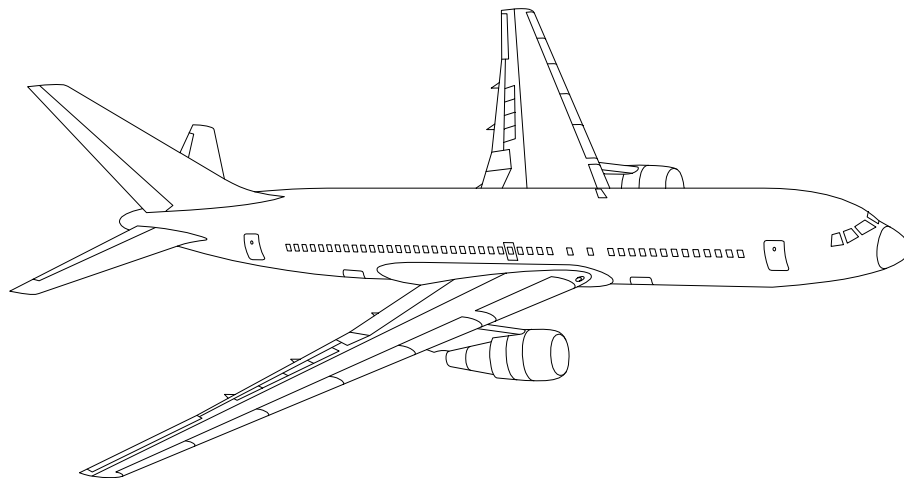


AIRLINE QUARTERLY FINANCIAL REVIEW

FOURTH QUARTER 2004



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 2004 ..		7
Chart 2 Operating and Net Profit (Loss) 12 Months Ended Fourth Quarter 2004		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
Express One (formerly Continental Express)		25
Northwest Airlines, Inc.		26
Southwest Airlines Co.		27
United Air Lines, Inc.		28
US Airways, Inc.		29
Total All-Cargo Majors		30
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
System All Majors

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2004/12	2003/12	2004/12	2004/09	2004/06	2004/03	2003/12
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	28,767.8	26,223.5	113,847.5	111,303.2	108,844.8	104,873.4	102,161.2
2	Operating Expenses	31,000.4	26,505.2	116,021.4	111,526.2	108,594.2	105,861.9	105,417.1
3	Operating Profit (Loss)	-2,232.6	-281.7	-2,173.9	-222.9	250.6	-988.5	-3,255.9
4	Net Income (Loss)	-2,704.2	-323.7	-7,377.6	-4,997.2	-4,254.3	-1,956.6	-2,370.9
<u>TRAFFIC: (Billions)</u>								
5	RPMs - Scheduled Rev. Svc.	156.6	145.1	638.2	626.6	613.3	591.5	581.4
6	ASMs - Scheduled Rev. Svc.	209.9	198.4	839.5	828.0	815.5	795.0	786.9
7	Overall RTMs (All Svc.)	22.4	20.7	89.1	87.4	85.7	83.1	81.7
8	Overall ATMs (All Svc.)	38.3	37.0	151.4	150.1	149.1	146.0	144.8
<u>YIELD & UNIT COST & PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	128.4	126.5	127.8	127.3	127.0	126.2	125.0
10	Operating Expense per RTM	138.3	127.8	130.2	127.5	126.7	127.4	129.0
11	Operating Profit (Loss) per RTM	-10.0	-1.4	-2.4	-0.3	0.3	-1.2	-4.0
12	Operating Expense per ATM	80.9	71.5	76.7	74.3	72.8	72.5	72.8
13	Passenger Revenue per RPM	11.16	11.74	11.37	11.51	11.61	11.61	11.55
<u>FINANCIAL RATIOS:</u>								
14	Operating Revenues to Total Investment	*	*	1.63	1.56	1.51	1.45	1.40
15	Times Interest Earned	*	*	-0.68	-0.07	0.09	0.41	0.22
16	Current Assets to Current Liabilities	*	*	0.68	0.72	0.75	0.76	0.78
17	No. of Days Cash Coverage of Cash Exp.	*	*	47.8	52.2	58.0	60.6	60.5
<u>FINANCIAL PERCENTAGES:</u>								
18	Operating Profit (Loss) to Operating Revenue	-7.8	-1.1	-1.9	-0.2	0.2	-0.9	-3.2
19	Net Income to Stockholders Equity	*	*	-69.0	-43.5	-36.0	-16.2	-18.6
20	Corporate Return on Investment	*	*	-5.8	-2.5	-1.5	1.6	1.0
21	Debt to Total Investment	*	*	88.3	84.1	82.9	85.0	83.5
<u>LOAD FACTOR: (%)</u>								
22	Passenger Load Factor (Sch. Svc.)	74.6	73.1	76.0	75.7	75.2	74.4	73.9
23	Ton Load Factor (All Svc.)	58.5	56.0	58.9	58.3	57.5	56.9	56.4
<u>Employment & Productivity:</u>								
24	Employment, Total Weighted Avg CY	481,387	489,365	485,733	487,728	487,017	494,214	504,399
25	Overall RTM's per Employee (000)	46.6	42.4	183.5	179.3	175.9	168.1	162.0

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	9.7	10.4	11.4	11.6	11.3	7.6	6.3
27	Operating Expenses (%)	17.0	0.7	10.1	6.0	2.5	-0.6	0.6
28	Operating Profit (Loss) (in Millions \$)	-1,951.0	2,289.4	1,082.0	5,322.4	8,372.0	8,055.1	5,375.6
29	Net Income (Loss)(in Millions \$)	-2,380.5	3,597.8	-5,006.8	971.6	3,812.8	7,820.6	8,671.9
30	RPMs (Sch. Svc.) (%)	8.0	3.4	9.8	8.5	5.9	0.5	-0.8
31	ASMs (Sch. Svc.) (%)	5.8	-0.3	6.7	4.9	1.7	-2.8	-3.0
32	Operating Revenues per RTM (%)	1.5	8.2	2.2	3.9	5.9	6.9	6.7
33	Operating Expense per RTM (%)	8.2	-1.3	0.9	-1.3	-2.4	-1.3	1.0
34	Passenger Revenue per RPM (Sch. Svc.)(%)	-4.9	2.6	-1.6	0.4	2.4	2.3	1.0

QUARTERLY FINANCIAL & TRAFFIC REVIEW
SYSTEM OPERATIONS
Domestic All Majors

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2004/12	2003/12	2004/12	2004/09	2004/06	2004/03	2003/12
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	21,332.0	19,846.8	84,422.9	82,937.6	81,715.8	79,181.8	77,196.3
2	Operating Expenses	23,543.5	20,425.4	88,296.4	85,178.3	83,375.6	81,423.6	80,742.9
3	Operating Profit (Loss)	-2,211.4	-578.6	-3,873.5	-2,240.7	-1,659.7	-2,241.8	-3,546.6
4	Net Income (Loss)	-2,359.6	-471.2	-7,504.6	-5,616.3	-4,881.0	-2,576.2	-2,003.8
<u>TRAFFIC: (Billions)</u>								
5	RTMs - Scheduled Svc.	113.1	105.5	461.3	453.8	445.7	434.7	428.4
6	ATMs - Scheduled Svc.	153.5	147.8	616.6	611.0	604.3	594.2	587.8
7	Overall RTMs (All Svc.)	14.6	13.7	58.5	57.7	56.8	55.5	54.7
8	Overall ATMs (All Svc.)	25.4	25.0	100.7	100.4	100.1	98.8	98.0
<u>YIELD & UNIT COST & PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	146.4	144.7	144.3	143.8	143.9	142.6	141.0
10	Operating Expense per RTM	161.6	148.9	150.9	147.7	146.8	146.6	147.5
11	Operating Profit (Loss) per RTM	-15.2	-4.2	-6.6	-3.9	-2.9	-4.0	-6.5
12	Operating Expense per ATM	92.8	81.6	87.7	84.9	83.3	82.4	82.4
13	Passenger Revenue per RPM	11.52	12.40	11.71	11.92	12.11	12.14	12.11
<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	-2.9	-4.6	-2.7	-2.0	-2.8	-4.6
19	Net Income to Stockholders Equity	*	*	**	**	**	**	**
20	Corporate Return on Investment	*	*	-9.2	-5.8	-4.5	-0.4	0.7
21	Debt to Total Investment	*	*	**	**	**	**	**
<u>LOAD FACTOR: (%)</u>								
22	Passenger Load Factor (Sch. Svc.)	88.3	83.5	88.3	84.1	82.9	85.0	83.5
23	Ton Load Factor (All Svc.)	73.7	71.4	74.8	74.3	73.7	73.2	72.9
<u>Employment & Productivity:</u>								
24	Employment, Total Weighted Avg CY	*	*	**	**	**	**	**
25	Overall RTM's per Employee (000)	*	*	**	**	**	**	**

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	7.5	12.3	9.4	10.5	11.9	9.3	7.8
27	Operating Expenses (%)	15.3	4.1	9.4	6.6	4.3	1.5	2.1
28	Operating Profit (Loss) (in Millions \$)	-1,632.8	1,352.7	-326.9	2,658.6	5,269.0	5,493.3	3,920.6
29	Net Income (Loss)(in Millions \$)	-1,888.4	2,444.3	-5,500.8	-1,168.2	1,109.9	4,946.7	7,046.6
30	RPMs (Sch. Svc.) (%)	7.1	2.8	7.7	6.6	4.7	1.6	0.1
31	ASMs (Sch. Svc.) (%)	3.8	-0.3	4.9	3.9	1.3	-1.9	-3.1
32	Operating Revenues per RTM (%)	1.2	9.6	2.3	4.3	7.1	7.4	7.4
33	Operating Expense per RTM (%)	8.5	1.7	2.3	0.6	-0.2	-0.2	1.7
34	Passenger Revenue per RPM (Sch. Svc.)(%)	-7.1	3.2	-3.3	-0.8	2.0	1.8	1.2

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

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2004/12	2003/12	2004/12	2004/09	2004/06	2004/03	2003/12
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	7,435.7	6,376.8	29,398.0	28,339.1	26,976.8	25,691.6	24,964.9
2	Operating Expenses	7,456.9	6,079.8	27,705.3	26,328.1	25,106.4	24,438.3	24,674.2
3	Operating Profit (Loss)	-21.2	297.0	1,692.8	2,010.9	1,870.4	1,253.3	290.7
4	Net Income (Loss)	-344.6	147.5	122.9	615.0	598.3	619.7	-367.1
<u>TRAFFIC: (Billions)</u>								
5	RTMs - Scheduled Svc.	43.6	39.5	176.8	172.8	166.9	157.0	153.2
6	ATMs - Scheduled Svc.	56.4	50.6	222.9	217.0	210.2	201.0	199.4
7	Overall RTMs (All Svc.)	7.8	7.0	30.6	29.8	28.9	27.6	27.1
8	Overall ATMs (All Svc.)	13.0	12.0	50.6	49.7	48.9	47.2	46.8
<u>YIELD & UNIT COST & PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	94.9	90.9	96.1	95.2	93.5	93.1	92.2
10	Operating Expense per RTM	95.1	86.6	90.5	88.4	87.0	88.6	91.1
11	Operating Profit (Loss) per RTM	-0.3	4.2	5.5	6.8	6.5	4.5	1.1
12	Operating Expense per ATM	57.6	50.6	54.7	53.0	51.3	51.8	52.8
13	Passenger Revenue per RPM	10.24	9.97	10.45	10.40	10.24	10.13	9.97
<u>FINANCIAL RATIOS:</u>								
14	Operating Revenues to Total Investment	*	*	**	**	**	**	**
15	Times Interest Earned	*	*	**	**	**	**	**
16	Current Assets to Current Liabilities	*	*	**	**	**	**	**
17	No. of Days Cash Coverage of Cash Exp.	*	*	**	**	**	**	**
<u>FINANCIAL PERCENTAGES:</u>								
18	Operating Profit (Loss) to Operating Revenue	-0.3	4.7	5.8	7.1	6.9	4.9	1.2
19	Net Income to Stockholders Equity	*	*	**	**	**	**	**
20	Corporate Return on Investment	*	*	6.0	8.8	8.6	8.5	2.3
21	Debt to Total Investment	*	*	**	**	**	**	**
<u>LOAD FACTOR: (%)</u>								
22	Passenger Load Factor (Sch. Svc.)	77.3	78.1	79.3	79.6	79.4	78.1	76.8
23	Ton Load Factor (All Svc.)	60.5	58.3	60.4	59.9	59.0	58.4	57.9
<u>Employment & Productivity:</u>								
24	Employment, Total Weighted Avg CY	*	*	**	**	**	**	**
25	Overall RTM's per Employee (000)	*	*	**	**	**	**	**

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	16.6	4.8	17.8	14.9	8.9	2.6	1.9
27	Operating Expenses (%)	22.7	-9.6	12.3	4.0	-3.3	-7.3	-3.9
28	Operating Profit (Loss) (in Millions \$)	-318.2	936.7	1,402.1	2,657.0	3,063.1	2,561.7	1,455.0
29	Net Income (Loss)(in Millions \$)	-492.1	1,153.5	490.0	2,135.6	2,674.5	2,873.8	1,625.3
30	RTMs (All Svc.) (%)	10.3	2.4	15.5	13.5	8.5	-2.5	-5.3
31	ATMs (All Svc.) (%)	11.5	-3.4	11.8	7.9	2.5	-5.4	-5.4
32	Operating Revenues per RTM (%)	4.4	5.2	4.2	4.5	3.1	4.2	4.8
33	Operating Expense per RTM (%)	9.8	-9.3	-0.6	-5.4	-8.5	-5.8	-1.1
34	Passenger Revenue per RPM (Sch. Svc.)(%)	2.8	4.0	4.8	5.3	4.0	3.0	2.0

COMPARISONS AMONG MAJOR GROUP AIRLINES

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

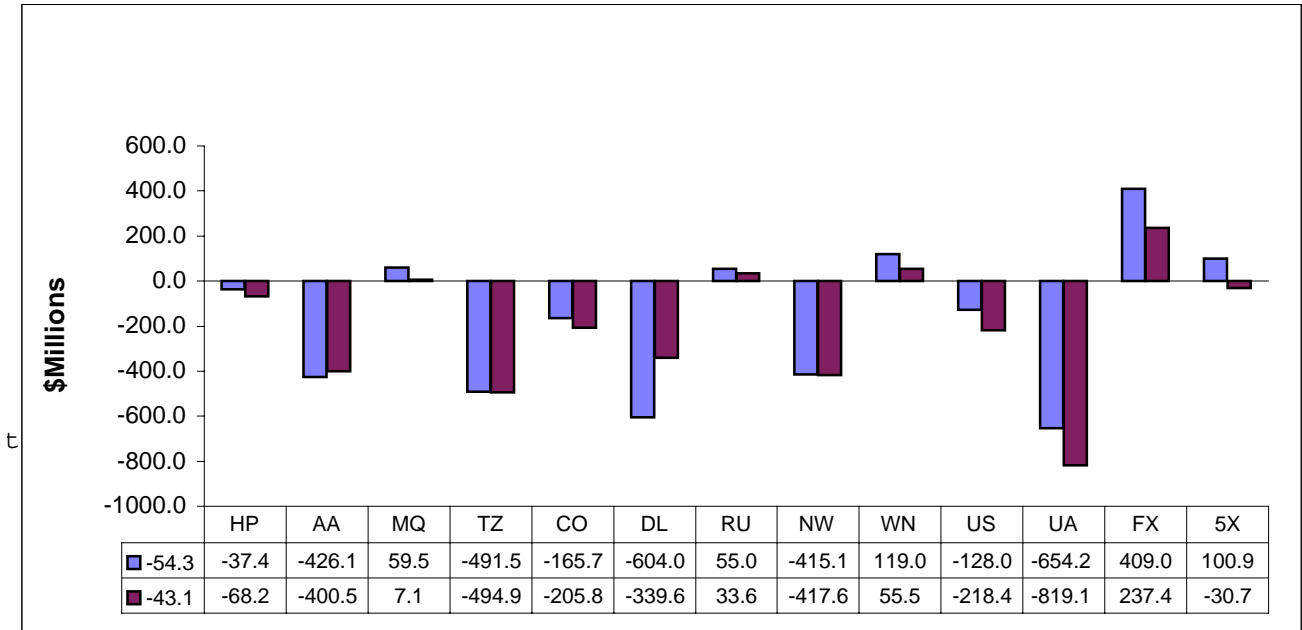
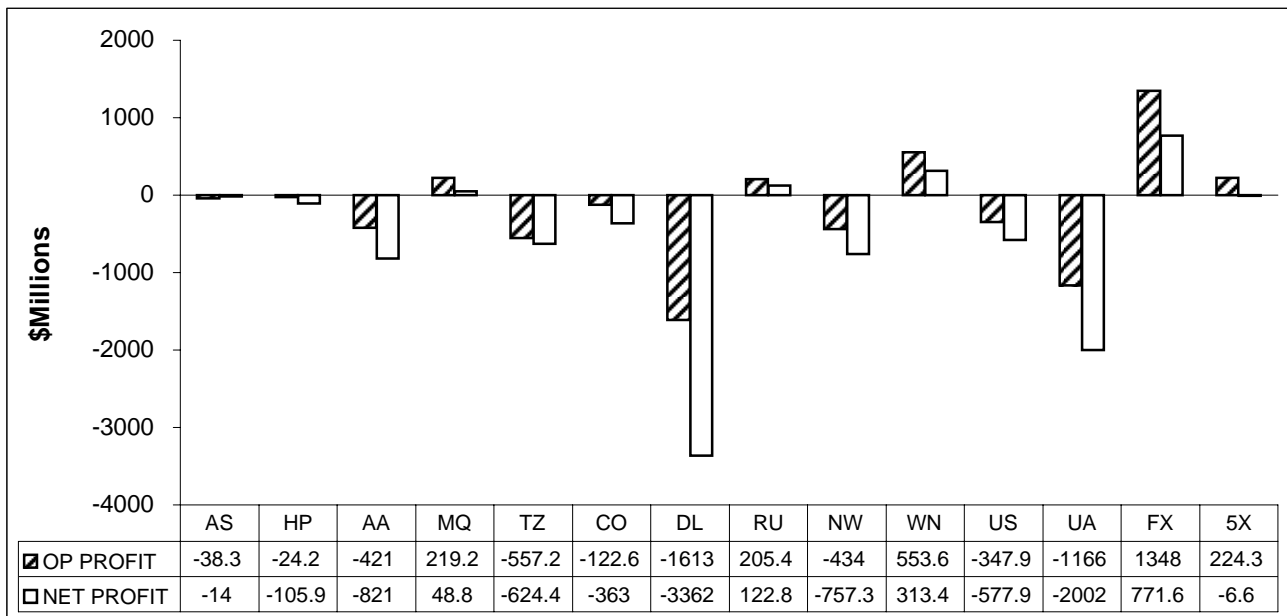
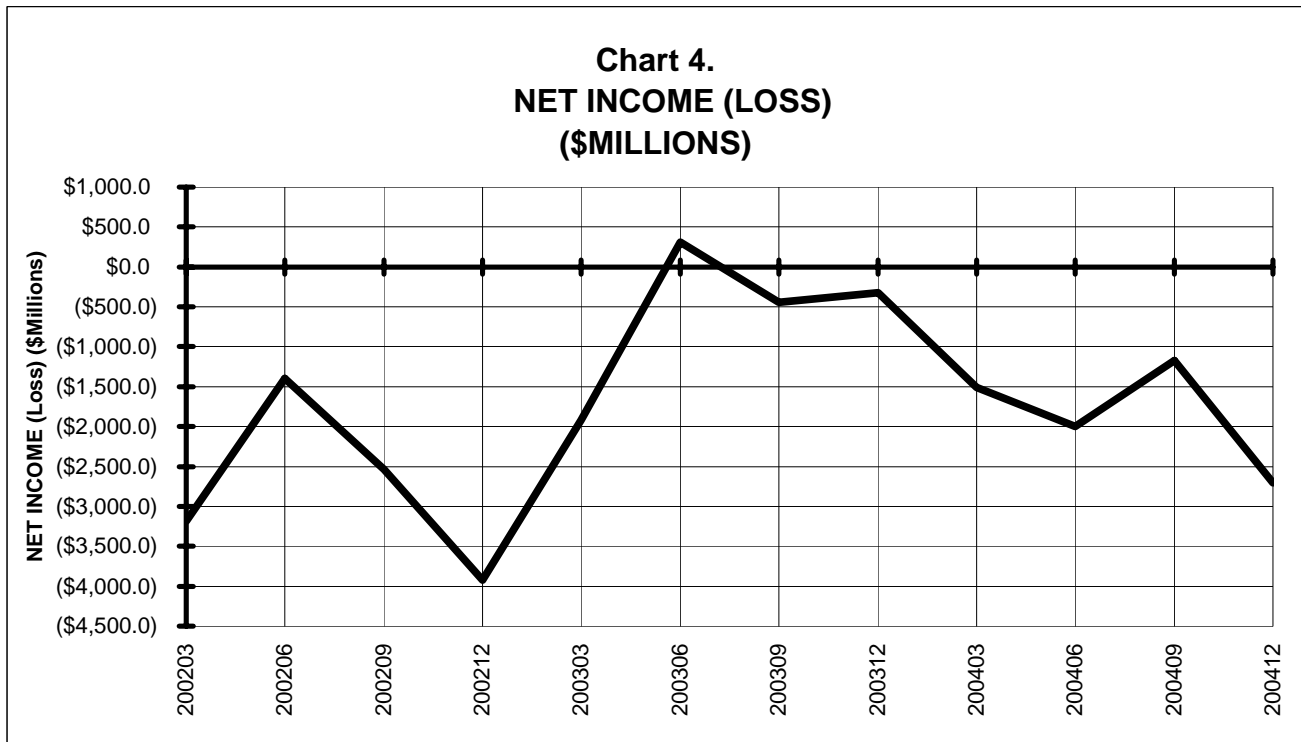
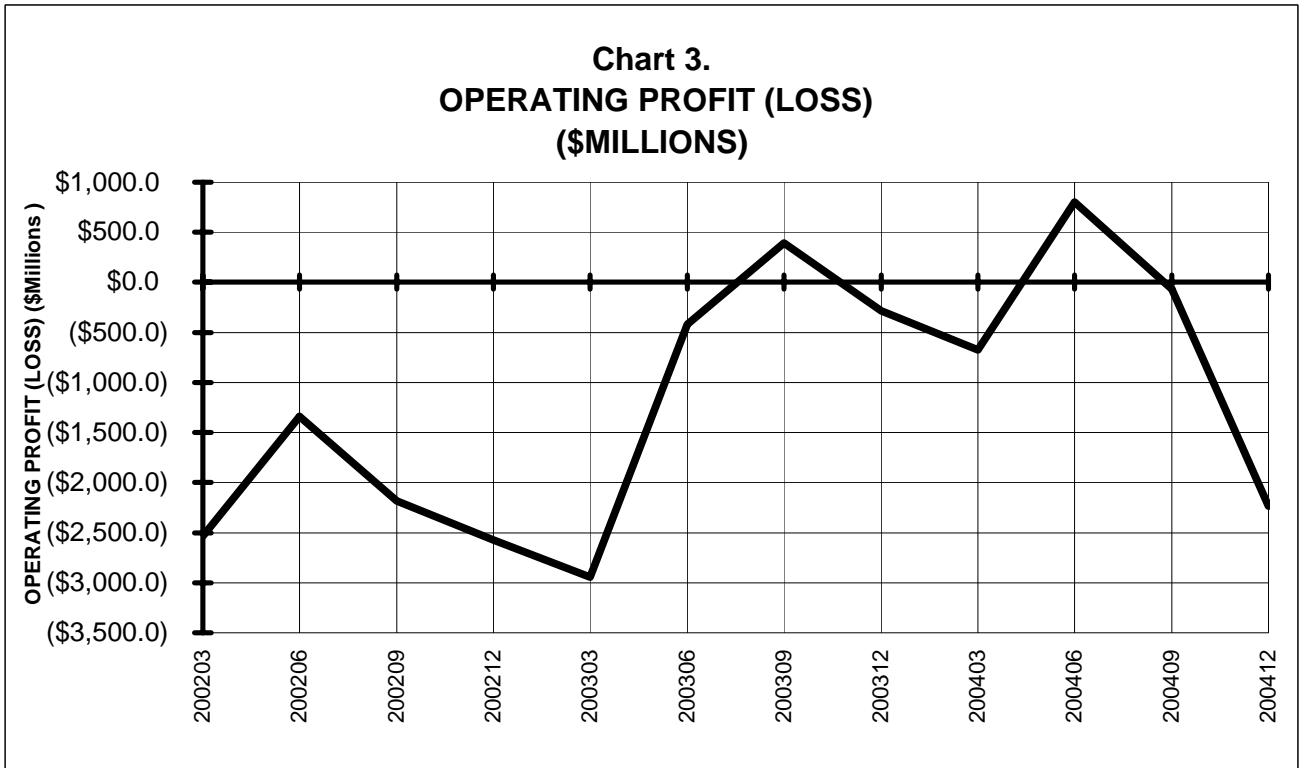


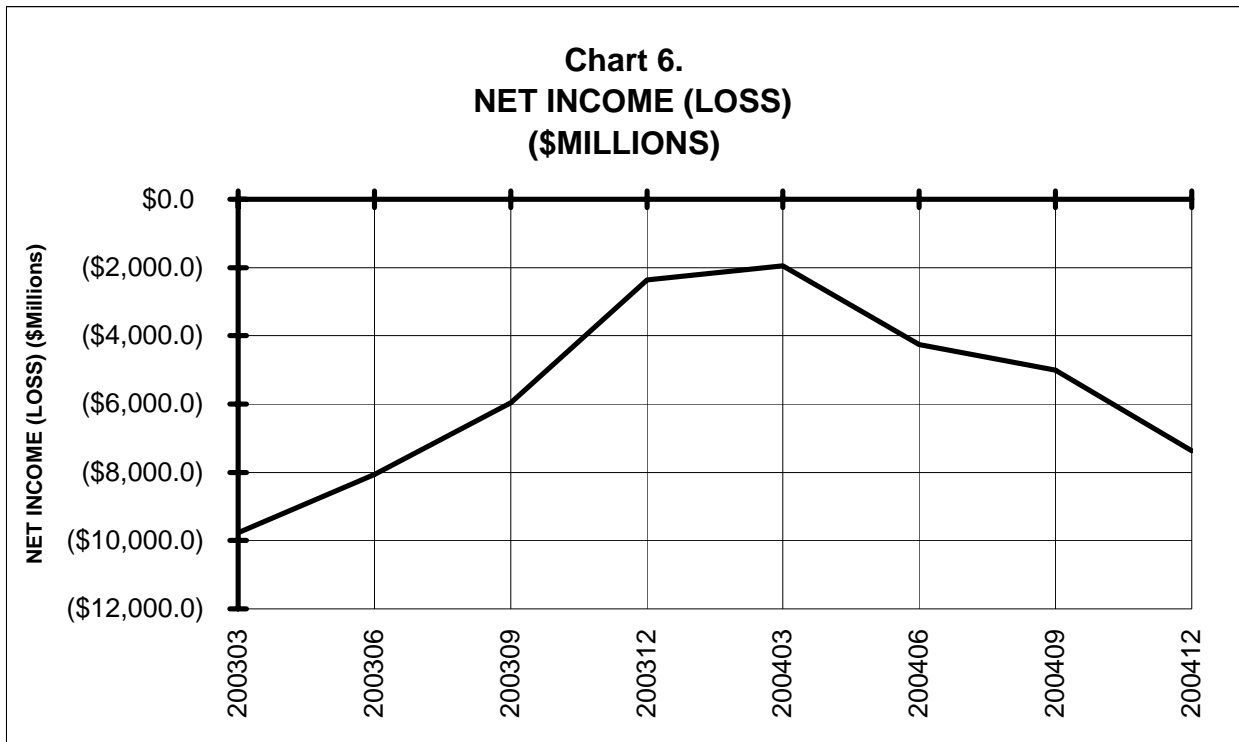
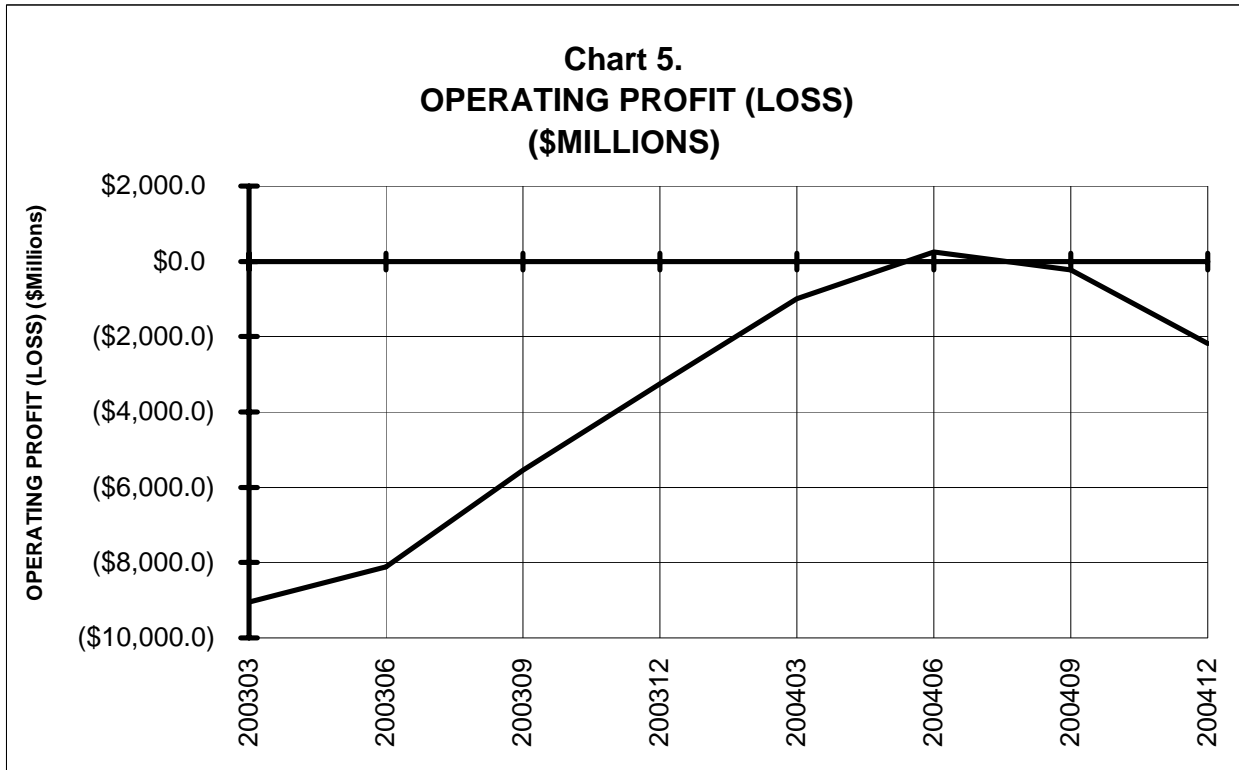
Chart 2
Operating and Net Profit (Loss)
For the 12 Months Ended December 2004



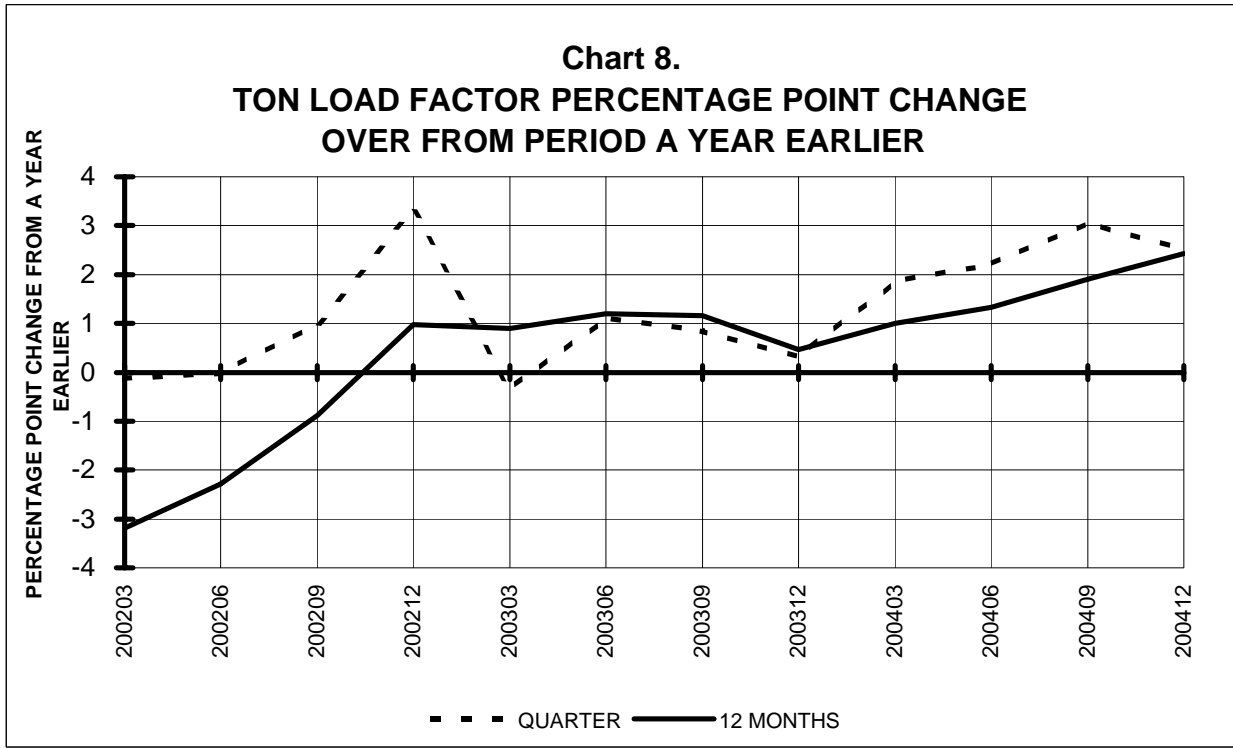
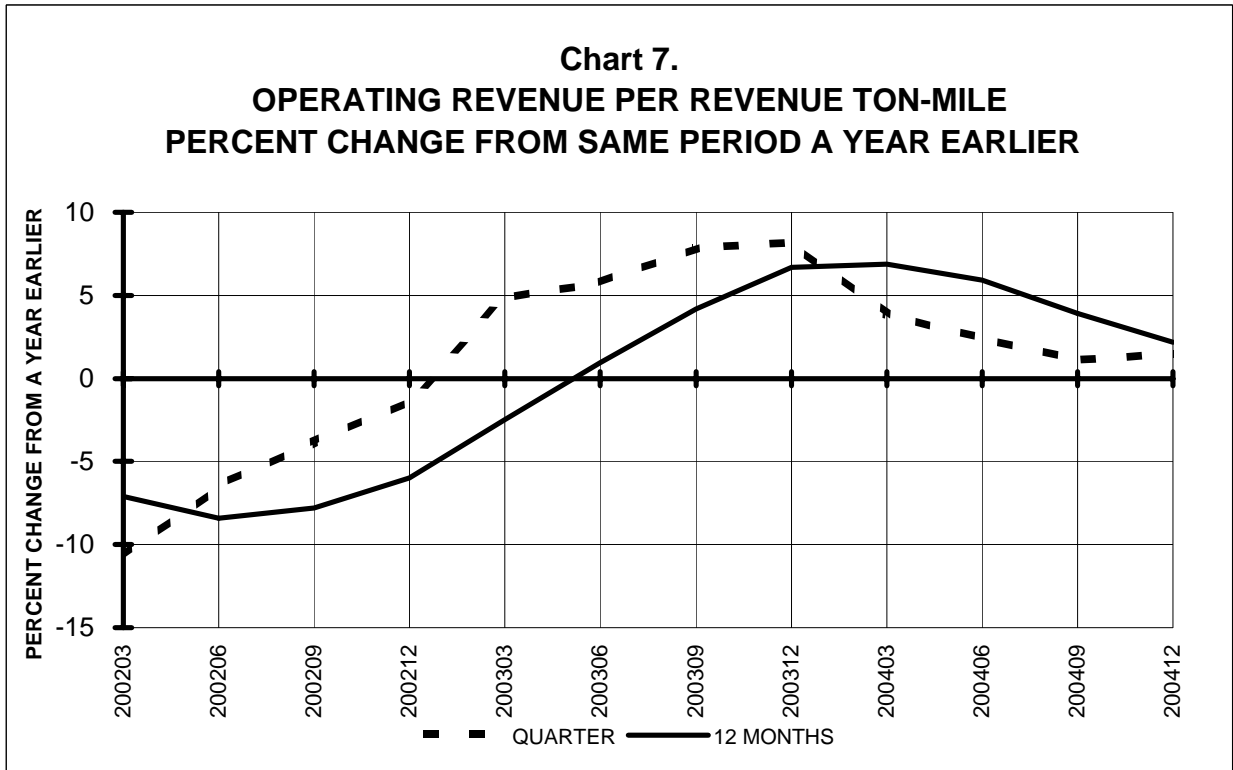
TOTAL ALL MAJORS (SYSTEM) BY QUARTER



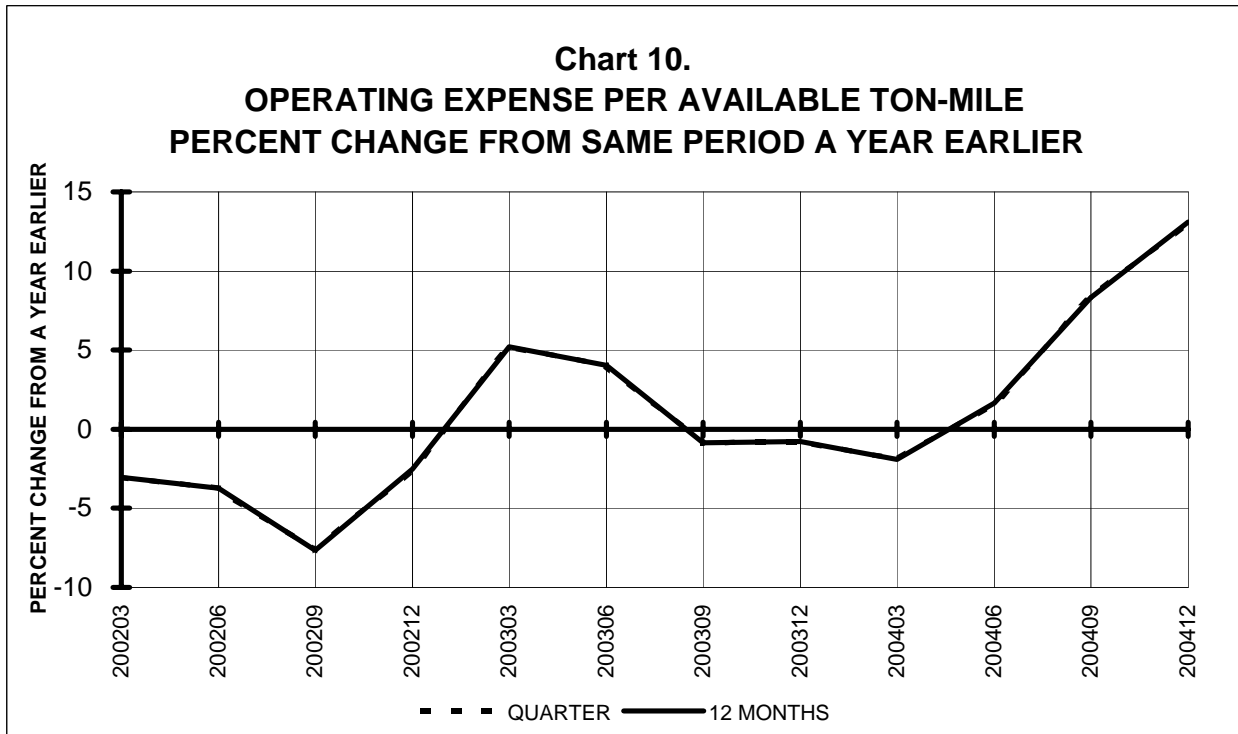
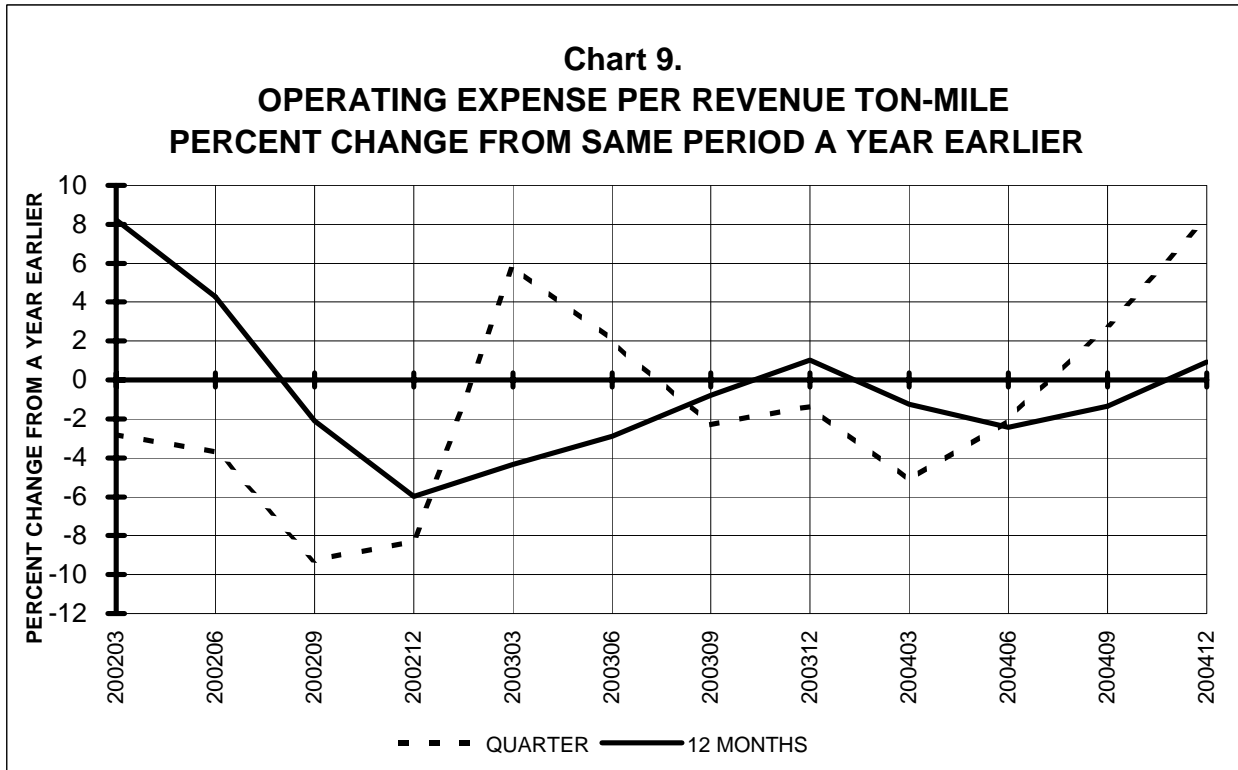
**TOTAL ALL MAJORS (SYSTEM)
BY 12-MONTH ENDING PERIODS**



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



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



QUARTERLY FINANCIAL & TRAFFIC REVIEW
SYSTEM OPERATIONS
System Passenger Majors

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2004/12	2003/12	2004/12	2004/09	2004/06	2004/03	2003/12
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	22,773.2	21,015.2	91,779.7	90,021.7	88,076.9	84,609.4	82,308.2
2	Operating Expenses	25,515.7	21,685.8	95,525.9	91,696.0	88,789.7	86,464.4	86,266.5
3	Operating Profit (Loss)	-2,742.5	-670.6	-3,746.2	-1,674.3	-712.8	-1,855.0	-3,958.2
4	Net Income (Loss)	-2,910.9	-481.1	-8,142.7	-5,712.9	-4,700.4	-2,342.1	-2,661.0
<u>TRAFFIC: (Billions)</u>								
5	RPMs - Scheduled Svc.	156.6	145.1	638.2	626.6	613.3	591.5	581.4
6	ASMs - Scheduled Svc.	209.9	198.4	839.5	828.0	815.5	795.0	786.9
7	Overall RTMs (All Svc.)	18.4	16.9	73.8	72.4	70.9	68.5	67.5
8	Overall ATMs (All Svc.)	32.0	30.2	127.5	125.7	124.0	121.0	119.9
<u>YIELD & UNIT COST & PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	124.0	124.1	124.3	124.4	124.3	123.5	122.0
10	Operating Expense per RTM	138.9	128.0	129.4	126.7	125.3	126.2	127.8
11	Operating Profit (Loss) per RTM	-14.9	-4.0	-5.1	-2.3	-1.0	-2.7	-5.9
12	Operating Expense per ATM	79.8	71.7	74.9	72.9	71.6	71.5	71.9
13	Passenger Revenue per RPM	11.16	11.74	11.37	11.51	11.61	11.61	11.55
<u>FINANCIAL RATIOS:</u>								
14	Operating Revenues to Total Investment	*	*	1.57	1.50	1.45	1.38	1.33
15	Times Interest Earned	*	*	-1.14	-0.48	-0.17	0.19	0.05
16	Current Assets to Current Liabilities	*	*	0.65	0.69	0.73	0.75	0.76
17	No. of Days Cash Coverage of Cash Exp.	*	*	57.1	62.5	69.8	73.2	73.0
<u>FINANCIAL PERCENTAGES:</u>								
18	Operating Profit (Loss) to Operating Revenue	-12.0	-3.2	-4.1	-1.9	-0.8	-2.2	-4.8
19	Net Income to Stockholders Equity	*	*	-380.6	-152.9	-98.3	-40.5	-40.8
20	Corporate Return on Investment	*	*	-8.5	-4.4	-2.8	1.1	0.6
21	Debt to Total Investment	*	*	104.4	98.1	96.3	93.0	90.9
<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>								
22	Actual	74.6	73.1	76.0	75.7	75.2	74.4	73.9
23	Breakeven	88.5	76.1	81.1	78.1	75.8	76.4	78.4
<u>Employment & Productivity:</u>								
24	Employment, Total Weighted Avg CY	362,932	370,202	367,744	369,563	367,988	374,540	383,995
25	Overall RTM's per Employee (000)	50.6	45.7	200.7	195.9	192.6	183.0	175.8

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	8.4	11.7	11.5	12.4	12.4	7.9	6.4
27	Operating Expenses (%)	17.7	-0.1	10.7	6.3	1.5	-2.1	-0.7
28	Operating Profit (Loss) (in Millions \$)	-2,071.9	2,228.7	212.0	4,512.6	8,449.4	8,095.9	5,613.8
29	Net Income (Loss)(in Millions \$)	-2,429.8	3,600.5	-5,481.6	548.6	3,890.4	7,875.0	8,830.5
30	RPMs (Sch. Svc.) (%)	8.0	2.6	9.8	8.5	5.9	0.5	-1.4
31	ASMs (Sch. Svc.) (%)	5.8	-1.1	6.7	4.9	1.7	-2.8	-3.7
32	Operating Revenues per RTM (%)	-0.1	10.5	2.0	4.5	7.2	8.3	8.5
33	Operating Expense per RTM (%)	8.5	-1.2	1.2	-1.2	-3.2	-1.8	1.2
34	Passenger Revenue per RPM (Sch. Svc.)(%)	-4.9	3.4	-1.6	0.4	2.4	2.3	1.7

QUARTERLY FINANCIAL & TRAFFIC REVIEW
SYSTEM OPERATIONS
Domestic Passenger Majors

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2004/12	2003/12	2004/12	2004/09	2004/06	2004/03	2003/12
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	17,114.8	16,066.2	68,824.8	67,776.2	66,748.4	64,689.4	63,062.6
2	Operating Expenses	19,551.9	16,891.2	73,440.7	70,780.0	68,916.9	67,347.4	66,926.3
3	Operating Profit (Loss)	-2,437.0	-825.0	-4,615.9	-3,003.8	-2,168.5	-2,658.1	-3,863.6
4	Net Income (Loss)	-2,428.5	-566.5	-7,829.5	-5,967.5	-5,096.5	-2,726.6	-2,102.1
<u>TRAFFIC: (Billions)</u>								
5	RPMs - Scheduled Svc.	113.1	105.5	461.3	453.8	445.7	434.7	428.4
6	ASMs - Scheduled Svc.	153.5	147.8	616.6	611.0	604.3	594.2	587.8
7	Overall RTMs (All Svc.)	12.1	11.3	49.1	48.4	47.6	46.5	45.9
8	Overall ATMs (All Svc.)	21.4	20.7	85.7	85.1	84.3	83.1	82.4
<u>YIELD & UNIT COST & PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	141.3	141.6	140.1	140.1	140.3	139.1	137.4
10	Operating Expense per RTM	161.4	148.9	149.4	146.3	144.8	144.8	145.8
11	Operating Profit (Loss) per RTM	-20.1	-7.3	-9.4	-6.2	-4.6	-5.7	-8.4
12	Operating Expense per ATM	91.5	81.6	85.7	83.2	81.7	81.0	81.3
13	Passenger Revenue per RPM	11.52	12.40	11.71	11.92	12.11	12.14	12.11
<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	-14.2	-5.1	-6.7	-4.4	-3.2	-4.1	-6.1
19	Net Income to Stockholders Equity	*	*	**	**	**	**	**
20	Corporate Return on Investment	*	*	-11.8	-7.8	-5.9	-0.9	0.4
21	Debt to Total Investment	*	*	**	**	**	**	**
<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>								
22	Actual	73.7	71.4	74.8	74.3	73.7	73.2	72.9
23	Breakeven	89.1	75.1	81.9	78.5	75.8	76.0	77.9
<u>Employment & Productivity:</u>								
24	Employment, Total Weighted Avg CY	*	*	**	**	**	**	**
25	Overall RTM's per Employee (000)	*	*	**	**	**	**	**

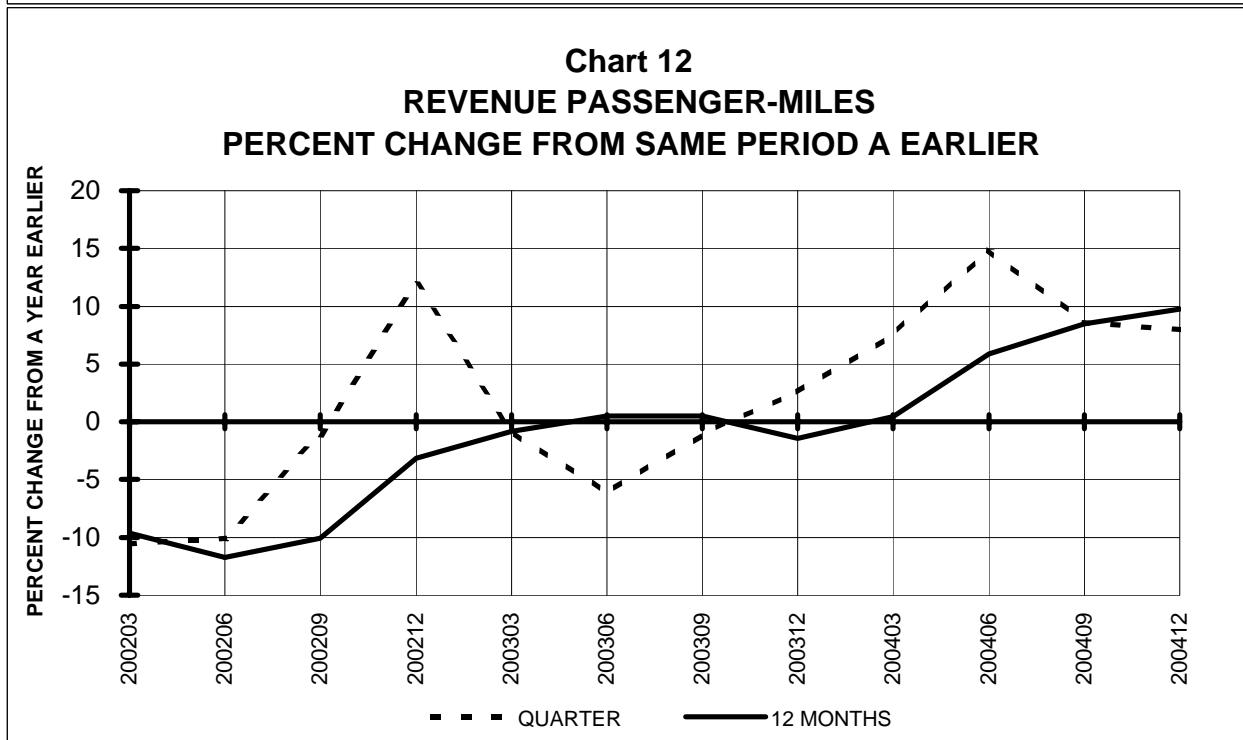
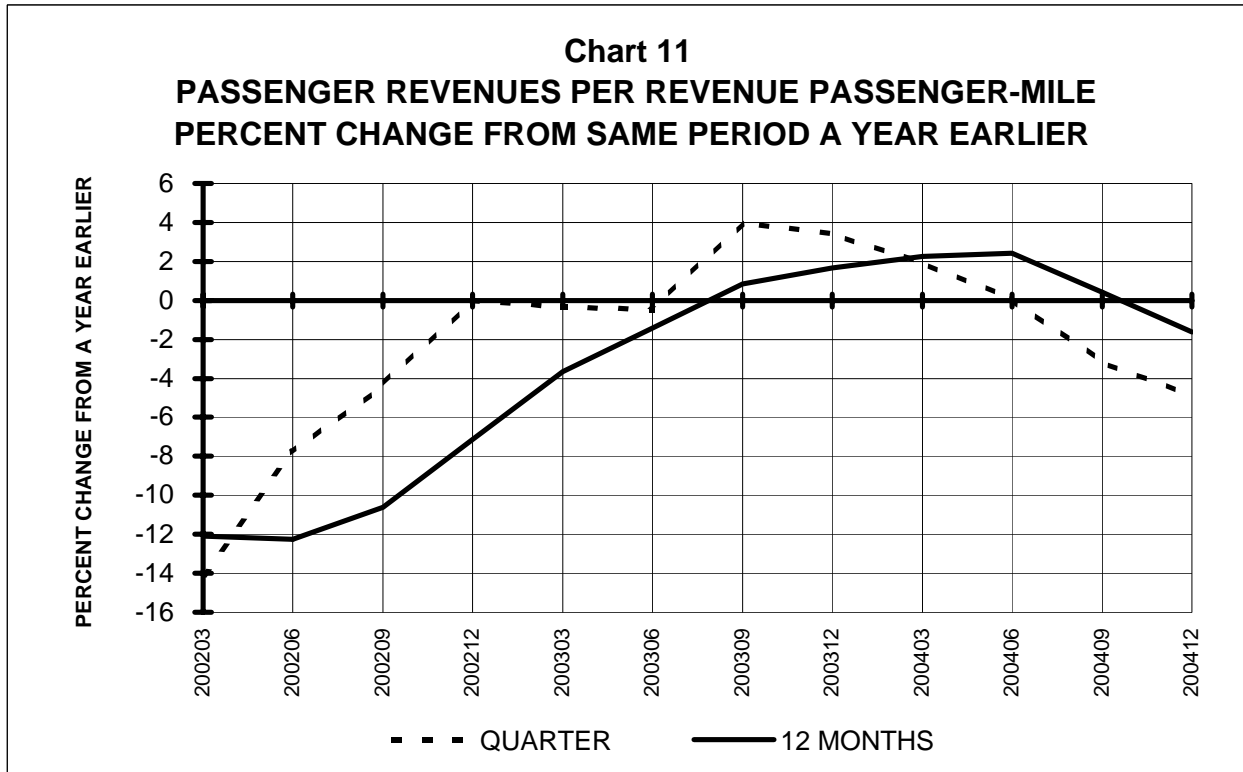
		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	6.5	13.1	9.1	10.7	12.3	9.6	8.1
27	Operating Expenses (%)	15.8	3.5	9.7	6.7	3.0	0.2	1.1
28	Operating Profit (Loss) (in Millions \$)	-1,612.1	1,276.0	-752.3	2,135.8	5,296.5	5,496.8	4,024.1
29	Net Income (Loss)(in Millions \$)	-1,862.0	2,435.1	-5,727.4	-1,430.3	1,155.6	4,985.5	7,126.2
30	RPMs (Sch. Svc.) (%)	7.1	2.8	7.7	6.6	4.7	1.6	0.1
31	ASMs (Sch. Svc.) (%)	3.8	-0.3	4.9	3.9	1.3	-1.9	-3.1
32	Operating Revenues per RTM (%)	-0.3	10.4	1.9	4.5	7.7	8.1	8.2
33	Operating Expense per RTM (%)	8.4	1.2	2.5	0.7	-1.2	-1.1	1.1
34	Passenger Revenue per RPM (Sch. Svc.)(%)	-7.1	3.2	-3.3	-0.8	2.0	1.8	1.2

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

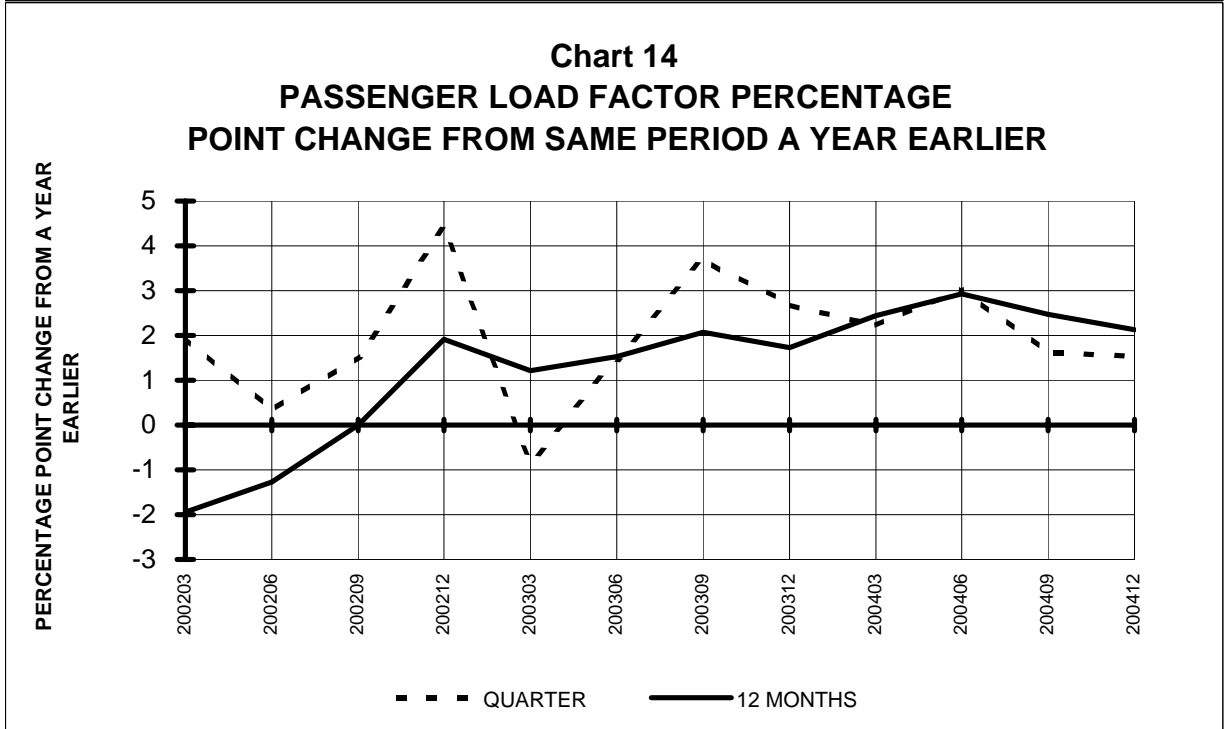
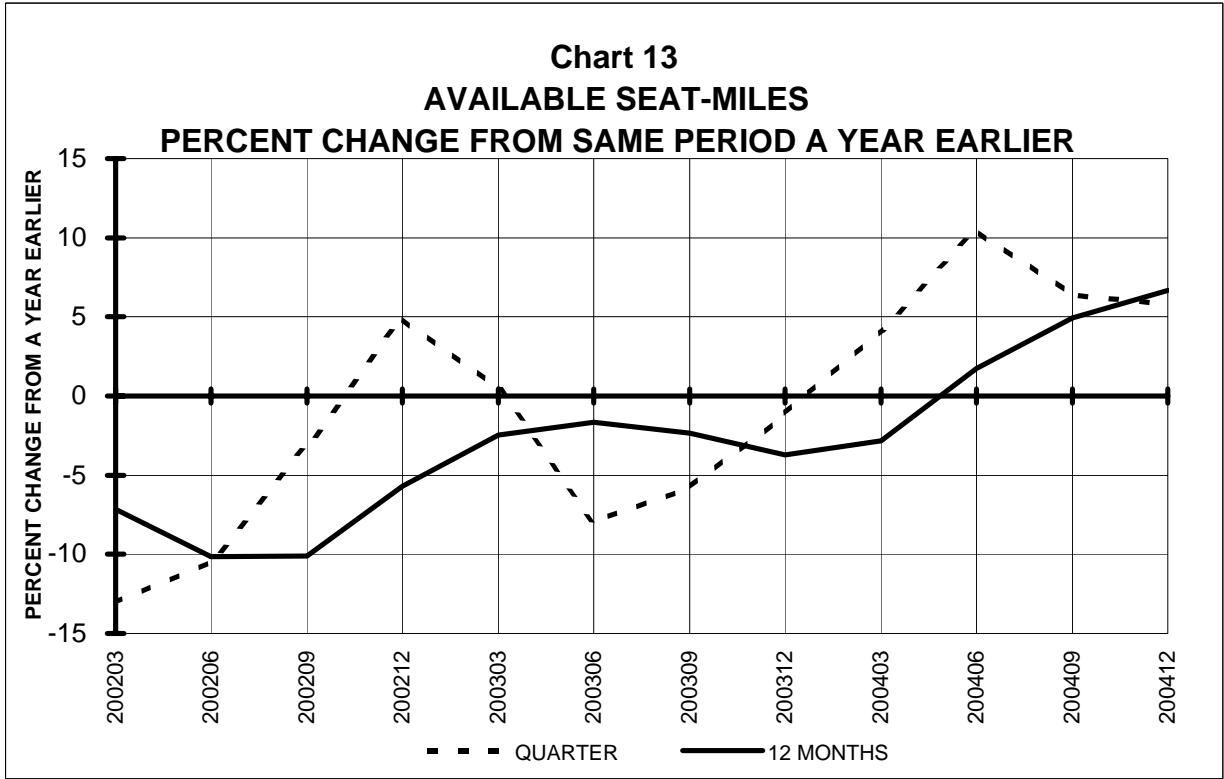
ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2004/12	2003/12	2004/12	2004/09	2004/06	2004/03	2003/12
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	5,658.4	4,949.0	22,928.4	22,219.0	21,176.4	19,920.0	19,245.6
2	Operating Expenses	5,963.8	4,794.6	22,065.5	20,896.3	19,760.5	19,117.0	19,340.2
3	Operating Profit (Loss)	-305.4	154.4	862.9	1,322.7	1,415.9	803.0	-94.6
4	Net Income (Loss)	-482.4	85.4	-317.3	250.5	367.7	384.5	-558.9
<u>TRAFFIC: (Billions)</u>								
5	RPMs - Scheduled Svc.	43.6	39.5	176.8	172.8	166.9	157.0	153.2
6	ASMs - Scheduled Svc.	56.4	50.6	222.9	217.0	210.2	201.0	199.4
7	Overall RTMs (All Svc.)	6.3	5.6	24.7	24.0	23.2	22.1	21.7
8	Overall ATMs (All Svc.)	10.6	9.5	41.7	40.7	39.5	37.9	37.6
<u>YIELD & UNIT COST & PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	90.5	88.5	92.9	92.5	91.2	90.3	88.7
10	Operating Expense per RTM	95.4	85.7	89.4	87.0	85.1	86.6	89.1
11	Operating Profit (Loss) per RTM	-4.9	2.8	3.5	5.5	6.1	3.6	-0.4
12	Operating Expense per ATM	56.1	50.3	52.9	51.4	50.0	50.4	51.4
13	Passenger Revenue per RPM	10.24	9.97	10.45	10.40	10.24	10.13	9.97
<u>FINANCIAL RATIOS:</u>								
14	Operating Revenues to Total Investment	*	*	**	**	**	**	**
15	Times Interest Earned	*	*	**	**	**	**	**
16	Current Assets to Current Liabilities	*	*	**	**	**	**	**
17	No. of Days Cash Coverage of Cash Exp.	*	*	**	**	**	**	**
<u>FINANCIAL PERCENTAGES:</u>								
18	Operating Profit (Loss) to Operating Revenue	-5.4	3.1	3.8	6.0	6.7	4.0	-0.5
19	Net Income to Stockholders Equity	*	*	**	**	**	**	**
20	Corporate Return on Investment	*	*	3.8	8.0	8.7	8.6	1.2
21	Debt to Total Investment	*	*	**	**	**	**	**
<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>								
22	Actual	77.3	78.1	79.3	79.6	79.4	78.1	76.8
23	Breakeven	86.3	78.4	78.1	76.1	75.2	76.8	79.8
<u>Employment & Productivity:</u>								
24	Employment, Total Weighted Avg CY	*	*	**	**	**	**	**
25	Overall RTM's per Employee (000)	*	*	**	**	**	**	**

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	14.3	7.6	19.1	17.6	12.0	2.9	1.2
27	Operating Expenses (%)	24.4	-11.2	14.1	4.8	-4.1	-9.6	-6.5
28	Operating Profit (Loss) (in Millions \$)	-459.8	952.7	957.5	2,370.0	3,113.1	2,599.1	1,589.7
29	Net Income (Loss)(in Millions \$)	-567.8	1,165.4	241.6	1,974.8	2,706.4	2,889.4	1,704.4
30	RPMs (Sch. Svc.) (%)	10.3	2.4	15.5	13.5	8.5	-2.5	-5.3
31	ASMs (Sch. Svc.) (%)	11.5	-3.4	11.8	7.9	2.5	-5.4	-5.4
32	Operating Revenues per RTM (%)	2.2	9.1	4.8	6.6	6.6	6.9	6.6
33	Operating Expense per RTM (%)	11.2	-10.0	0.3	-5.0	-8.7	-6.1	-1.6
34	Passenger Revenue per RPM (Sch. Svc.)(%)	2.8	4.0	4.8	5.3	4.0	3.0	2.0

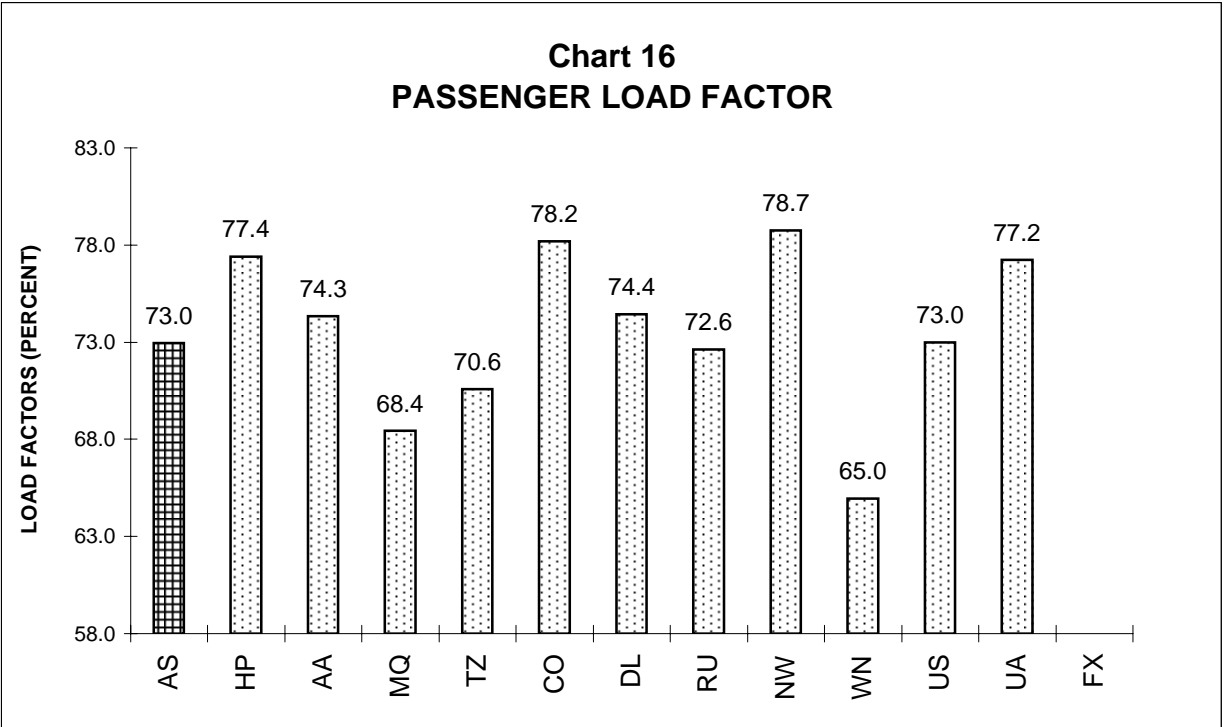
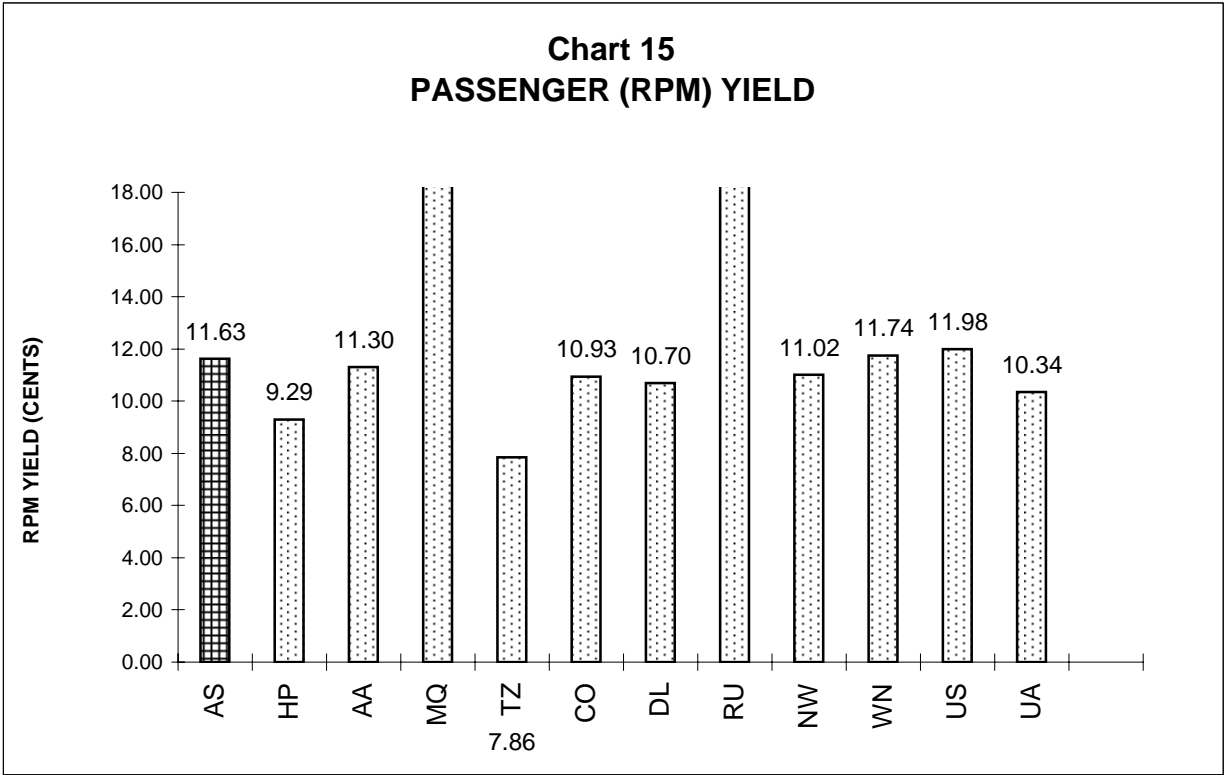
**TOTAL PASSENGER MAJORS (SYSTEM)
QUARTERLY AND 12-MONTH BASIS (SCH. SVC.)**



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



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



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

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2004/12	2003/12	2004/12	2004/09	2004/06	2004/03	2003/12
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	531.3	504.5	2,241.4	2,214.5	2,158.6	2,091.6	2,027.4
2	Operating Expenses	585.6	522.3	2,279.7	2,216.4	2,147.4	2,088.0	2,038.0
3	Operating Profit (Loss)	-54.3	-17.8	-38.3	-1.8	11.3	3.6	-10.6
4	Net Income (Loss)	-43.1	-18.2	-14.0	10.9	-25.7	13.7	3.0
<u>TRAFFIC: (Billions)</u>								
5	RPMs - Scheduled Svc.	4.0	3.6	16.2	15.9	15.4	15.0	14.6
6	ASMs - Scheduled Svc.	5.5	5.2	22.3	22.0	21.7	21.3	20.8
7	Overall RTMs (All Svc.)	0.4	0.4	1.7	1.7	1.6	1.6	1.5
8	Overall ATMs (All Svc.)	0.7	0.7	2.9	2.9	2.8	2.8	2.7
<u>YIELD & UNIT COST & PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	128.4	134.2	132.1	133.5	133.7	133.0	132.7
10	Operating Expense per RTM	141.5	138.9	134.4	133.6	133.0	132.8	133.4
11	Operating Profit (Loss) per RTM	-13.1	-4.7	-2.3	-0.1	0.7	0.2	-0.7
12	Operating Expense per ATM	81.4	77.6	77.7	76.7	75.9	75.7	75.5
13	Passenger Revenue per RPM	11.63	12.44	12.09	12.28	12.37	12.35	12.32
<u>FINANCIAL RATIOS:</u>								
14	Operating Revenues to Total Investment	*	*	1.39	1.35	1.32	1.29	1.28
15	Times Interest Earned	*	*	0.58	1.52	0.25	1.66	1.27
16	Current Assets to Current Liabilities	*	*	1.33	1.40	1.28	1.19	1.18
17	No. of Days Cash Coverage of Cash Exp.	*	*	148.2	153.4	156.1	154.2	154.5
<u>FINANCIAL PERCENTAGES:</u>								
18	Operating Profit (Loss) to Operating Revenue	-10.2	-3.5	-1.7	-0.1	0.5	0.2	-0.5
19	Net Income to Stockholders Equity	*	*	-2.0	1.6	-3.9	2.1	0.5
20	Corporate Return on Investment	*	*	1.9	3.4	1.1	3.6	3.0
21	Debt to Total Investment	*	*	55.7	54.2	57.9	60.1	58.0
<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>								
22	Actual	73.0	69.5	72.9	72.0	71.1	70.5	70.0
23	Breakeven	88.4	77.4	79.8	77.3	75.4	75.2	75.3
<u>Employment & Productivity:</u>								
24	Employment, Total Weighted Avg CY	9,453	9,940	9,887	10,009	10,015	9,529	9,591
25	Overall RTM's per Employee (000)	43.8	37.8	171.6	165.7	161.2	165.0	159.3

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	5.3	17.4	10.6	13.4	14.9	13.2	10.6
27	Operating Expenses (%)	12.1	8.2	11.9	10.9	9.2	7.2	6.5
28	Operating Profit (Loss) (in Millions \$)	-36.4	35.2	-27.7	43.9	99.7	103.9	70.2
29	Net Income (Loss)(in Millions \$)	-24.9	32.4	-17.0	40.2	26.0	105.6	78.0
30	RPMs (Sch. Svc.) (%)	10.1	14.0	11.5	12.4	12.9	12.3	10.5
31	ASMs (Sch. Svc.) (%)	4.9	9.1	7.0	8.0	9.1	8.6	7.6
32	Operating Revenues per RTM (%)	-4.3	3.7	-0.4	1.5	2.2	1.1	0.2
33	Operating Expense per RTM (%)	1.8	-4.4	0.8	-0.8	-2.9	-4.3	-3.5
34	Passenger Revenue per RPM (Sch. Svc.)(%)	-6.5	3.0	-1.9	0.4	1.6	0.7	0.0

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

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2004/12	2003/12	2004/12	2004/09	2004/06	2004/03	2003/12
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	613.6	556.2	2,481.5	2,424.0	2,390.5	2,311.8	2,223.3
2	Operating Expenses	651.0	546.5	2,505.8	2,401.3	2,293.5	2,222.6	2,199.5
3	Operating Profit (Loss)	-37.4	9.7	-24.2	22.8	97.0	89.2	23.9
4	Net Income (Loss)	-68.2	0.5	-105.9	-37.2	38.7	109.4	44.8
<u>TRAFFIC: (Billions)</u>								
5	RPMs - Scheduled Svc.	5.9	5.3	23.3	22.7	22.1	21.7	21.3
6	ASMs - Scheduled Svc.	7.6	7.0	30.1	29.5	29.0	28.4	27.8
7	Overall RTMs (All Svc.)	0.6	0.6	2.4	2.3	2.3	2.2	2.2
8	Overall ATMs (All Svc.)	1.0	0.9	4.0	4.0	3.9	3.8	3.7
<u>YIELD & UNIT COST & PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	100.6	101.9	103.3	103.7	104.9	103.1	101.1
10	Operating Expense per RTM	106.8	100.2	104.3	102.7	100.6	99.1	100.0
11	Operating Profit (Loss) per RTM	-6.1	1.8	-1.0	1.0	4.3	4.0	1.1
12	Operating Expense per ATM	63.9	58.3	62.0	60.7	59.1	58.4	59.0
13	Passenger Revenue per RPM	9.29	9.85	9.40	9.54	9.84	9.88	9.91
<u>FINANCIAL RATIOS:</u>								
14	Operating Revenues to Total Investment	*	*	2.19	2.11	2.10	2.10	2.06
15	Times Interest Earned	*	*	-0.22	0.58	1.44	2.25	1.52
16	Current Assets to Current Liabilities	*	*	0.93	0.97	1.08	1.12	1.22
17	No. of Days Cash Coverage of Cash Exp.	*	*	38.0	54.7	65.9	64.0	79.9
<u>FINANCIAL PERCENTAGES:</u>								
18	Operating Profit (Loss) to Operating Revenue	-6.1	1.7	-1.0	0.9	4.1	3.9	1.1
19	Net Income to Stockholders Equity	*	*	-29.7	-10.0	10.7	32.9	14.2
20	Corporate Return on Investment	*	*	-1.7	4.4	11.1	17.9	12.2
21	Debt to Total Investment	*	*	73.5	67.6	66.1	66.4	69.4
<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>								
22	Actual	77.4	75.5	77.4	76.9	76.4	76.6	76.4
23	Breakeven	86.9	76.8	81.7	79.2	75.6	75.9	78.3
<u>Employment & Productivity:</u>								
24	Employment, Total Weighted Avg CY	11,436	11,043	11,433	11,335	11,197	11,067	11,107
25	Overall RTM's per Employee (000)	53.3	49.4	210.2	206.3	203.6	202.6	198.0

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	10.3	7.6	11.6	11.0	13.1	11.1	10.0
27	Operating Expenses (%)	19.1	-1.6	13.9	8.7	3.0	0.6	0.7
28	Operating Profit (Loss) (in Millions \$)	-47.0	48.2	-48.1	47.1	210.5	217.8	188.0
29	Net Income (Loss)(in Millions \$)	-68.7	53.6	-150.6	-28.3	129.0	292.5	421.8
30	RPMs (Sch. Svc.) (%)	11.3	4.3	9.6	7.9	6.6	6.2	7.1
31	ASMs (Sch. Svc.) (%)	8.6	1.1	8.2	6.3	4.0	2.3	3.3
32	Operating Revenues per RTM (%)	-1.3	3.6	2.1	3.4	6.7	4.9	3.0
33	Operating Expense per RTM (%)	6.6	-5.3	4.2	1.3	-2.8	-5.0	-5.8
34	Passenger Revenue per RPM (Sch. Svc.)(%)	-5.7	1.3	-5.2	-3.5	1.4	1.9	2.5

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

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2004/12	2003/12	2004/12	2004/09	2004/06	2004/03	2003/12
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	4,530.6	4,383.4	18,607.6	18,460.3	18,303.5	17,798.6	17,403.3
2	Operating Expenses	4,956.7	4,688.9	19,028.6	18,760.8	18,415.3	18,364.6	18,847.3
3	Operating Profit (Loss)	-426.1	-305.5	-421.0	-300.4	-111.8	-566.0	-1,444.0
4	Net Income (Loss)	-400.5	-129.7	-821.0	-550.2	-348.6	-468.6	-1,318.5
<u>TRAFFIC: (Billions)</u>								
5	RPMs - Scheduled Svc.	31.9	29.6	130.0	127.7	125.7	122.5	120.0
6	ASMs - Scheduled Svc.	42.9	41.3	173.8	172.3	170.7	167.1	164.8
7	Overall RTMs (All Svc.)	3.8	3.5	15.2	14.9	14.7	14.3	14.0
8	Overall ATMs (All Svc.)	7.0	6.8	28.2	28.0	27.9	27.4	27.2
<u>YIELD & UNIT COST & PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	120.0	125.5	122.2	123.5	124.5	124.3	123.9
10	Operating Expense per RTM	131.2	134.3	125.0	125.6	125.2	128.3	134.2
11	Operating Profit (Loss) per RTM	-11.3	-8.7	-2.8	-2.0	-0.8	-4.0	-10.3
12	Operating Expense per ATM	71.3	69.1	67.6	67.0	66.1	67.0	69.4
13	Passenger Revenue per RPM	11.30	12.11	11.52	11.72	11.86	11.87	11.86
<u>FINANCIAL RATIOS:</u>								
14	Operating Revenues to Total Investment	*	*	1.69	1.67	1.65	1.60	1.53
15	Times Interest Earned	*	*	-0.60	-0.49	-0.04	-0.36	-2.55
16	Current Assets to Current Liabilities	*	*	0.71	0.75	0.76	0.77	0.72
17	No. of Days Cash Coverage of Cash Exp.	*	*	69.0	74.4	81.2	78.9	64.6
<u>FINANCIAL PERCENTAGES:</u>								
18	Operating Profit (Loss) to Operating Revenue	-9.4	-7.0	-2.3	-1.6	-0.6	-3.2	-8.3
19	Net Income to Stockholders Equity	*	*	-317.2	-226.9	-138.4	-152.0	-231.7
20	Corporate Return on Investment	*	*	-2.8	-1.1	0.7	-0.5	-8.1
21	Debt to Total Investment	*	*	101.0	98.3	96.2	96.0	96.9
<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>								
22	Actual	74.3	71.6	74.8	74.1	73.6	73.3	72.8
23	Breakeven	88.5	82.7	82.1	80.8	79.1	81.0	85.5
<u>Employment & Productivity:</u>								
24	Employment, Total Weighted Avg CY	78,056	79,571	78,981	79,360	79,861	81,974	85,559
25	Overall RTM's per Employee (000)	48.4	43.9	192.8	188.3	184.1	174.6	164.1

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	3.4	14.6	6.9	9.6	11.8	10.1	9.7
27	Operating Expenses (%)	5.7	3.4	1.0	0.4	-5.9	-6.6	-1.8
28	Operating Profit (Loss) (in Millions \$)	-120.6	402.9	1,023.0	1,546.5	3,082.1	2,927.6	1,868.9
29	Net Income (Loss)(in Millions \$)	-270.8	597.8	497.5	1,366.1	2,394.4	2,627.2	2,177.2
30	RPMs (Sch. Svc.) (%)	7.8	0.4	8.3	6.5	4.5	0.7	-1.4
31	ASMs (Sch. Svc.) (%)	3.8	-2.1	5.5	4.0	1.2	-2.9	-4.2
32	Operating Revenues per RTM (%)	-4.4	14.0	-1.4	2.9	7.0	9.3	10.8
33	Operating Expense per RTM (%)	-2.2	2.9	-6.9	-5.8	-9.9	-7.2	-0.8
34	Passenger Revenue per RPM (Sch. Svc.)(%)	-6.7	3.4	-2.9	-0.4	1.5	0.9	0.1

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

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2004/12	2003/12	2004/12	2004/09	2004/06	2004/03	2003/12
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	398.9	300.0	1,445.8	1,346.8	1,254.0	1,185.1	1,128.0
2	Operating Expenses	339.4	238.1	1,226.6	1,125.4	1,041.1	981.0	951.5
3	Operating Profit (Loss)	59.5	61.8	219.2	221.5	212.9	204.2	176.5
4	Net Income (Loss)	7.1	21.3	48.8	63.0	64.4	87.1	60.3
<u>TRAFFIC: (Billions)</u>								
5	RPMs - Scheduled Svc.	1.6	1.2	5.8	5.4	4.8	4.5	4.1
6	ASMs - Scheduled Svc.	2.3	1.8	8.5	7.9	7.2	6.8	6.4
7	Overall RTMs (All Svc.)	0.2	0.1	0.6	0.5	0.5	0.4	0.4
8	Overall ATMs (All Svc.)	0.3	0.2	1.0	1.0	0.9	0.8	0.8
<u>YIELD & UNIT COST & PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	250.8	257.4	248.5	249.7	258.8	266.4	272.6
10	Operating Expense per RTM	213.4	204.4	210.8	208.6	214.9	220.5	230.0
11	Operating Profit (Loss) per RTM	37.4	53.1	37.7	41.1	43.9	45.9	42.7
12	Operating Expense per ATM	121.0	112.1	119.7	117.6	119.6	120.9	124.7
13	Passenger Revenue per RPM	25.02	25.58	24.76	24.86	25.75	26.45	27.04
<u>FINANCIAL RATIOS:</u>								
14	Operating Revenues to Total Investment	*	*	0.39	0.38	0.37	0.37	0.36
15	Times Interest Earned	*	*	1.33	1.47	1.51	1.80	1.56
16	Current Assets to Current Liabilities	*	*	0.47	0.24	0.33	0.13	0.17
17	No. of Days Cash Coverage of Cash Exp.	*	*	0.0	0.0	0.0	0.0	0.0
<u>FINANCIAL PERCENTAGES:</u>								
18	Operating Profit (Loss) to Operating Revenue	14.9	20.6	15.2	16.4	17.0	17.2	15.6
19	Net Income to Stockholders Equity	*	*	41.4	64.3	83.2	173.4	206.2
20	Corporate Return on Investment	*	*	4.7	5.2	5.2	6.1	5.4
21	Debt to Total Investment	*	*	96.5	96.5	96.7	97.0	97.3
<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>								
22	Actual	68.4	66.1	68.5	68.0	67.1	65.9	64.9
23	Breakeven	57.1	50.8	57.0	55.5	54.3	53.2	53.5
<u>Employment & Productivity:</u>								
24	Employment, Total Weighted Avg CY	9,088	7,676	8,551	8,198	7,800	7,608	7,559
25	Overall RTM's per Employee (000)	17.5	15.2	68.0	65.8	62.1	58.5	54.7

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	33.0	2.7	28.2	20.3	8.2	-1.2	-5.9
27	Operating Expenses (%)	42.5	-10.8	28.9	14.8	-8.3	-18.5	-23.8
28	Operating Profit (Loss) (in Millions \$)	-2.3	36.9	42.7	81.9	189.8	208.4	226.7
29	Net Income (Loss)(in Millions \$)	-14.2	27.5	-11.5	30.2	110.0	184.7	178.8
30	RPMs (Sch. Svc.) (%)	36.5	24.1	40.7	38.0	25.8	18.5	12.6
31	ASMs (Sch. Svc.) (%)	31.7	18.1	33.2	29.9	18.9	13.8	9.5
32	Operating Revenues per RTM (%)	-2.6	-17.1	-8.9	-12.8	-13.7	-16.3	-16.1
33	Operating Expense per RTM (%)	4.4	-28.1	-8.3	-16.7	-26.9	-30.9	-32.0
34	Passenger Revenue per RPM (Sch. Svc.)(%)	-2.2	-14.1	-8.4	-11.6	-11.8	-14.2	-13.5

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

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2004/12	2003/12	2004/12	2004/09	2004/06	2004/03	2003/12
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	324.5	336.5	1,414.3	1,426.3	1,412.9	1,410.8	1,398.4
2	Operating Expenses	816.0	354.0	1,971.5	1,509.5	1,452.2	1,420.4	1,384.2
3	Operating Profit (Loss)	-491.5	-17.5	-557.2	-83.2	-39.4	-9.6	14.2
4	Net Income (Loss)	-494.9	-16.1	-624.4	-145.6	-108.4	-39.5	13.2
<u>TRAFFIC: (Billions)</u>								
5	RPMs - Scheduled Svc.	2.8	2.9	12.5	12.7	12.5	12.2	11.6
6	ASMs - Scheduled Svc.	3.9	4.4	17.2	17.6	17.5	17.0	16.0
7	Overall RTMs (All Svc.)	0.3	0.4	1.5	1.5	1.5	1.4	1.3
8	Overall ATMs (All Svc.)	0.6	0.7	2.7	2.7	2.6	2.5	2.3
<u>YIELD & UNIT COST & PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	96.7	94.3	94.9	94.3	94.9	98.9	104.3
10	Operating Expense per RTM	243.1	99.2	132.2	99.8	97.6	99.6	103.3
11	Operating Profit (Loss) per RTM	-146.4	-4.9	-37.4	-5.5	-2.6	-0.7	1.1
12	Operating Expense per ATM	129.7	53.2	74.3	56.1	54.9	57.0	60.5
13	Passenger Revenue per RPM	7.86	8.58	8.13	8.29	8.48	8.54	8.67
<u>FINANCIAL RATIOS:</u>								
14	Operating Revenues to Total Investment	*	*	24.63	5.83	4.15	3.95	3.78
15	Times Interest Earned	*	*	-14.01	-2.26	-1.39	0.02	1.19
16	Current Assets to Current Liabilities	*	*	0.01	-0.11	0.70	0.74	0.82
17	No. of Days Cash Coverage of Cash Exp.	*	*	27.1	15.0	40.0	36.4	45.3
<u>FINANCIAL PERCENTAGES:</u>								
18	Operating Profit (Loss) to Operating Revenue	-151.5	-5.2	-39.4	-5.8	-2.8	-0.7	1.0
19	Net Income to Stockholders Equity	*	*					
20	Corporate Return on Investment	*	*	-1,015.0	-39.7	-18.0	1.6	15.3
21	Debt to Total Investment	*	*	-37.7	-190.6	186.2	166.4	136.7
<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>								
22	Actual	70.6	66.7	73.1	72.1	71.3	71.4	72.3
23	Breakeven	248.8	71.9	117.5	78.4	74.3	72.2	71.2
<u>Employment & Productivity:</u>								
24	Employment, Total Weighted Avg CY	6,078	7,439	6,645	6,985	7,204	7,321	7,328
25	Overall RTM's per Employee (000)	55.2	48.0	224.4	216.5	206.6	194.8	182.9

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	-3.6	21.0	1.1	6.4	11.2	17.6	21.6
27	Operating Expenses (%)	130.5	10.0	42.4	11.6	7.4	5.1	7.2
28	Operating Profit (Loss) (in Millions \$)	-474.0	26.2	-571.3	-71.2	42.5	142.5	154.9
29	Net Income (Loss)(in Millions \$)	-478.8	36.3	-637.6	-122.4	-18.4	145.1	182.6
30	RPMs (Sch. Svc.) (%)	-5.0	22.9	8.1	14.6	19.7	23.8	23.3
31	ASMs (Sch. Svc.) (%)	-10.3	24.7	6.9	15.9	21.9	25.4	24.4
32	Operating Revenues per RTM (%)	2.6	-1.0	-9.1	-10.2	-10.0	-2.6	8.5
33	Operating Expense per RTM (%)	145.1	-9.9	28.0	-5.8	-13.1	-13.0	-4.3
34	Passenger Revenue per RPM (Sch. Svc.)(%)	-8.5	0.2	-6.2	-4.3	-1.6	-1.5	-0.5

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

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2004/12	2003/12	2004/12	2004/09	2004/06	2004/03	2003/12
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	2,347.7	1,842.7	8,357.7	7,852.7	7,684.0	7,487.9	7,333.4
2	Operating Expenses	2,513.3	1,853.7	8,480.3	7,820.6	7,601.8	7,266.6	7,303.7
3	Operating Profit (Loss)	-165.7	-11.0	-122.6	32.1	82.3	221.3	29.7
4	Net Income (Loss)	-205.8	47.1	-363.0	-110.1	39.2	134.9	38.2
<u>TRAFFIC: (Billions)</u>								
5	RPMs - Scheduled Svc.	15.7	14.2	63.2	61.7	60.2	58.2	56.9
6	ASMs - Scheduled Svc.	20.0	18.8	81.2	80.0	78.5	76.1	75.0
7	Overall RTMs (All Svc.)	1.8	1.7	7.3	7.1	7.0	6.8	6.6
8	Overall ATMs (All Svc.)	2.8	2.5	11.2	10.9	10.7	10.4	10.2
<u>YIELD & UNIT COST & PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	128.2	111.5	114.3	110.1	110.3	110.8	110.7
10	Operating Expense per RTM	137.3	112.2	116.0	109.6	109.1	107.5	110.3
11	Operating Profit (Loss) per RTM	-9.0	-0.7	-1.7	0.4	1.2	3.3	0.4
12	Operating Expense per ATM	89.3	73.0	75.6	71.5	71.3	70.2	71.8
13	Passenger Revenue per RPM	10.93	11.43	11.19	11.32	11.39	11.44	11.52
<u>FINANCIAL RATIOS:</u>								
14	Operating Revenues to Total Investment	*	*	1.27	1.17	1.15	1.14	1.13
15	Times Interest Earned	*	*	-0.22	0.53	1.21	1.68	1.28
16	Current Assets to Current Liabilities	*	*	0.85	0.95	0.90	0.87	0.91
17	No. of Days Cash Coverage of Cash Exp.	*	*	75.3	85.0	94.6	84.2	84.6
<u>FINANCIAL PERCENTAGES:</u>								
18	Operating Profit (Loss) to Operating Revenue	-7.1	-0.6	-1.5	0.4	1.1	3.0	0.4
19	Net Income to Stockholders Equity	*	*	-58.6	-15.3	5.5	19.8	5.4
20	Corporate Return on Investment	*	*	0.2	3.9	6.0	7.4	5.8
21	Debt to Total Investment	*	*	95.6	89.5	89.9	90.0	88.3
<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>								
22	Actual	78.2	75.6	77.8	77.2	76.8	76.5	75.9
23	Breakeven	87.5	78.6	82.0	79.9	78.2	75.4	75.6
<u>Employment & Productivity:</u>								
24	Employment, Total Weighted Avg CY	33,536	34,230	34,372	34,546	34,514	34,574	34,927
25	Overall RTM's per Employee (000)	54.6	48.3	212.7	206.5	201.8	195.5	189.7

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	27.4	4.2	14.0	8.2	6.0	2.1	-0.3
27	Operating Expenses (%)	35.6	-0.3	16.1	7.0	2.4	-7.5	-6.8
28	Operating Profit (Loss) (in Millions \$)	-154.7	79.9	-152.3	82.3	255.0	742.3	510.4
29	Net Income (Loss)(in Millions \$)	-252.9	155.7	-401.1	7.5	327.2	640.5	489.2
30	RPMs (Sch. Svc.) (%)	10.3	5.7	11.1	10.0	8.3	3.3	-0.2
31	ASMs (Sch. Svc.) (%)	6.7	-0.1	8.3	6.6	3.8	-1.0	-2.4
32	Operating Revenues per RTM (%)	15.0	-0.3	3.2	-0.6	-0.9	-0.8	-0.8
33	Operating Expense per RTM (%)	22.4	-4.6	5.2	-1.7	-4.3	-10.2	-7.3
34	Passenger Revenue per RPM (Sch. Svc.)(%)	-4.4	-2.2	-2.9	-2.4	-1.9	-1.6	-0.2

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

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2004/12	2003/12	2004/12	2004/09	2004/06	2004/03	2003/12
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	3,675.0	3,647.1	15,154.5	15,126.6	14,898.1	14,422.2	14,203.0
2	Operating Expenses	4,279.0	3,849.8	16,767.2	16,338.0	15,847.1	15,478.3	15,360.2
3	Operating Profit (Loss)	-604.0	-202.7	-1,612.7	-1,211.4	-949.0	-1,056.1	-1,157.2
4	Net Income (Loss)	-339.6	-356.1	-3,362.2	-3,378.6	-2,913.7	-811.3	-895.6
<u>TRAFFIC: (Billions)</u>								
5	RPMs - Scheduled Svc.	24.3	22.6	98.0	96.3	93.9	90.0	89.2
6	ASMs - Scheduled Svc.	32.6	30.7	129.5	127.6	124.8	120.3	119.9
7	Overall RTMs (All Svc.)	2.8	2.6	11.3	11.1	10.8	10.4	10.3
8	Overall ATMs (All Svc.)	5.0	4.7	19.8	19.6	19.3	18.6	18.6
<u>YIELD & UNIT COST & PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	130.6	139.2	134.7	136.8	137.9	139.1	138.0
10	Operating Expense per RTM	152.1	147.0	149.0	147.7	146.7	149.3	149.2
11	Operating Profit (Loss) per RTM	-21.5	-7.7	-14.3	-11.0	-8.8	-10.2	-11.2
12	Operating Expense per ATM	86.0	81.3	84.6	83.5	82.3	83.2	82.5
13	Passenger Revenue per RPM	10.70	11.59	11.04	11.25	11.42	11.50	11.52
<u>FINANCIAL RATIOS:</u>								
14	Operating Revenues to Total Investment	*	*	1.77	1.64	1.48	1.35	1.31
15	Times Interest Earned	*	*	-1.89	-2.11	-1.67	-0.77	-0.89
16	Current Assets to Current Liabilities	*	*	0.65	0.61	0.64	0.74	0.81
17	No. of Days Cash Coverage of Cash Exp.	*	*	37.5	29.2	35.9	41.8	53.8
<u>FINANCIAL PERCENTAGES:</u>								
18	Operating Profit (Loss) to Operating Revenue	-16.4	-5.6	-10.6	-8.0	-6.4	-7.3	-8.1
19	Net Income to Stockholders Equity	*	*				-362.3	-145.8
20	Corporate Return on Investment	*	*	-30.5	-28.7	-21.8	-0.9	-1.5
21	Debt to Total Investment	*	*	146.1	145.7	134.4	107.7	105.0
<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>								
22	Actual	74.4	73.5	75.7	75.5	75.2	74.8	74.3
23	Breakeven	93.3	65.1	80.8	73.9	67.9	68.6	69.5
<u>Employment & Productivity:</u>								
24	Employment, Total Weighted Avg CY	56,880	58,624	57,682	58,118	58,417	58,552	59,526
25	Overall RTM's per Employee (000)	49.5	44.7	195.1	190.3	184.9	177.1	172.9

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	0.8	18.7	6.7	11.0	13.4	12.4	14.4
27	Operating Expenses (%)	11.1	16.1	9.2	10.2	10.1	10.6	14.2
28	Operating Profit (Loss) (in Millions \$)	-401.3	41.9	-455.6	-12.4	317.4	96.8	-121.8
29	Net Income (Loss)(in Millions \$)	16.5	-4.9	-2,466.6	-2,487.9	-1,873.6	561.7	399.4
30	RPMs (Sch. Svc.) (%)	7.6	1.8	10.0	8.5	3.9	-3.5	-5.4
31	ASMs (Sch. Svc.) (%)	6.2	-0.5	8.0	6.2	1.0	-6.4	-7.8
32	Operating Revenues per RTM (%)	-6.2	17.4	-2.4	3.0	9.7	16.9	21.0
33	Operating Expense per RTM (%)	3.5	14.8	-0.2	2.3	6.5	15.2	20.8
34	Passenger Revenue per RPM (Sch. Svc.)(%)	-7.7	-2.5	-4.2	-2.9	-0.4	0.4	0.9

QUARTERLY FINANCIAL & TRAFFIC REVIEW
SYSTEM OPERATIONS
Express One 1/

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2004/12	2003/12	2004/12	2004/09	2004/06	2004/03	2003/12
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	387.0	340.9	1,507.5	1,461.5	1,482.3	1,368.9	1,311.4
2	Operating Expenses	332.0	294.4	1,302.1	1,264.5	1,273.4	1,184.7	1,132.5
3	Operating Profit (Loss)	55.0	46.6	205.4	197.0	208.8	184.2	178.9
4	Net Income (Loss)	33.6	27.9	122.8	117.0	126.2	111.0	108.0
<u>TRAFFIC: (Billions)</u>								
5	RPMs - Scheduled Svc.	2.0	1.6	7.3	6.9	6.9	6.2	5.8
6	ASMs - Scheduled Svc.	2.7	2.3	10.2	9.8	9.9	9.1	8.4
7	Overall RTMs (All Svc.)	0.2	0.2	0.7	0.7	0.7	0.6	0.6
8	Overall ATMs (All Svc.)	0.3	0.3	1.2	1.2	1.2	1.1	1.0
<u>YIELD & UNIT COST & PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	195.7	208.4	206.5	210.0	215.0	218.9	226.7
10	Operating Expense per RTM	167.9	179.9	178.3	181.7	184.7	189.4	195.8
11	Operating Profit (Loss) per RTM	27.8	28.5	28.1	28.3	30.3	29.5	30.9
12	Operating Expense per ATM	101.0	104.8	105.3	106.4	106.6	107.8	110.8
13	Passenger Revenue per RPM	19.63	20.91	20.72	21.07	21.57	21.94	22.70
<u>FINANCIAL RATIOS:</u>								
14	Operating Revenues to Total Investment	*	*	4.89	4.69	4.65	3.74	4.34
15	Times Interest Earned	*	*	18.59	17.03	18.16	19.16	20.56
16	Current Assets to Current Liabilities	*	*	1.17	1.05	1.04	1.09	0.95
17	No. of Days Cash Coverage of Cash Exp.	*	*	55.3	48.4	63.0	64.4	57.4
<u>FINANCIAL PERCENTAGES:</u>								
18	Operating Profit (Loss) to Operating Revenue	14.2	13.7	13.6	13.5	14.1	13.5	13.6
19	Net Income to Stockholders Equity	*	*					0.0
20	Corporate Return on Investment	*	*	43.5	41.4	43.2	33.0	38.7
21	Debt to Total Investment	*	*	138.3	155.6	155.9	165.5	130.2
<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>								
22	Actual	72.6	70.4	71.3	70.7	69.7	68.8	68.5
23	Breakeven	61.1	59.7	60.5	60.1	58.8	58.5	58.1
<u>Employment & Productivity:</u>								
24	Employment, Total Weighted Avg CY	6,336	5,667	6,146	5,979	2,922	5,712	5,598
25	Overall RTM's per Employee (000)	31.2	28.9	118.8	116.4	235.9	109.5	103.3

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	13.5	0.0	15.0	50.6	136.5	346.5	0.0
27	Operating Expenses (%)	12.8	0.0	15.0	50.9	135.2	350.1	0.0
28	Operating Profit (Loss) (in Millions \$)	8.5	0.0	26.5	64.6	123.4	140.8	0.0
29	Net Income (Loss)(in Millions \$)	5.7	0.0	14.8	36.9	73.9	85.2	0.0
30	RPMs (Sch. Svc.) (%)	20.9	0.0	26.1	32.9	47.7	48.6	0.0
31	ASMs (Sch. Svc.) (%)	17.1	0.0	21.1	26.1	38.8	38.0	0.0
32	Operating Revenues per RTM (%)	-6.1	0.0	-8.9	13.1	59.7	200.0	0.0
33	Operating Expense per RTM (%)	-6.7	0.0	-8.9	13.3	58.8	202.4	0.0
34	Passenger Revenue per RPM (Sch. Svc.)(%)	-6.1	0.0	-8.8	13.4	60.2	200.6	0.0

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

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2004/12	2003/12	2004/12	2004/09	2004/06	2004/03	2003/12
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	2,767.8	2,347.5	11,265.6	10,845.4	10,257.4	9,613.5	9,183.8
2	Operating Expenses	3,182.8	2,361.7	11,699.6	10,878.5	10,239.6	9,667.7	9,460.4
3	Operating Profit (Loss)	-415.1	-14.2	-434.0	-33.2	17.8	-54.2	-276.5
4	Net Income (Loss)	-417.6	595.3	-757.3	255.6	330.2	662.1	478.1
<u>TRAFFIC: (Billions)</u>								
5	RPMs - Scheduled Svc.	18.1	16.6	73.3	71.8	71.0	68.6	68.5
6	ASMs - Scheduled Svc.	23.0	21.4	91.4	89.8	89.2	87.9	88.6
7	Overall RTMs (All Svc.)	2.5	2.3	9.7	9.5	9.4	9.1	9.1
8	Overall ATMs (All Svc.)	3.9	3.6	15.1	14.8	14.7	14.5	14.6
<u>YIELD & UNIT COST & PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	112.9	104.3	116.4	114.4	109.2	105.4	101.4
10	Operating Expense per RTM	129.8	105.0	120.9	114.8	109.0	105.9	104.4
11	Operating Profit (Loss) per RTM	-16.9	-0.6	-4.5	-0.3	0.2	-0.6	-3.1
12	Operating Expense per ATM	82.3	66.0	77.4	73.4	69.5	66.6	64.9
13	Passenger Revenue per RPM	11.02	11.58	11.50	11.64	11.50	11.38	11.13
<u>FINANCIAL RATIOS:</u>								
14	Operating Revenues to Total Investment	*	*	1.03	1.00	0.97	0.95	0.94
15	Times Interest Earned	*	*	-0.53	1.54	1.72	2.44	2.00
16	Current Assets to Current Liabilities	*	*	0.80	0.86	0.89	0.92	0.88
17	No. of Days Cash Coverage of Cash Exp.	*	*	84.7	90.6	108.2	119.2	113.2
<u>FINANCIAL PERCENTAGES:</u>								
18	Operating Profit (Loss) to Operating Revenue	-15.0	-0.6	-3.9	-0.3	0.2	-0.6	-3.0
19	Net Income to Stockholders Equity	*	*	-24.7	8.3	11.0	24.0	18.1
20	Corporate Return on Investment	*	*	-2.4	6.7	7.5	11.1	9.5
21	Debt to Total Investment	*	*	77.0	71.8	71.4	71.0	69.1
<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>								
22	Actual	78.7	77.7	80.2	80.0	79.6	78.1	77.3
23	Breakeven	99.6	83.1	88.1	84.2	82.7	82.0	84.1
<u>Employment & Productivity:</u>								
24	Employment, Total Weighted Avg CY	37,962	38,061	38,219	38,244	38,332	38,443	39,407
25	Overall RTM's per Employee (000)	64.6	59.1	253.2	247.8	245.1	237.4	229.9

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	17.9	3.7	22.7	19.2	12.3	4.1	0.4
27	Operating Expenses (%)	34.8	-16.4	23.7	9.6	1.5	-4.8	-4.8
28	Operating Profit (Loss) (in Millions \$)	-400.8	544.9	-157.5	788.3	965.8	863.1	506.9
29	Net Income (Loss)(in Millions \$)	-1,012.9	1,036.2	-1,235.4	813.7	996.9	1,652.7	1,244.5
30	RPMs (Sch. Svc.) (%)	8.9	-3.1	7.1	4.1	1.7	-4.8	-4.9
31	ASMs (Sch. Svc.) (%)	7.4	-7.2	3.1	-0.5	-3.0	-6.7	-5.2
32	Operating Revenues per RTM (%)	8.2	7.4	14.8	15.0	10.0	7.8	4.5
33	Operating Expense per RTM (%)	23.7	-13.3	15.8	5.8	-0.5	-1.4	-0.8
34	Passenger Revenue per RPM (Sch. Svc.)(%)	-4.9	7.1	3.4	6.4	5.5	5.5	3.3

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

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2004/12	2003/12	2004/12	2004/09	2004/06	2004/03	2003/12
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	1,655.0	1,516.9	6,529.6	6,391.6	6,270.6	6,069.4	5,936.7
2	Operating Expenses	1,535.9	1,406.0	5,976.0	5,846.1	5,731.1	5,586.4	5,454.6
3	Operating Profit (Loss)	119.0	110.9	553.6	545.5	539.5	483.0	482.1
4	Net Income (Loss)	55.5	65.8	313.4	323.6	310.5	443.6	441.6
<u>TRAFFIC: (Billions)</u>								
5	RPMs - Scheduled Svc.	13.1	11.7	53.4	51.9	50.6	48.8	47.9
6	ASMs - Scheduled Svc.	20.2	18.3	76.9	74.9	73.7	72.8	71.8
7	Overall RTMs (All Svc.)	1.4	1.2	5.5	5.4	5.2	5.0	4.9
8	Overall ATMs (All Svc.)	2.7	2.5	10.4	10.2	10.0	9.9	9.8
<u>YIELD & UNIT COST & PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	120.8	125.7	117.9	119.0	119.9	120.4	120.1
10	Operating Expense per RTM	112.1	116.5	107.9	108.8	109.6	110.8	110.3
11	Operating Profit (Loss) per RTM	8.7	9.2	10.0	10.2	10.3	9.6	9.7
12	Operating Expense per ATM	56.0	56.5	57.2	57.4	57.2	56.4	55.8
13	Passenger Revenue per RPM	11.74	12.27	11.45	11.56	11.67	11.72	11.71
<u>FINANCIAL RATIOS:</u>								
14	Operating Revenues to Total Investment	*	*	0.94	0.94	0.95	0.94	0.93
15	Times Interest Earned	*	*	11.03	12.98	12.27	16.14	13.35
16	Current Assets to Current Liabilities	*	*	1.01	1.19	1.07	1.10	1.34
17	No. of Days Cash Coverage of Cash Exp.	*	*	86.5	126.3	121.3	128.2	134.3
<u>FINANCIAL PERCENTAGES:</u>								
18	Operating Profit (Loss) to Operating Revenue	7.2	7.3	8.5	8.5	8.6	8.0	8.1
19	Net Income to Stockholders Equity	*	*	5.9	6.3	6.2	9.2	9.4
20	Corporate Return on Investment	*	*	5.2	5.4	5.4	7.6	7.9
21	Debt to Total Investment	*	*	25.0	25.9	22.9	23.9	23.3
<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>								
22	Actual	65.0	63.8	69.5	69.3	68.7	67.1	66.8
23	Breakeven	59.4	58.2	62.5	62.3	61.7	60.8	60.4
<u>Employment & Productivity:</u>								
24	Employment, Total Weighted Avg CY	31,063	32,742	31,364	31,784	32,212	32,599	32,972
25	Overall RTM's per Employee (000)	44.1	36.9	176.5	169.0	162.3	154.7	150.0

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	9.1	8.3	10.0	9.8	10.8	8.1	7.5
27	Operating Expenses (%)	9.2	7.1	9.6	9.0	8.3	7.4	6.9
28	Operating Profit (Loss) (in Millions \$)	8.1	23.4	71.5	86.7	174.8	69.6	64.5
29	Net Income (Loss)(in Millions \$)	-10.3	23.4	-128.3	-94.6	-76.5	200.1	200.7
30	RPMs (Sch. Svc.) (%)	12.6	5.2	11.4	9.7	9.0	6.4	5.6
31	ASMs (Sch. Svc.) (%)	10.5	4.0	7.1	5.4	4.5	4.3	4.2
32	Operating Revenues per RTM (%)	-3.9	2.6	-1.8	-0.2	1.4	1.3	1.7
33	Operating Expense per RTM (%)	-3.8	1.4	-2.1	-1.0	-0.9	0.7	1.1
34	Passenger Revenue per RPM (Sch. Svc.)(%)	-4.3	2.3	-2.2	-0.7	1.1	1.1	1.5

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

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2004/12	2003/12	2004/12	2004/09	2004/06	2004/03	2003/12
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	1,654.4	1,741.0	7,073.1	7,159.8	7,120.8	6,933.0	6,761.6
2	Operating Expenses	1,782.4	1,814.3	7,421.1	7,452.9	7,292.4	7,298.7	7,183.0
3	Operating Profit (Loss)	-128.0	-73.2	-347.9	-293.2	-171.5	-365.7	-421.3
4	Net Income (Loss)	-218.4	-89.0	-577.9	-448.5	-322.4	-341.5	1,452.1
<u>TRAFFIC: (Billions)</u>								
5	RPMs - Scheduled Svc.	9.8	9.4	40.5	40.1	39.6	38.6	37.7
6	ASMs - Scheduled Svc.	13.4	12.9	54.0	53.5	52.9	52.3	51.5
7	Overall RTMs (All Svc.)	1.1	1.0	4.4	4.4	4.3	4.2	4.1
8	Overall ATMs (All Svc.)	2.0	1.9	7.9	7.9	7.8	7.7	7.6
<u>YIELD & UNIT COST & PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	157.0	169.8	161.2	164.2	165.3	164.5	163.4
10	Operating Expense per RTM	169.1	176.9	169.1	171.0	169.3	173.1	173.6
11	Operating Profit (Loss) per RTM	-12.1	-7.1	-7.9	-6.7	-4.0	-8.7	-10.2
12	Operating Expense per ATM	91.3	95.3	93.9	94.8	93.5	94.4	94.1
13	Passenger Revenue per RPM	11.98	13.44	12.47	12.82	12.95	13.00	13.05
<u>FINANCIAL RATIOS:</u>								
14	Operating Revenues to Total Investment	*	*	2.50	2.44	2.36	2.25	2.42
15	Times Interest Earned	*	*	-1.46	-1.07	-0.47	-0.51	7.11
16	Current Assets to Current Liabilities	*	*	0.44	0.48	0.72	0.70	0.79
17	No. of Days Cash Coverage of Cash Exp.	*	*	37.2	37.9	50.0	49.9	67.1
<u>FINANCIAL PERCENTAGES:</u>								
18	Operating Profit (Loss) to Operating Revenue	-7.7	-4.2	-4.9	-4.1	-2.4	-5.3	-6.2
19	Net Income to Stockholders Equity	*	*		-6,600.7	-291.1	-229.9	
20	Corporate Return on Investment	*	*	-12.0	-7.7	-3.3	-3.9	60.6
21	Debt to Total Investment	*	*	119.1	107.4	100.5	102.4	97.1
<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>								
22	Actual	73.0	72.7	75.0	75.0	74.7	73.8	73.3
23	Breakeven	82.8	81.0	82.9	82.5	80.7	83.0	83.6
<u>Employment & Productivity:</u>								
24	Employment, Total Weighted Avg CY	24,937	26,505	25,784	26,176	26,311	26,489	26,809
25	Overall RTM's per Employee (000)	42.3	38.7	170.2	166.5	163.7	159.1	154.4

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	-5.0	9.2	4.6	8.2	7.9	3.0	-2.2
27	Operating Expenses (%)	-1.8	1.5	3.3	4.2	0.1	-2.5	-8.3
28	Operating Profit (Loss) (in Millions \$)	-54.8	118.9	73.4	247.1	514.4	386.9	498.0
29	Net Income (Loss)(in Millions \$)	-129.4	689.0	-2,029.9	-1,211.5	-815.1	-593.3	3,110.9
30	RPMs (Sch. Svc.) (%)	4.4	7.0	7.3	8.0	5.4	-0.2	-5.7
31	ASMs (Sch. Svc.) (%)	4.0	0.6	4.9	4.0	0.0	-4.1	-8.6
32	Operating Revenues per RTM (%)	-7.5	4.4	-1.3	1.6	4.0	4.6	4.2
33	Operating Expense per RTM (%)	-4.4	-2.9	-2.6	-2.2	-3.5	-1.0	-2.3
34	Passenger Revenue per RPM (Sch. Svc.)(%)	-10.8	0.6	-4.5	-1.6	-0.5	-0.1	0.0

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

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2004/12	2003/12	2004/12	2004/09	2004/06	2004/03	2003/12
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	3,887.4	3,498.4	15,701.2	15,312.2	14,844.2	13,916.5	13,397.7
2	Operating Expenses	4,541.5	3,756.0	16,867.5	16,082.0	15,454.8	14,905.4	14,951.5
3	Operating Profit (Loss)	-654.2	-257.6	-1,166.4	-769.8	-610.6	-988.9	-1,553.7
4	Net Income (Loss)	-819.1	-629.9	-2,002.1	-1,812.9	-1,891.0	-2,243.0	-3,086.2
<u>TRAFFIC: (Billions)</u>								
5	RPMs - Scheduled Svc.	27.7	26.6	114.5	113.4	110.4	105.3	103.9
6	ASMs - Scheduled Svc.	35.9	34.5	144.6	143.2	140.4	136.1	135.9
7	Overall RTMs (All Svc.)	3.4	3.1	13.5	13.3	12.9	12.4	12.3
8	Overall ATMs (All Svc.)	5.7	5.5	22.9	22.7	22.2	21.5	21.5
<u>YIELD & UNIT COST & PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	115.9	111.8	116.1	115.2	114.9	112.3	108.7
10	Operating Expense per RTM	135.4	120.0	124.8	121.0	119.7	120.3	121.3
11	Operating Profit (Loss) per RTM	-19.5	-8.2	-8.6	-5.8	-4.7	-8.0	-12.6
12	Operating Expense per ATM	79.5	68.9	73.5	70.9	69.6	69.3	69.6
13	Passenger Revenue per RPM	10.34	10.33	10.44	10.43	10.55	10.46	10.22
<u>FINANCIAL RATIOS:</u>								
14	Operating Revenues to Total Investment	*	*	3.22	2.82	2.51	2.06	1.72
15	Times Interest Earned	*	*	-3.34	-2.73	-2.85	-3.48	-5.04
16	Current Assets to Current Liabilities	*	*	0.40	0.44	0.44	0.46	0.46
17	No. of Days Cash Coverage of Cash Exp.	*	*	31.8	39.5	40.2	53.1	48.7
<u>FINANCIAL PERCENTAGES:</u>								
18	Operating Profit (Loss) to Operating Revenue	-16.8	-7.4	-7.4	-5.0	-4.1	-7.1	-11.6
19	Net Income to Stockholders Equity	*	*					
20	Corporate Return on Investment	*	*	-31.6	-24.5	-23.7	-25.8	-33.0
21	Debt to Total Investment	*	*	277.8	218.1	213.7	198.2	175.8
<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>								
22	Actual	77.2	76.9	79.2	79.2	78.6	77.3	76.4
23	Breakeven	92.4	84.6	86.2	84.2	82.7	85.0	89.1
<u>Employment & Productivity:</u>								
24	Employment, Total Weighted Avg CY	58,107	58,704	58,680	58,829	59,203	60,672	63,612
25	Overall RTM's per Employee (000)	57.7	53.3	230.4	226.0	218.1	204.2	193.8

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	11.1	3.8	17.2	15.4	12.8	0.6	-3.7
27	Operating Expenses (%)	20.9	-15.6	12.8	2.8	-4.8	-12.4	-11.7
28	Operating Profit (Loss) (in Millions \$)	-396.6	823.9	387.4	1,607.8	2,474.0	2,196.1	1,468.1
29	Net Income (Loss)(in Millions \$)	-189.2	925.4	1,084.1	2,198.7	2,616.3	1,972.9	239.6
30	RPMs (Sch. Svc.) (%)	4.4	-0.8	10.3	8.9	4.2	-3.7	-5.0
31	ASMs (Sch. Svc.) (%)	3.9	-7.1	6.4	3.4	-2.0	-8.6	-8.6
32	Operating Revenues per RTM (%)	3.6	9.5	6.9	8.5	11.9	7.6	3.2
33	Operating Expense per RTM (%)	12.8	-11.0	2.9	-3.4	-5.6	-6.3	-5.4
34	Passenger Revenue per RPM (Sch. Svc.)(%)	0.1	3.0	2.1	2.8	5.2	1.7	-2.9

QUARTERLY FINANCIAL & TRAFFIC REVIEW
SYSTEM OPERATIONS
System Cargo Majors

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2004/12	2003/12	2004/12	2004/09	2004/06	2004/03	2003/12
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	5,994.6	5,208.3	22,067.8	21,281.5	20,767.9	20,264.0	19,853.0
2	Operating Expenses	5,484.7	4,819.4	20,495.5	19,830.2	19,804.5	19,397.5	19,150.7
3	Operating Profit (Loss)	509.8	388.9	1,572.3	1,451.4	963.4	866.5	702.3
4	Net Income (Loss)	206.7	157.4	765.0	715.7	446.1	385.5	290.1
<u>TRAFFIC: (Billions)</u>								
5	RTMs - Scheduled Svc.	4.0	3.7	15.0	14.7	14.5	14.2	13.9
6	ATMs - Scheduled Svc.	6.2	6.7	23.4	23.8	24.6	24.5	24.3
7	Overall RTMs (All Svc.)	4.0	3.8	15.3	15.1	14.8	14.5	14.2
8	Overall ATMs (All Svc.)	6.3	6.8	23.9	24.4	25.2	25.0	24.8
<u>YIELD & UNIT COST & PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	148.3	137.0	144.2	141.3	140.1	139.3	139.7
10	Operating Expense per RTM	135.7	126.8	134.0	131.7	133.6	133.4	134.7
11	Operating Profit (Loss) per RTM	12.6	10.2	10.3	9.6	6.5	6.0	4.9
12	Operating Expense per ATM	86.7	70.9	85.7	81.3	78.7	77.5	77.1
13	Passenger Revenue per RPM	*	*	**	**	**	**	**
<u>FINANCIAL RATIOS:</u>								
14	Operating Revenues to Total Investment	*	*	**	**	**	**	**
15	Times Interest Earned	*	*	**	**	**	**	**
16	Current Assets to Current Liabilities	*	*	**	**	**	**	**
17	No. of Days Cash Coverage of Cash Exp.	*	*	**	**	**	**	**
<u>FINANCIAL PERCENTAGES:</u>								
18	Operating Profit (Loss) to Operating Revenue	8.5	7.5	7.1	6.8	4.6	4.3	3.5
19	Net Income to Stockholders Equity	*	*	**	**	**	**	**
20	Corporate Return on Investment	*	*	8.0	7.6	5.1	4.6	3.7
21	Debt to Total Investment	*	*	**	**	**	**	**
<u>TON LOAD FACTOR: (%)</u>								
22	Scheduled Svc.	63.9	55.8	64.1	61.8	58.8	58.0	57.2
23	All Services	63.9	55.9	64.0	61.8	58.9	58.1	57.2
<u>Employment & Productivity:</u>								
24	Employment, Total Weighted Avg CY	*	*	**	**	**	**	**
25	Overall RTM's per Employee (000)	*	*	**	**	**	**	**

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	15.1	5.2	11.2	8.6	6.9	6.0	5.6
27	Operating Expenses (%)	13.8	4.2	7.0	4.6	7.7	6.5	7.3
28	Operating Profit (Loss) (in Millions \$)	120.9	60.7	870.0	809.8	-77.4	-40.8	-238.2
29	Net Income (Loss)(in Millions \$)	49.3	-2.6	474.9	422.9	-77.5	-54.4	-158.6
30	RTMs (All Svc.) (%)	6.3	2.0	7.5	6.4	11.1	15.3	20.8
31	ATMs (All Svc.) (%)	-7.3	11.9	-3.9	1.0	15.2	21.8	30.4
32	Operating Revenues per RTM (%)	8.2	1.9	3.3	1.6	0.4	0.5	1.3
33	Operating Expense per RTM (%)	7.0	1.0	-0.6	-2.1	1.1	1.0	2.8
34	Passenger Revenue per RPM (Sch. Svc.)(%)	0.0	0.0	0.0	0.0	0.0	0.0	0.0

QUARTERLY FINANCIAL & TRAFFIC REVIEW
SYSTEM OPERATIONS
Domestic Cargo Majors

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2004/12	2003/12	2004/12	2004/09	2004/06	2004/03	2003/12
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	4,217.2	3,780.5	15,598.1	15,161.5	14,967.5	14,492.5	14,133.7
2	Operating Expenses	3,991.6	3,534.2	14,855.7	14,398.3	14,458.6	14,076.2	13,816.7
3	Operating Profit (Loss)	225.6	246.3	742.4	763.1	508.8	416.3	317.0
4	Net Income (Loss)	68.9	95.3	324.9	351.2	215.5	150.3	98.3
<u>TRAFFIC: (Billions)</u>								
5	RTMs - Scheduled Svc.	2.4	2.4	9.3	9.2	9.1	8.9	8.8
6	ATMs - Scheduled Svc.	4.0	4.3	14.9	15.2	15.6	15.6	15.6
7	Overall RTMs (All Svc.)	2.5	2.4	9.4	9.3	9.2	9.0	8.8
8	Overall ATMs (All Svc.)	4.0	4.3	15.0	15.3	15.8	15.7	15.7
<u>YIELD & UNIT COST & PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	171.5	159.1	166.4	163.2	162.9	160.6	160.0
10	Operating Expense per RTM	162.4	148.7	158.5	155.0	157.4	156.0	156.4
11	Operating Profit (Loss) per RTM	9.2	10.4	7.9	8.2	5.5	4.6	3.6
12	Operating Expense per ATM	99.8	82.1	98.9	94.0	91.7	89.4	88.1
13	Passenger Revenue per RPM	*	*	**	**	**	**	**
<u>FINANCIAL RATIOS:</u>								
14	Operating Revenues to Total Investment	*	*	**	**	**	**	**
15	Times Interest Earned	*	*	**	**	**	**	**
16	Current Assets to Current Liabilities	*	*	**	**	**	**	**
17	No. of Days Cash Coverage of Cash Exp.	*	*	**	**	**	**	**
<u>FINANCIAL PERCENTAGES:</u>								
18	Operating Profit (Loss) to Operating Revenue	5.3	6.5	4.8	5.0	3.4	2.9	2.2
19	Net Income to Stockholders Equity	*	*	**	**	**	**	**
20	Corporate Return on Investment	*	*	5.3	5.7	3.8	3.0	2.3
21	Debt to Total Investment	*	*	**	**	**	**	**
<u>TON LOAD FACTOR: (%)</u>								
22	Scheduled Svc.	61.5	54.9	62.3	60.5	58.2	57.2	56.3
23	All Services	61.5	55.2	62.4	60.6	58.3	57.3	56.4
<u>Employment & Productivity:</u>								
24	Employment, Total Weighted Avg CY	*	*	**	**	**	**	**
25	Overall RTM's per Employee (000)	*	*	**	**	**	**	**

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	11.6	9.0	10.4	9.7	10.4	8.0	6.3
27	Operating Expenses (%)	12.9	7.1	7.5	6.0	11.0	8.2	7.3
28	Operating Profit (Loss) (in Millions \$)	-20.7	76.7	425.4	522.8	-27.5	-3.4	-103.4
29	Net Income (Loss)(in Millions \$)	-26.4	9.2	226.5	262.1	-45.7	-38.8	-79.6
30	RTMs (All Svc.) (%)	3.5	2.2	5.9	5.6	14.0	22.1	32.5
31	ATMs (All Svc.) (%)	-7.2	8.8	-4.5	-0.3	15.5	26.8	41.2
32	Operating Revenues per RTM (%)	7.8	6.0	4.0	3.5	4.5	3.8	3.8
33	Operating Expense per RTM (%)	9.2	4.2	1.3	0.1	5.1	4.1	4.8
34	Passenger Revenue per RPM (Sch. Svc.)(%)	0.0	0.0	0.0	0.0	0.0	0.0	0.0

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

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2004/12	2003/12	2004/12	2004/09	2004/06	2004/03	2003/12
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	1,777.4	1,427.8	6,469.6	6,120.1	5,800.4	5,771.6	5,719.2
2	Operating Expenses	1,493.1	1,285.2	5,639.8	5,431.8	5,345.9	5,321.3	5,334.0
3	Operating Profit (Loss)	284.2	142.6	829.8	688.2	454.6	450.3	385.2
4	Net Income (Loss)	137.8	62.1	440.2	364.5	230.6	235.1	191.8
<u>TRAFFIC: (Billions)</u>								
5	RTMs - Scheduled Svc.	1.5	1.4	5.7	5.5	5.4	5.3	5.2
6	ATMs - Scheduled Svc.	2.2	2.4	8.5	8.7	9.0	8.9	8.8
7	Overall RTMs (All Svc.)	1.6	1.4	5.9	5.8	5.6	5.5	5.4
8	Overall ATMs (All Svc.)	2.3	2.5	8.9	9.1	9.4	9.3	9.2
<u>YIELD & UNIT COST & PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	112.3	100.2	109.2	106.1	103.0	104.5	106.3
10	Operating Expense per RTM	94.3	90.2	95.2	94.2	94.9	96.4	99.2
11	Operating Profit (Loss) per RTM	18.0	10.0	14.0	11.9	8.1	8.2	7.2
12	Operating Expense per ATM	64.3	51.6	63.5	60.0	56.8	57.2	58.3
13	Passenger Revenue per RPM	*	*	**	**	**	**	**
<u>FINANCIAL RATIOS:</u>								
14	Operating Revenues to Total Investment	*	*	**	**	**	**	**
15	Times Interest Earned	*	*	**	**	**	**	**
16	Current Assets to Current Liabilities	*	*	**	**	**	**	**
17	No. of Days Cash Coverage of Cash Exp.	*	*	**	**	**	**	**
<u>FINANCIAL PERCENTAGES:</u>								
18	Operating Profit (Loss) to Operating Revenue	16.0	10.0	12.8	11.2	7.8	7.8	6.7
19	Net Income to Stockholders Equity	*	*	**	**	**	**	**
20	Corporate Return on Investment	*	*	14.3	12.2	8.2	8.2	6.7
21	Debt to Total Investment	*	*	**	**	**	**	**
<u>TON LOAD FACTOR: (%)</u>								
22	Scheduled Svc.	68.2	56.8	67.0	63.9	60.0	59.4	59.0
23	All Services	68.2	57.1	66.7	63.7	59.9	59.3	58.8
<u>Employment & Productivity:</u>								
24	Employment, Total Weighted Avg CY	*	*	**	**	**	**	**
25	Overall RTM's per Employee (000)	*	*	**	**	**	**	**

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	24.5	-3.7	13.1	6.0	-1.1	1.4	4.0
27	Operating Expenses (%)	16.2	-2.9	5.7	1.1	-0.3	2.2	7.1
28	Operating Profit (Loss) (in Millions \$)	141.6	-16.0	444.6	287.0	-49.9	-37.4	-134.7
29	Net Income (Loss)(in Millions \$)	75.7	-11.9	248.3	160.8	-31.8	-15.6	-79.0
30	RTMs (All Svc.) (%)	11.1	1.6	10.4	7.9	6.6	5.3	5.0
31	ATMs (All Svc.) (%)	-7.5	18.0	-3.0	3.4	14.8	14.0	14.8
32	Operating Revenues per RTM (%)	12.0	-7.4	2.7	-2.1	-8.4	-6.2	-3.3
33	Operating Expense per RTM (%)	4.5	-6.7	-4.0	-6.7	-7.7	-5.4	-0.4
34	Passenger Revenue per RPM (Sch. Svc.)(%)	0.0	0.0	0.0	0.0	0.0	0.0	0.0

QUARTERLY FINANCIAL & TRAFFIC REVIEW
SYSTEM OPERATIONS
Federal Express Corporation

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2004/12	2003/12	2004/12	2004/09	2004/06	2004/03	2003/12
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	5,041.9	4,412.9	18,675.5	18,046.5	17,575.4	17,185.0	16,806.5
2	Operating Expenses	4,633.0	4,107.6	17,327.5	16,802.2	16,881.9	16,549.6	16,332.7
3	Operating Profit (Loss)	409.0	305.2	1,348.0	1,244.3	693.4	635.4	473.8
4	Net Income (Loss)	237.4	170.5	771.6	704.7	389.6	346.1	250.2
<u>TRAFFIC: (Billions)</u>								
5	RTMs - Scheduled Svc.	2.5	2.4	9.7	9.5	9.4	9.3	9.2
6	ATMs - Scheduled Svc.	3.9	3.8	14.9	14.8	14.8	14.8	14.8
7	Overall RTMs (All Svc.)	2.6	2.5	10.0	9.9	9.8	9.6	9.5
8	Overall ATMs (All Svc.)	4.1	3.9	15.4	15.3	15.3	15.3	15.3
<u>YIELD & UNIT COST & PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	192.8	177.4	186.9	183.0	180.3	178.2	177.1
10	Operating Expense per RTM	177.2	165.1	173.4	170.3	173.1	171.6	172.2
11	Operating Profit (Loss) per RTM	15.6	12.3	13.5	12.6	7.1	6.6	5.0
12	Operating Expense per ATM	114.2	104.6	112.4	110.0	110.6	108.2	107.0
13	Passenger Revenue per RPM	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<u>FINANCIAL RATIOS:</u>								
14	Operating Revenues to Total Investment	*	*	2.75	2.72	2.71	2.73	2.74
15	Times Interest Earned	*	*	22.06	18.20	13.00	13.15	10.62
16	Current Assets to Current Liabilities	*	*	1.14	1.13	1.07	1.13	1.12
17	No. of Days Cash Coverage of Cash Exp.	*	*	4.8	4.6	5.2	4.7	4.2
<u>FINANCIAL PERCENTAGES:</u>								
18	Operating Profit (Loss) to Operating Revenue	8.1	6.9	7.2	6.9	3.9	3.7	2.8
19	Net Income to Stockholders Equity	*	*	13.9	13.1	7.4	6.7	4.9
20	Corporate Return on Investment	*	*	12.2	11.6	6.8	6.2	4.7
21	Debt to Total Investment	*	*	15.5	17.8	18.4	19.1	19.7
<u>TON LOAD FACTOR: (%)</u>								
22	Scheduled Svc.	64.5	63.3	64.9	64.5	63.9	63.1	62.3
23	All Services	64.5	63.4	64.8	64.6	63.9	63.0	62.2
<u>Employment & Productivity:</u>								
24	Employment, Total Weighted Avg CY	112,336	113,091	111,897	112,085	112,949	113,586	114,306
25	Overall RTM's per Employee (000)	23.3	22.0	89.3	88.0	86.3	84.9	83.0

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	14.3	4.5	11.1	8.6	6.9	6.1	5.4
27	Operating Expenses (%)	12.8	4.0	6.1	3.9	8.1	7.0	7.4
28	Operating Profit (Loss) (in Millions \$)	103.7	33.4	874.2	803.8	-121.8	-86.0	-262.3
29	Net Income (Loss)(in Millions \$)	66.9	13.9	521.4	468.4	-61.8	-49.0	-151.9
30	RTMs (All Svc.) (%)	5.1	0.0	5.1	3.7	3.1	2.3	2.7
31	ATMs (All Svc.) (%)	3.3	-1.4	0.9	-0.3	-0.2	0.2	1.7
32	Operating Revenues per RTM (%)	8.7	2.5	5.5	4.0	2.4	1.6	1.1
33	Operating Expense per RTM (%)	7.3	2.0	0.7	-0.6	3.5	2.4	3.0
34	Passenger Revenue per RPM (Sch. Svc.)(%)	0.0	0.0	0.0	0.0	0.0	0.0	0.0

QUARTERLY FINANCIAL & TRAFFIC REVIEW
SYSTEM OPERATIONS
United Parcel Service

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2004/12	2003/12	2004/12	2004/09	2004/06	2004/03	2003/12
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	952.6	795.5	3,392.2	3,235.1	3,192.5	3,079.0	3,046.4
2	Operating Expenses	851.7	711.8	3,168.0	3,028.0	2,922.6	2,847.9	2,818.0
3	Operating Profit (Loss)	100.9	83.7	224.3	207.1	269.9	231.1	228.4
4	Net Income (Loss)	-30.7	-13.1	-6.6	11.0	56.6	39.4	39.9
<u>TRAFFIC: (Billions)</u>								
5	RTMs - Scheduled Svc.	1.4	1.3	5.3	5.2	5.1	4.9	4.7
6	ATMs - Scheduled Svc.	2.3	2.9	8.5	9.1	9.9	9.7	9.5
7	Overall RTMs (All Svc.)	1.4	1.3	5.3	5.2	5.1	4.9	4.7
8	Overall ATMs (All Svc.)	2.3	2.9	8.5	9.1	9.9	9.8	9.6
<u>YIELD & UNIT COST & PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	66.8	60.6	63.9	62.3	63.0	62.8	64.5
10	Operating Expense per RTM	59.7	54.2	59.7	58.3	57.7	58.1	59.6
11	Operating Profit (Loss) per RTM	7.1	6.4	4.2	4.0	5.3	4.7	4.8
12	Operating Expense per ATM	37.6	24.8	37.3	33.3	29.5	29.2	29.4
13	Passenger Revenue per RPM	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<u>FINANCIAL RATIOS:</u>								
14	Operating Revenues to Total Investment	*	*	0.72	0.68	0.67	0.65	0.64
15	Times Interest Earned	*	*	0.67	0.99	1.99	1.47	1.72
16	Current Assets to Current Liabilities	*	*	0.26	0.29	0.39	0.27	0.34
17	No. of Days Cash Coverage of Cash Exp.	*	*	6.1	7.4	6.7	6.5	5.9
<u>FINANCIAL PERCENTAGES:</u>								
18	Operating Profit (Loss) to Operating Revenue	10.6	10.5	6.6	6.4	8.5	7.5	7.5
19	Net Income to Stockholders Equity	*	*	-0.2	0.5	3.2	3.5	3.5
20	Corporate Return on Investment	*	*	2.0	2.0	2.8	2.4	2.3
21	Debt to Total Investment	*	*	10.3	12.0	13.2	74.8	74.4
<u>TON LOAD FACTOR: (%)</u>								
22	Scheduled Svc.	62.8	45.6	62.7	57.3	51.3	50.3	49.5
23	All Services	63.0	45.7	62.5	57.1	51.2	50.3	49.4
<u>Employment & Productivity:</u>								
24	Employment, Total Weighted Avg CY	6,119	6,072	6,092	6,080	6,080	6,088	6,098
25	Overall RTM's per Employee (000)	233.2	216.1	871.4	854.3	833.7	805.1	775.1

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	19.8	9.0	11.4	8.5	6.7	5.3	6.8
27	Operating Expenses (%)	19.7	5.7	12.4	8.9	5.6	4.0	6.4
28	Operating Profit (Loss) (in Millions \$)	17.2	27.4	-4.2	6.0	44.3	45.2	24.2
29	Net Income (Loss)(in Millions \$)	-17.6	-16.5	-46.5	-45.5	-15.8	-5.4	-6.7
30	RTMs (All Svc.) (%)	8.5	5.8	12.4	11.7	30.0	52.1	84.1
31	ATMs (All Svc.) (%)	-21.3	36.4	-11.5	3.2	50.0	81.4	131.9
32	Operating Revenues per RTM (%)	10.2	3.0	-0.9	-2.8	-3.6	-2.3	2.5
33	Operating Expense per RTM (%)	10.1	-0.1	0.1	-2.4	-4.5	-3.5	2.1
34	Passenger Revenue per RPM (Sch. Svc.)(%)	0.0	0.0	0.0	0.0	0.0	0.0	0.0

**Comparison of Operating Profit (Loss) and Net Income (Loss)
For Individual Passenger and All-Cargo Majors
Quarterly and 12-Month Ended Periods
December 2003 and 2004**

Operating Profit (Loss) (\$Millions)						
Group/Carrier	Quarterly Data			12 Month Ended Data		
	12/2003	12/2004	\$Chg	12/2003	12/2004	\$Chg
System Passenger Majors	(670.6)	(2,742.5)	(2,071.9)	(3,958.2)	(3,746.2)	212.0
Alaska	(17.8)	(54.3)	(36.4)	(10.6)	(38.3)	(27.7)
America West	9.7	(37.4)	(47.0)	23.9	(24.2)	(48.1)
American	(305.5)	(426.1)	(120.6)	(1,444.0)	(421.0)	1,023.0
American Eagle	61.8	59.5	(2.3)	176.5	219.2	42.7
American Trans Air	(17.5)	(491.5)	(474.0)	14.2	(557.2)	(571.3)
Continental	(11.0)	(165.7)	(154.7)	29.7	(122.6)	(152.3)
Delta	(202.7)	(604.0)	(401.3)	(1,157.2)	(1,612.7)	(455.6)
Express One	46.6	55.0	8.5	178.9	205.4	26.5
Northwest	(14.2)	(415.1)	(400.8)	(276.5)	(434.0)	(157.5)
Southwest	110.9	119.0	8.1	482.1	553.6	71.5
United	(257.6)	(654.2)	(396.6)	(1,553.7)	(1,166.4)	387.4
US Airways	(73.2)	(128.0)	(54.8)	(421.3)	(347.9)	73.4
System Cargo Majors	388.9	509.8	120.9	702.3	1,572.3	870.0
Federal Express	305.2	409.0	103.7	473.8	1,348.0	874.2
UPS	83.7	100.9	17.2	228.4	224.3	(4.2)
System Total Majors	(281.7)	(2,232.6)	(1,951.0)	(3,255.9)	(2,173.9)	1,082.0

Net Income (Loss) (\$Millions)						
Group/Carrier	Quarterly Data			12 Month Ended Data		
	12/2003	12/2004	\$Chg	12/2003	12/2004	\$Chg
System Passenger Majors	(481.1)	(2,910.9)	(2,429.8)	(2,661.0)	(8,142.7)	(5,481.6)
Alaska	(18.2)	(43.1)	(24.9)	3.0	(14.0)	(17.0)
America West	0.5	(68.2)	(68.7)	44.8	(105.9)	(150.6)
American	(129.7)	(400.5)	(270.8)	(1,318.5)	(821.0)	497.5
American Eagle	21.3	7.1	(14.2)	60.3	48.8	(11.5)
American Trans Air	(16.1)	(494.9)	(478.8)	13.2	(624.4)	(637.6)
Continental	47.1	(205.8)	(252.9)	38.2	(363.0)	(401.1)
Delta	(356.1)	(339.6)	16.5	(895.6)	(3,362.2)	(2,466.6)
Express One	27.9	33.6	5.7	108.0	122.8	14.8
Northwest	595.3	(417.6)	(1,012.9)	478.1	(757.3)	(1,235.4)
Southwest	65.8	55.5	(10.3)	441.6	313.4	(128.3)
United	(629.9)	(819.1)	(189.2)	(3,086.2)	(2,002.1)	1,084.1
US Airways	(89.0)	(218.4)	(129.4)	1,452.1	(577.9)	(2,029.9)
System Cargo Majors	157.4	206.7	49.3	290.1	765.0	474.9
Federal Express	170.5	237.4	66.9	250.2	771.6	521.4
UPS	(13.1)	(30.7)	(17.6)	39.9	(6.6)	(46.5)
System Total Majors	(323.7)	(2,704.2)	(2,380.5)	(2,370.9)	(7,377.6)	(5,006.8)

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

Passenger Load Factor (Percent)						
Group/Carrier	Quarterly Data			12 Month Ended Data		
	12/2003	12/2004	Pt.Chg.	12/2003	12/2004	Pt.Chg.
System Passenger Majors	73.1	74.6	1.5	73.9	76.0	2.1
Alaska	69.5	73.0	3.5	70.0	72.9	2.9
America West	75.5	77.4	1.9	76.4	77.4	1.0
American	71.6	74.3	2.8	72.8	74.8	2.0
American Eagle	66.1	68.4	2.4	64.9	68.5	3.7
American Trans Air	66.7	70.6	3.9	72.3	73.1	0.8
Continental	75.6	78.2	2.5	75.9	77.8	1.9
Delta	73.5	74.4	1.0	74.3	75.7	1.4
Express One	70.4	72.6	2.3	68.5	71.3	2.8
Northwest	77.7	78.7	1.1	77.3	80.2	2.9
Southwest	63.8	65.0	1.2	66.8	69.5	2.7
United	76.9	77.2	0.3	76.4	79.2	2.8
US Airways	72.7	73.0	0.3	73.3	75.0	1.7
System Cargo Majors	-	-	-	-	-	-
Federal Express	-	-	-	-	-	-
UPS	-	-	-	-	-	-
System Total Majors	73.1	74.6	1.5	73.9	76.0	2.1

Scheduled Passenger Yield (Cents)						
Group/Carrier	Quarterly Data			12 Month Ended Data		
	12/2003	12/2004	Pct.Chg.	12/2003	12/2004	Pct.Chg.
System Passenger Majors	11.74	11.16	(4.9)	11.55	11.37	(1.6)
Alaska	12.44	11.63	(6.5)	12.32	12.09	(1.9)
America West	9.85	9.29	(5.7)	9.91	9.40	(5.2)
American	12.11	11.30	(6.7)	11.86	11.52	(2.9)
American Eagle	25.58	25.02	(2.2)	27.04	24.76	(8.4)
American Trans Air	8.58	7.86	(8.5)	8.67	8.13	(6.2)
Continental	11.43	10.93	(4.4)	11.52	11.19	(2.9)
Delta	11.59	10.70	(7.7)	11.52	11.04	(4.2)
Express One	20.91	19.63	(6.1)	22.70	20.72	(8.8)
Northwest	11.58	11.02	(4.9)	11.13	11.50	3.4
Southwest	12.27	11.74	(4.3)	11.71	11.45	(2.2)
United	10.33	10.34	0.1	10.22	10.44	2.1
US Airways	13.44	11.98	(10.8)	13.05	12.47	(4.5)
System Cargo Majors	-	-	-	-	-	-
Federal Express	-	-	-	-	-	-
UPS	-	-	-	-	-	-
System Total Majors	11.74	11.16	(4.9)	11.55	11.37	(1.6)

**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 2003 and 2004**

Operating Profit Margin (Percent)						
Group/Carrier	Quarterly Data			12 Month Ended Data		
	12/2003	12/2004	Pt. Chg	12/2003	12/2004	Pt. Chg.
System Passenger Majors	(3.2)	(12.0)	(8.9)	(4.8)	(4.1)	0.7
Alaska	(3.5)	(10.2)	(6.7)	(0.5)	(1.7)	(1.2)
America West	1.7	(6.1)	(7.8)	1.1	(1.0)	(2.1)
American	(7.0)	(9.4)	(2.4)	(8.3)	(2.3)	6.0
American Eagle	20.6	14.9	(5.7)	15.6	15.2	(0.5)
American Trans Air	(5.2)	(151.5)	(146.3)	1.0	(39.4)	(40.4)
Continental	(0.6)	(7.1)	(6.5)	0.4	(1.5)	(1.9)
Delta	(5.6)	(16.4)	(10.9)	(8.1)	(10.6)	(2.5)
Express One	13.7	14.2	0.6	13.6	13.6	(0.0)
Northwest	(0.6)	(15.0)	(14.4)	(3.0)	(3.9)	(0.8)
Southwest	7.3	7.2	(0.1)	8.1	8.5	0.4
United	(7.4)	(16.8)	(9.5)	(11.6)	(7.4)	4.2
US Airways	(4.2)	(7.7)	(3.5)	(6.2)	(4.9)	1.3
System Cargo Majors	7.5	8.5	1.0	3.5	7.1	3.6
Federal Express	6.9	8.1	1.2	2.8	7.2	4.4
UPS	10.5	10.6	0.1	7.5	6.6	(0.9)
System Total Majors	(1.1)	(7.8)	(6.7)	(3.2)	(1.9)	1.3

Group/Carrier	Debt To Investment (Percent)			Total Debt (\$Billions)		
	Quarterly Data			Quarterly Data		
	12/2003	12/2004	Pt.Chg.	12/2003	12/2004	\$ Chg.
System Passenger Majors	90.9	104.4	13.5	56.0	57.5	1.5
Alaska	58.0	55.7	(2.3)	1.0	0.8	(0.1)
America West	69.4	73.5	4.1	0.8	0.8	(0.0)
American	96.9	101.0	4.1	10.9	10.4	(0.4)
American Eagle	97.3	96.5	(0.9)	3.3	3.8	0.5
American Trans Air	136.7	(37.7)	(174.4)	0.5	0.2	(0.3)
Continental	88.3	95.6	7.3	6.0	5.8	(0.1)
Delta	105.0	146.1	41.2	10.6	11.6	1.1
Expree One	130.2	138.3	8.1	0.4	0.5	0.1
Northwest	69.1	77.0	8.0	7.7	8.2	0.5
Southwest	23.3	25.0	1.7	1.5	1.8	0.3
United	175.8	277.8	102.0	10.5	10.3	(0.2)
US Airways	97.1	119.1	22.1	2.9	3.1	0.2
System Cargo Majors	42.5	13.5	(29.0)	4.7	1.6	(3.1)
Federal Express	19.7	15.5	(4.1)	1.3	1.1	(0.2)
UPS	74.4	10.3	(64.1)	3.4	0.5	(3.0)
System Total Majors	83.5	88.3	4.8	60.7	59.0	(1.7)

FOOTNOTES

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

EXPLANATION OF LINE ITEMS

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

EXPLANATION OF LINE ITEMS

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