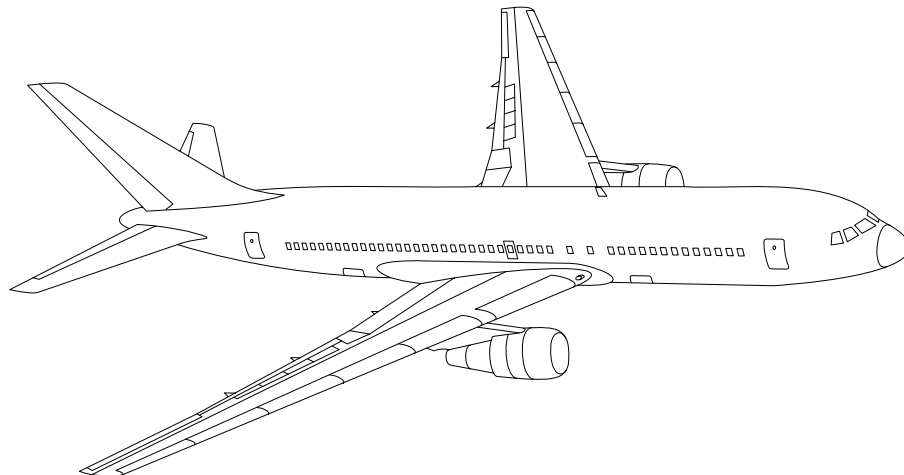


# AIRLINE QUARTERLY FINANCIAL REVIEW

FOURTH QUARTER 2005



MAJORS



DEPARTMENT OF TRANSPORTATION  
OFFICE OF AVIATION ANALYSIS  
COMPETITION AND POLICY ANALYSIS DIVISION

|   | <u>DESCRIPTION</u>   | <u>PAGE</u> |
|---|--|-------------|
| Introduction .....  |  | 3           |
| Total System Passenger & All-Cargo Majors .....   |  | 4           |
| Chart 1   | Operating and Net Profit (Loss) Fourth Quarter 2005 ..   | 7           |
| Chart 2   | Operating and Net Profit (Loss)<br>12 Months Ended Fourth Quarter 2005 .....                           | 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<br>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,<br>Percent Change From Same Period A Year Earlier .....        | 11          |
| Chart 10  | Operating Expense Per Available Ton-Mile,<br>Percent Change From Same Period A Year Earlier .....      | 11          |
| Total Passenger Majors .....  |  | 12          |
| Chart 11  | Passenger Revenues Per Revenue Passenger-Mile,<br>Percent Change From Same Period A Year Earlier ..... | 15          |
| Chart 12  | Revenue Passenger-Miles,<br>Percent Change From Same Period A Year Earlier .....                       | 15          |
| Chart 13  | Available Seat-Miles,<br>Percent Change From Same Period A Year Earlier .....                          | 16          |
| Chart 14  | Passenger Load Factor, Percentage<br>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          |
| Comair, Inc. ....   |  | 23          |
| Continental Airlines, Inc. ....   |  | 24          |
| Express One ..  |  | 25          |
| Delta Air Lines, Inc. ....  |  | 26          |
| JetBlue Airways .....   |  | 27          |
| Northwest Airlines, Inc. ....   |  | 28          |
| Southwest Airlines Co. ....   |  | 29          |
| US Airways, Inc. ....   |  | 30          |
| United Air Lines, Inc. ....   |  | 31          |
| Total All-Cargo Majors .....  |  | 32          |
| Federal Express Corp. ....  |  | 35          |
| United Parcel Service .....   |  | 36          |
| Comparison of Individual Major Operating Profit ant Net Income ...                                    |  | 37          |
| Comparison of Individual Major Scheduled Passenger Load Factor<br>And Scheduled Passenger Yield ..... |  | 38          |
| Comparison of Individual Major Operating Profit Margin and Debt ..                                    |  | 39          |
| Footnotes .....   |  | 40          |
| Explanation of Line Items .....   |  | 41          |

## 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 |           |           |           |           |
|---|--|---------------|----------|-----------------|-----------|-----------|-----------|-----------|
|   |  | 2005/12       | 2004/12  | 2005/12         | 2005/09   | 2005/06   | 2005/03   | 2004/12   |
| <u>FINANCIAL RESULTS: (\$Millions)</u>              |  |               |          |                 |           |           |           |           |
| 1   | Operating Revenues                           | 32,981.2      | 29,399.1 | 130,186.8       | 126,599.1 | 122,239.3 | 119,200.7 | 117,070.8 |
| 2   | Operating Expenses                           | 33,678.8      | 31,620.0 | 130,564.6       | 128,500.0 | 124,645.0 | 121,663.9 | 119,162.6 |
| 3   | Operating Profit (Loss)                      | -697.6        | -2,221.0 | -377.8          | -1,900.9  | -2,405.7  | -2,463.3  | -2,091.8  |
| 4   | Net Income (Loss)                            | -19,897.5     | -4,074.1 | -27,065.8       | -11,242.1 | -9,991.5  | -10,406.0 | -8,670.0  |
| <u>TRAFFIC: (Billions)</u>                          |  |               |          |                 |           |           |           |           |
| 5   | RPMs - Scheduled Rev. Svc.                   | 164.6         | 162.4    | 690.9           | 688.6     | 680.6     | 672.1     | 660.3     |
| 6   | ASMs - Scheduled Rev. Svc.                   | 214.2         | 217.3    | 882.9           | 885.8     | 880.6     | 874.0     | 867.9     |
| 7   | Overall RTMs (All Svc.)                      | 23.3          | 23.0     | 94.7            | 94.4      | 93.6      | 92.8      | 91.4      |
| 8   | Overall ATMs (All Svc.)                      | 39.0          | 39.2     | 158.1           | 158.3     | 157.4     | 156.2     | 154.8     |
| <u>YIELD &amp; UNIT COST &amp; PROFITS: (Cents)</u> |  |               |          |                 |           |           |           |           |
| 9   | Operating Revenue per RTM                    | 141.6         | 127.8    | 137.5           | 134.2     | 130.6     | 128.5     | 128.1     |
| 10  | Operating Expense per RTM                    | 144.6         | 137.5    | 137.9           | 136.2     | 133.2     | 131.2     | 130.4     |
| 11  | Operating Profit (Loss) per RTM              | -3.0          | -9.7     | -0.4            | -2.0      | -2.6      | -2.7      | -2.3      |
| 12  | Operating Expense per ATM                    | 86.4          | 80.6     | 82.6            | 81.2      | 79.2      | 77.9      | 77.0      |
| 13  | Passenger Revenue per RPM                    | 12.00         | 11.15    | 11.70           | 11.50     | 11.33     | 11.26     | 11.35     |
| <u>FINANCIAL RATIOS:</u>                            |  |               |          |                 |           |           |           |           |
| 14  | Operating Revenues to Total Investment       | *             | *        | 2.24            | 1.91      | 1.72      | 1.63      | 1.57      |
| 15  | Times Interest Earned                        | *             | *        | -5.73           | -1.75     | -1.56     | -1.34     | -1.01     |
| 16  | Current Assets to Current Liabilities        | *             | *        | 0.81            | 0.84      | 0.70      | 0.70      | 0.69      |
| 17  | No. of Days Cash Coverage of Cash Exp.       | *             | *        | 56.0            | 52.5      | 55.1      | 50.4      | 48.3      |
| <u>FINANCIAL PERCENTAGES:</u>                       |  |               |          |                 |           |           |           |           |
| 18  | Operating Profit (Loss) to Operating Revenue | -2.1          | -7.6     | -0.3            | -1.5      | -2.0      | -2.1      | -1.8      |
| 19  | Net Income to Stockholders Equity            | *             | *        | &               | -150.86   | -100.99   | -90.56    | -66.04    |
| 20  | Corporate Return on Investment               | *             | *        | -39.9           | -11.2     | -8.9      | -9.4      | -7.0      |
| 21  | Debt to Total Investment                     | *             | *        | 149.0           | 95.2      | 91.9      | 90.6      | 87.0      |
| <u>LOAD FACTOR: (%)</u>                             |  |               |          |                 |           |           |           |           |
| 22  | Passenger Load Factor (Sch. Svc.)            | 76.8          | 74.7     | 78.3            | 77.7      | 77.3      | 76.9      | 76.1      |
| 23  | Ton Load Factor (All Svc.)                   | 59.7          | 58.6     | 59.9            | 59.6      | 59.4      | 59.4      | 59.1      |
| <u>Employment &amp; Productivity:</u>               |  |               |          |                 |           |           |           |           |
| 24  | Employment, Total Weighted Avg CY            | 469,990       | 494,336  | 476,492         | 485,099   | 490,067   | 491,876   | 497,658   |
| 25  | Overall RTM's per Employee (000)             | 49.5          | 46.5     | 198.7           | 194.5     | 190.9     | 188.6     | 183.7     |

|    |  | CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER |          |           |          |          |          |          |
|----|--|---|----------|-----------|----------|----------|----------|----------|
| 26 | Operating Revenues (%)                   | 12.2  | 9.8      | 11.2      | 10.6     | 9.3      | 11.0     | 12.4     |
| 27 | Operating Expenses (%)                   | 6.5   | 17.2     | 9.6       | 12.2     | 11.9     | 12.5     | 11.2     |
| 28 | Operating Profit (Loss) (in Millions \$) | 1,523.4   | -2,025.6 | 1,714.0   | -1,834.6 | -2,844.0 | -1,713.6 | 854.8    |
| 29 | Net Income (Loss)(in Millions \$)        | -15,823.4                                       | -3,800.9 | -18,395.7 | -6,372.9 | -5,885.6 | -8,642.9 | -6,495.3 |
| 30 | RPMs (Sch. Svc.) (%)                     | 1.3   | 8.5      | 4.6       | 6.3      | 7.6      | 10.2     | 10.4     |
| 31 | ASMs (Sch. Svc.) (%)                     | -1.4  | 6.3      | 1.7       | 3.6      | 4.8      | 6.8      | 7.4      |
| 32 | Operating Revenues per RTM (%)           | 10.8  | 1.3      | 7.4       | 5.1      | 2.5      | 1.7      | 2.6      |
| 33 | Operating Expense per RTM (%)            | 5.2   | 8.2      | 5.8       | 6.6      | 4.9      | 3.1      | 1.5      |
| 34 | Passenger Revenue per RPM (Sch. Svc.)(%) | 7.6   | -5.0     | 3.1       | 0.1      | -2.4     | -3.1     | -1.8     |

## QUARTERLY FINANCIAL & TRAFFIC REVIEW

### DOMESTIC OPERATIONS

#### Domestic All Majors

| ITEMS   |  | QUARTER ENDED |          | 12 MONTHS ENDED |           |          |           |          |
|---|--|---------------|----------|-----------------|-----------|----------|-----------|----------|
|   |  | 2005/12       | 2004/12  | 2005/12         | 2005/09   | 2005/06  | 2005/03   | 2004/12  |
| <u>FINANCIAL RESULTS: (\$Millions)</u>              |  |               |          |                 |           |          |           |          |
| 1   | Operating Revenues                           | 24,502.4      | 21,963.3 | 95,966.2        | 93,427.1  | 90,487.0 | 88,735.8  | 87,595.2 |
| 2   | Operating Expenses                           | 25,299.4      | 24,166.8 | 98,346.5        | 97,214.0  | 94,612.0 | 92,866.0  | 91,441.3 |
| 3   | Operating Profit (Loss)                      | -797.0        | -2,203.5 | -2,380.3        | -3,786.8  | -4,125.0 | -4,130.1  | -3,846.1 |
| 4   | Net Income (Loss)                            | -12,734.0     | -3,733.2 | -19,350.5       | -10,349.7 | -9,655.8 | -10,157.0 | -8,851.7 |
| <u>TRAFFIC: (Billions)</u>                          |  |               |          |                 |           |          |           |          |
| 5   | RTMs - Scheduled Svc.                        | 119.1         | 118.7    | 497.6           | 497.2     | 493.5    | 489.8     | 483.1    |
| 6   | ATMs - Scheduled Svc.                        | 155.7         | 160.7    | 640.6           | 645.6     | 645.6    | 644.5     | 644.6    |
| 7   | Overall RTMs (All Svc.)                      | 15.2          | 15.2     | 62.0            | 62.0      | 61.7     | 61.4      | 60.8     |
| 8   | Overall ATMs (All Svc.)                      | 25.5          | 26.3     | 103.2           | 104.0     | 104.2    | 104.2     | 104.1    |
| <u>YIELD &amp; UNIT COST &amp; PROFITS: (Cents)</u> |  |               |          |                 |           |          |           |          |
| 9   | Operating Revenue per RTM                    | 161.6         | 144.9    | 154.9           | 150.8     | 146.7    | 144.5     | 144.1    |
| 10  | Operating Expense per RTM                    | 166.9         | 159.5    | 158.7           | 156.9     | 153.4    | 151.2     | 150.5    |
| 11  | Operating Profit (Loss) per RTM              | -5.3          | -14.5    | -3.8            | -6.1      | -6.7     | -6.7      | -6.3     |
| 12  | Operating Expense per ATM                    | 99.4          | 92.1     | 95.3            | 93.5      | 90.8     | 89.2      | 87.8     |
| 13  | Passenger Revenue per RPM                    | 12.33         | 11.49    | 11.96           | 11.76     | 11.59    | 11.54     | 11.68    |
| <u>FINANCIAL RATIOS:</u>                            |  |               |          |                 |           |          |           |          |
| 14  | Operating Revenues to Total Investment       | *             | *        | **              | **        | **       | **        | **       |
| 15  | Times Interest Earned                        | *             | *        | **              | **        | **       | **        | **       |
| 16  | Current Assets to Current Liabilities        | *             | *        | **              | **        | **       | **        | **       |
| 17  | No. of Days Cash Coverage of Cash Exp.       | *             | *        | **              | **        | **       | **        | **       |
| <u>FINANCIAL PERCENTAGES:</u>                       |  |               |          |                 |           |          |           |          |
| 18  | Operating Profit (Loss) to Operating Revenue | -3.3          | -10.0    | -2.5            | -4.1      | -4.6     | -4.7      | -4.4     |
| 19  | Net Income to Stockholders Equity            | *             | *        | **              | **        | **       | **        | **       |
| 20  | Corporate Return on Investment               | *             | *        | -35.4           | -14.3     | -12.3    | -13.0     | -10.6    |
| 21  | Debt to Total Investment                     | *             | *        | **              | **        | **       | **        | **       |
| <u>LOAD FACTOR: (%)</u>                             |  |               |          |                 |           |          |           |          |
| 22  | Passenger Load Factor (Sch. Svc.)            | 149.0         | 87.0     | 149.0           | 95.2      | 91.9     | 90.6      | 87.0     |
| 23  | Ton Load Factor (All Svc.)                   | 76.5          | 73.9     | 77.7            | 77.0      | 76.4     | 76.0      | 74.9     |
| <u>Employment &amp; 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  | 7.7      | 9.6       | 8.6      | 6.8      | 8.7      | 10.6     |
| 27 | Operating Expenses (%)                   | 4.7   | 15.7     | 7.6       | 10.3     | 9.7      | 11.0     | 10.9     |
| 28 | Operating Profit (Loss) (in Millions \$) | 1,406.5   | -1,711.1 | 1,465.8   | -1,651.8 | -2,618.6 | -2,102.7 | -608.8   |
| 29 | Net Income (Loss)(in Millions \$)        | -9,000.8  | -3,312.5 | -10,498.8 | -4,810.5 | -4,884.4 | -7,749.7 | -7,044.0 |
| 30 | RPMs (Sch. Svc.) (%)                     | 0.3   | 7.8      | 3.0       | 4.8      | 6.1      | 8.2      | 8.5      |
| 31 | ASMs (Sch. Svc.) (%)                     | -3.1  | 4.5      | -0.6      | 1.2      | 2.5      | 4.4      | 5.8      |
| 32 | Operating Revenues per RTM (%)           | 11.5  | 0.9      | 7.5       | 4.9      | 1.9      | 1.6      | 2.7      |
| 33 | Operating Expense per RTM (%)            | 4.7   | 8.4      | 5.5       | 6.5      | 4.7      | 3.7      | 3.0      |
| 34 | Passenger Revenue per RPM (Sch. Svc.)(%) | 7.3   | -7.1     | 2.3       | -1.2     | -4.1     | -4.8     | -3.5     |

## QUARTERLY FINANCIAL & TRAFFIC REVIEW

### INTERNATIONAL OPERATIONS

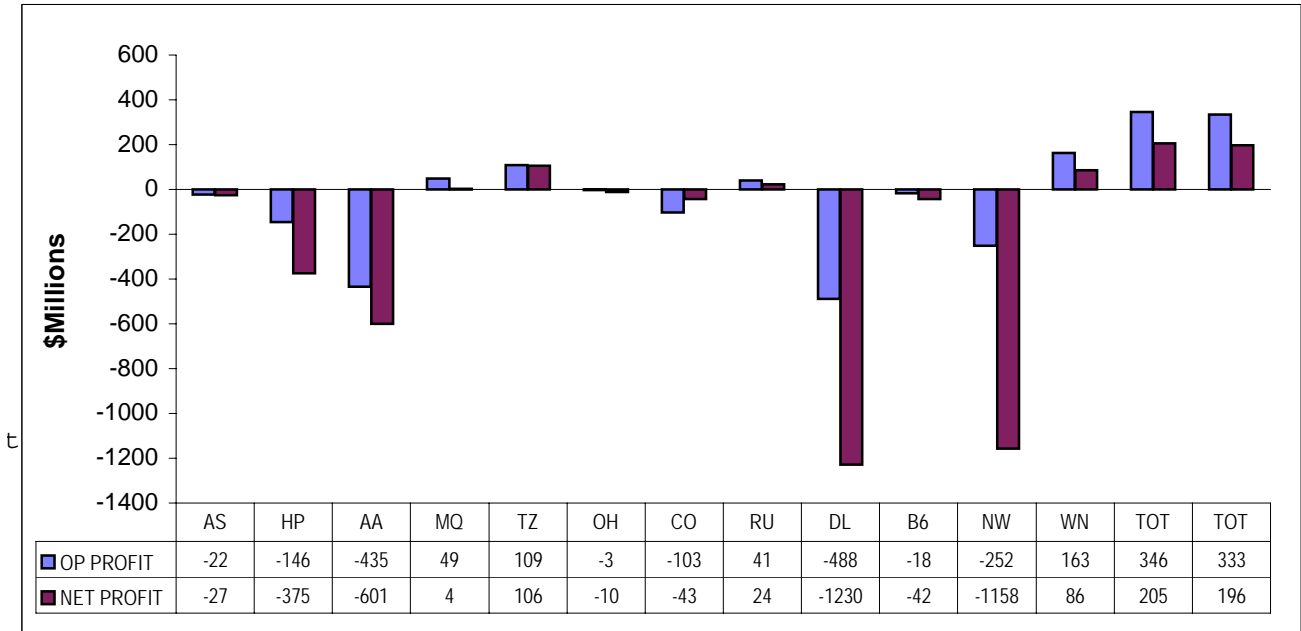
#### Int'l All Majors

| ITEMS   |  | QUARTER ENDED |         | 12 MONTHS ENDED |          |          |          |          |
|---|--|---------------|---------|-----------------|----------|----------|----------|----------|
|   |  | 2005/12       | 2004/12 | 2005/12         | 2005/09  | 2005/06  | 2005/03  | 2004/12  |
| <u>FINANCIAL RESULTS: (\$Millions)</u>              |  |               |         |                 |          |          |          |          |
| 1   | Operating Revenues                           | 8,478.8       | 7,435.7 | 34,209.5        | 33,172.0 | 31,752.3 | 30,464.8 | 29,475.5 |
| 2   | Operating Expenses                           | 8,379.5       | 7,453.2 | 32,206.4        | 31,286.0 | 30,033.0 | 28,797.9 | 27,721.3 |
| 3   | Operating Profit (Loss)                      | 99.4          | -17.5   | 2,003.1         | 1,886.0  | 1,719.3  | 1,666.9  | 1,754.3  |
| 4   | Net Income (Loss)                            | -7,163.5      | -340.9  | -7,714.6        | -892.3   | -335.6   | -249.1   | 181.7    |
| <u>TRAFFIC: (Billions)</u>                          |  |               |         |                 |          |          |          |          |
| 5   | RTMs - Scheduled Svc.                        | 45.5          | 43.7    | 193.1           | 191.4    | 187.0    | 181.9    | 177.2    |
| 6   | ATMs - Scheduled Svc.                        | 58.5          | 56.5    | 242.1           | 240.2    | 235.0    | 229.1    | 223.3    |
| 7   | Overall RTMs (All Svc.)                      | 8.1           | 7.8     | 32.7            | 32.4     | 31.9     | 31.3     | 30.6     |
| 8   | Overall ATMs (All Svc.)                      | 13.6          | 13.0    | 54.9            | 54.3     | 53.2     | 52.0     | 50.7     |
| <u>YIELD &amp; UNIT COST &amp; PROFITS: (Cents)</u> |  |               |         |                 |          |          |          |          |
| 9   | Operating Revenue per RTM                    | 104.4         | 94.8    | 104.7           | 102.3    | 99.5     | 97.3     | 96.2     |
| 10  | Operating Expense per RTM                    | 103.1         | 95.0    | 98.6            | 96.5     | 94.1     | 92.0     | 90.5     |
| 11  | Operating Profit (Loss) per RTM              | 1.2           | -0.2    | 6.1             | 5.8      | 5.4      | 5.3      | 5.7      |
| 12  | Operating Expense per ATM                    | 61.9          | 57.5    | 58.7            | 57.6     | 56.4     | 55.4     | 54.7     |
| 13  | Passenger Revenue per RPM                    | 11.11         | 10.23   | 11.05           | 10.85    | 10.63    | 10.51    | 10.45    |
| <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 | 1.2           | -0.2    | 5.9             | 5.7      | 5.4      | 5.5      | 6.0      |
| 19  | Net Income to Stockholders Equity            | *             | *       | **              | **       | **       | **       | **       |
| 20  | Corporate Return on Investment               | *             | *       | -58.1           | 0.4      | 3.7      | 4.0      | 6.5      |
| 21  | Debt to Total Investment                     | *             | *       | **              | **       | **       | **       | **       |
| <u>LOAD FACTOR: (%)</u>                             |  |               |         |                 |          |          |          |          |
| 22  | Passenger Load Factor (Sch. Svc.)            | 77.7          | 77.2    | 79.8            | 79.7     | 79.6     | 79.4     | 79.3     |
| 23  | Ton Load Factor (All Svc.)                   | 60.0          | 60.5    | 59.5            | 59.6     | 59.9     | 60.2     | 60.4     |
| <u>Employment &amp; Productivity:</u>               |  |               |         |                 |          |          |          |          |
| 24  | Employment, Total Weighted Avg CY            | *             | *       | **              | **       | **       | **       | **       |
| 25  | Overall RTM's per Employee (000)             | *             | *       | **              | **       | **       | **       | **       |

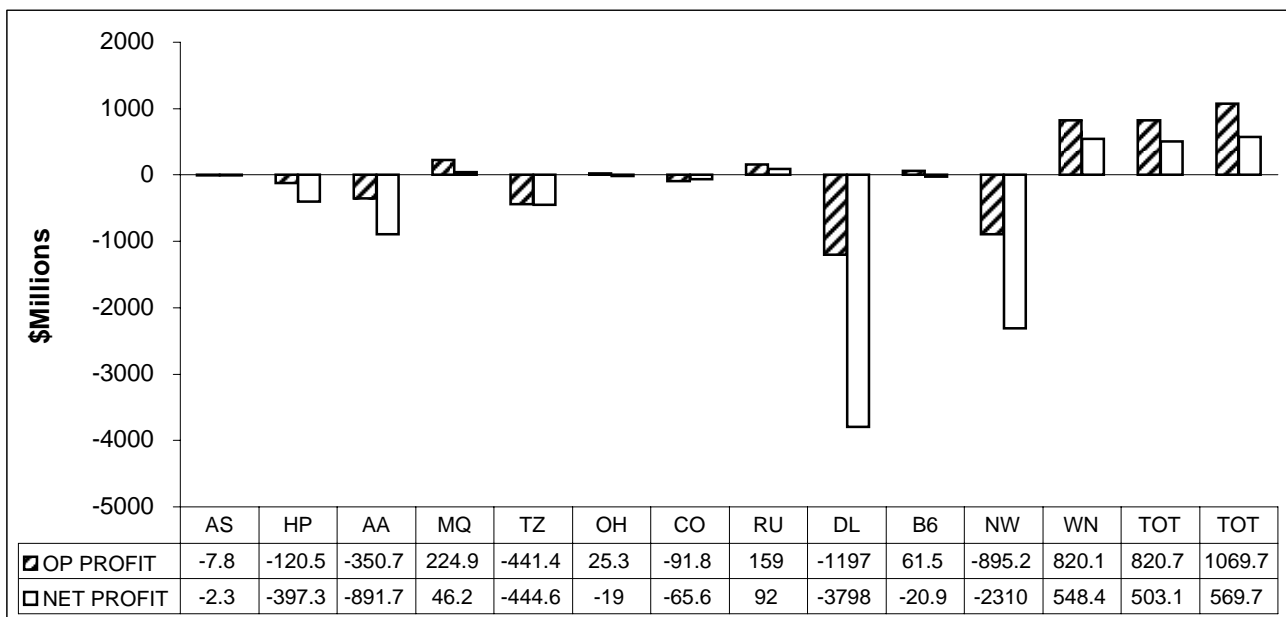
|    |  | CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER |        |          |          |          |        |         |
|----|--|---|--------|----------|----------|----------|--------|---------|
| 26 | Operating Revenues (%)                   | 14.0  | 16.6   | 16.1     | 16.7     | 17.1     | 18.5   | 18.1    |
| 27 | Operating Expenses (%)                   | 12.4  | 22.6   | 16.2     | 18.7     | 19.3     | 17.8   | 12.3    |
| 28 | Operating Profit (Loss) (in Millions \$) | 116.8   | -314.5 | 248.8    | -182.8   | -225.5   | 389.1  | 1,463.6 |
| 29 | Net Income (Loss)(in Millions \$)        | -6,822.6  | -488.4 | -7,896.3 | -1,562.4 | -1,001.2 | -893.3 | 548.8   |
| 30 | RTMs (All Svc.) (%)                      | 4.2   | 10.4   | 9.0      | 10.6     | 11.7     | 15.9   | 15.7    |
| 31 | ATMs (All Svc.) (%)                      | 3.5   | 11.7   | 8.4      | 10.5     | 11.4     | 14.0   | 12.0    |
| 32 | Operating Revenues per RTM (%)           | 10.1  | 4.3    | 8.8      | 7.3      | 6.1      | 4.4    | 4.4     |
| 33 | Operating Expense per RTM (%)            | 8.6   | 9.7    | 8.9      | 9.2      | 8.1      | 3.9    | -0.7    |
| 34 | Passenger Revenue per RPM (Sch. Svc.)(%) | 8.7   | 2.6    | 5.8      | 4.3      | 3.6      | 3.7    | 4.8     |

## COMPARISONS AMONG MAJOR GROUP AIRLINES

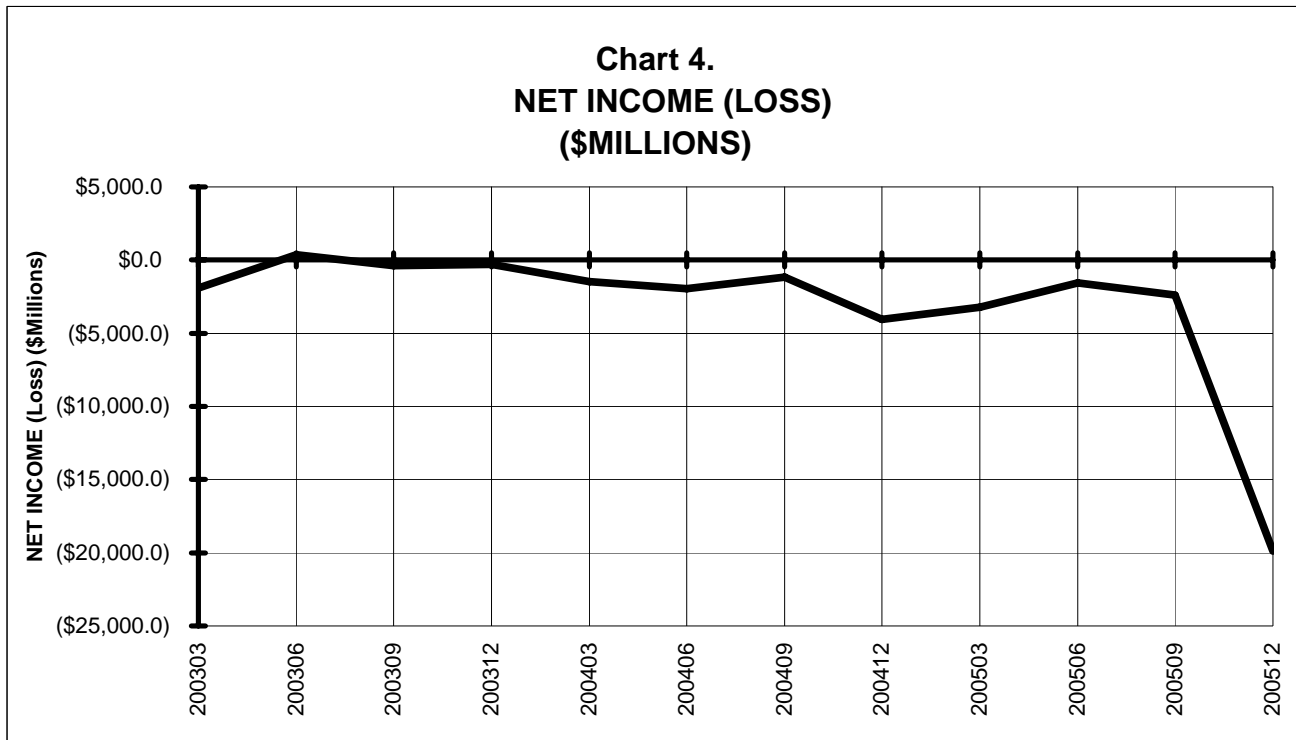
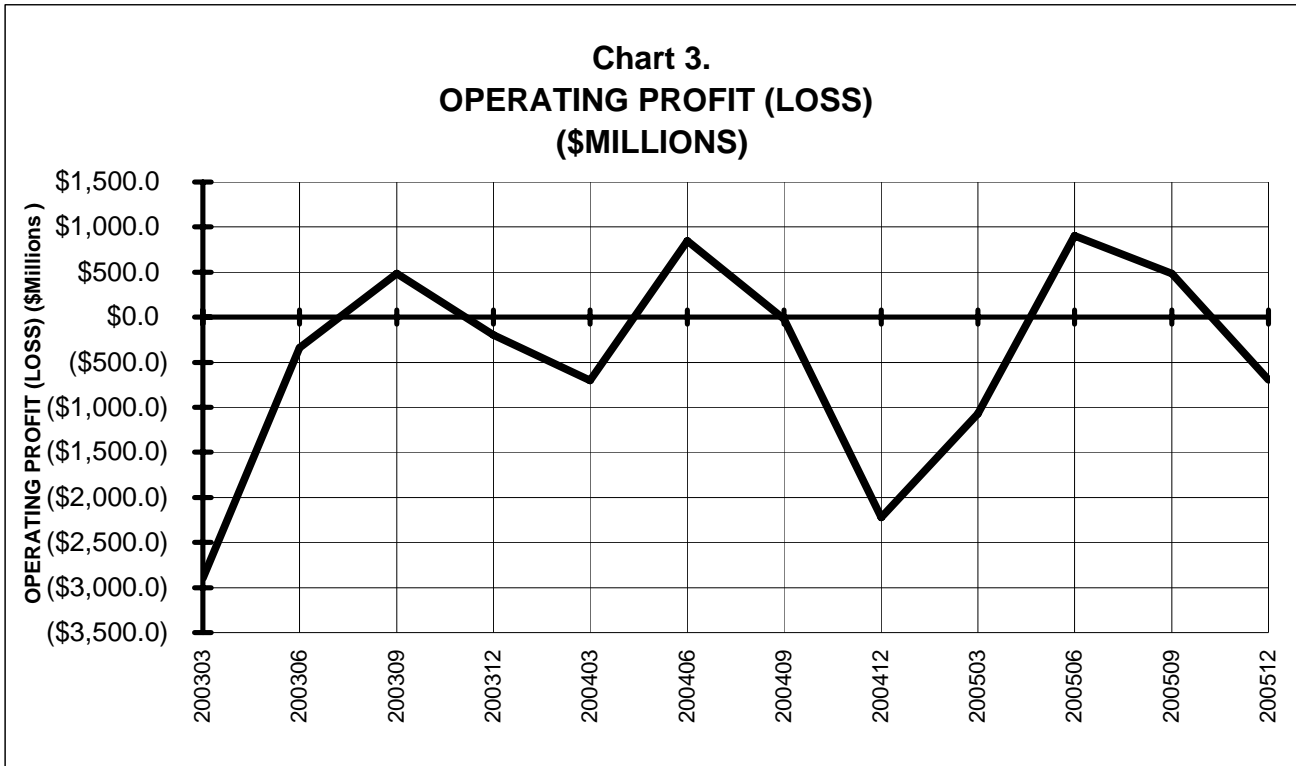
**Chart 1.**  
**Operating and Net Profit (Loss)**  
**For the Quarter Ended December 2005**



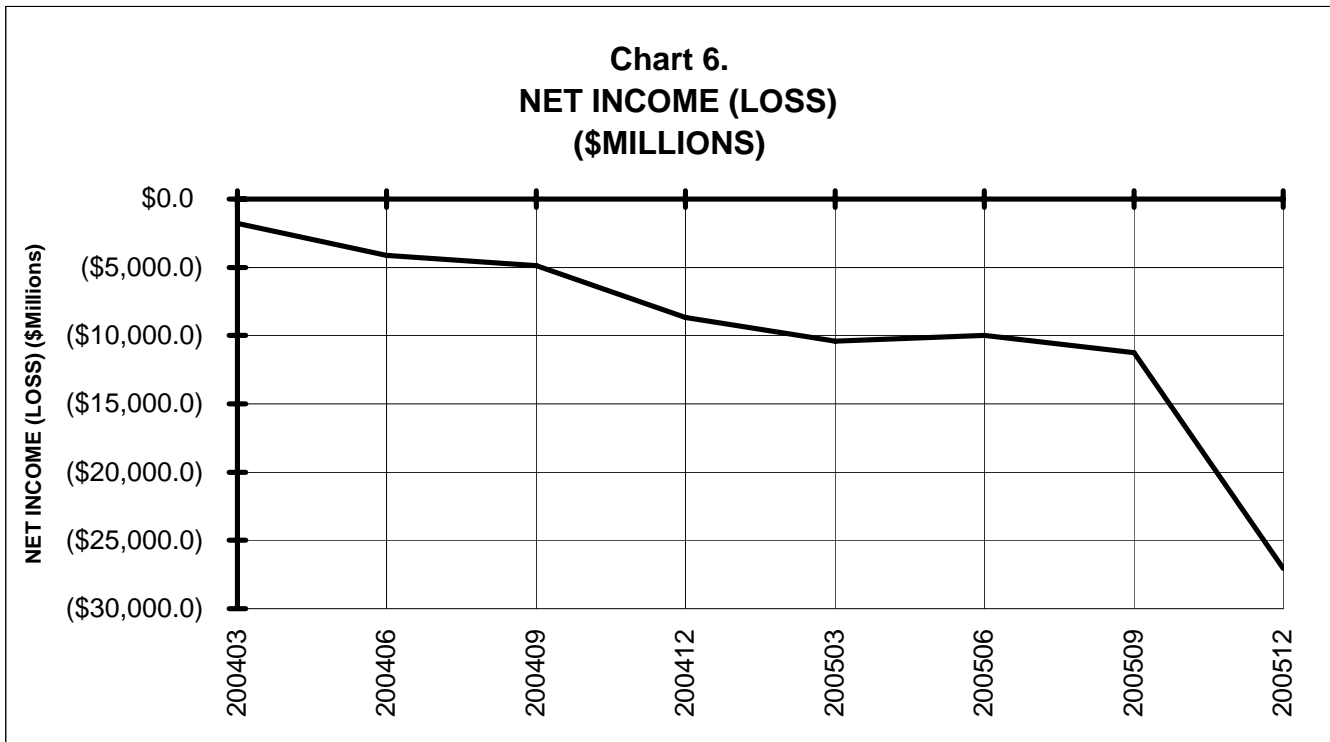
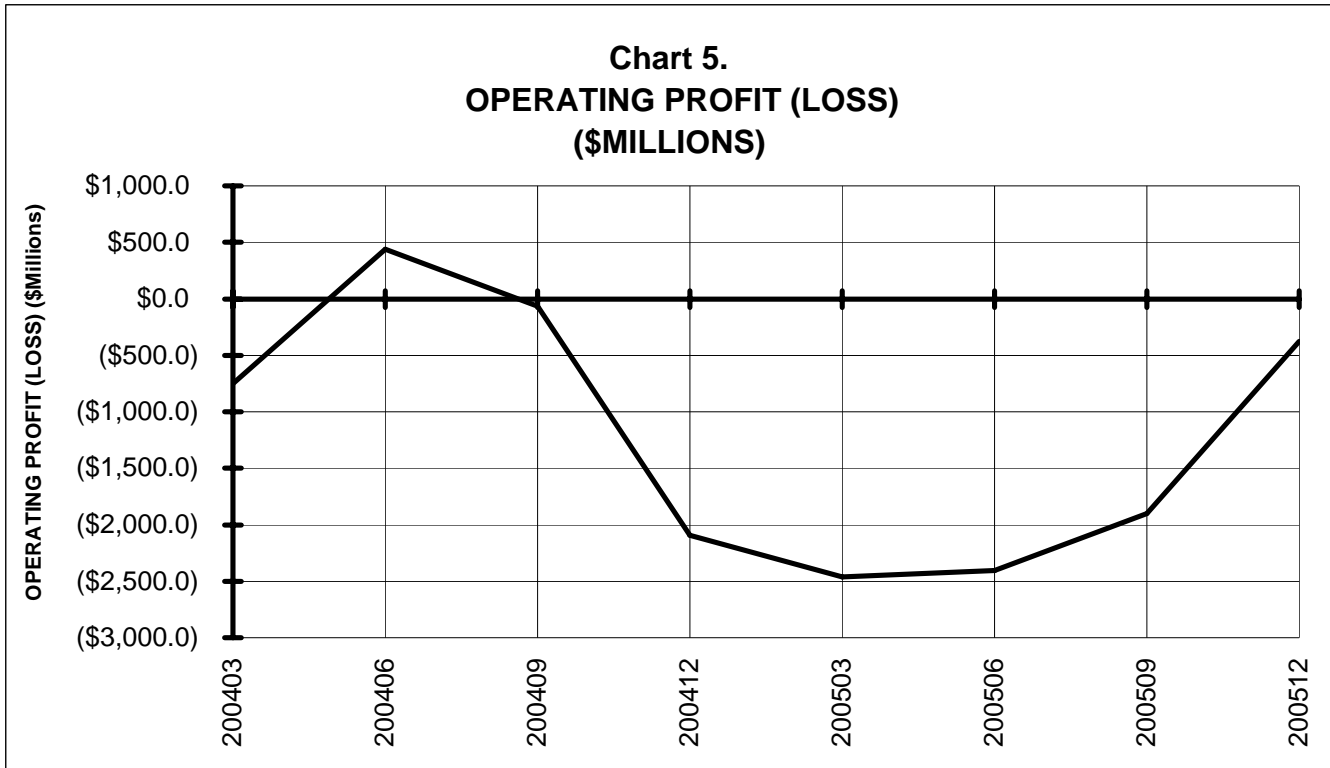
**Chart 2**  
**Operating and Net Profit (Loss)**  
**For the 12 Months Ended December 2005**



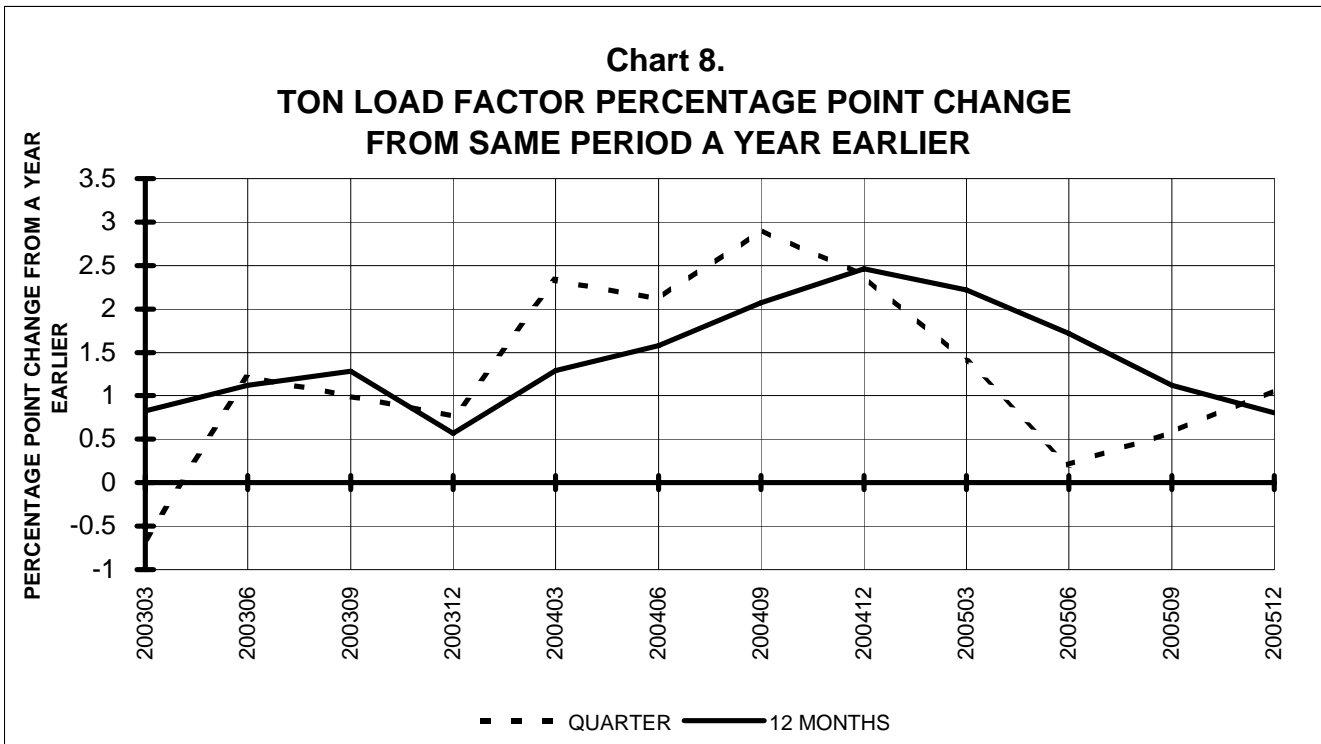
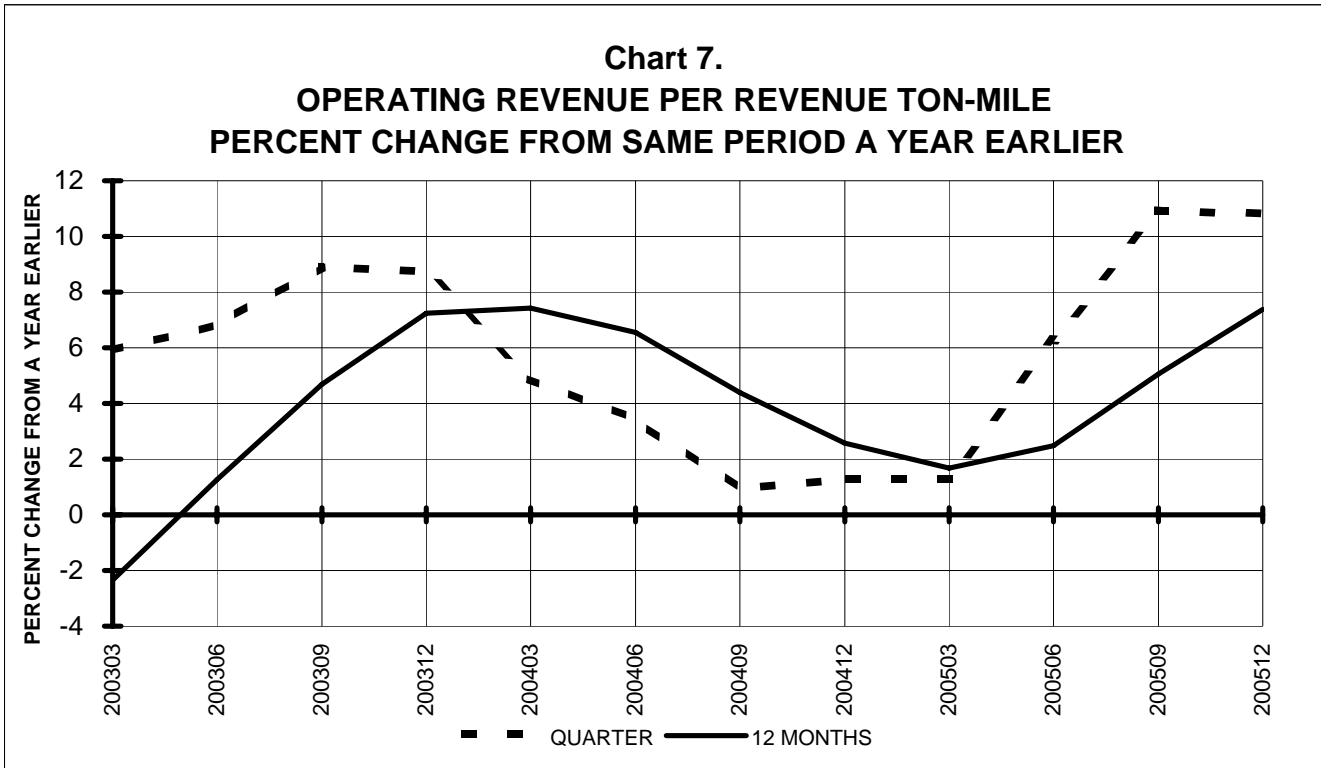
## TOTAL ALL MAJORS (SYSTEM) BY QUARTER



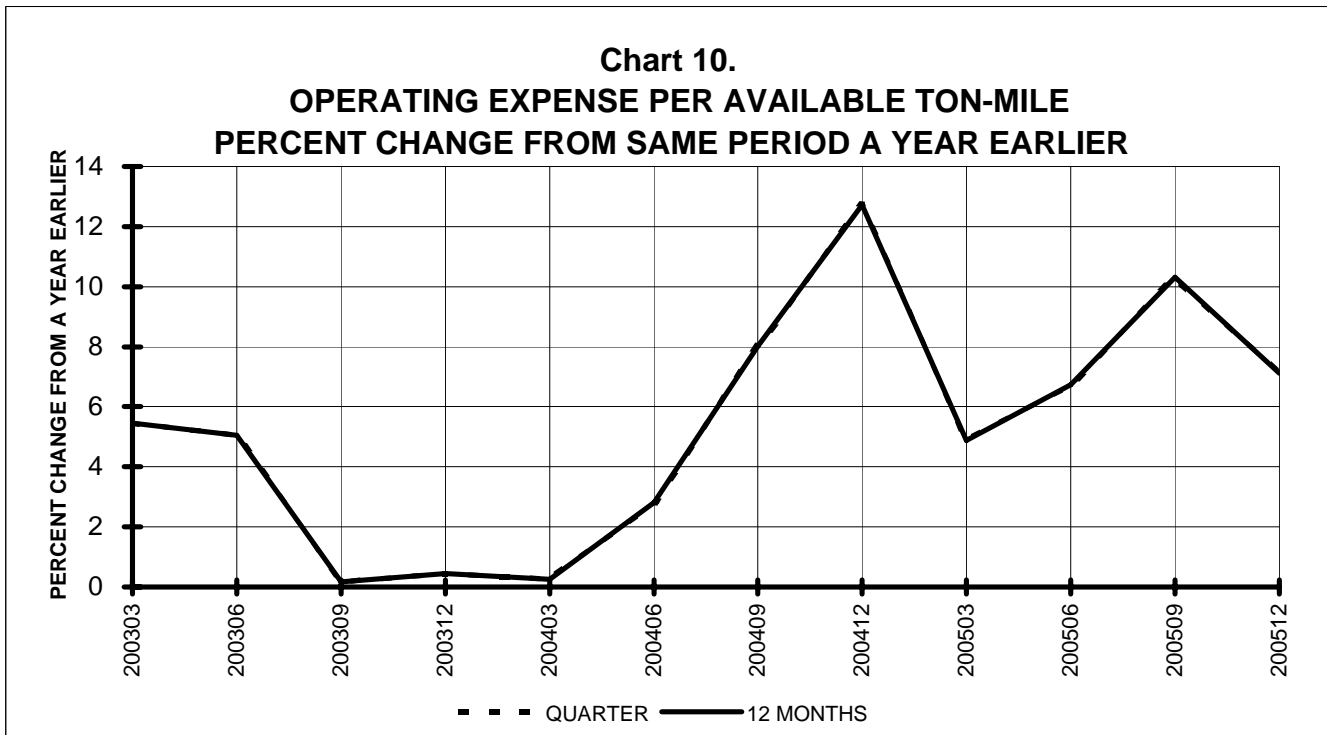
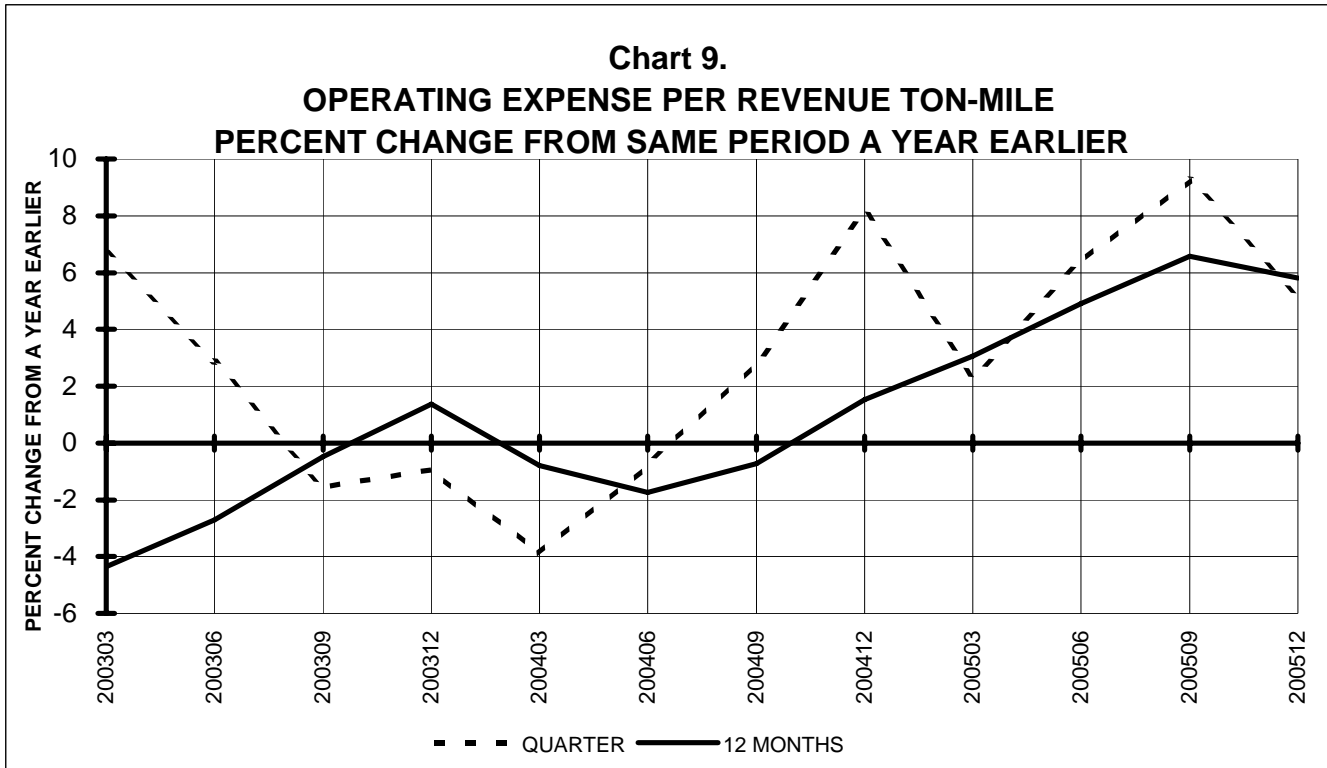
**TOTAL ALL MAJORS (SYSTEM)  
 BY 12-MONTH ENDING PERIODS**



## 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 |           |           |           |          |
|---|--|---------------|----------|-----------------|-----------|-----------|-----------|----------|
|   |  | 2005/12       | 2004/12  | 2005/12         | 2005/09   | 2005/06   | 2005/03   | 2004/12  |
| <u>FINANCIAL RESULTS: (\$Millions)</u>              |  |               |          |                 |           |           |           |          |
| 1   | Operating Revenues                           | 26,322.8      | 23,404.5 | 105,548.2       | 102,624.3 | 99,013.2  | 96,525.9  | 95,003.0 |
| 2   | Operating Expenses                           | 27,699.5      | 26,135.3 | 107,816.4       | 106,246.3 | 103,123.4 | 100,710.7 | 98,667.1 |
| 3   | Operating Profit (Loss)                      | -1,376.7      | -2,730.8 | -2,268.2        | -3,622.0  | -4,110.3  | -4,184.8  | -3,664.1 |
| 4   | Net Income (Loss)                            | -20,298.2     | -4,280.8 | -28,138.6       | -12,120.9 | -10,848.1 | -11,267.2 | -9,435.0 |
| <u>TRAFFIC: (Billions)</u>                          |  |               |          |                 |           |           |           |          |
| 5   | RPMs - Scheduled Svc.                        | 164.6         | 162.4    | 690.9           | 688.6     | 680.6     | 672.1     | 660.3    |
| 6   | ASMs - Scheduled Svc.                        | 214.2         | 217.3    | 882.9           | 885.8     | 880.6     | 874.0     | 867.9    |
| 7   | Overall RTMs (All Svc.)                      | 19.0          | 19.0     | 78.8            | 78.8      | 78.1      | 77.4      | 76.1     |
| 8   | Overall ATMs (All Svc.)                      | 32.2          | 32.9     | 133.0           | 133.7     | 133.0     | 132.0     | 130.9    |
| <u>YIELD &amp; UNIT COST &amp; PROFITS: (Cents)</u> |  |               |          |                 |           |           |           |          |
| 9   | Operating Revenue per RTM                    | 138.5         | 123.5    | 133.9           | 130.3     | 126.8     | 124.8     | 124.8    |
| 10  | Operating Expense per RTM                    | 145.7         | 137.9    | 136.8           | 134.9     | 132.1     | 130.2     | 129.6    |
| 11  | Operating Profit (Loss) per RTM              | -7.2          | -14.4    | -2.9            | -4.6      | -5.3      | -5.4      | -4.8     |
| 12  | Operating Expense per ATM                    | 86.1          | 79.4     | 81.1            | 79.5      | 77.5      | 76.3      | 75.4     |
| 13  | Passenger Revenue per RPM                    | 12.00         | 11.15    | 11.70           | 11.50     | 11.33     | 11.26     | 11.35    |
| <u>FINANCIAL RATIOS:</u>                            |  |               |          |                 |           |           |           |          |
| 14  | Operating Revenues to Total Investment       | *             | *        | 2.31            | 1.90      | 1.67      | 1.57      | 1.50     |
| 15  | Times Interest Earned                        | *             | *        | -6.32           | -2.21     | -2.03     | -1.84     | -1.47    |
| 16  | Current Assets to Current Liabilities        | *             | *        | 0.79            | 0.82      | 0.68      | 0.68      | 0.67     |
| 17  | No. of Days Cash Coverage of Cash Exp.       | *             | *        | 66.5            | 62.5      | 65.6      | 59.8      | 57.4     |
| <u>FINANCIAL PERCENTAGES:</u>                       |  |               |          |                 |           |           |           |          |
| 18  | Operating Profit (Loss) to Operating Revenue | -5.2          | -11.7    | -2.1            | -3.5      | -4.2      | -4.3      | -3.9     |
| 19  | Net Income to Stockholders Equity            | *             | *        | 8.74            | 8.57      | 7.14      | &         | -206.52  |
| 20  | Corporate Return on Investment               | *             | *        | -53.4           | -15.6     | -12.4     | -12.9     | -9.7     |
| 21  | Debt to Total Investment                     | *             | *        | 235.6           | 122.0     | 109.7     | 107.1     | 101.7    |
| <u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>         |  |               |          |                 |           |           |           |          |
| 22  | Actual                                       | 76.8          | 74.7     | 78.3            | 77.7      | 77.3      | 76.9      | 76.1     |
| 23  | Breakeven                                    | 85.8          | 88.1     | 83.3            | 83.7      | 83.8      | 82.8      | 80.8     |
| <u>Employment &amp; Productivity:</u>               |  |               |          |                 |           |           |           |          |
| 24  | Employment, Total Weighted Avg CY            | 350,003       | 375,881  | 357,245         | 366,235   | 371,846   | 373,864   | 379,669  |
| 25  | Overall RTM's per Employee (000)             | 54.3          | 50.4     | 220.7           | 215.1     | 210.0     | 206.9     | 200.5    |

|    |  | CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER |          |           |          |          |          |          |
|----|--|---|----------|-----------|----------|----------|----------|----------|
| 26 | Operating Revenues (%)                   | 12.5  | 8.5      | 11.1      | 10.2     | 8.7      | 10.8     | 12.6     |
| 27 | Operating Expenses (%)                   | 6.0   | 18.0     | 9.3       | 12.2     | 12.6     | 13.5     | 12.1     |
| 28 | Operating Profit (Loss) (in Millions \$) | 1,354.1   | -2,146.5 | 1,395.9   | -2,104.4 | -3,585.2 | -2,568.7 | -15.2    |
| 29 | Net Income (Loss)(in Millions \$)        | -16,017.4                                       | -3,850.2 | -18,703.6 | -6,536.0 | -6,296.0 | -9,118.6 | -6,970.1 |
| 30 | RPMs (Sch. Svc.) (%)                     | 1.3   | 8.5      | 4.6       | 6.3      | 7.6      | 10.2     | 10.4     |
| 31 | ASMs (Sch. Svc.) (%)                     | -1.4  | 6.3      | 1.7       | 3.6      | 4.8      | 6.8      | 7.4      |
| 32 | Operating Revenues per RTM (%)           | 12.1  | -0.3     | 7.2       | 4.3      | 1.5      | 0.9      | 2.5      |
| 33 | Operating Expense per RTM (%)            | 5.7   | 8.4      | 5.5       | 6.2      | 5.1      | 3.3      | 2.0      |
| 34 | Passenger Revenue per RPM (Sch. Svc.)(%) | 7.6   | -5.0     | 3.1       | 0.1      | -2.4     | -3.1     | -1.8     |

## QUARTERLY FINANCIAL & TRAFFIC REVIEW

### DOMESTIC OPERATIONS

#### Domestic Passenger Majors

| ITEMS   |  | QUARTER ENDED |          | 12 MONTHS ENDED |           |          |           |          |
|---|--|---------------|----------|-----------------|-----------|----------|-----------|----------|
|   |  | 2005/12       | 2004/12  | 2005/12         | 2005/09   | 2005/06  | 2005/03   | 2004/12  |
| <u>FINANCIAL RESULTS: (\$Millions)</u>              |  |               |          |                 |           |          |           |          |
| 1   | Operating Revenues                           | 19,895.9      | 17,746.2 | 78,864.5        | 76,714.8  | 74,261.7 | 72,761.8  | 71,997.1 |
| 2   | Operating Expenses                           | 21,038.8      | 20,175.3 | 82,065.5        | 81,202.0  | 79,032.3 | 77,684.7  | 76,585.6 |
| 3   | Operating Profit (Loss)                      | -1,142.9      | -2,429.1 | -3,201.0        | -4,487.2  | -4,770.6 | -4,922.9  | -4,588.5 |
| 4   | Net Income (Loss)                            | -12,938.6     | -3,802.1 | -19,853.7       | -10,717.2 | -9,926.0 | -10,516.4 | -9,176.6 |
| <u>TRAFFIC: (Billions)</u>                          |  |               |          |                 |           |          |           |          |
| 5   | RPMs - Scheduled Svc.                        | 119.1         | 118.7    | 497.6           | 497.2     | 493.5    | 489.8     | 483.1    |
| 6   | ASMs - Scheduled Svc.                        | 155.7         | 160.7    | 640.6           | 645.6     | 645.6    | 644.5     | 644.6    |
| 7   | Overall RTMs (All Svc.)                      | 12.6          | 12.7     | 52.5            | 52.6      | 52.3     | 52.1      | 51.4     |
| 8   | Overall ATMs (All Svc.)                      | 21.3          | 22.3     | 87.9            | 88.8      | 89.0     | 89.1      | 89.1     |
| <u>YIELD &amp; UNIT COST &amp; PROFITS: (Cents)</u> |  |               |          |                 |           |          |           |          |
| 9   | Operating Revenue per RTM                    | 157.7         | 139.8    | 150.2           | 145.9     | 142.0    | 139.8     | 140.1    |
| 10  | Operating Expense per RTM                    | 166.7         | 158.9    | 156.3           | 154.4     | 151.1    | 149.3     | 149.0    |
| 11  | Operating Profit (Loss) per RTM              | -9.1          | -19.1    | -6.1            | -8.5      | -9.1     | -9.5      | -8.9     |
| 12  | Operating Expense per ATM                    | 98.8          | 90.7     | 93.4            | 91.4      | 88.8     | 87.2      | 86.0     |
| 13  | Passenger Revenue per RPM                    | 12.33         | 11.49    | 11.96           | 11.76     | 11.59    | 11.54     | 11.68    |
| <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 | -5.7          | -13.7    | -4.1            | -5.8      | -6.4     | -6.8      | -6.4     |
| 19  | Net Income to Stockholders Equity            | *             | *        | **              | **        | **       | **        | **       |
| 20  | Corporate Return on Investment               | *             | *        | -45.0           | -18.1     | -15.3    | -16.1     | -13.1    |
| 21  | Debt to Total Investment                     | *             | *        | **              | **        | **       | **        | **       |
| <u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>         |  |               |          |                 |           |          |           |          |
| 22  | Actual                                       | 76.5          | 73.9     | 77.7            | 77.0      | 76.4     | 76.0      | 74.9     |
| 23  | Breakeven                                    | 85.8          | 88.6     | 84.0            | 84.6      | 84.6     | 83.7      | 81.5     |
| <u>Employment &amp; 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 (%)                   | 12.1  | 6.8      | 9.5       | 8.2      | 6.5      | 8.3      | 10.6     |
| 27 | Operating Expenses (%)                   | 4.3   | 16.2     | 7.2       | 10.1     | 10.1     | 11.6     | 11.6     |
| 28 | Operating Profit (Loss) (in Millions \$) | 1,286.2   | -1,690.4 | 1,387.5   | -1,589.1 | -2,755.4 | -2,479.2 | -1,034.1 |
| 29 | Net Income (Loss)(in Millions \$)        | -9,136.5  | -3,286.1 | -10,677.1 | -4,826.7 | -4,939.1 | -7,958.7 | -7,270.6 |
| 30 | RPMs (Sch. Svc.) (%)                     | 0.3   | 7.8      | 3.0       | 4.8      | 6.1      | 8.2      | 8.5      |
| 31 | ASMs (Sch. Svc.) (%)                     | -3.1  | 4.5      | -0.6      | 1.2      | 2.5      | 4.4      | 5.8      |
| 32 | Operating Revenues per RTM (%)           | 12.8  | -0.6     | 7.2       | 4.0      | 1.0      | 0.7      | 2.5      |
| 33 | Operating Expense per RTM (%)            | 4.9   | 8.2      | 4.9       | 5.8      | 4.5      | 3.8      | 3.4      |
| 34 | Passenger Revenue per RPM (Sch. Svc.)(%) | 7.3   | -7.1     | 2.3       | -1.2     | -4.1     | -4.8     | -3.5     |

## QUARTERLY FINANCIAL & TRAFFIC REVIEW

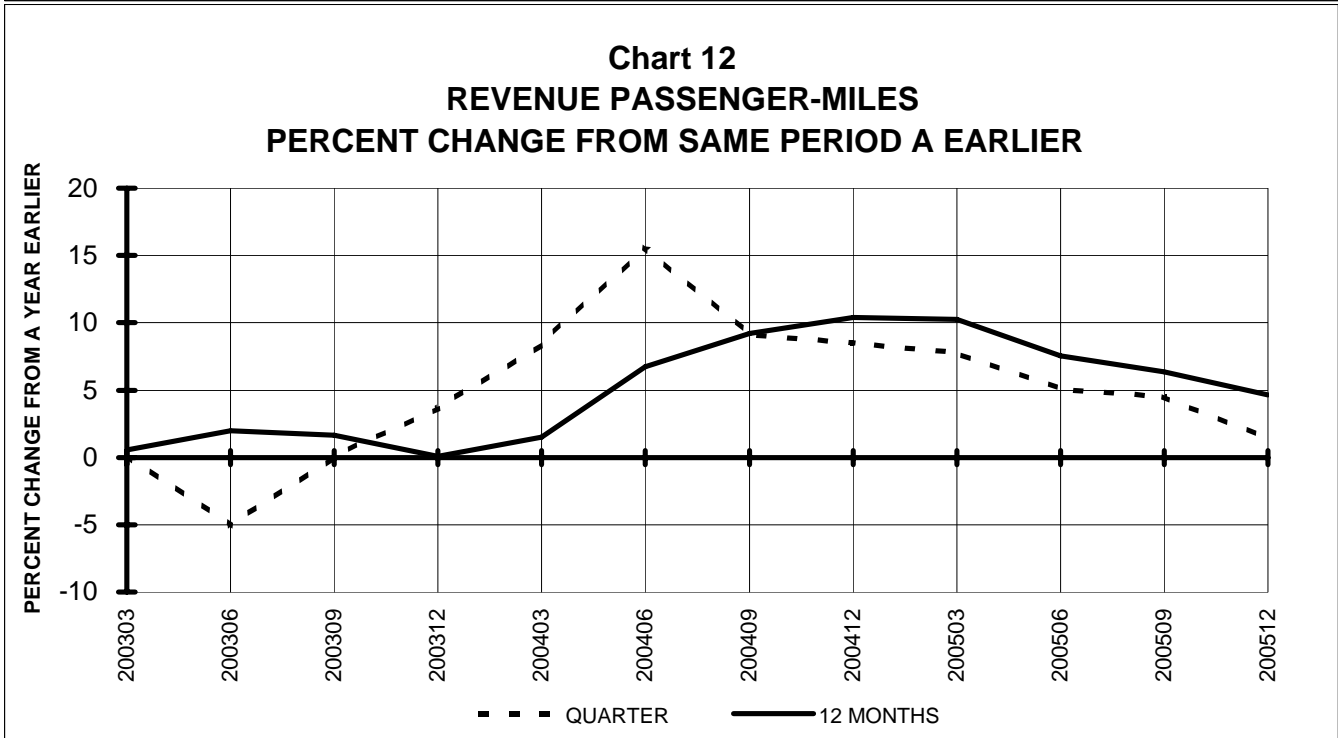
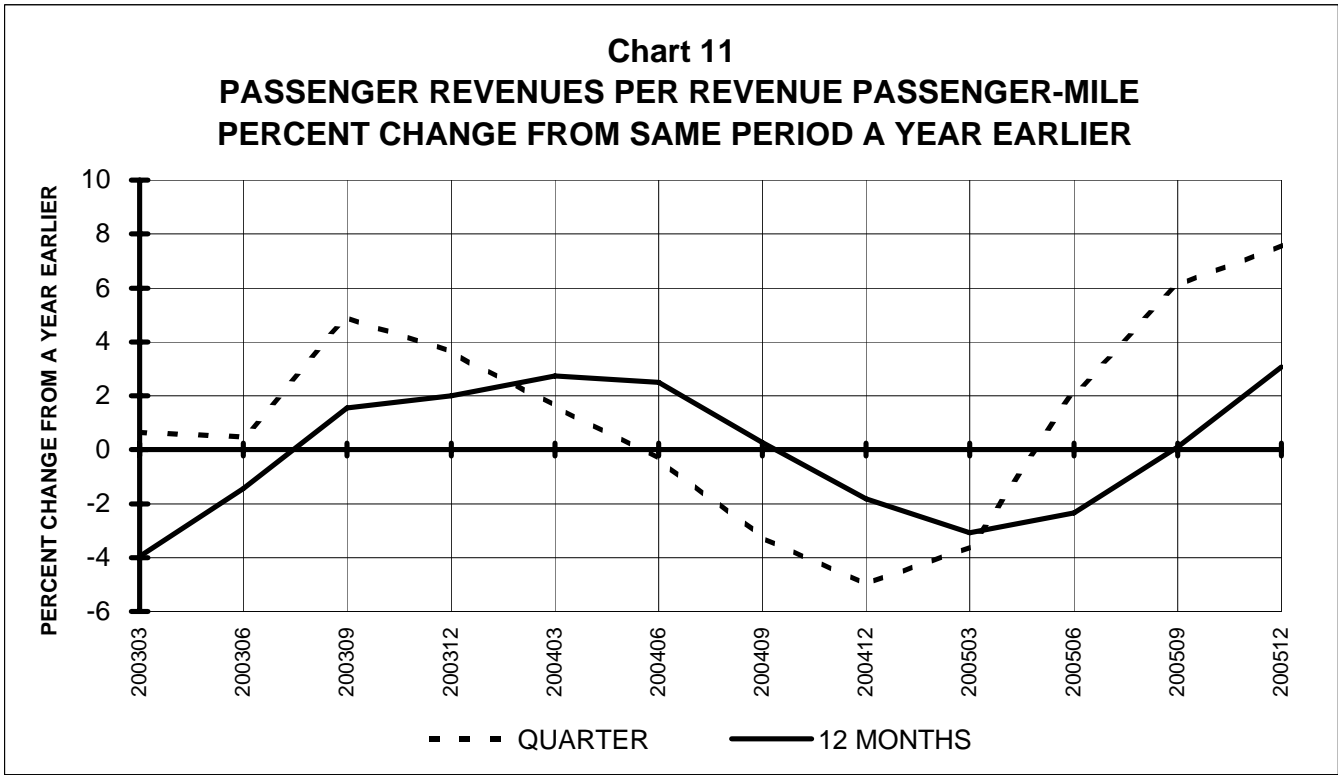
### INTERNATIONAL OPERATIONS

#### Int'l Passenger Majors

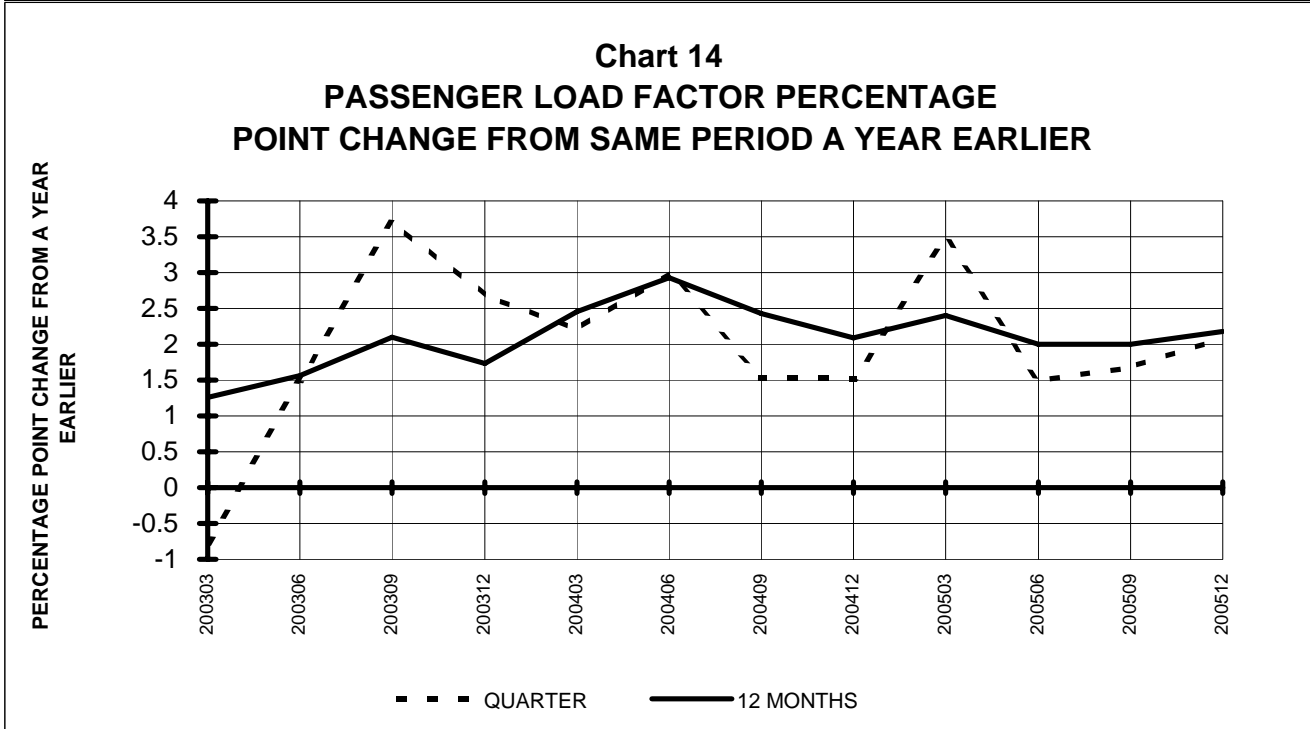
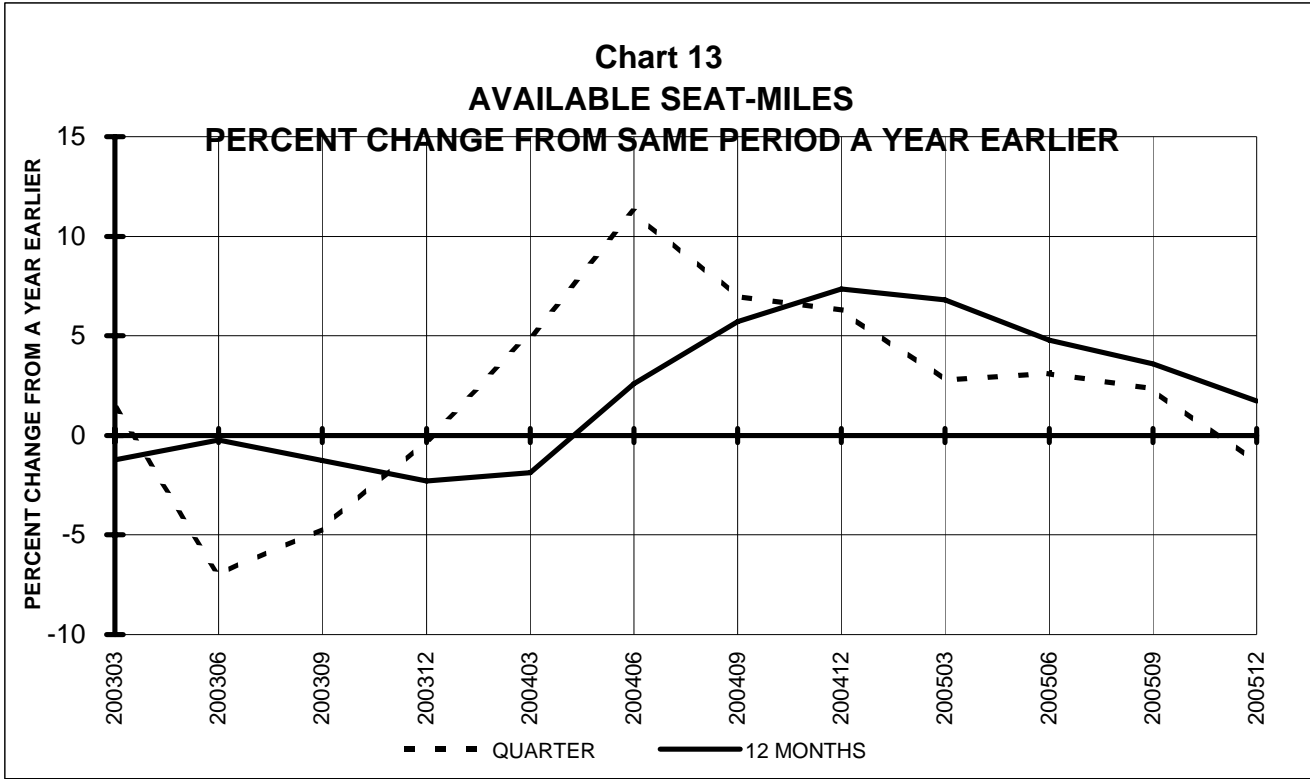
| ITEMS   |  | QUARTER ENDED |         | 12 MONTHS ENDED |          |          |          |          |
|---|--|---------------|---------|-----------------|----------|----------|----------|----------|
|   |  | 2005/12       | 2004/12 | 2005/12         | 2005/09  | 2005/06  | 2005/03  | 2004/12  |
| <u>FINANCIAL RESULTS: (\$Millions)</u>              |  |               |         |                 |          |          |          |          |
| 1   | Operating Revenues                           | 6,427.0       | 5,658.4 | 26,672.6        | 25,909.5 | 24,751.5 | 23,764.1 | 23,005.9 |
| 2   | Operating Expenses                           | 6,660.8       | 5,960.1 | 25,739.1        | 25,044.3 | 24,091.1 | 23,026.0 | 22,081.5 |
| 3   | Operating Profit (Loss)                      | -233.8        | -301.7  | 933.4           | 865.2    | 660.4    | 738.1    | 924.4    |
| 4   | Net Income (Loss)                            | -7,359.6      | -478.7  | -8,284.3        | -1,403.7 | -922.1   | -750.8   | -258.5   |
| <u>TRAFFIC: (Billions)</u>                          |  |               |         |                 |          |          |          |          |
| 5   | RPMs - Scheduled Svc.                        | 45.5          | 43.7    | 193.1           | 191.4    | 187.0    | 181.9    | 177.2    |
| 6   | ASMs - Scheduled Svc.                        | 58.5          | 56.5    | 242.1           | 240.2    | 235.0    | 229.1    | 223.3    |
| 7   | Overall RTMs (All Svc.)                      | 6.4           | 6.3     | 26.3            | 26.2     | 25.8     | 25.3     | 24.7     |
| 8   | Overall ATMs (All Svc.)                      | 10.9          | 10.6    | 45.1            | 44.9     | 44.0     | 42.9     | 41.8     |
| <u>YIELD &amp; UNIT COST &amp; PROFITS: (Cents)</u> |  |               |         |                 |          |          |          |          |
| 9   | Operating Revenue per RTM                    | 100.5         | 90.4    | 101.3           | 98.9     | 96.0     | 94.0     | 93.1     |
| 10  | Operating Expense per RTM                    | 104.2         | 95.2    | 97.8            | 95.6     | 93.4     | 91.1     | 89.4     |
| 11  | Operating Profit (Loss) per RTM              | -3.7          | -4.8    | 3.5             | 3.3      | 2.6      | 2.9      | 3.7      |
| 12  | Operating Expense per ATM                    | 61.1          | 56.0    | 57.1            | 55.8     | 54.8     | 53.7     | 52.8     |
| 13  | Passenger Revenue per RPM                    | 11.11         | 10.23   | 11.05           | 10.85    | 10.63    | 10.51    | 10.45    |
| <u>FINANCIAL RATIOS:</u>                            |  |               |         |                 |          |          |          |          |
| 14  | Operating Revenues to Total Investment       | *             | *       | **              | **       | **       | **       | **       |
| 15  | Times Interest Earned                        | *             | *       | **              | **       | **       | **       | **       |
| 16  | Current Assets to Current Liabilities        | *             | *       | **              | **       | **       | **       | **       |
| 17  | No. of Days Cash Coverage of Cash Exp.       | *             | *       | **              | **       | **       | **       | **       |
| <u>FINANCIAL PERCENTAGES:</u>                       |  |               |         |                 |          |          |          |          |
| 18  | Operating Profit (Loss) to Operating Revenue | -3.6          | -5.3    | 3.5             | 3.3      | 2.7      | 3.1      | 4.0      |
| 19  | Net Income to Stockholders Equity            | *             | *       | **              | **       | **       | **       | **       |
| 20  | Corporate Return on Investment               | *             | *       | -94.2           | -4.9     | -0.6     | 0.6      | 4.3      |
| 21  | Debt to Total Investment                     | *             | *       | **              | **       | **       | **       | **       |
| <u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>         |  |               |         |                 |          |          |          |          |
| 22  | Actual                                       | 77.7          | 77.2    | 79.8            | 79.7     | 79.6     | 79.4     | 79.3     |
| 23  | Breakeven                                    | 85.7          | 86.1    | 80.6            | 80.6     | 80.6     | 79.6     | 78.1     |
| <u>Employment &amp; 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 (%)                   | 13.6  | 14.3   | 15.9     | 16.2     | 16.1     | 19.2     | 19.5    |
| 27 | Operating Expenses (%)                   | 11.8  | 24.3   | 16.6     | 19.7     | 21.5     | 20.4     | 14.2    |
| 28 | Operating Profit (Loss) (in Millions \$) | 67.9  | -456.1 | 9.0      | -515.3   | -829.8   | -89.5    | 1,019.0 |
| 29 | Net Income (Loss)(in Millions \$)        | -6,880.9  | -564.1 | -8,025.8 | -1,709.3 | -1,357.0 | -1,159.8 | 300.4   |
| 30 | RPMs (Sch. Svc.) (%)                     | 4.2   | 10.4   | 9.0      | 10.6     | 11.7     | 15.9     | 15.7    |
| 31 | ASMs (Sch. Svc.) (%)                     | 3.5   | 11.7   | 8.4      | 10.5     | 11.4     | 14.0     | 12.0    |
| 32 | Operating Revenues per RTM (%)           | 11.2  | 2.1    | 8.8      | 6.6      | 4.8      | 4.1      | 5.0     |
| 33 | Operating Expense per RTM (%)            | 9.4   | 11.1   | 9.4      | 9.9      | 9.6      | 5.2      | 0.3     |
| 34 | Passenger Revenue per RPM (Sch. Svc.)(%) | 8.7   | 2.6    | 5.8      | 4.3      | 3.6      | 3.7      | 4.8     |

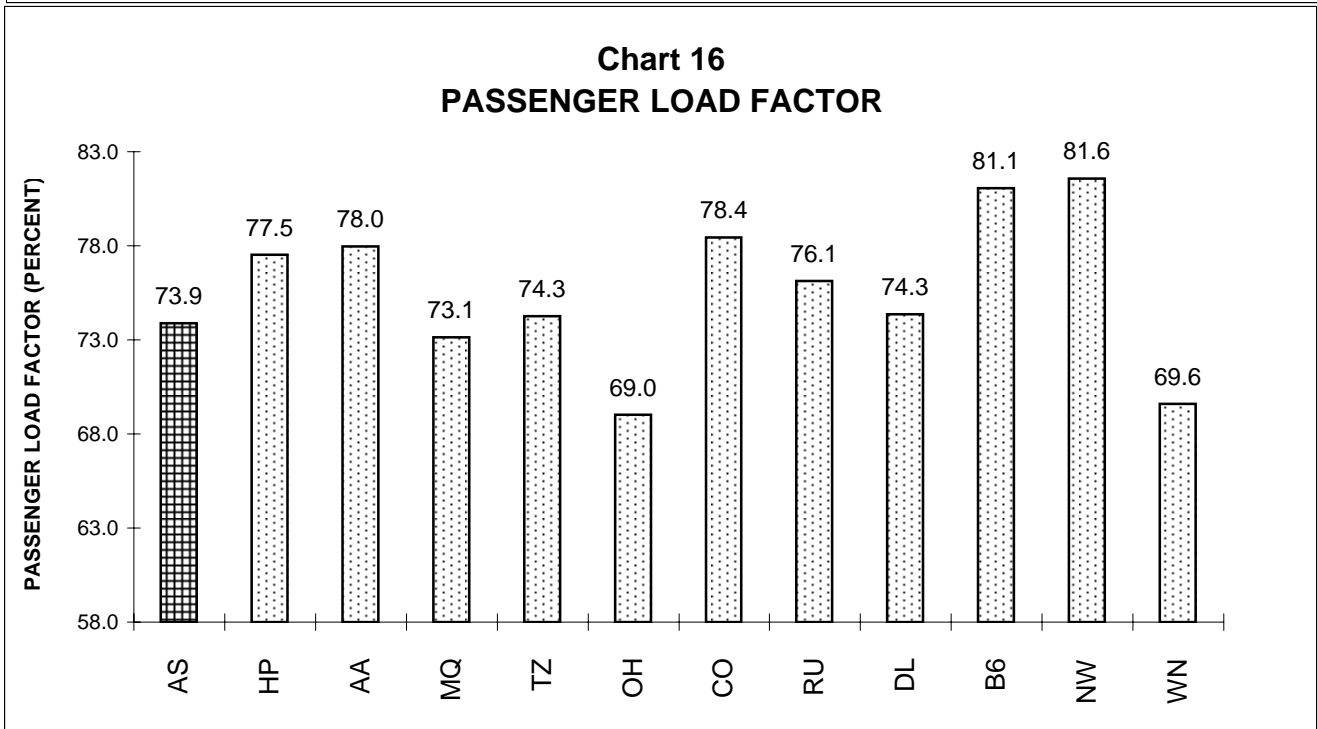
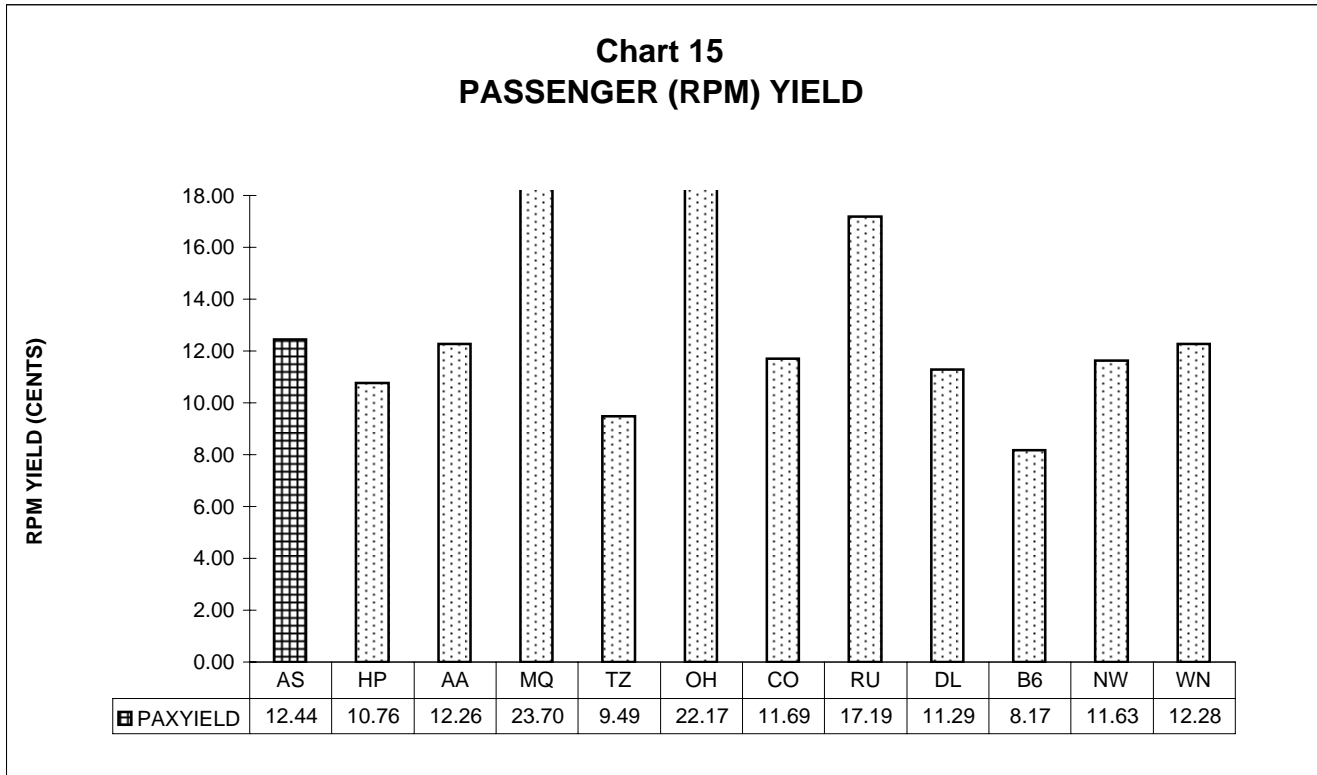
**TOTAL PASSENGER MAJORS (SYSTEM)  
 QUARTERLY AND 12-MONTH BASIS (SCH. SVC.)**



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



**TOTAL PASSENGER MAJORS (SYSTEM)  
 FOURTH QUARTER 2005**



## QUARTERLY FINANCIAL & TRAFFIC REVIEW

### SYSTEM OPERATIONS

#### Alaska Airlines

| ITEMS   |  | QUARTER ENDED |         | 12 MONTHS ENDED |         |         |         |         |
|---|--|---------------|---------|-----------------|---------|---------|---------|---------|
|   |  | 2005/12       | 2004/12 | 2005/12         | 2005/09 | 2005/06 | 2005/03 | 2004/12 |
| <u>FINANCIAL RESULTS: (\$Millions)</u>              |  |               |         |                 |         |         |         |         |
| 1   | Operating Revenues                           | 587.2         | 531.3   | 2,416.1         | 2,360.3 | 2,312.1 | 2,273.4 | 2,241.4 |
| 2   | Operating Expenses                           | 608.7         | 585.6   | 2,423.9         | 2,400.8 | 2,386.5 | 2,335.2 | 2,279.7 |
| 3   | Operating Profit (Loss)                      | -21.5         | -54.3   | -7.8            | -40.5   | -74.4   | -61.7   | -38.3   |
| 4   | Net Income (Loss)                            | -26.8         | -43.1   | -2.3            | -18.6   | -34.8   | -50.4   | -14.0   |
| <u>TRAFFIC: (Billions)</u>                          |  |               |         |                 |         |         |         |         |
| 5   | RPMs - Scheduled Svc.                        | 4.1           | 4.0     | 16.9            | 16.8    | 16.8    | 16.5    | 16.2    |
| 6   | ASMs - Scheduled Svc.                        | 5.6           | 5.5     | 22.3            | 22.2    | 22.4    | 22.5    | 22.3    |
| 7   | Overall RTMs (All Svc.)                      | 0.4           | 0.4     | 1.8             | 1.8     | 1.8     | 1.7     | 1.7     |
| 8   | Overall ATMs (All Svc.)                      | 0.7           | 0.7     | 2.9             | 2.9     | 2.9     | 3.0     | 2.9     |
| <u>YIELD &amp; UNIT COST &amp; PROFITS: (Cents)</u> |  |               |         |                 |         |         |         |         |
| 9   | Operating Revenue per RTM                    | 138.0         | 128.4   | 137.0           | 134.7   | 132.1   | 131.5   | 132.1   |
| 10  | Operating Expense per RTM                    | 143.1         | 141.5   | 137.5           | 137.0   | 136.4   | 135.1   | 134.4   |
| 11  | Operating Profit (Loss) per RTM              | -5.1          | -13.1   | -0.4            | -2.3    | -4.2    | -3.6    | -2.3    |
| 12  | Operating Expense per ATM                    | 83.7          | 81.4    | 83.1            | 82.6    | 81.0    | 78.7    | 77.7    |
| 13  | Passenger Revenue per RPM                    | 12.44         | 11.63   | 12.53           | 12.34   | 12.08   | 11.99   | 12.09   |
| <u>FINANCIAL RATIOS:</u>                            |  |               |         |                 |         |         |         |         |
| 14  | Operating Revenues to Total Investment       | *             | *       | 1.63            | 1.57    | 1.52    | 1.45    | 1.39    |
| 15  | Times Interest Earned                        | *             | *       | 3.79            | 3.29    | 2.67    | 2.13    | 0.58    |
| 16  | Current Assets to Current Liabilities        | *             | *       | 0.95            | 1.04    | 1.13    | 1.23    | 1.33    |
| 17  | No. of Days Cash Coverage of Cash Exp.       | *             | *       | 138.5           | 107.6   | 117.2   | 126.1   | 148.2   |
| <u>FINANCIAL PERCENTAGES:</u>                       |  |               |         |                 |         |         |         |         |
| 18  | Operating Profit (Loss) to Operating Revenue | -3.7          | -10.2   | -0.3            | -1.7    | -3.2    | -2.7    | -1.7    |
| 19  | Net Income to Stockholders Equity            | *             | *       | -0.36           | -2.80   | -5.28   | -7.52   | -2.03   |
| 20  | Corporate Return on Investment               | *             | *       | 2.8             | 1.7     | 0.7     | -0.4    | 1.9     |
| 21  | Debt to Total Investment                     | *             | *       | 58.2            | 53.9    | 57.2    | 58.1    | 55.7    |
| <u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>         |  |               |         |                 |         |         |         |         |
| 22  | Actual                                       | 73.9          | 73.0    | 75.9            | 75.7    | 74.9    | 73.7    | 72.9    |
| 23  | Breakeven                                    | 83.6          | 88.4    | 81.9            | 82.9    | 83.6    | 81.9    | 79.8    |
| <u>Employment &amp; Productivity:</u>               |  |               |         |                 |         |         |         |         |
| 24  | Employment, Total Weighted Avg CY            | 8,992         | 9,453   | 9,045           | 9,161   | 9,431   | 9,711   | 9,887   |
| 25  | Overall RTM's per Employee (000)             | 47.3          | 43.8    | 194.9           | 191.2   | 185.6   | 178.0   | 171.6   |

|    |  | CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER |       |      |       |       |       |       |
|----|--|---|-------|------|-------|-------|-------|-------|
| 26 | Operating Revenues (%)                   | 10.5  | 5.3   | 7.8  | 6.6   | 7.1   | 8.7   | 10.6  |
| 27 | Operating Expenses (%)                   | 3.9   | 12.1  | 6.3  | 8.3   | 11.1  | 11.8  | 11.9  |
| 28 | Operating Profit (Loss) (in Millions \$) | 32.8  | -36.4 | 30.5 | -38.7 | -85.6 | -65.3 | -27.7 |
| 29 | Net Income (Loss)(in Millions \$)        | 16.3  | -24.9 | 11.7 | -29.5 | -9.1  | -64.1 | -17.0 |
| 30 | RPMs (Sch. Svc.) (%)                     | 3.2   | 10.1  | 4.2  | 5.8   | 8.7   | 10.3  | 11.4  |
| 31 | ASMs (Sch. Svc.) (%)                     | 1.9   | 4.9   | 0.1  | 0.8   | 3.1   | 5.6   | 7.0   |
| 32 | Operating Revenues per RTM (%)           | 7.5   | -4.3  | 3.7  | 0.9   | -1.2  | -1.1  | -0.4  |
| 33 | Operating Expense per RTM (%)            | 1.1   | 1.8   | 2.3  | 2.6   | 2.5   | 1.7   | 0.8   |
| 34 | Passenger Revenue per RPM (Sch. Svc.)(%) | 6.9   | -6.5  | 3.6  | 0.4   | -2.4  | -3.0  | -1.9  |

## QUARTERLY FINANCIAL & TRAFFIC REVIEW

### SYSTEM OPERATIONS

#### America West Airlines

| ITEMS   |  | QUARTER ENDED |         | 12 MONTHS ENDED |         |         |         |         |
|---|--|---------------|---------|-----------------|---------|---------|---------|---------|
|   |  | 2005/12       | 2004/12 | 2005/12         | 2005/09 | 2005/06 | 2005/03 | 2004/12 |
| <u>FINANCIAL RESULTS: (\$Millions)</u>              |  |               |         |                 |         |         |         |         |
| 1   | Operating Revenues                           | 870.3         | 613.6   | 3,397.2         | 3,140.5 | 2,864.3 | 2,631.8 | 2,481.5 |
| 2   | Operating Expenses                           | 1,015.8       | 651.0   | 3,517.7         | 3,152.9 | 2,846.3 | 2,618.7 | 2,503.5 |
| 3   | Operating Profit (Loss)                      | -145.5        | -37.4   | -120.5          | -12.4   | 18.0    | 13.0    | -22.0   |
| 4   | Net Income (Loss)                            | -375.3        | -68.2   | -397.3          | -90.2   | -64.9   | -68.5   | -103.7  |
| <u>TRAFFIC: (Billions)</u>                          |  |               |         |                 |         |         |         |         |
| 5   | RPMs - Scheduled Svc.                        | 5.9           | 5.9     | 24.3            | 24.3    | 24.2    | 23.7    | 23.3    |
| 6   | ASMs - Scheduled Svc.                        | 7.6           | 7.6     | 30.5            | 30.5    | 30.3    | 30.1    | 30.1    |
| 7   | Overall RTMs (All Svc.)                      | 0.6           | 0.6     | 2.5             | 2.5     | 2.5     | 2.5     | 2.4     |
| 8   | Overall ATMs (All Svc.)                      | 1.0           | 1.0     | 4.1             | 4.1     | 4.1     | 4.0     | 4.0     |
| <u>YIELD &amp; UNIT COST &amp; PROFITS: (Cents)</u> |  |               |         |                 |         |         |         |         |
| 9   | Operating Revenue per RTM                    | 143.2         | 100.6   | 135.4           | 125.1   | 114.7   | 107.6   | 103.3   |
| 10  | Operating Expense per RTM                    | 167.2         | 106.8   | 140.2           | 125.6   | 113.9   | 107.0   | 104.2   |
| 11  | Operating Profit (Loss) per RTM              | -24.0         | -6.1    | -4.8            | -0.5    | 0.7     | 0.5     | -0.9    |
| 12  | Operating Expense per ATM                    | 100.5         | 63.9    | 86.3            | 77.1    | 70.2    | 64.9    | 62.0    |
| 13  | Passenger Revenue per RPM                    | 10.76         | 9.29    | 10.35           | 9.99    | 9.59    | 9.42    | 9.40    |
| <u>FINANCIAL RATIOS:</u>                            |  |               |         |                 |         |         |         |         |
| 14  | Operating Revenues to Total Investment       | *             | *       | 3.42            | 3.04    | 2.63    | 2.37    | 2.19    |
| 15  | Times Interest Earned                        | *             | *       | -1.09           | -0.07   | 0.25    | 0.20    | -0.20   |
| 16  | Current Assets to Current Liabilities        | *             | *       | 1.19            | 0.91    | 0.89    | 0.84    | 0.93    |
| 17  | No. of Days Cash Coverage of Cash Exp.       | *             | *       | 100.3           | 89.2    | 39.4    | 30.3    | 38.0    |
| <u>FINANCIAL PERCENTAGES:</u>                       |  |               |         |                 |         |         |         |         |
| 18  | Operating Profit (Loss) to Operating Revenue | -16.7         | -6.1    | -3.5            | -0.4    | 0.6     | 0.5     | -0.9    |
| 19  | Net Income to Stockholders Equity            | *             | *       | -180.80         | -28.70  | -19.06  | -19.57  | -29.04  |
| 20  | Corporate Return on Investment               | *             | *       | -30.6           | -0.6    | 2.0     | 1.5     | -1.5    |
| 21  | Debt to Total Investment                     | *             | *       | 112.0           | 69.9    | 67.9    | 68.9    | 73.5    |
| <u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>         |  |               |         |                 |         |         |         |         |
| 22  | Actual                                       | 77.5          | 77.4    | 79.5            | 79.5    | 79.8    | 78.7    | 77.4    |
| 23  | Breakeven                                    | 100.1         | 86.9    | 86.3            | 82.7    | 82.2    | 81.5    | 81.6    |
| <u>Employment &amp; Productivity:</u>               |  |               |         |                 |         |         |         |         |
| 24  | Employment, Total Weighted Avg CY            | 11,602        | 11,436  | 11,765          | 11,724  | 11,623  | 11,502  | 11,433  |
| 25  | Overall RTM's per Employee (000)             | 52.4          | 53.3    | 213.3           | 214.2   | 214.9   | 212.7   | 210.2   |

|    |  | CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER |       |        |       |        |        |        |
|----|--|---|-------|--------|-------|--------|--------|--------|
| 26 | Operating Revenues (%)                   | 41.8  | 10.3  | 36.9   | 29.6  | 19.8   | 13.8   | 11.6   |
| 27 | Operating Expenses (%)                   | 56.0  | 19.9  | 40.5   | 31.6  | 24.4   | 17.9   | 14.0   |
| 28 | Operating Profit (Loss) (in Millions \$) | -108.1  | -50.6 | -98.5  | -41.0 | -84.8  | -77.0  | -49.5  |
| 29 | Net Income (Loss)(in Millions \$)        | -307.1  | -72.3 | -293.6 | -58.8 | -109.3 | -178.8 | -152.0 |
| 30 | RPMs (Sch. Svc.) (%)                     | -0.2  | 11.3  | 4.0    | 6.8   | 9.1    | 9.1    | 9.6    |
| 31 | ASMs (Sch. Svc.) (%)                     | -0.4  | 8.6   | 1.2    | 3.3   | 4.6    | 6.1    | 8.2    |
| 32 | Operating Revenues per RTM (%)           | 42.3  | -1.3  | 31.1   | 20.7  | 9.3    | 4.3    | 2.1    |
| 33 | Operating Expense per RTM (%)            | 56.6  | 7.3   | 34.6   | 22.6  | 13.5   | 8.0    | 4.3    |
| 34 | Passenger Revenue per RPM (Sch. Svc.)(%) | 15.9  | -5.7  | 10.1   | 4.8   | -2.6   | -4.7   | -5.2   |

## QUARTERLY FINANCIAL & TRAFFIC REVIEW

### SYSTEM OPERATIONS

### American Airlines

| ITEMS   |  | QUARTER ENDED |         | 12 MONTHS ENDED |          |          |          |          |
|---|--|---------------|---------|-----------------|----------|----------|----------|----------|
|   |  | 2005/12       | 2004/12 | 2005/12         | 2005/09  | 2005/06  | 2005/03  | 2004/12  |
| <u>FINANCIAL RESULTS: (\$Millions)</u>              |  |               |         |                 |          |          |          |          |
| 1   | Operating Revenues                           | 5,153.4       | 4,530.6 | 20,657.1        | 20,034.4 | 19,316.2 | 18,841.0 | 18,607.6 |
| 2   | Operating Expenses                           | 5,588.7       | 4,956.7 | 21,007.9        | 20,375.9 | 19,726.5 | 19,281.1 | 19,028.6 |
| 3   | Operating Profit (Loss)                      | -435.3        | -426.1  | -350.7          | -341.5   | -410.3   | -440.1   | -421.0   |
| 4   | Net Income (Loss)                            | -601.0        | -400.5  | -891.7          | -691.3   | -756.8   | -810.5   | -821.0   |
| <u>TRAFFIC: (Billions)</u>                          |  |               |         |                 |          |          |          |          |
| 5   | RPMs - Scheduled Svc.                        | 33.2          | 31.9    | 138.2           | 136.9    | 134.5    | 132.0    | 130.0    |
| 6   | ASMs - Scheduled Svc.                        | 42.6          | 42.9    | 175.9           | 176.2    | 175.1    | 174.1    | 173.8    |
| 7   | Overall RTMs (All Svc.)                      | 3.9           | 3.8     | 16.1            | 15.9     | 15.7     | 15.5     | 15.2     |
| 8   | Overall ATMs (All Svc.)                      | 6.7           | 7.0     | 28.0            | 28.2     | 28.2     | 28.2     | 28.2     |
| <u>YIELD &amp; UNIT COST &amp; PROFITS: (Cents)</u> |  |               |         |                 |          |          |          |          |
| 9   | Operating Revenue per RTM                    | 132.2         | 120.0   | 128.7           | 125.7    | 123.1    | 122.0    | 122.2    |
| 10  | Operating Expense per RTM                    | 143.4         | 131.2   | 130.9           | 127.9    | 125.7    | 124.8    | 125.0    |
| 11  | Operating Profit (Loss) per RTM              | -11.2         | -11.3   | -2.2            | -2.1     | -2.6     | -2.8     | -2.8     |
| 12  | Operating Expense per ATM                    | 83.4          | 71.3    | 75.1            | 72.2     | 70.0     | 68.5     | 67.6     |
| 13  | Passenger Revenue per RPM                    | 12.26         | 11.30   | 11.99           | 11.76    | 11.53    | 11.47    | 11.52    |
| <u>FINANCIAL RATIOS:</u>                            |  |               |         |                 |          |          |          |          |
| 14  | Operating Revenues to Total Investment       | *             | *       | 2.08            | 1.96     | 1.84     | 1.75     | 1.69     |
| 15  | Times Interest Earned                        | *             | *       | -0.74           | -0.41    | -0.57    | -0.61    | -0.60    |
| 16  | Current Assets to Current Liabilities        | *             | *       | 0.73            | 0.75     | 0.71     | 0.72     | 0.71     |
| 17  | No. of Days Cash Coverage of Cash Exp.       | *             | *       | 78.0            | 73.1     | 75.3     | 70.5     | 69.0     |
| <u>FINANCIAL PERCENTAGES:</u>                       |  |               |         |                 |          |          |          |          |
| 18  | Operating Profit (Loss) to Operating Revenue | -8.4          | -9.4    | -1.7            | -1.7     | -2.1     | -2.3     | -2.3     |
| 19  | Net Income to Stockholders Equity            | *             | *       | &               | &        | &        | -475.94  | -317.17  |
| 20  | Corporate Return on Investment               | *             | *       | -3.8            | -2.0     | -2.6     | -2.9     | -2.8     |
| 21  | Debt to Total Investment                     | *             | *       | 112.4           | 103.6    | 102.2    | 101.0    | 101.0    |
| <u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>         |  |               |         |                 |          |          |          |          |
| 22  | Actual                                       | 78.0          | 74.3    | 78.6            | 77.7     | 76.8     | 75.9     | 74.8     |
| 23  | Breakeven                                    | 92.9          | 88.5    | 85.6            | 84.4     | 83.9     | 83.2     | 82.1     |
| <u>Employment &amp; Productivity:</u>               |  |               |         |                 |          |          |          |          |
| 24  | Employment, Total Weighted Avg CY            | 74,983        | 78,406  | 76,059          | 76,915   | 77,494   | 78,320   | 79,068   |
| 25  | Overall RTM's per Employee (000)             | 52.0          | 48.2    | 211.1           | 207.1    | 202.4    | 197.3    | 192.6    |

|    |  | CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER |        |       |        |        |        |         |
|----|--|---|--------|-------|--------|--------|--------|---------|
| 26 | Operating Revenues (%)                   | 13.7  | 3.4    | 11.0  | 8.5    | 5.5    | 5.9    | 6.9     |
| 27 | Operating Expenses (%)                   | 12.8  | 5.7    | 10.4  | 8.6    | 7.1    | 5.0    | 1.0     |
| 28 | Operating Profit (Loss) (in Millions \$) | -9.3  | -120.6 | 70.3  | -41.1  | -298.5 | 125.9  | 1,023.0 |
| 29 | Net Income (Loss)(in Millions \$)        | -200.5  | -270.8 | -70.7 | -141.0 | -408.2 | -341.9 | 497.5   |
| 30 | RPMs (Sch. Svc.) (%)                     | 4.2   | 7.8    | 6.3   | 7.2    | 7.0    | 7.8    | 8.3     |
| 31 | ASMs (Sch. Svc.) (%)                     | -0.6  | 3.8    | 1.2   | 2.3    | 2.6    | 4.2    | 5.5     |
| 32 | Operating Revenues per RTM (%)           | 10.2  | -4.4   | 5.3   | 1.8    | -1.1   | -1.9   | -1.4    |
| 33 | Operating Expense per RTM (%)            | 9.3   | -2.2   | 4.7   | 1.9    | 0.4    | -2.7   | -6.9    |
| 34 | Passenger Revenue per RPM (Sch. Svc.)(%) | 8.5   | -6.7   | 4.0   | 0.4    | -2.8   | -3.4   | -2.9    |

## QUARTERLY FINANCIAL & TRAFFIC REVIEW

### SYSTEM OPERATIONS

#### American Eagle Airlines

| ITEMS   |  | QUARTER ENDED |         | 12 MONTHS ENDED |         |         |         |         |
|---|--|---------------|---------|-----------------|---------|---------|---------|---------|
|   |  | 2005/12       | 2004/12 | 2005/12         | 2005/09 | 2005/06 | 2005/03 | 2004/12 |
| <u>FINANCIAL RESULTS: (\$Millions)</u>              |  |               |         |                 |         |         |         |         |
| 1   | Operating Revenues                           | 476.6         | 398.9   | 1,795.1         | 1,717.4 | 1,619.1 | 1,519.9 | 1,445.8 |
| 2   | Operating Expenses                           | 427.4         | 339.4   | 1,570.1         | 1,482.1 | 1,389.2 | 1,299.9 | 1,226.6 |
| 3   | Operating Profit (Loss)                      | 49.1          | 59.5    | 224.9           | 235.3   | 229.9   | 220.0   | 219.2   |
| 4   | Net Income (Loss)                            | 4.2           | 7.1     | 46.2            | 49.1    | 40.4    | 41.7    | 48.8    |
| <u>TRAFFIC: (Billions)</u>                          |  |               |         |                 |         |         |         |         |
| 5   | RPMs - Scheduled Svc.                        | 2.0           | 1.6     | 7.5             | 7.1     | 6.7     | 6.2     | 5.8     |
| 6   | ASMs - Scheduled Svc.                        | 2.7           | 2.3     | 10.5            | 10.1    | 9.6     | 9.0     | 8.5     |
| 7   | Overall RTMs (All Svc.)                      | 0.2           | 0.2     | 0.8             | 0.7     | 0.7     | 0.6     | 0.6     |
| 8   | Overall ATMs (All Svc.)                      | 0.3           | 0.3     | 1.3             | 1.2     | 1.2     | 1.1     | 1.0     |
| <u>YIELD &amp; UNIT COST &amp; PROFITS: (Cents)</u> |  |               |         |                 |         |         |         |         |
| 9   | Operating Revenue per RTM                    | 238.0         | 250.8   | 239.2           | 242.2   | 243.2   | 246.1   | 248.5   |
| 10  | Operating Expense per RTM                    | 213.5         | 213.4   | 209.3           | 209.0   | 208.6   | 210.5   | 210.8   |
| 11  | Operating Profit (Loss) per RTM              | 24.5          | 37.4    | 30.0            | 33.2    | 34.5    | 35.6    | 37.7    |
| 12  | Operating Expense per ATM                    | 130.0         | 121.0   | 124.1           | 121.8   | 120.4   | 119.9   | 119.7   |
| 13  | Passenger Revenue per RPM                    | 23.70         | 25.02   | 23.81           | 24.12   | 24.21   | 24.51   | 24.76   |
| <u>FINANCIAL RATIOS:</u>                            |  |               |         |                 |         |         |         |         |
| 14  | Operating Revenues to Total Investment       | *             | *       | 0.44            | 0.43    | 0.41    | 0.40    | 0.39    |
| 15  | Times Interest Earned                        | *             | *       | 1.27            | 1.29    | 1.29    | 1.26    | 1.33    |
| 16  | Current Assets to Current Liabilities        | *             | *       | 0.69            | 0.57    | 0.63    | 0.42    | 0.47    |
| 17  | No. of Days Cash Coverage of Cash Exp.       | *             | *       | 0.2             | 0.2     | 0.7     | 0.0     | 0.0     |
| <u>FINANCIAL PERCENTAGES:</u>                       |  |               |         |                 |         |         |         |         |
| 18  | Operating Profit (Loss) to Operating Revenue | 10.3          | 14.9    | 12.5            | 13.7    | 14.2    | 14.5    | 15.2    |
| 19  | Net Income to Stockholders Equity            | *             | *       | 28.33           | 32.17   | 28.63   | 32.29   | 41.35   |
| 20  | Corporate Return on Investment               | *             | *       | 4.7             | 4.8     | 4.5     | 4.5     | 4.7     |
| 21  | Debt to Total Investment                     | *             | *       | 95.6            | 95.6    | 96.1    | 96.4    | 96.5    |
| <u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>         |  |               |         |                 |         |         |         |         |
| 22  | Actual                                       | 73.1          | 68.4    | 71.3            | 70.1    | 69.5    | 68.7    | 68.5    |
| 23  | Breakeven                                    | 64.7          | 57.1    | 61.3            | 59.4    | 58.5    | 57.6    | 57.0    |
| <u>Employment &amp; Productivity:</u>               |  |               |         |                 |         |         |         |         |
| 24  | Employment, Total Weighted Avg CY            | 9,466         | 9,088   | 9,423           | 9,328   | 9,171   | 8,900   | 8,551   |
| 25  | Overall RTM's per Employee (000)             | 21.2          | 17.5    | 79.6            | 76.0    | 72.6    | 69.4    | 68.0    |

|    |  | CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER |       |      |       |       |       |       |
|----|--|---|-------|------|-------|-------|-------|-------|
| 26 | Operating Revenues (%)                   | 19.5  | 33.0  | 24.2 | 27.5  | 29.1  | 28.2  | 28.2  |
| 27 | Operating Expenses (%)                   | 25.9  | 42.5  | 28.0 | 31.7  | 33.4  | 32.5  | 28.9  |
| 28 | Operating Profit (Loss) (in Millions \$) | -10.4   | -2.3  | 5.7  | 13.8  | 17.0  | 15.9  | 42.7  |
| 29 | Net Income (Loss)(in Millions \$)        | -2.9  | -14.2 | -2.6 | -13.9 | -24.0 | -45.3 | -11.5 |
| 30 | RPMs (Sch. Svc.) (%)                     | 25.9  | 36.5  | 29.0 | 31.5  | 37.4  | 38.8  | 40.7  |
| 31 | ASMs (Sch. Svc.) (%)                     | 17.8  | 31.7  | 24.0 | 27.5  | 32.6  | 33.0  | 33.2  |
| 32 | Operating Revenues per RTM (%)           | -5.1  | -2.6  | -3.7 | -3.0  | -6.1  | -7.6  | -8.9  |
| 33 | Operating Expense per RTM (%)            | 0.0   | 4.4   | -0.7 | 0.2   | -2.9  | -4.5  | -8.3  |
| 34 | Passenger Revenue per RPM (Sch. Svc.)(%) | -5.3  | -2.2  | -3.8 | -3.0  | -6.0  | -7.3  | -8.4  |

## QUARTERLY FINANCIAL & TRAFFIC REVIEW

### SYSTEM OPERATIONS

#### American Trans Air

| ITEMS   |  | QUARTER ENDED |         | 12 MONTHS ENDED |          |         |         |          |
|---|--|---------------|---------|-----------------|----------|---------|---------|----------|
|   |  | 2005/12       | 2004/12 | 2005/12         | 2005/09  | 2005/06 | 2005/03 | 2004/12  |
| <u>FINANCIAL RESULTS: (\$Millions)</u>              |  |               |         |                 |          |         |         |          |
| 1   | Operating Revenues                           | 216.8         | 324.5   | 1,051.2         | 1,158.9  | 1,247.9 | 1,346.8 | 1,414.3  |
| 2   | Operating Expenses                           | 108.2         | 816.0   | 1,492.6         | 2,200.4  | 2,175.7 | 2,235.7 | 1,971.5  |
| 3   | Operating Profit (Loss)                      | 108.6         | -491.5  | -441.4          | -1,041.5 | -927.8  | -888.9  | -557.2   |
| 4   | Net Income (Loss)                            | 106.4         | -494.9  | -444.6          | -1,045.9 | -943.5  | -917.4  | -624.4   |
| <u>TRAFFIC: (Billions)</u>                          |  |               |         |                 |          |         |         |          |
| 5   | RPMs - Scheduled Svc.                        | 1.4           | 2.8     | 6.8             | 8.2      | 9.7     | 11.4    | 12.5     |
| 6   | ASMs - Scheduled Svc.                        | 1.8           | 3.9     | 9.6             | 11.6     | 13.6    | 15.6    | 17.2     |
| 7   | Overall RTMs (All Svc.)                      | 0.2           | 0.3     | 0.9             | 1.1      | 1.2     | 1.4     | 1.5      |
| 8   | Overall ATMs (All Svc.)                      | 0.3           | 0.6     | 1.7             | 2.0      | 2.3     | 2.5     | 2.7      |
| <u>YIELD &amp; UNIT COST &amp; PROFITS: (Cents)</u> |  |               |         |                 |          |         |         |          |
| 9   | Operating Revenue per RTM                    | 123.7         | 96.7    | 117.6           | 109.9    | 102.7   | 97.6    | 94.9     |
| 10  | Operating Expense per RTM                    | 61.7          | 243.1   | 167.0           | 208.8    | 179.1   | 162.0   | 132.2    |
| 11  | Operating Profit (Loss) per RTM              | 62.0          | -146.4  | -49.4           | -98.8    | -76.4   | -64.4   | -37.4    |
| 12  | Operating Expense per ATM                    | 31.8          | 129.7   | 85.9            | 108.5    | 95.3    | 89.5    | 74.3     |
| 13  | Passenger Revenue per RPM                    | 9.49          | 7.86    | 9.26            | 8.74     | 8.29    | 8.13    | 8.13     |
| <u>FINANCIAL RATIOS:</u>                            |  |               |         |                 |          |         |         |          |
| 14  | Operating Revenues to Total Investment       | *             | *       | 999.90          | 999.90   | 999.90  | 999.90  | 24.63    |
| 15  | Times Interest Earned                        | *             | *       | -223.46         | -183.41  | -52.91  | -29.71  | -14.01   |
| 16  | Current Assets to Current Liabilities        | *             | *       | -0.22           | -0.12    | -0.07   | -0.03   | 0.01     |
| 17  | No. of Days Cash Coverage of Cash Exp.       | *             | *       | 19.9            | 12.7     | 14.0    | 17.5    | 27.1     |
| <u>FINANCIAL PERCENTAGES:</u>                       |  |               |         |                 |          |         |         |          |
| 18  | Operating Profit (Loss) to Operating Revenue | 50.1          | -151.5  | -42.0           | -89.9    | -74.3   | -66.0   | -39.4    |
| 19  | Net Income to Stockholders Equity            | *             | *       | &               | &        | &       | &       | &        |
| 20  | Corporate Return on Investment               | *             | *       | 0.0             | 0.0      | 0.0     | 0.0     | -1,015.0 |
| 21  | Debt to Total Investment                     | *             | *       | -4.1            | -2.8     | -3.1    | -18.7   | -37.7    |
| <u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>         |  |               |         |                 |          |         |         |          |
| 22  | Actual                                       | 74.3          | 70.6    | 70.6            | 70.0     | 71.3    | 73.0    | 73.1     |
| 23  | Breakeven                                    | 5.0           | 248.8   | 126.0           | 183.7    | 162.8   | 150.8   | 117.5    |
| <u>Employment &amp; Productivity:</u>               |  |               |         |                 |          |         |         |          |
| 24  | Employment, Total Weighted Avg CY            | 3,834         | 6,078   | 4,535           | 5,096    | 5,676   | 6,262   | 6,645    |
| 25  | Overall RTM's per Employee (000)             | 45.7          | 55.2    | 197.1           | 206.8    | 214.0   | 220.4   | 224.4    |

|    |  | CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER |        |       |        |        |        |        |
|----|--|---|--------|-------|--------|--------|--------|--------|
| 26 | Operating Revenues (%)                   | -33.2   | -3.6   | -25.7 | -18.7  | -11.7  | -4.5   | 1.1    |
| 27 | Operating Expenses (%)                   | -86.7   | 130.5  | -24.3 | 45.8   | 49.8   | 57.4   | 42.4   |
| 28 | Operating Profit (Loss) (in Millions \$) | 600.1   | -474.0 | 115.8 | -958.3 | -888.4 | -879.3 | -571.3 |
| 29 | Net Income (Loss)(in Millions \$)        | 601.3   | -478.8 | 179.8 | -900.3 | -835.1 | -877.9 | -637.6 |
| 30 | RPMs (Sch. Svc.) (%)                     | -50.5   | -5.0   | -46.1 | -35.7  | -22.5  | -6.1   | 8.1    |
| 31 | ASMs (Sch. Svc.) (%)                     | -53.0   | -10.3  | -44.1 | -33.8  | -22.4  | -8.1   | 6.9    |
| 32 | Operating Revenues per RTM (%)           | 28.0  | 2.6    | 24.0  | 16.6   | 8.2    | -1.4   | -9.1   |
| 33 | Operating Expense per RTM (%)            | -74.6   | 145.1  | 26.3  | 109.1  | 83.6   | 62.6   | 28.0   |
| 34 | Passenger Revenue per RPM (Sch. Svc.)(%) | 20.8  | -8.5   | 13.9  | 5.5    | -2.2   | -4.8   | -6.2   |

## QUARTERLY FINANCIAL & TRAFFIC REVIEW

### SYSTEM OPERATIONS

#### Comair

| ITEMS   |  | QUARTER ENDED |          | 12 MONTHS ENDED |          |          |          |          |
|---|--|---------------|----------|-----------------|----------|----------|----------|----------|
|   |  | 2005/12       | 2004/12  | 2005/12         | 2005/09  | 2005/06  | 2005/03  | 2004/12  |
| <u>FINANCIAL RESULTS: (\$Millions)</u>              |  |               |          |                 |          |          |          |          |
| 1   | Operating Revenues                           | 330.8         | 297.3    | 1,324.3         | 1,290.8  | 1,253.5  | 1,219.0  | 1,190.7  |
| 2   | Operating Expenses                           | 333.9         | 297.9    | 1,299.0         | 1,262.9  | 1,209.2  | 1,166.0  | 1,123.2  |
| 3   | Operating Profit (Loss)                      | -3.1          | -0.6     | 25.3            | 27.8     | 44.3     | 53.1     | 67.5     |
| 4   | Net Income (Loss)                            | -10.2         | -1,372.3 | -19.0           | -1,381.1 | -1,359.8 | -1,352.4 | -1,342.1 |
| <u>TRAFFIC: (Billions)</u>                          |  |               |          |                 |          |          |          |          |
| 5   | RPMs - Scheduled Svc.                        | 1.5           | 1.5      | 6.1             | 6.2      | 6.2      | 6.3      | 6.3      |
| 6   | ASMs - Scheduled Svc.                        | 2.2           | 2.2      | 9.0             | 9.1      | 9.1      | 9.2      | 9.3      |
| 7   | Overall RTMs (All Svc.)                      | 0.2           | 0.2      | 0.6             | 0.6      | 0.7      | 0.7      | 0.7      |
| 8   | Overall ATMs (All Svc.)                      | 0.3           | 0.3      | 1.2             | 1.2      | 1.2      | 1.2      | 1.2      |
| <u>YIELD &amp; UNIT COST &amp; PROFITS: (Cents)</u> |  |               |          |                 |          |          |          |          |
| 9   | Operating Revenue per RTM                    | 221.2         | 180.1    | 215.1           | 204.5    | 191.7    | 179.2    | 170.2    |
| 10  | Operating Expense per RTM                    | 223.2         | 180.5    | 211.0           | 200.1    | 184.9    | 171.4    | 160.5    |
| 11  | Operating Profit (Loss) per RTM              | -2.1          | -0.4     | 4.1             | 4.4      | 6.8      | 7.8      | 9.6      |
| 12  | Operating Expense per ATM                    | 119.2         | 102.2    | 110.8           | 106.7    | 101.9    | 97.6     | 93.3     |
| 13  | Passenger Revenue per RPM                    | 22.17         | 19.71    | 21.55           | 20.95    | 20.25    | 19.49    | 19.00    |
| <u>FINANCIAL RATIOS:</u>                            |  |               |          |                 |          |          |          |          |
| 14  | Operating Revenues to Total Investment       | *             | *        | 0.99            | 0.72     | 0.56     | 0.48     | 0.43     |
| 15  | Times Interest Earned                        | *             | *        | 0.49            | -26.11   | -29.07   | -33.95   | -39.33   |
| 16  | Current Assets to Current Liabilities        | *             | *        | 4.06            | 6.26     | 1.92     | 1.86     | 1.89     |
| 17  | No. of Days Cash Coverage of Cash Exp.       | *             | *        | 29.7            | 9.8      | 20.4     | 15.7     | 33.4     |
| <u>FINANCIAL PERCENTAGES:</u>                       |  |               |          |                 |          |          |          |          |
| 18  | Operating Profit (Loss) to Operating Revenue | -0.9          | -0.2     | 1.9             | 2.2      | 3.5      | 4.4      | 5.7      |
| 19  | Net Income to Stockholders Equity            | *             | *        | -2.9            | -148.6   | -116.5   | -94.1    | -78.6    |
| 20  | Corporate Return on Investment               | *             | *        | 2.76            | -73.96   | -58.46   | -52.27   | -47.14   |
| 21  | Debt to Total Investment                     | *             | *        | 18.5            | 0.0      | 63.6     | 63.7     | 63.8     |
| <u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>         |  |               |          |                 |          |          |          |          |
| 22  | Actual                                       | 69.0          | 67.3     | 68.1            | 67.7     | 67.8     | 68.1     | 67.8     |
| 23  | Breakeven                                    | 69.7          | 67.5     | 66.7            | 66.1     | 65.1     | 64.8     | 63.5     |
| <u>Employment &amp; Productivity:</u>               |  |               |          |                 |          |          |          |          |
| 24  | Employment, Total Weighted Avg CY            | 6,474         | 6,029    | 6,483           | 6,372    | 6,144    | 5,991    | 5,882    |
| 25  | Overall RTM's per Employee (000)             | 23.1          | 27.4     | 95.0            | 99.0     | 106.4    | 113.5    | 119.0    |

|    |  | CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER |          |         |          |          |          |          |
|----|--|---|----------|---------|----------|----------|----------|----------|
| 26 | Operating Revenues (%)                   | 11.3  | 3.1      | 11.2    | 9.2      | 10.7     | 12.2     | 15.3     |
| 27 | Operating Expenses (%)                   | 12.1  | 23.7     | 15.7    | 18.5     | 21.0     | 23.6     | 25.4     |
| 28 | Operating Profit (Loss) (in Millions \$) | -2.5  | -48.2    | -42.2   | -87.9    | -88.1    | -90.1    | -69.1    |
| 29 | Net Income (Loss)(in Millions \$)        | 1,362.1   | -1,399.7 | 1,323.1 | -1,438.7 | -1,429.3 | -1,443.3 | -1,430.7 |
| 30 | RPMs (Sch. Svc.) (%)                     | -1.1  | 0.0      | -2.0    | -1.7     | 2.7      | 10.9     | 19.9     |
| 31 | ASMs (Sch. Svc.) (%)                     | -3.5  | 1.3      | -2.5    | -1.3     | 2.4      | 8.5      | 17.2     |
| 32 | Operating Revenues per RTM (%)           | 22.8  | 6.1      | 26.4    | 21.9     | 14.4     | 3.6      | -4.7     |
| 33 | Operating Expense per RTM (%)            | 23.7  | 27.3     | 31.4    | 32.2     | 24.9     | 14.2     | 3.6      |
| 34 | Passenger Revenue per RPM (Sch. Svc.)(%) | 12.5  | 3.1      | 13.5    | 11.1     | 7.9      | 1.2      | -3.8     |

## QUARTERLY FINANCIAL & TRAFFIC REVIEW

### SYSTEM OPERATIONS

### Continental Airlines

| ITEMS   |  | QUARTER ENDED |         | 12 MONTHS ENDED |          |         |         |         |
|---|--|---------------|---------|-----------------|----------|---------|---------|---------|
|   |  | 2005/12       | 2004/12 | 2005/12         | 2005/09  | 2005/06 | 2005/03 | 2004/12 |
| <u>FINANCIAL RESULTS: (\$Millions)</u>              |  |               |         |                 |          |         |         |         |
| 1   | Operating Revenues                           | 2,822.8       | 2,347.7 | 11,108.0        | 10,633.0 | 9,760.2 | 9,387.4 | 9,124.3 |
| 2   | Operating Expenses                           | 2,926.0       | 2,513.3 | 11,199.9        | 10,787.2 | 9,940.6 | 9,648.6 | 9,347.6 |
| 3   | Operating Profit (Loss)                      | -103.3        | -165.7  | -91.8           | -154.2   | -180.5  | -261.1  | -223.4  |
| 4   | Net Income (Loss)                            | -42.6         | -205.8  | -65.6           | -228.8   | -305.7  | -422.4  | -363.0  |
| <u>TRAFFIC: (Billions)</u>                          |  |               |         |                 |          |         |         |         |
| 5   | RPMs - Scheduled Svc.                        | 17.0          | 15.7    | 68.3            | 66.9     | 65.6    | 64.5    | 63.2    |
| 6   | ASMs - Scheduled Svc.                        | 21.6          | 20.0    | 85.5            | 83.9     | 82.4    | 81.6    | 81.2    |
| 7   | Overall RTMs (All Svc.)                      | 2.0           | 1.8     | 7.8             | 7.7      | 7.5     | 7.4     | 7.3     |
| 8   | Overall ATMs (All Svc.)                      | 3.0           | 2.8     | 12.1            | 11.9     | 11.6    | 11.4    | 11.2    |
| <u>YIELD &amp; UNIT COST &amp; PROFITS: (Cents)</u> |  |               |         |                 |          |         |         |         |
| 9   | Operating Revenue per RTM                    | 144.6         | 128.2   | 142.7           | 138.7    | 129.5   | 126.1   | 124.8   |
| 10  | Operating Expense per RTM                    | 149.9         | 137.3   | 143.9           | 140.8    | 131.9   | 129.6   | 127.8   |
| 11  | Operating Profit (Loss) per RTM              | -5.3          | -9.0    | -1.2            | -2.0     | -2.4    | -3.5    | -3.1    |
| 12  | Operating Expense per ATM                    | 97.2          | 89.3    | 92.9            | 91.0     | 85.6    | 84.7    | 83.4    |
| 13  | Passenger Revenue per RPM                    | 11.69         | 10.93   | 11.64           | 11.46    | 11.27   | 11.15   | 11.19   |
| <u>FINANCIAL RATIOS:</u>                            |  |               |         |                 |          |         |         |         |
| 14  | Operating Revenues to Total Investment       | *             | *       | 1.90            | 1.77     | 1.58    | 1.47    | 1.39    |
| 15  | Times Interest Earned                        | *             | *       | 0.79            | 0.37     | 0.15    | -0.19   | -0.22   |
| 16  | Current Assets to Current Liabilities        | *             | *       | 0.89            | 0.85     | 0.85    | 0.76    | 0.85    |
| 17  | No. of Days Cash Coverage of Cash Exp.       | *             | *       | 74.1            | 75.9     | 87.1    | 54.3    | 68.0    |
| <u>FINANCIAL PERCENTAGES:</u>                       |  |               |         |                 |          |         |         |         |
| 18  | Operating Profit (Loss) to Operating Revenue | -3.7          | -7.1    | -0.8            | -1.5     | -1.8    | -2.8    | -2.4    |
| 19  | Net Income to Stockholders Equity            | *             | *       | -42.81          | -93.51   | -86.56  | -88.93  | -58.61  |
| 20  | Corporate Return on Investment               | *             | *       | 5.7             | 2.7      | 1.2     | -0.7    | 0.2     |
| 21  | Debt to Total Investment                     | *             | *       | 95.9            | 97.8     | 98.8    | 98.7    | 95.6    |
| <u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>         |  |               |         |                 |          |         |         |         |
| 22  | Actual                                       | 78.4          | 78.2    | 79.8            | 79.8     | 79.6    | 79.0    | 77.8    |
| 23  | Breakeven                                    | 86.3          | 87.5    | 84.3            | 84.4     | 84.7    | 84.4    | 82.0    |
| <u>Employment &amp; Productivity:</u>               |  |               |         |                 |          |         |         |         |
| 24  | Employment, Total Weighted Avg CY            | 32,716        | 33,536  | 32,479          | 32,684   | 33,227  | 33,784  | 34,372  |
| 25  | Overall RTM's per Employee (000)             | 59.7          | 54.6    | 239.7           | 234.5    | 226.8   | 220.4   | 212.7   |

|    |  | CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER |        |       |        |        |        |        |
|----|--|---|--------|-------|--------|--------|--------|--------|
| 26 | Operating Revenues (%)                   | 20.2  | 27.4   | 21.7  | 23.4   | 15.5   | 19.7   | 24.4   |
| 27 | Operating Expenses (%)                   | 16.4  | 35.6   | 19.8  | 24.2   | 17.4   | 25.4   | 28.0   |
| 28 | Operating Profit (Loss) (in Millions \$) | 62.4  | -154.7 | 131.5 | -85.5  | -162.0 | -410.0 | -253.0 |
| 29 | Net Income (Loss)(in Millions \$)        | 163.2   | -252.9 | 297.3 | -118.7 | -344.9 | -557.3 | -401.1 |
| 30 | RPMs (Sch. Svc.) (%)                     | 8.4   | 10.3   | 8.0   | 8.5    | 8.9    | 10.8   | 11.1   |
| 31 | ASMs (Sch. Svc.) (%)                     | 8.0   | 6.7    | 5.3   | 4.9    | 5.0    | 7.2    | 8.3    |
| 32 | Operating Revenues per RTM (%)           | 12.7  | 15.0   | 14.3  | 14.8   | 6.7    | 8.7    | 12.7   |
| 33 | Operating Expense per RTM (%)            | 9.2   | 22.4   | 12.5  | 15.6   | 8.5    | 13.9   | 15.9   |
| 34 | Passenger Revenue per RPM (Sch. Svc.)(%) | 7.0   | -4.4   | 4.0   | 1.3    | -1.0   | -2.6   | -2.9   |

## QUARTERLY FINANCIAL & TRAFFIC REVIEW

### SYSTEM OPERATIONS

#### Express One 1/

| ITEMS   |  | QUARTER ENDED |         | 12 MONTHS ENDED |         |         |         |         |
|---|--|---------------|---------|-----------------|---------|---------|---------|---------|
|   |  | 2005/12       | 2004/12 | 2005/12         | 2005/09 | 2005/06 | 2005/03 | 2004/12 |
| <u>FINANCIAL RESULTS: (\$Millions)</u>              |  |               |         |                 |         |         |         |         |
| 1   | Operating Revenues                           | 405.0         | 387.0   | 1,562.7         | 1,544.7 | 1,536.7 | 1,518.9 | 1,507.5 |
| 2   | Operating Expenses                           | 364.1         | 332.0   | 1,403.7         | 1,371.6 | 1,350.3 | 1,322.8 | 1,302.1 |
| 3   | Operating Profit (Loss)                      | 40.9          | 55.0    | 159.0           | 173.2   | 186.4   | 196.1   | 205.4   |
| 4   | Net Income (Loss)                            | 24.0          | 33.6    | 92.0            | 101.7   | 106.5   | 114.7   | 122.8   |
| <u>TRAFFIC: (Billions)</u>                          |  |               |         |                 |         |         |         |         |
| 5   | RPMs - Scheduled Svc.                        | 2.4           | 2.0     | 8.9             | 8.6     | 8.2     | 7.8     | 7.4     |
| 6   | ASMs - Scheduled Svc.                        | 3.1           | 2.7     | 12.0            | 11.6    | 11.2    | 10.8    | 10.4    |
| 7   | Overall RTMs (All Svc.)                      | 0.2           | 0.2     | 0.9             | 0.9     | 0.8     | 0.8     | 0.7     |
| 8   | Overall ATMs (All Svc.)                      | 0.4           | 0.3     | 1.5             | 1.4     | 1.4     | 1.3     | 1.3     |
| <u>YIELD &amp; UNIT COST &amp; PROFITS: (Cents)</u> |  |               |         |                 |         |         |         |         |
| 9   | Operating Revenue per RTM                    | 171.5         | 195.7   | 174.3           | 180.0   | 187.4   | 193.3   | 202.5   |
| 10  | Operating Expense per RTM                    | 154.2         | 167.9   | 156.6           | 159.8   | 164.7   | 168.3   | 174.9   |
| 11  | Operating Profit (Loss) per RTM              | 17.3          | 27.8    | 17.7            | 20.2    | 22.7    | 24.9    | 27.6    |
| 12  | Operating Expense per ATM                    | 97.2          | 101.0   | 96.8            | 97.7    | 99.7    | 101.5   | 103.2   |
| 13  | Passenger Revenue per RPM                    | 17.19         | 19.63   | 17.48           | 18.05   | 18.80   | 19.39   | 20.31   |
| <u>FINANCIAL RATIOS:</u>                            |  |               |         |                 |         |         |         |         |
| 14  | Operating Revenues to Total Investment       | *             | *       | 4.76            | 4.82    | 4.78    | 4.76    | 4.89    |
| 15  | Times Interest Earned                        | *             | *       | 35.34           | 28.40   | 23.38   | 20.60   | 18.59   |
| 16  | Current Assets to Current Liabilities        | *             | *       | 1.82            | 1.43    | 1.27    | 1.17    | 1.17    |
| 17  | No. of Days Cash Coverage of Cash Exp.       | *             | *       | 60.2            | 53.4    | 54.8    | 60.1    | 55.3    |
| <u>FINANCIAL PERCENTAGES:</u>                       |  |               |         |                 |         |         |         |         |
| 18  | Operating Profit (Loss) to Operating Revenue | 10.1          | 14.2    | 10.2            | 11.2    | 12.1    | 12.9    | 13.6    |
| 19  | Net Income to Stockholders Equity            | *             | *       | &               | &       | &       | &       | &       |
| 20  | Corporate Return on Investment               | *             | *       | 29.3            | 33.6    | 35.6    | 38.9    | 43.5    |
| 21  | Debt to Total Investment                     | *             | *       | 110.6           | 118.2   | 125.5   | 130.6   | 138.3   |
| <u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>         |  |               |         |                 |         |         |         |         |
| 22  | Actual                                       | 76.1          | 72.6    | 74.7            | 73.8    | 73.1    | 72.8    | 71.3    |
| 23  | Breakeven                                    | 67.6          | 61.1    | 66.2            | 64.6    | 63.2    | 62.4    | 60.5    |
| <u>Employment &amp; Productivity:</u>               |  |               |         |                 |         |         |         |         |
| 24  | Employment, Total Weighted Avg CY            | 6,418         | 6,336   | 6,463           | 6,442   | 6,375   | 6,289   | 6,146   |
| 25  | Overall RTM's per Employee (000)             | 36.8          | 31.2    | 138.7           | 133.2   | 128.6   | 125.0   | 121.2   |

|    |  | CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER |      |       |       |       |       |       |
|----|--|---|------|-------|-------|-------|-------|-------|
| 26 | Operating Revenues (%)                   | 4.7   | 13.5 | 3.7   | 5.7   | 8.3   | 11.0  | 15.0  |
| 27 | Operating Expenses (%)                   | 9.7   | 12.8 | 7.8   | 8.5   | 10.0  | 11.7  | 15.0  |
| 28 | Operating Profit (Loss) (in Millions \$) | -14.1   | 8.5  | -46.4 | -23.8 | -5.9  | 11.9  | 26.5  |
| 29 | Net Income (Loss)(in Millions \$)        | -9.7  | 5.7  | -30.8 | -15.4 | -7.6  | 3.7   | 14.8  |
| 30 | RPMs (Sch. Svc.) (%)                     | 19.6  | 20.9 | 20.5  | 20.8  | 22.2  | 25.6  | 28.6  |
| 31 | ASMs (Sch. Svc.) (%)                     | 14.1  | 17.1 | 15.0  | 15.8  | 16.6  | 18.7  | 23.6  |
| 32 | Operating Revenues per RTM (%)           | -12.4   | -6.1 | -13.9 | -12.5 | -11.4 | -11.7 | -10.7 |
| 33 | Operating Expense per RTM (%)            | -8.2  | -6.7 | -10.5 | -10.2 | -9.9  | -11.1 | -10.7 |
| 34 | Passenger Revenue per RPM (Sch. Svc.)(%) | -12.4   | -6.1 | -14.0 | -12.5 | -11.4 | -11.6 | -10.5 |

## QUARTERLY FINANCIAL & TRAFFIC REVIEW

### SYSTEM OPERATIONS

#### Delta Air Lines

| ITEMS   |  | QUARTER ENDED |         | 12 MONTHS ENDED |          |          |          |          |
|---|--|---------------|---------|-----------------|----------|----------|----------|----------|
|   |  | 2005/12       | 2004/12 | 2005/12         | 2005/09  | 2005/06  | 2005/03  | 2004/12  |
| <u>FINANCIAL RESULTS: (\$Millions)</u>              |  |               |         |                 |          |          |          |          |
| 1   | Operating Revenues                           | 3,964.9       | 3,675.0 | 16,111.7        | 15,821.9 | 15,484.5 | 15,262.2 | 15,154.5 |
| 2   | Operating Expenses                           | 4,452.4       | 4,279.0 | 17,308.9        | 17,135.5 | 17,033.5 | 16,888.1 | 16,767.2 |
| 3   | Operating Profit (Loss)                      | -487.6        | -604.0  | -1,197.2        | -1,313.6 | -1,549.0 | -1,625.8 | -1,612.7 |
| 4   | Net Income (Loss)                            | -1,229.5      | -339.6  | -3,797.6        | -2,907.7 | -2,444.2 | -4,026.6 | -3,362.2 |
| <u>TRAFFIC: (Billions)</u>                          |  |               |         |                 |          |          |          |          |
| 5   | RPMs - Scheduled Svc.                        | 23.4          | 24.3    | 103.6           | 104.4    | 102.6    | 100.7    | 98.0     |
| 6   | ASMs - Scheduled Svc.                        | 31.5          | 32.6    | 133.5           | 134.7    | 133.1    | 131.5    | 129.5    |
| 7   | Overall RTMs (All Svc.)                      | 2.7           | 2.8     | 11.7            | 11.8     | 11.7     | 11.5     | 11.3     |
| 8   | Overall ATMs (All Svc.)                      | 4.8           | 5.0     | 20.5            | 20.6     | 20.3     | 20.1     | 19.8     |
| <u>YIELD &amp; UNIT COST &amp; PROFITS: (Cents)</u> |  |               |         |                 |          |          |          |          |
| 9   | Operating Revenue per RTM                    | 146.9         | 130.6   | 137.5           | 133.7    | 132.6    | 132.4    | 134.7    |
| 10  | Operating Expense per RTM                    | 165.0         | 152.1   | 147.8           | 144.9    | 145.8    | 146.5    | 149.0    |
| 11  | Operating Profit (Loss) per RTM              | -18.1         | -21.5   | -10.2           | -11.1    | -13.3    | -14.1    | -14.3    |
| 12  | Operating Expense per ATM                    | 92.4          | 86.0    | 84.6            | 83.2     | 83.8     | 84.0     | 84.6     |
| 13  | Passenger Revenue per RPM                    | 11.29         | 10.70   | 10.96           | 10.82    | 10.79    | 10.83    | 11.04    |
| <u>FINANCIAL RATIOS:</u>                            |  |               |         |                 |          |          |          |          |
| 14  | Operating Revenues to Total Investment       | *             | *       | 4.00            | 2.73     | 2.09     | 1.91     | 1.77     |
| 15  | Times Interest Earned                        | *             | *       | -3.07           | -2.29    | -2.02    | -2.37    | -1.89    |
| 16  | Current Assets to Current Liabilities        | *             | *       | 0.76            | 0.74     | 0.51     | 0.62     | 0.65     |
| 17  | No. of Days Cash Coverage of Cash Exp.       | *             | *       | 42.3            | 29.8     | 34.6     | 39.0     | 37.5     |
| <u>FINANCIAL PERCENTAGES:</u>                       |  |               |         |                 |          |          |          |          |
| 18  | Operating Profit (Loss) to Operating Revenue | -12.3         | -16.4   | -7.4            | -8.3     | -10.0    | -10.7    | -10.6    |
| 19  | Net Income to Stockholders Equity            | *             | *       | &               | &        | &        | &        | &        |
| 20  | Corporate Return on Investment               | *             | *       | -70.9           | -33.7    | -20.8    | -40.1    | -30.5    |
| 21  | Debt to Total Investment                     | *             | *       | -520.2          | -2,904.7 | 171.7    | 161.9    | 146.1    |
| <u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>         |  |               |         |                 |          |          |          |          |
| 22  | Actual                                       | 74.3          | 74.4    | 77.6            | 77.6     | 77.1     | 76.6     | 75.7     |
| 23  | Breakeven                                    | 92.1          | 93.3    | 88.5            | 88.7     | 90.2     | 85.5     | 80.8     |
| <u>Employment &amp; Productivity:</u>               |  |               |         |                 |          |          |          |          |
| 24  | Employment, Total Weighted Avg CY            | 49,566        | 56,880  | 52,230          | 54,058   | 55,549   | 56,834   | 57,682   |
| 25  | Overall RTM's per Employee (000)             | 54.4          | 49.5    | 224.3           | 218.8    | 210.3    | 202.9    | 195.1    |

|    |  | CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER |        |        |        |        |          |          |
|----|--|---|--------|--------|--------|--------|----------|----------|
| 26 | Operating Revenues (%)                   | 7.9   | 0.8    | 6.3    | 4.6    | 3.9    | 5.8      | 6.7      |
| 27 | Operating Expenses (%)                   | 4.1   | 11.1   | 3.2    | 4.9    | 7.5    | 9.1      | 9.2      |
| 28 | Operating Profit (Loss) (in Millions \$) | 116.4   | -401.3 | 415.6  | -102.1 | -599.9 | -569.8   | -455.6   |
| 29 | Net Income (Loss)(in Millions \$)        | -889.9  | 16.5   | -435.4 | 471.0  | 469.4  | -3,215.3 | -2,466.6 |
| 30 | RPMs (Sch. Svc.) (%)                     | -3.6  | 7.6    | 5.6    | 8.4    | 9.2    | 12.0     | 10.0     |
| 31 | ASMs (Sch. Svc.) (%)                     | -3.5  | 6.2    | 3.1    | 5.6    | 6.6    | 9.3      | 8.0      |
| 32 | Operating Revenues per RTM (%)           | 12.5  | -6.2   | 2.1    | -2.2   | -3.9   | -4.8     | -2.4     |
| 33 | Operating Expense per RTM (%)            | 8.5   | 3.5    | -0.8   | -1.9   | -0.6   | -1.9     | -0.2     |
| 34 | Passenger Revenue per RPM (Sch. Svc.)(%) | 5.5   | -7.7   | -0.8   | -3.8   | -5.5   | -5.8     | -4.2     |

## QUARTERLY FINANCIAL & TRAFFIC REVIEW

### SYSTEM OPERATIONS

### JetBlue Airways

| ITEMS   |  | QUARTER ENDED |         | 12 MONTHS ENDED |         |         |         |         |
|---|--|---------------|---------|-----------------|---------|---------|---------|---------|
|   |  | 2005/12       | 2004/12 | 2005/12         | 2005/09 | 2005/06 | 2005/03 | 2004/12 |
| <u>FINANCIAL RESULTS: (\$Millions)</u>              |  |               |         |                 |         |         |         |         |
| 1   | Operating Revenues                           | 446.0         | 334.0   | 1,708.7         | 1,591.2 | 1,461.5 | 1,351.2 | 1,266.0 |
| 2   | Operating Expenses                           | 463.7         | 321.8   | 1,647.2         | 1,499.5 | 1,361.1 | 1,245.0 | 1,152.8 |
| 3   | Operating Profit (Loss)                      | -17.7         | 12.3    | 61.5            | 91.8    | 100.4   | 106.2   | 113.1   |
| 4   | Net Income (Loss)                            | -42.4         | 2.4     | -20.9           | 24.2    | 30.0    | 39.2    | 47.5    |
| <u>TRAFFIC: (Billions)</u>                          |  |               |         |                 |         |         |         |         |
| 5   | RPMs - Scheduled Svc.                        | 5.2           | 4.2     | 20.3            | 19.3    | 18.0    | 17.0    | 15.7    |
| 6   | ASMs - Scheduled Svc.                        | 6.4           | 5.1     | 24.0            | 22.6    | 21.2    | 20.3    | 19.0    |
| 7   | Overall RTMs (All Svc.)                      | 0.5           | 0.4     | 2.0             | 1.9     | 1.8     | 1.7     | 1.6     |
| 8   | Overall ATMs (All Svc.)                      | 0.8           | 0.6     | 2.9             | 2.7     | 2.5     | 2.4     | 2.2     |
| <u>YIELD &amp; UNIT COST &amp; PROFITS: (Cents)</u> |  |               |         |                 |         |         |         |         |
| 9   | Operating Revenue per RTM                    | 86.1          | 78.7    | 83.8            | 82.3    | 81.0    | 79.4    | 80.3    |
| 10  | Operating Expense per RTM                    | 89.5          | 75.9    | 80.7            | 77.5    | 75.5    | 73.2    | 73.1    |
| 11  | Operating Profit (Loss) per RTM              | -3.4          | 2.9     | 3.0             | 4.7     | 5.6     | 6.2     | 7.2     |
| 12  | Operating Expense per ATM                    | 60.8          | 52.7    | 57.6            | 55.8    | 54.0    | 51.7    | 52.8    |
| 13  | Passenger Revenue per RPM                    | 8.17          | 7.58    | 8.01            | 7.90    | 7.80    | 7.66    | 7.77    |
| <u>FINANCIAL RATIOS:</u>                            |  |               |         |                 |         |         |         |         |
| 14  | Operating Revenues to Total Investment       | *             | *       | 0.62            | 0.63    | 0.62    | 0.62    | 0.63    |
| 15  | Times Interest Earned                        | *             | *       | 0.73            | 1.41    | 1.77    | 2.18    | 2.72    |
| 16  | Current Assets to Current Liabilities        | *             | *       | 0.94            | 0.99    | 1.15    | 1.33    | 1.06    |
| 17  | No. of Days Cash Coverage of Cash Exp.       | *             | *       | 115.3           | 128.6   | 162.0   | 205.0   | 152.3   |
| <u>FINANCIAL PERCENTAGES:</u>                       |  |               |         |                 |         |         |         |         |
| 18  | Operating Profit (Loss) to Operating Revenue | -4.0          | 3.7     | 3.6             | 5.8     | 6.9     | 7.9     | 8.9     |
| 19  | Net Income to Stockholders Equity            | *             | *       | -2.60           | 3.14    | 3.94    | 5.30    | 6.59    |
| 20  | Corporate Return on Investment               | *             | *       | 2.5             | 4.0     | 4.0     | 4.2     | 4.6     |
| 21  | Debt to Total Investment                     | *             | *       | 71.3            | 73.2    | 71.4    | 70.7    | 66.5    |
| <u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>         |  |               |         |                 |         |         |         |         |
| 22  | Actual                                       | 81.1          | 82.9    | 84.8            | 85.4    | 84.8    | 83.7    | 82.8    |
| 23  | Breakeven                                    | 87.1          | 80.7    | 83.0            | 81.2    | 79.3    | 77.2    | 75.2    |
| <u>Employment &amp; Productivity:</u>               |  |               |         |                 |         |         |         |         |
| 24  | Employment, Total Weighted Avg CY            | 8,293         | 6,570   | 5,040           | 7,130   | 6,731   | 3,625   | 5,956   |
| 25  | Overall RTM's per Employee (000)             | 62.5          | 64.6    | 404.8           | 271.2   | 268.0   | 469.3   | 264.8   |

|    |  | CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER |       |       |       |       |       |       |
|----|--|---|-------|-------|-------|-------|-------|-------|
| 26 | Operating Revenues (%)                   | 33.5  | 27.0  | 35.0  | 33.2  | 27.6  | 26.3  | 26.8  |
| 27 | Operating Expenses (%)                   | 44.1  | 41.2  | 42.9  | 41.6  | 39.1  | 37.9  | 39.0  |
| 28 | Operating Profit (Loss) (in Millions \$) | -29.9   | -22.9 | -51.6 | -44.2 | -66.4 | -61.1 | -56.0 |
| 29 | Net Income (Loss)(in Millions \$)        | -44.8   | -17.1 | -68.4 | -40.4 | -55.3 | -62.5 | -56.4 |
| 30 | RPMs (Sch. Svc.) (%)                     | 22.0  | 36.0  | 29.2  | 31.9  | 31.6  | 35.4  | 36.5  |
| 31 | ASMs (Sch. Svc.) (%)                     | 24.8  | 35.6  | 26.2  | 27.7  | 29.7  | 35.4  | 38.7  |
| 32 | Operating Revenues per RTM (%)           | 9.3   | -6.6  | 4.3   | 0.9   | -3.0  | -6.7  | -7.0  |
| 33 | Operating Expense per RTM (%)            | 18.0  | 3.9   | 10.5  | 7.3   | 5.7   | 1.9   | 2.0   |
| 34 | Passenger Revenue per RPM (Sch. Svc.)(%) | 7.7   | -7.2  | 3.2   | 0.0   | -3.7  | -7.3  | -7.3  |

## QUARTERLY FINANCIAL & TRAFFIC REVIEW

### SYSTEM OPERATIONS

### Northwest Airlines

| ITEMS   |  | QUARTER ENDED |         | 12 MONTHS ENDED |          |          |          |          |
|---|--|---------------|---------|-----------------|----------|----------|----------|----------|
|   |  | 2005/12       | 2004/12 | 2005/12         | 2005/09  | 2005/06  | 2005/03  | 2004/12  |
| <u>FINANCIAL RESULTS: (\$Millions)</u>              |  |               |         |                 |          |          |          |          |
| 1   | Operating Revenues                           | 2,940.7       | 2,767.8 | 12,315.5        | 12,142.6 | 11,799.5 | 11,461.9 | 11,265.6 |
| 2   | Operating Expenses                           | 3,192.8       | 3,182.8 | 13,210.8        | 13,200.8 | 12,610.5 | 12,090.1 | 11,699.6 |
| 3   | Operating Profit (Loss)                      | -252.1        | -415.1  | -895.2          | -1,058.2 | -811.1   | -628.3   | -434.0   |
| 4   | Net Income (Loss)                            | -1,158.3      | -417.6  | -2,309.7        | -1,569.1 | -1,150.5 | -1,050.8 | -757.3   |
| <u>TRAFFIC: (Billions)</u>                          |  |               |         |                 |          |          |          |          |
| 5   | RPMs - Scheduled Svc.                        | 17.2          | 18.1    | 75.8            | 76.7     | 76.0     | 74.8     | 73.3     |
| 6   | ASMs - Scheduled Svc.                        | 21.1          | 23.0    | 91.8            | 93.7     | 93.3     | 92.3     | 91.4     |
| 7   | Overall RTMs (All Svc.)                      | 2.3           | 2.5     | 9.9             | 10.0     | 9.9      | 9.8      | 9.7      |
| 8   | Overall ATMs (All Svc.)                      | 3.6           | 3.9     | 15.3            | 15.6     | 15.5     | 15.3     | 15.1     |
| <u>YIELD &amp; UNIT COST &amp; PROFITS: (Cents)</u> |  |               |         |                 |          |          |          |          |
| 9   | Operating Revenue per RTM                    | 126.5         | 112.9   | 125.0           | 121.7    | 119.0    | 116.6    | 116.4    |
| 10  | Operating Expense per RTM                    | 137.3         | 129.8   | 134.1           | 132.3    | 127.1    | 123.0    | 120.9    |
| 11  | Operating Profit (Loss) per RTM              | -10.8         | -16.9   | -9.1            | -10.6    | -8.2     | -6.4     | -4.5     |
| 12  | Operating Expense per ATM                    | 88.3          | 82.3    | 86.3            | 84.8     | 81.5     | 79.0     | 77.4     |
| 13  | Passenger Revenue per RPM                    | 11.63         | 11.02   | 11.66           | 11.51    | 11.40    | 11.36    | 11.50    |
| <u>FINANCIAL RATIOS:</u>                            |  |               |         |                 |          |          |          |          |
| 14  | Operating Revenues to Total Investment       | *             | *       | 1.84            | 1.40     | 1.12     | 1.07     | 1.03     |
| 15  | Times Interest Earned                        | *             | *       | -2.91           | -1.60    | -0.97    | -0.91    | -0.53    |
| 16  | Current Assets to Current Liabilities        | *             | *       | 1.08            | 1.29     | 0.74     | 0.76     | 0.80     |
| 17  | No. of Days Cash Coverage of Cash Exp.       | *             | *       | 51.95           | 59.74    | 78.52    | 75.40    | 84.71    |
| <u>FINANCIAL PERCENTAGES:</u>                       |  |               |         |                 |          |          |          |          |
| 18  | Operating Profit (Loss) to Operating Revenue | -8.6          | -15.0   | -7.3            | -8.7     | -6.9     | -5.5     | -3.9     |
| 19  | Net Income to Stockholders Equity            | *             | *       | -153.14         | -74.47   | -46.59   | -38.02   | -24.71   |
| 20  | Corporate Return on Investment               | *             | *       | -25.9           | -11.4    | -5.7     | -5.0     | -2.4     |
| 21  | Debt to Total Investment                     | *             | *       | 89.9            | 19.7     | 82.8     | 80.4     | 77.0     |
| <u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>         |  |               |         |                 |          |          |          |          |
| 22  | Actual                                       | 81.6          | 78.7    | 82.6            | 81.9     | 81.5     | 81.0     | 80.2     |
| 23  | Breakeven                                    | 96.9          | 99.6    | 95.0            | 95.6     | 92.8     | 90.7     | 88.1     |
| <u>Employment &amp; Productivity:</u>               |  |               |         |                 |          |          |          |          |
| 24  | Employment, Total Weighted Avg CY            | 32,185        | 37,962  | 35,736          | 37,180   | 38,074   | 38,238   | 38,219   |
| 25  | Overall RTM's per Employee (000)             | 72.2          | 64.6    | 275.6           | 268.3    | 260.5    | 257.0    | 253.2    |

|    |  | CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER |          |          |          |          |          |          |
|----|--|---|----------|----------|----------|----------|----------|----------|
| 26 | Operating Revenues (%)                   | 6.2   | 17.9     | 9.3      | 12.0     | 15.0     | 19.2     | 22.7     |
| 27 | Operating Expenses (%)                   | 0.3   | 34.8     | 12.9     | 21.3     | 23.2     | 25.1     | 23.7     |
| 28 | Operating Profit (Loss) (in Millions \$) | 162.9   | -400.8   | -461.2   | -1,025.0 | -828.9   | -574.1   | -157.5   |
| 29 | Net Income (Loss)(in Millions \$)        | -740.7  | -1,012.9 | -1,552.4 | -1,824.6 | -1,480.7 | -1,713.0 | -1,235.4 |
| 30 | RPMs (Sch. Svc.) (%)                     | -4.9  | 8.9      | 3.4      | 6.8      | 7.0      | 9.0      | 7.1      |
| 31 | ASMs (Sch. Svc.) (%)                     | -8.2  | 7.4      | 0.4      | 4.3      | 4.5      | 5.0      | 3.1      |
| 32 | Operating Revenues per RTM (%)           | 12.1  | 8.2      | 7.4      | 6.4      | 9.0      | 10.7     | 14.8     |
| 33 | Operating Expense per RTM (%)            | 5.8   | 23.7     | 11.0     | 15.3     | 16.7     | 16.1     | 15.8     |
| 34 | Passenger Revenue per RPM (Sch. Svc.)(%) | 5.6   | -4.9     | 1.3      | -1.1     | -0.9     | -0.2     | 3.4      |

## QUARTERLY FINANCIAL & TRAFFIC REVIEW

### SYSTEM OPERATIONS

#### Southwest Airlines

| ITEMS   |  | QUARTER ENDED |         | 12 MONTHS ENDED |         |         |         |         |
|---|--|---------------|---------|-----------------|---------|---------|---------|---------|
|   |  | 2005/12       | 2004/12 | 2005/12         | 2005/09 | 2005/06 | 2005/03 | 2004/12 |
| <u>FINANCIAL RESULTS: (\$Millions)</u>              |  |               |         |                 |         |         |         |         |
| 1   | Operating Revenues                           | 1,987.2       | 1,655.0 | 7,583.8         | 7,251.6 | 6,937.4 | 6,709.1 | 6,529.6 |
| 2   | Operating Expenses                           | 1,823.8       | 1,535.9 | 6,763.8         | 6,475.9 | 6,243.4 | 6,095.8 | 5,976.0 |
| 3   | Operating Profit (Loss)                      | 163.4         | 119.0   | 820.1           | 775.7   | 694.0   | 613.3   | 553.6   |
| 4   | Net Income (Loss)                            | 86.1          | 55.5    | 548.4           | 517.9   | 409.8   | 363.8   | 313.4   |
| <u>TRAFFIC: (Billions)</u>                          |  |               |         |                 |         |         |         |         |
| 5   | RPMs - Scheduled Svc.                        | 15.1          | 13.1    | 60.2            | 58.2    | 56.0    | 54.9    | 53.4    |
| 6   | ASMs - Scheduled Svc.                        | 21.8          | 20.2    | 85.2            | 83.7    | 81.3    | 78.7    | 76.9    |
| 7   | Overall RTMs (All Svc.)                      | 1.6           | 1.4     | 6.2             | 6.0     | 5.8     | 5.7     | 5.5     |
| 8   | Overall ATMs (All Svc.)                      | 3.0           | 2.7     | 11.6            | 11.3    | 11.0    | 10.7    | 10.4    |
| <u>YIELD &amp; UNIT COST &amp; PROFITS: (Cents)</u> |  |               |         |                 |         |         |         |         |
| 9   | Operating Revenue per RTM                    | 126.4         | 120.8   | 121.6           | 120.1   | 119.3   | 117.9   | 117.9   |
| 10  | Operating Expense per RTM                    | 116.0         | 112.1   | 108.4           | 107.3   | 107.4   | 107.1   | 107.9   |
| 11  | Operating Profit (Loss) per RTM              | 10.4          | 8.7     | 13.1            | 12.8    | 11.9    | 10.8    | 10.0    |
| 12  | Operating Expense per ATM                    | 61.9          | 56.0    | 58.6            | 57.1    | 56.6    | 57.0    | 57.2    |
| 13  | Passenger Revenue per RPM                    | 12.28         | 11.74   | 11.78           | 11.64   | 11.57   | 11.43   | 11.45   |
| <u>FINANCIAL RATIOS:</u>                            |  |               |         |                 |         |         |         |         |
| 14  | Operating Revenues to Total Investment       | *             | *       | 0.92            | 0.91    | 0.91    | 0.92    | 0.94    |
| 15  | Times Interest Earned                        | *             | *       | 11.63           | 11.71   | 10.59   | 10.71   | 11.03   |
| 16  | Current Assets to Current Liabilities        | *             | *       | 0.95            | 1.19    | 1.11    | 1.12    | 1.01    |
| 17  | No. of Days Cash Coverage of Cash Exp.       | *             | *       | 146.79          | 158.65  | 143.03  | 123.27  | 86.52   |
| <u>FINANCIAL PERCENTAGES:</u>                       |  |               |         |                 |         |         |         |         |
| 18  | Operating Profit (Loss) to Operating Revenue | 8.2           | 7.2     | 10.8            | 10.7    | 10.0    | 9.1     | 8.5     |
| 19  | Net Income to Stockholders Equity            | *             | *       | 8.74            | 8.57    | 7.14    | 6.63    | 5.94    |
| 20  | Corporate Return on Investment               | *             | *       | 7.6             | 7.4     | 6.3     | 5.8     | 5.2     |
| 21  | Debt to Total Investment                     | *             | *       | 23.0            | 22.9    | 24.1    | 24.7    | 25.0    |
| <u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>         |  |               |         |                 |         |         |         |         |
| 22  | Actual                                       | 69.6          | 65.0    | 70.7            | 69.6    | 68.9    | 69.7    | 69.5    |
| 23  | Breakeven                                    | 62.8          | 59.4    | 61.6            | 60.7    | 60.7    | 62.1    | 62.5    |
| <u>Employment &amp; Productivity:</u>               |  |               |         |                 |         |         |         |         |
| 24  | Employment, Total Weighted Avg CY            | 31,547        | 31,063  | 31,292          | 31,171  | 31,083  | 31,139  | 31,364  |
| 25  | Overall RTM's per Employee (000)             | 49.8          | 44.1    | 199.4           | 193.7   | 187.0   | 182.8   | 176.5   |

|    |  | CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER |       |       |       |       |       |        |
|----|--|---|-------|-------|-------|-------|-------|--------|
| 26 | Operating Revenues (%)                   | 20.1  | 9.1   | 16.1  | 13.5  | 10.6  | 10.5  | 10.0   |
| 27 | Operating Expenses (%)                   | 18.7  | 9.2   | 13.2  | 10.8  | 8.9   | 9.1   | 9.6    |
| 28 | Operating Profit (Loss) (in Millions \$) | 44.4  | 8.1   | 266.5 | 230.2 | 154.5 | 130.3 | 71.5   |
| 29 | Net Income (Loss)(in Millions \$)        | 30.5  | -10.3 | 235.0 | 194.2 | 99.2  | -79.8 | -128.3 |
| 30 | RPMs (Sch. Svc.) (%)                     | 15.3  | 12.6  | 12.7  | 12.1  | 10.7  | 12.3  | 11.4   |
| 31 | ASMs (Sch. Svc.) (%)                     | 7.6   | 10.5  | 10.8  | 11.6  | 10.4  | 8.2   | 7.1    |
| 32 | Operating Revenues per RTM (%)           | 4.7   | -3.9  | 3.1   | 1.0   | -0.5  | -2.1  | -1.8   |
| 33 | Operating Expense per RTM (%)            | 3.5   | -3.8  | 0.4   | -1.4  | -2.0  | -3.3  | -2.1   |
| 34 | Passenger Revenue per RPM (Sch. Svc.)(%) | 4.6   | -4.3  | 2.9   | 0.7   | -0.8  | -2.5  | -2.2   |

## QUARTERLY FINANCIAL & TRAFFIC REVIEW

### SYSTEM OPERATIONS

### US Airways

| ITEMS   |  | QUARTER ENDED |         | 12 MONTHS ENDED |         |         |         |         |
|---|--|---------------|---------|-----------------|---------|---------|---------|---------|
|   |  | 2005/12       | 2004/12 | 2005/12         | 2005/09 | 2005/06 | 2005/03 | 2004/12 |
| <u>FINANCIAL RESULTS: (\$Millions)</u>              |  |               |         |                 |         |         |         |         |
| 1   | Operating Revenues                           | 1,755.5       | 1,654.4 | 7,212.4         | 7,111.3 | 7,017.0 | 7,011.6 | 7,073.1 |
| 2   | Operating Expenses                           | 1,826.5       | 1,782.4 | 7,425.4         | 7,381.3 | 7,426.9 | 7,395.4 | 7,421.1 |
| 3   | Operating Profit (Loss)                      | -71.0         | -128.0  | -213.1          | -270.1  | -409.9  | -383.8  | -347.9  |
| 4   | Net Income (Loss)                            | -120.2        | -218.4  | 159.9           | 61.7    | -735.4  | -655.9  | -577.9  |
| <u>TRAFFIC: (Billions)</u>                          |  |               |         |                 |         |         |         |         |
| 5   | RPMs - Scheduled Svc.                        | 8.5           | 9.8     | 40.1            | 41.4    | 41.6    | 41.3    | 40.5    |
| 6   | ASMs - Scheduled Svc.                        | 11.7          | 13.4    | 53.4            | 55.1    | 55.4    | 54.6    | 54.0    |
| 7   | Overall RTMs (All Svc.)                      | 0.9           | 1.1     | 4.3             | 4.4     | 4.4     | 4.4     | 4.4     |
| 8   | Overall ATMs (All Svc.)                      | 1.7           | 2.0     | 7.8             | 8.0     | 8.1     | 8.0     | 7.9     |
| <u>YIELD &amp; UNIT COST &amp; PROFITS: (Cents)</u> |  |               |         |                 |         |         |         |         |
| 9   | Operating Revenue per RTM                    | 190.2         | 157.0   | 168.7           | 161.4   | 157.9   | 158.1   | 161.2   |
| 10  | Operating Expense per RTM                    | 197.9         | 169.1   | 173.7           | 167.5   | 167.2   | 166.7   | 169.1   |
| 11  | Operating Profit (Loss) per RTM              | -7.7          | -12.1   | -5.0            | -6.1    | -9.2    | -8.7    | -7.9    |
| 12  | Operating Expense per ATM                    | 106.4         | 91.3    | 95.2            | 91.8    | 92.0    | 92.7    | 93.9    |
| 13  | Passenger Revenue per RPM                    | 13.68         | 11.98   | 12.57           | 12.20   | 12.03   | 12.13   | 12.47   |
| <u>FINANCIAL RATIOS:</u>                            |  |               |         |                 |         |         |         |         |
| 14  | Operating Revenues to Total Investment       | *             | *       | 3.22            | 2.90    | 2.71    | 2.56    | 2.50    |
| 15  | Times Interest Earned                        | *             | *       | 1.56            | 1.20    | -1.67   | -1.58   | -1.46   |
| 16  | Current Assets to Current Liabilities        | *             | *       | 0.52            | 0.43    | 0.38    | 0.37    | 0.44    |
| 17  | No. of Days Cash Coverage of Cash Exp.       | *             | *       | 29.91           | 19.12   | 27.91   | 25.89   | 37.17   |
| <u>FINANCIAL PERCENTAGES:</u>                       |  |               |         |                 |         |         |         |         |
| 18  | Operating Profit (Loss) to Operating Revenue | -4.0          | -7.7    | -3.0            | -3.8    | -5.8    | -5.5    | -4.9    |
| 19  | Net Income to Stockholders Equity            | *             | *       | &               | &       | &       | &       | &       |
| 20  | Corporate Return on Investment               | *             | *       | 19.8            | 14.5    | -17.6   | -14.6   | -12.0   |
| 21  | Debt to Total Investment                     | *             | *       | 107.3           | 100.6   | 135.3   | 124.8   | 119.1   |
| <u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>         |  |               |         |                 |         |         |         |         |
| 22  | Actual                                       | 72.9          | 73.0    | 75.1            | 75.1    | 75.2    | 75.6    | 75.0    |
| 23  | Breakeven                                    | 81.7          | 82.8    | 79.1            | 79.3    | 81.8    | 83.7    | 82.9    |
| <u>Employment &amp; Productivity:</u>               |  |               |         |                 |         |         |         |         |
| 24  | Employment, Total Weighted Avg CY            | 20,243        | 24,937  | 21,894          | 23,068  | 24,217  | 25,175  | 25,784  |
| 25  | Overall RTM's per Employee (000)             | 45.6          | 42.3    | 195.3           | 191.0   | 183.5   | 176.2   | 170.2   |

|    |  | CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER |        |       |       |        |        |          |
|----|--|---|--------|-------|-------|--------|--------|----------|
| 26 | Operating Revenues (%)                   | 6.1   | -5.0   | 2.0   | -0.7  | -1.5   | 1.1    | 4.6      |
| 27 | Operating Expenses (%)                   | 2.5   | -1.8   | 0.1   | -1.0  | 1.8    | 1.3    | 3.3      |
| 28 | Operating Profit (Loss) (in Millions \$) | 57.0  | -54.8  | 134.9 | 23.1  | -238.3 | -18.1  | 73.4     |
| 29 | Net Income (Loss)(in Millions \$)        | 98.2  | -129.4 | 737.7 | 510.1 | -413.0 | -314.4 | -2,029.9 |
| 30 | RPMs (Sch. Svc.) (%)                     | -12.6   | 4.4    | -0.9  | 3.2   | 5.3    | 6.9    | 7.3      |
| 31 | ASMs (Sch. Svc.) (%)                     | -12.6   | 4.0    | -1.0  | 3.1   | 4.6    | 4.4    | 4.9      |
| 32 | Operating Revenues per RTM (%)           | 21.2  | -7.5   | 4.6   | -1.7  | -4.5   | -3.9   | -1.3     |
| 33 | Operating Expense per RTM (%)            | 17.0  | -4.4   | 2.7   | -2.0  | -1.3   | -3.7   | -2.6     |
| 34 | Passenger Revenue per RPM (Sch. Svc.)(%) | 14.2  | -10.8  | 0.8   | -4.8  | -7.1   | -6.7   | -4.5     |

## QUARTERLY FINANCIAL & TRAFFIC REVIEW

### SYSTEM OPERATIONS

#### United Airlines

| ITEMS   |  | QUARTER ENDED |         | 12 MONTHS ENDED |          |          |          |          |
|---|--|---------------|---------|-----------------|----------|----------|----------|----------|
|   |  | 2005/12       | 2004/12 | 2005/12         | 2005/09  | 2005/06  | 2005/03  | 2004/12  |
| <u>FINANCIAL RESULTS: (\$Millions)</u>              |  |               |         |                 |          |          |          |          |
| 1   | Operating Revenues                           | 4,365.8       | 3,887.4 | 17,304.2        | 16,825.8 | 16,403.1 | 15,991.6 | 15,701.2 |
| 2   | Operating Expenses                           | 4,567.5       | 4,541.5 | 17,545.5        | 17,519.5 | 17,423.5 | 17,088.4 | 16,867.5 |
| 3   | Operating Profit (Loss)                      | -201.7        | -654.2  | -241.3          | -693.8   | -1,020.4 | -1,096.8 | -1,166.4 |
| 4   | Net Income (Loss)                            | -16,912.5     | -819.1  | -21,036.4       | -4,942.9 | -3,639.2 | -2,471.7 | -2,002.1 |
| <u>TRAFFIC: (Billions)</u>                          |  |               |         |                 |          |          |          |          |
| 5   | RPMs - Scheduled Svc.                        | 27.8          | 27.7    | 113.9           | 113.8    | 114.7    | 115.0    | 114.5    |
| 6   | ASMs - Scheduled Svc.                        | 34.7          | 35.9    | 139.8           | 141.0    | 142.8    | 143.9    | 144.6    |
| 7   | Overall RTMs (All Svc.)                      | 3.3           | 3.4     | 13.5            | 13.5     | 13.6     | 13.6     | 13.5     |
| 8   | Overall ATMs (All Svc.)                      | 5.6           | 5.7     | 22.4            | 22.6     | 22.8     | 22.9     | 22.9     |
| <u>YIELD &amp; UNIT COST &amp; PROFITS: (Cents)</u> |  |               |         |                 |          |          |          |          |
| 9   | Operating Revenue per RTM                    | 131.0         | 115.9   | 128.6           | 124.8    | 120.5    | 117.3    | 116.1    |
| 10  | Operating Expense per RTM                    | 137.1         | 135.4   | 130.4           | 130.0    | 128.0    | 125.3    | 124.8    |
| 11  | Operating Profit (Loss) per RTM              | -6.1          | -19.5   | -1.8            | -5.1     | -7.5     | -8.0     | -8.6     |
| 12  | Operating Expense per ATM                    | 82.3          | 79.5    | 78.3            | 77.6     | 76.4     | 74.6     | 73.5     |
| 13  | Passenger Revenue per RPM                    | 11.21         | 10.34   | 10.94           | 10.73    | 10.48    | 10.38    | 10.44    |
| <u>FINANCIAL RATIOS:</u>                            |  |               |         |                 |          |          |          |          |
| 14  | Operating Revenues to Total Investment       | *             | *       | 999.90          | 6.28     | 4.81     | 3.80     | 3.22     |
| 15  | Times Interest Earned                        | *             | *       | -39.41          | -8.96    | -7.10    | -4.44    | -3.34    |
| 16  | Current Assets to Current Liabilities        | *             | *       | 0.60            | 0.64     | 0.52     | 0.52     | 0.40     |
| 17  | No. of Days Cash Coverage of Cash Exp.       | *             | *       | 59.70           | 58.59    | 57.37    | 51.18    | 31.79    |
| <u>FINANCIAL PERCENTAGES:</u>                       |  |               |         |                 |          |          |          |          |
| 18  | Operating Profit (Loss) to Operating Revenue | -4.6          | -16.8   | -1.4            | -4.1     | -6.2     | -6.9     | -7.4     |
| 19  | Net Income to Stockholders Equity            | *             | *       | &               | &        | &        | &        | &        |
| 20  | Corporate Return on Investment               | *             | *       | 0.0             | -166.1   | -93.5    | -48.0    | -31.6    |
| 21  | Debt to Total Investment                     | *             | *       | -72.6           | 955.2    | 821.3    | 403.2    | 277.8    |
| <u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>         |  |               |         |                 |          |          |          |          |
| 22  | Actual                                       | 80.2          | 77.2    | 81.5            | 80.7     | 80.3     | 80.0     | 79.2     |
| 23  | Breakeven                                    | 88.1          | 92.4    | 85.3            | 86.3     | 87.4     | 86.9     | 86.2     |
| <u>Employment &amp; Productivity:</u>               |  |               |         |                 |          |          |          |          |
| 24  | Employment, Total Weighted Avg CY            | 53,684        | 58,107  | 54,801          | 55,906   | 57,051   | 58,094   | 58,680   |
| 25  | Overall RTM's per Employee (000)             | 62.1          | 57.7    | 245.5           | 241.1    | 238.5    | 234.8    | 230.4    |

|    |  | CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER |        |           |          |          |        |         |
|----|--|---|--------|-----------|----------|----------|--------|---------|
| 26 | Operating Revenues (%)                   | 12.3  | 11.1   | 10.2      | 9.9      | 10.5     | 14.9   | 17.2    |
| 27 | Operating Expenses (%)                   | 0.6   | 20.9   | 4.0       | 8.9      | 12.7     | 14.6   | 12.8    |
| 28 | Operating Profit (Loss) (in Millions \$) | 452.4   | -396.6 | 925.0     | 76.1     | -409.8   | -107.9 | 387.4   |
| 29 | Net Income (Loss)(in Millions \$)        | -16,093.5                                       | -189.2 | -19,034.3 | -3,130.0 | -1,748.2 | -228.8 | 1,084.1 |
| 30 | RPMs (Sch. Svc.) (%)                     | 0.4   | 4.4    | -0.6      | 0.4      | 3.8      | 9.3    | 10.3    |
| 31 | ASMs (Sch. Svc.) (%)                     | -3.3  | 3.9    | -3.3      | -1.5     | 1.7      | 5.7    | 6.4     |
| 32 | Operating Revenues per RTM (%)           | 13.1  | 3.6    | 10.7      | 8.4      | 4.9      | 4.4    | 6.9     |
| 33 | Operating Expense per RTM (%)            | 1.3   | 12.8   | 4.5       | 7.4      | 7.0      | 4.1    | 2.9     |
| 34 | Passenger Revenue per RPM (Sch. Svc.)(%) | 8.4   | 0.1    | 4.8       | 2.8      | -0.7     | -0.8   | 2.1     |

## QUARTERLY FINANCIAL & TRAFFIC REVIEW

### SYSTEM OPERATIONS

#### System Cargo Majors

| ITEMS   |  | QUARTER ENDED |         | 12 MONTHS ENDED |          |          |          |          |
|---|--|---------------|---------|-----------------|----------|----------|----------|----------|
|   |  | 2005/12       | 2004/12 | 2005/12         | 2005/09  | 2005/06  | 2005/03  | 2004/12  |
| <u>FINANCIAL RESULTS: (\$Millions)</u>              |  |               |         |                 |          |          |          |          |
| 1   | Operating Revenues                           | 6,658.4       | 5,994.6 | 24,638.6        | 23,974.8 | 23,226.1 | 22,674.8 | 22,067.8 |
| 2   | Operating Expenses                           | 5,979.3       | 5,484.7 | 22,748.3        | 22,253.7 | 21,521.5 | 20,953.2 | 20,495.5 |
| 3   | Operating Profit (Loss)                      | 679.1         | 509.8   | 1,890.4         | 1,721.1  | 1,704.6  | 1,721.6  | 1,572.3  |
| 4   | Net Income (Loss)                            | 400.7         | 206.7   | 1,072.9         | 878.8    | 856.6    | 861.1    | 765.0    |
| <u>TRAFFIC: (Billions)</u>                          |  |               |         |                 |          |          |          |          |
| 5   | RTMs - Scheduled Svc.                        | 4.3           | 4.0     | 15.7            | 15.4     | 15.2     | 15.1     | 15.0     |
| 6   | ATMs - Scheduled Svc.                        | 6.8           | 6.2     | 24.9            | 24.4     | 24.0     | 23.7     | 23.4     |
| 7   | Overall RTMs (All Svc.)                      | 4.3           | 4.0     | 15.8            | 15.6     | 15.5     | 15.4     | 15.3     |
| 8   | Overall ATMs (All Svc.)                      | 6.8           | 6.3     | 25.1            | 24.7     | 24.4     | 24.2     | 23.9     |
| <u>YIELD &amp; UNIT COST &amp; PROFITS: (Cents)</u> |  |               |         |                 |          |          |          |          |
| 9   | Operating Revenue per RTM                    | 155.9         | 148.3   | 155.7           | 153.7    | 150.0    | 147.3    | 144.2    |
| 10  | Operating Expense per RTM                    | 140.0         | 135.7   | 143.8           | 142.7    | 139.0    | 136.1    | 134.0    |
| 11  | Operating Profit (Loss) per RTM              | 15.9          | 12.6    | 11.9            | 11.0     | 11.0     | 11.2     | 10.3     |
| 12  | Operating Expense per ATM                    | 87.8          | 86.7    | 90.5            | 90.3     | 88.2     | 86.6     | 85.7     |
| 13  | Passenger Revenue per RPM                    | *             | *       | *               | *        | *        | *        | *        |
| <u>FINANCIAL RATIOS:</u>                            |  |               |         |                 |          |          |          |          |
| 14  | Operating Revenues to Total Investment       | *             | *       | 1.97            | 1.97     | 1.95     | 1.94     | 1.92     |
| 15  | Times Interest Earned                        | *             | *       | 21.67           | 13.54    | 11.20    | 10.10    | 8.54     |
| 16  | Current Assets to Current Liabilities        | *             | *       | 1.00            | 0.99     | 0.95     | 0.92     | 0.94     |
| 17  | No. of Days Cash Coverage of Cash Exp.       | *             | *       | 6.28            | 5.28     | 5.13     | 5.30     | 4.97     |
| <u>FINANCIAL PERCENTAGES:</u>                       |  |               |         |                 |          |          |          |          |
| 18  | Operating Profit (Loss) to Operating Revenue | 10.2          | 8.5     | 7.7             | 7.2      | 7.3      | 7.6      | 7.1      |
| 19  | Net Income to Stockholders Equity            | *             | *       | 10.06           | 8.44     | 8.40     | 9.19     | 8.94     |
| 20  | Corporate Return on Investment               | *             | *       | 9.2             | 8.1      | 8.3      | 8.6      | 8.0      |
| 21  | Debt to Total Investment                     | *             | *       | 15.8            | 16.2     | 14.4     | 13.2     | 13.5     |
| <u>TON LOAD FACTOR: (%)</u>                         |  |               |         |                 |          |          |          |          |
| 22  | Scheduled Svc.                               | 62.7          | 63.9    | 63.0            | 63.2     | 63.5     | 63.7     | 64.1     |
| 23  | All Services                                 | 62.7          | 63.9    | 62.9            | 63.3     | 63.5     | 63.7     | 64.0     |
| <u>Employment &amp; Productivity:</u>               |  |               |         |                 |          |          |          |          |
| 24  | Employment, Total Weighted Avg CY            | 119,987       | 118,455 | 119,247         | 118,864  | 118,221  | 118,012  | 117,989  |
| 25  | Overall RTM's per Employee (000)             | 35.6          | 34.1    | 132.7           | 131.2    | 130.9    | 130.5    | 129.7    |

|    |  | CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER |       |       |       |       |       |       |
|----|--|---|-------|-------|-------|-------|-------|-------|
| 26 | Operating Revenues (%)                   | 11.1  | 15.1  | 11.6  | 12.7  | 11.8  | 11.9  | 11.2  |
| 27 | Operating Expenses (%)                   | 9.0   | 13.8  | 11.0  | 12.2  | 8.7   | 8.0   | 7.0   |
| 28 | Operating Profit (Loss) (in Millions \$) | 169.2   | 120.9 | 318.1 | 269.7 | 741.2 | 855.0 | 870.0 |
| 29 | Net Income (Loss)(in Millions \$)        | 194.0   | 49.3  | 307.8 | 163.1 | 410.5 | 475.6 | 474.9 |
| 30 | RTMs (All Svc.) (%)                      | 7.5   | 6.3   | 4.9   | 4.6   | 4.9   | 6.0   | 7.5   |
| 31 | ATMs (All Svc.) (%)                      | 9.5   | -7.3  | 6.8   | 2.1   | -2.7  | -3.4  | -3.9  |
| 32 | Operating Revenues per RTM (%)           | 5.1   | 8.2   | 8.0   | 8.8   | 7.1   | 5.7   | 3.3   |
| 33 | Operating Expense per RTM (%)            | 3.2   | 7.0   | 7.3   | 8.4   | 4.0   | 2.0   | -0.6  |
| 34 | Passenger Revenue per RPM (Sch. Svc.)(%) | *   | *     | **    | **    | **    | **    | **    |

## QUARTERLY FINANCIAL & TRAFFIC REVIEW

### SYSTEM OPERATIONS

### Domestic Cargo Majors

| ITEMS   |  | QUARTER ENDED |         | 12 MONTHS ENDED |          |          |          |          |
|---|--|---------------|---------|-----------------|----------|----------|----------|----------|
|   |  | 2005/12       | 2004/12 | 2005/12         | 2005/09  | 2005/06  | 2005/03  | 2004/12  |
| <u>FINANCIAL RESULTS: (\$Millions)</u>              |  |               |         |                 |          |          |          |          |
| 1   | Operating Revenues                           | 4,606.5       | 4,217.2 | 17,101.6        | 16,712.3 | 16,225.3 | 15,974.1 | 15,598.1 |
| 2   | Operating Expenses                           | 4,260.6       | 3,991.6 | 16,281.0        | 16,011.9 | 15,579.7 | 15,181.3 | 14,855.7 |
| 3   | Operating Profit (Loss)                      | 345.9         | 225.6   | 820.7           | 700.4    | 645.7    | 792.8    | 742.4    |
| 4   | Net Income (Loss)                            | 204.6         | 68.9    | 503.1           | 367.4    | 270.2    | 359.4    | 324.9    |
| <u>TRAFFIC: (Billions)</u>                          |  |               |         |                 |          |          |          |          |
| 5   | RTMs - Scheduled Svc.                        | 2.5           | 2.4     | 9.4             | 9.3      | 9.3      | 9.3      | 9.3      |
| 6   | ATMs - Scheduled Svc.                        | 4.2           | 4.0     | 15.3            | 15.1     | 15.0     | 15.0     | 14.9     |
| 7   | Overall RTMs (All Svc.)                      | 2.5           | 2.5     | 9.5             | 9.4      | 9.4      | 9.4      | 9.4      |
| 8   | Overall ATMs (All Svc.)                      | 4.2           | 4.0     | 15.3            | 15.2     | 15.1     | 15.1     | 15.0     |
| <u>YIELD &amp; UNIT COST &amp; PROFITS: (Cents)</u> |  |               |         |                 |          |          |          |          |
| 9   | Operating Revenue per RTM                    | 181.2         | 171.5   | 180.7           | 178.2    | 173.3    | 170.5    | 166.4    |
| 10  | Operating Expense per RTM                    | 167.6         | 162.4   | 172.1           | 170.7    | 166.4    | 162.1    | 158.5    |
| 11  | Operating Profit (Loss) per RTM              | 13.6          | 9.2     | 8.7             | 7.5      | 6.9      | 8.5      | 7.9      |
| 12  | Operating Expense per ATM                    | 102.4         | 99.8    | 106.2           | 105.5    | 102.9    | 100.4    | 98.9     |
| 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 | 7.5           | 5.3     | 4.8             | 4.2      | 4.0      | 5.0      | 4.8      |
| 19  | Net Income to Stockholders Equity            | *             | *       | **              | **       | **       | **       | **       |
| 20  | Corporate Return on Investment               | *             | *       | 6.4             | 5.2      | 4.3      | 5.6      | 5.3      |
| 21  | Debt to Total Investment                     | *             | *       | **              | **       | **       | **       | **       |
| <u>TON LOAD FACTOR: (%)</u>                         |  |               |         |                 |          |          |          |          |
| 22  | Scheduled Svc.                               | 61.2          | 61.5    | 61.7            | 61.8     | 61.8     | 62.0     | 62.3     |
| 23  | All Services                                 | 61.1          | 61.5    | 61.7            | 61.8     | 61.8     | 62.0     | 62.4     |
| <u>Employment &amp; 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 (%)                   | 9.2   | 11.6  | 9.6   | 10.2  | 8.4   | 10.2  | 10.4  |
| 27 | Operating Expenses (%)                   | 6.7   | 12.9  | 9.6   | 11.2  | 7.8   | 7.9   | 7.5   |
| 28 | Operating Profit (Loss) (in Millions \$) | 120.3   | -20.7 | 78.3  | -62.8 | 136.8 | 376.5 | 425.4 |
| 29 | Net Income (Loss)(in Millions \$)        | 135.7   | -26.4 | 178.3 | 16.2  | 54.7  | 209.1 | 226.5 |
| 30 | RTMs (All Svc.) (%)                      | 4.2   | 3.5   | 1.6   | 1.4   | 2.0   | 3.8   | 5.9   |
| 31 | ATMs (All Svc.) (%)                      | 4.6   | -7.2  | 2.7   | -0.6  | -3.9  | -4.1  | -4.5  |
| 32 | Operating Revenues per RTM (%)           | 5.6   | 7.8   | 8.6   | 9.2   | 6.4   | 6.2   | 4.0   |
| 33 | Operating Expense per RTM (%)            | 3.2   | 9.2   | 8.6   | 10.2  | 5.8   | 3.9   | 1.3   |
| 34 | Passenger Revenue per RPM (Sch. Svc.)(%) | *   | *     | **    | **    | **    | **    | **    |

## QUARTERLY FINANCIAL & TRAFFIC REVIEW

### SYSTEM OPERATIONS

#### Int'l Cargo Majors

| ITEMS   |  | QUARTER ENDED |         | 12 MONTHS ENDED |         |         |         |         |
|---|--|---------------|---------|-----------------|---------|---------|---------|---------|
|   |  | 2005/12       | 2004/12 | 2005/12         | 2005/09 | 2005/06 | 2005/03 | 2004/12 |
| <u>FINANCIAL RESULTS: (\$Millions)</u>              |  |               |         |                 |         |         |         |         |
| 1   | Operating Revenues                           | 2,051.8       | 1,777.4 | 7,537.0         | 7,262.5 | 7,000.8 | 6,700.7 | 6,469.6 |
| 2   | Operating Expenses                           | 1,718.7       | 1,493.1 | 6,467.3         | 6,241.7 | 5,941.9 | 5,771.9 | 5,639.8 |
| 3   | Operating Profit (Loss)                      | 333.2         | 284.2   | 1,069.7         | 1,020.7 | 1,058.9 | 928.8   | 829.8   |
| 4   | Net Income (Loss)                            | 196.2         | 137.8   | 569.7           | 511.4   | 586.4   | 501.7   | 440.2   |
| <u>TRAFFIC: (Billions)</u>                          |  |               |         |                 |         |         |         |         |
| 5   | RTMs - Scheduled Svc.                        | 1.7           | 1.5     | 6.3             | 6.1     | 5.9     | 5.8     | 5.7     |
| 6   | ATMs - Scheduled Svc.                        | 2.6           | 2.2     | 9.7             | 9.3     | 9.0     | 8.7     | 8.5     |
| 7   | Overall RTMs (All Svc.)                      | 1.7           | 1.6     | 6.4             | 6.2     | 6.1     | 6.0     | 5.9     |
| 8   | Overall ATMs (All Svc.)                      | 2.7           | 2.3     | 9.8             | 9.5     | 9.3     | 9.1     | 8.9     |
| <u>YIELD &amp; UNIT COST &amp; PROFITS: (Cents)</u> |  |               |         |                 |         |         |         |         |
| 9   | Operating Revenue per RTM                    | 118.7         | 112.3   | 118.5           | 116.8   | 114.4   | 111.1   | 109.2   |
| 10  | Operating Expense per RTM                    | 99.4          | 94.3    | 101.7           | 100.4   | 97.1    | 95.7    | 95.2    |
| 11  | Operating Profit (Loss) per RTM              | 19.3          | 18.0    | 16.8            | 16.4    | 17.3    | 15.4    | 14.0    |
| 12  | Operating Expense per ATM                    | 64.9          | 64.3    | 65.9            | 65.8    | 64.2    | 63.6    | 63.5    |
| 13  | Passenger Revenue per RPM                    | *             | *       | *               | *       | *       | *       | *       |
| <u>FINANCIAL RATIOS:</u>                            |  |               |         |                 |         |         |         |         |
| 14  | Operating Revenues to Total Investment       | *             | *       | **              | **      | **      | **      | **      |
| 15  | Times Interest Earned                        | *             | *       | **              | **      | **      | **      | **      |
| 16  | Current Assets to Current Liabilities        | *             | *       | **              | **      | **      | **      | **      |
| 17  | No. of Days Cash Coverage of Cash Exp.       | *             | *       | **              | **      | **      | **      | **      |
| <u>FINANCIAL PERCENTAGES:</u>                       |  |               |         |                 |         |         |         |         |
| 18  | Operating Profit (Loss) to Operating Revenue | 16.2          | 16.0    | 14.2            | 14.1    | 15.1    | 13.9    | 12.8    |
| 19  | Net Income to Stockholders Equity            | *             | *       | **              | **      | **      | **      | **      |
| 20  | Corporate Return on Investment               | *             | *       | 15.7            | 14.8    | 17.6    | 15.7    | 14.3    |
| 21  | Debt to Total Investment                     | *             | *       | **              | **      | **      | **      | **      |
| <u>TON LOAD FACTOR: (%)</u>                         |  |               |         |                 |         |         |         |         |
| 22  | Scheduled Svc.                               | 65.4          | 68.2    | 64.9            | 65.7    | 66.4    | 66.7    | 67.0    |
| 23  | All Services                                 | 65.2          | 68.2    | 64.9            | 65.6    | 66.1    | 66.4    | 66.7    |
| <u>Employment &amp; 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 (%)                   | 15.4  | 24.5  | 16.5  | 18.7  | 20.7  | 16.1  | 13.1  |
| 27 | Operating Expenses (%)                   | 15.1  | 16.2  | 14.7  | 14.9  | 11.1  | 8.5   | 5.7   |
| 28 | Operating Profit (Loss) (in Millions \$) | 48.9  | 141.6 | 239.8 | 332.5 | 604.4 | 478.5 | 444.6 |
| 29 | Net Income (Loss)(in Millions \$)        | 58.3  | 75.7  | 129.6 | 146.9 | 355.8 | 266.6 | 248.3 |
| 30 | RTMs (All Svc.) (%)                      | 12.7  | 11.1  | 10.3  | 9.9   | 9.8   | 9.8   | 10.4  |
| 31 | ATMs (All Svc.) (%)                      | 18.2  | -7.5  | 14.0  | 7.0   | -0.7  | -2.2  | -3.0  |
| 32 | Operating Revenues per RTM (%)           | 5.7   | 12.0  | 8.5   | 10.1  | 11.1  | 6.3   | 2.7   |
| 33 | Operating Expense per RTM (%)            | 5.4   | 4.5   | 6.8   | 6.6   | 2.3   | -0.7  | -4.0  |
| 34 | Passenger Revenue per RPM (Sch. Svc.)(%) | *   | *     | **    | **    | **    | **    | **    |

## QUARTERLY FINANCIAL & TRAFFIC REVIEW

### SYSTEM OPERATIONS

### Federal Express Corporation

| ITEMS   |  | QUARTER ENDED |         | 12 MONTHS ENDED |          |          |          |          |
|---|--|---------------|---------|-----------------|----------|----------|----------|----------|
|   |  | 2005/12       | 2004/12 | 2005/12         | 2005/09  | 2005/06  | 2005/03  | 2004/12  |
| <u>FINANCIAL RESULTS: (\$Millions)</u>              |  |               |         |                 |          |          |          |          |
| 1   | Operating Revenues                           | 5,514.1       | 5,041.9 | 20,533.4        | 20,061.3 | 19,561.8 | 19,079.1 | 18,675.5 |
| 2   | Operating Expenses                           | 4,924.3       | 4,633.0 | 18,936.9        | 18,645.6 | 18,099.2 | 17,703.3 | 17,327.5 |
| 3   | Operating Profit (Loss)                      | 589.7         | 409.0   | 1,596.5         | 1,415.7  | 1,462.6  | 1,375.8  | 1,348.0  |
| 4   | Net Income (Loss)                            | 361.4         | 237.4   | 963.9           | 839.8    | 858.2    | 795.3    | 771.6    |
| <u>TRAFFIC: (Billions)</u>                          |  |               |         |                 |          |          |          |          |
| 5   | RTMs - Scheduled Svc.                        | 2.7           | 2.5     | 9.9             | 9.8      | 9.7      | 9.7      | 9.7      |
| 6   | ATMs - Scheduled Svc.                        | 4.2           | 3.9     | 15.6            | 15.4     | 15.2     | 15.0     | 14.9     |
| 7   | Overall RTMs (All Svc.)                      | 2.7           | 2.6     | 10.0            | 10.0     | 10.0     | 10.0     | 10.0     |
| 8   | Overall ATMs (All Svc.)                      | 4.2           | 4.1     | 15.8            | 15.6     | 15.5     | 15.5     | 15.4     |
| <u>YIELD &amp; UNIT COST &amp; PROFITS: (Cents)</u> |  |               |         |                 |          |          |          |          |
| 9   | Operating Revenue per RTM                    | 205.3         | 192.8   | 204.8           | 201.5    | 196.5    | 191.0    | 186.9    |
| 10  | Operating Expense per RTM                    | 183.3         | 177.2   | 188.8           | 187.3    | 181.8    | 177.3    | 173.4    |
| 11  | Operating Profit (Loss) per RTM              | 22.0          | 15.6    | 15.9            | 14.2     | 14.7     | 13.8     | 13.5     |
| 12  | Operating Expense per ATM                    | 116.3         | 114.2   | 119.9           | 119.4    | 116.6    | 114.4    | 112.4    |
| 13  | Passenger Revenue per RPM                    | *             | *       | *               | *        | *        | *        | *        |
| <u>FINANCIAL RATIOS:</u>                            |  |               |         |                 |          |          |          |          |
| 14  | Operating Revenues to Total Investment       | *             | *       | 2.76            | 2.76     | 2.75     | 2.75     | 2.75     |
| 15  | Times Interest Earned                        | *             | *       | 999.90          | 194.11   | 50.98    | 28.38    | 22.06    |
| 16  | Current Assets to Current Liabilities        | *             | *       | 1.17            | 1.19     | 1.16     | 1.14     | 1.14     |
| 17  | No. of Days Cash Coverage of Cash Exp.       | *             | *       | 5.27            | 4.17     | 4.37     | 5.04     | 4.79     |
| <u>FINANCIAL PERCENTAGES:</u>                       |  |               |         |                 |          |          |          |          |
| 18  | Operating Profit (Loss) to Operating Revenue | 10.7          | 8.1     | 7.8             | 7.1      | 7.5      | 7.2      | 7.2      |
| 19  | Net Income to Stockholders Equity            | *             | *       | 15.02           | 13.60    | 14.38    | 13.82    | 13.87    |
| 20  | Corporate Return on Investment               | *             | *       | 12.8            | 11.7     | 12.5     | 12.1     | 12.2     |
| 21  | Debt to Total Investment                     | *             | *       | 12.5            | 13.1     | 13.4     | 15.0     | 15.5     |
| <u>TON LOAD FACTOR: (%)</u>                         |  |               |         |                 |          |          |          |          |
| 22  | Scheduled Svc.                               | 63.4          | 64.5    | 63.5            | 63.7     | 64.2     | 64.5     | 64.9     |
| 23  | All Services                                 | 63.5          | 64.5    | 63.5            | 63.7     | 64.1     | 64.5     | 64.8     |
| <u>Employment &amp; Productivity:</u>               |  |               |         |                 |          |          |          |          |
| 24  | Employment, Total Weighted Avg CY            | 114,061       | 112,336 | 113,436         | 113,005  | 112,304  | 112,021  | 111,897  |
| 25  | Overall RTM's per Employee (000)             | 23.5          | 23.3    | 88.4            | 88.1     | 88.7     | 89.1     | 89.3     |

|    |  | CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER |       |       |       |       |       |       |
|----|--|---|-------|-------|-------|-------|-------|-------|
| 26 | Operating Revenues (%)                   | 9.4   | 14.3  | 9.9   | 11.2  | 11.3  | 11.0  | 11.1  |
| 27 | Operating Expenses (%)                   | 6.3   | 12.8  | 9.3   | 11.0  | 7.2   | 7.0   | 6.1   |
| 28 | Operating Profit (Loss) (in Millions \$) | 180.8   | 103.7 | 248.5 | 171.4 | 769.2 | 740.4 | 874.2 |
| 29 | Net Income (Loss)(in Millions \$)        | 124.0   | 66.9  | 192.3 | 135.1 | 468.7 | 449.3 | 521.4 |
| 30 | RTMs (All Svc.) (%)                      | 5.3   | 5.1   | 2.7   | 2.6   | 3.0   | 3.8   | 5.1   |
| 31 | ATMs (All Svc.) (%)                      | 6.9   | 3.3   | 4.9   | 3.9   | 2.6   | 1.5   | 0.9   |
| 32 | Operating Revenues per RTM (%)           | 6.5   | 8.7   | 9.5   | 10.1  | 9.0   | 7.2   | 5.5   |
| 33 | Operating Expense per RTM (%)            | 3.5   | 7.3   | 8.9   | 9.9   | 5.0   | 3.3   | 0.7   |
| 34 | Passenger Revenue per RPM (Sch. Svc.)(%) | *   | *     | **    | **    | **    | **    | **    |

## QUARTERLY FINANCIAL & TRAFFIC REVIEW

### SYSTEM OPERATIONS

### United Parcel Service

| ITEMS   |  | QUARTER ENDED |         | 12 MONTHS ENDED |         |         |         |         |
|---|--|---------------|---------|-----------------|---------|---------|---------|---------|
|   |  | 2005/12       | 2004/12 | 2005/12         | 2005/09 | 2005/06 | 2005/03 | 2004/12 |
| <u>FINANCIAL RESULTS: (\$Millions)</u>              |  |               |         |                 |         |         |         |         |
| 1   | Operating Revenues                           | 1,144.3       | 952.6   | 4,105.2         | 3,913.5 | 3,664.3 | 3,595.7 | 3,392.2 |
| 2   | Operating Expenses                           | 1,055.0       | 851.7   | 3,811.3         | 3,608.1 | 3,422.4 | 3,249.9 | 3,168.0 |
| 3   | Operating Profit (Loss)                      | 89.4          | 100.9   | 293.9           | 305.4   | 242.0   | 345.7   | 224.3   |
| 4   | Net Income (Loss)                            | 39.3          | -30.7   | 109.0           | 39.0    | -1.6    | 65.8    | -6.6    |
| <u>TRAFFIC: (Billions)</u>                          |  |               |         |                 |         |         |         |         |
| 5   | RTMs - Scheduled Svc.                        | 1.6           | 1.4     | 5.8             | 5.6     | 5.5     | 5.4     | 5.3     |
| 6   | ATMs - Scheduled Svc.                        | 2.6           | 2.3     | 9.3             | 9.0     | 8.8     | 8.7     | 8.5     |
| 7   | Overall RTMs (All Svc.)                      | 1.6           | 1.4     | 5.8             | 5.6     | 5.5     | 5.4     | 5.3     |
| 8   | Overall ATMs (All Svc.)                      | 2.6           | 2.3     | 9.3             | 9.0     | 8.9     | 8.7     | 8.5     |
| <u>YIELD &amp; UNIT COST &amp; PROFITS: (Cents)</u> |  |               |         |                 |         |         |         |         |
| 9   | Operating Revenue per RTM                    | 72.2          | 66.8    | 70.8            | 69.4    | 66.3    | 66.5    | 63.9    |
| 10  | Operating Expense per RTM                    | 66.5          | 59.7    | 65.8            | 64.0    | 62.0    | 60.1    | 59.7    |
| 11  | Operating Profit (Loss) per RTM              | 5.6           | 7.1     | 5.1             | 5.4     | 4.4     | 6.4     | 4.2     |
| 12  | Operating Expense per ATM                    | 40.9          | 37.6    | 40.8            | 40.0    | 38.6    | 37.3    | 37.3    |
| 13  | Passenger Revenue per RPM                    | *             | *       | *               | *       | *       | *       | *       |
| <u>FINANCIAL RATIOS:</u>                            |  |               |         |                 |         |         |         |         |
| 14  | Operating Revenues to Total Investment       | *             | *       | 0.81            | 0.79    | 0.76    | 0.76    | 0.72    |
| 15  | Times Interest Earned                        | *             | *       | 2.46            | 1.36    | 0.74    | 1.82    | 0.67    |
| 16  | Current Assets to Current Liabilities        | *             | *       | 0.38            | 0.37    | 0.30    | 0.24    | 0.26    |
| 17  | No. of Days Cash Coverage of Cash Exp.       | *             | *       | 11.74           | 11.61   | 9.57    | 6.86    | 6.06    |
| <u>FINANCIAL PERCENTAGES:</u>                       |  |               |         |                 |         |         |         |         |
| 18  | Operating Profit (Loss) to Operating Revenue | 7.8           | 10.6    | 7.2             | 7.8     | 6.6     | 9.6     | 6.6     |
| 19  | Net Income to Stockholders Equity            | *             | *       | 2.56            | 0.92    | -0.04   | 1.82    | -0.22   |
| 20  | Corporate Return on Investment               | *             | *       | 4.0             | 2.9     | 2.1     | 3.5     | 2.0     |
| 21  | Debt to Total Investment                     | *             | *       | 20.6            | 20.6    | 15.9    | 10.6    | 10.3    |
| <u>TON LOAD FACTOR: (%)</u>                         |  |               |         |                 |         |         |         |         |
| 22  | Scheduled Svc.                               | 61.2          | 62.8    | 62.1            | 62.4    | 62.4    | 62.2    | 62.7    |
| 23  | All Services                                 | 61.5          | 63.0    | 62.0            | 62.4    | 62.3    | 62.1    | 62.5    |
| <u>Employment &amp; Productivity:</u>               |  |               |         |                 |         |         |         |         |
| 24  | Employment, Total Weighted Avg CY            | 5,926         | 6,119   | 5,811           | 5,859   | 5,917   | 5,991   | 6,092   |
| 25  | Overall RTM's per Employee (000)             | 267.5         | 233.2   | 997.2           | 961.9   | 933.5   | 903.1   | 871.4   |

|    |  | CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER |       |       |      |       |       |       |
|----|--|---|-------|-------|------|-------|-------|-------|
| 26 | Operating Revenues (%)                   | 20.1  | 19.8  | 21.0  | 21.0 | 14.8  | 16.8  | 11.4  |
| 27 | Operating Expenses (%)                   | 23.9  | 19.7  | 20.3  | 19.2 | 17.1  | 14.1  | 12.4  |
| 28 | Operating Profit (Loss) (in Millions \$) | -11.5   | 17.2  | 69.6  | 98.3 | -28.0 | 114.6 | -4.2  |
| 29 | Net Income (Loss)(in Millions \$)        | 70.0  | -17.6 | 115.6 | 28.0 | -58.2 | 26.4  | -46.5 |
| 30 | RTMs (All Svc.) (%)                      | 11.3  | 8.5   | 9.0   | 8.2  | 8.5   | 10.2  | 12.4  |
| 31 | ATMs (All Svc.) (%)                      | 14.1  | -21.3 | 10.1  | -0.8 | -10.7 | -10.9 | -11.5 |
| 32 | Operating Revenues per RTM (%)           | 8.1   | 10.2  | 10.9  | 11.5 | 5.3   | 5.8   | -0.9  |
| 33 | Operating Expense per RTM (%)            | 11.5  | 10.1  | 10.2  | 9.8  | 7.5   | 3.4   | 0.1   |
| 34 | Passenger Revenue per RPM (Sch. Svc.)(%) | *   | *     | **    | **   | **    | **    | **    |

**Comparison of Operating Profit (Loss) and Net Income (Loss)  
 For Individual Passenger and All-Cargo System Majors  
 Quarterly and 12-Month Ended Periods  
 December 2004 and 2005**

| <b>Operating Profit (Loss) (\$Millions)</b> |                       |                |                |                            |                |                |
|---|-----------------------|----------------|----------------|----------------------------|----------------|----------------|
| <b>Group/Carrier</b>                        | <b>Quarterly Data</b> |                |                | <b>12 Month Ended Data</b> |                |                |
|   | <b>12/2004</b>        | <b>12/2005</b> | <b>\$Chg</b>   | <b>12/2004</b>             | <b>12/2005</b> | <b>\$Chg</b>   |
| <b>System Passenger Majors</b>              | (2,730.8)             | (1,376.7)      | 1,354.1        | (3,664.1)                  | (2,268.2)      | 1,395.9        |
| Alaska Airlines                             | (54.3)                | (21.5)         | 32.8           | (38.3)                     | (7.8)          | 30.5           |
| America West Airlines                       | (37.4)                | (145.5)        | (108.1)        | (22.0)                     | (120.5)        | (98.5)         |
| American Airlines                           | (426.1)               | (435.3)        | (9.3)          | (421.0)                    | (350.7)        | 70.3           |
| American Eagle Airlines                     | 59.5                  | 49.1           | (10.4)         | 219.2                      | 224.9          | 5.7            |
| American Trans Air                          | (491.5)               | 108.6          | 600.1          | (557.2)                    | (441.4)        | 115.8          |
| Comair                                      | (0.6)                 | (3.1)          | (2.5)          | 67.5                       | 25.3           | (42.2)         |
| Continental Airlines                        | (165.7)               | (103.3)        | 62.4           | (223.4)                    | (91.8)         | 131.5          |
| Continental Express Airlines                | 55.0                  | 40.9           | (14.1)         | 205.4                      | 159.0          | (46.4)         |
| Delta Air Lines                             | (604.0)               | (487.6)        | 116.4          | (1,612.7)                  | (1,197.2)      | 415.6          |
| JetBlue Airways                             | 12.3                  | (17.7)         | (29.9)         | 113.1                      | 61.5           | (51.6)         |
| Northwest Airlines                          | (415.1)               | (252.1)        | 162.9          | (434.0)                    | (895.2)        | (461.2)        |
| Southwest Airlines                          | 119.0                 | 163.4          | 44.4           | 553.6                      | 820.1          | 266.5          |
| United Airlines                             | (654.2)               | (201.7)        | 452.4          | (1,166.4)                  | (241.3)        | 925.0          |
| US Airways                                  | (128.0)               | (71.0)         | 57.0           | (347.9)                    | (213.1)        | 134.9          |
| <b>System Cargo Majors</b>                  | 509.8                 | 679.1          | 169.2          | 1,572.3                    | 1,890.4        | 318.1          |
| Federal Express Corporation                 | 409.0                 | 589.7          | 180.8          | 1,348.0                    | 1,596.5        | 248.5          |
| United Parcel Service                       | 100.9                 | 89.4           | (11.5)         | 224.3                      | 293.9          | 69.6           |
| <b>System Total Majors</b>                  | <b>(2,221.0)</b>      | <b>(697.6)</b> | <b>1,523.4</b> | <b>(2,091.8)</b>           | <b>(377.8)</b> | <b>1,714.0</b> |

| <b>Net Income (Loss) (\$Millions)</b> |                       |                   |                   |                            |                   |                   |
|---------------------------------------|-----------------------|-------------------|-------------------|----------------------------|-------------------|-------------------|
| <b>Group/Carrier</b>                  | <b>Quarterly Data</b> |                   |                   | <b>12 Month Ended Data</b> |                   |                   |
|                                       | <b>12/2004</b>        | <b>12/2005</b>    | <b>\$Chg</b>      | <b>12/2004</b>             | <b>12/2005</b>    | <b>\$Chg</b>      |
| <b>System Passenger Majors</b>        | (4,280.8)             | (20,298.2)        | (16,017.4)        | (9,435.0)                  | (28,138.6)        | (18,703.6)        |
| Alaska Airlines                       | (43.1)                | (26.8)            | 16.3              | (14.0)                     | (2.3)             | 11.7              |
| America West Airlines                 | (68.2)                | (375.3)           | (307.1)           | (103.7)                    | (397.3)           | (293.6)           |
| American Airlines                     | (400.5)               | (601.0)           | (200.5)           | (821.0)                    | (891.7)           | (70.7)            |
| American Eagle Airlines               | 7.1                   | 4.2               | (2.9)             | 48.8                       | 46.2              | (2.6)             |
| American Trans Air                    | (494.9)               | 106.4             | 601.3             | (624.4)                    | (444.6)           | 179.8             |
| Comair                                | (1,372.3)             | (10.2)            | 1,362.1           | (1,342.1)                  | (19.0)            | 1,323.1           |
| Continental Airlines                  | (205.8)               | (42.6)            | 163.2             | (363.0)                    | (65.6)            | 297.3             |
| Continental Express Airlines          | 33.6                  | 24.0              | (9.7)             | 122.8                      | 92.0              | (30.8)            |
| Delta Air Lines                       | (339.6)               | (1,229.5)         | (889.9)           | (3,362.2)                  | (3,797.6)         | (435.4)           |
| JetBlue Airways                       | 2.4                   | (42.4)            | (44.8)            | 47.5                       | (20.9)            | (68.4)            |
| Northwest Airlines                    | (417.6)               | (1,158.3)         | (740.7)           | (757.3)                    | (2,309.7)         | (1,552.4)         |
| Southwest Airlines                    | 55.5                  | 86.1              | 30.5              | 313.4                      | 548.4             | 235.0             |
| United Airlines                       | (819.1)               | (16,912.5)        | (16,093.5)        | (2,002.1)                  | (21,036.4)        | (19,034.3)        |
| US Airways                            | (218.4)               | (120.2)           | 98.2              | (577.9)                    | 159.9             | 737.7             |
| <b>System Cargo Majors</b>            | 206.7                 | 400.7             | 194.0             | 765.0                      | 1,072.9           | 307.8             |
| Federal Express Corporation           | 237.4                 | 361.4             | 124.0             | 771.6                      | 963.9             | 192.3             |
| United Parcel Service                 | (30.7)                | 39.3              | 70.0              | (6.6)                      | 109.0             | 115.6             |
| <b>System Total Majors</b>            | <b>(4,074.1)</b>      | <b>(19,897.5)</b> | <b>(15,823.4)</b> | <b>(8,670.0)</b>           | <b>(27,065.8)</b> | <b>(18,395.7)</b> |

**Comparison of Passenger Load Factors and Passenger Yields  
 For Individual Passenger and All-Cargo System Majors  
 Quarterly and 12-Month Ended Periods  
 December 2004 and 2005**

| <b>Passenger Load Factor (Percent)</b> |                       |                |                |                            |                |                |
|--|-----------------------|----------------|----------------|----------------------------|----------------|----------------|
| <b>Group/Carrier</b>                   | <b>Quarterly Data</b> |                |                | <b>12 Month Ended Data</b> |                |                |
|  | <b>12/2004</b>        | <b>12/2005</b> | <b>Pt.Chg.</b> | <b>12/2004</b>             | <b>12/2005</b> | <b>Pt.Chg.</b> |
| System Passenger Majors                | 74.7                  | 76.8           | 2.1            | 76.1                       | 78.3           | 2.2            |
| Alaska Airlines                        | 73.0                  | 73.9           | 0.9            | 72.9                       | 75.9           | 3.0            |
| America West Airlines                  | 77.4                  | 77.5           | 0.1            | 77.4                       | 79.5           | 2.2            |
| American Airlines                      | 74.3                  | 78.0           | 3.6            | 74.8                       | 78.6           | 3.8            |
| American Eagle Airlines                | 74.7                  | 76.8           | 2.1            | 76.1                       | 78.3           | 2.2            |
| American Trans Air                     | 70.6                  | 74.3           | 3.7            | 73.1                       | 70.6           | (2.5)          |
| Comair                                 | 77.4                  | 77.5           | 0.1            | 77.4                       | 79.5           | 2.2            |
| Continental Airlines                   | 78.2                  | 78.4           | 0.2            | 77.8                       | 79.8           | 2.0            |
| Continental Express Airlines           | 68.4                  | 73.1           | 4.7            | 68.5                       | 71.3           | 2.7            |
| Delta Air Lines                        | 74.4                  | 74.3           | (0.1)          | 75.7                       | 77.6           | 1.8            |
| JetBlue Airways                        | 67.3                  | 69.0           | 1.7            | 67.8                       | 68.1           | 0.3            |
| Northwest Airlines                     | 78.7                  | 81.6           | 2.8            | 80.2                       | 82.6           | 2.4            |
| Southwest Airlines                     | 72.6                  | 76.1           | 3.5            | 71.3                       | 74.7           | 3.4            |
| United Airlines                        | 77.2                  | 80.2           | 2.9            | 79.2                       | 81.5           | 2.2            |
| US Airways                             | 82.9                  | 81.1           | (1.9)          | 82.8                       | 84.8           | 2.0            |
| System Cargo Majors                    | 78.7                  | 81.6           | 2.8            | 80.2                       | 82.6           | 2.4            |
| Federal Express Corporation            | 65.0                  | 69.6           | 4.7            | 69.5                       | 70.7           | 1.2            |
| United Parcel Service                  | 77.2                  | 80.2           | 2.9            | 79.2                       | 81.5           | 2.2            |
| System Total Majors                    | 73.0                  | 72.9           | (0.1)          | 75.0                       | 75.1           | 0.1            |

| <b>Scheduled Passenger Yield (Cents)</b> |                       |                |                 |                            |                |                 |
|--|-----------------------|----------------|-----------------|----------------------------|----------------|-----------------|
| <b>Group/Carrier</b>                     | <b>Quarterly Data</b> |                |                 | <b>12 Month Ended Data</b> |                |                 |
|  | <b>12/2004</b>        | <b>12/2005</b> | <b>Pct.Chg.</b> | <b>12/2004</b>             | <b>12/2005</b> | <b>Pct.Chg.</b> |
| System Passenger Majors                  | 11.15                 | 12.00          | 7.59            | 11.35                      | 11.70          | 3.08            |
| Alaska Airlines                          | 11.63                 | 12.44          | 6.93            | 12.09                      | 12.53          | 3.61            |
| America West Airlines                    | 9.29                  | 10.76          | 15.89           | 9.40                       | 10.35          | 10.09           |
| American Airlines                        | 11.30                 | 12.26          | 8.47            | 11.52                      | 11.99          | 4.04            |
| American Eagle Airlines                  | 25.02                 | 23.70          | (5.25)          | 24.76                      | 23.81          | (3.81)          |
| American Trans Air                       | 7.86                  | 9.49           | 20.77           | 8.13                       | 9.26           | 13.86           |
| Comair                                   | 19.71                 | 22.17          | 12.48           | 19.00                      | 21.55          | 13.45           |
| Continental Airlines                     | 10.93                 | 11.69          | 7.00            | 11.19                      | 11.64          | 3.98            |
| Continental Express Airlines             | 19.63                 | 17.19          | (12.43)         | 20.31                      | 17.48          | (13.96)         |
| Delta Air Lines                          | 10.70                 | 11.29          | 5.51            | 11.04                      | 10.96          | (0.75)          |
| JetBlue Airways                          | 7.58                  | 8.17           | 7.69            | 7.77                       | 8.01           | 3.21            |
| Northwest Airlines                       | 11.02                 | 11.63          | 5.59            | 11.50                      | 11.66          | 1.35            |
| Southwest Airlines                       | 11.74                 | 12.28          | 4.57            | 11.45                      | 11.78          | 2.86            |
| United Airlines                          | 10.34                 | 11.21          | 8.42            | 10.44                      | 10.94          | 4.82            |
| US Airways                               | 11.98                 | 13.68          | 14.19           | 12.47                      | 12.57          | 0.78            |
| System Cargo Majors                      | -                     | -              | -               | -                          | -              | -               |
| Federal Express Corporation              | -                     | -              | -               | -                          | -              | -               |
| United Parcel Service                    | -                     | -              | -               | -                          | -              | -               |
| System Total Majors                      | 11.15                 | 12.00          | 7.59            | 11.35                      | 11.70          | 3.08            |

**Comparison of Operating Profit Margin, Debt-to-Investment and Total Debt  
 For Individual Passenger and All-Cargo System Majors  
 Quarterly and 12-Month Ended Periods  
 December 2004 and 2005**

| <b>Operating Profit Margin (Percent)</b> |                       |                |                |                            |                |                 |
|--|-----------------------|----------------|----------------|----------------------------|----------------|-----------------|
| <b>Group/Carrier</b>                     | <b>Quarterly Data</b> |                |                | <b>12 Month Ended Data</b> |                |                 |
|  | <b>12/2004</b>        | <b>12/2005</b> | <b>Pt. Chg</b> | <b>12/2004</b>             | <b>12/2005</b> | <b>Pt. Chg.</b> |
| System Passenger Majors                  | (11.7)                | (5.2)          | 6.4            | (3.9)                      | (2.1)          | 1.7             |
| Alaska Airlines                          | (10.2)                | (3.7)          | 6.5            | (1.7)                      | (0.3)          | 1.4             |
| America West Airlines                    | (6.1)                 | (16.7)         | (10.6)         | (0.9)                      | (3.5)          | (2.7)           |
| American Airlines                        | (9.4)                 | (8.4)          | 1.0            | (2.3)                      | (1.7)          | 0.6             |
| American Eagle Airlines                  | 14.9                  | 10.3           | (4.6)          | 15.2                       | 12.5           | (2.6)           |
| American Trans Air                       | (151.5)               | 50.1           | 201.6          | (39.4)                     | (42.0)         | (2.6)           |
| Comair                                   | (0.2)                 | (0.9)          | (0.7)          | 5.7                        | 1.9            | (3.8)           |
| Continental Airlines                     | (7.1)                 | (3.7)          | 3.4            | (2.4)                      | (0.8)          | 1.6             |
| Continental Express Airlines             | 14.2                  | 10.1           | (4.1)          | 13.6                       | 10.2           | (3.4)           |
| Delta Air Lines                          | (16.4)                | (12.3)         | 4.1            | (10.6)                     | (7.4)          | 3.2             |
| JetBlue Airways                          | 3.7                   | (4.0)          | (7.6)          | 8.9                        | 3.6            | (5.3)           |
| Northwest Airlines                       | (15.0)                | (8.6)          | 6.4            | (3.9)                      | (7.3)          | (3.4)           |
| Southwest Airlines                       | 7.2                   | 8.2            | 1.0            | 8.5                        | 10.8           | 2.3             |
| United Airlines                          | (16.8)                | (4.6)          | 12.2           | (7.4)                      | (1.4)          | 6.0             |
| US Airways                               | (7.7)                 | (4.0)          | 3.7            | (4.9)                      | (3.0)          | 2.0             |
| System Cargo Majors                      | (151.5)               | 50.1           | 201.6          | (39.4)                     | (42.0)         | (2.6)           |
| Federal Express Corporation              | 8.1                   | 10.7           | 2.6            | 7.2                        | 7.8            | 0.6             |
| United Parcel Service                    | 10.6                  | 7.8            | (2.8)          | 6.6                        | 7.2            | 0.5             |
| System Total Majors                      | 14.2                  | 10.1           | (4.1)          | 13.6                       | 10.2           | (3.4)           |

| <b>Group/Carrier</b>         | <b>Debt To Investment (Percent)</b> |                |                | <b>Total Debt (\$Billions)</b> |                |                |
|------------------------------|-------------------------------------|----------------|----------------|--------------------------------|----------------|----------------|
|                              | <b>Quarterly Data</b>               |                |                | <b>Quarterly Data</b>          |                |                |
|                              | <b>12/2004</b>                      | <b>12/2005</b> | <b>Pt.Chg.</b> | <b>12/2004</b>                 | <b>12/2005</b> | <b>\$ Chg.</b> |
| System Passenger Majors      | 101.7                               | 235.6          | 133.9          | 60.1                           | 48.3           | (11.7)         |
| Alaska Airlines              | 55.7                                | 58.2           | 2.5            | 0.8                            | 0.9            | 0.0            |
| America West Airlines        | 73.5                                | 112.0          | 38.5           | 0.8                            | 1.0            | 0.2            |
| American Airlines            | 101.0                               | 112.4          | 11.4           | 10.4                           | 10.7           | 0.2            |
| American Eagle Airlines      | 96.5                                | 95.6           | (0.9)          | 3.8                            | 4.0            | 0.2            |
| American Trans Air           | (37.7)                              | (4.1)          | 33.6           | 0.2                            | 0.1            | (0.2)          |
| Comair                       | 63.8                                | 18.5           | (45.3)         | 1.1                            | 0.1            | (1.0)          |
| Continental Airlines         | 95.6                                | 95.9           | 0.4            | 5.8                            | 5.4            | (0.5)          |
| Continental Express Airlines | 138.3                               | 110.6          | (27.7)         | 0.5                            | 0.4            | (0.1)          |
| Delta Air Lines              | 146.1                               | (520.2)        | (666.3)        | 11.6                           | 8.1            | (3.5)          |
| JetBlue Airways              | 66.5                                | 71.3           | 4.8            | 1.5                            | 2.3            | 0.8            |
| Northwest Airlines           | 77.0                                | 89.9           | 12.9           | 8.2                            | 1.2            | (7.0)          |
| Southwest Airlines           | 25.0                                | 23.0           | (2.0)          | 1.8                            | 2.0            | 0.1            |
| United Airlines              | 277.8                               | (72.6)         | (350.4)        | 10.3                           | 10.4           | 0.1            |
| US Airways                   | 119.1                               | 107.3          | (11.9)         | 3.1                            | 2.0            | (1.1)          |
| System Cargo Majors          | 13.5                                | 15.8           | 2.3            | 1.6                            | 2.1            | 0.5            |
| Federal Express Corporation  | 15.5                                | 12.5           | (3.1)          | 1.1                            | 1.0            | (0.1)          |
| United Parcel Service        | 10.3                                | 20.6           | 10.3           | 0.5                            | 1.1            | 0.6            |
| System Total Majors          | 87.0                                | 149.0          | 61.9           | 61.6                           | 50.4           | (11.2)         |

## 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:<br/>                     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:<br/>                     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>   |