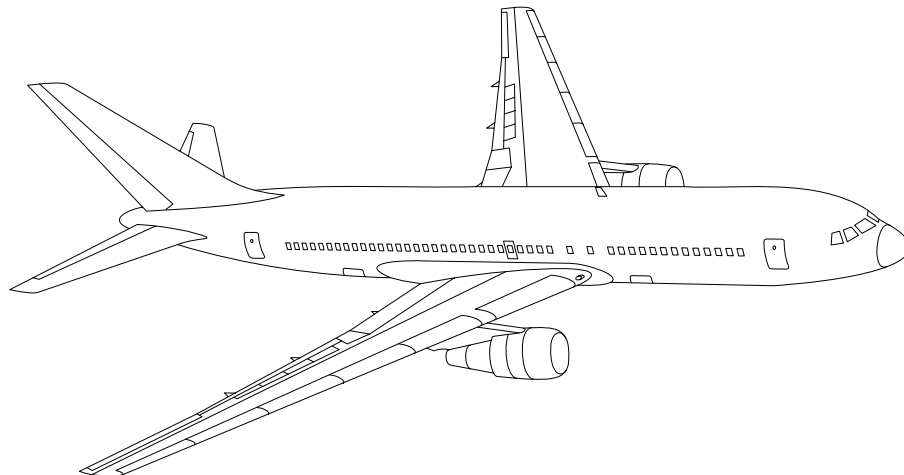


# AIRLINE QUARTERLY FINANCIAL REVIEW

FOURTH QUARTER 2007



MAJORS



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

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## INTRODUCTION

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

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

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

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

## QUARTERLY FINANCIAL & TRAFFIC REVIEW

### SYSTEM OPERATIONS

#### System All Majors

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2007/12	2006/12	2007/12	2007/09	2007/06	2007/03	2006/12
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	39,632.6	36,552.2	157,935.5	154,855.1	152,334.6	151,032.1	148,544.6
2	Operating Expenses	39,082.6	35,268.9	149,008.4	145,194.6	143,801.0	142,847.8	141,638.3
3	Operating Profit (Loss)	550.0	1,283.3	8,927.1	9,660.4	8,533.6	8,184.3	6,906.3
4	Net Income (Loss)	42.3	-1,943.6	7,760.9	5,775.0	3,486.3	-3,097.8	16,438.8
<u>TRAFFIC: (Billions)</u>								
5	RPMs - Scheduled Rev. Svc.	183.9	179.2	764.3	759.6	751.1	746.3	736.3
6	ASMs - Scheduled Rev. Svc.	235.8	230.3	951.9	946.4	941.9	937.4	924.6
7	Overall RTMs (All Svc.)	25.5	24.8	103.1	102.4	101.5	101.0	99.9
8	Overall ATMs (All Svc.)	42.4	41.3	169.8	168.6	167.8	166.8	164.4
<u>YIELD &amp; UNIT COST &amp; PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	155.6	147.7	153.2	151.2	150.1	149.6	148.7
10	Operating Expense per RTM	153.4	142.5	144.5	141.8	141.7	141.5	141.8
11	Operating Profit (Loss) per RTM	2.2	5.2	8.7	9.4	8.4	8.1	6.9
12	Operating Expense per ATM	92.2	85.4	87.8	86.1	85.7	85.6	86.1
13	Passenger Revenue per RPM	13.27	12.66	13.10	12.95	12.87	12.83	12.74
<u>FINANCIAL RATIOS:</u>								
14	Operating Revenues to Total Investment	*	*	1.78	1.92	2.11	2.30	2.47
15	Times Interest Earned	*	*	3.79	2.99	2.19	0.32	5.46
16	Current Assets to Current Liabilities	*	*	0.89	0.93	0.90	0.86	0.87
17	No. of Days Cash Coverage of Cash Exp.	*	*	68.2	72.3	81.0	70.1	64.4
<u>FINANCIAL PERCENTAGES:</u>								
18	Operating Profit (Loss) to Operating Revenue	1.4	3.5	5.7	6.2	5.6	5.4	4.6
19	Net Income to Stockholders Equity	*	*	24.64	24.57	22.04	-29.98	289.04
20	Corporate Return on Investment	*	*	12.7	11.7	9.9	1.1	33.6
21	Debt to Total Investment	*	*	53.2	54.2	60.4	84.3	85.0
<u>LOAD FACTOR: (%)</u>								
22	Passenger Load Factor (Sch. Svc.)	78.0	77.8	80.3	80.3	79.7	79.6	79.6
23	Ton Load Factor (All Svc.)	60.1	59.9	60.7	60.7	60.5	60.5	60.8
<u>Employment &amp; Productivity:</u>								
24	Employment, Total Weighted Avg CY	504,120	486,194	497,839	493,358	489,483	486,429	482,031
25	Overall RTM's per Employee (000)	50.5	50.9	207.1	207.5	207.3	207.6	207.3

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	8.4	6.1	6.3	5.7	6.6	8.6	9.7
27	Operating Expenses (%)	10.8	0.3	5.2	2.6	3.1	3.8	5.0
28	Operating Profit (Loss) (in Millions \$)	-733.4	1,983.3	2,020.8	4,737.4	5,118.6	6,837.0	6,420.8
29	Net Income (Loss) (in Millions \$)	1,985.9	18,016.8	-8,678.0	7,353.0	6,950.0	978.6	42,875.5
30	RPMs (Sch. Svc.) (%)	2.6	3.5	3.8	4.0	3.2	2.7	1.9
31	ASMs (Sch. Svc.) (%)	2.4	2.0	3.0	2.9	2.6	1.3	0.0
32	Operating Revenues per RTM (%)	5.3	3.3	3.0	2.5	3.6	5.6	7.2
33	Operating Expense per RTM (%)	7.6	-2.3	1.9	-0.5	0.2	0.9	2.6
34	Passenger Revenue per RPM (Sch. Svc.)(%)	4.9	3.1	2.8	2.4	3.7	5.8	6.7

## QUARTERLY FINANCIAL & TRAFFIC REVIEW

### DOMESTIC OPERATIONS

#### Domestic All Majors

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2007/12	2006/12	2007/12	2007/09	2007/06	2007/03	2006/12
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	28,677.7	27,092.4	114,234.5	112,649.2	111,481.1	111,225.4	111,618.2
2	Operating Expenses	28,819.5	26,505.9	109,883.8	107,570.2	107,057.5	106,708.9	107,508.0
3	Operating Profit (Loss)	-141.9	586.5	4,350.6	5,079.0	4,423.6	4,516.6	4,110.2
4	Net Income (Loss)	-435.5	-1,815.7	3,213.2	1,833.0	455.8	-3,519.7	8,048.2
<u>TRAFFIC: (Billions)</u>								
5	RTMs - Scheduled Svc.	131.2	130.3	546.7	545.7	540.8	538.1	542.5
6	ATMs - Scheduled Svc.	169.4	167.8	682.2	680.7	679.9	678.4	683.6
7	Overall RTMs (All Svc.)	16.4	16.2	67.1	66.9	66.4	66.2	66.7
8	Overall ATMs (All Svc.)	27.6	27.3	110.3	110.0	109.8	109.4	109.8
<u>YIELD &amp; UNIT COST &amp; PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	175.2	167.1	170.3	168.4	167.9	168.1	167.5
10	Operating Expense per RTM	176.1	163.4	163.8	160.8	161.2	161.3	161.3
11	Operating Profit (Loss) per RTM	-0.9	3.6	6.5	7.6	6.7	6.8	6.2
12	Operating Expense per ATM	104.5	97.1	99.6	97.8	97.5	97.5	97.9
13	Passenger Revenue per RPM	13.53	12.98	13.28	13.15	13.11	13.14	13.07
<u>FINANCIAL RATIOS:</u>								
14	Operating Revenues to Total Investment	*	*	**	**	**	**	**
15	Times Interest Earned	*	*	**	**	**	**	**
16	Current Assets to Current Liabilities	*	*	**	**	**	**	**
17	No. of Days Cash Coverage of Cash Exp.	*	*	**	**	**	**	**
<u>FINANCIAL PERCENTAGES:</u>								
18	Operating Profit (Loss) to Operating Revenue	-0.5	2.2	3.8	4.5	4.0	4.1	3.7
19	Net Income to Stockholders Equity	*	*	**	**	**	**	**
20	Corporate Return on Investment	*	*	8.6	7.3	5.6	-1.3	21.0
21	Debt to Total Investment	*	*	**	**	**	**	**
<u>LOAD FACTOR: (%)</u>								
22	Passenger Load Factor (Sch. Svc.)	53.2	85.0	53.2	54.2	60.4	84.3	85.0
23	Ton Load Factor (All Svc.)	77.5	77.6	80.1	80.2	79.5	79.3	79.4
<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 (%)	5.9	4.0	2.3	1.9	2.8	6.8	9.9
27	Operating Expenses (%)	8.7	-1.1	2.2	-0.2	0.2	2.0	4.3
28	Operating Profit (Loss) (in Millions \$)	-728.4	1,350.5	240.4	2,319.4	2,890.3	4,991.4	5,617.0
29	Net Income (Loss)(in Millions \$)	1,380.2	10,945.6	-4,835.0	4,730.4	4,746.9	1,564.8	26,758.4
30	RPMs (Sch. Svc.) (%)	0.7	2.2	0.8	1.1	0.1	1.2	2.6
31	ASMs (Sch. Svc.) (%)	0.9	0.4	-0.2	-0.3	-0.7	-0.3	0.2
32	Operating Revenues per RTM (%)	4.9	2.6	1.7	1.1	2.8	5.4	7.3
33	Operating Expense per RTM (%)	7.7	-2.5	1.6	-0.9	0.1	0.7	1.9
34	Passenger Revenue per RPM (Sch. Svc.)(%)	4.2	2.3	1.6	1.1	2.8	5.5	6.5

## QUARTERLY FINANCIAL & TRAFFIC REVIEW

### INTERNATIONAL OPERATIONS

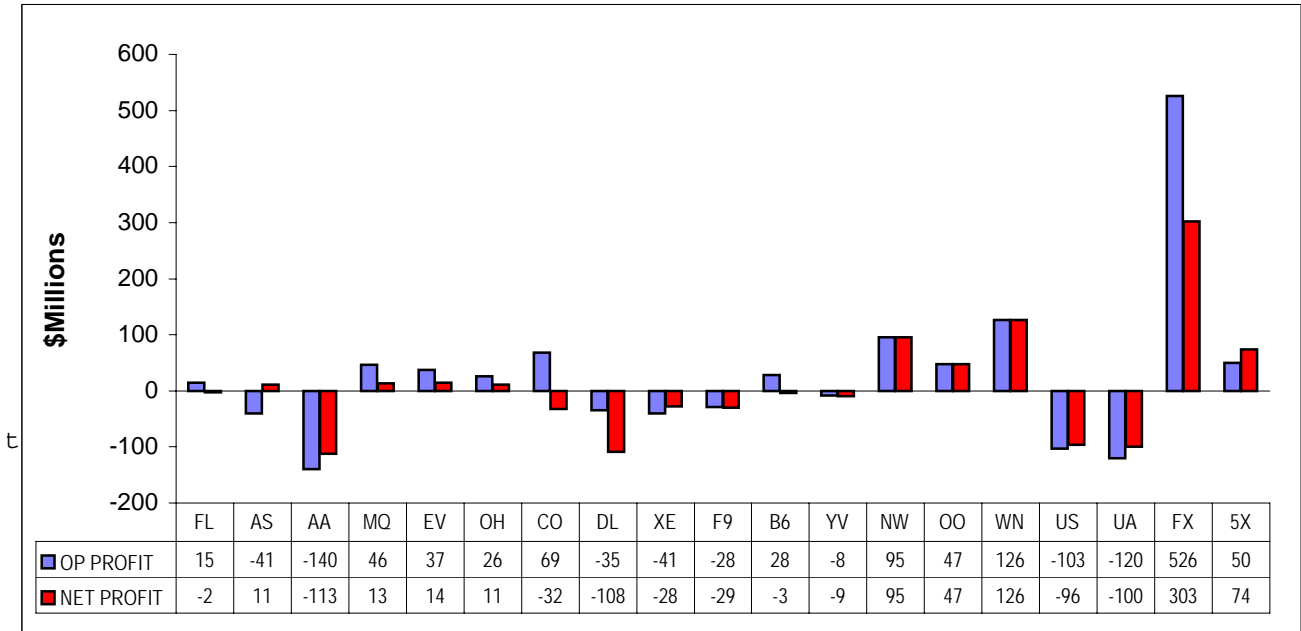
#### Int'l All Majors

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2007/12	2006/12	2007/12	2007/09	2007/06	2007/03	2006/12
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	10,954.9	9,459.8	43,701.0	42,205.9	40,853.5	39,806.7	38,695.4
2	Operating Expenses	10,263.1	8,763.0	39,124.6	37,624.5	36,743.5	36,139.0	35,733.7
3	Operating Profit (Loss)	691.8	696.8	4,576.5	4,581.4	4,110.0	3,667.7	2,961.7
4	Net Income (Loss)	477.8	-127.9	4,547.7	3,942.0	3,030.5	422.0	8,507.6
<u>TRAFFIC: (Billions)</u>								
5	RTMs - Scheduled Svc.	52.7	49.1	217.9	214.3	210.8	208.7	205.5
6	ATMs - Scheduled Svc.	66.4	62.7	270.0	266.3	262.7	259.6	256.0
7	Overall RTMs (All Svc.)	9.1	8.6	36.1	35.5	35.1	34.8	34.5
8	Overall ATMs (All Svc.)	14.8	14.1	59.6	58.8	58.2	57.6	56.8
<u>YIELD &amp; UNIT COST &amp; PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	120.3	110.7	121.1	118.9	116.4	114.2	112.2
10	Operating Expense per RTM	112.7	102.5	108.5	106.0	104.7	103.7	103.6
11	Operating Profit (Loss) per RTM	7.6	8.2	12.7	12.9	11.7	10.5	8.6
12	Operating Expense per ATM	69.3	62.3	65.7	63.9	63.1	62.7	62.9
13	Passenger Revenue per RPM	12.64	11.77	12.64	12.43	12.21	11.98	11.78
<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	6.3	7.4	10.5	10.9	10.1	9.2	7.7
19	Net Income to Stockholders Equity	*	*	**	**	**	**	**
20	Corporate Return on Investment	*	*	26.0	26.6	25.6	10.4	80.4
21	Debt to Total Investment	*	*	**	**	**	**	**
<u>LOAD FACTOR: (%)</u>								
22	Passenger Load Factor (Sch. Svc.)	79.3	78.3	80.7	80.5	80.2	80.4	80.3
23	Ton Load Factor (All Svc.)	61.5	60.8	60.5	60.4	60.3	60.5	60.7
<u>Employment &amp; Productivity:</u>								
24	Employment, Total Weighted Avg CY	*	*	**	**	**	**	**
25	Overall RTM's per Employee (000)	*	*	**	**	**	**	**

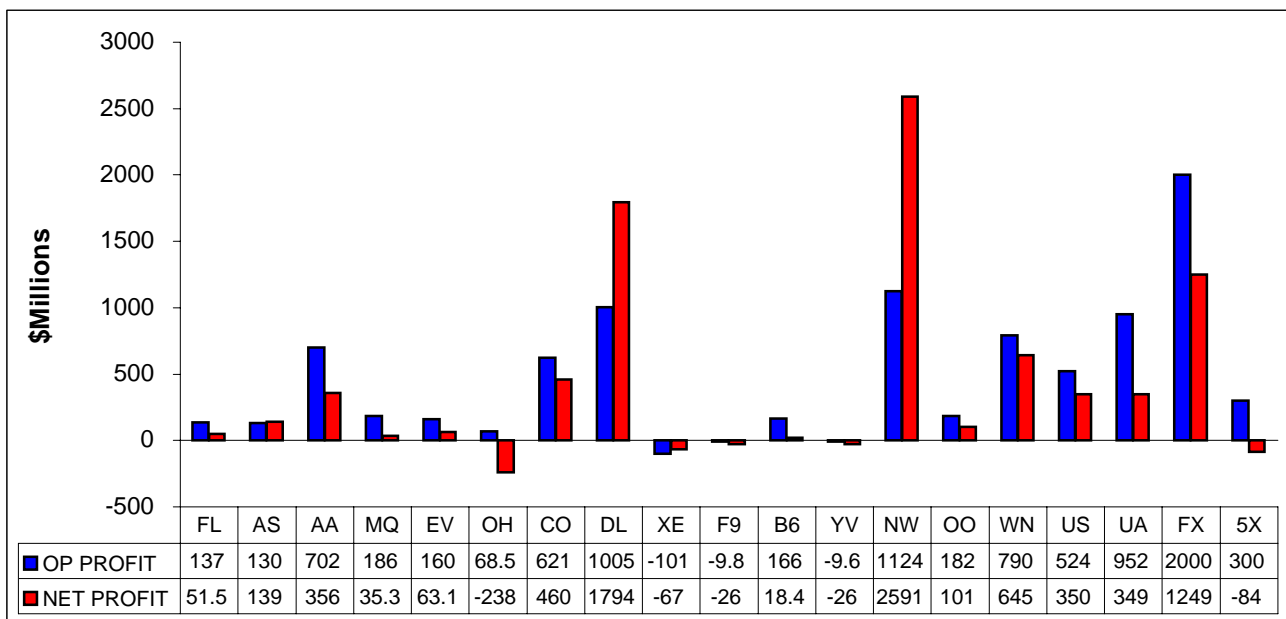
		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	15.8	12.4	12.9	12.1	12.7	14.3	14.2
27	Operating Expenses (%)	17.1	4.9	9.5	6.5	7.5	9.5	12.1
28	Operating Profit (Loss) (in Millions \$)	-4.9	632.8	1,614.7	2,252.4	2,062.6	1,845.6	969.4
29	Net Income (Loss)(in Millions \$)	605.7	7,071.2	-3,960.0	2,505.6	2,086.1	-586.3	16,234.1
30	RTMs (All Svc.) (%)	7.3	7.7	6.0	6.1	6.0	6.9	6.3
31	ATMs (All Svc.) (%)	6.0	6.9	5.5	5.7	5.8	6.0	5.6
32	Operating Revenues per RTM (%)	8.6	6.6	8.0	7.5	7.5	7.7	7.8
33	Operating Expense per RTM (%)	9.9	-0.5	4.7	2.1	2.4	3.2	5.7
34	Passenger Revenue per RPM (Sch. Svc.)(%)	7.5	6.0	7.3	6.9	7.1	6.9	6.6

## COMPARISONS AMONG MAJOR GROUP AIRLINES

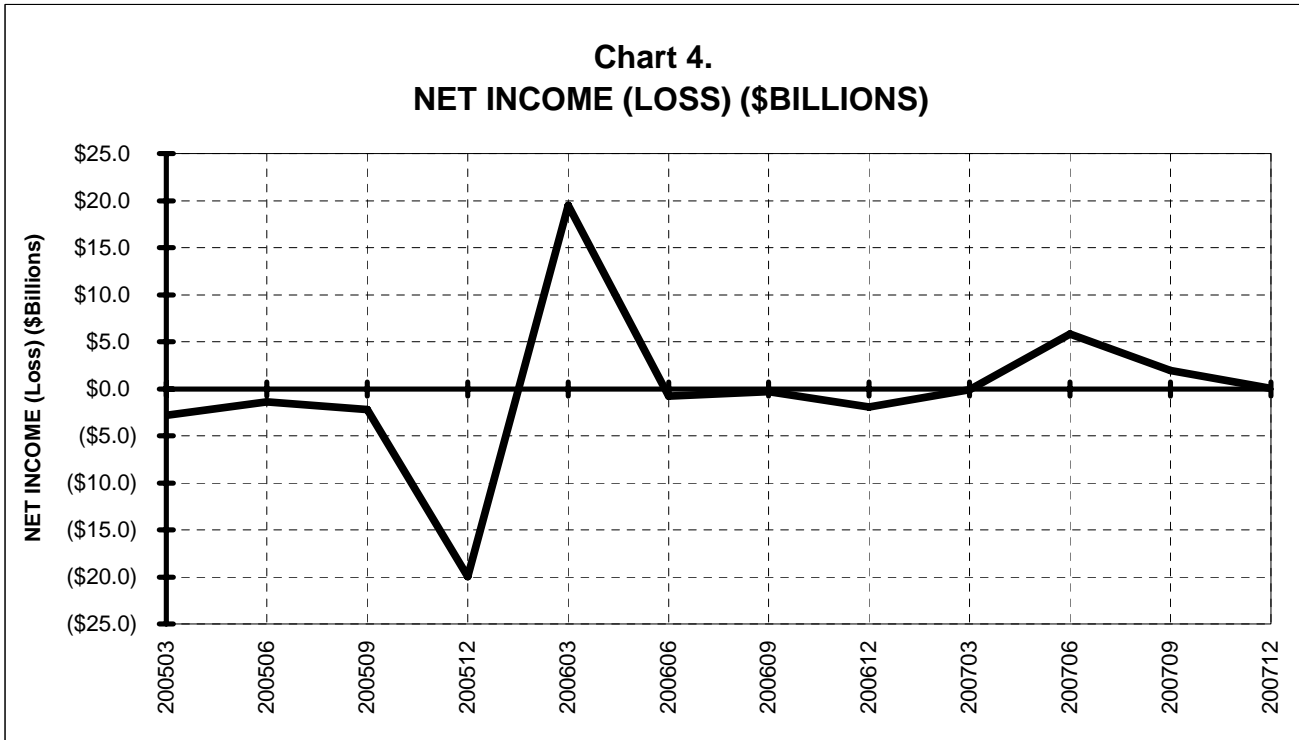
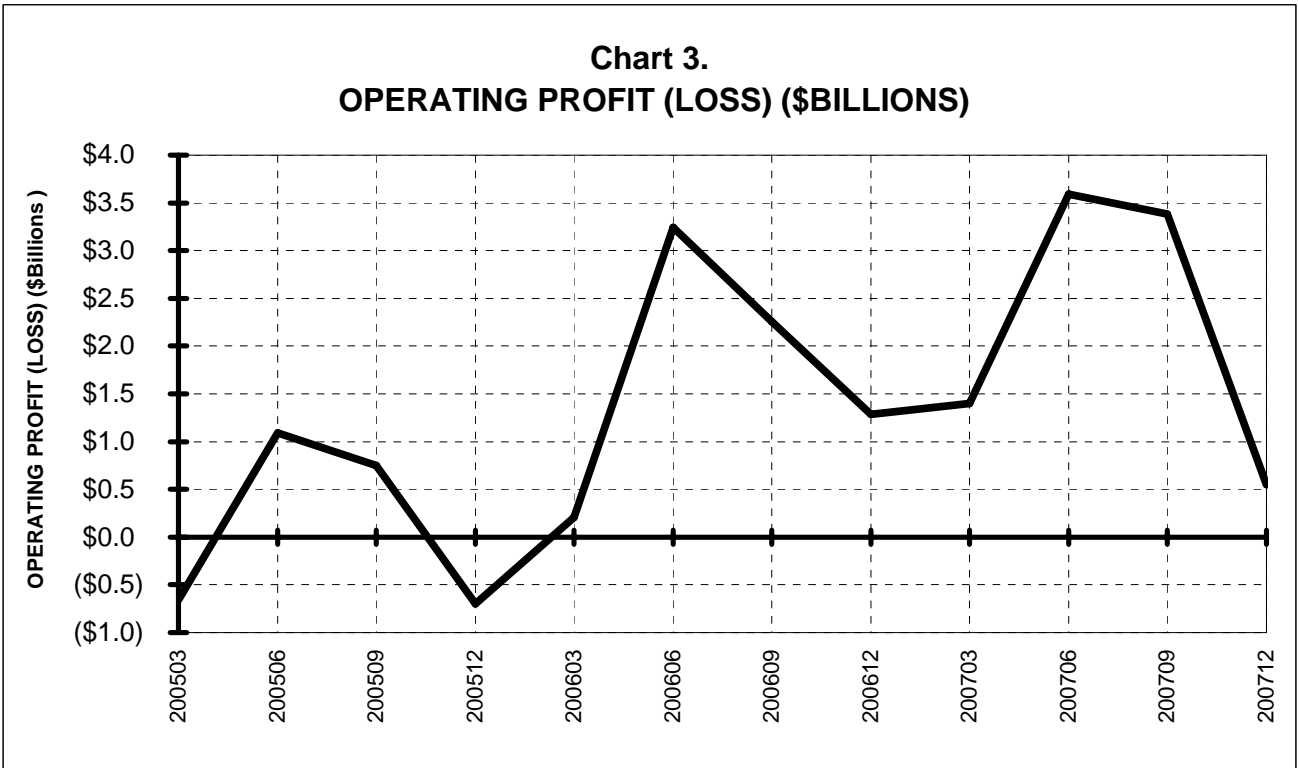
**Chart 1.**  
**Operating and Net Profit (Loss)**  
**For the Quarter Ended December 2007**



**Chart 2**  
**Operating and Net Profit (Loss)**  
**For the 12 Months Ended December 2007**

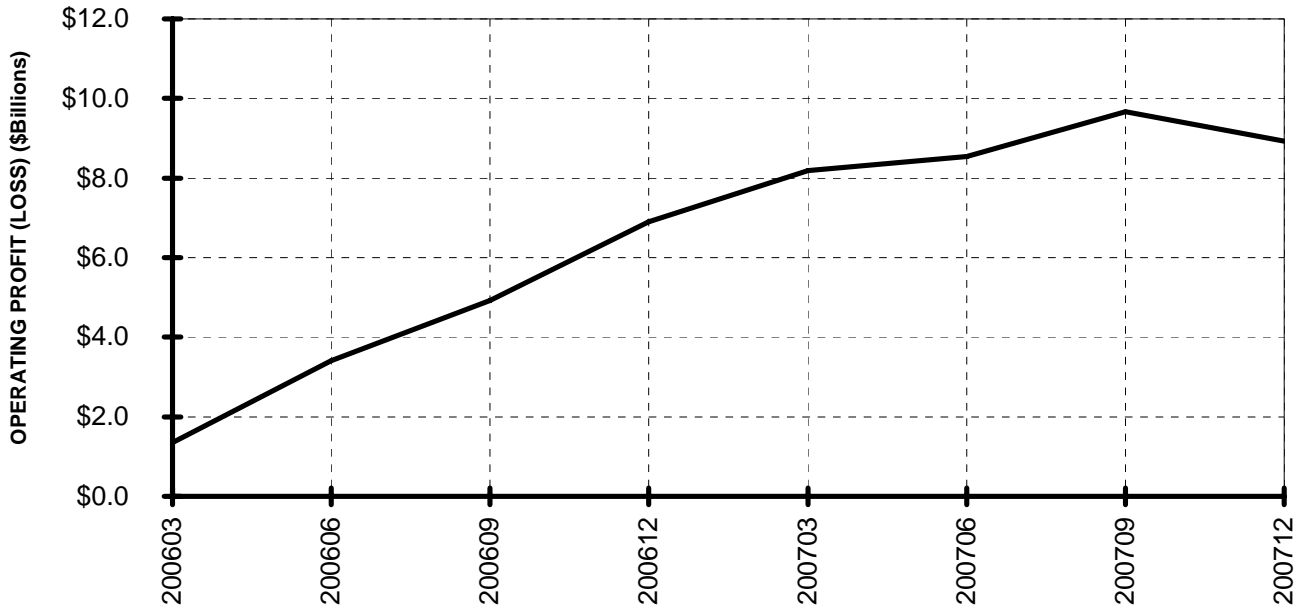


## TOTAL ALL MAJORS (SYSTEM) BY QUARTER

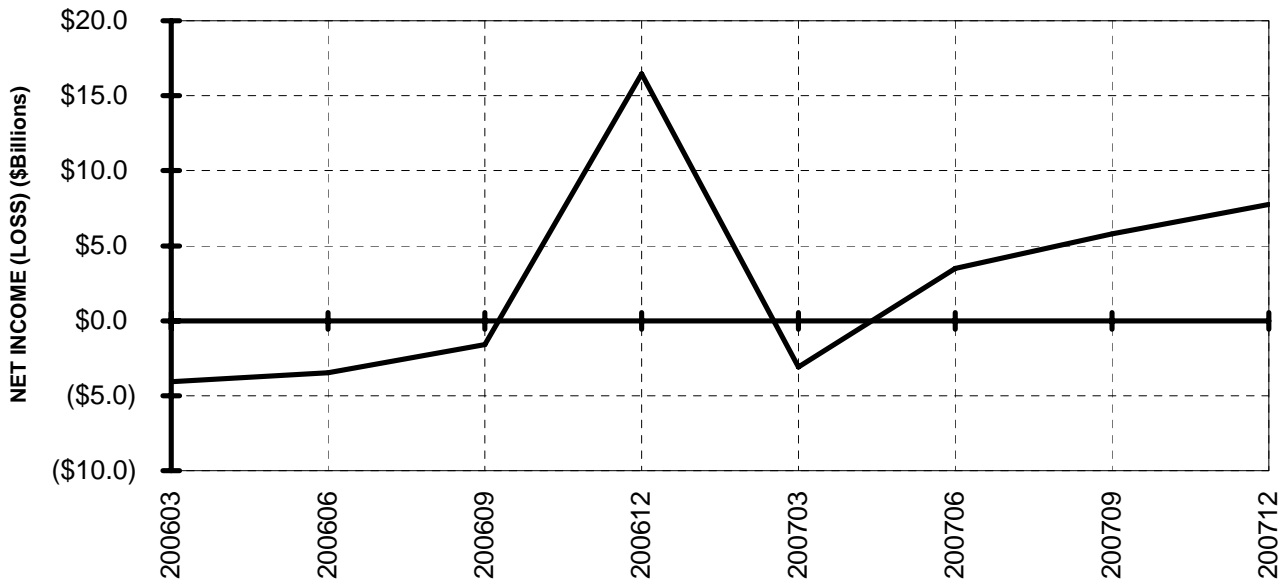


### TOTAL ALL MAJORS (SYSTEM) BY 12-MONTH ENDING PERIODS

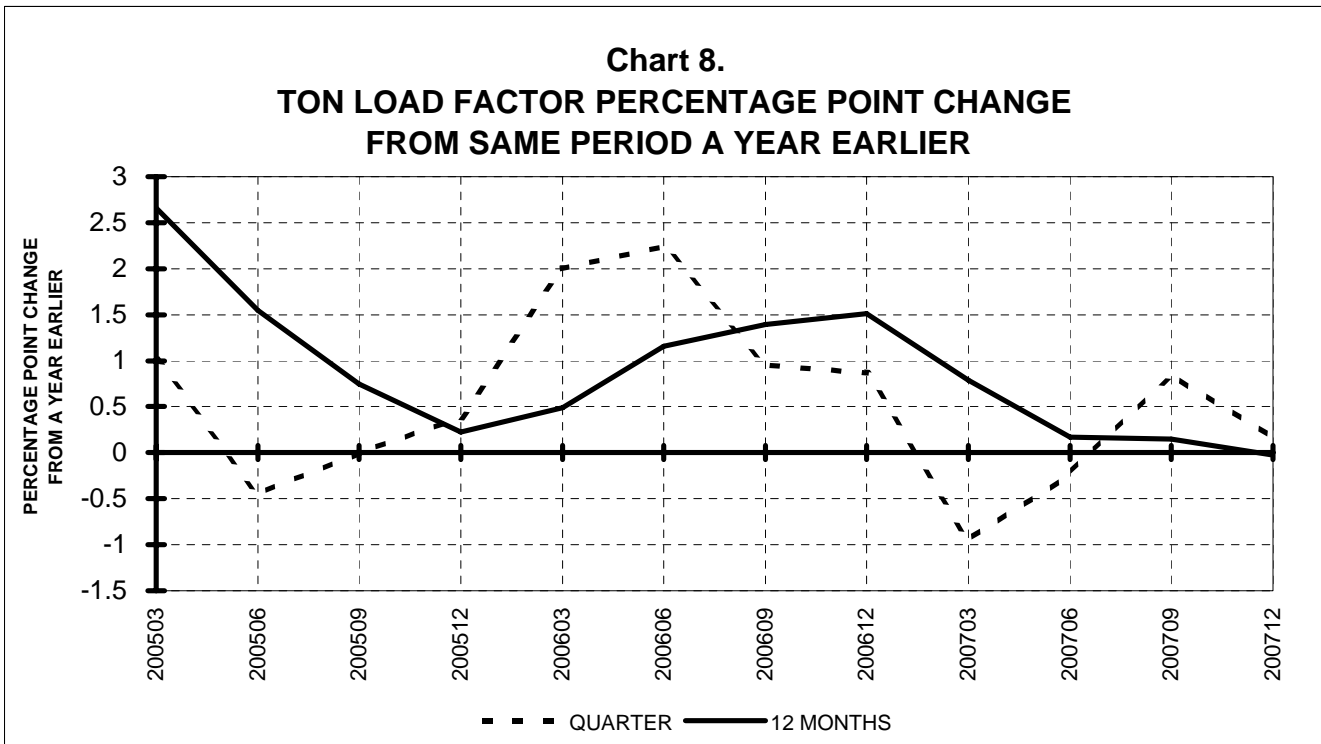
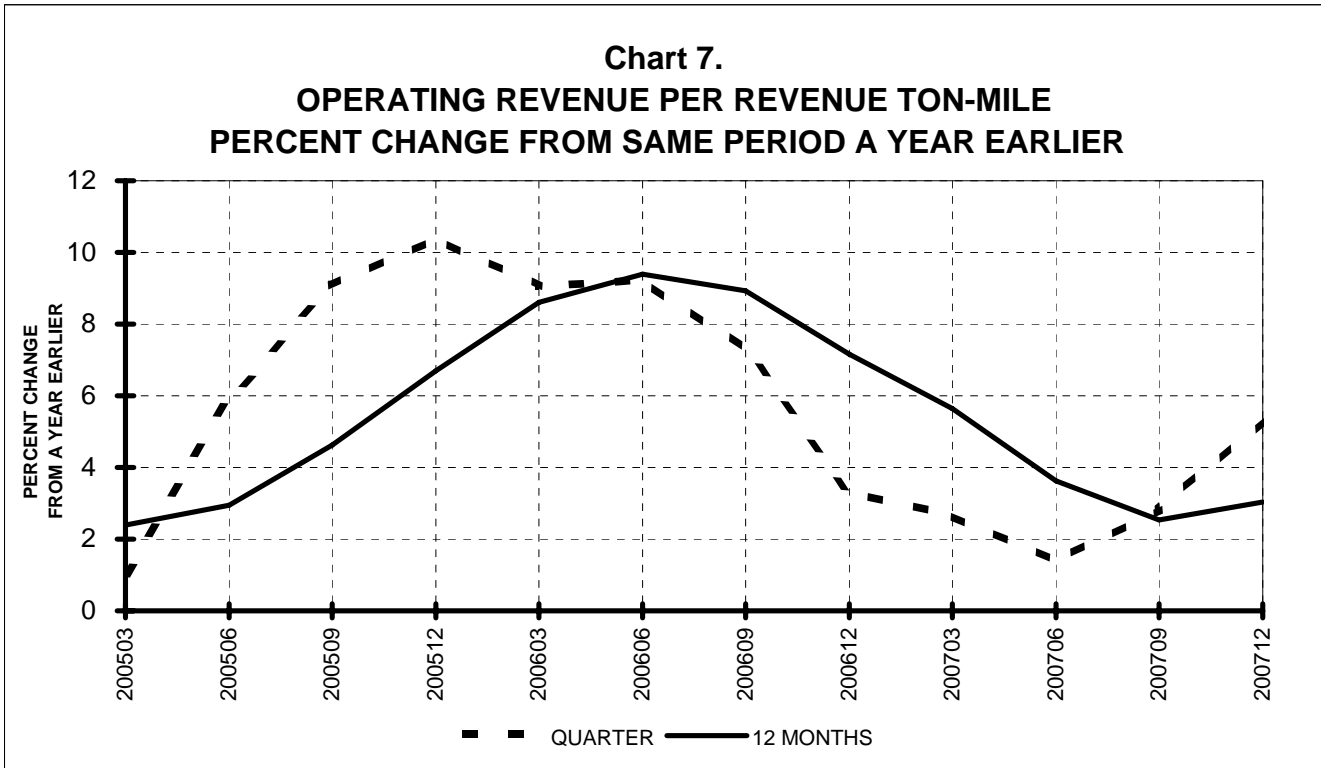
**Chart 5.**  
**OPERATING PROFIT (LOSS) (\$BILLIONS)**



**Chart 6.**  
**NET INCOME (LOSS) (\$BILLIONS)**



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

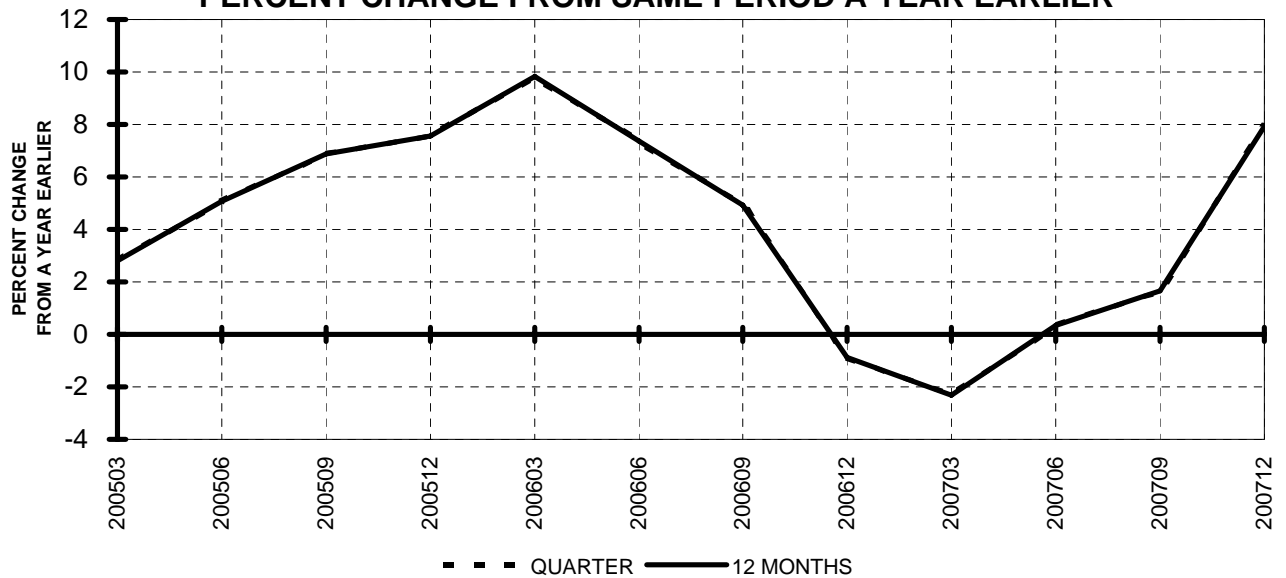


**TOTAL ALL MAJORS (SYSTEM)  
 QUARTERLY AND 12-MONTH BASIS**

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



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



## QUARTERLY FINANCIAL & TRAFFIC REVIEW

### SYSTEM OPERATIONS

#### System Passenger Majors

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2007/12	2006/12	2007/12	2007/09	2007/06	2007/03	2006/12
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	32,173.5	29,658.0	129,775.0	127,259.5	125,091.1	124,081.9	121,905.7
2	Operating Expenses	32,199.6	28,934.6	123,148.0	119,883.0	118,795.4	118,098.1	117,197.2
3	Operating Profit (Loss)	-26.1	723.4	6,627.1	7,376.6	6,295.8	5,983.8	4,708.6
4	Net Income (Loss)	-334.5	-2,273.9	6,595.9	4,656.4	2,260.5	-4,294.5	15,141.4
<u>TRAFFIC: (Billions)</u>								
5	RPMs - Scheduled Svc.	183.9	179.2	764.3	759.6	751.1	746.3	736.3
6	ASMs - Scheduled Svc.	235.8	230.3	951.9	946.4	941.9	937.4	924.6
7	Overall RTMs (All Svc.)	20.8	20.3	85.4	84.9	84.2	83.9	83.1
8	Overall ATMs (All Svc.)	34.7	34.0	140.7	140.0	139.6	139.1	137.2
<u>YIELD &amp; UNIT COST &amp; PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	154.8	145.8	152.1	149.9	148.5	147.8	146.7
10	Operating Expense per RTM	154.9	142.2	144.3	141.2	141.1	140.7	141.0
11	Operating Profit (Loss) per RTM	-0.1	3.6	7.8	8.7	7.5	7.1	5.7
12	Operating Expense per ATM	92.7	85.0	87.5	85.6	85.1	84.9	85.4
13	Passenger Revenue per RPM	13.27	12.66	13.10	12.95	12.87	12.83	12.74
<u>FINANCIAL RATIOS:</u>								
14	Operating Revenues to Total Investment	*	*	1.80	1.98	2.22	2.46	2.67
15	Times Interest Earned	*	*	3.22	2.45	1.67	-0.15	4.92
16	Current Assets to Current Liabilities	*	*	0.90	0.93	0.89	0.86	0.88
17	No. of Days Cash Coverage of Cash Exp.	*	*	81.4	86.7	97.1	84.0	77.0
<u>FINANCIAL PERCENTAGES:</u>								
18	Operating Profit (Loss) to Operating Revenue	-0.1	2.4	5.1	5.8	5.0	4.8	3.9
19	Net Income to Stockholders Equity	*	*	36.13	43.96	69.70	-0.41	16.40
20	Corporate Return on Investment	*	*	14.1	13.0	10.6	-0.9	41.6
21	Debt to Total Investment	*	*	59.4	60.5	68.6	104.9	105.1
<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>								
22	Actual	78.0	77.8	80.3	80.3	79.7	79.6	79.6
23	Breakeven	81.7	79.0	78.7	77.9	78.2	78.3	79.3
<u>Employment &amp; Productivity:</u>								
24	Employment, Total Weighted Avg CY	381,331	369,600	376,854	373,922	371,609	369,750	364,995
25	Overall RTM's per Employee (000)	54.5	55.0	226.5	227.1	226.6	227.0	227.7

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	8.5	6.7	6.5	6.0	6.9	9.1	10.1
27	Operating Expenses (%)	11.3	-0.8	5.1	2.1	2.6	3.2	4.5
28	Operating Profit (Loss) (in Millions \$)	-749.5	2,102.5	1,918.5	4,770.5	5,041.1	6,643.5	6,113.4
29	Net Income (Loss)(in Millions \$)	1,939.4	18,087.3	-8,545.6	7,602.3	6,985.3	943.7	42,651.0
30	RPMs (Sch. Svc.) (%)	2.6	3.5	3.8	4.0	3.2	2.7	1.9
31	ASMs (Sch. Svc.) (%)	2.4	2.0	3.0	2.9	2.6	1.3	0.0
32	Operating Revenues per RTM (%)	6.2	4.0	3.7	3.1	4.4	6.7	8.3
33	Operating Expense per RTM (%)	8.9	-3.3	2.3	-0.7	0.3	1.0	2.8
34	Passenger Revenue per RPM (Sch. Svc.)(%)	4.9	3.1	2.8	2.4	3.7	5.8	6.7

## QUARTERLY FINANCIAL & TRAFFIC REVIEW

### DOMESTIC OPERATIONS

#### Domestic Passenger Majors

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2007/12	2006/12	2007/12	2007/09	2007/06	2007/03	2006/12
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	23,769.3	22,370.0	95,799.8	94,400.5	93,207.7	92,937.6	93,314.8
2	Operating Expenses	24,138.8	22,054.5	92,482.0	90,397.7	89,819.2	89,469.4	90,321.8
3	Operating Profit (Loss)	-369.5	315.5	3,317.8	4,002.8	3,388.6	3,468.3	2,993.0
4	Net Income (Loss)	-616.8	-1,974.6	2,747.5	1,389.7	-93.6	-4,076.1	7,388.1
<u>TRAFFIC: (Billions)</u>								
5	RPMs - Scheduled Svc.	131.2	130.3	546.7	545.7	540.8	538.1	542.5
6	ASMs - Scheduled Svc.	169.4	167.8	682.2	680.7	679.9	678.4	683.6
7	Overall RTMs (All Svc.)	13.7	13.6	56.8	56.8	56.4	56.2	56.8
8	Overall ATMs (All Svc.)	23.1	22.9	93.3	93.2	93.2	93.0	93.6
<u>YIELD &amp; UNIT COST &amp; PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	173.6	164.2	168.6	166.3	165.4	165.4	164.4
10	Operating Expense per RTM	176.3	161.9	162.7	159.3	159.4	159.2	159.1
11	Operating Profit (Loss) per RTM	-2.7	2.3	5.8	7.1	6.0	6.2	5.3
12	Operating Expense per ATM	104.6	96.1	99.1	97.0	96.4	96.2	96.5
13	Passenger Revenue per RPM	13.53	12.98	13.28	13.15	13.11	13.14	13.07
<u>FINANCIAL RATIOS:</u>								
14	Operating Revenues to Total Investment	*	*	**	**	**	**	**
15	Times Interest Earned	*	*	**	**	**	**	**
16	Current Assets to Current Liabilities	*	*	**	**	**	**	**
17	No. of Days Cash Coverage of Cash Exp.	*	*	**	**	**	**	**
<u>FINANCIAL PERCENTAGES:</u>								
18	Operating Profit (Loss) to Operating Revenue	-1.6	1.4	3.5	4.2	3.6	3.7	3.2
19	Net Income to Stockholders Equity	*	*	**	**	**	**	**
20	Corporate Return on Investment	*	*	9.5	8.0	5.8	-2.9	24.4
21	Debt to Total Investment	*	*	**	**	**	**	**
<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>								
22	Actual	77.5	77.6	80.1	80.2	79.5	79.3	79.4
23	Breakeven	82.9	80.0	80.6	79.8	79.6	79.2	79.8
<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 (%)	6.3	4.3	2.7	2.2	3.0	7.2	10.5
27	Operating Expenses (%)	9.5	-2.2	2.4	-0.5	-0.3	1.5	4.1
28	Operating Profit (Loss) (in Millions \$)	-685.0	1,425.5	324.8	2,435.2	2,985.8	4,907.5	5,320.4
29	Net Income (Loss)(in Millions \$)	1,357.8	10,991.3	-4,640.6	4,992.9	4,910.8	1,613.3	26,601.5
30	RPMs (Sch. Svc.) (%)	0.7	2.2	0.8	1.1	0.1	1.2	2.6
31	ASMs (Sch. Svc.) (%)	0.9	0.4	-0.2	-0.3	-0.7	-0.3	0.2
32	Operating Revenues per RTM (%)	5.7	3.1	2.6	1.9	3.6	6.5	8.3
33	Operating Expense per RTM (%)	8.9	-3.4	2.3	-0.7	0.3	0.9	2.0
34	Passenger Revenue per RPM (Sch. Svc.)(%)	4.2	2.3	1.6	1.1	2.8	5.5	6.5

## QUARTERLY FINANCIAL & TRAFFIC REVIEW

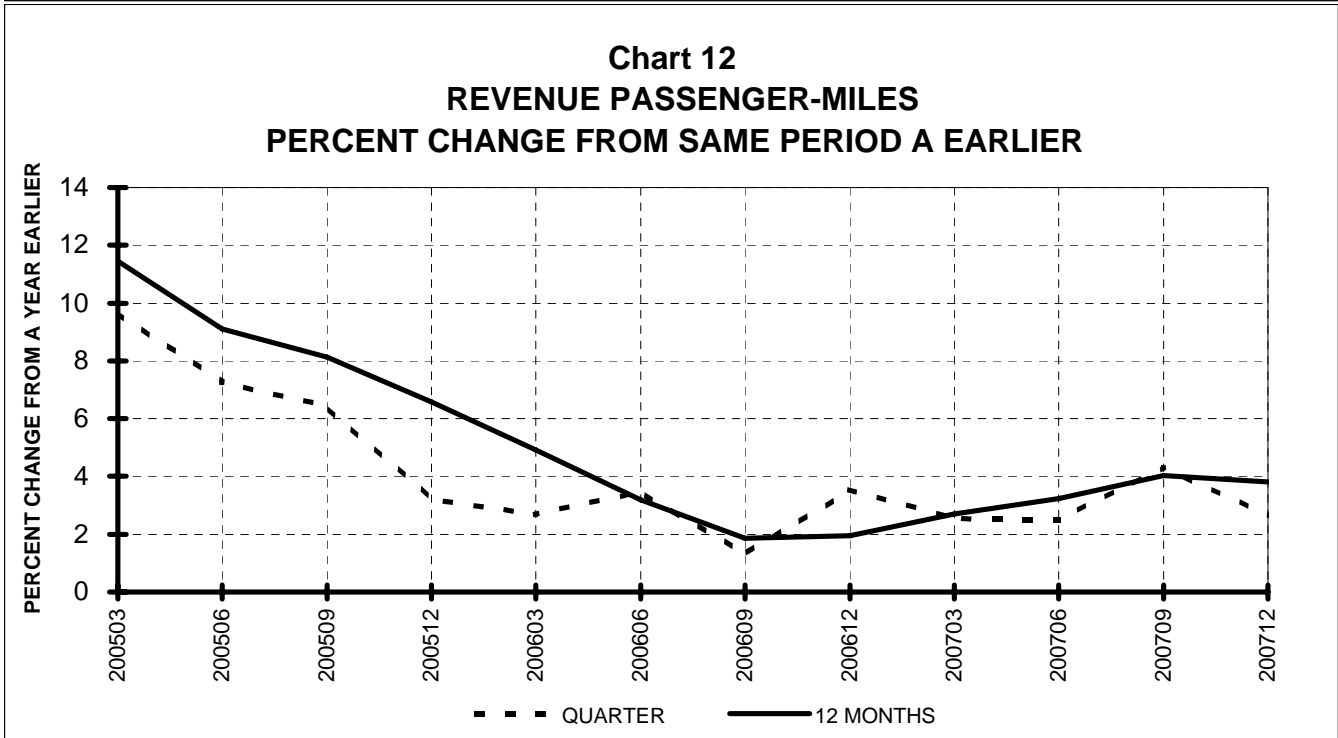
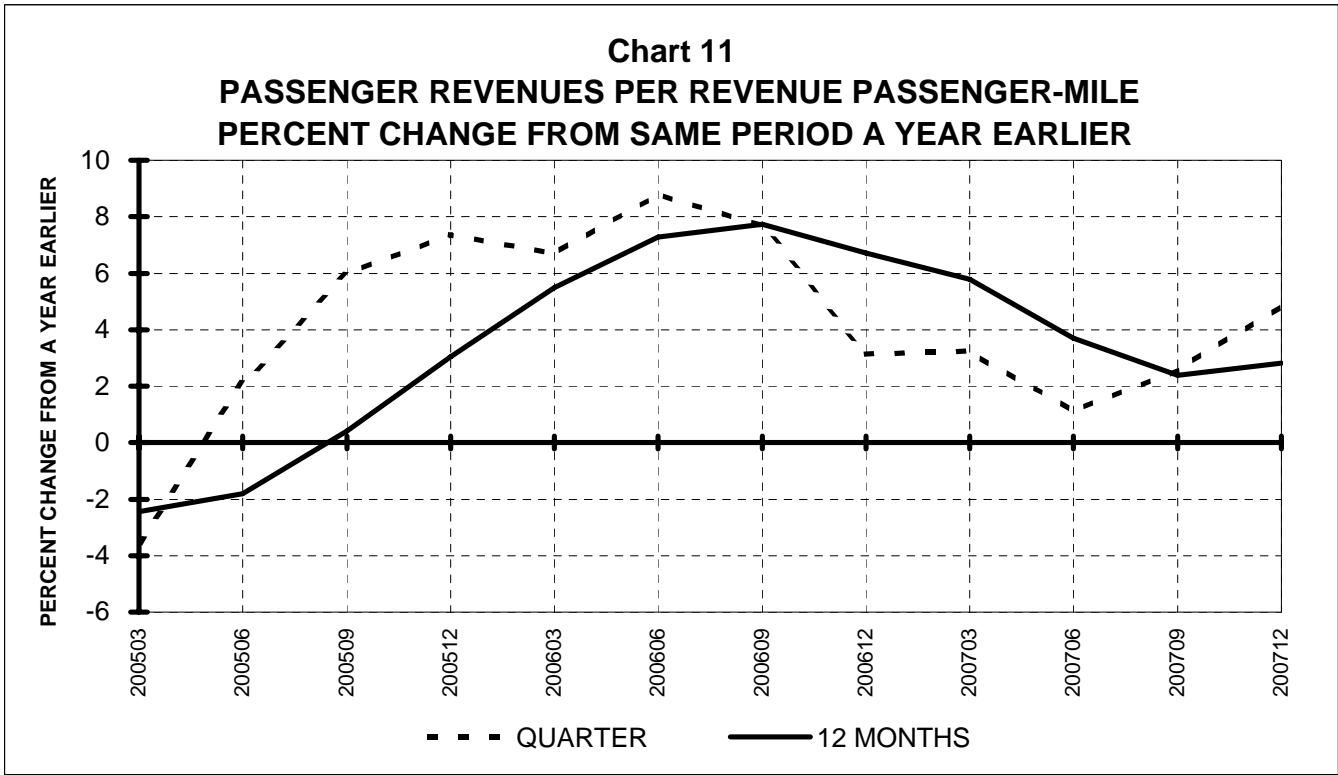
### INTERNATIONAL OPERATIONS

#### Int'l Passenger Majors

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2007/12	2006/12	2007/12	2007/09	2007/06	2007/03	2006/12
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	8,404.2	7,288.0	33,975.3	32,859.0	31,883.4	31,144.3	30,360.0
2	Operating Expenses	8,060.8	6,880.1	30,666.0	29,485.3	28,976.2	28,628.8	28,478.8
3	Operating Profit (Loss)	343.4	407.9	3,309.3	3,373.8	2,907.2	2,515.5	1,881.3
4	Net Income (Loss)	282.3	-299.3	3,848.3	3,266.7	2,354.2	-218.4	7,870.2
<u>TRAFFIC: (Billions)</u>								
5	RPMs - Scheduled Svc.	52.7	49.1	217.9	214.3	210.8	208.7	205.5
6	ASMs - Scheduled Svc.	66.4	62.7	270.0	266.3	262.7	259.6	256.0
7	Overall RTMs (All Svc.)	7.1	6.7	28.6	28.2	27.9	27.8	27.6
8	Overall ATMs (All Svc.)	11.7	11.2	47.5	47.1	46.7	46.3	45.7
<u>YIELD &amp; UNIT COST &amp; PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	118.5	108.3	119.0	116.6	114.2	112.0	110.2
10	Operating Expense per RTM	113.6	102.2	107.4	104.6	103.8	103.0	103.4
11	Operating Profit (Loss) per RTM	4.8	6.1	11.6	12.0	10.4	9.0	6.8
12	Operating Expense per ATM	69.1	61.6	64.5	62.7	62.1	61.9	62.3
13	Passenger Revenue per RPM	12.64	11.77	12.64	12.43	12.21	11.98	11.78
<u>FINANCIAL RATIOS:</u>								
14	Operating Revenues to Total Investment	*	*	**	**	**	**	**
15	Times Interest Earned	*	*	**	**	**	**	**
16	Current Assets to Current Liabilities	*	*	**	**	**	**	**
17	No. of Days Cash Coverage of Cash Exp.	*	*	**	**	**	**	**
<u>FINANCIAL PERCENTAGES:</u>								
18	Operating Profit (Loss) to Operating Revenue	4.1	5.6	9.7	10.3	9.1	8.1	6.2
19	Net Income to Stockholders Equity	*	*	**	**	**	**	**
20	Corporate Return on Investment	*	*	31.1	32.7	31.7	8.8	122.9
21	Debt to Total Investment	*	*	**	**	**	**	**
<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>								
22	Actual	79.3	78.3	80.7	80.5	80.2	80.4	80.3
23	Breakeven	78.3	76.1	73.5	72.8	74.0	75.5	77.6
<u>Employment &amp; Productivity:</u>								
24	Employment, Total Weighted Avg CY	*	*	**	**	**	**	**
25	Overall RTM's per Employee (000)	*	*	**	**	**	**	**

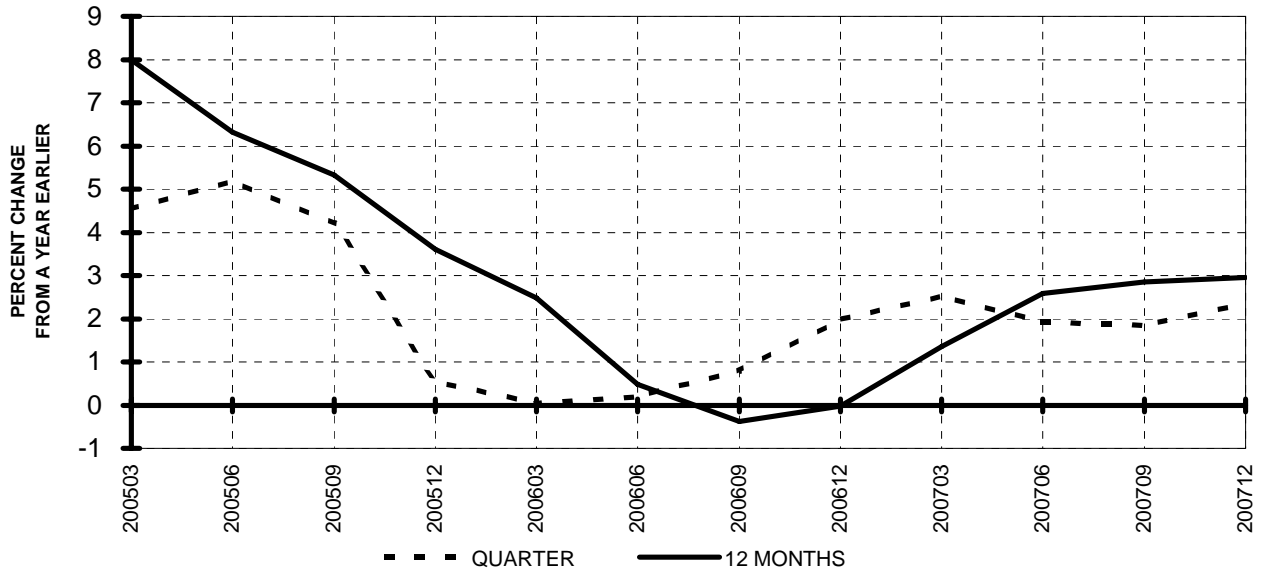
		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	15.3	14.6	11.9	11.6	12.7	15.0	15.3
27	Operating Expenses (%)	17.2	3.8	7.7	4.4	6.3	8.9	12.1
28	Operating Profit (Loss) (in Millions \$)	-64.5	677.0	1,428.1	2,169.6	1,889.7	1,736.0	958.6
29	Net Income (Loss)(in Millions \$)	581.6	7,096.0	-4,021.9	2,492.5	1,957.5	-669.6	16,166.4
30	RPMs (Sch. Svc.) (%)	7.3	7.7	6.0	6.1	6.0	6.9	6.3
31	ASMs (Sch. Svc.) (%)	6.0	6.9	5.5	5.7	5.8	6.0	5.6
32	Operating Revenues per RTM (%)	9.4	8.5	8.0	7.7	8.1	9.0	9.5
33	Operating Expense per RTM (%)	11.2	-1.7	3.9	0.8	1.9	3.1	6.5
34	Passenger Revenue per RPM (Sch. Svc.)(%)	7.5	6.0	7.3	6.9	7.1	6.9	6.6

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

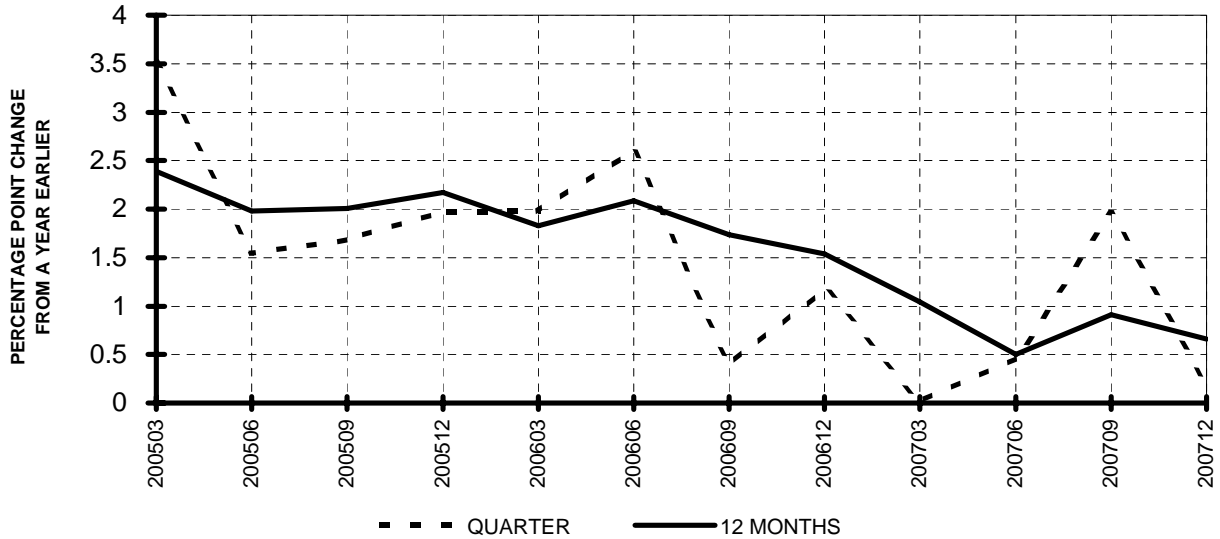


**TOTAL PASSENGER MAJORS (SYSTEM)  
 QUARTERLY AND 12-MONTH BASIS (SCH. SVC.)**

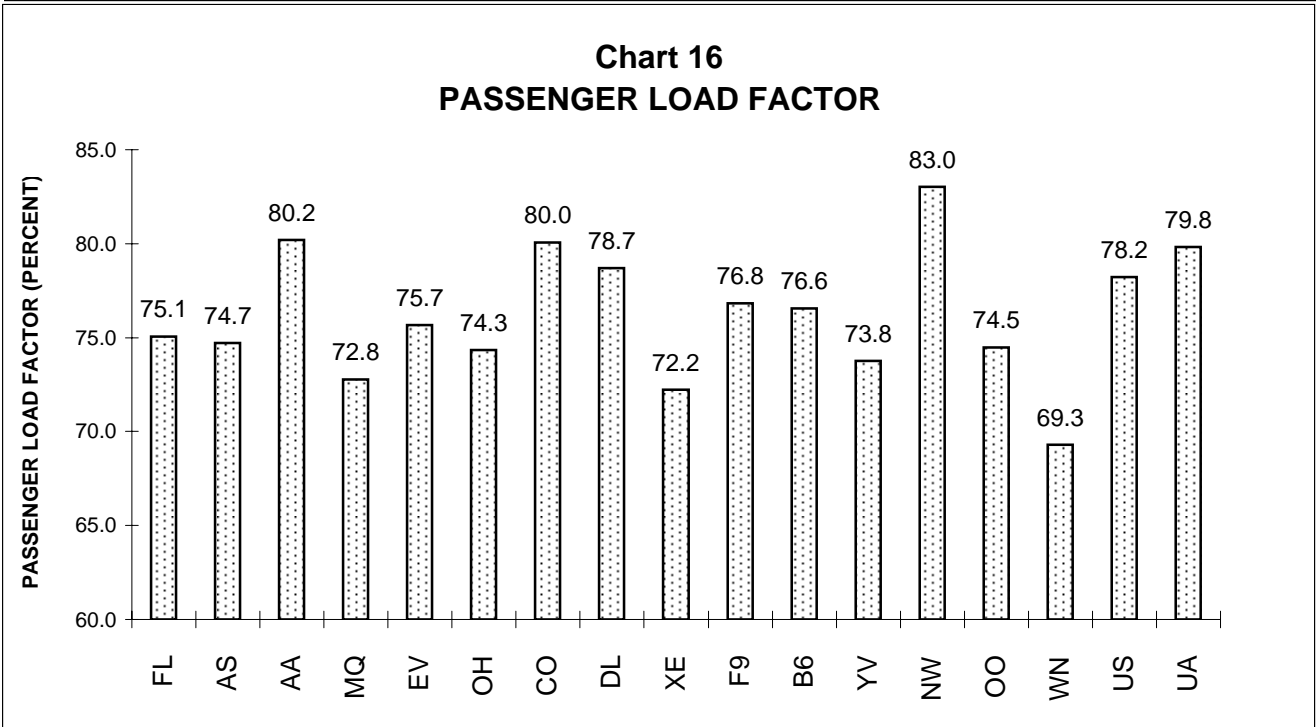
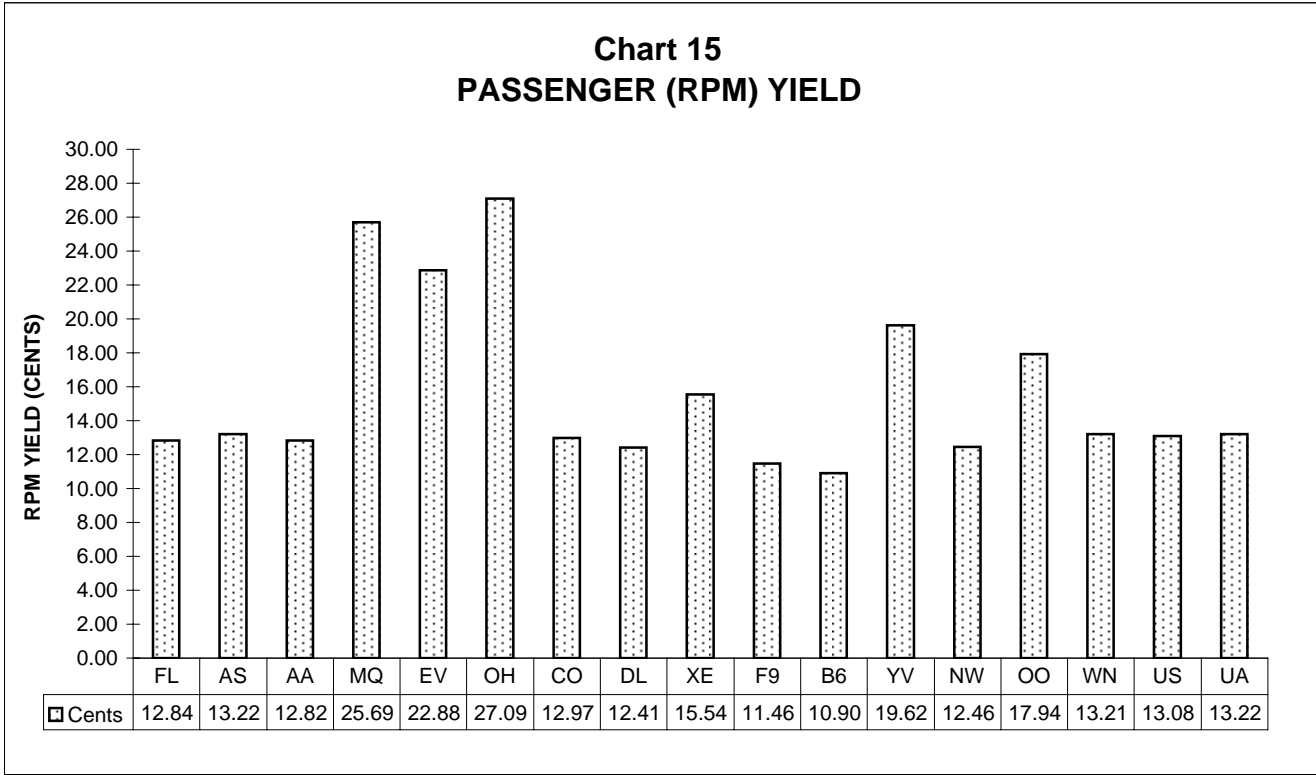
**Chart 13  
 AVAILABLE SEAT-MILES  
 PERCENT CHANGE FROM SAME PERIOD A YEAR EARLIER**



**Chart 14  
 PASSENGER LOAD FACTOR PERCENTAGE  
 POINT CHANGE FROM SAME PERIOD A YEAR EARLIER**



**TOTAL PASSENGER MAJORS (SYSTEM)  
 FOURTH QUARTER 2007**



## QUARTERLY FINANCIAL & TRAFFIC REVIEW

### SYSTEM OPERATIONS

#### AirTran Airways

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2007/12	2006/12	2007/12	2007/09	2007/06	2007/03	2006/12
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	583.8	461.9	2,308.8	2,186.9	2,065.6	1,981.4	1,893.1
2	Operating Expenses	568.9	459.4	2,172.1	2,062.5	1,983.3	1,915.1	1,851.2
3	Operating Profit (Loss)	14.9	2.5	136.8	124.3	82.3	66.3	41.9
4	Net Income (Loss)	-2.2	-3.3	51.5	50.4	35.4	26.5	15.4
<u>TRAFFIC: (Billions)</u>								
5	RPMs - Scheduled Svc.	4.3	3.4	17.2	16.4	15.2	14.4	13.8
6	ASMs - Scheduled Svc.	5.7	5.0	22.7	21.9	20.9	19.9	19.0
7	Overall RTMs (All Svc.)	0.4	0.3	1.7	1.7	1.5	1.5	1.4
8	Overall ATMs (All Svc.)	0.7	0.6	2.6	2.5	2.5	2.4	2.2
<u>YIELD &amp; UNIT COST &amp; PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	135.5	133.9	133.3	132.9	135.2	137.0	136.3
10	Operating Expense per RTM	132.1	133.2	125.4	125.3	129.8	132.4	133.3
11	Operating Profit (Loss) per RTM	3.5	0.7	7.9	7.6	5.4	4.6	3.0
12	Operating Expense per ATM	86.0	81.1	83.1	81.9	80.2	81.6	82.8
13	Passenger Revenue per RPM	12.84	12.79	12.72	12.71	12.94	13.14	13.12
<u>FINANCIAL RATIOS:</u>								
14	Operating Revenues to Total Investment	*	*	1.64	1.66	1.70	1.79	1.88
15	Times Interest Earned	*	*	2.24	2.32	2.27	1.98	1.68
16	Current Assets to Current Liabilities	*	*	0.94	1.00	1.03	0.96	1.06
17	No. of Days Cash Coverage of Cash Exp.	*	*	59.7	69.6	80.5	72.8	67.1
<u>FINANCIAL PERCENTAGES:</u>								
18	Operating Profit (Loss) to Operating Revenue	2.6	0.5	5.9	5.7	4.0	3.3	2.2
19	Net Income to Stockholders Equity	*	*	12.23	12.29	8.87	6.92	4.11
20	Corporate Return on Investment	*	*	8.6	8.6	6.7	6.4	5.3
21	Debt to Total Investment	*	*	70.3	70.7	70.2	70.5	67.9
<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>								
22	Actual	75.1	68.9	76.0	74.6	72.7	72.4	72.7
23	Breakeven	72.8	68.5	70.7	69.7	69.4	69.5	70.8
<u>Employment &amp; Productivity:</u>								
24	Employment, Total Weighted Avg CY	8,165	7,438	8,003	7,821	7,584	7,355	7,115
25	Overall RTM's per Employee (000)	52.8	46.4	216.4	210.4	201.5	196.7	195.2

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	26.4	12.7	22.0	18.8	19.5	26.5	30.5
27	Operating Expenses (%)	23.8	12.7	17.3	14.6	17.9	23.1	28.8
28	Operating Profit (Loss) (in Millions \$)	12.4	0.4	94.8	82.8	36.0	55.0	28.5
29	Net Income (Loss)(in Millions \$)	1.2	-1.9	36.1	33.0	14.0	25.7	13.7
30	RPMs (Sch. Svc.) (%)	25.5	15.8	24.9	22.7	19.7	20.8	22.3
31	ASMs (Sch. Svc.) (%)	15.2	19.9	19.5	20.7	22.2	22.6	23.5
32	Operating Revenues per RTM (%)	1.2	-2.3	-2.2	-3.1	0.0	4.9	7.0
33	Operating Expense per RTM (%)	-0.9	-2.3	-5.9	-6.5	-1.4	2.1	5.6
34	Passenger Revenue per RPM (Sch. Svc.)(%)	0.4	-3.7	-3.0	-4.0	-1.0	4.1	6.4

## QUARTERLY FINANCIAL & TRAFFIC REVIEW

### SYSTEM OPERATIONS

#### Alaska Airlines

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2007/12	2006/12	2007/12	2007/09	2007/06	2007/03	2006/12
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	747.2	632.2	3,076.3	2,961.2	2,846.9	2,762.3	2,692.5
2	Operating Expenses	787.8	636.5	2,946.5	2,795.3	2,788.9	2,735.9	2,796.1
3	Operating Profit (Loss)	-40.6	-4.3	129.7	166.0	58.1	26.5	-103.6
4	Net Income (Loss)	11.4	-8.7	139.4	119.3	17.6	16.7	-56.1
<u>TRAFFIC: (Billions)</u>								
5	RPMs - Scheduled Svc.	4.5	4.2	18.5	18.2	18.0	17.8	17.8
6	ASMs - Scheduled Svc.	6.0	5.8	24.2	23.9	23.7	23.4	23.3
7	Overall RTMs (All Svc.)	0.5	0.4	1.9	1.9	1.9	1.8	1.9
8	Overall ATMs (All Svc.)	0.8	0.8	3.2	3.2	3.1	3.1	3.1
<u>YIELD &amp; UNIT COST &amp; PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	161.7	144.3	161.6	157.5	152.9	149.9	145.8
10	Operating Expense per RTM	170.5	145.3	154.8	148.7	149.7	148.4	151.4
11	Operating Profit (Loss) per RTM	-8.8	-1.0	6.8	8.8	3.1	1.4	-5.6
12	Operating Expense per ATM	98.8	84.2	92.2	88.6	89.3	88.9	91.6
13	Passenger Revenue per RPM	13.22	12.99	13.45	13.40	13.34	13.38	13.33
<u>FINANCIAL RATIOS:</u>								
14	Operating Revenues to Total Investment	*	*	1.59	1.58	1.55	1.58	1.61
15	Times Interest Earned	*	*	4.56	4.17	1.56	1.46	-0.72
16	Current Assets to Current Liabilities	*	*	1.10	1.12	1.14	1.10	1.04
17	No. of Days Cash Coverage of Cash Exp.	*	*	107.1	107.5	122.2	129.2	124.3
<u>FINANCIAL PERCENTAGES:</u>								
18	Operating Profit (Loss) to Operating Revenue	-5.4	-0.7	4.2	5.6	2.0	1.0	-3.8
19	Net Income to Stockholders Equity	*	*	18.53	16.42	2.46	2.45	-8.35
20	Corporate Return on Investment	*	*	10.4	9.6	4.2	4.1	-0.2
21	Debt to Total Investment	*	*	58.5	59.0	62.6	64.4	61.6
<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>								
22	Actual	74.7	73.8	76.2	76.0	75.9	76.0	76.6
23	Breakeven	95.0	80.4	85.7	82.1	83.2	82.3	85.5
<u>Employment &amp; Productivity:</u>								
24	Employment, Total Weighted Avg CY	9,849	9,414	9,641	9,532	9,448	9,397	9,315
25	Overall RTM's per Employee (000)	46.9	46.5	197.5	197.2	197.1	196.2	198.2

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	18.2	7.7	14.3	11.9	10.5	11.3	11.4
27	Operating Expenses (%)	23.8	4.6	5.4	1.0	6.4	6.5	15.4
28	Operating Profit (Loss) (in Millions \$)	-36.3	17.2	233.4	286.8	102.0	111.4	-95.9
29	Net Income (Loss)(in Millions \$)	20.1	18.0	195.5	193.5	-10.7	24.7	-53.8
30	RPMs (Sch. Svc.) (%)	6.0	3.4	3.5	2.9	3.4	4.2	5.4
31	ASMs (Sch. Svc.) (%)	4.6	3.6	4.0	3.8	4.3	4.3	4.4
32	Operating Revenues per RTM (%)	12.0	4.6	10.8	9.1	7.2	7.4	6.4
33	Operating Expense per RTM (%)	17.3	1.6	2.2	-1.5	3.3	2.9	10.1
34	Passenger Revenue per RPM (Sch. Svc.)(%)	1.8	4.5	0.9	1.4	2.5	4.9	6.4

## QUARTERLY FINANCIAL & TRAFFIC REVIEW

### SYSTEM OPERATIONS

#### American Airlines

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2007/12	2006/12	2007/12	2007/09	2007/06	2007/03	2006/12
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	5,656.2	5,377.9	22,832.8	22,554.5	22,462.6	22,567.6	22,493.3
2	Operating Expenses	5,795.8	5,253.4	22,130.7	21,588.2	21,541.9	21,621.1	21,677.8
3	Operating Profit (Loss)	-139.6	124.5	702.1	966.2	920.7	946.6	815.6
4	Net Income (Loss)	-112.5	-10.5	355.8	457.9	312.0	320.9	163.9
<u>TRAFFIC: (Billions)</u>								
5	RPMs - Scheduled Svc.	33.9	33.2	138.4	137.7	137.8	139.0	139.4
6	ASMs - Scheduled Svc.	42.3	42.1	169.9	169.7	171.0	172.9	173.9
7	Overall RTMs (All Svc.)	3.9	3.9	16.0	15.9	16.0	16.1	16.2
8	Overall ATMs (All Svc.)	6.6	6.7	26.7	26.7	27.0	27.3	27.4
<u>YIELD &amp; UNIT COST &amp; PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	143.5	137.7	142.9	141.5	140.5	139.9	139.0
10	Operating Expense per RTM	147.0	134.5	138.5	135.5	134.7	134.0	134.0
11	Operating Profit (Loss) per RTM	-3.5	3.2	4.4	6.1	5.8	5.9	5.0
12	Operating Expense per ATM	87.5	78.9	82.9	80.8	79.9	79.2	79.0
13	Passenger Revenue per RPM	12.82	12.76	13.07	13.06	12.98	12.90	12.80
<u>FINANCIAL RATIOS:</u>								
14	Operating Revenues to Total Investment	*	*	2.64	2.60	2.52	2.48	2.42
15	Times Interest Earned	*	*	1.80	1.98	1.64	1.63	1.30
16	Current Assets to Current Liabilities	*	*	0.75	0.76	0.80	0.77	0.74
17	No. of Days Cash Coverage of Cash Exp.	*	*	84.0	101.8	111.6	102.1	90.1
<u>FINANCIAL PERCENTAGES:</u>								
18	Operating Profit (Loss) to Operating Revenue	-2.5	2.3	3.1	4.3	4.1	4.2	3.6
19	Net Income to Stockholders Equity	*	*	&	&	&	&	&
20	Corporate Return on Investment	*	*	9.3	10.6	9.0	9.2	7.5
21	Debt to Total Investment	*	*	84.4	104.0	106.1	109.7	112.3
<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>								
22	Actual	80.2	78.8	81.5	81.1	80.6	80.4	80.1
23	Breakeven	90.5	81.6	83.8	81.6	81.1	81.1	81.7
<u>Employment &amp; Productivity:</u>								
24	Employment, Total Weighted Avg CY	73,257	72,945	73,060	72,982	73,009	73,193	73,639
25	Overall RTM's per Employee (000)	53.8	53.5	218.6	218.4	219.0	220.4	219.7

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	5.2	4.4	1.5	1.3	2.5	6.2	8.9
27	Operating Expenses (%)	10.3	-6.0	2.1	-1.9	-1.6	0.6	3.2
28	Operating Profit (Loss) (in Millions \$)	-264.1	559.9	-113.5	710.5	908.5	1,200.7	1,166.3
29	Net Income (Loss)(in Millions \$)	-102.1	590.5	191.9	884.5	899.7	1,147.3	1,055.6
30	RPMs (Sch. Svc.) (%)	2.2	0.0	-0.7	-1.2	-1.6	0.0	0.8
31	ASMs (Sch. Svc.) (%)	0.4	-1.1	-2.3	-2.7	-2.6	-1.7	-1.1
32	Operating Revenues per RTM (%)	4.2	4.1	2.8	2.7	4.0	6.0	8.1
33	Operating Expense per RTM (%)	9.3	-6.2	3.4	-0.5	-0.2	0.4	2.4
34	Passenger Revenue per RPM (Sch. Svc.)(%)	0.5	4.1	2.1	2.9	4.2	5.5	6.8

## QUARTERLY FINANCIAL & TRAFFIC REVIEW

### SYSTEM OPERATIONS

### American Eagle Airlines

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2007/12	2006/12	2007/12	2007/09	2007/06	2007/03	2006/12
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	519.0	470.2	2,016.2	1,967.3	1,961.3	1,928.5	1,911.0
2	Operating Expenses	472.8	422.6	1,830.4	1,780.2	1,758.6	1,739.7	1,725.1
3	Operating Profit (Loss)	46.2	47.7	185.7	187.2	202.8	188.7	185.9
4	Net Income (Loss)	13.4	4.9	35.3	26.8	27.5	10.6	5.5
<u>TRAFFIC: (Billions)</u>								
5	RPMs - Scheduled Svc.	2.0	2.1	8.3	8.4	8.4	8.4	8.4
6	ASMs - Scheduled Svc.	2.8	2.9	11.2	11.3	11.3	11.3	11.3
7	Overall RTMs (All Svc.)	0.2	0.2	0.8	0.8	0.8	0.8	0.8
8	Overall ATMs (All Svc.)	0.3	0.3	1.4	1.4	1.4	1.4	1.4
<u>YIELD &amp; UNIT COST &amp; PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	257.4	225.0	241.7	233.7	234.2	229.3	226.9
10	Operating Expense per RTM	234.5	202.2	219.4	211.5	209.9	206.8	204.8
11	Operating Profit (Loss) per RTM	22.9	22.8	22.3	22.2	24.2	22.4	22.1
12	Operating Expense per ATM	141.9	123.4	135.8	131.2	129.5	127.8	126.9
13	Passenger Revenue per RPM	25.69	22.46	24.10	23.31	23.37	22.88	22.67
<u>FINANCIAL RATIOS:</u>								
14	Operating Revenues to Total Investment	*	*	0.52	0.50	0.49	0.48	0.47
15	Times Interest Earned	*	*	1.21	1.19	1.21	1.09	1.05
16	Current Assets to Current Liabilities	*	*	0.61	0.43	0.58	0.57	0.83
17	No. of Days Cash Coverage of Cash Exp.	*	*	0.2	0.2	0.1	0.2	0.1
<u>FINANCIAL PERCENTAGES:</u>								
18	Operating Profit (Loss) to Operating Revenue	8.9	10.1	9.2	9.5	10.3	9.8	9.7
19	Net Income to Stockholders Equity	*	*	12.75	10.49	11.65	4.86	2.75
20	Corporate Return on Investment	*	*	4.1	4.0	4.0	3.7	3.6
21	Debt to Total Investment	*	*	92.1	92.4	92.7	93.1	93.9
<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>								
22	Actual	72.8	73.4	74.4	74.5	74.2	74.3	74.5
23	Breakeven	65.5	65.1	66.8	66.6	65.6	66.2	66.5
<u>Employment &amp; Productivity:</u>								
24	Employment, Total Weighted Avg CY	9,692	9,287	9,509	9,408	9,327	9,271	9,263
25	Overall RTM's per Employee (000)	20.8	22.5	87.7	89.5	89.8	90.7	90.9

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	10.4	-1.3	5.5	2.6	3.7	4.0	6.5
27	Operating Expenses (%)	11.9	-1.1	6.1	2.9	3.8	6.5	9.9
28	Operating Profit (Loss) (in Millions \$)	-1.5	-1.5	-0.2	-0.2	6.2	-32.3	-39.0
29	Net Income (Loss)(in Millions \$)	8.4	0.7	29.7	22.0	4.8	-35.0	-40.7
30	RPMs (Sch. Svc.) (%)	-3.5	4.4	-1.0	1.0	2.5	6.9	12.2
31	ASMs (Sch. Svc.) (%)	-2.7	4.0	-0.8	0.9	1.9	4.1	7.4
32	Operating Revenues per RTM (%)	14.4	-5.5	6.5	1.6	1.2	-2.7	-5.2
33	Operating Expense per RTM (%)	16.0	-5.3	7.1	1.9	1.2	-0.4	-2.1
34	Passenger Revenue per RPM (Sch. Svc.)(%)	14.4	-5.3	6.3	1.5	1.2	-2.6	-4.8

## QUARTERLY FINANCIAL & TRAFFIC REVIEW

### SYSTEM OPERATIONS

#### Atlantic Southeast Airlines

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2007/12	2006/12	2007/12	2007/09	2007/06	2007/03	2006/12
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	351.8	320.0	1,384.3	1,352.5	1,303.4	1,282.5	1,265.7
2	Operating Expenses	314.8	278.0	1,224.2	1,187.4	1,141.7	1,117.9	1,101.1
3	Operating Profit (Loss)	37.0	42.0	160.1	165.1	161.7	164.6	164.6
4	Net Income (Loss)	14.4	14.6	63.1	63.2	61.7	60.2	58.3
<u>TRAFFIC: (Billions)</u>								
5	RPMs - Scheduled Svc.	1.5	1.5	6.2	6.1	6.2	6.2	6.3
6	ASMs - Scheduled Svc.	2.0	2.0	8.1	8.1	8.1	8.1	8.2
7	Overall RTMs (All Svc.)	0.2	0.2	0.6	0.6	0.6	0.6	0.6
8	Overall ATMs (All Svc.)	0.2	0.2	0.8	0.8	0.8	0.9	1.0
<u>YIELD &amp; UNIT COST &amp; PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	229.4	215.7	223.8	220.4	211.8	207.4	201.4
10	Operating Expense per RTM	205.3	187.4	197.9	193.5	185.5	180.8	175.2
11	Operating Profit (Loss) per RTM	24.1	28.3	25.9	26.9	26.3	26.6	26.2
12	Operating Expense per ATM	155.4	138.9	151.7	147.5	136.5	124.5	114.6
13	Passenger Revenue per RPM	22.88	21.58	22.28	21.96	21.13	20.72	20.17
<u>FINANCIAL RATIOS:</u>								
14	Operating Revenues to Total Investment	*	*	0.82	0.81	0.78	0.77	0.76
15	Times Interest Earned	*	*	2.48	2.44	2.45	2.37	2.28
16	Current Assets to Current Liabilities	*	*	2.78	2.51	1.81	1.62	1.62
17	No. of Days Cash Coverage of Cash Exp.	*	*	76.5	86.9	82.3	69.1	67.9
<u>FINANCIAL PERCENTAGES:</u>								
18	Operating Profit (Loss) to Operating Revenue	10.5	13.1	11.6	12.2	12.4	12.8	13.0
19	Net Income to Stockholders Equity	*	*	11.68	12.08	12.16	12.26	12.28
20	Corporate Return on Investment	*	*	7.9	8.1	7.9	8.0	8.0
21	Debt to Total Investment	*	*	66.3	66.8	67.7	68.8	69.8
<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>								
22	Actual	75.7	74.1	76.6	76.2	75.6	76.0	77.0
23	Breakeven	67.1	63.3	67.1	66.2	65.4	65.3	65.9
<u>Employment &amp; Productivity:</u>								
24	Employment, Total Weighted Avg CY	4,317	5,688	4,909	5,252	5,564	5,630	5,513
25	Overall RTM's per Employee (000)	35.5	26.1	126.0	116.8	110.6	109.8	114.0

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	9.9	-0.1	9.4	6.8	2.7	3.5	7.1
27	Operating Expenses (%)	13.2	-0.1	11.2	7.8	2.6	2.0	2.0
28	Operating Profit (Loss) (in Millions \$)	-5.0	0.1	-4.5	0.6	5.1	21.3	63.2
29	Net Income (Loss)(in Millions \$)	-0.2	0.0	4.7	4.9	6.7	10.2	30.6
30	RPMs (Sch. Svc.) (%)	3.4	-3.6	-1.5	-3.1	-2.3	-0.1	5.2
31	ASMs (Sch. Svc.) (%)	1.2	-2.9	-1.0	-2.0	-0.7	-1.1	0.3
32	Operating Revenues per RTM (%)	6.4	3.8	11.1	10.5	5.2	3.8	2.0
33	Operating Expense per RTM (%)	9.5	3.8	13.0	11.4	5.1	2.3	-2.9
34	Passenger Revenue per RPM (Sch. Svc.)(%)	6.0	3.7	10.5	9.8	4.9	3.6	2.0

## QUARTERLY FINANCIAL & TRAFFIC REVIEW

### SYSTEM OPERATIONS

#### Comair

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2007/12	2006/12	2007/12	2007/09	2007/06	2007/03	2006/12
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	311.4	283.1	1,164.7	1,136.4	1,173.0	1,194.6	1,201.4
2	Operating Expenses	285.9	270.1	1,096.2	1,080.3	1,110.8	1,145.8	1,155.2
3	Operating Profit (Loss)	25.5	13.0	68.5	56.1	62.3	48.8	46.2
4	Net Income (Loss)	10.7	-230.1	-237.9	-478.8	-457.4	-366.2	-292.1
<u>TRAFFIC: (Billions)</u>								
5	RPMs - Scheduled Svc.	1.2	1.3	4.6	4.7	5.0	5.1	5.3
6	ASMs - Scheduled Svc.	1.6	1.7	6.1	6.3	6.6	6.9	7.1
7	Overall RTMs (All Svc.)	0.1	0.1	0.5	0.5	0.5	0.5	0.5
8	Overall ATMs (All Svc.)	0.2	0.2	0.8	0.8	0.8	0.9	0.9
<u>YIELD &amp; UNIT COST &amp; PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	270.7	226.5	252.7	241.3	237.0	232.0	226.4
10	Operating Expense per RTM	248.6	216.1	237.8	229.4	224.4	222.5	217.7
11	Operating Profit (Loss) per RTM	22.1	10.4	14.9	11.9	12.6	9.5	8.7
12	Operating Expense per ATM	147.4	125.8	142.5	136.7	131.5	128.8	126.0
13	Passenger Revenue per RPM	27.09	22.67	25.29	24.16	23.72	23.23	22.72
<u>FINANCIAL RATIOS:</u>								
14	Operating Revenues to Total Investment	*	*	1.20	1.30	1.53	1.74	1.72
15	Times Interest Earned	*	*	-10.18	-15.03	-11.31	-6.04	-4.04
16	Current Assets to Current Liabilities	*	*	0.57	0.57	0.60	2.50	3.12
17	No. of Days Cash Coverage of Cash Exp.	*	*	43.4	44.0	80.1	81.6	60.6
<u>FINANCIAL PERCENTAGES:</u>								
18	Operating Profit (Loss) to Operating Revenue	8.2	4.6	5.9	4.9	5.3	4.1	3.8
19	Net Income to Stockholders Equity	*	*	-53.0	-105.8	-101.6	-78.2	-55.1
20	Corporate Return on Investment	*	*	-20.05	-49.32	-51.84	-43.87	-32.03
21	Debt to Total Investment	*	*	55.0	55.0	55.0	56.9	45.0
<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>								
22	Actual	74.3	74.4	75.2	75.2	74.5	74.1	74.3
23	Breakeven	67.6	70.6	70.3	71.1	70.1	70.7	71.1
<u>Employment &amp; Productivity:</u>								
24	Employment, Total Weighted Avg CY	6,257	6,096	6,183	6,143	6,119	6,126	6,121
25	Overall RTM's per Employee (000)	18.4	20.5	74.6	76.7	80.9	84.1	86.7

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	10.0	-14.4	-3.1	-9.0	-7.8	-7.9	-9.3
27	Operating Expenses (%)	5.9	-19.1	-5.1	-11.4	-11.5	-9.9	-11.1
28	Operating Profit (Loss) (in Millions \$)	12.4	16.1	22.3	26.0	45.6	24.1	20.9
29	Net Income (Loss)(in Millions \$)	240.9	-219.9	54.2	-406.6	-345.6	-346.6	-273.1
30	RPMs (Sch. Svc.) (%)	-8.0	-16.3	-12.9	-14.9	-13.4	-13.1	-14.0
31	ASMs (Sch. Svc.) (%)	-7.8	-22.4	-13.9	-17.7	-17.3	-18.4	-21.1
32	Operating Revenues per RTM (%)	19.5	2.4	11.6	7.3	6.8	6.3	5.2
33	Operating Expense per RTM (%)	15.0	-3.2	9.3	4.5	2.5	3.9	3.1
34	Passenger Revenue per RPM (Sch. Svc.)(%)	19.5	2.3	11.3	7.0	6.5	6.0	5.4

## QUARTERLY FINANCIAL & TRAFFIC REVIEW

### SYSTEM OPERATIONS

### Continental Air Lines

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2007/12	2006/12	2007/12	2007/09	2007/06	2007/03	2006/12
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	3,490.2	3,131.9	14,105.4	13,747.1	13,450.7	13,239.9	13,010.4
2	Operating Expenses	3,421.6	3,126.3	13,484.4	13,189.1	12,972.7	12,781.4	12,600.0
3	Operating Profit (Loss)	68.6	5.7	620.9	558.0	478.0	458.5	410.4
4	Net Income (Loss)	-31.9	-26.4	459.5	465.0	460.4	430.4	343.3
<u>TRAFFIC: (Billions)</u>								
5	RPMs - Scheduled Svc.	19.6	18.5	81.4	80.4	78.8	77.3	76.3
6	ASMs - Scheduled Svc.	24.4	23.0	99.1	97.6	96.2	94.6	93.5
7	Overall RTMs (All Svc.)	2.2	2.1	9.1	9.0	8.9	8.7	8.6
8	Overall ATMs (All Svc.)	2.7	2.6	11.6	11.4	11.3	11.1	10.8
<u>YIELD &amp; UNIT COST &amp; PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	157.3	147.8	154.8	152.5	151.5	151.5	150.6
10	Operating Expense per RTM	154.2	147.5	147.9	146.3	146.2	146.3	145.9
11	Operating Profit (Loss) per RTM	3.1	0.3	6.8	6.2	5.4	5.2	4.8
12	Operating Expense per ATM	126.4	121.8	116.7	115.5	114.9	114.9	116.4
13	Passenger Revenue per RPM	12.97	12.03	12.73	12.51	12.37	12.31	12.20
<u>FINANCIAL RATIOS:</u>								
14	Operating Revenues to Total Investment	*	*	2.38	2.35	2.33	2.34	2.30
15	Times Interest Earned	*	*	2.53	2.22	2.19	2.09	1.91
16	Current Assets to Current Liabilities	*	*	0.92	0.99	0.99	0.96	0.94
17	No. of Days Cash Coverage of Cash Exp.	*	*	83.0	91.6	97.8	83.6	81.9
<u>FINANCIAL PERCENTAGES:</u>								
18	Operating Profit (Loss) to Operating Revenue	2.0	0.2	4.4	4.1	3.6	3.5	3.2
19	Net Income to Stockholders Equity	*	*	47.73	58.54	68.73	83.59	79.05
20	Corporate Return on Investment	*	*	13.8	14.2	14.4	14.2	12.8
21	Debt to Total Investment	*	*	75.0	80.1	83.4	88.7	93.0
<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>								
22	Actual	80.0	80.6	82.2	82.3	81.9	81.7	81.5
23	Breakeven	81.1	84.1	80.9	81.5	81.6	81.6	82.2
<u>Employment &amp; Productivity:</u>								
24	Employment, Total Weighted Avg CY	36,014	34,561	35,644	35,281	34,918	34,518	34,094
25	Overall RTM's per Employee (000)	61.6	61.3	255.7	255.5	254.2	253.1	253.4

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	11.4	11.0	8.4	8.2	10.4	14.7	17.1
27	Operating Expenses (%)	9.4	6.8	7.0	6.4	8.4	11.6	12.5
28	Operating Profit (Loss) (in Millions \$)	62.9	108.9	210.5	256.5	260.7	363.8	502.3
29	Net Income (Loss)(in Millions \$)	-5.5	16.2	116.2	137.9	309.4	378.0	408.9
30	RPMs (Sch. Svc.) (%)	5.6	9.2	6.7	7.6	8.3	10.2	11.7
31	ASMs (Sch. Svc.) (%)	6.3	6.3	5.9	5.9	6.7	7.9	9.4
32	Operating Revenues per RTM (%)	6.4	2.2	2.7	1.7	2.6	4.6	5.6
33	Operating Expense per RTM (%)	4.5	-1.5	1.4	0.0	0.8	1.8	1.4
34	Passenger Revenue per RPM (Sch. Svc.)(%)	7.9	2.8	4.3	3.1	3.4	4.7	4.8

## QUARTERLY FINANCIAL & TRAFFIC REVIEW

### SYSTEM OPERATIONS

#### Delta Air Lines

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2007/12	2006/12	2007/12	2007/09	2007/06	2007/03	2006/12
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	4,723.6	4,194.4	19,238.8	18,709.6	18,150.4	17,779.0	17,339.1
2	Operating Expenses	4,758.4	4,197.3	18,234.0	17,672.9	17,393.5	17,119.6	17,308.3
3	Operating Profit (Loss)	-34.8	-2.9	1,004.8	1,036.7	757.0	659.3	30.8
4	Net Income (Loss)	-108.3	-1,814.2	1,794.3	88.4	-97.8	-3,986.3	-5,995.9
<u>TRAFFIC: (Billions)</u>								
5	RPMs - Scheduled Svc.	24.6	23.5	103.3	102.2	100.4	99.3	98.8
6	ASMs - Scheduled Svc.	31.2	30.2	127.3	126.3	125.3	125.3	125.1
7	Overall RTMs (All Svc.)	2.8	2.7	11.5	11.4	11.2	11.1	11.1
8	Overall ATMs (All Svc.)	4.8	4.7	19.7	19.6	19.4	19.3	19.3
<u>YIELD &amp; UNIT COST &amp; PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	170.6	157.7	167.7	164.6	161.9	159.7	155.8
10	Operating Expense per RTM	171.9	157.8	158.9	155.5	155.2	153.8	155.5
11	Operating Profit (Loss) per RTM	-1.3	-0.1	8.8	9.1	6.8	5.9	0.3
12	Operating Expense per ATM	98.5	90.1	92.4	90.3	89.7	88.6	89.8
13	Passenger Revenue per RPM	12.41	11.75	12.36	12.21	12.10	12.04	11.81
<u>FINANCIAL RATIOS:</u>								
14	Operating Revenues to Total Investment	*	*	2.17	4.70	999.90	999.90	999.90
15	Times Interest Earned	*	*	4.40	0.91	0.48	-4.37	-6.84
16	Current Assets to Current Liabilities	*	*	0.83	0.87	0.84	0.71	0.84
17	No. of Days Cash Coverage of Cash Exp.	*	*	55.6	49.4	70.1	59.8	55.2
<u>FINANCIAL PERCENTAGES:</u>								
18	Operating Profit (Loss) to Operating Revenue	-0.7	-0.1	5.2	5.5	4.2	3.7	0.2
19	Net Income to Stockholders Equity	*	*	382.79	&	&	&	&
20	Corporate Return on Investment	*	*	27.7	20.8	0.0	0.0	0.0
21	Debt to Total Investment	*	*	47.3	45.9	46.5	-162.3	-166.8
<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>								
22	Actual	78.7	78.0	81.1	81.0	80.2	79.3	79.0
23	Breakeven	80.3	84.3	78.6	79.4	80.7	80.2	84.0
<u>Employment &amp; Productivity:</u>								
24	Employment, Total Weighted Avg CY	48,501	44,437	47,316	46,300	45,384	44,955	45,557
25	Overall RTM's per Employee (000)	57.1	59.8	242.5	245.4	247.0	247.7	244.3

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	12.6	5.8	11.0	9.4	9.0	9.8	7.6
27	Operating Expenses (%)	13.4	-5.7	5.3	0.6	-0.2	-1.7	0.0
28	Operating Profit (Loss) (in Millions \$)	-31.9	484.7	974.0	1,490.5	1,537.7	1,898.1	1,228.0
29	Net Income (Loss)(in Millions \$)	1,705.9	-584.7	7,790.2	5,499.6	6,449.7	827.3	-2,198.4
30	RPMs (Sch. Svc.) (%)	4.5	0.5	4.6	3.6	0.7	-2.2	-4.6
31	ASMs (Sch. Svc.) (%)	3.5	-4.2	1.8	-0.1	-2.0	-4.0	-6.3
32	Operating Revenues per RTM (%)	8.2	7.3	7.6	7.5	9.8	13.3	13.3
33	Operating Expense per RTM (%)	8.9	-4.4	2.2	-1.1	0.5	1.3	5.3
34	Passenger Revenue per RPM (Sch. Svc.)(%)	5.6	4.0	4.7	4.4	6.3	9.1	7.8

## QUARTERLY FINANCIAL & TRAFFIC REVIEW

### SYSTEM OPERATIONS

#### Expressjet Airlines

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2007/12	2006/12	2007/12	2007/09	2007/06	2007/03	2006/12
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	432.7	423.6	1,676.1	1,667.0	1,655.4	1,680.4	1,673.8
2	Operating Expenses	473.3	388.5	1,776.9	1,692.1	1,609.1	1,558.0	1,529.4
3	Operating Profit (Loss)	-40.6	35.1	-100.8	-25.1	46.3	122.4	144.5
4	Net Income (Loss)	-27.5	23.2	-67.0	-16.3	28.3	78.2	89.4
<u>TRAFFIC: (Billions)</u>								
5	RPMs - Scheduled Svc.	2.7	2.5	9.7	9.6	9.9	10.2	10.3
6	ASMs - Scheduled Svc.	3.7	3.3	13.0	12.5	12.8	13.1	13.2
7	Overall RTMs (All Svc.)	0.3	0.3	1.0	1.0	1.0	1.0	1.0
8	Overall ATMs (All Svc.)	0.5	0.4	1.6	1.5	1.6	1.6	1.6
<u>YIELD &amp; UNIT COST &amp; PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	160.1	167.2	171.6	173.7	167.8	163.9	162.3
10	Operating Expense per RTM	175.1	153.4	181.9	176.3	163.1	151.9	148.3
11	Operating Profit (Loss) per RTM	-15.0	13.9	-10.3	-2.6	4.7	11.9	14.0
12	Operating Expense per ATM	104.7	98.1	113.0	111.6	103.6	98.1	95.7
13	Passenger Revenue per RPM	15.54	16.69	16.74	17.07	16.57	16.26	16.22
<u>FINANCIAL RATIOS:</u>								
14	Operating Revenues to Total Investment	*	*	4.36	4.24	4.24	4.49	4.71
15	Times Interest Earned	*	*	-4.84	-0.96	5.83	24.01	125.76
16	Current Assets to Current Liabilities	*	*	1.92	2.27	2.58	3.05	2.79
17	No. of Days Cash Coverage of Cash Exp.	*	*	44.6	55.4	67.8	75.9	73.4
<u>FINANCIAL PERCENTAGES:</u>								
18	Operating Profit (Loss) to Operating Revenue	-9.4	8.3	-6.0	-1.5	2.8	7.3	8.6
19	Net Income to Stockholders Equity	*	*	-198.02	-38.37	68.66	252.09	&
20	Corporate Return on Investment	*	*	-12.8	-0.7	9.7	22.3	25.5
21	Debt to Total Investment	*	*	103.0	95.4	90.0	84.1	86.0
<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>								
22	Actual	72.2	77.3	75.2	76.6	76.9	78.1	78.0
23	Breakeven	80.0	70.2	80.3	77.9	74.4	71.7	70.5
<u>Employment &amp; Productivity:</u>								
24	Employment, Total Weighted Avg CY	7,800	6,847	7,650	7,412	7,139	6,871	5,057
25	Overall RTM's per Employee (000)	34.7	37.0	127.7	129.5	138.2	149.3	203.9

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	2.1	4.6	0.1	0.7	2.1	5.6	7.1
27	Operating Expenses (%)	21.8	6.7	16.2	12.4	9.6	8.6	9.0
28	Operating Profit (Loss) (in Millions \$)	-75.7	-5.8	-245.2	-175.4	-106.5	-35.2	-14.6
29	Net Income (Loss)(in Millions \$)	-50.7	-0.8	-156.4	-106.5	-65.3	-13.9	-2.6
30	RPMs (Sch. Svc.) (%)	6.4	7.4	-5.4	-5.4	0.6	10.0	15.2
31	ASMs (Sch. Svc.) (%)	13.9	5.8	-1.9	-4.0	1.3	6.5	10.2
32	Operating Revenues per RTM (%)	-4.3	-2.5	5.7	6.4	1.4	-4.0	-6.9
33	Operating Expense per RTM (%)	14.1	-0.5	22.7	18.8	8.9	-1.2	-5.3
34	Passenger Revenue per RPM (Sch. Svc.)(%)	-6.9	-2.9	3.2	4.5	0.0	-4.9	-7.2

## QUARTERLY FINANCIAL & TRAFFIC REVIEW

### SYSTEM OPERATIONS

#### Frontier Airlines

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2007/12	2006/12	2007/12	2007/09	2007/06	2007/03	2006/12
<b>FINANCIAL RESULTS: (\$Millions)</b>								
1	Operating Revenues	333.9	266.4	1,334.4	1,266.9	1,204.4	1,161.6	1,131.7
2	Operating Expenses	362.2	284.9	1,344.2	1,266.9	1,223.3	1,171.5	1,144.2
3	Operating Profit (Loss)	-28.3	-18.5	-9.8	0.0	-18.9	-9.8	-12.5
4	Net Income (Loss)	-29.4	-14.4	-26.0	-11.0	-27.8	-20.4	-17.8
<b>TRAFFIC: (Billions)</b>								
5	RPMs - Scheduled Svc.	2.4	1.9	9.8	9.4	8.9	8.5	8.3
6	ASMs - Scheduled Svc.	3.1	2.6	12.5	12.0	11.5	11.0	10.4
7	Overall RTMs (All Svc.)	0.2	0.2	1.0	1.0	0.9	0.9	0.9
8	Overall ATMs (All Svc.)	1.1	0.9	4.3	4.1	4.0	3.9	3.8
<b>YIELD &amp; UNIT COST &amp; PROFITS: (Cents)</b>								
9	Operating Revenue per RTM	136.5	135.6	133.7	133.4	134.0	134.0	133.9
10	Operating Expense per RTM	148.1	145.0	134.7	133.4	136.1	135.2	135.4
11	Operating Profit (Loss) per RTM	-11.6	-9.4	-1.0	0.0	-2.1	-1.1	-1.5
12	Operating Expense per ATM	33.7	30.6	31.4	30.6	30.5	30.2	30.5
13	Passenger Revenue per RPM	11.46	11.56	11.30	11.31	11.43	11.48	11.45
<b>FINANCIAL RATIOS:</b>								
14	Operating Revenues to Total Investment	*	*	1.83	1.75	1.73	1.71	1.68
15	Times Interest Earned	*	*	-0.21	-0.03	-1.14	-0.68	-0.90
16	Current Assets to Current Liabilities	*	*	0.90	0.84	0.92	0.95	1.12
17	No. of Days Cash Coverage of Cash Exp.	*	*	47.5	53.9	66.3	65.2	62.9
<b>FINANCIAL PERCENTAGES:</b>								
18	Operating Profit (Loss) to Operating Revenue	-8.5	-6.9	-0.7	0.0	-1.6	-0.8	-1.1
19	Net Income to Stockholders Equity	*	*	-12.14	-5.01	-12.56	-9.02	-7.70
20	Corporate Return on Investment	*	*	-0.6	1.1	-1.6	-0.8	-0.6
21	Debt to Total Investment	*	*	71.7	71.5	72.3	69.6	67.6
<b>PASSENGER LOAD FACTOR: (Sch. Svc. %)</b>								
22	Actual	76.8	73.8	78.6	78.0	77.0	77.9	79.7
23	Breakeven	86.0	82.0	81.8	80.9	81.0	80.9	82.7
<b>Employment &amp; Productivity:</b>								
24	Employment, Total Weighted Avg CY	5,219	4,523	4,962	4,788	4,636	4,517	4,424
25	Overall RTM's per Employee (000)	46.9	43.4	201.1	198.4	193.9	191.9	191.1

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	25.3	7.9	17.9	13.9	13.6	16.8	17.8
27	Operating Expenses (%)	27.1	10.2	17.5	13.3	15.8	16.9	18.9
28	Operating Profit (Loss) (in Millions \$)	-9.8	-6.8	2.6	5.6	-22.9	-1.9	-10.5
29	Net Income (Loss)(in Millions \$)	-15.0	-4.1	-8.2	2.7	-20.5	-6.4	-8.0
30	RPMs (Sch. Svc.) (%)	25.4	8.4	18.4	14.5	12.2	14.3	17.5
31	ASMs (Sch. Svc.) (%)	20.5	11.6	20.0	18.0	17.1	16.5	17.0
32	Operating Revenues per RTM (%)	0.7	-0.4	-0.1	-0.4	1.4	2.4	0.5
33	Operating Expense per RTM (%)	2.1	1.7	-0.5	-0.9	3.4	2.5	1.4
34	Passenger Revenue per RPM (Sch. Svc.)(%)	-0.9	0.4	-1.3	-1.1	1.3	2.7	0.5

1/ Frontier filed for bankruptcy April 2008.

## QUARTERLY FINANCIAL & TRAFFIC REVIEW

### SYSTEM OPERATIONS

### JetBlue Airways

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2007/12	2006/12	2007/12	2007/09	2007/06	2007/03	2006/12
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	738.9	633.6	2,843.2	2,737.9	2,599.8	2,480.9	2,363.3
2	Operating Expenses	710.9	572.8	2,677.0	2,538.9	2,443.3	2,352.2	2,246.2
3	Operating Profit (Loss)	28.0	60.8	166.2	199.0	156.5	128.7	117.0
4	Net Income (Loss)	-3.4	17.6	18.4	39.3	16.2	8.7	-0.8
<u>TRAFFIC: (Billions)</u>								
5	RPMs - Scheduled Svc.	6.2	5.8	25.7	25.3	24.5	23.7	23.3
6	ASMs - Scheduled Svc.	8.1	7.3	32.2	31.3	30.5	29.5	28.6
7	Overall RTMs (All Svc.)	0.6	0.6	2.6	2.6	2.5	2.4	2.4
8	Overall ATMs (All Svc.)	1.0	0.9	4.0	3.8	3.7	3.6	3.4
<u>YIELD &amp; UNIT COST &amp; PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	118.2	108.4	109.8	107.5	105.3	103.9	100.8
10	Operating Expense per RTM	113.7	98.0	103.4	99.7	98.9	98.5	95.8
11	Operating Profit (Loss) per RTM	4.5	10.4	6.4	7.8	6.3	5.4	5.0
12	Operating Expense per ATM	69.9	65.2	67.2	66.1	65.9	66.0	65.2
13	Passenger Revenue per RPM	10.90	10.21	10.23	10.07	9.89	9.79	9.54
<u>FINANCIAL RATIOS:</u>								
14	Operating Revenues to Total Investment	*	*	0.72	0.72	0.71	0.70	0.70
15	Times Interest Earned	*	*	1.22	1.42	1.18	1.07	1.06
16	Current Assets to Current Liabilities	*	*	0.89	0.90	1.05	0.98	1.09
17	No. of Days Cash Coverage of Cash Exp.	*	*	121.80	130.07	123.68	128.84	121.81
<u>FINANCIAL PERCENTAGES:</u>								
18	Operating Profit (Loss) to Operating Revenue	3.8	9.6	5.8	7.3	6.0	5.2	5.0
19	Net Income to Stockholders Equity	*	*	1.85	4.06	1.71	0.94	-0.08
20	Corporate Return on Investment	*	*	5.1	5.7	5.0	4.7	4.3
21	Debt to Total Investment	*	*	74.4	74.5	75.0	75.2	74.6
<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>								
22	Actual	76.6	79.7	80.0	80.8	80.4	80.3	81.6
23	Breakeven	76.0	72.6	76.9	76.1	76.8	77.5	78.9
<u>Employment &amp; Productivity:</u>								
24	Employment, Total Weighted Avg CY	10,021	9,563	9,696	9,581	9,584	9,571	9,442
25	Overall RTM's per Employee (000)	62.4	61.1	266.9	265.9	257.7	249.5	248.4

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	16.6	42.1	20.3	25.8	30.0	36.4	38.8
27	Operating Expenses (%)	24.1	23.5	19.2	18.8	23.3	30.1	36.9
28	Operating Profit (Loss) (in Millions \$)	-32.8	78.5	49.1	160.4	137.8	117.5	55.2
29	Net Income (Loss)(in Millions \$)	-20.9	60.0	19.1	100.1	73.8	67.9	19.8
30	RPMs (Sch. Svc.) (%)	7.1	12.5	10.3	11.6	11.0	11.4	15.5
31	ASMs (Sch. Svc.) (%)	11.5	14.4	12.5	13.2	15.1	17.4	20.0
32	Operating Revenues per RTM (%)	9.1	25.9	9.0	12.5	16.8	22.1	20.0
33	Operating Expense per RTM (%)	16.1	9.5	8.0	6.3	10.8	16.5	18.3
34	Passenger Revenue per RPM (Sch. Svc.)(%)	6.7	25.0	7.3	11.2	15.3	20.7	18.6

## QUARTERLY FINANCIAL & TRAFFIC REVIEW

### SYSTEM OPERATIONS

#### Mesa Airlines

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2007/12	2006/12	2007/12	2007/09	2007/06	2007/03	2006/12
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	260.8	278.9	1,044.9	1,063.0	1,096.7	1,107.3	1,145.5
2	Operating Expenses	269.1	266.9	1,054.5	1,052.3	1,084.5	1,091.9	1,086.0
3	Operating Profit (Loss)	-8.3	12.1	-9.6	10.7	12.2	15.4	59.5
4	Net Income (Loss)	-9.3	4.4	-25.7	-12.0	-7.4	-1.0	32.1
<u>TRAFFIC: (Billions)</u>								
5	RPMs - Scheduled Svc.	1.3	1.5	5.7	5.9	6.0	6.0	6.1
6	ASMs - Scheduled Svc.	1.8	2.0	7.4	7.6	7.7	7.8	7.9
7	Overall RTMs (All Svc.)	0.1	0.2	0.6	0.6	0.6	0.6	0.6
8	Overall ATMs (All Svc.)	0.2	0.2	1.0	0.9	0.9	0.9	0.8
<u>YIELD &amp; UNIT COST &amp; PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	200.1	188.3	182.1	179.7	182.8	183.4	188.1
10	Operating Expense per RTM	206.4	180.2	183.8	177.9	180.8	180.9	178.3
11	Operating Profit (Loss) per RTM	-6.3	8.2	-1.7	1.8	2.0	2.5	9.8
12	Operating Expense per ATM	119.8	124.0	111.3	112.2	117.4	123.0	129.2
13	Passenger Revenue per RPM	19.62	18.50	18.30	18.06	18.40	18.49	18.59
<u>FINANCIAL RATIOS:</u>								
14	Operating Revenues to Total Investment	*	*	0.85	0.89	0.93	0.96	1.01
15	Times Interest Earned	*	*	-0.47	0.21	0.46	0.86	3.46
16	Current Assets to Current Liabilities	*	*	3.06	3.40	3.02	3.23	1.64
17	No. of Days Cash Coverage of Cash Exp.	*	*	61.25	68.44	65.06	66.04	87.63
<u>FINANCIAL PERCENTAGES:</u>								
18	Operating Profit (Loss) to Operating Revenue	-3.2	4.3	-0.9	1.0	1.1	1.4	5.2
19	Net Income to Stockholders Equity	*	*	-10.15	-4.83	-3.09	-0.41	16.40
20	Corporate Return on Investment	*	*	0.0	1.1	1.4	1.7	4.7
21	Debt to Total Investment	*	*	79.8	79.3	79.2	78.4	79.6
<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>								
22	Actual	73.8	76.0	77.5	78.0	77.5	77.4	76.8
23	Breakeven	73.3	72.2	73.5	73.1	73.4	74.7	72.3
<u>Employment &amp; Productivity:</u>								
24	Employment, Total Weighted Avg CY	3,170	3,233	3,211	3,227	3,272	3,270	3,263
25	Overall RTM's per Employee (000)	41.1	45.8	178.7	183.3	183.3	184.6	186.7

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	-6.5	-5.6	-8.8	-8.5	-4.8	-3.3	2.6
27	Operating Expenses (%)	0.8	0.7	-2.9	-2.9	3.5	7.8	11.3
28	Operating Profit (Loss) (in Millions \$)	-20.3	-18.4	-69.1	-67.2	-92.5	-116.8	-80.6
29	Net Income (Loss)(in Millions \$)	-13.7	-12.0	-57.9	-56.1	-63.0	-68.8	-38.3
30	RPMs (Sch. Svc.) (%)	-11.9	-7.0	-5.7	-4.6	-4.6	-5.1	-3.2
31	ASMs (Sch. Svc.) (%)	-9.3	-16.2	-6.6	-8.6	-10.7	-13.4	-12.5
32	Operating Revenues per RTM (%)	6.3	1.6	-3.2	-4.0	-0.2	2.0	6.1
33	Operating Expense per RTM (%)	14.6	8.4	3.1	1.8	8.6	13.7	15.0
34	Passenger Revenue per RPM (Sch. Svc.)(%)	6.0	-0.3	-1.6	-3.0	0.7	2.7	4.7

## QUARTERLY FINANCIAL & TRAFFIC REVIEW

### SYSTEM OPERATIONS

### Northwest Airlines

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2007/12	2006/12	2007/12	2007/09	2007/06	2007/03	2006/12
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	3,189.3	2,991.9	12,734.6	12,537.1	12,480.2	12,546.9	12,554.9
2	Operating Expenses	3,094.1	2,882.2	11,611.0	11,399.0	11,422.6	11,552.8	11,773.3
3	Operating Profit (Loss)	95.2	109.6	1,123.7	1,138.1	1,057.6	994.1	781.7
4	Net Income (Loss)	-4.4	-291.1	2,591.2	2,304.5	761.8	-2,023.0	-2,798.5
<u>TRAFFIC: (Billions)</u>								
5	RPMs - Scheduled Svc.	17.4	17.7	72.9	73.2	73.2	73.1	72.6
6	ASMs - Scheduled Svc.	21.0	21.5	86.1	86.7	86.9	86.5	85.6
7	Overall RTMs (All Svc.)	2.3	2.3	9.4	9.4	9.5	9.5	9.5
8	Overall ATMs (All Svc.)	3.6	3.7	14.4	14.5	14.6	14.7	14.6
<u>YIELD &amp; UNIT COST &amp; PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	137.3	127.7	135.9	133.5	132.1	131.8	131.6
10	Operating Expense per RTM	133.2	123.1	123.9	121.4	120.9	121.3	123.4
11	Operating Profit (Loss) per RTM	4.1	4.7	12.0	12.1	11.2	10.4	8.2
12	Operating Expense per ATM	87.0	78.3	80.6	78.4	78.1	78.7	80.5
13	Passenger Revenue per RPM	12.46	12.13	12.75	12.67	12.63	12.63	12.47
<u>FINANCIAL RATIOS:</u>								
14	Operating Revenues to Total Investment	*	*	1.57	2.31	4.80	11.02	12.50
15	Times Interest Earned	*	*	6.32	5.62	2.44	-2.67	-4.03
16	Current Assets to Current Liabilities	*	*	1.21	1.20	1.09	1.29	1.13
17	No. of Days Cash Coverage of Cash Exp.	*	*	121.77	127.84	132.47	95.90	78.32
<u>FINANCIAL PERCENTAGES:</u>								
18	Operating Profit (Loss) to Operating Revenue	3.0	3.7	8.8	9.1	8.5	7.9	6.2
19	Net Income to Stockholders Equity	*	*	115.43	&	&	&	&
20	Corporate Return on Investment	*	*	38.0	51.7	49.9	-129.5	-223.4
21	Debt to Total Investment	*	*	49.6	47.7	85.7	227.0	215.6
<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>								
22	Actual	83.0	82.5	84.7	84.5	84.2	84.5	84.8
23	Breakeven	87.1	81.7	79.5	78.2	77.7	78.5	81.1
<u>Employment &amp; Productivity:</u>								
24	Employment, Total Weighted Avg CY	29,586	29,920	29,265	29,349	29,668	29,969	30,400
25	Overall RTM's per Employee (000)	78.5	78.3	320.2	319.9	318.4	317.8	313.7

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	6.6	1.7	1.4	0.3	-0.1	1.1	1.9
27	Operating Expenses (%)	7.4	-9.7	-1.4	-5.7	-9.4	-11.2	-10.9
28	Operating Profit (Loss) (in Millions \$)	-14.5	361.8	342.0	718.2	1,175.8	1,599.6	1,676.9
29	Net Income (Loss)(in Millions \$)	286.7	867.2	5,389.7	5,970.2	3,704.1	845.0	-488.8
30	RPMs (Sch. Svc.) (%)	-1.9	3.1	0.4	1.6	-0.2	-1.9	-4.2
31	ASMs (Sch. Svc.) (%)	-2.5	2.0	0.6	1.8	-0.2	-3.1	-6.7
32	Operating Revenues per RTM (%)	7.5	1.0	3.3	1.7	1.8	3.1	5.3
33	Operating Expense per RTM (%)	8.2	-10.4	0.4	-4.3	-7.7	-9.5	-8.0
34	Passenger Revenue per RPM (Sch. Svc.)(%)	2.7	4.3	2.2	2.5	4.6	6.9	6.9

## QUARTERLY FINANCIAL & TRAFFIC REVIEW

### SYSTEM OPERATIONS

### Skywest Airlines

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2007/12	2006/12	2007/12	2007/09	2007/06	2007/03	2006/12
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	513.7	469.6	2,049.9	2,005.7	1,957.2	1,896.5	1,848.9
2	Operating Expenses	466.6	435.4	1,867.7	1,836.5	1,792.2	1,732.8	1,681.3
3	Operating Profit (Loss)	47.1	34.2	182.2	169.2	165.0	163.7	167.6
4	Net Income (Loss)	29.0	16.7	101.0	88.7	87.4	86.7	87.5
<u>TRAFFIC: (Billions)</u>								
5	RPMs - Scheduled Svc.	2.8	2.5	11.6	11.2	10.5	9.9	9.5
6	ASMs - Scheduled Svc.	3.8	3.2	14.9	14.3	13.4	12.6	12.0
7	Overall RTMs (All Svc.)	0.3	0.3	1.2	1.1	1.1	1.0	1.0
8	Overall ATMs (All Svc.)	0.5	0.4	2.0	1.9	1.8	1.6	1.5
<u>YIELD &amp; UNIT COST &amp; PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	181.3	191.4	177.2	179.3	185.9	190.8	194.6
10	Operating Expense per RTM	164.7	177.5	161.5	164.2	170.3	174.3	177.0
11	Operating Profit (Loss) per RTM	16.6	13.9	15.7	15.1	15.7	16.5	17.6
12	Operating Expense per ATM	93.2	104.9	95.2	97.8	101.8	105.5	109.9
13	Passenger Revenue per RPM	17.94	18.91	17.50	17.70	18.35	18.83	19.18
<u>FINANCIAL RATIOS:</u>								
14	Operating Revenues to Total Investment	*	*	1.12	1.12	1.12	1.14	1.17
15	Times Interest Earned	*	*	4.18	4.13	4.33	4.70	4.92
16	Current Assets to Current Liabilities	*	*	2.55	2.39	3.54	3.56	3.74
17	No. of Days Cash Coverage of Cash Exp.	*	*	87.92	98.56	94.85	108.45	106.09
<u>FINANCIAL PERCENTAGES:</u>								
18	Operating Profit (Loss) to Operating Revenue	9.2	7.3	8.9	8.4	8.4	8.6	9.1
19	Net Income to Stockholders Equity	*	*	9.13	8.04	7.99	8.20	8.65
20	Corporate Return on Investment	*	*	8.2	7.5	7.5	7.5	7.9
21	Debt to Total Investment	*	*	40.6	41.1	41.0	39.6	35.8
<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>								
22	Actual	74.5	77.6	77.5	78.3	78.7	78.9	79.4
23	Breakeven	67.7	72.3	70.8	72.0	72.4	72.5	72.7
<u>Employment &amp; Productivity:</u>								
24	Employment, Total Weighted Avg CY	10,157	8,741	9,754	9,400	9,018	8,588	8,299
25	Overall RTM's per Employee (000)	27.9	28.1	118.6	119.0	116.7	115.7	114.5

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	9.4	11.2	10.9	11.3	12.9	14.7	18.2
27	Operating Expenses (%)	7.2	15.0	11.1	13.0	15.1	17.2	20.5
28	Operating Profit (Loss) (in Millions \$)	13.0	-9.4	14.5	-7.8	-11.6	-10.9	-1.1
29	Net Income (Loss)(in Millions \$)	12.4	-7.4	13.6	-6.2	-8.0	-8.4	-6.7
30	RPMs (Sch. Svc.) (%)	15.5	22.4	21.8	23.6	22.2	22.6	24.5
31	ASMs (Sch. Svc.) (%)	20.4	19.2	24.8	24.8	21.3	18.6	17.8
32	Operating Revenues per RTM (%)	-5.3	-9.1	-9.0	-9.9	-7.7	-6.4	-5.0
33	Operating Expense per RTM (%)	-7.2	-6.0	-8.8	-8.5	-5.8	-4.4	-3.2
34	Passenger Revenue per RPM (Sch. Svc.)(%)	-5.2	-8.5	-8.7	-9.6	-7.3	-6.0	-4.9

## QUARTERLY FINANCIAL & TRAFFIC REVIEW

### SYSTEM OPERATIONS

#### Southwest Airlines

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2007/12	2006/12	2007/12	2007/09	2007/06	2007/03	2006/12
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	2,492.0	2,275.8	9,860.8	9,644.5	9,398.5	9,264.4	9,086.3
2	Operating Expenses	2,365.6	2,102.2	9,070.6	8,807.2	8,551.6	8,344.5	8,152.0
3	Operating Profit (Loss)	126.4	173.5	790.2	837.3	847.0	919.9	934.3
4	Net Income (Loss)	111.4	56.7	644.7	590.0	475.7	530.4	499.1
<u>TRAFFIC: (Billions)</u>								
5	RPMs - Scheduled Svc.	17.5	16.8	72.3	71.6	69.7	68.5	67.7
6	ASMs - Scheduled Svc.	25.3	23.9	99.6	98.3	96.4	94.3	92.7
7	Overall RTMs (All Svc.)	1.8	1.7	7.4	7.3	7.1	7.0	7.0
8	Overall ATMs (All Svc.)	3.4	3.2	13.5	13.3	13.0	12.8	12.5
<u>YIELD &amp; UNIT COST &amp; PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	139.3	132.5	133.7	132.0	132.1	132.2	130.7
10	Operating Expense per RTM	132.2	122.4	123.0	120.6	120.2	119.0	117.3
11	Operating Profit (Loss) per RTM	7.1	10.1	10.7	11.5	11.9	13.1	13.4
12	Operating Expense per ATM	69.2	65.0	67.3	66.2	65.6	65.4	65.0
13	Passenger Revenue per RPM	13.21	12.72	12.68	12.56	12.61	12.69	12.63
<u>FINANCIAL RATIOS:</u>								
14	Operating Revenues to Total Investment	*	*	1.19	1.18	1.13	1.09	1.06
15	Times Interest Earned	*	*	16.25	16.81	12.67	12.79	11.30
16	Current Assets to Current Liabilities	*	*	0.93	0.76	0.82	0.86	0.91
17	No. of Days Cash Coverage of Cash Exp.	*	*	119.12	68.78	96.31	90.25	84.06
<u>FINANCIAL PERCENTAGES:</u>								
18	Operating Profit (Loss) to Operating Revenue	5.1	7.6	8.0	8.7	9.0	9.9	10.3
19	Net Income to Stockholders Equity	*	*	9.88	9.13	7.21	7.95	7.46
20	Corporate Return on Investment	*	*	8.6	8.0	6.5	7.1	6.7
21	Debt to Total Investment	*	*	23.1	20.1	20.3	20.4	20.8
<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>								
22	Actual	69.3	70.3	72.6	72.9	72.3	72.7	73.1
23	Breakeven	65.1	63.9	65.6	65.3	64.6	64.2	64.2
<u>Employment &amp; Productivity:</u>								
24	Employment, Total Weighted Avg CY	34,119	32,578	33,437	33,052	32,634	32,253	31,920
25	Overall RTM's per Employee (000)	52.4	52.7	220.6	221.0	217.9	217.4	217.7

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	9.5	14.5	8.5	9.6	11.3	16.7	19.8
27	Operating Expenses (%)	12.5	15.3	11.3	11.9	13.9	17.1	20.5
28	Operating Profit (Loss) (in Millions \$)	-47.1	10.1	-144.1	-86.8	-89.1	107.9	114.2
29	Net Income (Loss)(in Millions \$)	54.6	-29.3	145.6	61.6	-232.1	-3.2	-49.3
30	RPMs (Sch. Svc.) (%)	4.2	11.0	6.8	8.5	7.8	10.0	12.4
31	ASMs (Sch. Svc.) (%)	5.6	9.9	7.5	8.6	8.8	8.3	8.8
32	Operating Revenues per RTM (%)	5.1	4.8	2.2	2.1	4.5	7.3	7.6
33	Operating Expense per RTM (%)	8.0	5.5	4.8	4.2	7.0	7.6	8.2
34	Passenger Revenue per RPM (Sch. Svc.)(%)	3.9	3.6	0.4	0.3	2.8	6.3	7.2

## QUARTERLY FINANCIAL & TRAFFIC REVIEW

### SYSTEM OPERATIONS

#### US Airways 1/

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2007/12	2006/12	2007/12	2007/09	2007/06	2007/03	2006/12
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	2,855.0	2,859.3	12,055.0	12,059.2	11,951.4	11,959.7	10,960.7
2	Operating Expenses	2,958.1	2,785.9	11,531.0	11,358.9	11,436.4	11,398.6	10,486.6
3	Operating Profit (Loss)	-103.0	73.4	524.0	700.4	515.0	561.1	474.1
4	Net Income (Loss)	-95.9	45.6	349.8	491.3	294.0	436.3	349.9
<u>TRAFFIC: (Billions)</u>								
5	RPMs - Scheduled Svc.	14.1	14.6	61.2	61.7	61.3	61.2	55.2
6	ASMs - Scheduled Svc.	18.1	19.0	75.8	76.7	77.2	77.3	70.1
7	Overall RTMs (All Svc.)	1.5	1.6	6.5	6.5	6.5	6.5	5.9
8	Overall ATMs (All Svc.)	2.5	2.7	10.6	10.8	10.9	11.0	10.0
<u>YIELD &amp; UNIT COST &amp; PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	190.7	183.5	187.0	185.3	184.4	184.6	187.0
10	Operating Expense per RTM	197.6	178.7	178.9	174.6	176.4	176.0	178.9
11	Operating Profit (Loss) per RTM	-6.9	4.7	8.1	10.8	7.9	8.7	8.1
12	Operating Expense per ATM	117.7	103.6	108.6	105.2	104.8	103.7	104.4
13	Passenger Revenue per RPM	13.08	12.79	12.96	12.89	12.86	12.89	12.98
<u>FINANCIAL RATIOS:</u>								
14	Operating Revenues to Total Investment	*	*	5.40	6.56	8.06	8.81	7.70
15	Times Interest Earned	*	*	3.11	4.72	7.30	7.07	6.57
16	Current Assets to Current Liabilities	*	*	0.92	1.12	0.75	0.61	0.56
17	No. of Days Cash Coverage of Cash Exp.	*	*	69.69	86.94	62.18	45.96	42.84
<u>FINANCIAL PERCENTAGES:</u>								
18	Operating Profit (Loss) to Operating Revenue	-3.6	2.6	4.3	5.8	4.3	4.7	4.3
19	Net Income to Stockholders Equity	*	*	39.16	88.80	128.82	372.75	839.27
20	Corporate Return on Investment	*	*	26.0	37.0	25.8	39.3	30.7
21	Debt to Total Investment	*	*	44.3	44.3	75.7	83.9	85.5
<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>								
22	Actual	78.2	77.2	80.8	80.5	79.4	79.1	78.8
23	Breakeven	87.8	74.5	82.4	76.3	77.4	77.5	81.1
<u>Employment &amp; Productivity:</u>								
24	Employment, Total Weighted Avg CY	32,796	31,950	32,603	32,391	32,025	31,573	28,512
25	Overall RTM's per Employee (000)	45.6	48.8	197.7	200.9	202.4	205.2	205.6

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	-0.1	8.9	10.0	12.4	14.3	19.2	3.3
27	Operating Expenses (%)	6.2	-2.0	10.0	7.7	10.4	11.8	-4.2
28	Operating Profit (Loss) (in Millions \$)	-176.4	289.9	49.9	516.2	424.4	720.7	807.6
29	Net Income (Loss)(in Millions \$)	-141.5	541.1	-0.1	682.5	-37.2	448.5	587.3
30	RPMs (Sch. Svc.) (%)	-3.3	1.4	10.8	12.1	9.3	6.8	-14.2
31	ASMs (Sch. Svc.) (%)	-4.6	-1.7	8.1	8.8	7.3	4.1	-16.5
32	Operating Revenues per RTM (%)	4.0	6.9	0.0	0.8	4.6	11.5	19.6
33	Operating Expense per RTM (%)	10.5	-3.7	0.0	-3.4	1.0	4.6	10.9
34	Passenger Revenue per RPM (Sch. Svc.)(%)	2.3	2.4	-0.1	0.0	1.9	6.1	10.6

1/ Data retroactively adjusted to include America West due to merger.

## QUARTERLY FINANCIAL & TRAFFIC REVIEW

### SYSTEM OPERATIONS

#### United Air Lines

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2007/12	2006/12	2007/12	2007/09	2007/06	2007/03	2006/12
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	4,973.8	4,587.3	20,049.1	19,662.6	19,333.7	19,248.3	19,333.9
2	Operating Expenses	5,093.7	4,572.2	19,096.7	18,575.2	18,541.2	18,719.4	18,883.3
3	Operating Profit (Loss)	-119.9	15.1	952.4	1,087.4	792.5	529.0	450.5
4	Net Income (Loss)	-100.1	-58.8	348.5	389.7	273.0	96.7	22,658.2
<u>TRAFFIC: (Billions)</u>								
5	RPMs - Scheduled Svc.	27.9	28.2	117.4	117.7	117.7	117.6	117.3
6	ASMs - Scheduled Svc.	34.9	35.2	141.8	142.1	142.6	142.9	142.8
7	Overall RTMs (All Svc.)	3.3	3.4	13.8	13.8	13.8	13.8	13.8
8	Overall ATMs (All Svc.)	5.6	5.6	22.7	22.8	22.8	22.8	22.8
<u>YIELD &amp; UNIT COST &amp; PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	149.4	137.1	145.8	142.8	140.5	139.7	140.2
10	Operating Expense per RTM	153.0	136.6	138.9	134.9	134.8	135.8	136.9
11	Operating Profit (Loss) per RTM	-3.6	0.5	6.9	7.9	5.8	3.8	3.3
12	Operating Expense per ATM	90.5	81.0	84.0	81.6	81.4	82.1	83.0
13	Passenger Revenue per RPM	13.22	11.59	12.65	12.26	11.95	11.82	11.85
<u>FINANCIAL RATIOS:</u>								
14	Operating Revenues to Total Investment	*	*	1.66	1.58	1.54	1.50	2.55
15	Times Interest Earned	*	*	1.96	1.97	1.55	1.06	30.91
16	Current Assets to Current Liabilities	*	*	0.77	0.87	0.82	0.72	0.77
17	No. of Days Cash Coverage of Cash Exp.	*	*	76.11	91.31	95.21	74.53	89.07
<u>FINANCIAL PERCENTAGES:</u>								
18	Operating Profit (Loss) to Operating Revenue	-2.4	0.3	4.8	5.5	4.1	2.7	2.3
19	Net Income to Stockholders Equity	*	*	14.66	17.11	12.69	4.66	
20	Corporate Return on Investment	*	*	8.2	8.8	7.8	6.9	308.6
21	Debt to Total Investment	*	*	76.8	78.2	81.3	81.9	83.0
<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>								
22	Actual	79.8	80.0	82.8	82.8	82.5	82.3	82.1
23	Breakeven	85.4	84.1	81.4	80.9	82.4	83.7	83.9
<u>Employment &amp; Productivity:</u>								
24	Employment, Total Weighted Avg CY	52,411	52,379	52,011	52,003	52,280	52,693	53,061
25	Overall RTM's per Employee (000)	63.5	63.9	264.4	264.8	263.1	261.6	260.0

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	8.4	5.1	3.7	2.9	4.0	7.8	11.7
27	Operating Expenses (%)	11.4	0.1	1.1	-1.6	0.1	3.9	7.6
28	Operating Profit (Loss) (in Millions \$)	-135.0	216.8	501.8	853.7	723.9	703.2	691.9
29	Net Income (Loss)(in Millions \$)	-41.2	16,853.7	-22,309.7	-5,414.7	-3,694.5	-2,289.9	43,694.6
30	RPMs (Sch. Svc.) (%)	-1.0	1.3	0.1	0.7	1.2	2.4	2.9
31	ASMs (Sch. Svc.) (%)	-0.8	1.5	-0.7	-0.1	0.9	1.8	2.1
32	Operating Revenues per RTM (%)	9.0	4.6	4.0	3.0	3.6	5.8	9.0
33	Operating Expense per RTM (%)	12.0	-0.3	1.4	-1.5	-0.2	1.9	5.0
34	Passenger Revenue per RPM (Sch. Svc.)(%)	14.0	3.4	6.8	4.3	4.3	5.8	8.3

## QUARTERLY FINANCIAL & TRAFFIC REVIEW

### SYSTEM OPERATIONS

#### System Cargo Majors

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2007/12	2006/12	2007/12	2007/09	2007/06	2007/03	2006/12
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	7,459.1	6,894.2	28,160.4	27,595.5	27,243.5	26,950.2	26,638.8
2	Operating Expenses	6,883.0	6,334.3	25,860.4	25,311.6	25,005.6	24,749.7	24,441.1
3	Operating Profit (Loss)	576.0	559.9	2,300.0	2,283.9	2,237.8	2,200.5	2,197.7
4	Net Income (Loss)	376.7	330.3	1,165.0	1,118.6	1,225.8	1,196.8	1,297.4
<u>TRAFFIC: (Billions)</u>								
5	RTMs - Scheduled Svc.	4.7	4.4	17.6	17.3	17.1	16.9	16.7
6	ATMs - Scheduled Svc.	7.6	7.2	28.7	28.4	27.9	27.5	27.0
7	Overall RTMs (All Svc.)	4.7	4.4	17.8	17.5	17.2	17.0	16.8
8	Overall ATMs (All Svc.)	7.7	7.3	29.0	28.6	28.2	27.7	27.2
<u>YIELD &amp; UNIT COST &amp; PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	158.9	156.5	158.5	157.9	158.0	158.4	158.4
10	Operating Expense per RTM	146.6	143.8	145.6	144.8	145.0	145.4	145.4
11	Operating Profit (Loss) per RTM	12.3	12.7	12.9	13.1	13.0	12.9	13.1
12	Operating Expense per ATM	89.8	87.3	89.1	88.5	88.8	89.3	89.7
13	Passenger Revenue per RPM	*	*	*	*	*	*	*
<u>FINANCIAL RATIOS:</u>								
14	Operating Revenues to Total Investment	*	*	1.68	1.69	1.72	1.77	1.82
15	Times Interest Earned	*	*	999.90	999.90	999.90	999.90	999.90
16	Current Assets to Current Liabilities	*	*	0.83	0.96	0.92	0.90	0.81
17	No. of Days Cash Coverage of Cash Exp.	*	*	5.18	4.66	4.70	4.27	3.81
<u>FINANCIAL PERCENTAGES:</u>								
18	Operating Profit (Loss) to Operating Revenue	7.7	8.1	8.2	8.3	8.2	8.2	8.3
19	Net Income to Stockholders Equity	*	*	8.80	8.66	9.75	9.77	10.89
20	Corporate Return on Investment	*	*	6.6	6.5	7.4	7.6	8.8
21	Debt to Total Investment	*	*	21.1	21.1	21.5	21.1	21.3
<u>TON LOAD FACTOR: (%)</u>								
22	Scheduled Svc.	61.3	60.7	61.3	61.1	61.2	61.4	61.8
23	All Services	61.3	60.7	61.2	61.1	61.2	61.4	61.7
<u>Employment &amp; Productivity:</u>								
24	Employment, Total Weighted Avg CY	122,789	116,594	120,985	119,436	117,874	116,679	117,036
25	Overall RTM's per Employee (000)	38.2	37.8	146.8	146.3	146.3	145.9	143.7

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	8.2	3.5	5.7	4.5	5.3	6.6	8.1
27	Operating Expenses (%)	8.7	5.9	5.8	5.1	5.4	6.4	7.4
28	Operating Profit (Loss) (in Millions \$)	16.1	-119.2	102.3	-33.0	77.5	193.5	307.4
29	Net Income (Loss)(in Millions \$)	46.5	-70.5	-132.4	-249.3	-35.3	34.8	224.6
30	RTMs (All Svc.) (%)	6.3	2.7	5.5	4.6	5.1	5.6	6.3
31	ATMs (All Svc.) (%)	5.2	6.2	6.3	6.6	7.7	8.5	8.3
32	Operating Revenues per RTM (%)	1.6	0.4	0.0	-0.3	-0.2	0.5	1.7
33	Operating Expense per RTM (%)	2.0	2.7	0.1	0.3	0.0	0.2	1.1
34	Passenger Revenue per RPM (Sch. Svc.)(%)	*	*	**	**	**	**	**

## QUARTERLY FINANCIAL & TRAFFIC REVIEW

### SYSTEM OPERATIONS

#### Domestic Cargo Majors

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2007/12	2006/12	2007/12	2007/09	2007/06	2007/03	2006/12
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	4,908.4	4,722.4	18,434.7	18,248.7	18,273.3	18,287.8	18,303.4
2	Operating Expenses	4,680.7	4,451.4	17,401.8	17,172.4	17,238.3	17,239.5	17,186.2
3	Operating Profit (Loss)	227.6	271.0	1,032.9	1,076.3	1,035.0	1,048.3	1,117.2
4	Net Income (Loss)	181.3	158.9	465.7	443.3	549.4	556.4	660.1
<u>TRAFFIC: (Billions)</u>								
5	RTMs - Scheduled Svc.	2.7	2.6	10.2	10.1	10.0	9.9	9.8
6	ATMs - Scheduled Svc.	4.5	4.4	16.9	16.8	16.5	16.3	16.1
7	Overall RTMs (All Svc.)	2.7	2.6	10.2	10.2	10.1	10.0	9.9
8	Overall ATMs (All Svc.)	4.5	4.4	17.0	16.8	16.6	16.4	16.1
<u>YIELD &amp; UNIT COST &amp; PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	183.2	182.2	180.1	179.8	181.5	183.3	185.4
10	Operating Expense per RTM	174.7	171.8	170.0	169.2	171.2	172.8	174.1
11	Operating Profit (Loss) per RTM	8.5	10.5	10.1	10.6	10.3	10.5	11.3
12	Operating Expense per ATM	103.8	102.0	102.5	102.1	103.8	105.1	106.6
13	Passenger Revenue per RPM	*	*	*	*	*	*	*
<u>FINANCIAL RATIOS:</u>								
14	Operating Revenues to Total Investment	*	*	**	**	**	**	**
15	Times Interest Earned	*	*	**	**	**	**	**
16	Current Assets to Current Liabilities	*	*	**	**	**	**	**
17	No. of Days Cash Coverage of Cash Exp.	*	*	**	**	**	**	**
<u>FINANCIAL PERCENTAGES:</u>								
18	Operating Profit (Loss) to Operating Revenue	4.6	5.7	5.6	5.9	5.7	5.7	6.1
19	Net Income to Stockholders Equity	*	*	13.86	14.30	15.07	15.20	15.37
20	Corporate Return on Investment	*	*	3.8	3.6	4.7	5.0	6.4
21	Debt to Total Investment	*	*	**	**	**	**	**
<u>TON LOAD FACTOR: (%)</u>								
22	Scheduled Svc.	59.5	59.3	60.4	60.4	60.6	60.8	61.2
23	All Services	59.4	59.4	60.3	60.3	60.6	60.8	61.2
<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 (%)	3.9	2.5	0.7	0.3	2.0	4.4	7.0
27	Operating Expenses (%)	5.2	4.5	1.3	1.0	2.7	4.1	5.6
28	Operating Profit (Loss) (in Millions \$)	-43.4	-74.9	-84.4	-115.9	-95.5	83.9	296.5
29	Net Income (Loss)(in Millions \$)	22.4	-45.6	-194.4	-262.4	-163.9	-48.5	156.9
30	RTMs (All Svc.) (%)	3.4	1.7	3.7	3.3	3.9	4.4	4.4
31	ATMs (All Svc.) (%)	3.3	4.7	5.2	5.6	6.3	6.5	5.2
32	Operating Revenues per RTM (%)	0.6	0.6	-2.9	-2.9	-2.0	-0.3	2.6
33	Operating Expense per RTM (%)	1.7	2.5	-2.4	-2.2	-1.3	-0.5	1.2
34	Passenger Revenue per RPM (Sch. Svc.)(%)	*	*	**	**	**	**	**

## QUARTERLY FINANCIAL & TRAFFIC REVIEW

### SYSTEM OPERATIONS

#### Int'l Cargo Majors

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2007/12	2006/12	2007/12	2007/09	2007/06	2007/03	2006/12
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	2,550.7	2,171.8	9,725.7	9,346.8	8,970.1	8,662.4	8,335.4
2	Operating Expenses	2,202.3	1,882.9	8,458.6	8,139.2	7,767.3	7,510.2	7,254.9
3	Operating Profit (Loss)	348.4	288.9	1,267.2	1,207.6	1,202.8	1,152.2	1,080.5
4	Net Income (Loss)	195.4	171.3	699.3	675.3	676.4	640.4	637.4
<u>TRAFFIC: (Billions)</u>								
5	RTMs - Scheduled Svc.	2.0	1.8	7.4	7.2	7.1	6.9	6.9
6	ATMs - Scheduled Svc.	3.1	2.9	11.8	11.6	11.4	11.2	11.0
7	Overall RTMs (All Svc.)	2.0	1.8	7.5	7.3	7.2	7.0	6.9
8	Overall ATMs (All Svc.)	3.2	2.9	12.1	11.8	11.6	11.3	11.1
<u>YIELD &amp; UNIT COST &amp; PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	126.6	119.7	129.2	127.6	125.1	123.0	120.1
10	Operating Expense per RTM	109.3	103.7	112.4	111.1	108.3	106.7	104.5
11	Operating Profit (Loss) per RTM	17.3	15.9	16.8	16.5	16.8	16.4	15.6
12	Operating Expense per ATM	69.9	65.1	70.2	69.0	67.3	66.3	65.3
13	Passenger Revenue per RPM	*	*	*	*	*	*	*
<u>FINANCIAL RATIOS:</u>								
14	Operating Revenues to Total Investment	*	*	**	**	**	**	**
15	Times Interest Earned	*	*	**	**	**	**	**
16	Current Assets to Current Liabilities	*	*	**	**	**	**	**
17	No. of Days Cash Coverage of Cash Exp.	*	*	**	**	**	**	**
<u>FINANCIAL PERCENTAGES:</u>								
18	Operating Profit (Loss) to Operating Revenue	13.7	13.3	13.0	12.9	13.4	13.3	13.0
19	Net Income to Stockholders Equity	*	*	**	**	**	**	**
20	Corporate Return on Investment	*	*	12.1	12.2	13.0	13.1	14.0
21	Debt to Total Investment	*	*	**	**	**	**	**
<u>TON LOAD FACTOR: (%)</u>								
22	Scheduled Svc.	64.1	62.8	62.6	62.2	62.2	62.2	62.6
23	All Services	63.9	62.7	62.5	62.2	62.1	62.2	62.5
<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 (%)	17.4	5.8	16.7	13.8	12.6	11.8	10.6
27	Operating Expenses (%)	17.0	9.6	16.6	14.8	12.0	12.0	12.2
28	Operating Profit (Loss) (in Millions \$)	59.5	-44.3	186.7	82.9	173.0	109.6	10.8
29	Net Income (Loss)(in Millions \$)	24.1	-24.8	62.0	13.1	128.6	83.3	67.6
30	RTMs (All Svc.) (%)	10.6	4.2	8.0	6.4	6.8	7.5	9.1
31	ATMs (All Svc.) (%)	8.2	8.4	8.0	8.1	9.9	11.6	13.2
32	Operating Revenues per RTM (%)	5.8	0.8	7.6	6.4	4.8	3.2	1.3
33	Operating Expense per RTM (%)	5.4	4.4	7.5	7.4	4.2	3.4	2.8
34	Passenger Revenue per RPM (Sch. Svc.)(%)	*	*	**	**	**	**	**

## QUARTERLY FINANCIAL & TRAFFIC REVIEW

### SYSTEM OPERATIONS

#### Federal Express

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2007/12	2006/12	2007/12	2007/09	2007/06	2007/03	2006/12
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	6,143.4	5,678.2	23,250.3	22,785.1	22,548.8	22,316.1	22,068.3
2	Operating Expenses	5,617.2	5,231.2	21,250.0	20,864.0	20,630.5	20,464.3	20,243.9
3	Operating Profit (Loss)	526.2	446.9	2,000.3	1,921.0	1,918.3	1,851.8	1,824.4
4	Net Income (Loss)	302.5	289.9	1,248.7	1,236.1	1,249.2	1,204.8	1,164.4
<u>TRAFFIC: (Billions)</u>								
5	RTMs - Scheduled Svc.	2.8	2.7	10.8	10.7	10.6	10.5	10.4
6	ATMs - Scheduled Svc.	4.4	4.3	17.2	17.1	16.8	16.7	16.5
7	Overall RTMs (All Svc.)	2.9	2.7	11.0	10.8	10.7	10.6	10.5
8	Overall ATMs (All Svc.)	4.5	4.4	17.5	17.3	17.1	16.9	16.7
<u>YIELD &amp; UNIT COST &amp; PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	215.7	208.2	212.0	210.1	209.9	209.7	209.3
10	Operating Expense per RTM	197.2	191.8	193.8	192.4	192.0	192.3	192.0
11	Operating Profit (Loss) per RTM	18.5	16.4	18.2	17.7	17.9	17.4	17.3
12	Operating Expense per ATM	124.7	120.1	121.7	120.6	120.9	121.2	121.5
13	Passenger Revenue per RPM	*	*	*	*	*	*	*
<u>FINANCIAL RATIOS:</u>								
14	Operating Revenues to Total Investment	*	*	2.36	2.39	2.45	2.52	2.58
15	Times Interest Earned	*	*	999.90	999.90	999.90	999.90	999.90
16	Current Assets to Current Liabilities	*	*	0.80	0.95	0.91	0.89	0.79
17	No. of Days Cash Coverage of Cash Exp.	*	*	5.22	4.68	5.06	4.33	3.15
<u>FINANCIAL PERCENTAGES:</u>								
18	Operating Profit (Loss) to Operating Revenue	8.6	7.9	8.6	8.4	8.5	8.3	8.3
19	Net Income to Stockholders Equity	*	*	13.86	14.30	15.07	15.20	15.37
20	Corporate Return on Investment	*	*	11.0	11.2	11.7	11.9	12.2
21	Debt to Total Investment	*	*	7.2	8.2	8.4	8.7	10.2
<u>TON LOAD FACTOR: (%)</u>								
22	Scheduled Svc.	63.2	62.6	62.9	62.7	62.9	63.0	63.3
23	All Services	63.2	62.6	62.8	62.7	63.0	63.0	63.3
<u>Employment &amp; Productivity:</u>								
24	Employment, Total Weighted Avg CY	116,591	110,534	114,786	113,272	111,763	110,636	111,045
25	Overall RTM's per Employee (000)	24.4	24.7	95.5	95.7	96.1	96.2	94.9

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	8.2	3.0	5.4	4.0	5.0	6.2	7.5
27	Operating Expenses (%)	7.4	6.2	5.0	4.6	4.9	6.1	6.9
28	Operating Profit (Loss) (in Millions \$)	79.3	-142.8	176.0	-46.1	110.8	123.4	227.9
29	Net Income (Loss)(in Millions \$)	12.6	-71.5	84.3	0.2	128.0	140.6	200.5
30	RTMs (All Svc.) (%)	4.1	0.9	3.7	2.9	3.4	4.1	5.0
31	ATMs (All Svc.) (%)	2.8	2.3	4.3	4.2	4.1	4.8	5.4
32	Operating Revenues per RTM (%)	3.6	1.4	1.3	0.7	0.9	1.1	2.2
33	Operating Expense per RTM (%)	2.8	4.6	0.9	1.3	0.8	1.0	1.7
34	Passenger Revenue per RPM (Sch. Svc.)(%)	*	*	**	**	**	**	**

## QUARTERLY FINANCIAL & TRAFFIC REVIEW

### SYSTEM OPERATIONS

#### United Parcel Service

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2007/12	2006/12	2007/12	2007/09	2007/06	2007/03	2006/12
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	1,315.7	1,216.0	4,910.1	4,810.5	4,694.6	4,634.1	4,570.6
2	Operating Expenses	1,265.9	1,103.0	4,610.4	4,447.6	4,375.1	4,285.4	4,197.2
3	Operating Profit (Loss)	49.8	113.0	299.7	362.9	319.5	348.7	373.4
4	Net Income (Loss)	74.3	40.4	-83.6	-117.5	-23.4	-8.0	133.1
<u>TRAFFIC: (Billions)</u>								
5	RTMs - Scheduled Svc.	1.8	1.7	6.8	6.6	6.5	6.4	6.3
6	ATMs - Scheduled Svc.	3.2	2.9	11.5	11.3	11.1	10.8	10.5
7	Overall RTMs (All Svc.)	1.8	1.7	6.8	6.6	6.5	6.4	6.3
8	Overall ATMs (All Svc.)	3.2	2.9	11.6	11.3	11.1	10.8	10.6
<u>YIELD &amp; UNIT COST &amp; PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	71.3	72.4	72.2	72.5	72.3	72.7	72.9
10	Operating Expense per RTM	68.6	65.7	67.8	67.0	67.3	67.2	66.9
11	Operating Profit (Loss) per RTM	2.7	6.7	4.4	5.5	4.9	5.5	6.0
12	Operating Expense per ATM	40.1	38.0	39.9	39.3	39.4	39.5	39.7
13	Passenger Revenue per RPM	*	*	*	*	*	*	*
<u>FINANCIAL RATIOS:</u>								
14	Operating Revenues to Total Investment	*	*	0.71	0.71	0.71	0.73	0.75
15	Times Interest Earned	*	*	-0.21	0.41	0.03	0.36	2.64
16	Current Assets to Current Liabilities	*	*	1.10	1.09	1.03	1.10	1.07
17	No. of Days Cash Coverage of Cash Exp.	*	*	4.99	4.56	2.90	3.93	7.27
<u>FINANCIAL PERCENTAGES:</u>								
18	Operating Profit (Loss) to Operating Revenue	3.8	9.3	6.1	7.5	6.8	7.5	8.2
19	Net Income to Stockholders Equity	*	*	-1.98	-2.75	-0.55	-0.19	3.07
20	Corporate Return on Investment	*	*	0.4	-0.1	1.3	1.6	4.0
21	Debt to Total Investment	*	*	41.3	39.7	40.0	38.4	36.6
<u>TON LOAD FACTOR: (%)</u>								
22	Scheduled Svc.	58.2	57.9	58.8	58.8	58.6	58.9	59.4
23	All Services	58.4	57.9	58.8	58.7	58.6	58.8	59.3
<u>Employment &amp; Productivity:</u>								
24	Employment, Total Weighted Avg CY	6,198	6,060	6,199	6,164	6,111	6,043	5,991
25	Overall RTM's per Employee (000)	297.7	277.0	1,097.2	1,076.4	1,063.2	1,055.3	1,046.6

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	8.2	6.3	7.4	6.9	6.6	9.1	11.3
27	Operating Expenses (%)	14.8	4.6	9.8	7.2	7.9	8.0	10.1
28	Operating Profit (Loss) (in Millions \$)	-63.2	23.6	-73.7	13.1	-33.3	70.2	79.5
29	Net Income (Loss)(in Millions \$)	33.9	1.1	-216.7	-249.5	-163.3	-105.7	24.1
30	RTMs (All Svc.) (%)	9.9	5.9	8.5	7.4	7.9	8.2	8.4
31	ATMs (All Svc.) (%)	8.8	12.5	9.4	10.4	13.7	14.8	13.3
32	Operating Revenues per RTM (%)	-1.6	0.4	-1.0	-0.5	-1.2	0.9	2.9
33	Operating Expense per RTM (%)	4.4	-1.2	1.3	-0.2	0.0	-0.1	1.8
34	Passenger Revenue per RPM (Sch. Svc.)(%)	*	*	**	**	**	**	**

**Comparison of Operating Profit (Loss)  
 For Individual Passenger and All-Cargo System Majors  
 Quarterly and 12-Month Ended Periods  
 December 2006 and 2007**

Operating Profit (Loss) (\$Millions)						
Group/Carrier	Quarterly Data			12 Month Ended Data		
	12/2006	12/2007	\$Chg	12/2006	12/2007	\$Chg
System Passenger Majors	723.4	(26.1)	(749.5)	4,708.6	6,627.1	1,918.5
AirTran Airways	2.5	14.9	12.4	41.9	136.8	94.8
Alaska Airlines	(4.3)	(40.6)	(36.3)	(103.6)	129.7	233.4
American Airlines	124.5	(139.6)	(264.1)	815.6	702.1	(113.5)
American Eagle Airlines	47.7	46.2	(1.5)	185.9	185.7	(0.2)
Atlantic Southeast Airlines	42.0	37.0	(5.0)	164.6	160.1	(4.5)
Comair	13.0	25.5	12.4	46.2	68.5	22.3
Continental Air Lines	5.7	68.6	62.9	410.4	620.9	210.5
Delta Air Lines	(2.9)	(34.8)	(31.9)	30.8	1,004.8	974.0
Expressjet Airlines	35.1	(40.6)	(75.7)	144.5	(100.8)	(245.2)
Frontier Airlines	(18.5)	(28.3)	(9.8)	(12.5)	(9.8)	2.6
JetBlue Airways	60.8	28.0	(32.8)	117.0	166.2	49.1
Mesa Airlines	12.1	(8.3)	(20.3)	59.5	(9.6)	(69.1)
Northwest Airlines	109.6	95.2	(14.5)	781.7	1,123.7	342.0
Skywest Airlines	34.2	47.1	13.0	167.6	182.2	14.5
Southwest Airlines	173.5	126.4	(47.1)	934.3	790.2	(144.1)
United Air Lines	15.1	(119.9)	(135.0)	450.5	952.4	501.8
US Airways 1/	73.4	(103.0)	(176.4)	474.1	524.0	49.9
System Cargo Majors	559.9	576.0	16.1	2,197.7	2,300.0	102.3
Federal Express	446.9	526.2	79.3	1,824.4	2,000.3	176.0
United Parcel Service	113.0	49.8	(63.2)	373.4	299.7	(73.7)
System All Majors	1,283.3	550.0	(733.4)	6,906.3	8,927.1	2,020.8

1/ Data prior to the fourth quarter 2007 has been retroactively adjusted to include America West.

**Comparison of Net Income (Loss)  
 For Individual Passenger and All-Cargo System Majors  
 Quarterly and 12-Month Ended Periods  
 December 2006 and 2007**

Net Income (Loss) (\$Millions)						
Group/Carrier	Quarterly Data			12 Month Ended Data		
	12/2006	12/2007	\$Chg	12/2006	12/2007	\$Chg
System Passenger Majors	(2,273.9)	(334.5)	1,939.4	15,141.4	6,595.9	(8,545.6)
AirTran Airways	(3.3)	(2.2)	1.2	15.4	51.5	36.1
Alaska Airlines	(8.7)	11.4	20.1	(56.1)	139.4	195.5
American Airlines	(10.5)	(112.5)	(102.1)	163.9	355.8	191.9
American Eagle Airlines	4.9	13.4	8.4	5.5	35.3	29.7
Atlantic Southeast Airlines	14.6	14.4	(0.2)	58.3	63.1	4.7
Comair	(230.1)	10.7	240.9	(292.1)	(237.9)	54.2
Continental Air Lines	(26.4)	(31.9)	(5.5)	343.3	459.5	116.2
Delta Air Lines	(1,814.2)	(108.3)	1,705.9	(5,995.9)	1,794.3	7,790.2
Expressjet Airlines	23.2	(27.5)	(50.7)	89.4	(67.0)	(156.4)
Frontier Airlines	(14.4)	(29.4)	(15.0)	(17.8)	(26.0)	(8.2)
JetBlue Airways	17.6	(3.4)	(20.9)	(0.8)	18.4	19.1
Mesa Airlines	4.4	(9.3)	(13.7)	32.1	(25.7)	(57.9)
Northwest Airlines	(291.1)	(4.4)	286.7	(2,798.5)	2,591.2	5,389.7
Skywest Airlines	16.7	29.0	12.4	87.5	101.0	13.6
Southwest Airlines	56.7	111.4	54.6	499.1	644.7	145.6
United Air Lines	(58.8)	(100.1)	(41.2)	22,658.2	348.5	(22,309.7)
US Airways 1/	45.6	(95.9)	(141.5)	349.9	349.8	(0.1)
System Cargo Majors	330.3	376.7	46.5	1,297.4	1,165.0	(132.4)
Federal Express	289.9	302.5	12.6	1,164.4	1,248.7	84.3
United Parcel Service	40.4	74.3	33.9	133.1	(83.6)	(216.7)
System All Majors	(1,943.6)	42.3	1,985.9	16,438.8	7,760.9	(8,678.0)

1/ Data prior to the fourth quarter 2007 has been retroactively adjusted to include America West.

**Comparison of Passenger Load Factors  
 For Individual Passenger and All-Cargo System Majors  
 Quarterly and 12-Month Ended Periods  
 December 2006 and 2007**

<b>Passenger Load Factor (Percent)</b>						
<b>Group/Carrier</b>	<b>Quarterly Data</b>			<b>12 Month Ended Data</b>		
	<b>12/2006</b>	<b>12/2007</b>	<b>Pt.Chg.</b>	<b>12/2006</b>	<b>12/2007</b>	<b>Pt.Chg.</b>
System Passenger Majors	0.1	0.1	0.0	0.1	0.1	0.0
AirTran Airways	0.1	0.1	0.0	0.1	0.1	0.0
Alaska Airlines	73.8	74.7	1.0	76.6	76.2	(0.3)
American Airlines	78.8	80.2	1.4	80.1	81.5	1.4
American Eagle Airlines	73.4	72.8	(0.6)	74.5	74.4	(0.1)
Atlantic Southeast Airlines	74.1	75.7	1.6	77.0	76.6	(0.4)
Comair	74.4	74.3	(0.1)	74.3	75.2	0.9
Continental Air Lines	80.6	80.0	(0.6)	81.5	82.2	0.6
Delta Air Lines	78.0	78.7	0.8	79.0	81.1	2.2
Expressjet Airlines	77.3	72.2	(5.1)	78.0	75.2	(2.8)
Frontier Airlines	73.8	76.8	3.0	79.7	78.6	(1.1)
JetBlue Airways	79.7	76.6	(3.1)	81.6	80.0	(1.5)
Mesa Airlines	76.0	73.8	(2.2)	76.8	77.5	0.7
Northwest Airlines	82.5	83.0	0.6	84.8	84.7	(0.2)
Skywest Airlines	77.6	74.5	(3.1)	79.4	77.5	(2.0)
Southwest Airlines	70.3	69.3	(1.0)	73.1	72.6	(0.5)
United Air Lines	80.0	79.8	(0.2)	82.1	82.8	0.6
US Airways 1/	77.2	78.2	1.1	78.8	80.8	2.0
System Cargo Majors	-	-	-	-	-	-
Federal Express	-	-	-	-	-	-
United Parcel Service	-	-	-	-	-	-
System All Majors	77.8	78.0	0.2	79.6	80.3	0.7

1/ Data prior to the fourth quarter 2007 has been retroactively adjusted to include America West.

**Comparison of Scheduled Passenger Yields (Cents)  
 For Individual Passenger and All-Cargo System Majors  
 Quarterly and 12-Month Ended Periods  
 December 2006 and 2007**

Group/Carrier	Quarterly Data			12 Month Ended Data		
	12/2006	12/2007	Pct.Chg.	12/2006	12/2007	Pct.Chg.
<b>System Passenger Majors</b>	12.66	13.27	4.86	12.74	13.10	2.81
AirTran Airways	12.79	12.84	0.40	13.12	12.72	(2.99)
Alaska Airlines	12.99	13.22	1.76	13.33	13.45	0.86
American Airlines	12.76	12.82	0.46	12.80	13.07	2.09
American Eagle Airlines	22.46	25.69	14.39	22.67	24.10	6.32
Atlantic Southeast Airlines	21.58	22.88	6.02	20.17	22.28	10.47
Comair	22.67	27.09	19.50	22.72	25.29	11.30
Continental Air Lines	12.03	12.97	7.86	12.20	12.73	4.32
Delta Air Lines	11.75	12.41	5.63	11.81	12.36	4.72
Expressjet Airlines	16.69	15.54	(6.86)	16.22	16.74	3.19
Frontier Airlines	11.56	11.46	(0.89)	11.45	11.30	(1.30)
JetBlue Airways	10.21	10.90	6.71	9.54	10.23	7.33
Mesa Airlines	18.50	19.62	6.02	18.59	18.30	(1.59)
Northwest Airlines	12.13	12.46	2.68	12.47	12.75	2.22
Skywest Airlines	18.91	17.94	(5.16)	19.18	17.50	(8.75)
Southwest Airlines	12.72	13.21	3.87	12.63	12.68	0.40
United Air Lines	11.59	13.22	14.02	11.85	12.65	6.76
US Airways 1/	12.79	13.08	2.25	12.98	12.96	(0.12)
<b>System Cargo Majors</b>	-	-	-	-	-	-
Federal Express	-	-	-	-	-	-
United Parcel Service	-	-	-	-	-	-
<b>System All Majors</b>	12.66	13.27	4.86	12.74	13.10	2.81

1/ Data prior to the fourth quarter 2007 has been retroactively adjusted to include America West.

**Comparison of Operating Profit Margin (Percent)  
 For Individual Passenger and All-Cargo System Majors  
 Quarterly and 12-Month Ended Periods  
 December 2006 and 2007**

Group/Carrier	Operating Profit Margin (Percent)					
	Quarterly Data			12 Month Ended Data		
	12/2006	12/2007	Pt. Chg	12/2006	12/2007	Pt. Chg.
System Passenger Majors	2.4	(0.1)	(2.5)	3.9	5.1	1.2
AirTran Airways	0.5	2.6	2.0	2.2	5.9	3.7
Alaska Airlines	(0.7)	(5.4)	(4.7)	(3.8)	4.2	8.1
American Airlines	2.3	(2.5)	(4.8)	3.6	3.1	(0.6)
American Eagle Airlines	10.1	8.9	(1.2)	9.7	9.2	(0.5)
Atlantic Southeast Airlines	13.1	10.5	(2.6)	13.0	11.6	(1.4)
Comair	4.6	8.2	3.6	3.8	5.9	2.0
Continental Air Lines	0.2	2.0	1.8	3.2	4.4	1.2
Delta Air Lines	(0.1)	(0.7)	(0.7)	0.2	5.2	5.0
Expressjet Airlines	8.3	(9.4)	(17.7)	8.6	(6.0)	(14.6)
Frontier Airlines	(6.9)	(8.5)	(1.5)	(1.1)	(0.7)	0.4
JetBlue Airways	9.6	3.8	(5.8)	5.0	5.8	0.9
Mesa Airlines	4.3	(3.2)	(7.5)	5.2	(0.9)	(6.1)
Northwest Airlines	3.7	3.0	(0.7)	6.2	8.8	2.6
Skywest Airlines	7.3	9.2	1.9	9.1	8.9	(0.2)
Southwest Airlines	7.6	5.1	(2.6)	10.3	8.0	(2.3)
United Air Lines	0.3	(2.4)	(2.7)	2.3	4.8	2.4
US Airways 1/	2.6	(3.6)	(6.2)	4.3	4.3	0.0
System Cargo Majors	8.1	7.7	(0.4)	8.3	8.2	(0.1)
Federal Express	7.9	8.6	0.7	8.3	8.6	0.3
United Parcel Service	9.3	3.8	(5.5)	8.2	6.1	(2.1)
System All Majors	3.5	1.4	(2.1)	4.6	5.7	1.0

1/ Data prior to the fourth quarter 2007 has been retroactively adjusted to include America West.

**Comparison of Debt-to-Investment and Total Debt  
 For Individual Passenger and All-Cargo System Majors  
 Quarterly and 12-Month Ended Periods  
 December 2006 and 2007**

Group/Carrier	Debt To Investment (Percent)			Total Debt (\$Billions)		
	Quarterly Data			Quarterly Data		
	12/2006	12/2007	Pt.Chg.	12/2006	12/2007	\$ Chg.
<b>System Passenger Majors</b>	105.1	59.4	(45.7)	53.6	54.2	0.6
AirTran Airways	67.9	70.3	2.4	0.8	1.1	0.2
Alaska Airlines	61.6	58.5	(3.1)	1.1	1.2	0.2
American Airlines	112.3	84.4	(27.9)	9.7	7.8	(1.9)
American Eagle Airlines	93.9	92.1	(1.8)	3.8	3.5	(0.3)
Atlantic Southeast Airlines	69.8	66.3	(3.5)	1.2	1.1	(0.0)
Comair	45.0	55.0	10.0	0.3	0.6	0.3
Continental Air Lines	93.0	75.0	(18.0)	5.2	4.8	(0.4)
Delta Air Lines	(166.8)	47.3	214.0	8.4	9.0	0.6
Expressjet Airlines	86.0	103.0	17.0	0.3	0.3	(0.0)
Frontier Airlines	67.6	71.7	4.1	0.5	0.5	0.1
JetBlue Airways	74.6	74.4	(0.3)	2.8	3.0	0.2
Mesa Airlines	79.6	79.8	0.2	0.9	1.0	0.1
Northwest Airlines	215.6	49.6	(166.0)	4.1	7.1	3.0
Skywest Airlines	35.8	40.6	4.7	0.6	0.8	0.1
Southwest Airlines	20.8	23.1	2.4	1.7	2.1	0.4
United Air Lines	83.0	76.8	(6.3)	11.0	8.8	(2.1)
US Airways 1/	85.5	44.3	(41.2)	1.2	1.5	0.2
<b>System Cargo Majors</b>	21.3	21.1	(0.2)	3.4	3.7	0.3
Federal Express	10.2	7.2	(3.0)	1.0	0.7	(0.2)
United Parcel Service	36.6	41.3	4.7	2.5	3.0	0.5
<b>System All Majors</b>	85.0	53.2	(31.8)	57.0	57.9	0.9

1/ Data prior to the fourth quarter 2007 has been retroactively adjusted to include America West.

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