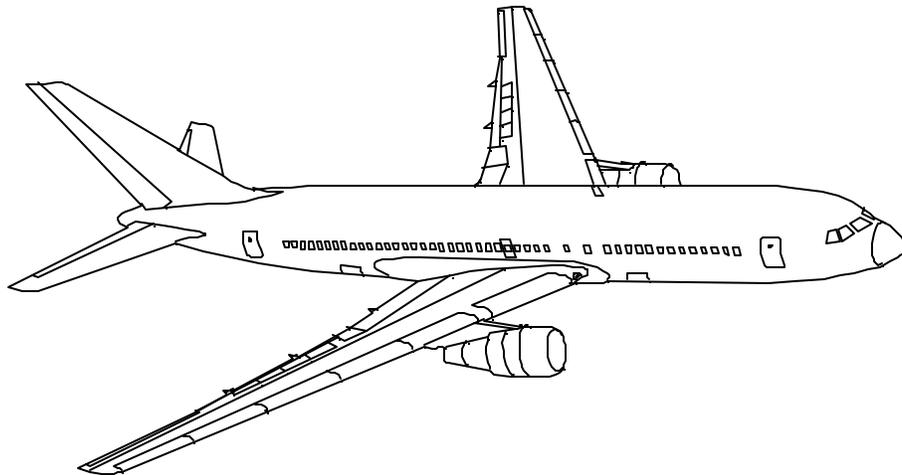


AIRLINE QUARTERLY FINANCIAL REVIEW

SECOND QUARTER 2002



MAJORS



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

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INTRODUCTION

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

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

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

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

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

QUARTERLY RESULTS

At time of publication, DHL Airways had not filed its financial data for the second quarter 2002 with the Department. Therefore, we are unable to provide a complete analysis for the total combined passenger and all-cargo group quarterly and 12 month ended June 2002 results. Data for the Total Passenger Majors is available starting on Page 13. This publication will be updated as soon as the missing data becomes available.

OPERATING PROFIT (LOSS) AND NET INCOME (LOSS) 1/ (\$MILLIONS)						
CARRIER	OPERATING PROFIT (LOSS)			NET INCOME (LOSS)		
	2Q 2001	2Q 2002	\$CHANGE	2Q 2001	2Q 2002	\$CHANGE
TOTAL ALL MAJORS	-719.2	-1424.6	-705.4	-771.8	-1474.4	-702.6
TOTAL PASSENGER MAJORS	-724.4	-1626.9	-902.5	-729.2	-1573.2	-844.0
ALASKA	11.5	-3.4	-14.9	4.8	-3.3	-8.1
AMERICA WEST	-55.8	-1.1	54.7	-43.3	-10.0	33.3
AMERICAN	-693.5	-702.0	-8.5	-450.9	-555.5	-104.6
AMERICAN EAGLE	-81.3	17.7	99.0	-65.6	-10.3	55.3
AMERICAN TRANS AIR	18.3	-56.6	-74.9	-54.6	6.9	61.5
CONTINENTAL	104.9	-157.7	-262.6	37.5	-151.7	-189.2
DELTA	23.9	-155.7	-179.6	-26.8	-203.6	-176.8
NORTHWEST	-19.7	-45.7	-26.0	-57.4	-98.6	-41.2
SOUTHWEST	291.0	189.1	-101.9	175.6	102.3	-73.3
UNITED	-354.8	-535.4	-180.6	-293.7	-363.3	-69.6
US AIRWAYS	31.1	-176.1	-207.2	-16.4	-224.8	-208.4
TOTAL ALL-CARGO MAJORS	5.2	0.0	-5.2	-42.6	0.0	42.6
DHL AIRWAYS	-52.8	0.0	52.8	-51.9	0.0	51.9
FEDERAL EXPRESS	59.0	177.3	118.3	32.6	98.2	65.6
UNITED PARCEL SERVICE	-0.9	24.9	25.8	-23.4	0.6	24.0

12-MONTH RESULTS

Unavailable (see note above)

Note: Beginning in 1998, The Airline Quarterly Financial Review of the Majors includes DHL Airways, which achieved major airline status (*i.e.*, annual operating revenues exceeding \$1 billion), effective January 1, 1997. Beginning in 2000, American Eagle and American Trans Air were added as they also achieved major airline status.

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

ITEMS	QUARTER ENDED		12 MONTHS ENDED					
	2002/06	2001/06	2002/06	2002/03	2001/12	2001/09	2001/06	
FINANCIAL RESULTS: (\$Millions)								
1	Operating Revenues	29,038.0		104,978.9	110,470.7	115,449.9	117,257.6	
2	Operating Expenses	29,757.2		117,966.2	121,505.5	121,570.9	116,070.5	
3	Operating Profit (Loss)	-719.2		-12,987.3	-11,034.9	-6,121.0	1,187.1	
4	Net Income (Loss)	-771.8		-9,297.7	-7,736.1	-4,441.9	-893.4	
TRAFFIC: (Billions)								
5	RPMS - Scheduled Rev. Svc.	Data are not available as DHL Airways has not yet filed second quarter data	169.52	Data are not available as DHL Airways has not yet filed second quarter data	631.93	648.26	660.95	653.15
6	ASMs - Scheduled Rev. Svc.		230.51		893.10	922.36	927.45	906.42
7	Overall RTMs (All Svc.)		22.71		86.37	88.25	89.86	89.38
8	Overall ATMs (All Svc.)		40.03		158.44	161.79	160.97	156.47
YIELD & UNIT COST & PROFITS: (Cents)								
9	Operating Revenue per RTM		127.9		121.5	125.2	128.5	131.2
10	Operating Expense per RTM		131.0		136.6	137.7	135.3	129.9
11	Operating Profit (Loss) per RTM		-3.2		-15.0	-12.5	-6.8	1.3
12	Operating Expense per ATM		74.3		74.5	75.1	75.5	74.2
13	Passenger Revenue per RPM		12.60		11.92	12.32	12.76	13.15
FINANCIAL RATIOS:								
14	Operating Revenues to Total Investment	*		1.24	1.33	1.48	1.61	
15	Times Interest Earned	*		-3.93	-3.48	-1.86	0.67	
16	Current Assets to Current Liabilities	*		0.81	0.87	0.83	0.66	
17	No. of Days Cash Coverage of Cash Exp	*		45.2	58.6	54.9	29.7	
FINANCIAL PERCENTAGES:								
18	Operating Profit (Loss) to Operating Revenue		-2.5		-12.4	-10.0	-5.3	1.0
19	Net Income to Stockholders Equity		*		-26.1	-21.1	-12.1	-2.5
20	Corporate Return on Investment		*		-8.0	-6.5	-3.0	1.5
21	Debt to Total Investment		*		64.5	61.5	57.0	53.3
PASSENGER LOAD FACTOR: (Sch. Svc. %)								
22	Actual		73.5		70.8	70.3	71.3	72.1
23	Breakeven		76.1		85.0	82.1	78.4	72.8
Employment & Productivity								
24	Employment, Total Weighted Avg CY		572,459		532,521	549,057	561,387	562,620
25	Overall RTM's per Employee (000)		39.7		162.2	160.7	160.1	158.9

	CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER					
26	Operating Revenues (%)	-4.3	-11.5	-6.2	-0.2	3.9
27	Operating Expenses (%)	9.3	3.9	9.3	12.2	10.1
28	Operating Profit (Loss) (in Millions \$)	-3,823.7	-17,998.1	-17,574.8	-13,425.1	-6,268.9
29	Net Income (Loss)(in Millions \$)	-2,602.9	-11,007.2	-10,335.6	-8,038.6	-5,015.4
30	RPMS (Sch. Svc.) (%)	-0.9	-3.5	-0.6	2.3	2.4
31	ASMs (Sch. Svc.) (%)	3.0	-0.7	3.1	4.2	2.6
32	Operating Revenues per RTM (%)	-1.9	-7.8	-4.4	-0.8	2.4
33	Operating Expense per RTM (%)	12.0	8.2	11.3	11.4	8.5
34	Passenger Revenue per RPM (Sch. Svc.)(%)	-6.0	-10.8	-7.6	-3.0	1.3

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

ITEMS	QUARTER ENDED		12 MONTHS ENDED				
	2002/06	2001/06	2002/06	2002/03	2001/12	2001/09	2001/06
FINANCIAL RESULTS: (\$Millions)							
1		21,878.8		73,377.5	77,565.8	83,765.0	88,353.1
2		22,547.4		82,444.6	84,993.5	87,964.6	87,846.9
3		-668.6		-9,067.1	-7,427.7	-4,199.6	506.2
4		-740.9		-7,260.4	-6,023.5	-3,728.6	-1,152.1
TRAFFIC: (Billions)							
5		121.44	Data are not available as DHL Airways has not yet filed second quarter data	419.68	430.79	453.78	468.92
6		167.87		601.42	620.46	648.56	662.83
7		14.88		52.93	53.97	56.50	58.43
8		26.43		97.74	99.38	102.37	104.03
YIELD & UNIT COST & PROFITS: (Cents)							
9		147.1		138.6	143.7	148.2	151.2
10		151.6		155.8	157.5	155.7	150.3
11		-4.5		-17.1	-13.8	-7.4	0.9
12		85.3		84.4	85.5	85.9	84.4
13		13.62		12.68	13.19	13.75	14.17
FINANCIAL RATIOS:							
14		*		**	**	**	**
15		*		**	**	**	**
16		*		**	**	**	**
17		*		**	**	**	**
FINANCIAL PERCENTAGES:							
18		-3.1		-12.4	-9.6	-5.0	0.6
19		*		**	**	**	**
20		*		-9.0	-7.4	-3.8	0.6
21		*		**	**	**	**
PASSENGER LOAD FACTOR: (Sch. Svc. %)							
22		72.3		69.8	69.4	70.0	70.7
23		74.6		83.2	80.2	76.2	71.6
Employment & Productivity							
24		*		**	**	**	**
25		*		**	**	**	**

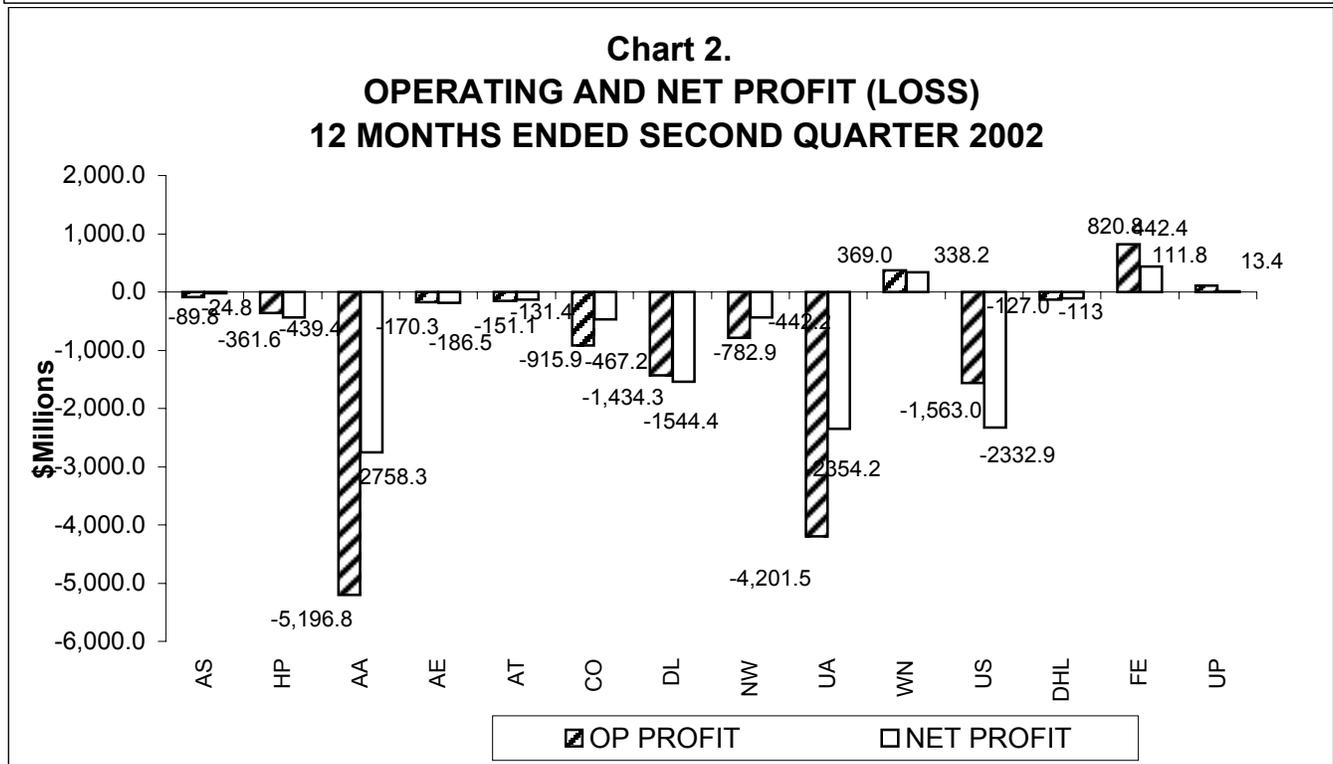
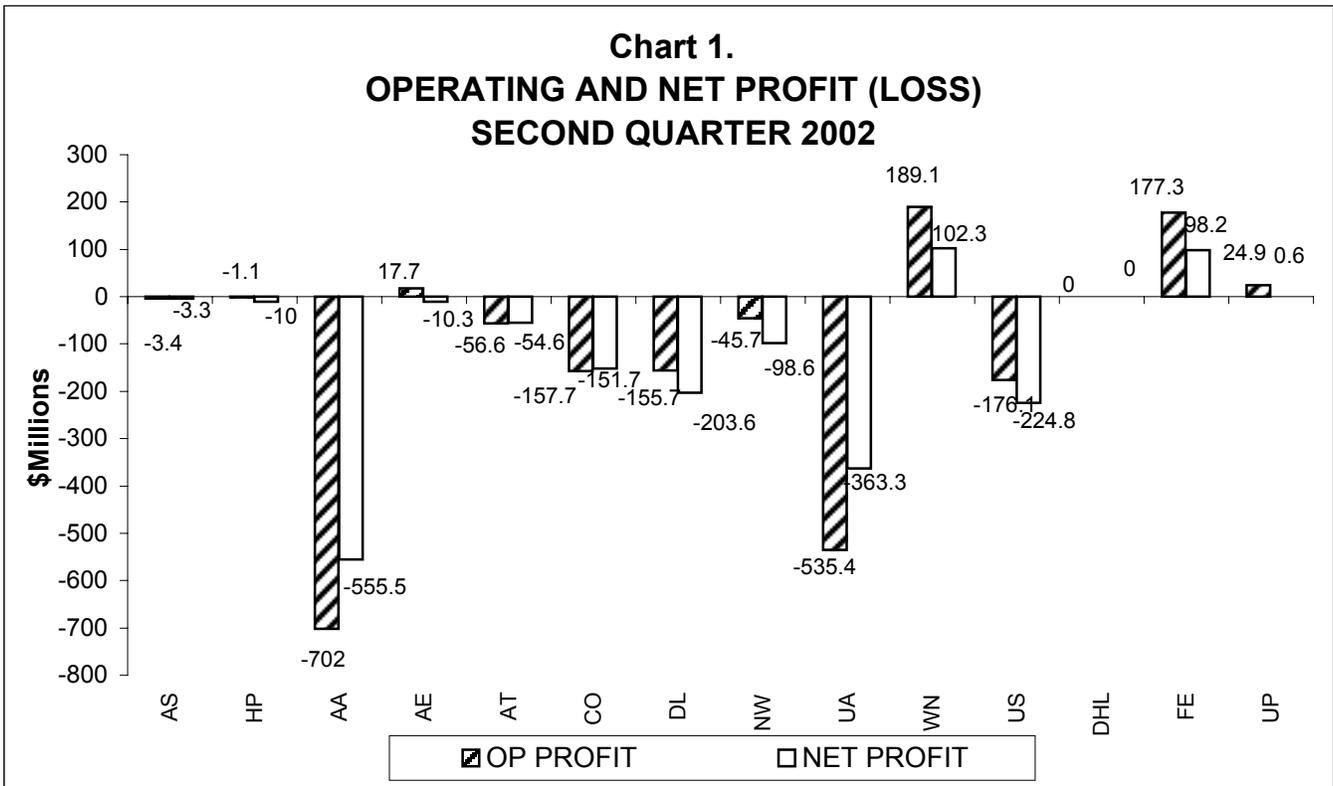
		CHANGE OVER COMPARABLE PERIOD 1	CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER				
26	Operating Revenues (%)	-5.6	-18.2	-13.1	-4.7	2.5	
27	Operating Expenses (%)	9.5	-4.0	0.9	6.9	9.3	
28	Operating Profit (Loss) (in Millions \$)	-3,265.0	-12,838.3	-12,509.8	-9,843.9	-5,264.4	
29	Net Income (Loss)(in Millions \$)	-2,246.8	-8,355.1	-8,020.4	-6,656.2	-4,643.9	
30	RPMs (Sch. Svc.) (%)	-1.6	-10.9	-8.4	-3.1	1.2	
31	ASMs (Sch. Svc.) (%)	2.6	-8.7	-5.6	-1.1	1.5	
32	Operating Revenues per RTM (%)	-2.5	-8.9	-4.9	-0.5	2.7	
33	Operating Expense per RTM (%)	13.2	6.9	10.5	11.7	9.4	
34	Passenger Revenue per RPM (Sch. Svc.)(%)	-6.5	-12.0	-8.3	-3.0	1.3	

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

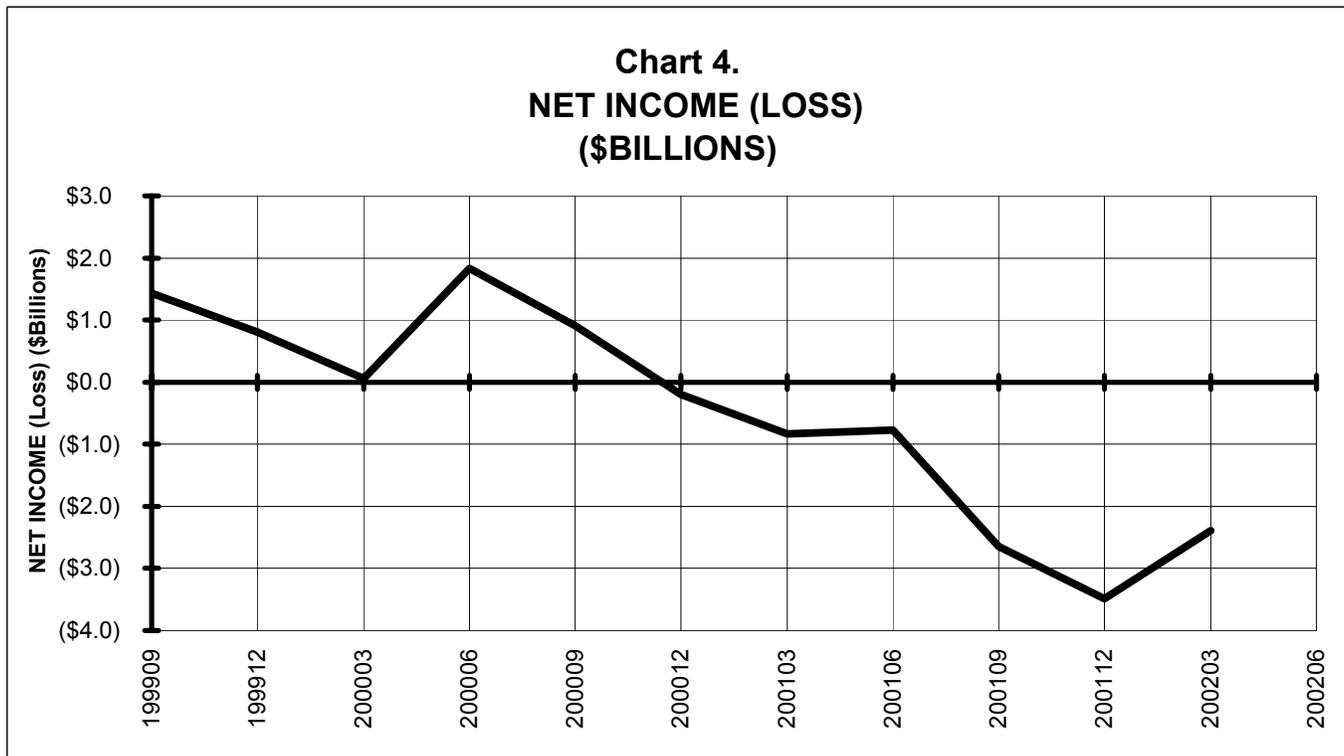
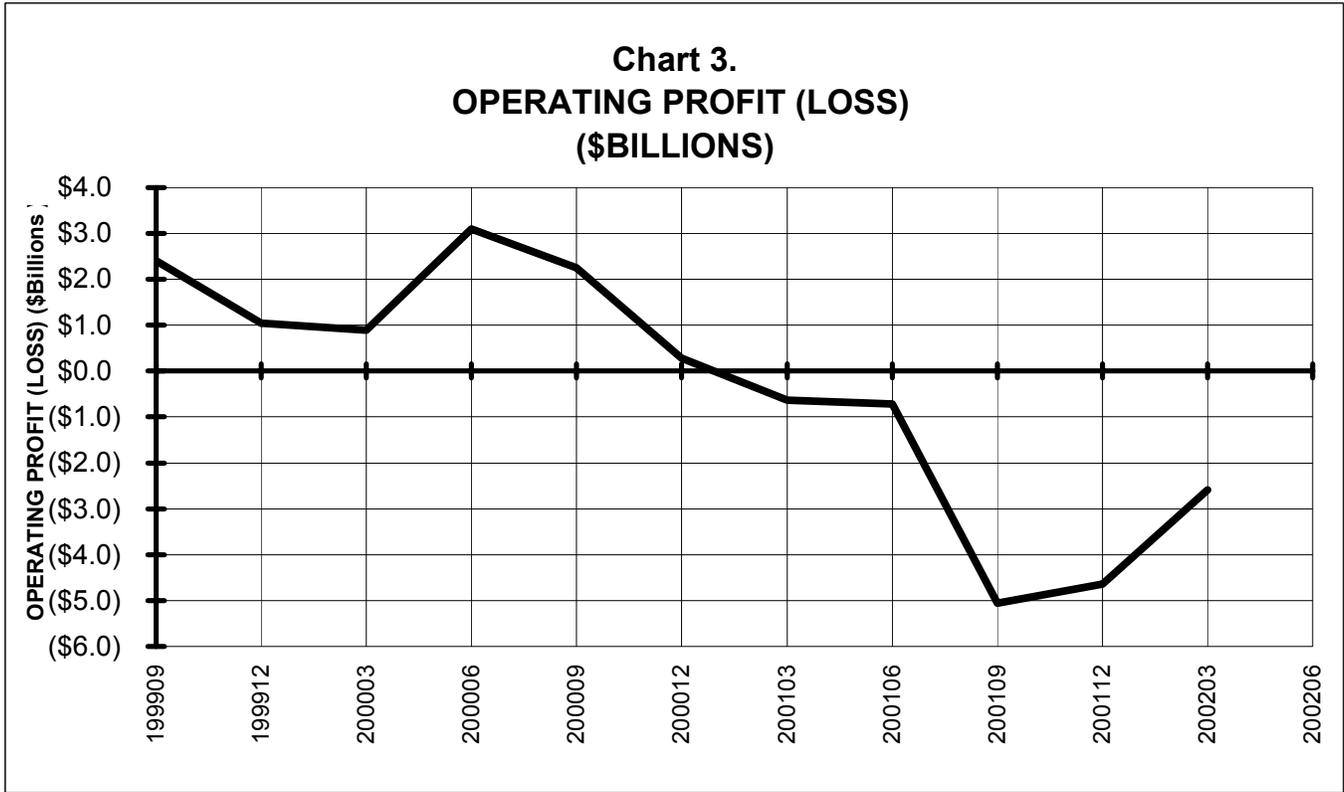
ITEMS	QUARTER ENDED		12 MONTHS ENDED					
	2002/06	2001/06	2002/06	2002/03	2001/12	2001/09	2001/06	
FINANCIAL RESULTS: (\$Millions)								
1	Operating Revenues	7,159.2		24,743.4	26,046.8	27,883.3	28,904.5	
2	Operating Expenses	7,209.8		26,782.4	27,772.8	28,732.5	28,223.6	
3	Operating Profit (Loss)	-50.6		-2,039.0	-1,726.0	-849.2	680.9	
4	Net Income (Loss)	-30.9		-1,212.0	-887.3	-422.5	258.6	
TRAFFIC: (Billions)								
5	RPMs - Scheduled Rev. Svc.	Data are not available as DHL Airways has not yet filed second quarter data	48.08	Data are not available as DHL Airways has not yet filed second quarter data	162.02	167.23	179.03	184.23
6	ASMs - Scheduled Rev. Svc.		62.63		218.69	228.91	239.99	243.59
7	Overall RTMs (All Svc.)		7.83		27.48	28.31	30.04	30.95
8	Overall ATMs (All Svc.)		13.60		48.44	50.16	52.06	52.44
YIELD & UNIT COST & PROFITS: (Cents)								
9	Operating Revenue per RTM		91.4		90.1	92.0	92.8	93.4
10	Operating Expense per RTM		92.0		97.5	98.1	95.7	91.2
11	Operating Profit (Loss) per RTM		-0.6		-7.4	-6.1	-2.8	2.2
12	Operating Expense per ATM		53.0		55.3	55.4	55.2	53.8
13	Passenger Revenue per RPM		10.04		9.82	10.10	10.34	10.54
FINANCIAL RATIOS:								
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	*		**	**	**	**	**
FINANCIAL PERCENTAGES:								
18	Operating Profit (Loss) to Operating Revenue		-0.7		-8.2	-6.6	-3.0	2.4
19	Net Income to Stockholders Equity		*		**	**	**	**
20	Corporate Return on Investment		*		-3.3	-1.9	0.4	4.1
21	Debt to Total Investment		*		**	**	**	**
PASSENGER LOAD FACTOR: (Sch. Svc. %)								
22	Actual		76.8		74.1	73.1	74.6	75.6
23	Breakeven		80.6		86.7	83.4	80.9	75.8
Employment & Productivity								
24	Employment, Total Weighted Avg CY		*		**	**	**	**
25	Overall RTM's per Employee (000)		*		**	**	**	**

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER				
26	Operating Revenues (%)	0.2	-14.4	-8.4	0.4	8.2
27	Operating Expenses (%)	8.6	-3.2	3.0	10.0	12.7
28	Operating Profit (Loss) (in Millions \$)	-558.8	-3,278.6	-3,183.9	-2,508.9	-1,004.5
29	Net Income (Loss)(in Millions \$)	-356.1	-1,826.8	-1,489.9	-1,091.7	-371.6
30	RPMs (Sch. Svc.) (%)	1.0	-11.8	-7.8	0.5	5.7
31	ASMs (Sch. Svc.) (%)	4.3	-9.3	-3.7	2.7	5.7
32	Operating Revenues per RTM (%)	0.9	-3.3	-0.4	1.1	3.3
33	Operating Expense per RTM (%)	9.4	9.3	11.9	10.9	7.7
34	Passenger Revenue per RPM (Sch. Svc.) (%)	-3.6	-7.8	-4.5	-1.6	2.1

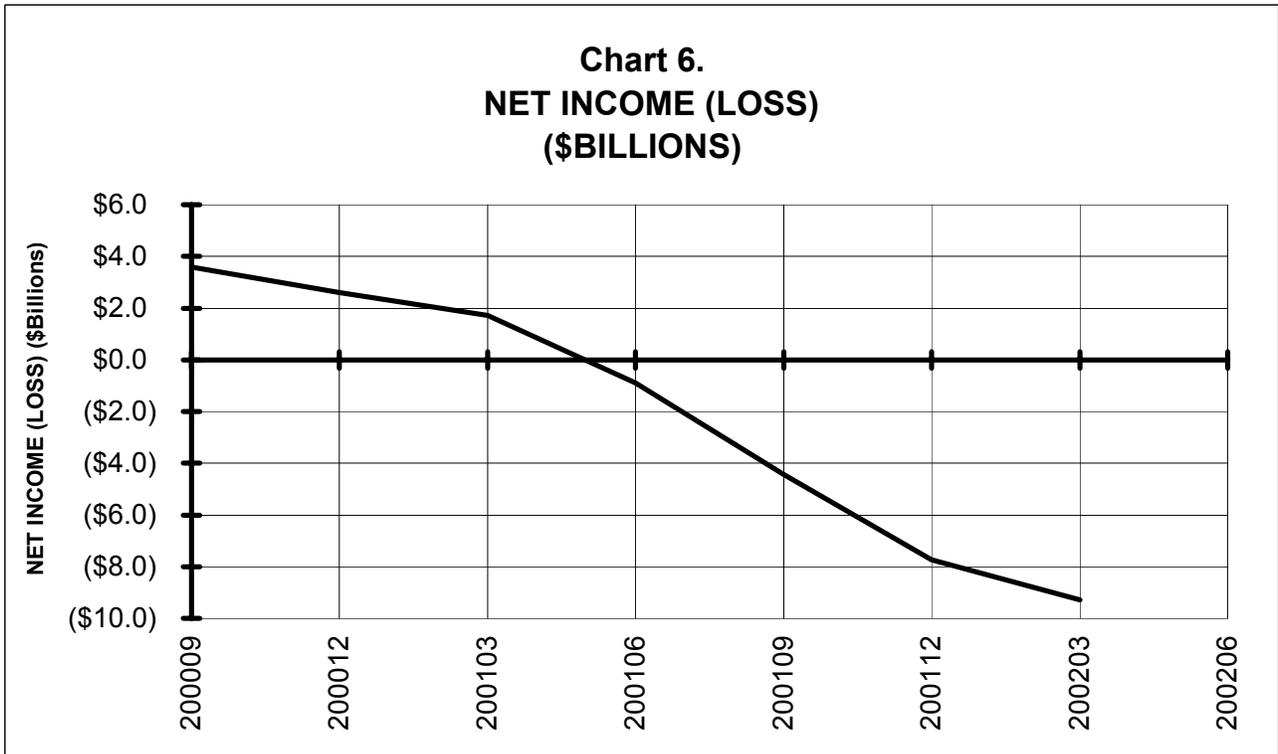
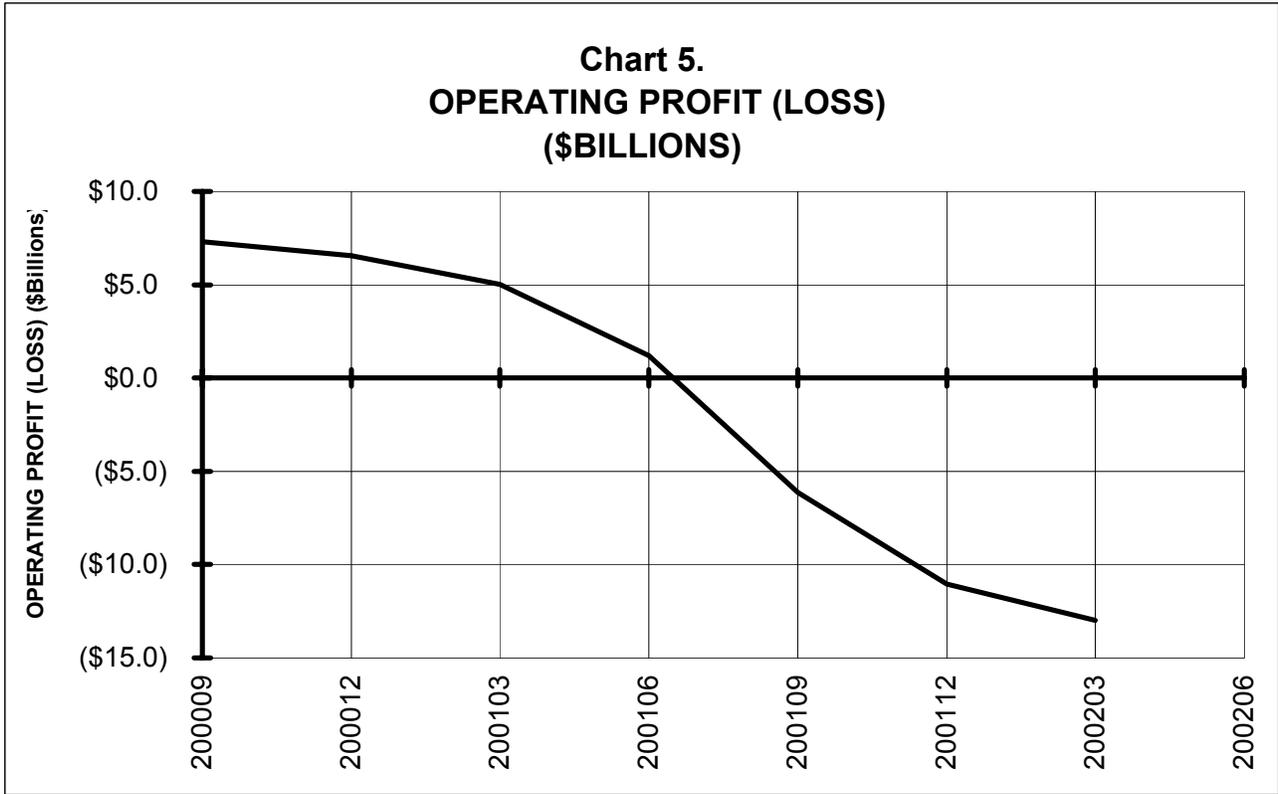
COMPARISONS AMONG MAJOR GROUP AIRLINES



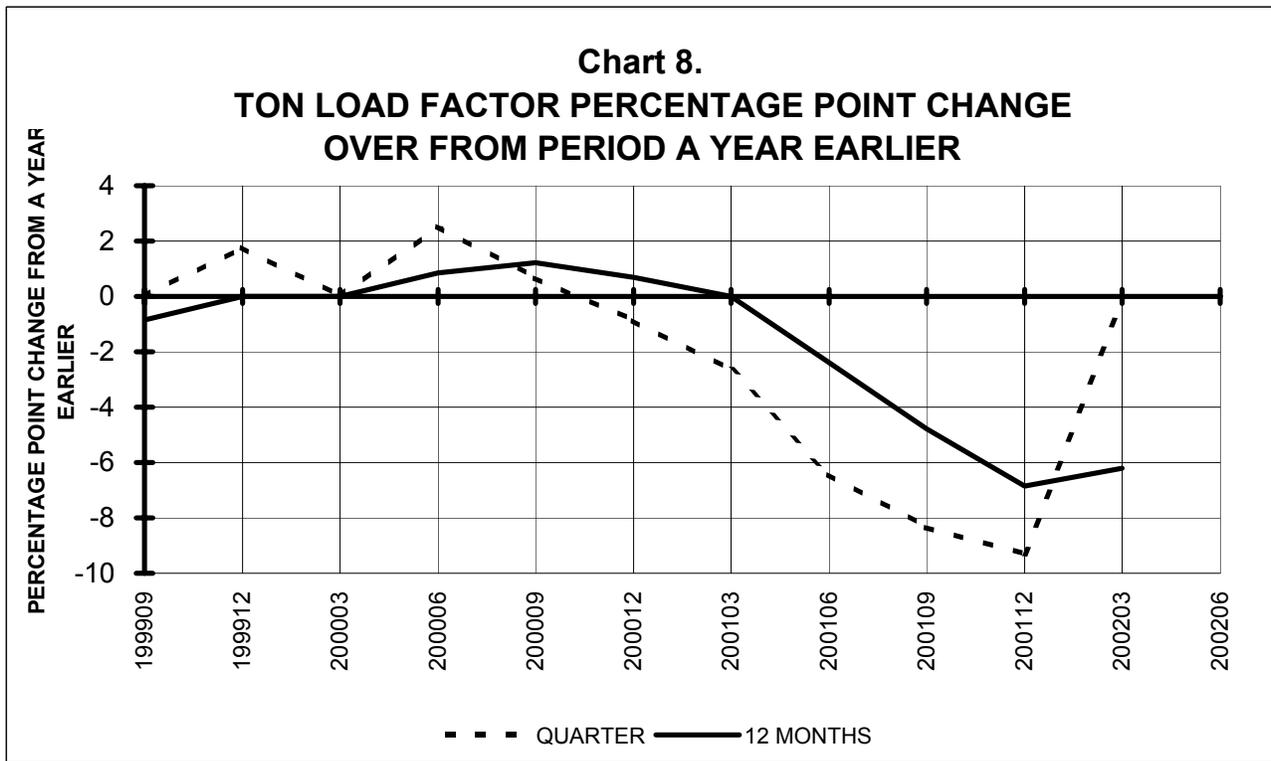
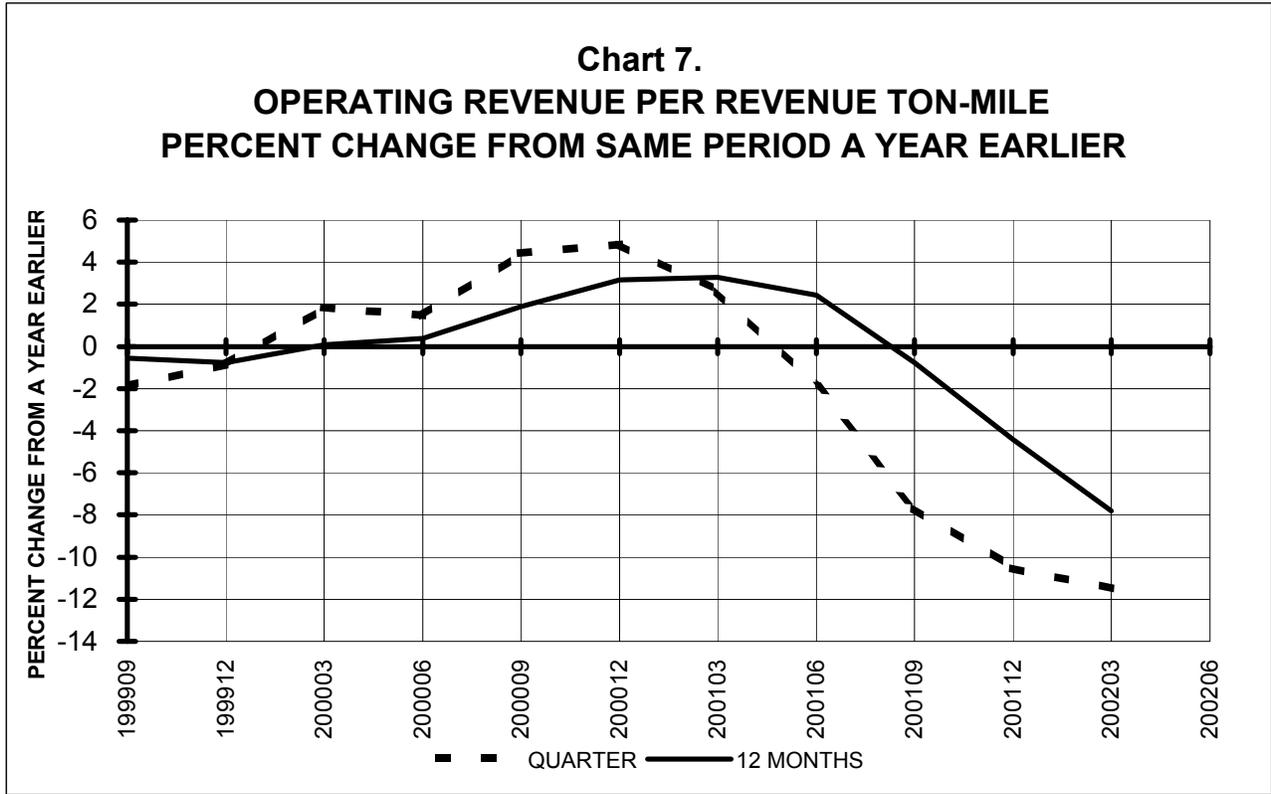
TOTAL ALL MAJORS (SYSTEM) BY QUARTER



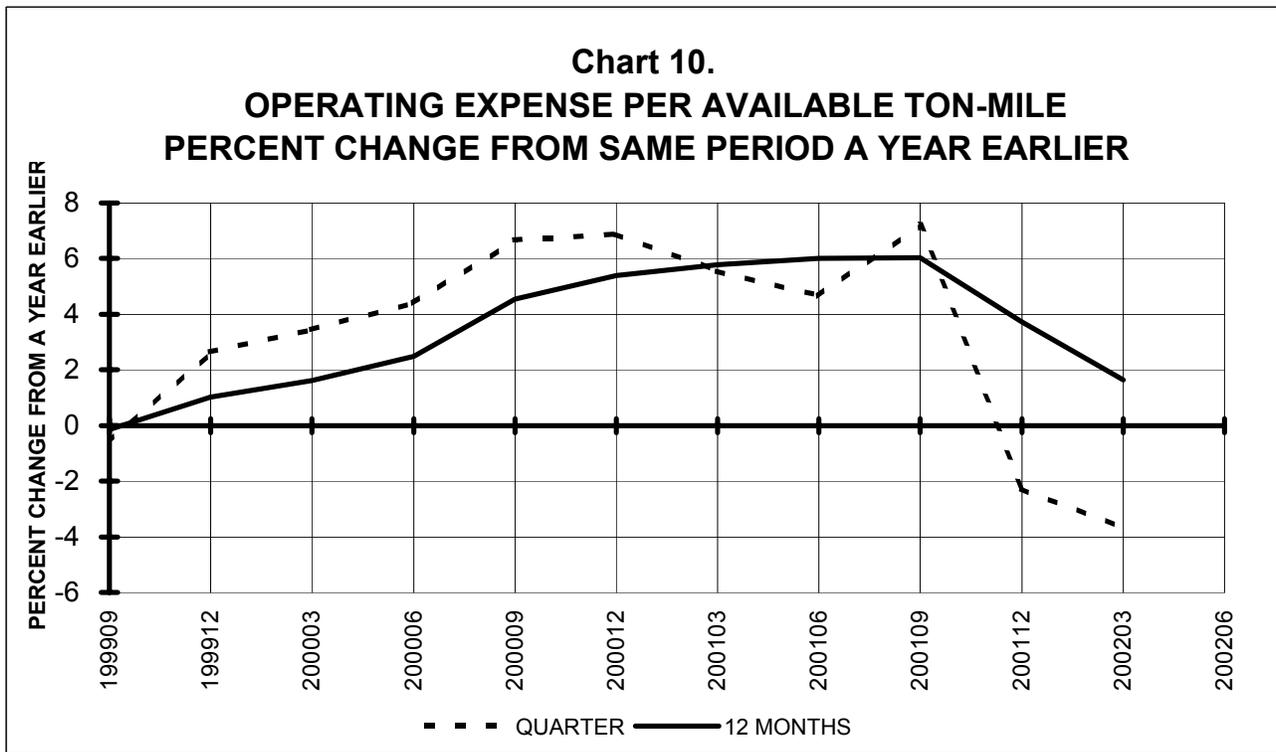
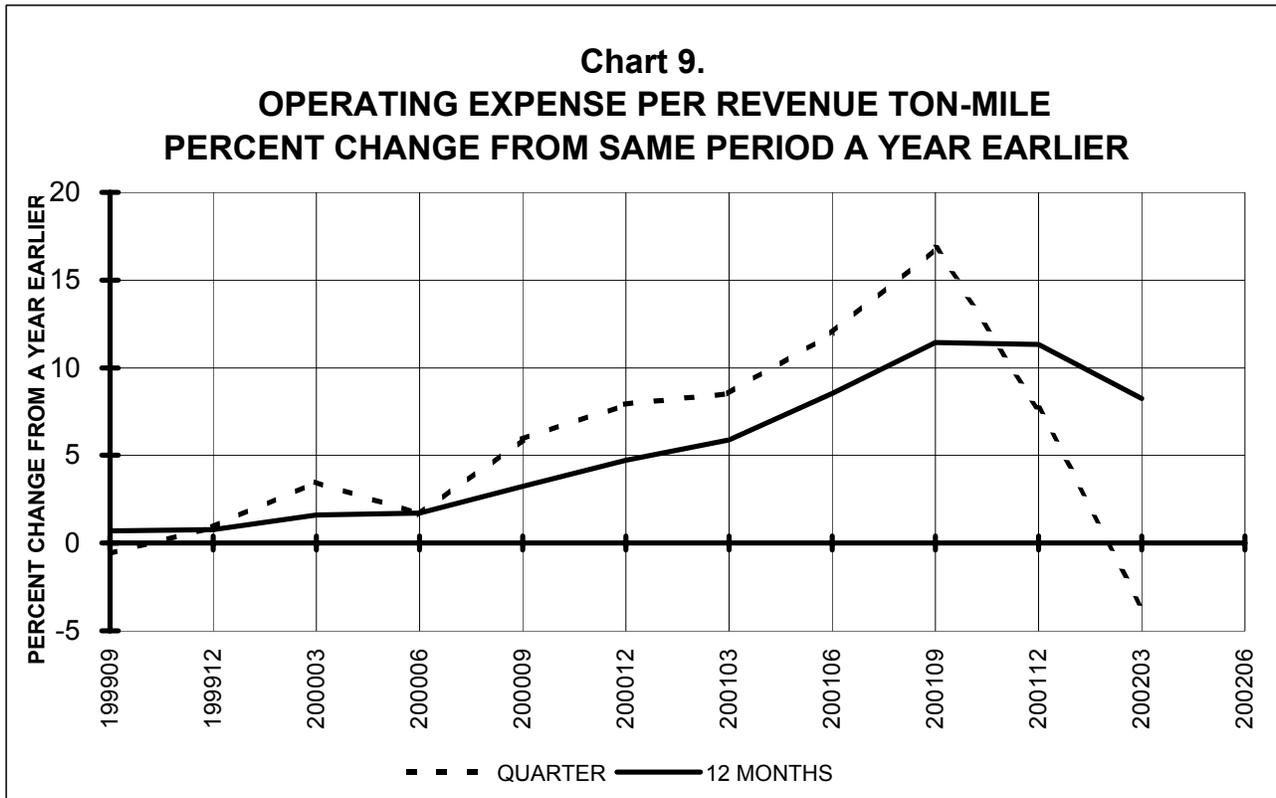
**TOTAL ALL MAJORS (SYSTEM)
BY 12-MONTH ENDING PERIODS**



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



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



QUARTERLY FINANCIAL & TRAFFIC REVIEW
TOTAL PASSENGER MAJORS 1/

QUARTERLY RESULTS

- Beginning with the first quarter March 2002, Trans World is now combined with American and no longer reports data as an individual operating carrier. For comparison purposes, all prior period data for American has been adjusted so as to include TWA on a pro forma basis.
- Continued weakness in the U.S. economy and the inability of the major carriers to attract high yield passengers resulted in still another quarter of large losses. Revenue passenger traffic (RPMs) and passenger yields were down sharply for every major carrier resulting in the large operating and net losses in what is historically the strongest quarter for the industry.
- Only America West and American reported an improvement in either operating or net results. Southwest was down significantly from the prior year, but did manage to remain in the black with both an operating and net profit.
- For the group, operating expenses were reduced 12.2 percent, but operating revenues dropped 16.3 percent, resulting in a \$902.5 million drop in operating results to a loss of \$1.63 billion. American experienced the largest operating and net losses among the group.
- Due in large part to the sharp reductions in operations, fuel consumption was down 23.6 percent (\$884.6 million) stemming larger overall losses.
- Net income dropped \$844 million to a loss of \$1.57 billion.

Quarter Ended	\$ Millions					
	OPERATING PROFIT (LOSS)			NET INCOME (LOSS)		
	LAST YEAR 2001	THIS YEAR 2002	\$ Change	LAST YEAR 2001	THIS YEAR 2002	\$ Change
March	-858.5	-2,767.6	-1,909.0	-955.6	-2,467.9	-1,512.4
June	-724.4	-1,626.9	-902.5	-729.2	-1,573.2	-844.1
Sept.	-5,083.9	0.0	-	-2,673.7	0.0	-
Dec.	-5,019.9	0.0	-	-3,628.3	0.0	-

- Although the rate of decline has slowed from prior quarters since 9/11, RPM traffic still fell 10.3 percent in the first quarter, while ASM capacity was down 10.6 percent, causing the passenger load factor to rise 0.3 percentage points to 73.8 percent. Individual carrier results were mixed with America West, American Eagle, Delta, Northwest, United and US Airways showing small increases.
- Every major carrier showed a drop in passenger (RPM) yield, which for the group fell 7.7 percent to 11.63 cents.
- Except for the Pacific entity, all entities experienced deteriorations and losses in both operating and net results. Pacific operations remained in the red, but operating results rose \$40.5 million to a loss of \$152.2 million and net results rose \$38.3 million to a loss of \$121.4 million.

ENTITY	\$ Millions						TRAFFIC (Billions)			CAPACITY (Billions)			PAX. L.F.
	OPERATING PROFIT (LOSS)			NET INCOME (LOSS)			RPMs (Sch. Svc.)			ASMs (Sch. Svc.)			
	2001	2002	\$ Change	2001	2002	\$ Change	2001	2002	Change %	2001	2002	Change %	
Domestic	-620.7	-1,357.1	-736.4	-628.7	-1,320.3	-691.5	121.4	110.3	-9.2	167.9	152.3	-9.3	72.4%
Int'l	-103.7	-269.7	-166.1	-100.4	-253.0	-152.5	48.1	41.7	-13.2	62.6	53.7	-14.2	77.7%
Atlantic	98.9	-22.3	-121.2	55.4	-52.5	-107.9	24.3	21.4	-11.8	29.9	26.0	-13.1	82.5%
Latin	-9.9	-95.2	-85.3	3.9	-79.1	-83.0	9.1	8.2	-10.6	13.4	12.6	-5.9	64.6%
Pacific	-192.6	-152.2	40.5	-159.7	-121.4	38.3	14.7	12.2	-17.1	19.3	15.2	-21.7	80.4%
System	-724.4	-1,626.9	-902.5	-729.2	-1,573.2	-844.1	169.5	152.1	-10.3	230.5	206.1	-10.6	73.8%

- The operating profit margin fell from a negative 3 percent a year ago to a negative 8 percent, a deterioration of 5 percentage points to the downside.

12-MONTH RESULTS

- Operating expenses dipped 0.7 percent, but operating revenues fell 16 percent, resulting in a sharp drop in operating results, down \$14.9 billion to a loss of \$14.5 billion. All majors contributed to the decline and many reported individual carrier record losses, with the lone exception of Southwest.
- Net income also fell into the red, down \$9.1 billion to an \$10.3 billion loss.
- Despite a drop of 11.3 percent to 11.66 cent in passenger (RPM) yield, the passenger load still declined 1.4 percentage points to 70.7 percent.

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. Starting with the first quarter 2002, Trans World has been combined with American for comparison purposes.

QUARTERLY FINANCIAL & TRAFFIC REVIEW
SYSTEM OPERATIONS
TOTAL PASSENGER MAJORS

ITEMS	QUARTER ENDED		12 MONTHS ENDED				
	2002/06	2001/06	2002/06	2002/03	2001/12	2001/09	2001/06
<u>FINANCIAL RESULTS: (\$Millions)</u>							
1 Operating Revenues	20,300.4	24,260.0	82,037.8	85,997.4	91,125.4	96,064.2	97,609.6
2 Operating Expenses	21,927.3	24,984.4	96,536.1	99,593.2	102,812.2	102,695.3	97,213.1
3 Operating Profit (Loss)	-1,626.9	-724.4	-14,498.3	-13,595.8	-11,686.8	-6,631.2	396.6
4 Net Income (Loss)	-1,573.2	-729.2	-10,343.2	-9,499.1	-7,986.7	-4,655.8	-1,238.9
<u>TRAFFIC: (Billions)</u>							
5 RPMs - Scheduled Rev. Svc.	152.07	169.52	614.49	631.93	648.26	660.95	653.15
6 ASMs - Scheduled Rev. Svc.	206.06	230.51	868.65	893.10	922.36	927.45	906.42
7 Overall RTMs (All Svc.)	17.71	19.72	71.79	73.80	75.90	77.61	76.92
8 Overall ATMs (All Svc.)	31.51	34.87	133.69	137.06	140.85	140.42	135.97
<u>YIELD & UNIT COST & PROFITS: (Cents)</u>							
9 Operating Revenue per RTM	114.6	123.0	114.3	116.5	120.1	123.8	126.9
10 Operating Expense per RTM	123.8	126.7	134.5	134.9	135.5	132.3	126.4
11 Operating Profit (Loss) per RTM	-9.2	-3.7	-20.2	-18.4	-15.4	-8.5	0.5
12 Operating Expense per ATM	69.6	71.7	72.2	72.7	73.0	73.1	71.5
13 Passenger Revenue per RPM	11.63	12.60	11.66	11.92	12.32	12.76	13.15
<u>FINANCIAL RATIOS:</u>							
14 Operating Revenues to Total Investment	*	*	1.07	1.15	1.25	1.41	1.54
15 Times Interest Earned	*	*	-4.29	-4.32	-3.91	-2.22	0.32
16 Current Assets to Current Liabilities	*	*	0.81	0.79	0.86	0.81	0.63
17 No. of Days Cash Coverage of Cash Exp.	*	*	58.4	53.1	68.8	64.5	34.9
<u>FINANCIAL PERCENTAGES:</u>							
18 Operating Profit (Loss) to Operating Revenue	-8.0	-3.0	-17.7	-15.8	-12.8	-6.9	0.4
19 Net Income to Stockholders Equity	*	*	-36.0	-31.5	-25.4	-14.7	-4.0
20 Corporate Return on Investment	*	*	-10.0	-9.4	-7.9	-3.9	1.0
21 Debt to Total Investment	*	*	69.3	67.4	63.5	57.9	54.2
<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>							
22 Actual	73.8	73.5	70.7	70.8	70.3	71.3	72.1
23 Breakeven	83.1	76.1	88.2	86.1	83.0	78.9	73.2
<u>Employment & Productivity:</u>							
24 Employment, Total Weighted Avg CY	397,987	463,636	409,632	426,044	440,502	453,159	455,297
25 Overall RTM's per Employee (000)	44.5	42.5	175.3	173.2	172.3	171.3	169.0

	CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
	2002/06	2001/06	2002/06	2002/03	2001/12	2001/09	2001/06
26 Operating Revenues (%)	-16.3	-4.7	-16.0	-13.0	-7.1	-0.1	4.0
27 Operating Expenses (%)	-12.2	10.3	-0.7	5.0	11.0	14.1	11.1
28 Operating Profit (Loss) (in Millions \$)	-902.5	-3,528.3	-14,894.9	-17,520.7	-17,182.4	-12,784.7	-6,008.0
29 Net Income (Loss)(in Millions \$)	-844.0	-2,392.4	-9,104.3	-10,652.6	-10,070.5	-7,612.2	-4,764.9
30 RPMs (Sch. Svc.) (%)	-10.3	-0.9	-5.9	-3.5	-0.6	2.3	2.4
31 ASMs (Sch. Svc.) (%)	-10.6	3.0	-4.2	-0.7	3.1	4.2	2.6
32 Operating Revenues per RTM (%)	-6.8	-2.7	-9.9	-8.9	-5.5	-1.3	2.4
33 Operating Expense per RTM (%)	-2.3	12.6	6.4	9.9	13.0	12.7	9.4
34 Passenger Revenue per RPM (Sch. Svc.)(%)	-7.7	-6.0	-11.3	-10.8	-7.6	-3.0	1.3

QUARTERLY FINANCIAL & TRAFFIC REVIEW
DOMESTIC OPERATIONS
TOTAL PASSENGER MAJORS

ITEMS	QUARTER ENDED		12 MONTHS ENDED				
	2002/06	2001/06	2002/06	2002/03	2001/12	2001/09	2001/06
<u>FINANCIAL RESULTS: (\$Millions)</u>							
1 Operating Revenues	15,375.9	18,479.2	56,826.2	59,929.5	63,871.5	69,929.4	74,243.3
2 Operating Expenses	16,733.1	19,100.0	66,739.5	69,106.4	71,469.7	74,282.5	74,129.5
3 Operating Profit (Loss)	-1,357.1	-620.7	-9,913.3	-9,176.9	-7,598.2	-4,353.1	113.8
4 Net Income (Loss)	-1,320.3	-628.7	-7,858.5	-7,166.9	-5,935.3	-3,676.5	-1,184.7
<u>TRAFFIC: (Billions)</u>							
5 RPMs - Scheduled Rev. Svc.	110.33	121.44	408.58	419.68	430.79	453.78	468.92
6 ASMs - Scheduled Rev. Svc.	152.32	167.87	585.87	601.42	620.46	648.56	662.83
7 Overall RTMs (All Svc.)	11.86	13.13	43.94	45.21	46.53	49.23	51.00
8 Overall ATMs (All Svc.)	21.46	23.29	82.20	84.03	86.19	89.64	91.29
<u>YIELD & UNIT COST & PROFITS: (Cents)</u>							
9 Operating Revenue per RTM	129.7	140.7	129.3	132.6	137.3	142.0	145.6
10 Operating Expense per RTM	141.1	145.5	151.9	152.9	153.6	150.9	145.4
11 Operating Profit (Loss) per RTM	-11.4	-4.7	-22.6	-20.3	-16.3	-8.8	0.2
12 Operating Expense per ATM	78.0	82.0	81.2	82.2	82.9	82.9	81.2
13 Passenger Revenue per RPM	12.28	13.62	12.29	12.68	13.19	13.75	14.17
<u>FINANCIAL RATIOS:</u>							
14 Operating Revenues to Total Investment	*	*	**	**	**	**	**
15 Times Interest Earned	*	*	**	**	**	**	**
16 Current Assets to Current Liabilities	*	*	**	**	**	**	**
17 No. of Days Cash Coverage of Cash Exp.	*	*	**	**	**	**	**
<u>FINANCIAL PERCENTAGES:</u>							
18 Operating Profit (Loss) to Operating Revenue	-8.8	-3.4	-17.4	-15.3	-11.9	-6.2	0.2
19 Net Income to Stockholders Equity	*	*	**	**	**	**	**
20 Corporate Return on Investment	*	*	-11.0	-10.2	-8.3	-4.3	0.5
21 Debt to Total Investment	*	*	**	**	**	**	**
<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>							
22 Actual	72.4	72.3	69.7	69.8	69.4	70.0	70.7
23 Breakeven	81.9	74.2	86.2	83.6	80.5	76.3	71.5
<u>Employment & Productivity:</u>							
24 Employment, Total Weighted Avg CY	*	*	**	**	**	**	**
25 Overall RTM's per Employee (000)	*	*	**	**	**	**	**

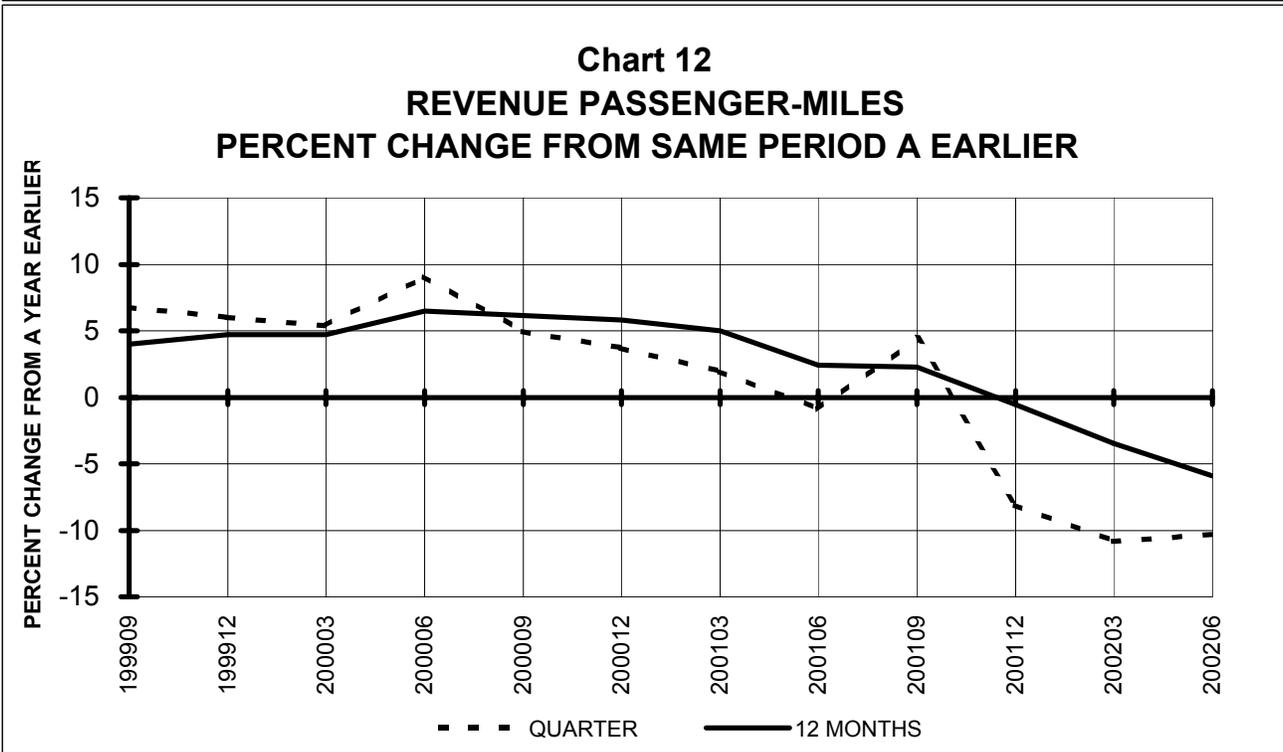
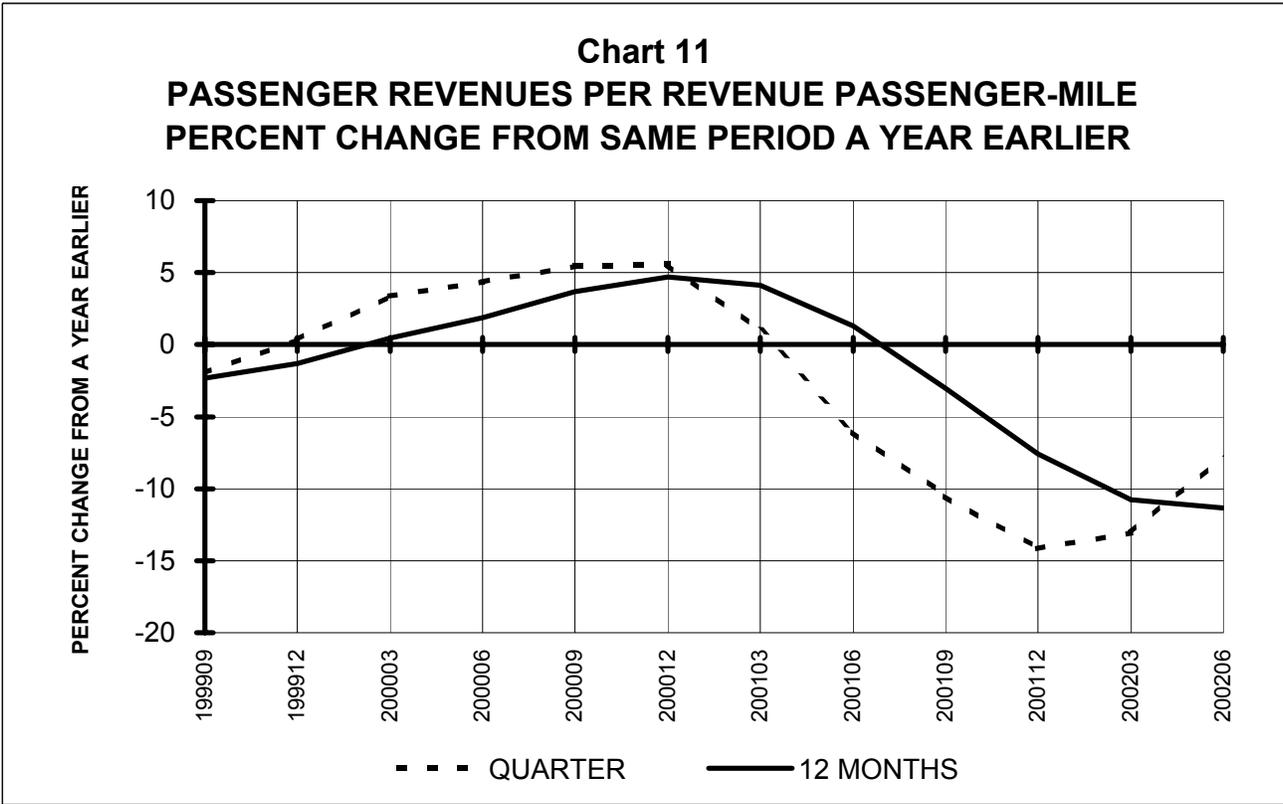
	CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
	2002/06	2001/06	2002/06	2002/03	2001/12	2001/09	2001/06
26 Operating Revenues (%)	-16.8	-5.8	-23.5	-20.5	-15.0	-5.2	2.7
27 Operating Expenses (%)	-12.4	11.1	-10.0	-4.3	1.3	8.2	10.7
28 Operating Profit (Loss) (in Millions \$)	-736.4	-3,050.2	-10,027.1	-12,341.0	-12,169.1	-9,446.3	-5,217.9
29 Net Income (Loss)(in Millions \$)	-691.6	-2,085.9	-6,673.8	-8,068.1	-7,724.4	-6,326.0	-4,323.0
30 RPMs (Sch. Svc.) (%)	-9.2	-1.6	-12.9	-10.9	-8.4	-3.1	1.2
31 ASMs (Sch. Svc.) (%)	-9.3	2.6	-11.6	-8.7	-5.6	-1.1	1.5
32 Operating Revenues per RTM (%)	-7.8	-3.6	-11.2	-9.7	-6.1	-1.4	2.3
33 Operating Expense per RTM (%)	-3.0	13.8	4.5	8.7	11.9	12.5	10.3
34 Passenger Revenue per RPM (Sch. Svc.)(%)	-9.8	-6.5	-13.3	-12.0	-8.3	-3.0	1.3

QUARTERLY FINANCIAL & TRAFFIC REVIEW
INTERNATIONAL OPERATIONS
TOTAL PASSENGER MAJORS

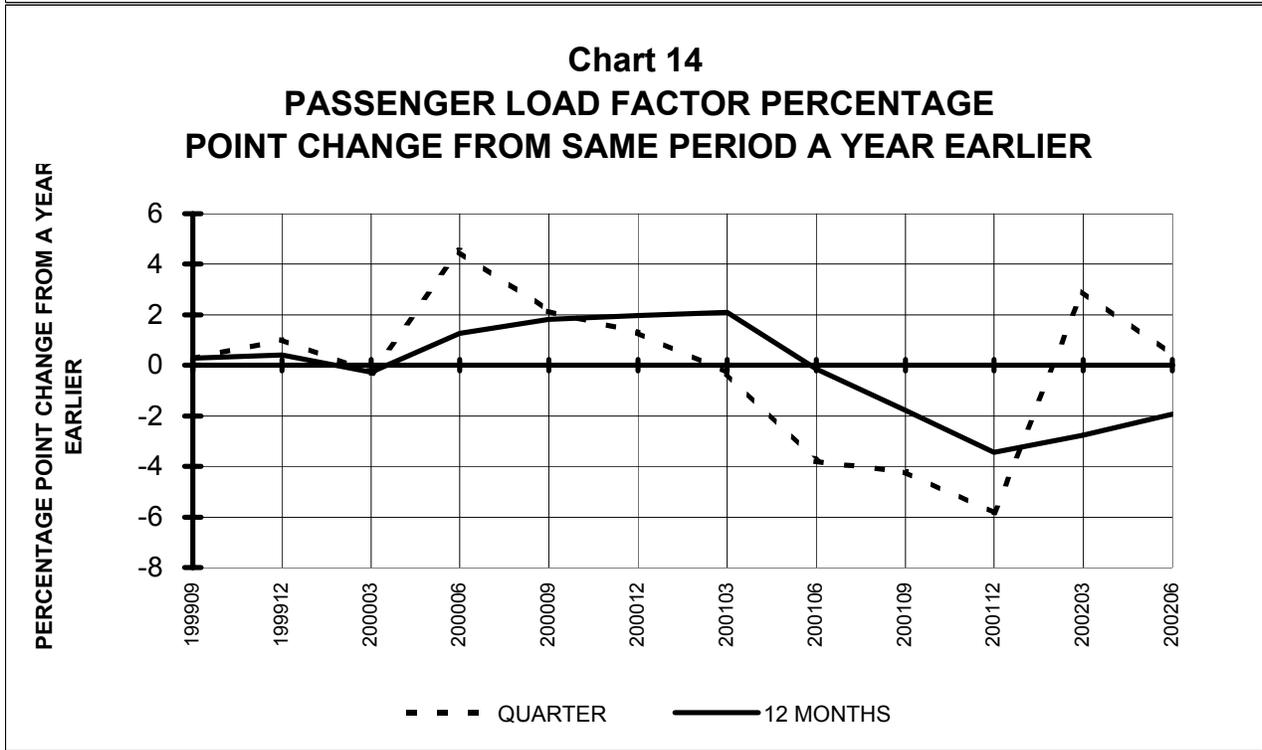
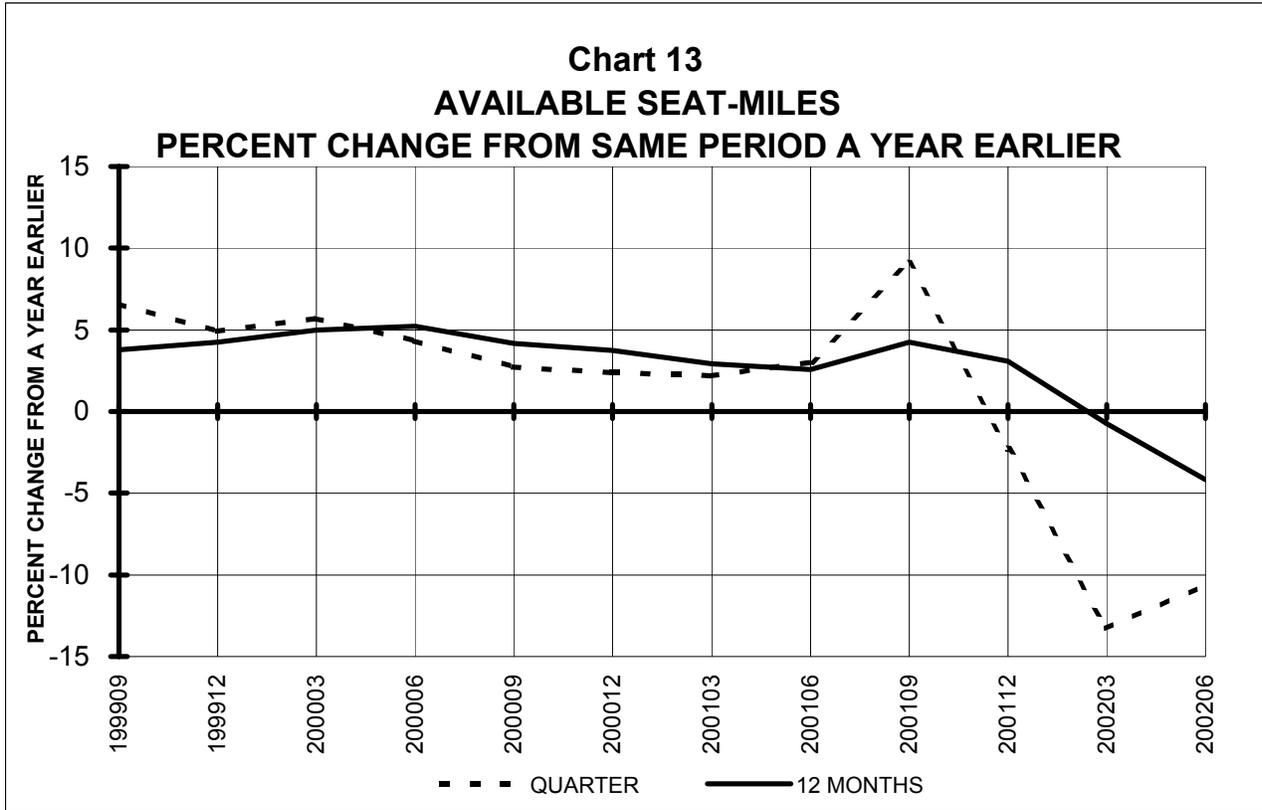
ITEMS	QUARTER ENDED		12 MONTHS ENDED				
	2002/06	2001/06	2002/06	2002/03	2001/12	2001/09	2001/06
<u>FINANCIAL RESULTS: (\$Millions)</u>							
1 Operating Revenues	4,924.5	5,780.8	18,353.6	19,209.9	20,395.9	22,333.2	23,366.3
2 Operating Expenses	5,194.2	5,884.5	21,057.3	21,747.6	22,603.2	23,539.0	23,083.6
3 Operating Profit (Loss)	-269.7	-103.7	-2,703.7	-2,537.7	-2,207.4	-1,205.8	282.7
4 Net Income (Loss)	-253.0	-100.4	-1,659.4	-1,506.8	-1,226.1	-688.5	-54.2
<u>TRAFFIC: (Billions)</u>							
5 RPMs - Scheduled Rev. Svc.	41.74	48.08	155.67	162.02	167.23	179.03	184.23
6 ASMs - Scheduled Rev. Svc.	53.73	62.63	209.79	218.69	228.91	239.99	243.59
7 Overall RTMs (All Svc.)	5.86	6.59	21.89	22.62	23.41	25.06	25.93
8 Overall ATMs (All Svc.)	10.05	11.58	39.23	40.77	42.40	44.24	44.67
<u>YIELD & UNIT COST & PROFITS: (Cents)</u>							
9 Operating Revenue per RTM	84.1	87.7	83.8	84.9	87.1	89.1	90.1
10 Operating Expense per RTM	88.7	89.3	96.2	96.1	96.5	93.9	89.0
11 Operating Profit (Loss) per RTM	-4.6	-1.6	-12.4	-11.2	-9.4	-4.8	1.1
12 Operating Expense per ATM	51.7	50.8	53.7	53.3	53.3	53.2	51.7
13 Passenger Revenue per RPM	9.92	10.04	9.78	9.82	10.10	10.34	10.54
<u>FINANCIAL RATIOS:</u>							
14 Operating Revenues to Total Investment	*	*	**	**	**	**	**
15 Times Interest Earned	*	*	**	**	**	**	**
16 Current Assets to Current Liabilities	*	*	**	**	**	**	**
17 No. of Days Cash Coverage of Cash Exp.	*	*	**	**	**	**	**
<u>FINANCIAL PERCENTAGES:</u>							
18 Operating Profit (Loss) to Operating Revenue	-5.5	-1.8	-14.7	-13.2	-10.8	-5.4	1.2
19 Net Income to Stockholders Equity	*	*	**	**	**	**	**
20 Corporate Return on Investment	*	*	-6.3	-5.9	-4.6	-1.5	2.5
21 Debt to Total Investment	*	*	**	**	**	**	**
<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>							
22 Actual	77.7	76.8	74.2	74.1	73.1	74.6	75.6
23 Breakeven	86.1	82.0	91.1	89.6	86.2	83.0	77.6
<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 (%)	-14.8	-0.7	-21.5	-17.9	-11.3	-0.5	8.1
27 Operating Expenses (%)	-11.7	8.0	-8.8	-4.0	2.4	10.1	12.3
28 Operating Profit (Loss) (in Millions \$)	-166.0	-478.1	-2,986.4	-3,298.5	-3,132.1	-2,266.1	-790.2
29 Net Income (Loss)(in Millions \$)	-152.6	-306.5	-1,605.2	-1,759.2	-1,520.8	-995.4	-441.9
30 RPMs (Sch. Svc.) (%)	-13.2	1.0	-15.5	-11.8	-7.8	0.5	5.7
31 ASMs (Sch. Svc.) (%)	-14.2	4.3	-13.9	-9.3	-3.7	2.7	5.7
32 Operating Revenues per RTM (%)	-4.1	0.6	-7.0	-5.7	-2.1	1.1	4.0
33 Operating Expense per RTM (%)	-0.7	9.4	8.1	10.3	12.9	11.9	8.1
34 Passenger Revenue per RPM (Sch. Svc.)(%)	-1.2	-3.6	-7.2	-7.8	-4.5	-1.6	2.1

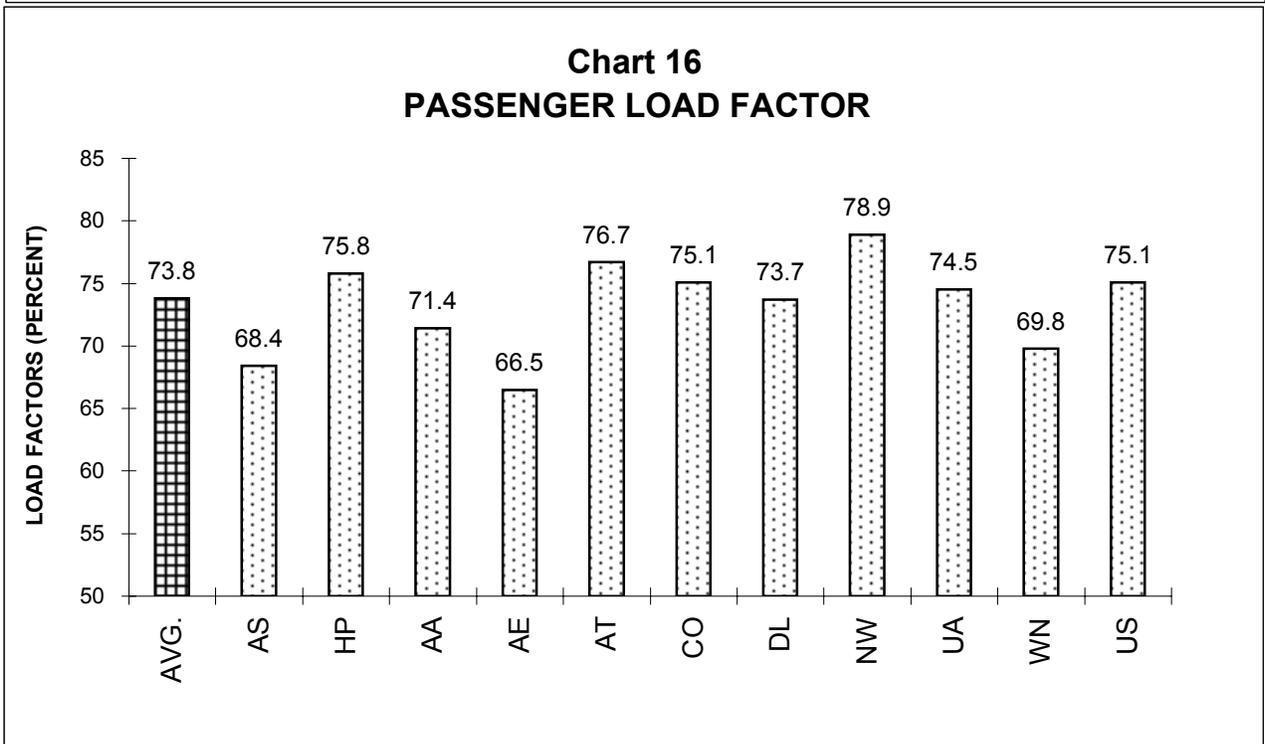
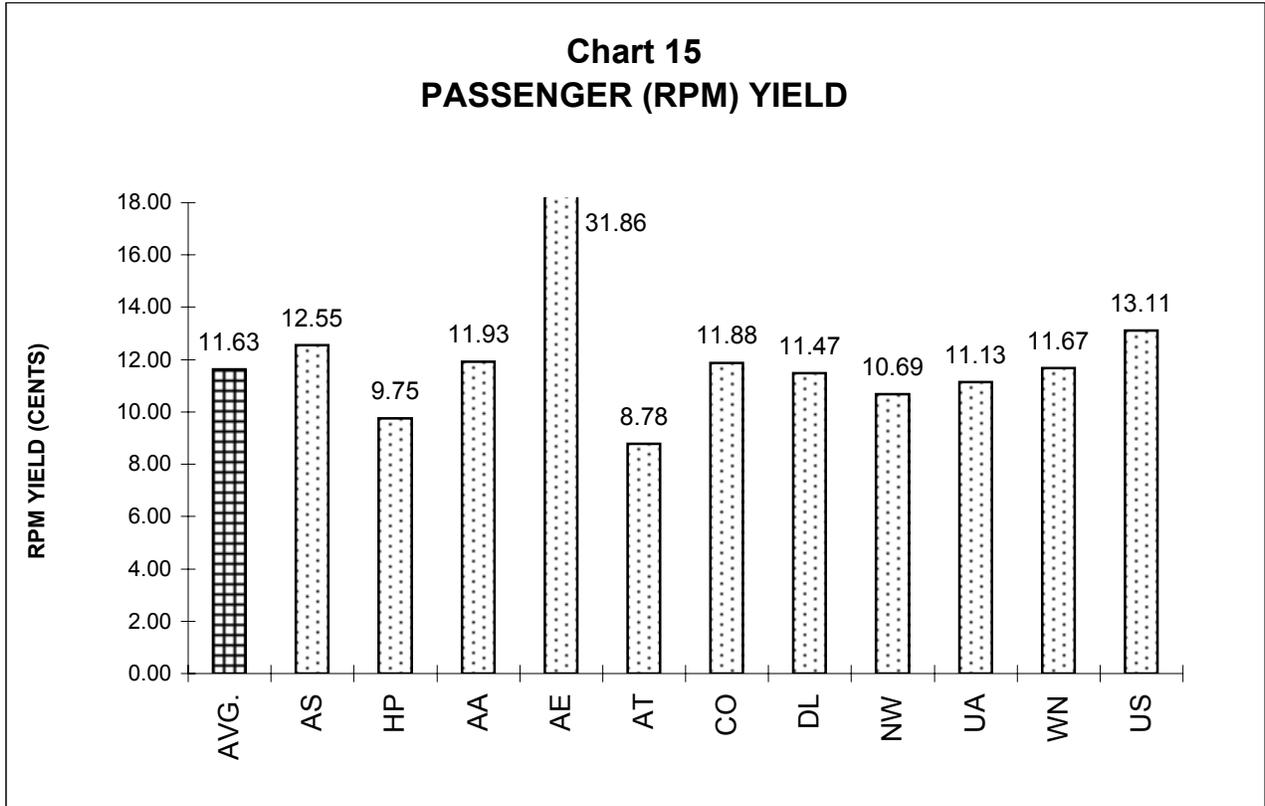
**TOTAL PASSENGER MAJORS (SYSTEM)
QUARTERLY AND 12-MONTH BASIS (SCH. SVC.)**



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



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



QUARTERLY FINANCIAL & TRAFFIC REVIEW
SYSTEM OPERATIONS
ALASKA AIRLINES

ITEMS	QUARTER ENDED		12 MONTHS ENDED					
	2002/06	2001/06	2002/06	2002/03	2001/12	2001/09	2001/06	
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	478.7	474.6	1,758.9	1,754.8	1,763.1	1,810.9	1,813.6
2	Operating Expenses	482.1	463.1	1,848.6	1,829.7	1,827.8	1,854.3	1,839.8
3	Operating Profit (Loss)	-3.4	11.5	-89.8	-74.9	-64.8	-43.4	-26.2
4	Net Income (Loss)	-3.3	4.8	-24.8	-16.7	-10.1	-18.2	-22.0
<u>TRAFFIC: (Billions)</u>								
5	RPMs - Scheduled Rev. Svc.	3.37	3.29	12.39	12.31	12.23	12.40	12.30
6	ASMs - Scheduled Rev. Svc.	4.93	4.68	18.17	17.92	17.88	18.16	17.97
7	Overall RTMs (All Svc.)	0.36	0.35	1.30	1.29	1.29	1.31	1.30
8	Overall ATMs (All Svc.)	0.64	0.61	2.38	2.35	2.34	2.37	2.35
<u>YIELD & UNIT COST & PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	134.7	136.7	135.0	135.5	136.8	138.7	139.8
10	Operating Expense per RTM	135.6	133.4	141.8	141.3	141.9	142.0	141.8
11	Operating Profit (Loss) per RTM	-1.0	3.3	-6.9	-5.8	-5.0	-3.3	-2.0
12	Operating Expense per ATM	74.9	75.8	77.7	77.9	78.1	78.2	78.3
13	Passenger Revenue per RPM	12.55	12.86	12.53	12.62	12.80	13.03	13.21
<u>FINANCIAL RATIOS:</u>								
14	Operating Revenues to Total Investment	*	*	1.13	1.18	1.21	1.33	1.47
15	Times Interest Earned	*	*	0.23	0.47	0.68	0.11	0.09
16	Current Assets to Current Liabilities	*	*	1.34	1.30	1.29	1.44	1.07
17	No. of Days Cash Coverage of Cash Exp.	*	*	148.5	131.3	139.8	138.6	77.4
<u>FINANCIAL PERCENTAGES:</u>								
18	Operating Profit (Loss) to Operating Revenue	-0.7	2.4	-5.1	-4.3	-3.7	-2.4	-1.4
19	Net Income to Stockholders Equity	*	*	-3.6	-2.4	-1.5	-2.7	-3.3
20	Corporate Return on Investment	*	*	1.4	1.9	2.3	1.4	0.9
21	Debt to Total Investment	*	*	58.5	57.5	56.8	56.2	50.3
<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>								
22	Actual	68.4	70.3	68.2	68.7	68.4	68.3	68.5
23	Breakeven	73.0	70.9	76.2	75.6	74.6	73.1	72.3
<u>Employment & Productivity:</u>								
24	Employment, Total Weighted Avg CY	9,359	9,599	9,345	9,405	9,441	9,384	9,176
25	Overall RTM's per Employee (000)	38.0	36.2	139.5	137.7	136.5	139.2	141.4

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
		2002/06	2001/06	2002/06	2002/03	2001/12	2001/09	2001/06
26	Operating Revenues (%)	0.9	6.3	-3.0	-1.7	0.2	4.2	4.9
27	Operating Expenses (%)	4.1	5.8	0.5	0.8	3.1	9.6	12.1
28	Operating Profit (Loss) (in Millions \$)	-14.9	2.9	-63.6	-45.8	-52.4	-89.5	-114.4
29	Net Income (Loss)(in Millions \$)	-8.1	-1.2	-2.8	4.1	54.2	8.2	-26.9
30	RPMs (Sch. Svc.) (%)	2.5	7.9	0.8	2.1	2.1	4.1	2.9
31	ASMs (Sch. Svc.) (%)	5.3	11.2	1.1	2.4	3.4	5.4	3.4
32	Operating Revenues per RTM (%)	-1.5	-1.0	-3.4	-3.4	-1.6	0.6	2.4
33	Operating Expense per RTM (%)	1.6	-1.6	0.0	-0.9	1.4	5.7	9.5
34	Passenger Revenue per RPM (Sch. Svc.)(%)	-2.4	-2.1	-5.1	-5.0	-2.8	0.6	3.3

QUARTERLY FINANCIAL & TRAFFIC REVIEW
SYSTEM OPERATIONS
AMERICA WEST AIRLINES

ITEMS	QUARTER ENDED		12 MONTHS ENDED					
	2002/06	2001/06	2002/06	2002/03	2001/12	2001/09	2001/06	
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	535.6	577.8	1,868.6	1,910.8	2,035.5	2,208.0	2,308.4
2	Operating Expenses	536.7	633.6	2,230.2	2,327.2	2,355.6	2,463.0	2,463.4
3	Operating Profit (Loss)	-1.1	-55.8	-361.6	-416.4	-320.1	-255.0	-155.0
4	Net Income (Loss)	-10.0	-43.3	-439.4	-472.7	-148.4	-131.0	-100.7
<u>TRAFFIC: (Billions)</u>								
5	RPMs - Scheduled Rev. Svc.	5.19	5.20	18.42	18.44	19.06	19.76	19.83
6	ASMs - Scheduled Rev. Svc.	6.84	6.89	25.48	25.53	26.50	27.53	27.72
7	Overall RTMs (All Svc.)	0.54	0.54	1.91	1.92	1.98	2.06	2.07
8	Overall ATMs (All Svc.)	0.91	0.90	3.36	3.36	3.47	3.59	3.60
<u>YIELD & UNIT COST & PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	99.7	106.6	97.7	99.6	102.6	107.2	111.7
10	Operating Expense per RTM	99.9	116.9	116.6	121.4	118.8	119.6	119.2
11	Operating Profit (Loss) per RTM	-0.2	-10.3	-18.9	-21.7	-16.1	-12.4	-7.5
12	Operating Expense per ATM	59.3	70.3	66.3	69.3	67.8	68.6	68.5
13	Passenger Revenue per RPM	9.75	10.49	9.65	9.86	10.14	10.61	11.01
<u>FINANCIAL RATIOS:</u>								
14	Operating Revenues to Total Investment	*	*	1.60	1.66	1.80	1.94	2.07
15	Times Interest Earned	*	*	-3.85	-6.35	-5.60	-5.41	-4.69
16	Current Assets to Current Liabilities	*	*	1.27	1.26	0.86	0.97	1.00
17	No. of Days Cash Coverage of Cash Exp.	*	*	81.3	67.9	23.9	21.2	24.8
<u>FINANCIAL PERCENTAGES:</u>								
18	Operating Profit (Loss) to Operating Revenue	-0.2	-9.7	-19.4	-21.8	-15.7	-11.5	-6.7
19	Net Income to Stockholders Equity	*	*	-68.5	-64.7	-18.1	-15.2	-11.4
20	Corporate Return on Investment	*	*	-32.5	-37.1	-10.1	-8.8	-6.7
21	Debt to Total Investment	*	*	64.1	66.5	31.8	37.6	19.2
<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>								
22	Actual	75.8	75.5	72.3	72.2	71.9	71.8	71.6
23	Breakeven	78.6	86.1	91.1	92.8	87.2	83.4	79.1
<u>Employment & Productivity:</u>								
24	Employment, Total Weighted Avg CY	10,099	11,248	10,193	10,480	10,858	11,159	11,065
25	Overall RTM's per Employee (000)	53.2	48.2	187.7	183.0	182.7	184.5	186.8

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
		2002/06	2001/06	2002/06	2002/03	2001/12	2001/09	2001/06
26	Operating Revenues (%)	-7.3	-5.3	-19.1	-18.4	-11.9	-4.0	2.4
27	Operating Expenses (%)	-15.3	13.0	-9.5	-2.7	1.4	11.8	16.3
28	Operating Profit (Loss) (in Millions \$)	54.7	-105.1	-206.6	-366.5	-307.4	-351.3	-291.1
29	Net Income (Loss)(in Millions \$)	33.3	-71.6	-338.7	-443.6	-147.9	-202.9	-194.7
30	RPMs (Sch. Svc.) (%)	-0.3	3.5	-7.1	-6.2	-0.2	4.5	6.9
31	ASMs (Sch. Svc.) (%)	-0.7	1.0	-8.1	-7.7	-2.1	3.0	5.0
32	Operating Revenues per RTM (%)	-6.5	-8.4	-12.5	-12.8	-11.5	-7.8	-3.7
33	Operating Expense per RTM (%)	-14.6	9.3	-2.2	4.0	2.0	7.3	9.4
34	Passenger Revenue per RPM (Sch. Svc.)(%)	-7.1	-8.3	-12.4	-12.4	-11.0	-6.9	-3.3

QUARTERLY FINANCIAL & TRAFFIC REVIEW
SYSTEM OPERATIONS
AMERICAN AIRLINES

ITEMS	QUARTER ENDED		12 MONTHS ENDED				
	2002/06	2001/06	2002/06	2002/03	2001/12	2001/09	2001/06
FINANCIAL RESULTS: (\$Millions)							
1 Operating Revenues	4,110.4	5,148.3	21,634.3	22,672.2	24,029.9	23,237.3	21,439.5
2 Operating Expenses	4,812.4	5,841.8	26,831.2	27,860.6	28,607.0	26,258.5	21,811.0
3 Operating Profit (Loss)	-702.0	-693.5	-5,196.8	-5,188.4	-4,577.0	-3,021.2	-371.5
4 Net Income (Loss)	-555.5	-450.9	-2,758.3	-2,653.7	-2,312.9	-1,362.3	-499.4
TRAFFIC: (Billions)							
5 RPMs - Scheduled Rev. Svc.	31.36	35.79	159.61	164.04	168.45	158.16	141.08
6 ASMs - Scheduled Rev. Svc.	43.93	49.86	229.94	235.88	243.72	224.21	197.67
7 Overall RTMs (All Svc.)	3.66	4.20	18.83	19.37	19.96	18.71	16.63
8 Overall ATMs (All Svc.)	7.26	8.09	38.36	39.20	40.34	36.76	31.85
YIELD & UNIT COST & PROFITS: (Cents)							
9 Operating Revenue per RTM	112.4	122.6	114.9	117.0	120.4	124.2	129.0
10 Operating Expense per RTM	131.6	139.1	142.5	143.8	143.4	140.4	131.0
11 Operating Profit (Loss) per RTM	-19.2	-16.5	-27.6	-26.8	-22.9	-16.1	-2.0
12 Operating Expense per ATM	66.3	72.2	69.9	71.1	70.9	71.4	68.0
13 Passenger Revenue per RPM	11.93	12.95	12.28	12.49	12.84	13.23	13.69
FINANCIAL RATIOS:							
14 Operating Revenues to Total Investment	*	*	1.10	1.19	1.32	1.57	1.84
15 Times Interest Earned	*	*	-11.13	-12.20	-11.15	-8.26	-2.41
16 Current Assets to Current Liabilities	*	*	0.91	0.98	1.26	0.99	0.60
17 No. of Days Cash Coverage of Cash Exp.	*	*	37.1	32.3	81.1	68.3	25.9
FINANCIAL PERCENTAGES:							
18 Operating Profit (Loss) to Operating Revenue	-17.1	-13.5	-24.0	-22.9	-19.0	-13.0	-1.7
19 Net Income to Stockholders Equity	*	*	-31.0	-29.5	-25.6	-17.1	-7.6
20 Corporate Return on Investment	*	*	-12.3	-12.3	-11.1	-7.9	-3.0
21 Debt to Total Investment	*	*	62.4	60.3	56.1	48.0	48.6
PASSENGER LOAD FACTOR: (Sch. Svc. %)							
22 Actual	71.4	71.8	69.4	69.5	69.1	70.5	71.4
23 Breakeven	89.7	77.5	92.9	90.0	86.4	82.6	73.4
Employment & Productivity:							
24 Employment, Total Weighted Avg CY	88,586	105,267	86,379	90,549	94,348	100,526	104,593
25 Overall RTM's per Employee (000)	41.3	35.6	218.0	214.0	211.5	186.1	159.0

ITEMS	CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
	2002/06	2001/06	2002/06	2002/03	2001/12	2001/09	2001/06
26 Operating Revenues (%)	-20.2	-7.5	0.9	3.7	10.7	9.0	3.9
27 Operating Expenses (%)	-17.6	15.0	23.0	32.4	38.3	29.6	10.3
28 Operating Profit (Loss) (in Millions \$)	-8.5	-1,178.7	-4,825.3	-5,995.6	-5,587.3	-4,073.1	-1,240.7
29 Net Income (Loss)(in Millions \$)	-104.6	-770.3	-2,258.9	-2,924.6	-2,824.2	-1,875.8	-900.4
30 RPMs (Sch. Svc.) (%)	-12.4	-4.9	13.1	14.8	17.2	10.1	-0.2
31 ASMs (Sch. Svc.) (%)	-11.9	0.5	16.3	19.5	22.8	12.3	-0.9
32 Operating Revenues per RTM (%)	-8.3	-3.0	-10.9	-10.0	-5.9	-1.4	4.0
33 Operating Expense per RTM (%)	-5.4	20.5	8.8	15.0	17.5	17.0	10.1
34 Passenger Revenue per RPM (Sch. Svc.)(%)	-7.9	-3.6	-10.3	-9.6	-5.9	-1.4	3.9

QUARTERLY FINANCIAL & TRAFFIC REVIEW
SYSTEM OPERATIONS
AMERICAN EAGLE AIRLINES

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2002/06	2001/06	2002/06	2002/03	2001/12	2001/09	2001/06
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	317.3	370.9	1,145.0	1,198.6	1,244.0	1,309.9	1,343.3
2	Operating Expenses	299.6	452.1	1,315.3	1,467.8	1,500.0	1,500.3	1,395.3
3	Operating Profit (Loss)	17.7	-81.3	-170.3	-269.2	-255.9	-190.4	-52.0
4	Net Income (Loss)	-10.3	-65.6	-186.5	-241.8	-226.2	-186.1	-93.5
<u>TRAFFIC: (Billions)</u>								
5	RPMs - Scheduled Rev. Svc.	0.96	0.91	3.39	3.34	3.28	3.29	3.29
6	ASMs - Scheduled Rev. Svc.	1.44	1.47	5.64	5.67	5.67	5.64	5.54
7	Overall RTMs (All Svc.)	0.10	0.09	0.34	0.34	0.33	0.33	0.33
8	Overall ATMs (All Svc.)	0.17	0.17	0.66	0.66	0.66	0.65	0.64
<u>YIELD & UNIT COST & PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	329.6	405.3	336.4	357.1	377.5	396.4	407.1
10	Operating Expense per RTM	311.2	494.1	386.4	437.3	455.2	454.0	422.9
11	Operating Profit (Loss) per RTM	18.4	-88.8	-50.0	-80.2	-77.7	-57.6	-15.8
12	Operating Expense per ATM	172.1	266.6	197.8	222.3	228.2	231.1	219.5
13	Passenger Revenue per RPM	31.86	39.39	32.41	34.47	36.43	38.38	39.43
<u>FINANCIAL RATIOS:</u>								
14	Operating Revenues to Total Investment	*	*	0.42	0.45	0.47	0.50	0.51
15	Times Interest Earned	*	*	-2.31	-3.86	-4.19	-3.79	-1.58
16	Current Assets to Current Liabilities	*	*	0.21	0.19	0.24	0.75	0.81
17	No. of Days Cash Coverage of Cash Exp.	*	*	0.7	0.6	1.7	10.0	29.9
<u>FINANCIAL PERCENTAGES:</u>								
18	Operating Profit (Loss) to Operating Revenue	5.6	-21.9	-14.9	-22.5	-20.6	-14.5	-3.9
19	Net Income to Stockholders Equity	*	*	-253.5	-199.2	-132.3	-86.7	-37.9
20	Corporate Return on Investment	*	*	-3.8	-6.2	-6.0	-4.9	-1.6
21	Debt to Total Investment	*	*	99.6	99.3	98.1	96.1	93.2
<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>								
22	Actual	66.5	62.1	60.1	59.0	57.8	58.3	59.3
23	Breakeven	62.2	77.7	70.5	74.3	71.5	68.1	61.9
<u>Employment & Productivity:</u>								
24	Employment, Total Weighted Avg CY	7,794	8,456	8,049	8,214	8,302	8,355	8,192
25	Overall RTM's per Employee (000)	12.4	10.8	42.3	40.9	39.7	39.6	40.3

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	-14.5	18.0	-14.8	-6.9	-0.1	9.5	18.3
27	Operating Expenses (%)	-33.7	57.5	-5.7	19.3	26.7	34.7	30.5
28	Operating Profit (Loss) (in Millions \$)	99.0	-108.6	-118.3	-325.8	-318.0	-272.9	-118.2
29	Net Income (Loss)(in Millions \$)	55.3	-70.3	-93.0	-218.5	-204.7	-187.8	-97.9
30	RPMs (Sch. Svc.) (%)	5.0	12.7	3.1	5.0	4.4	7.2	11.7
31	ASMs (Sch. Svc.) (%)	-2.0	16.5	1.8	6.3	10.2	13.1	15.9
32	Operating Revenues per RTM (%)	-18.7	4.6	-17.4	-11.3	-4.3	2.2	6.0
33	Operating Expense per RTM (%)	-37.0	39.7	-8.6	13.6	21.4	25.7	16.9
34	Passenger Revenue per RPM (Sch. Svc.)(%)	-19.1	5.3	-17.8	-11.5	-4.5	2.5	6.4

QUARTERLY FINANCIAL & TRAFFIC REVIEW
SYSTEM OPERATIONS
AMERICAN TRANS AIR

ITEMS	QUARTER ENDED		12 MONTHS ENDED					
	2002/06	2001/06	2002/06	2002/03	2001/12	2001/09	2001/06	
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	289.0	327.1	1,103.4	1,141.4	1,154.3	1,194.6	1,221.9
2	Operating Expenses	345.6	308.8	1,254.5	1,217.7	1,238.8	1,194.4	1,212.5
3	Operating Profit (Loss)	-56.6	18.3	-151.1	-76.2	-84.5	0.1	9.4
4	Net Income (Loss)	-54.6	6.9	-131.4	-69.9	-78.0	-22.3	-15.5
<u>TRAFFIC: (Billions)</u>								
5	RPMs - Scheduled Rev. Svc.	2.38	2.25	8.52	8.39	8.34	8.36	8.02
6	ASMs - Scheduled Rev. Svc.	3.10	2.81	11.34	11.04	10.84	10.90	10.53
7	Overall RTMs (All Svc.)	0.30	0.31	1.14	1.16	1.13	1.13	1.06
8	Overall ATMs (All Svc.)	0.48	0.47	1.86	1.84	1.77	1.70	1.55
<u>YIELD & UNIT COST & PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	96.1	104.5	96.5	98.8	102.4	106.1	114.8
10	Operating Expense per RTM	114.9	98.7	109.8	105.4	109.9	106.1	114.0
11	Operating Profit (Loss) per RTM	-18.8	5.8	-13.2	-6.6	-7.5	0.0	0.9
12	Operating Expense per ATM	71.6	66.0	67.6	66.1	69.9	70.3	78.4
13	Passenger Revenue per RPM	8.78	9.99	8.85	9.17	9.33	9.54	9.95
<u>FINANCIAL RATIOS:</u>								
14	Operating Revenues to Total Investment	*	*	2.00	1.95	2.00	2.01	2.27
15	Times Interest Earned	*	*	-4.98	-2.87	-3.34	-0.20	0.28
16	Current Assets to Current Liabilities	*	*	0.86	0.88	1.02	0.93	0.59
17	No. of Days Cash Coverage of Cash Exp.	*	*	54.0	50.7	67.7	55.5	36.5
<u>FINANCIAL PERCENTAGES:</u>								
18	Operating Profit (Loss) to Operating Revenue	-19.6	5.6	-13.7	-6.7	-7.3	0.0	0.8
19	Net Income to Stockholders Equity	*	*	-363.2	-110.1	-96.6	-22.2	-15.1
20	Corporate Return on Investment	*	*	-18.2	-7.3	-8.8	0.7	2.0
21	Debt to Total Investment	*	*	110.7	98.3	94.9	86.8	84.1
<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>								
22	Actual	76.7	80.3	75.1	76.0	76.9	76.7	76.1
23	Breakeven	99.8	73.1	91.8	84.4	86.2	77.5	75.9
<u>Employment & Productivity:</u>								
24	Employment, Total Weighted Avg CY	6,571	7,058	6,488	6,610	6,792	6,987	6,947
25	Overall RTM's per Employee (000)	45.8	44.3	176.2	174.8	166.0	161.1	153.2

	ITEMS	CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
		2002/06	2001/06	2002/06	2002/03	2001/12	2001/09	2001/06
26	Operating Revenues (%)	-11.6	6.5	-9.7	-5.0	-2.4	4.4	11.4
27	Operating Expenses (%)	11.9	8.7	3.5	2.5	6.5	8.7	16.8
28	Operating Profit (Loss) (in Millions \$)	-74.9	-4.9	-160.5	-90.5	-103.8	-45.6	-49.3
29	Net Income (Loss)(in Millions \$)	-61.5	-3.9	-115.9	-58.2	-72.4	-33.6	-38.1
30	RPMs (Sch. Svc.) (%)	5.7	12.5	6.2	8.0	11.3	15.0	9.9
31	ASMs (Sch. Svc.) (%)	10.6	14.4	7.7	8.5	10.6	16.1	12.5
32	Operating Revenues per RTM (%)	-8.0	-12.9	-16.0	-17.3	-14.2	-9.3	5.1
33	Operating Expense per RTM (%)	16.4	-11.1	-3.7	-10.7	-6.4	-5.6	10.3
34	Passenger Revenue per RPM (Sch. Svc.)(%)	-12.1	-0.3	-11.1	-7.9	-6.9	-3.4	4.2

QUARTERLY FINANCIAL & TRAFFIC REVIEW
SYSTEM OPERATIONS
CONTINENTAL AIR LINES

ITEMS	QUARTER ENDED		12 MONTHS ENDED					
	2002/06	2001/06	2002/06	2002/03	2001/12	2001/09	2001/06	
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	1,957.8	2,330.4	7,270.5	7,643.2	8,199.7	8,971.8	9,457.1
2	Operating Expenses	2,115.5	2,225.5	8,186.5	8,296.5	8,522.2	8,853.7	8,927.8
3	Operating Profit (Loss)	-157.7	104.9	-915.9	-653.4	-322.5	118.1	529.3
4	Net Income (Loss)	-151.7	37.5	-467.2	-278.1	-97.5	96.8	213.7
<u>TRAFFIC: (Billions)</u>								
5	RPMs - Scheduled Rev. Svc.	14.76	16.45	56.08	57.77	59.15	61.96	63.52
6	ASMs - Scheduled Rev. Svc.	19.64	21.80	76.33	78.50	81.27	84.83	85.85
7	Overall RTMs (All Svc.)	1.68	1.86	6.37	6.56	6.73	7.10	7.32
8	Overall ATMs (All Svc.)	2.59	2.81	9.92	10.14	10.47	10.96	11.19
<u>YIELD & UNIT COST & PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	116.6	125.1	114.1	116.5	121.8	126.4	129.3
10	Operating Expense per RTM	126.0	119.4	128.4	126.5	126.6	124.8	122.0
11	Operating Profit (Loss) per RTM	-9.4	5.6	-14.4	-10.0	-4.8	1.7	7.2
12	Operating Expense per ATM	81.7	79.1	82.5	81.8	81.4	80.8	79.8
13	Passenger Revenue per RPM	11.88	12.77	11.71	11.97	12.44	12.89	13.18
<u>FINANCIAL RATIOS:</u>								
14	Operating Revenues to Total Investment	*	*	1.18	1.30	1.47	1.67	1.82
15	Times Interest Earned	*	*	-1.58	-0.68	0.48	1.89	2.89
16	Current Assets to Current Liabilities	*	*	0.71	0.67	0.64	0.69	0.67
17	No. of Days Cash Coverage of Cash Exp.	*	*	55.6	51.0	47.7	48.5	40.2
<u>FINANCIAL PERCENTAGES:</u>								
18	Operating Profit (Loss) to Operating Revenue	-8.1	4.5	-12.6	-8.5	-3.9	1.3	5.6
19	Net Income to Stockholders Equity	*	*	-34.0	-20.3	-7.0	6.7	14.2
20	Corporate Return on Investment	*	*	-2.9	-0.3	2.7	5.8	8.1
21	Debt to Total Investment	*	*	80.1	81.7	76.9	75.2	74.2
<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>								
22	Actual	75.1	75.5	73.5	73.6	72.8	73.0	74.0
23	Breakeven	81.6	71.7	83.3	80.2	76.4	73.0	70.7
<u>Employment & Productivity:</u>								
24	Employment, Total Weighted Avg CY	32,537	37,113	33,235	34,379	35,448	36,511	36,307
25	Overall RTM's per Employee (000)	51.6	50.2	191.8	190.8	190.0	194.3	201.5

	ITEMS	CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
		2002/06	2001/06	2002/06	2002/03	2001/12	2001/09	2001/06
26	Operating Revenues (%)	-16.0	-4.9	-23.1	-20.2	-13.2	-2.5	6.4
27	Operating Expenses (%)	-5.0	0.3	-8.3	-7.0	-3.8	1.2	4.8
28	Operating Profit (Loss) (in Millions \$)	-262.6	-125.1	-1,445.2	-1,307.8	-911.6	-333.0	158.3
29	Net Income (Loss)(in Millions \$)	-189.2	-95.9	-680.9	-587.8	-405.6	-322.0	-167.6
30	RPMs (Sch. Svc.) (%)	-10.3	0.3	-11.7	-9.0	-6.9	-1.9	2.2
31	ASMs (Sch. Svc.) (%)	-9.9	3.4	-11.1	-7.8	-4.2	0.4	2.6
32	Operating Revenues per RTM (%)	-6.8	-3.3	-11.8	-10.7	-5.0	1.0	5.3
33	Operating Expense per RTM (%)	5.5	1.8	5.2	4.2	5.3	4.9	3.7
34	Passenger Revenue per RPM (Sch. Svc.)(%)	-7.0	-3.6	-11.2	-10.1	-5.1	0.5	5.5

QUARTERLY FINANCIAL & TRAFFIC REVIEW
SYSTEM OPERATIONS
DELTA AIR LINES

ITEMS	QUARTER ENDED		12 MONTHS ENDED					
	2002/06	2001/06	2002/06	2002/03	2001/12	2001/09	2001/06	
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	3,225.2	3,711.0	12,079.6	12,565.3	13,211.2	14,251.4	15,031.9
2	Operating Expenses	3,381.0	3,687.1	13,513.9	13,820.0	14,183.2	14,533.1	14,526.7
3	Operating Profit (Loss)	-155.7	23.9	-1,434.3	-1,254.7	-972.0	-281.8	505.2
4	Net Income (Loss)	-203.6	-26.8	-1,544.4	-1,367.6	-1,107.1	-439.5	-144.7
<u>TRAFFIC: (Billions)</u>								
5	RPMs - Scheduled Rev. Svc.	24.63	27.21	92.83	95.41	97.60	102.35	105.68
6	ASMs - Scheduled Rev. Svc.	33.40	37.38	133.15	137.12	141.28	145.66	147.62
7	Overall RTMs (All Svc.)	2.84	3.13	10.74	11.02	11.33	11.94	12.34
8	Overall ATMs (All Svc.)	5.15	5.68	20.38	20.91	21.49	22.09	22.37
<u>YIELD & UNIT COST & PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	113.5	118.6	112.5	114.0	116.6	119.4	121.8
10	Operating Expense per RTM	118.9	117.8	125.9	125.4	125.2	121.8	117.7
11	Operating Profit (Loss) per RTM	-5.5	0.8	-13.4	-11.4	-8.6	-2.4	4.1
12	Operating Expense per ATM	65.7	64.9	66.3	66.1	66.0	65.8	64.9
13	Passenger Revenue per RPM	11.47	12.38	11.47	11.73	12.17	12.61	12.88
<u>FINANCIAL RATIOS:</u>								
14	Operating Revenues to Total Investment	*	*	1.00	1.07	1.13	1.24	1.36
15	Times Interest Earned	*	*	-3.45	-3.51	-3.37	-0.83	0.93
16	Current Assets to Current Liabilities	*	*	0.67	0.57	0.63	0.65	0.56
17	No. of Days Cash Coverage of Cash Exp.	*	*	44.0	33.0	51.1	65.0	33.3
<u>FINANCIAL PERCENTAGES:</u>								
18	Operating Profit (Loss) to Operating Revenue	-4.8	0.6	-11.9	-10.0	-7.4	-2.0	3.4
19	Net Income to Stockholders Equity	*	*	-35.9	-29.3	-22.2	-8.4	-2.7
20	Corporate Return on Investment	*	*	-8.3	-7.7	-6.1	-0.6	2.0
21	Debt to Total Investment	*	*	73.1	69.1	66.9	60.1	51.9
<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>								
22	Actual	73.7	72.8	69.7	69.6	69.1	70.3	71.6
23	Breakeven	79.3	73.0	80.6	78.7	76.0	72.5	69.3
<u>Employment & Productivity:</u>								
24	Employment, Total Weighted Avg CY	60,340	71,556	63,541	66,345	67,911	68,400	67,730
25	Overall RTM's per Employee (000)	47.1	43.7	169.0	166.2	166.8	174.5	182.2

	ITEMS	CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
		2002/06	2001/06	2002/06	2002/03	2001/12	2001/09	2001/06
26	Operating Revenues (%)	-13.1	-6.6	-19.7	-17.9	-13.8	-6.1	0.3
27	Operating Expenses (%)	-8.3	8.6	-7.0	-2.9	2.3	7.2	8.7
28	Operating Profit (Loss) (in Millions \$)	-179.6	-553.5	-1,939.5	-2,313.4	-2,431.4	-1,901.3	-1,109.7
29	Net Income (Loss)(in Millions \$)	-176.8	-461.3	-1,399.7	-1,684.1	-1,793.6	-1,514.8	-1,515.4
30	RPMs (Sch. Svc.) (%)	-9.5	-5.8	-12.2	-11.1	-9.5	-5.0	-1.0
31	ASMs (Sch. Svc.) (%)	-10.6	0.8	-9.8	-6.9	-3.9	-0.8	0.8
32	Operating Revenues per RTM (%)	-4.3	0.1	-7.6	-6.3	-4.0	-0.8	1.7
33	Operating Expense per RTM (%)	0.9	16.3	7.0	10.7	13.9	13.2	10.1
34	Passenger Revenue per RPM (Sch. Svc.)(%)	-7.4	-8.0	-10.9	-10.9	-7.2	-2.4	0.6

QUARTERLY FINANCIAL & TRAFFIC REVIEW
SYSTEM OPERATIONS
NORTHWEST AIRLINES

ITEMS	QUARTER ENDED		12 MONTHS ENDED					
	2002/06	2001/06	2002/06	2002/03	2001/12	2001/09	2001/06	
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	2,316.9	2,631.7	8,831.8	9,146.7	9,591.8	10,302.1	10,856.7
2	Operating Expenses	2,362.6	2,651.4	9,614.7	9,903.5	10,388.4	10,696.5	10,736.8
3	Operating Profit (Loss)	-45.7	-19.7	-782.9	-756.8	-796.6	-394.5	119.9
4	Net Income (Loss)	-98.6	-57.4	-442.2	-401.0	-418.1	-280.8	-98.4
<u>TRAFFIC: (Billions)</u>								
5	RPMs - Scheduled Rev. Svc.	18.58	20.44	69.52	71.38	73.11	76.98	79.20
6	ASMs - Scheduled Rev. Svc.	23.53	26.23	92.41	95.11	98.33	102.33	103.88
7	Overall RTMs (All Svc.)	2.43	2.61	9.07	9.25	9.49	10.02	10.35
8	Overall ATMs (All Svc.)	3.84	4.26	15.13	15.55	16.04	16.63	16.76
<u>YIELD & UNIT COST & PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	95.2	100.7	97.4	98.8	101.1	102.8	104.9
10	Operating Expense per RTM	97.1	101.4	106.0	107.0	109.5	106.7	103.8
11	Operating Profit (Loss) per RTM	-1.9	-0.8	-8.6	-8.2	-8.4	-3.9	1.2
12	Operating Expense per ATM	61.5	62.2	63.5	63.7	64.7	64.3	64.1
13	Passenger Revenue per RPM	10.69	11.16	10.80	10.94	11.24	11.52	11.85
<u>FINANCIAL RATIOS:</u>								
14	Operating Revenues to Total Investment	*	*	0.90	0.97	1.05	1.16	1.26
15	Times Interest Earned	*	*	-0.83	-0.74	-0.93	-0.34	0.56
16	Current Assets to Current Liabilities	*	*	0.90	0.94	0.86	0.92	0.62
17	No. of Days Cash Coverage of Cash Exp.	*	*	110.6	98.2	94.4	102.1	45.7
<u>FINANCIAL PERCENTAGES:</u>								
18	Operating Profit (Loss) to Operating Revenue	-2.0	-0.7	-8.9	-8.3	-8.3	-3.8	1.1
19	Net Income to Stockholders Equity	*	*	-9.8	-8.6	-8.7	-5.7	-2.0
20	Corporate Return on Investment	*	*	-0.7	-0.5	-0.9	0.4	2.4
21	Debt to Total Investment	*	*	59.7	58.0	54.7	52.3	44.4
<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>								
22	Actual	78.9	77.9	75.2	75.1	74.3	75.2	76.2
23	Breakeven	83.5	81.5	86.6	86.0	85.0	81.5	77.7
<u>Employment & Productivity:</u>								
24	Employment, Total Weighted Avg CY	42,940	49,918	44,343	46,088	47,896	49,460	49,960
25	Overall RTM's per Employee (000)	56.7	52.4	204.6	200.8	198.1	202.7	207.1

	ITEMS	CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
		2002/06	2001/06	2002/06	2002/03	2001/12	2001/09	2001/06
26	Operating Revenues (%)	-12.0	-6.8	-18.7	-17.2	-12.5	-4.6	3.7
27	Operating Expenses (%)	-10.9	4.1	-10.5	-6.9	0.9	6.6	10.8
28	Operating Profit (Loss) (in Millions \$)	-26.0	-295.6	-902.8	-1,172.2	-1,460.1	-1,156.4	-653.9
29	Net Income (Loss)(in Millions \$)	-41.2	-184.2	-343.8	-486.8	-688.0	-612.9	-411.7
30	RPMs (Sch. Svc.) (%)	-9.1	-1.9	-12.2	-10.3	-7.6	-1.7	2.6
31	ASMs (Sch. Svc.) (%)	-10.3	0.4	-11.0	-8.4	-4.8	-0.3	2.0
32	Operating Revenues per RTM (%)	-5.5	-3.2	-7.2	-6.6	-3.9	-1.5	2.2
33	Operating Expense per RTM (%)	-4.3	8.1	2.1	5.1	10.8	10.0	9.3
34	Passenger Revenue per RPM (Sch. Svc.)(%)	-4.2	-6.4	-8.9	-9.1	-6.6	-4.0	0.3

QUARTERLY FINANCIAL & TRAFFIC REVIEW
SYSTEM OPERATIONS
SOUTHWEST AIRLINES

ITEMS	QUARTER ENDED		12 MONTHS ENDED					
	2002/06	2001/06	2002/06	2002/03	2001/12	2001/09	2001/06	
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	1,472.8	1,553.8	5,302.9	5,383.9	5,555.2	5,785.0	5,928.7
2	Operating Expenses	1,283.7	1,262.8	4,933.9	4,913.0	4,924.1	4,940.7	4,877.4
3	Operating Profit (Loss)	189.1	291.0	369.0	470.9	631.2	844.3	1,051.3
4	Net Income (Loss)	102.3	175.6	338.2	411.5	511.2	602.3	635.6
<u>TRAFFIC: (Billions)</u>								
5	RPMs - Scheduled Rev. Svc.	12.00	11.80	44.43	44.23	44.50	44.57	44.28
6	ASMs - Scheduled Rev. Svc.	17.18	16.46	66.78	66.06	65.40	64.42	63.35
7	Overall RTMs (All Svc.)	1.24	1.22	4.58	4.56	4.59	4.61	4.59
8	Overall ATMs (All Svc.)	2.34	2.25	9.11	9.02	8.77	8.48	8.18
<u>YIELD & UNIT COST & PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	119.1	127.6	115.8	118.1	121.0	125.5	129.2
10	Operating Expense per RTM	103.8	103.7	107.7	107.7	107.3	107.2	106.3
11	Operating Profit (Loss) per RTM	15.3	23.9	8.1	10.3	13.7	18.3	22.9
12	Operating Expense per ATM	54.8	56.1	54.1	54.5	56.1	58.3	59.6
13	Passenger Revenue per RPM	11.67	12.58	11.33	11.58	11.89	12.38	12.78
<u>FINANCIAL RATIOS:</u>								
14	Operating Revenues to Total Investment	*	*	0.96	1.03	1.13	1.27	1.38
15	Times Interest Earned	*	*	8.63	12.01	17.80	24.90	24.94
16	Current Assets to Current Liabilities	*	*	1.46	1.40	1.12	0.91	0.81
17	No. of Days Cash Coverage of Cash Exp.	*	*	168.0	168.1	180.6	117.6	77.3
<u>FINANCIAL PERCENTAGES:</u>								
18	Operating Profit (Loss) to Operating Revenue	12.8	18.7	7.0	8.7	11.4	14.6	17.7
19	Net Income to Stockholders Equity	*	*	8.4	10.5	13.5	16.7	18.5
20	Corporate Return on Investment	*	*	7.5	9.0	11.4	14.1	15.8
21	Debt to Total Investment	*	*	28.6	29.8	31.5	23.9	18.4
<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>								
22	Actual	69.8	71.7	66.5	67.0	68.0	69.2	69.9
23	Breakeven	59.3	56.0	61.1	60.1	58.9	57.3	55.3
<u>Employment & Productivity:</u>								
24	Employment, Total Weighted Avg CY	32,316	29,758	31,401	30,762	30,130	29,469	28,794
25	Overall RTM's per Employee (000)	38.3	40.9	145.8	148.2	152.4	156.4	159.4

	ITEMS	CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
		2002/06	2001/06	2002/06	2002/03	2001/12	2001/09	2001/06
26	Operating Revenues (%)	-5.2	6.4	-10.6	-7.8	-1.7	7.4	15.3
27	Operating Expenses (%)	1.7	10.2	1.2	3.2	6.4	10.7	13.1
28	Operating Profit (Loss) (in Millions \$)	-101.9	-23.6	-682.3	-604.0	-389.3	-80.1	220.3
29	Net Income (Loss)(in Millions \$)	-73.3	-15.0	-297.4	-239.1	-91.9	60.1	150.7
30	RPMs (Sch. Svc.) (%)	1.7	7.6	0.3	1.8	5.4	9.4	12.4
31	ASMs (Sch. Svc.) (%)	4.4	11.6	5.4	7.2	9.1	10.8	12.3
32	Operating Revenues per RTM (%)	-6.7	-0.6	-10.4	-8.7	-6.1	-1.3	3.0
33	Operating Expense per RTM (%)	0.1	2.9	1.3	2.0	1.7	1.8	1.1
34	Passenger Revenue per RPM (Sch. Svc.)(%)	-7.2	-1.5	-11.3	-9.7	-7.0	-1.9	2.7

QUARTERLY FINANCIAL & TRAFFIC REVIEW
SYSTEM OPERATIONS
UNITED AIR LINES

ITEMS	QUARTER ENDED		12 MONTHS ENDED					
	2002/06	2001/06	2002/06	2002/03	2001/12	2001/09	2001/06	
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	3,706.1	4,648.2	13,923.1	14,865.3	16,087.4	17,947.5	18,766.3
2	Operating Expenses	4,241.4	5,003.0	18,124.6	18,886.2	19,830.5	20,959.3	19,747.1
3	Operating Profit (Loss)	-535.4	-354.8	-4,201.5	-4,020.9	-3,743.1	-3,011.9	-980.8
4	Net Income (Loss)	-363.3	-293.7	-2,354.2	-2,284.7	-2,110.2	-1,881.3	-813.2
<u>TRAFFIC: (Billions)</u>								
5	RPMs - Scheduled Rev. Svc.	27.89	32.71	107.69	112.51	116.60	123.91	126.04
6	ASMs - Scheduled Rev. Svc.	37.46	44.68	149.63	156.85	164.77	173.59	175.60
7	Overall RTMs (All Svc.)	3.37	3.95	12.93	13.51	14.05	15.06	15.51
8	Overall ATMs (All Svc.)	5.97	7.02	23.85	24.90	25.95	27.24	27.53
<u>YIELD & UNIT COST & PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	109.9	117.8	107.7	110.1	114.5	119.2	121.0
10	Operating Expense per RTM	125.8	126.8	140.1	139.8	141.1	139.2	127.3
11	Operating Profit (Loss) per RTM	-15.9	-9.0	-32.5	-29.8	-26.6	-20.0	-6.3
12	Operating Expense per ATM	71.0	71.3	76.0	75.9	76.4	76.9	71.7
13	Passenger Revenue per RPM	11.13	12.04	10.76	11.04	11.55	12.16	12.62
<u>FINANCIAL RATIOS:</u>								
14	Operating Revenues to Total Investment	*	*	1.01	1.10	1.23	1.41	1.52
15	Times Interest Earned	*	*	-6.09	-6.36	-6.22	-6.00	-2.21
16	Current Assets to Current Liabilities	*	*	0.73	0.69	0.65	0.63	0.52
17	No. of Days Cash Coverage of Cash Exp.	*	*	52.8	55.8	48.0	48.4	19.0
<u>FINANCIAL PERCENTAGES:</u>								
18	Operating Profit (Loss) to Operating Revenue	-14.4	-7.6	-30.2	-27.0	-23.3	-16.8	-5.2
19	Net Income to Stockholders Equity	*	*	-57.6	-52.5	-45.9	-37.2	-14.7
20	Corporate Return on Investment	*	*	-13.3	-13.3	-12.6	-11.5	-3.4
21	Debt to Total Investment	*	*	72.9	70.6	74.9	72.9	60.1
<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>								
22	Actual	74.5	73.2	72.0	71.7	70.8	71.4	71.8
23	Breakeven	90.3	82.2	102.7	99.2	94.7	89.4	78.8
<u>Employment & Productivity:</u>								
24	Employment, Total Weighted Avg CY	75,240	91,369	80,930	84,962	88,818	91,045	90,702
25	Overall RTM's per Employee (000)	44.8	43.2	159.8	159.0	158.2	165.4	171.0

	ITEMS	CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
		2002/06	2001/06	2002/06	2002/03	2001/12	2001/09	2001/06
26	Operating Revenues (%)	-20.3	-8.8	-25.8	-22.7	-16.8	-5.5	-0.8
27	Operating Expenses (%)	-15.2	12.5	-8.2	-1.6	6.7	17.0	14.9
28	Operating Profit (Loss) (in Millions \$)	-180.6	-1,006.3	-3,220.7	-4,046.4	-4,483.9	-4,101.0	-2,708.6
29	Net Income (Loss)(in Millions \$)	-69.6	-624.5	-1,541.0	-2,096.0	-2,161.8	-2,131.5	-1,528.5
30	RPMs (Sch. Svc.) (%)	-14.7	-1.8	-14.6	-11.2	-8.1	-2.0	-1.1
31	ASMs (Sch. Svc.) (%)	-16.2	1.4	-14.8	-10.4	-6.1	-1.1	-0.5
32	Operating Revenues per RTM (%)	-6.7	-4.4	-11.0	-10.1	-6.2	-0.7	1.8
33	Operating Expense per RTM (%)	-0.8	18.0	10.1	14.4	20.2	23.1	17.8
34	Passenger Revenue per RPM (Sch. Svc.)(%)	-7.6	-10.6	-14.7	-15.0	-11.8	-5.8	-1.4

QUARTERLY FINANCIAL & TRAFFIC REVIEW
SYSTEM OPERATIONS
US AIRWAYS

ITEMS	QUARTER ENDED		12 MONTHS ENDED					
	2002/06	2001/06	2002/06	2002/03	2001/12	2001/09	2001/06	
FINANCIAL RESULTS: (\$Millions)								
1	Operating Revenues	1,890.6	2,486.3	7,119.6	7,715.3	8,253.4	9,045.8	9,442.3
2	Operating Expenses	2,066.7	2,455.2	8,682.7	9,071.1	9,434.8	9,441.5	9,675.4
3	Operating Profit (Loss)	-176.1	31.1	-1,563.0	-1,355.8	-1,181.4	-395.7	-233.1
4	Net Income (Loss)	-224.8	-16.4	-2,332.9	-2,124.5	-1,989.4	-1,033.5	-300.7
TRAFFIC: (Billions)								
5	RPMs - Scheduled Rev. Svc.	10.96	13.47	41.61	44.11	45.93	49.21	49.90
6	ASMs - Scheduled Rev. Svc.	14.60	18.26	59.77	63.42	66.68	70.18	70.70
7	Overall RTMs (All Svc.)	1.20	1.46	4.57	4.82	5.02	5.36	5.43
8	Overall ATMs (All Svc.)	2.14	2.60	8.67	9.13	9.53	9.95	9.96
YIELD & UNIT COST & PROFITS: (Cents)								
9	Operating Revenue per RTM	157.2	170.5	156.0	160.1	164.4	168.8	173.7
10	Operating Expense per RTM	171.8	168.4	190.2	188.2	187.9	176.2	178.0
11	Operating Profit (Loss) per RTM	-14.6	2.1	-34.2	-28.1	-23.5	-7.4	-4.3
12	Operating Expense per ATM	96.4	94.5	100.1	99.4	99.0	94.8	97.2
13	Passenger Revenue per RPM	13.11	14.89	13.24	13.78	14.32	14.87	15.46
FINANCIAL RATIOS:								
14	Operating Revenues to Total Investment	*	*	1.93	1.90	1.88	1.95	2.01
15	Times Interest Earned	*	*	-5.89	-5.33	-5.04	-3.17	-0.68
16	Current Assets to Current Liabilities	*	*	0.46	0.58	0.61	0.78	0.90
17	No. of Days Cash Coverage of Cash Exp.	*	*	24.0	21.2	41.6	39.9	47.1
FINANCIAL PERCENTAGES:								
18	Operating Profit (Loss) to Operating Revenue	-9.3	1.3	-22.0	-17.6	-14.3	-4.4	-2.5
19	Net Income to Stockholders Equity	*	*	0.0	-347.0	-182.1	-67.1	-17.6
20	Corporate Return on Investment	*	*	-54.6	-44.8	-38.7	-16.2	-0.8
21	Debt to Total Investment	*	*	129.1	120.2	111.1	79.7	67.4
PASSENGER LOAD FACTOR: (Sch. Svc. %)								
22	Actual	75.1	73.8	69.6	69.5	68.9	70.1	70.6
23	Breakeven	88.4	76.7	93.3	88.9	85.3	77.2	76.3
Employment & Productivity:								
24	Employment, Total Weighted Avg CY	32,205	42,294	35,728	38,250	40,558	41,863	41,831
25	Overall RTM's per Employee (000)	37.4	34.5	127.8	126.0	123.8	128.0	129.9

	ITEMS	CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
		2002/06	2001/06	2002/06	2002/03	2001/12	2001/09	2001/06
26	Operating Revenues (%)	-24.0	3.6	-24.6	-17.5	-10.1	1.2	9.4
27	Operating Expenses (%)	-15.8	9.7	-10.3	-4.1	2.3	5.5	10.4
28	Operating Profit (Loss) (in Millions \$)	-207.2	-129.9	-1,329.9	-1,252.6	-1,137.0	-380.7	-100.6
29	Net Income (Loss)(in Millions \$)	-208.4	-94.3	-2,032.2	-1,918.1	-1,734.6	-799.3	-34.3
30	RPMs (Sch. Svc.) (%)	-18.6	11.0	-16.6	-9.2	-1.9	9.3	16.5
31	ASMs (Sch. Svc.) (%)	-20.0	12.4	-15.5	-7.7	0.3	9.2	15.0
32	Operating Revenues per RTM (%)	-7.8	-7.2	-10.2	-9.6	-9.0	-7.8	-6.7
33	Operating Expense per RTM (%)	2.0	-1.8	6.9	5.1	3.5	-3.9	-5.8
34	Passenger Revenue per RPM (Sch. Svc.)(%)	-12.0	-8.4	-14.4	-12.9	-11.3	-8.4	-5.5

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

QUARTERLY RESULTS

At time of publication, DHL Airways had not filed its financial data for the second quarter 2002 with the Department. Therefore, we are unable to provide a complete analysis for the total all-cargo major group's quarterly and 12 month ended June 2002 results. This publication will be updated as soon as the missing data is submitted.

Quarter Ended	\$ Millions					
	OPERATING PROFIT (LOSS)			NET INCOME (LOSS)		
	LAST YEAR 2001	THIS YEAR 2002	\$ Change	LAST YEAR 2001	THIS YEAR 2002	\$ Change
March	-194.3	-368.7	-174.4	-163.1	-298.2	-135.1
June	31.1			-16.4		
Sept.	-152.0			-756.0		
Dec.	-866.2			-1,054.0		

ENTITY	\$ Millions						TRAFFIC (Billions)			CAPACITY (Billions)			TON L.F.
	OPERATING PROFIT (LOSS)			NET INCOME (LOSS)			RTMs (All Svc.)			ATMs (All Svc.)			
	2001	2002	\$ Change	2001	2002	\$ Change	2001	2002	Change %	2001	2002	Change %	
Domestic	-47.9	1/	1/	-112.1	1/	1/	1.8	1/	1/	3.1	1/	1/	1/
Int'l	53.1	1/	1/	69.5	1/	1/	1.3	1/	1/	2.0	1/	1/	1/
Atlantic	56.1	1/	1/	77.4	1/	1/	0.4	1/	1/	0.6	1/	1/	1/
Latin	-2.7	1/	1/	9.0	1/	1/	0.1	1/	1/	0.3	1/	1/	1/
Pacific	-0.3	1/	1/	-17.0	1/	1/	0.7	1/	1/	1.2	1/	1/	1/
System	5.2	1/	1/	-42.6	1/	1/	3.0	1/	1/	5.2	1/	1/	1/

1/ data unavailable.

12-MONTH RESULTS

Unavailable (See note above)

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

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2002/06	2001/06	2002/06	2002/03	2001/12	2001/09	2001/06
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues		4,778.0		18,981.5	19,345.2	19,385.8	19,648.0
2	Operating Expenses		4,772.8		18,373.0	18,693.3	18,875.6	18,857.5
3	Operating Profit (Loss)		5.2		608.5	651.9	510.2	790.5
4	Net Income (Loss)		-42.6		201.4	250.6	213.9	345.4
<u>TRAFFIC: (Billions)</u>								
5	RTMs - Scheduled Rev. Svc.	Data are not available as DHL Airways has not yet filed second quarter data	2.27	Data are not available as DHL Airways has not yet filed second quarter data	9.77	9.53	9.34	9.40
6	ATMs - Scheduled Rev. Svc.		3.84		16.19	15.80	15.33	15.20
7	Overall RTMs (All Services)		2.99		12.57	12.35	12.25	12.46
8	Overall ATMs (All Services)		5.17		21.38	20.95	20.55	20.50
<u>YIELD & UNIT COST & PROFITS: (Cents)</u>								
9	Operating Revenue per RTM		159.7		151.0	156.7	158.2	157.7
10	Operating Expense per RTM		159.5		146.2	151.4	154.1	151.4
11	Operating Profit (Loss) per RTM		0.2		4.8	5.3	4.2	6.3
12	Operating Expense per ATM		92.4		85.9	89.2	91.9	92.0
13	Passenger Revenue per RPM		++		++	++	++	++
<u>FINANCIAL RATIOS:</u>								
14	Operating Revenues to Total Investment		*		1.87	1.93	1.98	2.04
15	Times Interest Earned		*		5.94	7.06	5.44	6.71
16	Current Assets to Current Liabilities		*		1.07	1.03	1.08	1.02
17	No. of Days Cash Coverage of Cash Exp		*		3.0	3.5	3.0	2.7
<u>FINANCIAL PERCENTAGES:</u>								
18	Operating Profit (Loss) to Operating Revenue		0.1		3.2	3.4	2.6	4.0
19	Net Income to Stockholders Equity		*		3.7	4.8	4.2	6.8
20	Corporate Return on Investment		*		2.9	3.4	3.2	4.7
21	Debt to Total Investment		*		44.6	44.8	48.7	47.5
<u>TON LOAD FACTOR: (Sch. Svc. %)</u>								
22	Actual		57.9		58.8	58.9	59.6	60.8
23	Breakeven		++		++	++	++	++
<u>Employment & Productivity</u>								
24	Employment, Total Weighted Avg CY		108,823		106,477	108,555	108,228	107,323
25	Overall RTM's per Employee (000)		27.5		118.1	113.7	113.2	116.1

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)		-2.1		-3.9	-1.4	-0.4	3.4
27	Operating Expenses (%)		4.2		-1.6	0.6	3.0	5.1
28	Operating Profit (Loss) (in Millions \$)		-295.4		-477.4	-392.4	-640.3	-260.9
29	Net Income (Loss)(in Millions \$)		-210.5		-354.6	-265.1	-426.4	-250.6
30	RTMs (All Svc.) (%)		-4.4		-0.2	-2.4	-2.8	0.9
31	ATMs (All Svc.) (%)		2.2		4.9	2.5	0.6	0.5
32	Operating Revenues per RTM (%)		2.4		-3.7	1.0	2.3	2.5
33	Operating Expense per RTM (%)		9.0		-1.4	3.1	6.0	4.2
34	Passenger Revenue per RPM (Sch. Svc.)(%)		++		++	++	++	++

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

ITEMS	QUARTER ENDED		12 MONTHS ENDED				
	2002/06	2001/06	2002/06	2002/03	2001/12	2001/09	2001/06
FINANCIAL RESULTS: (\$Millions)							
1		3,399.6		13,448.0	13,694.3	13,835.6	14,109.8
2		3,447.4		13,338.1	13,523.8	13,682.1	13,717.4
3		-47.9		109.8	170.5	153.5	392.4
4		-112.1		-93.4	-88.2	-52.1	32.7
TRAFFIC: (Billions)							
5		1.07		5.03	4.75	4.54	4.60
6		1.90		8.72	8.27	7.83	7.85
7		1.75		7.72	7.45	7.27	7.43
8		3.14		13.71	13.19	12.73	12.73
YIELD & UNIT COST & PROFITS: (Cents)							
9		194.6		174.2	183.9	190.2	189.8
10		197.3		172.8	181.6	188.1	184.5
11		-2.7		1.4	2.3	2.1	5.3
12		109.7		97.3	102.5	107.5	107.7
13		++		++	++	++	++
FINANCIAL RATIOS:							
14		*		**	**	**	**
15		*		**	**	**	**
16		*		**	**	**	**
17		*		**	**	**	**
FINANCIAL PERCENTAGES:							
18		-1.4		0.8	1.2	1.1	2.8
19		*		**	**	**	**
20		*		-0.4	-0.4	0.2	1.5
21		*		**	**	**	**
TON LOAD FACTOR: (Sch. Svc. %)							
22		55.6		56.3	56.4	57.1	58.4
23		++		++	++	++	++
Employment & Productivity							
24		*		**	**	**	**
25		*		**	**	**	**

ITEMS	CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
	2002/06	2001/06	2002/06	2002/03	2001/12	2001/09	2001/06
26		-4.4		-5.7	-3.5	-2.2	1.5
27		1.7		-2.4	-1.2	0.7	1.9
28		-214.8		-497.3	-340.7	-397.7	-46.5
29		-160.8		-286.9	-296.0	-330.2	-320.8
30		-8.9		1.5	-3.6	-6.8	-4.1
31		-2.1		7.1	1.9	-3.1	-4.0
32		5.0		-7.2	0.1	5.0	5.9
33		11.7		-3.8	2.5	8.0	6.2
34		++		++	++	++	++

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

ITEMS	QUARTER ENDED		12 MONTHS ENDED				
	2002/06	2001/06	2002/06	2002/03	2001/12	2001/09	2001/06
FINANCIAL RESULTS: (\$Millions)							
1		1,378.5		5,533.5	5,650.9	5,550.2	5,538.2
2		1,325.3		5,034.9	5,169.5	5,193.5	5,140.0
3		53.1		498.7	481.4	356.7	398.1
4		69.5		294.8	338.8	265.9	312.8
TRAFFIC: (Billions)							
5		1.20		4.74	4.78	4.80	4.79
6		1.95		7.47	7.53	7.49	7.36
7		1.25		4.85	4.90	4.98	5.02
8		2.02		7.67	7.75	7.82	7.77
YIELD & UNIT COST & PROFITS: (Cents)							
9		110.7		114.1	115.3	111.5	110.2
10		106.5		103.8	105.5	104.3	102.3
11		4.3		10.3	9.8	7.2	7.9
12		65.6		65.6	66.7	66.4	66.2
13		++		++	++	++	++
FINANCIAL RATIOS:							
14		*		**	**	**	**
15		*		**	**	**	**
16		*		**	**	**	**
17		*		**	**	**	**
FINANCIAL PERCENTAGES:							
18		3.9		9.0	8.5	6.4	7.2
19		*		**	**	**	**
20		*		10.9	12.6	10.5	12.6
21		*		**	**	**	**
TON LOAD FACTOR: (Sch. Svc. %)							
22		61.6		63.2	63.2	63.7	64.7
23		++		++	++	++	++
Employment & Productivity							
24		*		**	**	**	**
25		*		**	**	**	**

ITEMS	CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
	2002/06	2001/06	2002/06	2002/03	2001/12	2001/09	2001/06
26		4.1		0.9	4.1	4.1	8.6
27		11.3		0.6	5.6	9.8	14.6
28		-80.7		19.9	-51.8	-242.7	-214.4
29		-49.7		-67.7	31.0	-96.4	70.3
30		2.7		-2.8	-0.6	3.9	9.3
31		9.7		1.1	3.5	7.2	8.9
32		1.4		3.8	4.7	0.3	-0.6
33		8.5		3.5	6.2	5.7	4.8
34		++		++	++	++	++

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

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2002/06	2001/06	2002/06	2002/03	2001/12	2001/09	2001/06
FINANCIAL RESULTS: (\$Millions)								
1	Operating Revenues		383.7		1,156.2	1,462.7	1,491.4	1,510.3
2	Operating Expenses		436.5		1,336.1	1,690.4	1,671.0	1,652.9
3	Operating Profit (Loss)		-52.8		-179.9	-227.7	-179.5	-142.5
4	Net Income (Loss)		-51.9		-164.9	-216.3	-190.5	-151.0
TRAFFIC: (Billions)								
5	RTMs - Scheduled Rev. Svc.	Data are	0.12	Data are	0.36	0.43	0.46	0.47
6	ATMs - Scheduled Rev. Svc.	not	0.23	not	0.79	0.88	0.89	0.89
7	Overall RTMs (All Services)	available	0.12	available	0.37	0.44	0.47	0.48
8	Overall ATMs (All Services)	as DHL	0.24	as DHL	0.81	0.89	0.90	0.91
YIELD & UNIT COST & PROFITS: (Cents)								
9	Operating Revenue per RTM	has not	319.6	yet filed	310.9	330.2	316.0	313.3
10	Operating Expense per RTM	second	363.5	second	359.3	381.6	354.0	342.8
11	Operating Profit (Loss) per RTM	quarter	-44.0	quarter	-48.4	-51.4	-38.0	-29.6
12	Operating Expense per ATM	data	184.7	data	165.9	189.1	185.6	181.9
13	Passenger Revenue per RPM		++		++	++	++	++
FINANCIAL RATIOS:								
14	Operating Revenues to Total Investmen		*		8.83	8.33	8.40	6.23
15	Times Interest Earned		*		-16.98	-13.84	-10.53	-7.62
16	Current Assets to Current Liabilities		*		0.93	0.00	0.02	0.52
17	No. of Days Cash Coverage of Cash Exp		*		2.0	3.6	3.0	0.2
FINANCIAL PERCENTAGES:								
18	Operating Profit (Loss) to Operating Revenue		-13.8		-15.6	-15.6	-12.0	-9.4
19	Net Income to Stockholders Equity		*		-521.7	-863.7	0.0	-265.5
20	Corporate Return on Investment		*		-118.9	-114.8	-97.0	-53.6
21	Debt to Total Investment		*		19.1	15.1	-38.0	351.8
TON LOAD FACTOR: (Sch. Svc. %)								
22	Actual		50.8		46.2	49.5	52.4	53.0
23	Breakeven		++		++	++	++	++
Employment & Productivity								
24	Employment, Total Weighted Avg CY		9,125		6,954	8,993	9,018	8,957
25	Overall RTM's per Employee (000)		13.2		53.5	49.3	52.3	53.8

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)		3.5		-22.8	-2.3	0.8	3.9
27	Operating Expenses (%)		14.4		-16.4	7.8	11.0	13.5
28	Operating Profit (Loss) (in Millions \$)		-41.9		-79.3	-156.9	-153.8	-140.2
29	Net Income (Loss)(in Millions \$)		-44.2		-58.1	-149.3	-170.9	-160.8
30	RTMs (Sch. Svc.) (%)		22.3		-19.2	-3.5	5.0	9.1
31	ATMs (Sch. Svc.) (%)		8.2		-9.6	2.1	5.9	12.2
32	Operating Revenues per RTM (%)		-15.4		-4.5	1.2	-4.0	-4.8
33	Operating Expense per RTM (%)		-6.5		3.5	11.7	5.7	4.0
34	Passenger Revenue per RPM (Sch. Svc.)(%)		++		++	++	++	++

QUARTERLY FINANCIAL & TRAFFIC REVIEW
SYSTEM OPERATIONS
FEDERAL EXPRESS CORP.

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2002/06	2001/06	2002/06	2002/03	2001/12	2001/09	2001/06
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	3,953.1	3,737.9	15,361.8	15,146.5	15,166.9	15,184.9	15,424.9
2	Operating Expenses	3,775.7	3,678.9	14,541.0	14,444.2	14,388.4	14,600.6	14,639.9
3	Operating Profit (Loss)	177.3	59.0	820.8	702.4	778.5	584.3	785.0
4	Net Income (Loss)	98.2	32.6	442.4	376.8	453.0	395.5	451.6
<u>TRAFFIC: (Billions)</u>								
5	RTMs - Scheduled Rev. Svc.	2.22	1.73	8.23	7.73	7.44	7.23	7.31
6	ATMs - Scheduled Rev. Svc.	3.60	2.97	13.56	12.94	12.49	12.05	12.01
7	Overall RTMs (All Services)	2.25	1.79	8.36	7.89	7.61	7.49	7.63
8	Overall ATMs (All Services)	3.65	3.08	13.78	13.21	12.79	12.51	12.56
<u>YIELD & UNIT COST & PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	175.3	209.0	183.7	191.9	199.3	202.7	202.1
10	Operating Expense per RTM	167.4	205.7	173.9	183.0	189.1	194.9	191.8
11	Operating Profit (Loss) per RTM	7.9	3.3	9.8	8.9	10.2	7.8	10.3
12	Operating Expense per ATM	103.6	119.5	105.5	109.3	112.5	116.7	116.5
13	Passenger Revenue per RPM	++	++	++	++	++	++	++
<u>FINANCIAL RATIOS:</u>								
14	Operating Revenues to Total Investment	*	*	2.79	2.79	2.84	2.91	3.02
15	Times Interest Earned	*	*	12.71	11.22	14.70	12.14	12.69
16	Current Assets to Current Liabilities	*	*	1.18	1.14	1.09	1.10	0.99
17	No. of Days Cash Coverage of Cash Exp.	*	*	3.2	2.8	3.5	2.8	2.7
<u>FINANCIAL PERCENTAGES:</u>								
18	Operating Profit (Loss) to Operating Revenue	4.5	1.6	5.3	4.6	5.1	3.8	5.1
19	Net Income to Stockholders Equity	*	*	9.9	8.6	10.6	9.5	11.1
20	Corporate Return on Investment	*	*	9.1	8.0	9.4	8.6	10.0
21	Debt to Total Investment	*	*	16.9	18.4	20.1	19.4	19.8
<u>TON LOAD FACTOR: (Sch. Svc. %)</u>								
22	Actual	61.8	58.1	60.7	59.8	59.5	59.9	60.8
23	Breakeven	++	++	++	++	++	++	++
<u>Employment & Productivity:</u>								
24	Employment, Total Weighted Avg CY	93,004	94,180	93,644	93,938	94,019	93,784	93,089
25	Overall RTM's per Employee (000)	24.2	19.0	89.3	84.0	80.9	79.9	82.0

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	5.8	-4.6	-0.4	-3.0	-2.8	-1.9	1.5
27	Operating Expenses (%)	2.6	1.6	-0.7	-1.0	-1.4	0.8	2.7
28	Operating Profit (Loss) (in Millions \$)	118.3	-238.7	35.8	-321.3	-220.9	-411.2	-162.5
29	Net Income (Loss)(in Millions \$)	65.6	-143.7	-9.2	-218.5	-92.4	-153.4	-76.0
30	RTMs (Sch. Svc.) (%)	26.1	-8.2	9.6	1.3	-2.9	-3.7	0.6
31	ATMs (Sch. Svc.) (%)	18.4	0.8	9.7	5.4	2.5	1.7	4.0
32	Operating Revenues per RTM (%)	-16.1	3.9	-9.1	-4.2	0.2	1.9	0.9
33	Operating Expense per RTM (%)	-18.6	10.7	-9.3	-2.2	1.5	4.7	2.1
34	Passenger Revenue per RPM (Sch. Svc.)(%)	++	++	++	++	++	++	++

QUARTERLY FINANCIAL & TRAFFIC REVIEW
SYSTEM OPERATIONS
UNITED PARCEL SERVICE

ITEMS	QUARTER ENDED		12 MONTHS ENDED					
	2002/06	2001/06	2002/06	2002/03	2001/12	2001/09	2001/06	
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	688.6	656.5	2,710.9	2,678.8	2,715.6	2,709.4	2,712.7
2	Operating Expenses	663.7	657.4	2,599.1	2,592.8	2,614.5	2,604.0	2,564.7
3	Operating Profit (Loss)	24.9	-0.9	111.8	86.0	101.1	105.4	148.0
4	Net Income (Loss)	0.6	-23.4	13.4	-10.6	14.0	8.9	44.9
<u>TRAFFIC: (Billions)</u>								
5	RTMs - Scheduled Rev. Svc.	0.44	0.42	1.69	1.67	1.66	1.64	1.62
6	ATMs - Scheduled Rev. Svc.	0.68	0.64	2.51	2.47	2.44	2.39	2.30
7	Overall RTMs (All Services)	1.10	1.08	4.32	4.30	4.30	4.29	4.34
8	Overall ATMs (All Services)	1.93	1.85	7.44	7.36	7.27	7.14	7.03
<u>YIELD & UNIT COST & PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	62.6	60.6	62.8	62.2	63.2	63.2	62.5
10	Operating Expense per RTM	60.4	60.7	60.2	60.2	60.9	60.7	59.0
11	Operating Profit (Loss) per RTM	2.3	-0.1	2.6	2.0	2.4	2.5	3.4
12	Operating Expense per ATM	34.4	35.5	34.9	35.2	36.0	36.5	36.5
13	Passenger Revenue per RPM	++	++	++	++	++	++	++
<u>FINANCIAL RATIOS:</u>								
14	Operating Revenues to Total Investment	*	*	0.58	0.58	0.60	0.61	0.63
15	Times Interest Earned	*	*	2.33	2.22	3.62	2.63	4.45
16	Current Assets to Current Liabilities	*	*	0.53	0.69	0.66	2.76	2.45
17	No. of Days Cash Coverage of Cash Exp.	*	*	6.4	4.7	4.0	4.2	4.6
<u>FINANCIAL PERCENTAGES:</u>								
18	Operating Profit (Loss) to Operating Revenue	3.6	-0.1	4.1	3.2	3.7	3.9	5.5
19	Net Income to Stockholders Equity	*	*	1.3	-1.0	1.4	0.9	4.6
20	Corporate Return on Investment	*	*	1.0	0.4	0.9	0.8	1.7
21	Debt to Total Investment	*	*	76.8	76.1	76.5	80.5	79.2
<u>TON LOAD FACTOR: (Sch. Svc. %)</u>								
22	Actual	57.0	58.6	58.0	58.5	59.1	60.1	61.8
23	Breakeven	++	++	++	++	++	++	++
<u>Employment & Productivity:</u>								
24	Employment, Total Weighted Avg CY	5,741	5,518	5,640	5,585	5,543	5,426	5,277
25	Overall RTM's per Employee (000)	191.5	196.4	765.9	770.7	774.9	790.4	823.1

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
		2002/06	2001/06	2002/06	2002/03	2001/12	2001/09	2001/06
26	Operating Revenues (%)	4.9	11.3	-0.1	1.2	7.3	7.6	15.7
27	Operating Expenses (%)	1.0	14.1	1.3	4.4	8.3	11.4	14.6
28	Operating Profit (Loss) (in Millions \$)	25.8	-14.7	-36.2	-76.8	-14.6	-75.3	41.8
29	Net Income (Loss)(in Millions \$)	24.0	-22.6	-31.5	-78.1	-23.2	-102.1	-13.7
30	RTMs (Sch. Svc.) (%)	1.5	0.0	-0.6	-0.9	-1.4	-1.9	0.6
31	ATMs (Sch. Svc.) (%)	4.4	4.0	5.9	5.8	2.5	-2.0	-6.4
32	Operating Revenues per RTM (%)	3.3	11.4	0.5	2.1	8.8	9.7	15.1
33	Operating Expense per RTM (%)	-0.5	14.1	2.0	5.2	9.9	13.5	13.9
34	Passenger Revenue per RPM (Sch. Svc.)(%)	++	++	++	++	++	++	++

**COMPARISON OF OPERATING PROFIT (LOSS) AND NET INCOME (LOSS)
FOR INDIVIDUAL MAJORS
QUARTER AND 12 MONTHS ENDED JUNE 2002**

Operating Profit (Loss) (\$Millions)						
Group/Carrier	Quarterly Data			12 Month Ended Data		
	6/2001	6/2002	\$Chg	6/2001	6/2002	\$Chg
System Passenger Majors	(724.4)	(1,626.9)	(902.5)	396.6	(14,498.3)	(14,894.9)
Alaska	11.5	(3.4)	(14.9)	(26.2)	(89.8)	(63.6)
America West	(55.8)	(1.1)	54.7	(155.0)	(361.6)	(206.6)
American Eagle	(81.3)	17.7	99.0	(52.0)	(170.3)	(118.3)
American Trans Air	18.3	(56.6)	(74.9)	9.4	(151.1)	(160.5)
American	(693.5)	(702.0)	(8.5)	(371.5)	(5,196.8)	(4,825.3)
Continental	104.9	(157.7)	(262.6)	529.3	(915.9)	(1,445.2)
Delta	23.9	(155.7)	(179.6)	505.2	(1,434.3)	(1,939.5)
Northwest	(19.7)	(45.7)	(26.0)	119.9	(782.9)	(902.8)
Southwest	291.0	189.1	(101.9)	1,051.3	369.0	(682.3)
United	(354.8)	(535.4)	(180.6)	(980.8)	(4,201.5)	(3,220.7)
US Airways	31.1	(176.1)	(207.2)	(233.1)	(1,563.0)	(1,329.9)
System Cargo Majors	5.2	202.3	197.1	790.5	805.5	15.0
DHL Airways	(52.8)	-	52.8	(142.5)	(127.0)	15.5
Federal Express	59.0	177.3	118.3	785.0	820.8	35.8
United Parcel Service	(0.9)	24.9	25.8	148.0	111.8	(36.2)
System Total Majors	(719.2)	(1,424.6)	(705.4)	1,187.1	(13,692.7)	(14,879.8)

Net Income (Loss) (\$Millions)						
Group/Carrier	Quarterly Data			12 Month Ended Data		
	6/2001	6/2002	\$Chg	6/2001	6/2002	\$Chg
System Passenger Majors	(729.2)	(1,573.2)	(844.0)	(1,238.9)	(10,343.2)	(9,104.3)
Alaska	4.8	(3.3)	(8.1)	(22.0)	(24.8)	(2.8)
America West	(43.3)	(10.0)	33.3	(100.7)	(439.4)	(338.7)
American Eagle	(65.6)	(10.3)	55.3	(93.5)	(186.5)	(93.0)
American Trans Air	6.9	(54.6)	(61.5)	(15.5)	(131.4)	(115.9)
American	(450.9)	(555.5)	(104.6)	(499.4)	(2,758.3)	(2,258.9)
Continental	37.5	(151.7)	(189.2)	213.7	(467.2)	(680.9)
Delta	(26.8)	(203.6)	(176.8)	(144.7)	(1,544.4)	(1,399.7)
Northwest	(57.4)	(98.6)	(41.2)	(98.4)	(442.2)	(343.8)
Southwest	175.6	102.3	(73.3)	635.6	338.2	(297.4)
United	(293.7)	(363.3)	(69.6)	(813.2)	(2,354.2)	(1,541.0)
US Airways	(16.4)	(224.8)	(208.4)	(300.7)	(2,332.9)	(2,032.2)
System Cargo Majors	(42.6)	98.8	141.4	345.4	342.8	(2.6)
DHL Airways	(51.9)	-	51.9	(151.0)	(113.0)	38.0
Federal Express	32.6	98.2	65.6	451.6	442.4	(9.2)
United Parcel Service	(23.4)	0.6	24.0	44.9	13.4	(31.5)
System Total Majors	(771.8)	(1,474.4)	(702.6)	(893.4)	(10,000.4)	(9,107.0)

**COMPARISON OF PASSENGER LOAD FACTOR AND PASSENGER YIELD
FOR INDIVIDUAL MAJORS
QUARTER AND 12 MONTHS ENDED JUNE 2002**

Passenger Load Factor (Percent)						
Group/Carrier	Quarterly Data			12 Month Ended Data		
	6/2001	6/2002	Pt.Chg.	6/2001	6/2002	Pt.Chg.
System Passenger Majors	73.5	73.8	0.3	72.1	70.7	(1.4)
Alaska	70.3	68.4	(1.9)	68.5	68.2	(0.3)
America West	75.5	75.8	0.3	71.6	72.3	0.7
American Eagle	62.1	66.5	4.4	59.3	60.1	0.8
American Trans Air	80.3	76.7	(3.6)	76.1	75.1	(1.0)
American	71.8	71.4	(0.4)	71.4	69.4	(2.0)
Continental	75.5	75.1	(0.4)	74.0	73.5	(0.5)
Delta	72.8	73.7	0.9	71.6	69.7	(1.9)
Northwest	77.9	78.9	1.0	76.2	75.2	(1.0)
Southwest	71.7	69.8	(1.9)	69.9	66.5	(3.4)
United	73.2	74.5	1.3	71.8	72.0	0.2
US Airways	73.8	75.1	1.3	70.6	69.6	(1.0)
System Cargo Majors	-	-	-	-	-	-
DHL Airways	-	-	-	-	-	-
Federal Express	-	-	-	-	-	-
United Parcel Service	-	-	-	-	-	-
System Total Majors	73.5	73.8	0.3	72.1	70.7	(1.4)

Scheduled Passenger Yield (Cents)						
Group/Carrier	Quarterly Data			12 Month Ended Data		
	6/2001	6/2002	Pct.Chg.	6/2001	6/2002	Pct.Chg.
System Passenger Majors	12.60	11.63	(7.7)	13.15	11.66	(11.3)
Alaska	12.86	12.55	(2.4)	13.21	12.53	(5.1)
America West	10.49	9.75	(7.1)	11.01	9.65	(12.4)
American Eagle	39.39	31.86	(19.1)	39.43	32.41	(17.8)
American Trans Air	9.99	8.78	(12.1)	9.95	8.85	(11.1)
American	12.95	11.93	(7.9)	13.69	12.28	(10.3)
Continental	12.77	11.88	(7.0)	13.18	11.71	(11.2)
Delta	12.38	11.47	(7.4)	12.88	11.47	(10.9)
Northwest	11.16	10.69	(4.2)	11.85	10.80	(8.9)
Southwest	12.58	11.67	(7.2)	12.78	11.33	(11.3)
United	12.04	11.13	(7.6)	12.62	10.76	(14.7)
US Airways	14.89	13.11	(12.0)	15.46	13.24	(14.4)
System Cargo Majors	-	-	-	-	-	-
DHL Airways	-	-	-	-	-	-
Federal Express	-	-	-	-	-	-
United Parcel Service	-	-	-	-	-	-
System Total Majors	12.60	11.63	(7.7)	13.15	11.66	(11.3)

**COMPARISON OF OPERATING PROFIT MARGIN, DEBT TO INVESTMENT AND TOTAL DEBT
FOR INDIVIDUAL MAJORS
QUARTER AND 12 MONTHS ENDED JUNE 2002**

Operating Profit Margin (Percent)						
Group/Carrier	Quarterly Data			12 Month Ended Data		
	6/2001	6/2002	Pt. Chg	6/2001	6/2002	Pt. Chg.
System Passenger Majors	(3.0)	(8.0)	(5.0)	0.4	(17.7)	(18.1)
Alaska	2.4	(0.7)	(3.1)	(1.4)	(5.1)	(3.7)
America West	(9.7)	(0.2)	9.5	(6.7)	(19.4)	(12.7)
American Eagle	(21.9)	5.6	27.5	(3.9)	(14.9)	(11.0)
American Trans Air	5.6	(19.6)	(25.2)	0.8	(13.7)	(14.5)
American	(13.5)	(17.1)	(3.6)	(1.7)	(24.0)	(22.3)
Continental	4.5	(8.1)	(12.6)	5.6	(12.6)	(18.2)
Delta	0.6	(4.8)	(5.4)	3.4	(11.9)	(15.3)
Northwest	(0.7)	(2.0)	(1.3)	1.1	(8.9)	(10.0)
Southwest	18.7	12.8	(5.9)	17.7	7.0	(10.7)
United	(7.6)	(14.4)	(6.8)	(5.2)	(30.2)	(25.0)
US Airways	1.3	(9.3)	(10.6)	(2.5)	(22.0)	(19.5)
System Cargo Majors	0.1	4.4	4.3	4.0	4.3	0.3
DHL Airways	(13.8)	-	13.8	(9.4)	(16.4)	(7.0)
Federal Express	1.6	4.5	2.9	5.1	5.3	0.2
United Parcel Service	(0.1)	3.6	3.7	5.5	4.1	(1.4)
System Total Majors	(2.5)	(5.7)	(3.2)	1.0	(13.6)	(14.6)

Group/Carrier	Debt To Investment (Percent)			Total Debt (\$Millions)		
	Quarterly Data			Quarterly Data		
	6/2001	6/2002	Pt.Chg.	6/2001	6/2002	\$ Chg.
System Passenger Majors	54.2	69.3	15.1	35,330.2	51,126.9	15,796.7
Alaska	50.3	58.5	8.2	694.5	940.0	245.5
America West	19.2	64.1	44.9	196.5	752.8	556.3
American Eagle	93.2	99.6	6.4	2,520.2	2,841.2	321.0
American Trans Air	84.1	110.7	26.6	503.0	456.7	(46.3)
American	49.0	62.4	13.4	5,849.4	8,869.6	3,020.2
Continental	74.2	80.1	5.9	4,129.1	5,513.9	1,384.8
Delta	51.9	73.1	21.2	5,704.5	9,436.4	3,731.9
Northwest	44.4	59.7	15.3	3,852.5	6,118.7	2,266.2
Southwest	18.4	28.6	10.2	863.1	1,691.4	828.3
United	60.1	72.9	12.8	7,707.9	10,673.5	2,965.6
US Airways	67.4	129.1	61.7	3,309.4	3,832.5	523.1
System Cargo Majors	47.5	43.9	(3.6)	4,670.7	4,513.6	(157.1)
DHL Airways	351.8	-	(351.8)	31.7	-	(31.7)
Federal Express	19.8	16.9	(2.9)	1,044.2	952.7	(91.5)
United Parcel Service	79.2	76.8	(2.4)	3,594.8	3,560.9	(33.9)
System Total Majors	53.30	66.20	12.9	40,000.9	55,640.5	15,639.6

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

EXPLANATION OF LINE ITEMS

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

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>