38.2	-4.3	103.2	60.7	-36.2	-76.8	-14.6
29	Net Income (Loss)(in Millions \$)	-2.1	5.1	32.7	39.9	-29.6	-78.1	-23.3
30	RTMs (Sch. Svc.) (%)	71.8	3.5	-4.0	-21.9	4.5	8.1	11.7
31	ATMs (Sch. Svc.) (%)	244.8	8.4	69.0	9.8	9.1	12.8	14.5
32	Operating Revenues per RTM (%)	-1.1	0.5	-0.5	0.0	0.5	2.2	8.8
33	Operating Expense per RTM (%)	-6.2	1.0	-4.1	-2.2	1.9	5.4	9.9
34	Passenger Revenue per RPM (Sch. Svc.)(%)	++	++	++	++	++	++	++

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

Operating Profit (Loss) (\$Millions)						
Group/Carrier	Quarterly Data			12 Month Ended Data		
	12/2001	12/2002	\$Chg	12/2001	12/2002	\$Chg
System Passenger Majors	(4,536.9)	(2,903.2)	1,633.7	(10,269.4)	(9,578.5)	690.8
Alaska	(61.1)	(53.0)	8.1	(64.8)	(80.8)	(16.0)
America West	(138.1)	(38.5)	99.6	(320.1)	(203.4)	116.7
American	(1,136.2)	(708.4)	427.8	(3,202.3)	(3,312.9)	(110.6)
American Eagle	(66.9)	25.0	91.9	(255.9)	(50.2)	205.8
American Trans Air	(111.4)	(43.7)	67.7	(84.5)	(140.8)	(56.2)
Continental	(340.0)	(94.8)	245.2	(279.8)	(448.1)	(168.3)
Delta	(558.1)	(244.6)	313.5	(972.0)	(1,035.4)	(63.4)
Northwest	(396.6)	(559.1)	(162.5)	(796.6)	(783.5)	13.1
Southwest	37.2	87.6	50.4	631.2	417.6	(213.6)
United	(899.6)	(1,081.5)	(181.9)	(3,743.1)	(3,021.8)	721.3
US Airways	(866.2)	(192.1)	674.1	(1,181.4)	(919.3)	262.1
System Cargo Majors	384.9	334.8	(50.1)	642.1	956.5	314.4
DHL	(73.0)	6.6	79.7	(237.5)	16.1	253.6
Federal Express	439.9	271.9	(168.0)	778.5	736.2	(42.3)
UPS	18.1	56.3	38.2	101.1	204.3	103.2
System Total Majors	(4,151.9)	(2,568.3)	1,583.6	(9,627.3)	(8,622.0)	1,005.3

Net Income (Loss) (\$Millions)						
Group/Carrier	Quarterly Data			12 Month Ended Data		
	12/2001	12/2002	\$Chg	12/2001	12/2002	\$Chg
System Passenger Majors	(3,332.5)	(4,084.7)	(752.2)	(7,354.0)	(11,527.2)	(4,173.1)
Alaska	(14.5)	(50.6)	(36.1)	(10.1)	(75.0)	(64.9)
America West	(61.0)	(53.1)	7.8	(148.4)	(432.9)	(284.5)
American	(777.1)	(727.6)	49.6	(1,729.3)	(3,495.7)	(1,766.3)
American Eagle	(56.9)	(6.2)	50.7	(226.2)	(118.5)	107.7
American Trans Air	(78.6)	(52.4)	26.2	(78.0)	(169.4)	(91.4)
Continental	(150.8)	(111.8)	39.0	(48.4)	(430.7)	(382.4)
Delta	(705.0)	(351.2)	353.9	(1,107.1)	(1,295.0)	(187.9)
Northwest	(182.1)	(440.9)	(258.8)	(418.1)	(766.4)	(348.3)
Southwest	63.5	42.4	(21.1)	511.2	241.0	(270.2)
United	(315.9)	(1,555.3)	(1,239.4)	(2,110.2)	(3,325.8)	(1,215.6)
US Airways	(1,054.0)	(778.0)	276.0	(1,989.4)	(1,658.8)	330.6
System Cargo Majors	139.9	164.4	24.5	215.0	458.0	242.9
DHL	(60.6)	4.3	64.9	(251.9)	9.2	261.0
Federal Express	194.9	156.6	(38.3)	453.0	402.2	(50.8)
UPS	5.5	3.4	(2.1)	14.0	46.6	32.7
System Total Majors	(3,192.6)	(3,920.4)	(727.7)	(7,139.0)	(11,069.2)	(3,930.2)

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

Passenger Load Factor (Percent)						
Group/Carrier	Quarterly Data			12 Month Ended Data		
	12/2001	12/2002	Pt.Chg.	12/2001	12/2002	Pt.Chg.
System Passenger Majors	66.0	69.5	3.5	70.3	72.0	1.7
Alaska	66.5	66.5	0.0	68.4	68.1	(0.3)
America West	68.5	73.2	4.7	71.9	73.6	1.7
American	64.0	69.8	5.8	68.9	70.7	1.9
American Eagle	57.5	62.8	5.4	57.8	63.1	5.3
American Trans Air	72.1	67.7	(4.4)	76.9	73.0	(3.9)
Continental	70.0	71.1	1.1	72.4	74.1	1.7
Delta	63.7	66.2	2.5	69.1	71.1	2.0
Northwest	69.5	74.4	4.9	74.3	77.1	2.8
Southwest	64.5	63.0	(1.5)	68.0	65.9	(2.2)
United	67.7	72.0	4.3	70.8	73.6	2.8
US Airways	63.2	68.3	5.1	68.9	71.0	2.2
System Cargo Majors	-	-	-	-	-	-
DHL	-	-	-	-	-	-
Federal Express	-	-	-	-	-	-
UPS	-	-	-	-	-	-
System Total Majors	66.0	69.5	3.5	70.3	72.0	1.7

Scheduled Passenger Yield (Cents)						
Group/Carrier	Quarterly Data			12 Month Ended Data		
	12/2001	12/2002	Pct.Chg.	12/2001	12/2002	Pct.Chg.
System Passenger Majors	11.43	11.50	0.6	12.30	11.46	(6.8)
Alaska	12.31	12.07	(1.9)	12.80	12.33	(3.7)
America West	9.32	9.73	4.4	10.14	9.67	(4.7)
American	12.42	11.71	(5.7)	12.95	11.85	(8.5)
American Eagle	30.69	29.79	(2.9)	36.43	31.26	(14.2)
American Trans Air	8.51	8.57	0.6	9.33	8.71	(6.6)
Continental	11.17	11.72	4.9	12.29	11.60	(5.6)
Delta	11.44	12.31	7.7	12.17	11.52	(5.3)
Northwest	10.76	10.81	0.5	11.24	10.77	(4.2)
Southwest	10.92	12.00	9.9	11.89	11.54	(3.0)
United	10.24	10.02	(2.2)	11.55	10.53	(8.8)
US Airways	13.46	13.36	(0.8)	14.32	13.05	(8.9)
System Cargo Majors	-	-	-	-	-	-
DHL	-	-	-	-	-	-
Federal Express	-	-	-	-	-	-
UPS	-	-	-	-	-	-
System Total Majors	11.43	11.50	0.6	12.30	11.46	(6.8)

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

Operating Profit Margin (Percent)						
Group/Carrier	Quarterly Data			12 Month Ended Data		
	12/2001	12/2002	Pt. Chg	12/2001	12/2002	Pt. Chg.
System Passenger Majors	(27.2)	(15.4)	11.9	(12.0)	(12.3)	(0.3)
Alaska	(15.9)	(12.3)	3.6	(3.7)	(4.4)	(0.7)
America West	(35.0)	(7.5)	27.5	(15.7)	(10.1)	5.6
American	(32.4)	(18.5)	13.9	(17.5)	(20.9)	(3.3)
American Eagle	(26.5)	8.5	35.0	(20.6)	(4.2)	16.4
American Trans Air	(49.7)	(15.7)	34.0	(7.3)	(12.2)	(4.9)
Continental	(21.6)	(5.1)	16.4	(3.3)	(5.8)	(2.5)
Delta	(20.9)	(8.0)	12.9	(7.4)	(8.3)	(0.9)
Northwest	(20.6)	(24.7)	(4.1)	(8.3)	(8.6)	(0.3)
Southwest	3.0	6.3	3.3	11.4	7.6	(3.8)
United	(30.8)	(32.1)	(1.3)	(23.3)	(21.7)	1.6
US Airways	(55.7)	(12.0)	43.7	(14.3)	(13.3)	1.0
System Cargo Majors	7.7	6.7	(1.0)	3.3	5.0	1.7
DHL	(20.3)	10.0	30.3	(16.2)	6.3	22.5
Federal Express	11.1	6.4	(4.7)	5.1	4.6	(0.5)
UPS	2.7	7.7	5.0	3.7	7.2	3.5
System Total Majors	(19.2)	(10.7)	8.4	(9.2)	(8.9)	0.3

Group/Carrier	Debt To Investment (Percent)			Total Debt (\$Millions)		
	Quarterly Data			Quarterly Data		
	12/2001	12/2002	Pt.Chg.	12/2001	12/2002	\$ Chg.
System Passenger Majors	65.6	87.3	21.7	46,708.6	54,708.3	7,999.7
Alaska	56.8	61.4	4.6	906.5	905.3	(1.2)
America West	31.8	71.1	39.3	342.1	735.2	393.1
American	57.8	86.0	28.2	8,536.4	10,779.8	2,243.5
American Eagle	98.1	100.0	1.9	2,624.0	2,927.2	303.2
American Trans Air	94.9	140.1	45.2	379.4	509.4	130.1
Continental	79.8	88.2	8.4	4,544.1	5,708.9	1,164.8
Delta	66.9	88.9	22.0	8,272.5	9,638.9	1,366.4
Northwest	54.7	72.1	17.4	5,357.0	6,723.9	1,367.0
Southwest	31.5	27.6	(3.9)	1,841.7	1,683.2	(158.5)
United	74.9	108.2	33.3	10,231.5	11,146.2	914.8
US Airways	111.1	314.4	203.3	3,673.6	3,950.1	276.5
System Cargo Majors	44.8	42.0	(2.8)	4,697.3	4,443.2	(254.1)
DHL	15.1	18.6	3.5	36.0	21.4	(14.6)
Federal Express	20.1	14.8	(5.3)	1,135.7	857.0	(278.7)
UPS	76.5	76.3	(0.2)	3,525.6	3,564.8	39.2
System Total Majors	62.9	80.8	17.9	51,405.9	59,151.5	7,745.6

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