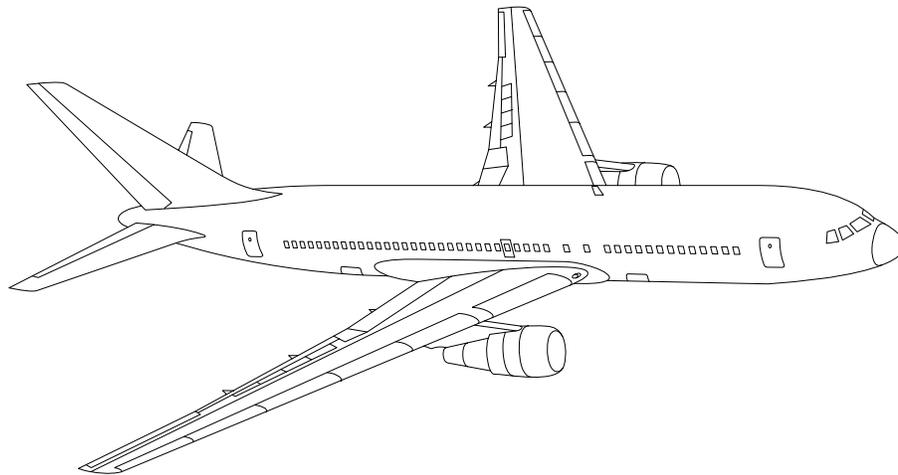


AIRLINE QUARTERLY FINANCIAL REVIEW

FOURTH QUARTER 2014



MAJORS



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

TABLE OF CONTENTS

	<u>DESCRIPTION</u>	<u>PAGE</u>
Introduction		3
Total System Passenger & All-Cargo Majors		4
Chart 1	Operating and Net Profit (Loss)Fourth Quarter 2014	7
Chart 2	Operating and Net Profit (Loss) 12 Months Ended Fourth Quarter 2014	7
Chart 3	Operating Profit (Loss) By Quarter	8
Chart 4	Net Income (Loss) By Quarter	8
Chart 5	Operating Profit (Loss) By 12-Month Ending Periods	9
Chart 6	Net Income (Loss) By 12-Month Ending Periods	9
Chart 7	Operating Revenue Per Revenue Ton-Mile Percent Change From Same Period A Year Earlier	10
Chart 8	Ton Load Factor Percentage Point Change From Year Earlier...	10
Chart 9	Operating Expense Per Revenue Ton-Mile, Percent Change From Same Period A Year Earlier	11
Chart 10	Operating Expense Per Available Ton-Mile, Percent Change From Same Period A Year Earlier	11
Total Passenger Majors		12
Chart 11	Passenger Revenues Per Revenue Passenger-Mile, Percent Change From Same Period A Year Earlier	15
Chart 12	Revenue Passenger-Miles, Percent Change From Same Period A Year Earlier	15
Chart 13	Available Seat-Miles, Percent Change From Same Period A Year Earlier	16
Chart 14	Passenger Load Factor, Percentage Point Change From Same Period A Year Earlier	16
Chart 15	Passenger (RPM) Yield	17
Chart 16	Passenger Load Factor	17
Alaska Airlines, Inc.		18
American Airlines, Inc.		19
American Eagle, Inc.		20
Delta Air Lines, Inc		21
Frontier Airlines		22
Hawaiian Airlines		23
JetBlue Airways		24
Skywest Airlines Co.		25
Southwest Airlines Co.		26
US Airways, Inc.		27
United Air Lines, Inc.		28
Total All-Cargo Majors		29
Atlas Air		32
Federal Express Corp.		33
United Parcel Service		34
Comparison of Individual Major Operating Profit (Loss)		35
Comparison of Individual Major Net Income (Loss)		36
Comparison of Individual Major Scheduled Passenger Load Factor		37
Comparison of Individual Major Scheduled Passenger Yield		38
Comparison of Individual Major Operating Profit Margin		39
Comparison of Individual Major Debt To Investment Ratio and Total Debt ..		40
Footnotes		41
Explanation of Line Items		42

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				
		2014/12	2013/12	2014/12	2014/09	2014/06	2014/03	2013/12
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	47,032.1	45,778.9	192,788.8	191,535.6	189,316.8	186,102.0	185,022.5
2	Operating Expenses	44,568.5	43,148.1	176,896.9	175,476.5	174,191.3	173,088.1	173,175.5
3	Operating Profit (Loss)	2,463.6	2,630.7	15,891.9	16,059.1	15,125.5	13,013.8	11,847.0
4	Net Income (Loss)	423.9	7,389.4	8,043.7	15,009.1	14,768.7	13,171.1	12,338.5
<u>TRAFFIC: (Billions)</u>								
5	RPMs - Scheduled Rev. Svc.	186.5	182.1	775.9	771.4	766.2	760.6	758.4
6	ASMs - Scheduled Rev. Svc.	227.4	221.2	927.8	921.6	915.8	910.7	908.6
7	Overall RTMs (All Svc.)	26.7	26.0	107.8	107.1	106.3	105.7	105.5
8	Overall ATMs (All Svc.)	42.8	41.8	172.1	171.0	169.5	168.8	168.7
<u>YIELD & UNIT COST & PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	176.4	175.8	178.9	178.8	178.1	176.1	175.4
10	Operating Expense per RTM	167.2	165.7	164.2	163.8	163.9	163.8	164.2
11	Operating Profit (Loss) per RTM	9.2	10.1	14.7	15.0	14.2	12.3	11.2
12	Operating Expense per ATM	104.0	103.4	102.8	102.6	102.8	102.6	102.7
13	Passenger Revenue per RPM	15.06	14.89	15.16	15.12	15.01	14.81	14.74
<u>FINANCIAL RATIOS:</u>								
14	Operating Revenues to Total Investment	*	*	2.01	2.07	2.18	2.32	2.46
15	Times Interest Earned	*	*	5.30	4.60	4.28	3.28	2.86
16	Current Assets to Current Liabilities	*	*	0.79	0.82	0.81	0.80	0.75
17	No. of Days Cash Coverage of Cash Exp.	*	*	49.3	57.3	62.5	59.0	57.2
<u>FINANCIAL PERCENTAGES:</u>								
18	Operating Profit (Loss) to Operating Revenue	5.2	5.7	8.2	8.4	8.0	7.0	6.4
19	Net Income to Stockholders Equity	*	*	17.36	35.45	40.81	43.76	48.89
20	Corporate Return on Investment	*	*	11.1	19.2	20.4	20.1	20.4
21	Debt to Total Investment	*	*	52.4	48.1	49.8	53.5	55.2
<u>LOAD FACTOR: (%)</u>								
22	Passenger Load Factor (Sch. Svc.)	82.0	82.3	83.6	83.7	83.7	83.5	83.5
23	Ton Load Factor (All Svc.)	62.2	62.4	62.6	62.7	62.7	62.6	62.5
<u>Employment & Productivity:</u>								
24	Employment, Total Weighted Avg CY	494,049	486,918	490,735	488,952	488,037	487,568	487,394
25	Overall RTM's per Employee (000)	53.8	52.9	218.2	217.2	215.5	214.1	213.5

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	2.7	5.4	4.2	4.8	4.9	3.3	3.1
27	Operating Expenses (%)	3.3	1.5	2.1	1.7	1.1	0.0	0.5
28	Operating Profit (Loss) (in Millions \$)	-167.2	1,706.7	4,044.9	5,918.8	7,068.6	5,871.2	4,692.5
29	Net Income (Loss) (in Millions \$)	-6,965.5	7,351.0	-4,294.9	10,021.6	11,365.1	10,988.3	11,349.0
30	RPMs (Sch. Svc.) (%)	2.4	2.9	2.3	2.4	2.2	1.9	2.0
31	ASMs (Sch. Svc.) (%)	2.8	3.2	2.1	2.2	2.1	2.0	1.6
32	Operating Revenues per RTM (%)	0.4	2.8	2.0	2.6	3.2	1.8	1.6
33	Operating Expense per RTM (%)	0.9	-1.0	0.0	-0.5	-0.6	-1.4	-1.0
34	Passenger Revenue per RPM (Sch. Svc.)(%)	1.2	4.7	2.9	3.7	4.2	2.7	2.6

QUARTERLY FINANCIAL & TRAFFIC REVIEW
DOMESTIC OPERATIONS
Domestic All Majors

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2014/12	2013/12	2014/12	2014/09	2014/06	2014/03	2013/12
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	33,390.9	32,196.8	134,404.9	133,210.9	131,435.8	129,017.5	128,189.4
2	Operating Expenses	30,399.4	29,578.1	119,571.6	118,750.2	118,052.0	117,279.2	117,250.2
3	Operating Profit (Loss)	2,991.5	2,618.8	14,833.3	14,460.6	13,383.9	11,738.3	10,939.2
4	Net Income (Loss)	1,344.9	5,683.9	8,348.8	12,687.8	12,166.7	10,870.4	10,165.8
<u>TRAFFIC: (Billions)</u>								
5	RTMs - Scheduled Svc.	128.1	124.0	522.3	518.3	513.8	510.2	509.0
6	ATMs - Scheduled Svc.	153.5	149.3	614.8	610.6	607.9	606.0	606.4
7	Overall RTMs (All Svc.)	16.0	15.5	64.1	63.6	63.1	62.7	62.5
8	Overall ATMs (All Svc.)	25.3	24.4	99.7	98.9	98.0	97.5	97.5
<u>YIELD & UNIT COST & PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	208.5	207.9	209.6	209.5	208.5	205.9	205.0
10	Operating Expense per RTM	189.8	191.0	186.5	186.8	187.2	187.2	187.5
11	Operating Profit (Loss) per RTM	18.7	16.9	23.1	22.7	21.2	18.7	17.5
12	Operating Expense per ATM	120.2	121.1	119.9	120.1	120.5	120.3	120.3
13	Passenger Revenue per RPM	15.25	14.98	15.30	15.23	15.08	14.81	14.70
<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	9.0	8.1	11.0	10.9	10.2	9.1	8.5
19	Net Income to Stockholders Equity	*	*	**	**	**	**	**
20	Corporate Return on Investment	*	*	15.0	22.4	23.1	22.6	22.9
21	Debt to Total Investment	*	*	**	**	**	**	**
<u>LOAD FACTOR: (%)</u>								
22	Passenger Load Factor (Sch. Svc.)	52.4	55.2	52.4	48.1	49.8	53.5	55.2
23	Ton Load Factor (All Svc.)	83.4	83.1	85.0	84.9	84.5	84.2	83.9
<u>Employment & Productivity:</u>								
24	Employment, Total Weighted Avg CY	*	*	**	**	**	**	**
25	Overall RTM's per Employee (000)	*	*	**	**	**	**	**

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	3.7	5.3	4.8	5.3	5.3	3.4	3.0
27	Operating Expenses (%)	2.8	1.3	2.0	1.6	0.7	-0.1	0.2
28	Operating Profit (Loss) (in Millions \$)	372.7	1,256.8	3,894.1	4,778.2	5,777.5	4,361.2	3,576.6
29	Net Income (Loss)(in Millions \$)	-4,339.0	5,349.4	-1,817.1	7,871.4	8,949.2	8,174.1	8,043.2
30	RPMs (Sch. Svc.) (%)	3.3	2.3	2.6	2.4	1.7	1.3	1.5
31	ASMs (Sch. Svc.) (%)	2.8	2.4	1.4	1.3	1.2	1.2	1.4
32	Operating Revenues per RTM (%)	0.3	3.4	2.3	3.0	3.8	2.3	1.7
33	Operating Expense per RTM (%)	-0.6	-0.6	-0.5	-0.5	-0.7	-1.2	-1.1
34	Passenger Revenue per RPM (Sch. Svc.)(%)	1.8	6.0	4.1	5.1	5.8	3.9	3.5

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

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2014/12	2013/12	2014/12	2014/09	2014/06	2014/03	2013/12
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	13,278.9	13,234.8	57,075.0	57,030.9	56,630.1	55,853.8	55,600.8
2	Operating Expenses	13,839.3	13,284.2	56,121.4	55,566.3	55,018.9	54,706.2	54,817.5
3	Operating Profit (Loss)	-560.4	-49.4	953.6	1,464.6	1,611.2	1,147.6	783.3
4	Net Income (Loss)	-942.4	1,674.6	-355.2	2,261.8	2,544.6	2,259.2	2,126.0
<u>TRAFFIC: (Billions)</u>								
5	RTMs - Scheduled Svc.	58.4	58.1	253.5	253.2	252.4	250.4	249.3
6	ATMs - Scheduled Svc.	73.9	71.9	313.0	311.0	307.9	304.6	302.2
7	Overall RTMs (All Svc.)	9.8	9.7	40.6	40.5	40.2	40.0	39.8
8	Overall ATMs (All Svc.)	16.0	15.8	66.4	66.3	66.1	65.8	65.6
<u>YIELD & UNIT COST & PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	135.3	136.1	140.5	140.7	140.7	139.8	139.6
10	Operating Expense per RTM	141.1	136.6	138.2	137.1	136.7	136.9	137.7
11	Operating Profit (Loss) per RTM	-5.7	-0.5	2.3	3.6	4.0	2.9	2.0
12	Operating Expense per ATM	86.8	83.9	84.5	83.8	83.3	83.2	83.5
13	Passenger Revenue per RPM	14.65	14.70	14.89	14.90	14.88	14.81	14.83
<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	-4.2	-0.4	1.7	2.6	2.8	2.1	1.4
19	Net Income to Stockholders Equity	*	*	**	**	**	**	**
20	Corporate Return on Investment	*	*	1.8	12.0	14.4	14.6	15.0
21	Debt to Total Investment	*	*	**	**	**	**	**
<u>LOAD FACTOR: (%)</u>								
22	Passenger Load Factor (Sch. Svc.)	79.0	80.7	81.0	81.4	82.0	82.2	82.5
23	Ton Load Factor (All Svc.)	61.5	61.4	61.2	61.2	60.9	60.8	60.7
<u>Employment & Productivity:</u>								
24	Employment, Total Weighted Avg CY	*	*	**	**	**	**	**
25	Overall RTM's per Employee (000)	*	*	**	**	**	**	**

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	0.3	5.5	2.7	3.9	4.1	3.2	3.4
27	Operating Expenses (%)	4.2	1.8	2.4	1.8	1.7	0.3	1.2
28	Operating Profit (Loss) (in Millions \$)	-511.0	457.0	170.2	1,138.3	1,304.7	1,552.3	1,168.7
29	Net Income (Loss)(in Millions \$)	-2,617.1	2,001.8	-2,481.2	2,137.7	2,415.2	2,853.3	3,341.0
30	RTMs (All Svc.) (%)	0.6	4.3	1.7	2.5	3.4	3.2	3.1
31	ATMs (All Svc.) (%)	2.8	4.8	3.6	4.0	4.1	3.6	2.2
32	Operating Revenues per RTM (%)	-0.6	2.0	0.7	1.2	1.7	1.3	2.0
33	Operating Expense per RTM (%)	3.3	-1.6	0.4	-0.8	-0.6	-1.5	-0.2
34	Passenger Revenue per RPM (Sch. Svc.)(%)	-0.3	2.0	0.4	0.9	0.8	0.4	0.7

COMPARISONS AMONG MAJOR GROUP AIRLINES

Chart 1.
Operating and Net Profit (Loss)
For the Quarter Ended December 2014

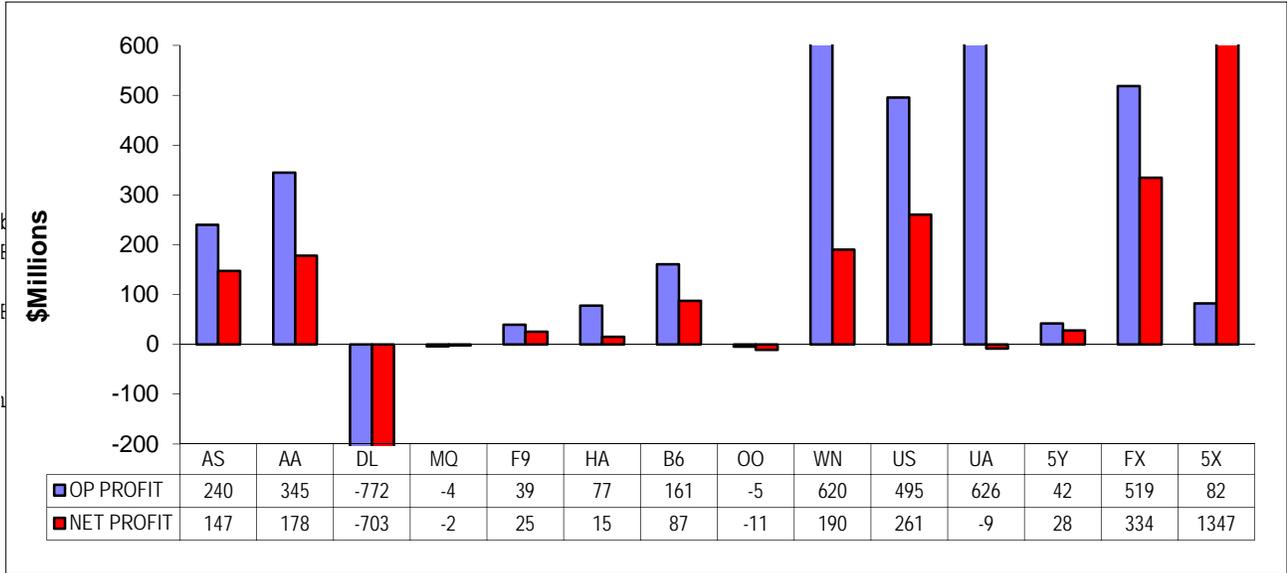
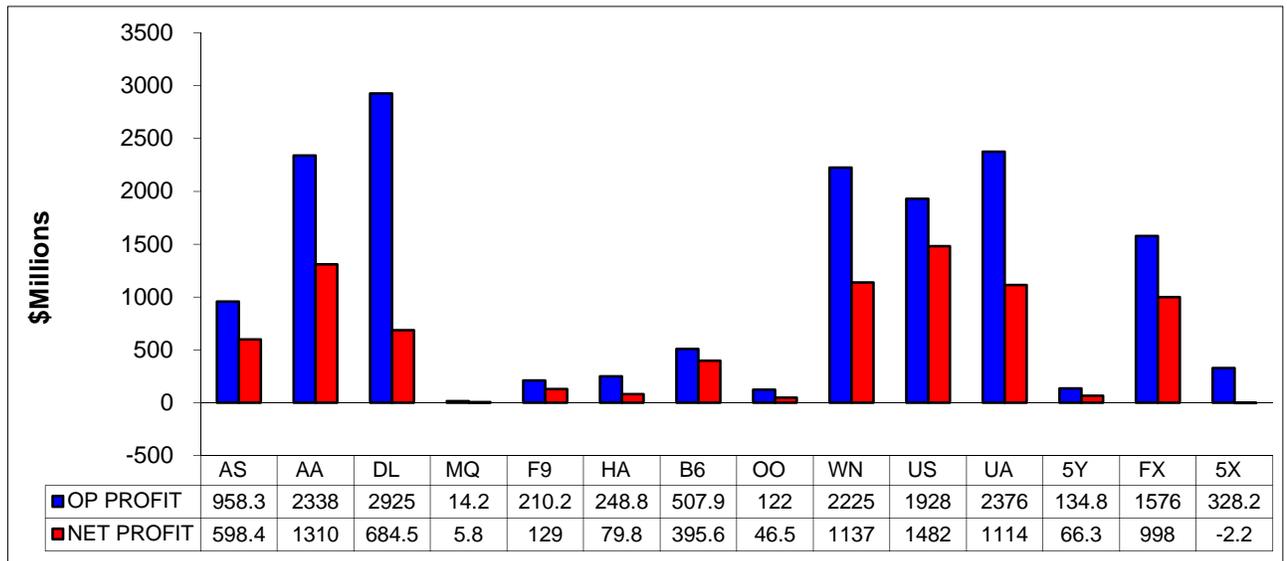
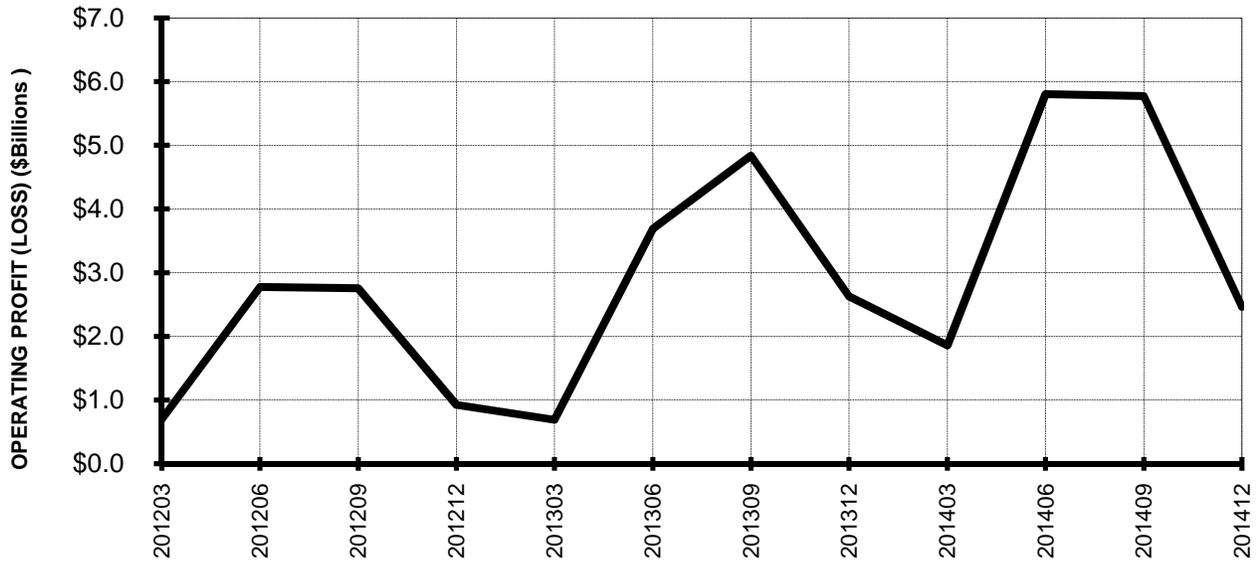


Chart 2
Operating and Net Profit (Loss)
For the 12 Months Ended December 2014

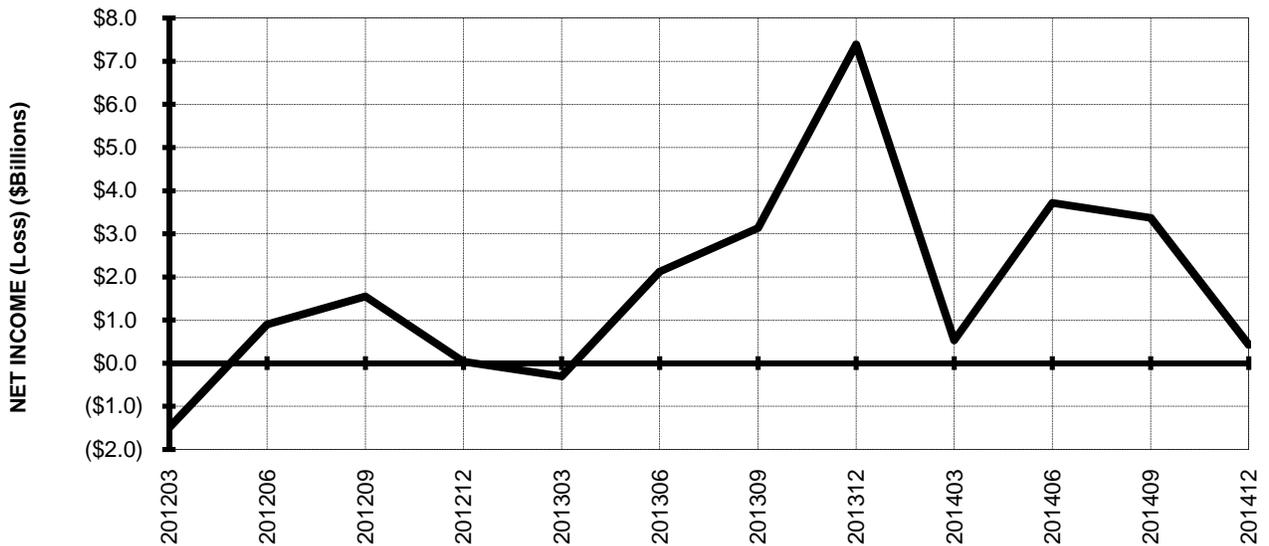


TOTAL ALL MAJORS (SYSTEM) BY QUARTER

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



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



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

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

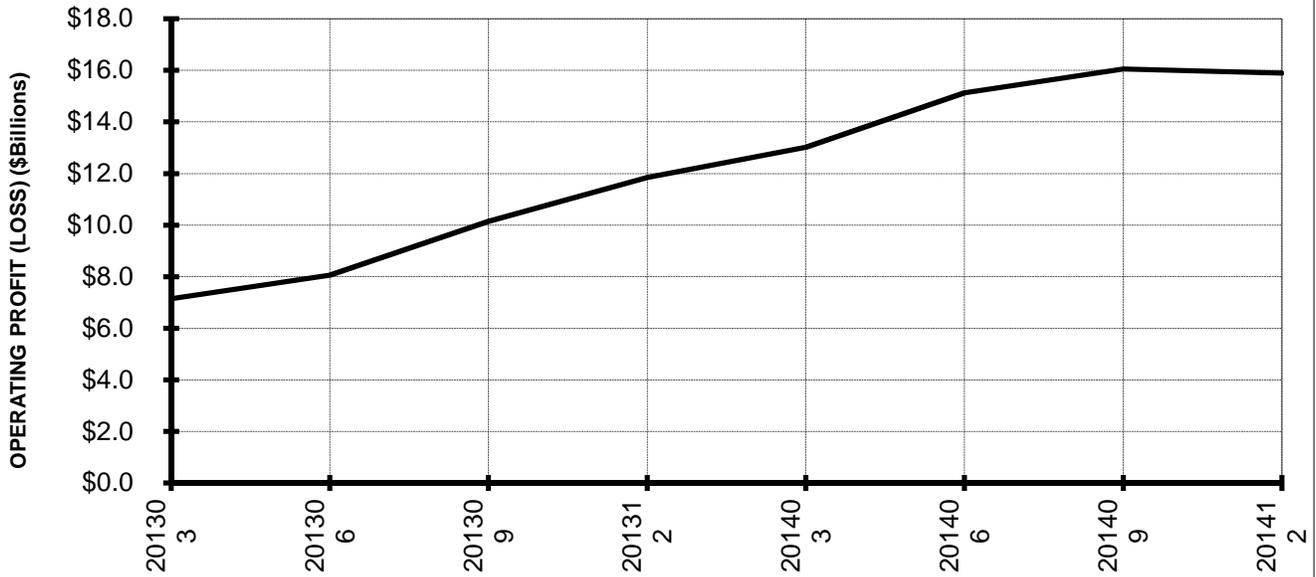
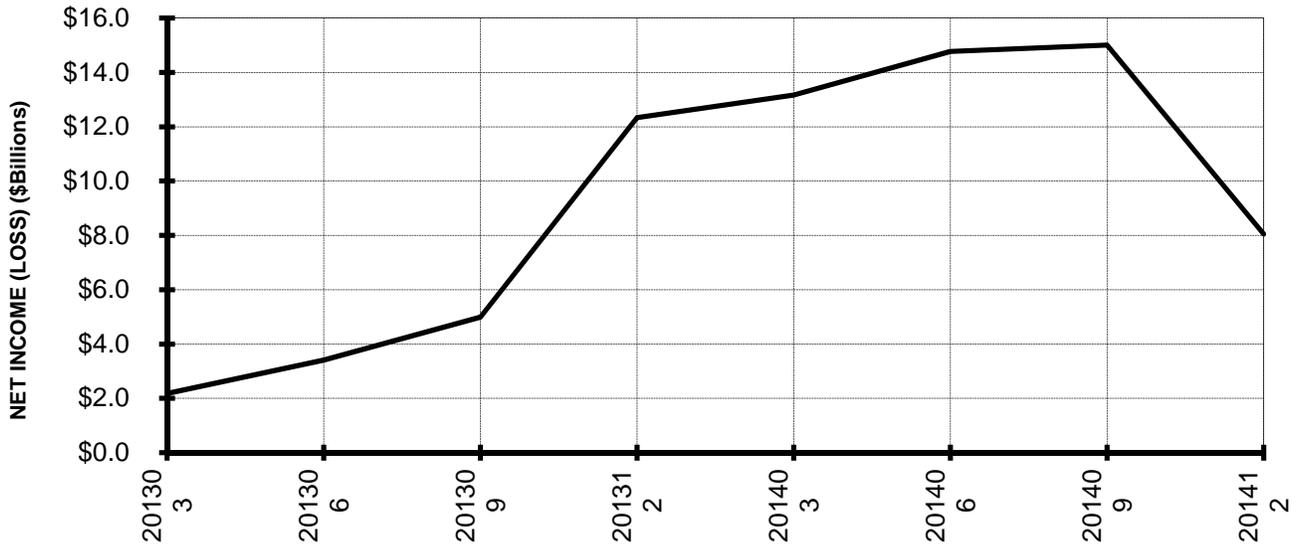
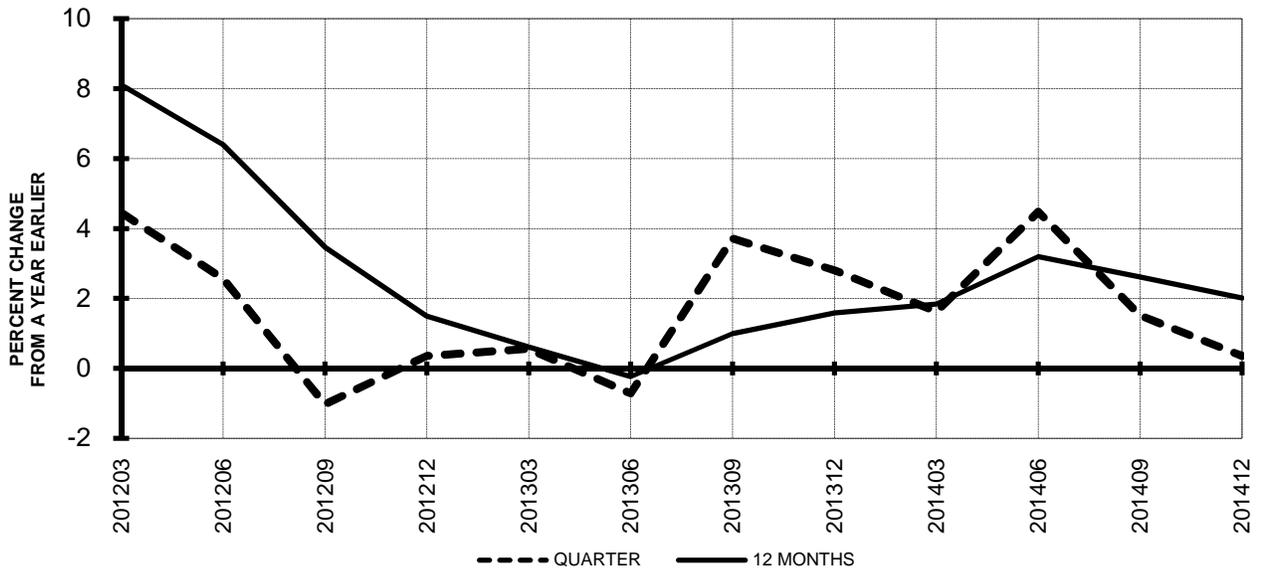


Chart 6.
NET INCOME (LOSS) (\$BILLIONS)

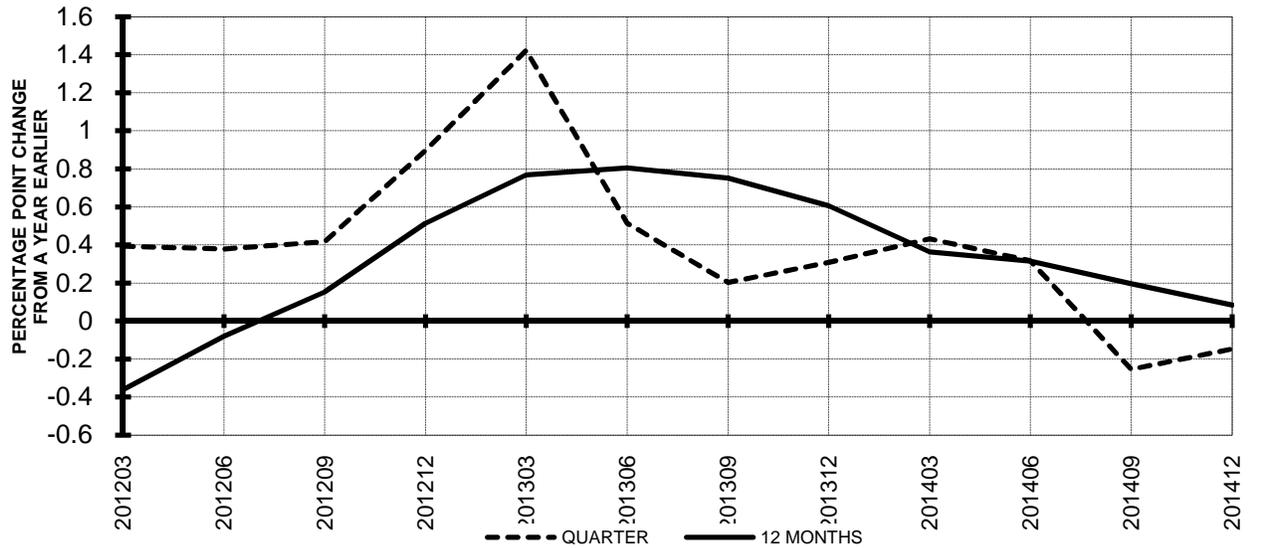


TOTAL ALL MAJORS (SYSTEM) QUARTERLY AND 12-MONTH BASIS

**Chart 7.
OPERATING REVENUE PER REVENUE TON-MILE
PERCENT CHANGE FROM SAME PERIOD A YEAR EARLIER**

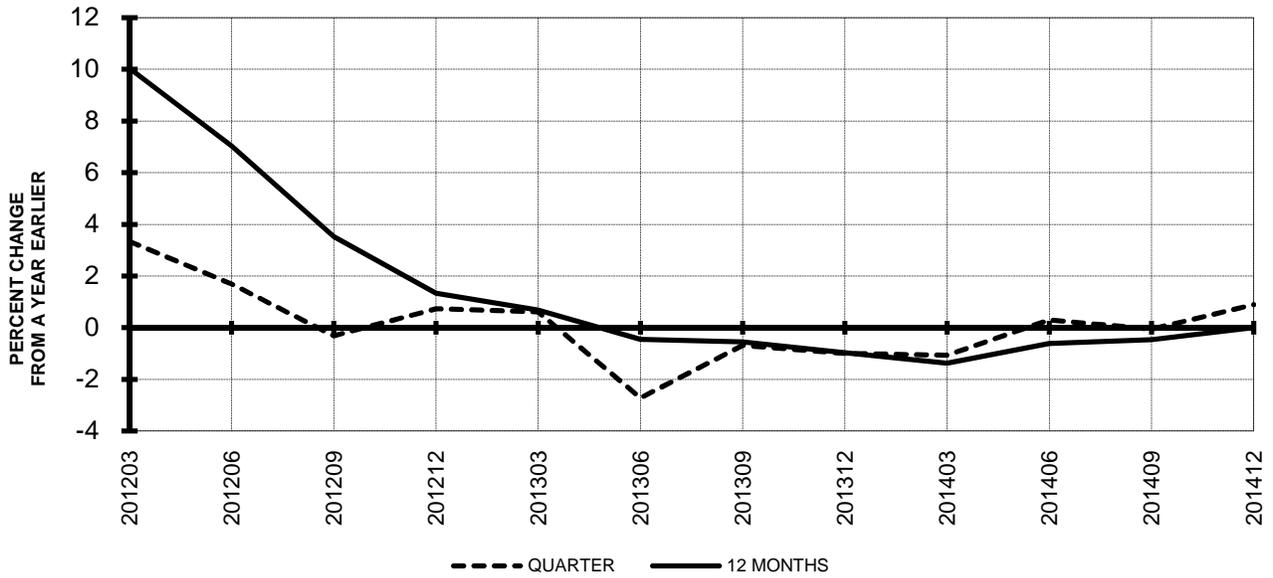


**Chart 8.
TON LOAD FACTOR PERCENTAGE POINT CHANGE
FROM SAME PERIOD A YEAR EARLIER**

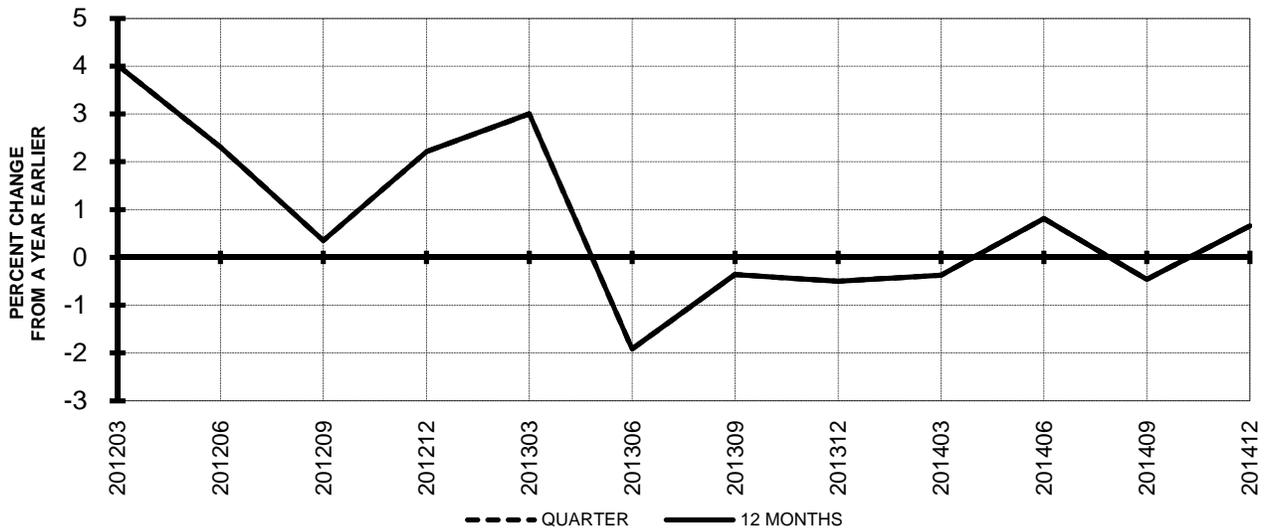


TOTAL ALL MAJORS (SYSTEM) QUARTERLY AND 12-MONTH BASIS

**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				
		2014/12	2013/12	2014/12	2014/09	2014/06	2014/03	2013/12
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	38,278.1	37,045.5	158,817.3	157,584.7	155,742.9	152,711.3	151,563.9
2	Operating Expenses	36,457.0	34,939.5	144,964.4	143,446.9	142,335.0	141,062.2	141,039.5
3	Operating Profit (Loss)	1,821.1	2,106.0	13,852.8	14,137.8	13,407.9	11,649.1	10,524.4
4	Net Income (Loss)	179.4	7,097.0	6,981.5	13,899.2	13,904.8	12,646.6	11,775.0
<u>TRAFFIC: (Billions)</u>								
5	RPMs - Scheduled Svc.	186.5	182.1	775.9	771.4	766.2	760.6	758.4
6	ASMs - Scheduled Svc.	227.4	221.2	927.8	921.6	915.8	910.7	908.6
7	Overall RTMs (All Svc.)	20.7	20.2	85.4	84.9	84.1	83.5	83.2
8	Overall ATMs (All Svc.)	32.4	31.7	133.0	132.3	131.5	130.6	130.4
<u>YIELD & UNIT COST & PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	184.9	183.8	186.0	185.7	185.1	182.9	182.2
10	Operating Expense per RTM	176.1	173.3	169.7	169.0	169.2	169.0	169.6
11	Operating Profit (Loss) per RTM	8.8	10.4	16.2	16.7	15.9	14.0	12.7
12	Operating Expense per ATM	112.6	110.4	109.0	108.5	108.3	108.0	108.1
13	Passenger Revenue per RPM	15.06	14.89	15.16	15.12	15.01	14.81	14.74
<u>FINANCIAL RATIOS:</u>								
14	Operating Revenues to Total Investment	*	*	2.01	2.09	2.24	2.42	2.61
15	Times Interest Earned	*	*	4.77	4.14	3.96	3.08	2.65
16	Current Assets to Current Liabilities	*	*	0.76	0.81	0.80	0.78	0.79
17	No. of Days Cash Coverage of Cash Exp.	*	*	57.4	67.5	73.5	69.8	67.4
<u>FINANCIAL PERCENTAGES:</u>								
18	Operating Profit (Loss) to Operating Revenue	4.8	5.7	8.7	9.0	8.6	7.6	6.9
19	Net Income to Stockholders Equity	*	*	21.79	49.21	62.34	77.32	101.69
20	Corporate Return on Investment	*	*	12.0	21.9	23.9	24.4	25.1
21	Debt to Total Investment	*	*	60.8	55.0	56.9	60.9	63.9
<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>								
22	Actual	82.0	82.3	83.6	83.7	83.7	83.5	83.5
23	Breakeven	82.1	80.8	78.3	78.0	78.2	79.3	80.0
<u>Employment & Productivity:</u>								
24	Employment, Total Weighted Avg CY	346,008	342,423	344,854	343,957	343,380	342,951	342,724
25	Overall RTM's per Employee (000)	119.2	116.0	491.3	488.2	483.6	479.3	477.1

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	3.3	6.8	4.8	5.6	6.0	4.1	3.7
27	Operating Expenses (%)	4.3	1.9	2.8	2.2	1.6	0.0	0.3
28	Operating Profit (Loss) (in Millions \$)	-284.9	1,691.7	3,328.5	5,305.1	6,541.9	5,968.7	5,031.9
29	Net Income (Loss)(in Millions \$)	-6,917.7	7,335.5	-4,793.5	9,459.6	10,971.5	11,168.7	11,554.9
30	RPMs (Sch. Svc.) (%)	2.4	2.9	2.3	2.4	2.2	1.9	2.0
31	ASMs (Sch. Svc.) (%)	2.8	3.2	2.1	2.2	2.1	2.0	1.6
32	Operating Revenues per RTM (%)	0.6	3.6	2.1	2.8	3.6	2.2	2.1
33	Operating Expense per RTM (%)	1.6	-1.1	0.1	-0.6	-0.7	-1.8	-1.3
34	Passenger Revenue per RPM (Sch. Svc.)(%)	1.2	4.7	2.9	3.7	4.2	2.7	2.6

QUARTERLY FINANCIAL & TRAFFIC REVIEW
DOMESTIC OPERATIONS
Domestic Passenger Majors

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2014/12	2013/12	2014/12	2014/09	2014/06	2014/03	2013/12
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	27,233.0	26,103.5	110,780.4	109,651.0	108,145.0	105,871.8	104,964.9
2	Operating Expenses	25,448.2	24,662.6	100,694.7	99,909.1	99,167.8	98,376.3	98,411.8
3	Operating Profit (Loss)	1,784.8	1,441.0	10,085.7	9,741.9	8,977.3	7,495.5	6,553.1
4	Net Income (Loss)	574.5	4,956.9	5,312.7	9,695.1	9,381.1	8,216.6	7,385.5
<u>TRAFFIC: (Billions)</u>								
5	RPMs - Scheduled Svc.	128.1	124.0	522.3	518.3	513.8	510.2	509.0
6	ASMs - Scheduled Svc.	153.5	149.3	614.8	610.6	607.9	606.0	606.4
7	Overall RTMs (All Svc.)	13.2	12.8	53.7	53.3	52.8	52.5	52.4
8	Overall ATMs (All Svc.)	20.1	19.6	81.1	80.6	80.0	79.5	79.6
<u>YIELD & UNIT COST & PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	206.4	204.2	206.3	205.8	204.7	201.8	200.5
10	Operating Expense per RTM	192.9	192.9	187.5	187.5	187.7	187.5	188.0
11	Operating Profit (Loss) per RTM	13.5	11.3	18.8	18.3	17.0	14.3	12.5
12	Operating Expense per ATM	126.3	126.0	124.1	124.0	124.0	123.8	123.7
13	Passenger Revenue per RPM	15.25	14.98	15.30	15.23	15.08	14.81	14.70
<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	6.6	5.5	9.1	8.9	8.3	7.1	6.2
19	Net Income to Stockholders Equity	*	*	**	**	**	**	**
20	Corporate Return on Investment	*	*	12.1	20.7	21.8	21.4	21.3
21	Debt to Total Investment	*	*	**	**	**	**	**
<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>								
22	Actual	83.4	83.1	85.0	84.9	84.5	84.2	83.9
23	Breakeven	81.6	81.9	79.3	79.4	79.6	80.8	81.5
<u>Employment & Productivity:</u>								
24	Employment, Total Weighted Avg CY	*	*	**	**	**	**	**
25	Overall RTM's per Employee (000)	*	*	**	**	**	**	**

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	4.3	6.8	5.5	6.1	6.4	4.2	3.6
27	Operating Expenses (%)	3.2	1.3	2.3	1.9	0.9	-0.3	0.1
28	Operating Profit (Loss) (in Millions \$)	343.8	1,340.4	3,532.6	4,529.2	5,678.0	4,474.7	3,587.4
29	Net Income (Loss)(in Millions \$)	-4,382.4	5,411.5	-2,072.8	7,721.1	8,894.4	8,227.5	7,986.3
30	RPMs (Sch. Svc.) (%)	3.3	2.3	2.6	2.4	1.7	1.3	1.5
31	ASMs (Sch. Svc.) (%)	2.8	2.4	1.4	1.3	1.2	1.2	1.4
32	Operating Revenues per RTM (%)	1.1	4.4	2.9	3.7	4.7	2.9	2.2
33	Operating Expense per RTM (%)	0.0	-0.9	-0.3	-0.5	-0.8	-1.5	-1.3
34	Passenger Revenue per RPM (Sch. Svc.)(%)	1.8	6.0	4.1	5.1	5.8	3.9	3.5

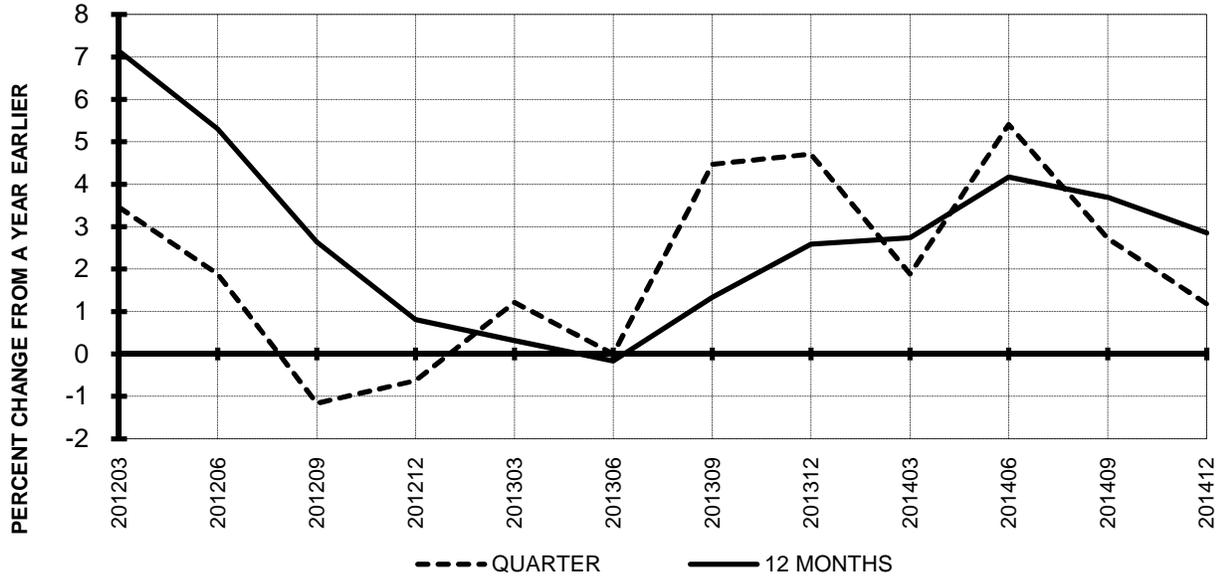
QUARTERLY FINANCIAL & TRAFFIC REVIEW
INTERNATIONAL OPERATIONS
Int'l Passenger Majors

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2014/12	2013/12	2014/12	2014/09	2014/06	2014/03	2013/12
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	11,045.1	10,942.0	48,036.8	47,933.7	47,597.9	46,839.6	46,598.9
2	Operating Expenses	11,008.8	10,276.9	44,269.7	43,537.8	43,167.2	42,685.9	42,627.7
3	Operating Profit (Loss)	36.3	665.0	3,767.1	4,395.9	4,430.7	4,153.7	3,971.3
4	Net Income (Loss)	-395.1	2,140.1	1,668.8	4,204.0	4,523.7	4,430.1	4,389.5
<u>TRAFFIC: (Billions)</u>								
5	RPMs - Scheduled Svc.	58.4	58.1	253.5	253.2	252.4	250.4	249.3
6	ASMs - Scheduled Svc.	73.9	71.9	313.0	311.0	307.9	304.6	302.2
7	Overall RTMs (All Svc.)	7.5	7.4	31.7	31.6	31.3	31.0	30.8
8	Overall ATMs (All Svc.)	12.2	12.1	51.9	51.7	51.5	51.1	50.9
<u>YIELD & UNIT COST & PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	147.2	148.4	151.5	151.8	152.0	151.1	151.1
10	Operating Expense per RTM	146.7	139.4	139.6	137.9	137.9	137.7	138.3
11	Operating Profit (Loss) per RTM	0.5	9.0	11.9	13.9	14.2	13.4	12.9
12	Operating Expense per ATM	90.0	85.1	85.4	84.2	83.8	83.5	83.8
13	Passenger Revenue per RPM	14.65	14.70	14.89	14.90	14.88	14.81	14.83
<u>FINANCIAL RATIOS:</u>								
14	Operating Revenues to Total Investment	*	*	**	**	**	**	**
15	Times Interest Earned	*	*	**	**	**	**	**
16	Current Assets to Current Liabilities	*	*	**	**	**	**	**
17	No. of Days Cash Coverage of Cash Exp.	*	*	**	**	**	**	**
<u>FINANCIAL PERCENTAGES:</u>								
18	Operating Profit (Loss) to Operating Revenue	0.3	6.1	7.8	9.2	9.3	8.9	8.5
19	Net Income to Stockholders Equity	*	*	**	**	**	**	**
20	Corporate Return on Investment	*	*	11.6	25.2	29.9	33.4	36.9
21	Debt to Total Investment	*	*	**	**	**	**	**
<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>								
22	Actual	79.0	80.7	81.0	81.4	82.0	82.2	82.5
23	Breakeven	83.4	78.3	76.5	75.3	75.5	76.1	76.9
<u>Employment & Productivity:</u>								
24	Employment, Total Weighted Avg CY	*	*	**	**	**	**	**
25	Overall RTM's per Employee (000)	*	*	**	**	**	**	**

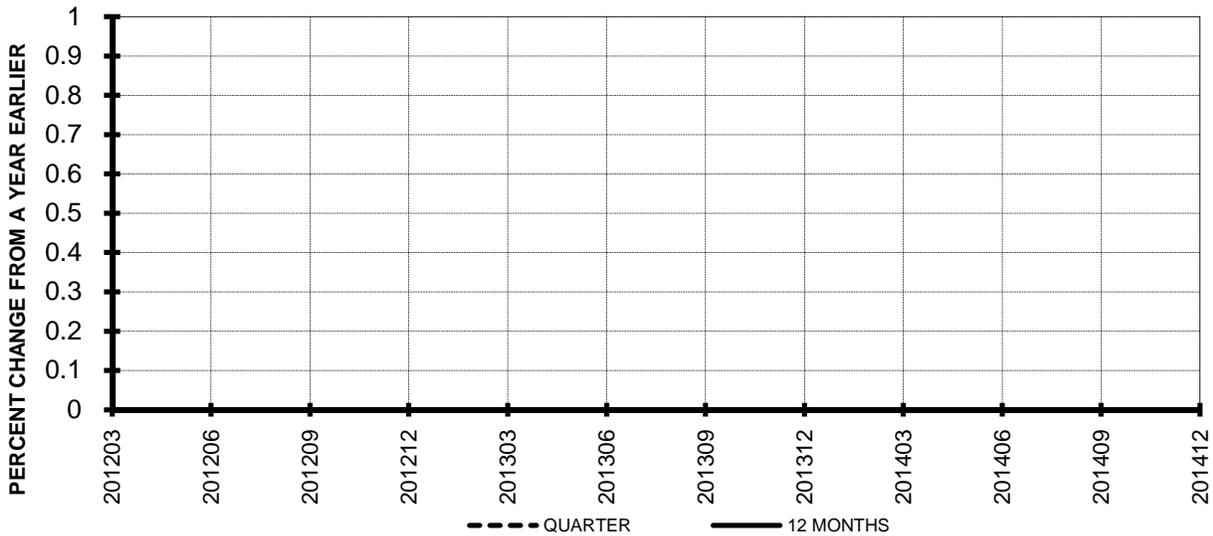
		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	0.9	6.7	3.1	4.4	5.0	3.8	3.9
27	Operating Expenses (%)	7.1	3.4	3.9	2.9	3.4	0.5	0.7
28	Operating Profit (Loss) (in Millions \$)	-628.7	351.3	-204.1	775.9	863.8	1,493.9	1,444.5
29	Net Income (Loss)(in Millions \$)	-2,535.2	1,924.0	-2,720.7	1,738.5	2,077.0	2,941.3	3,568.6
30	RPMs (Sch. Svc.) (%)	0.6	4.3	1.7	2.5	3.4	3.2	3.1
31	ASMs (Sch. Svc.) (%)	2.8	4.8	3.6	4.0	4.1	3.6	2.2
32	Operating Revenues per RTM (%)	-0.8	2.2	0.2	0.9	1.6	1.1	1.8
33	Operating Expense per RTM (%)	5.3	-1.0	1.0	-0.5	0.0	-2.1	-1.3
34	Passenger Revenue per RPM (Sch. Svc.)(%)	-0.3	2.0	0.4	0.9	0.8	0.4	0.7

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

**Chart 11
PASSENGER REVENUES PER REVENUE PASSENGER-MILE
PERCENT CHANGE FROM SAME PERIOD A YEAR EARLIER**

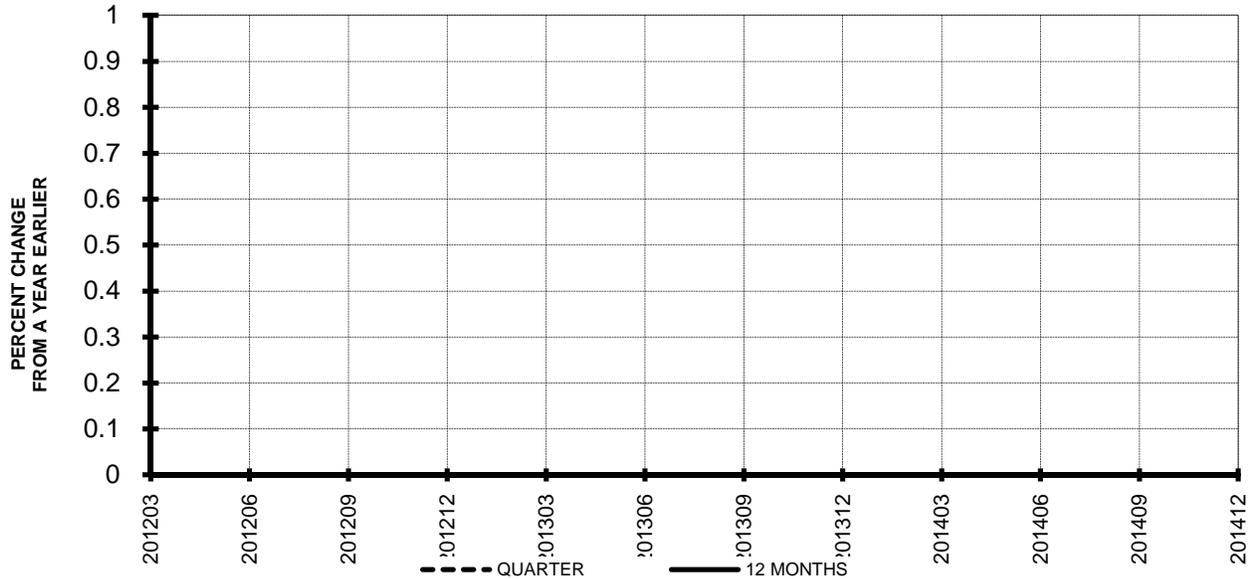


**Chart 12
REVENUE PASSENGER-MILES
PERCENT CHANGE FROM SAME PERIOD A EARLIER**

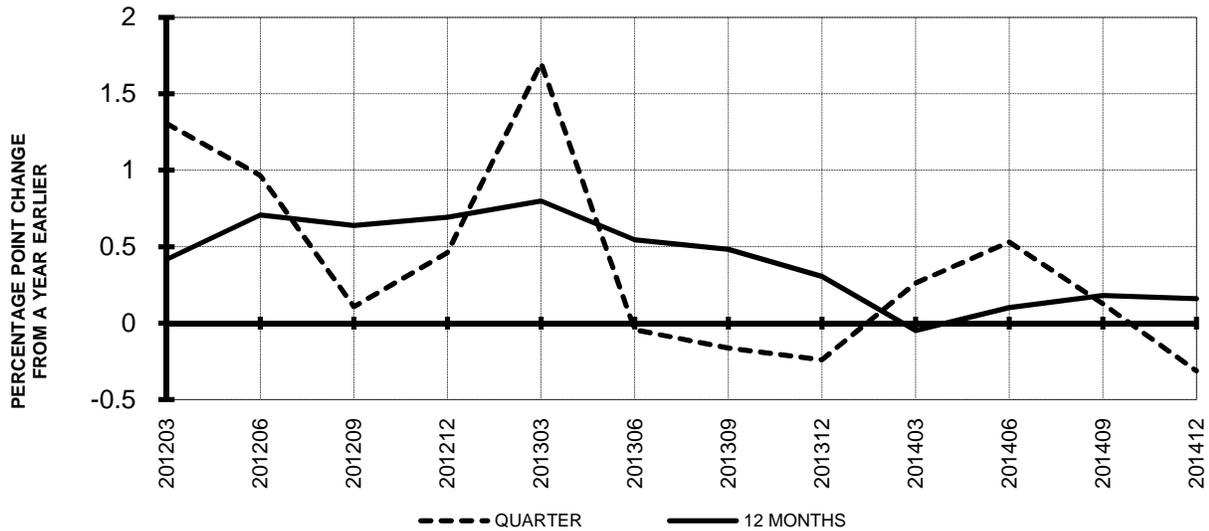


**TOTAL PASSENGER MAJORS (SYSTEM)
QUARTERLY AND 12-MONTH BASIS (SCH. SVC.)**

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

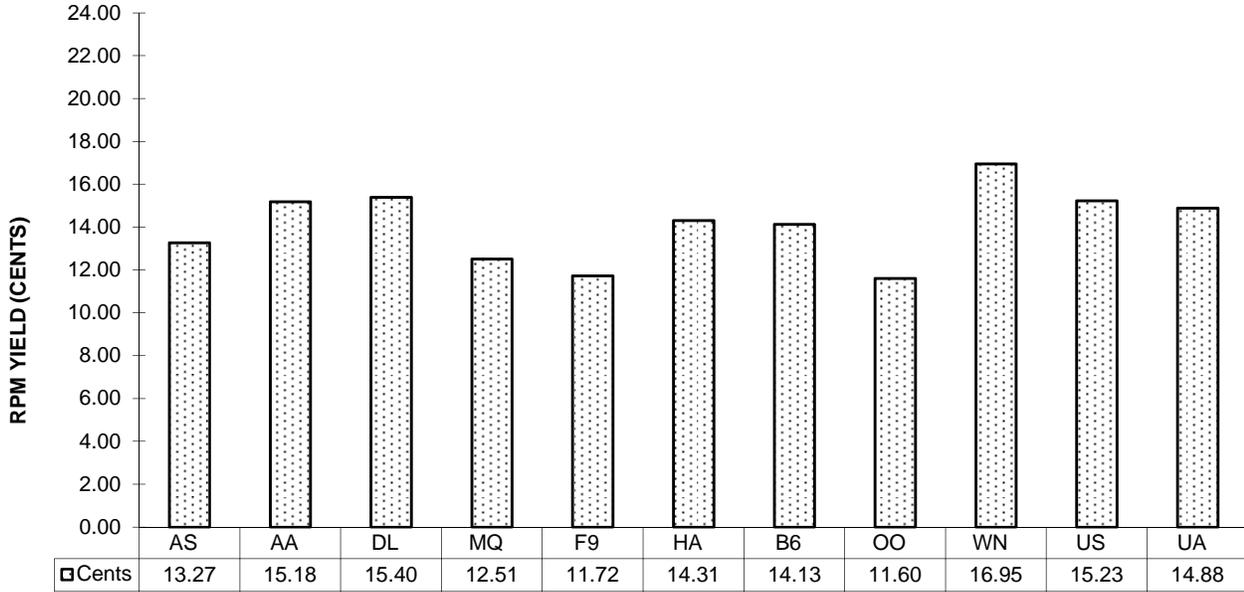


**Chart 14
PASSENGER LOAD FACTOR PERCENTAGE
POINT CHANGE FROM SAME PERIOD A YEAR EARLIER**

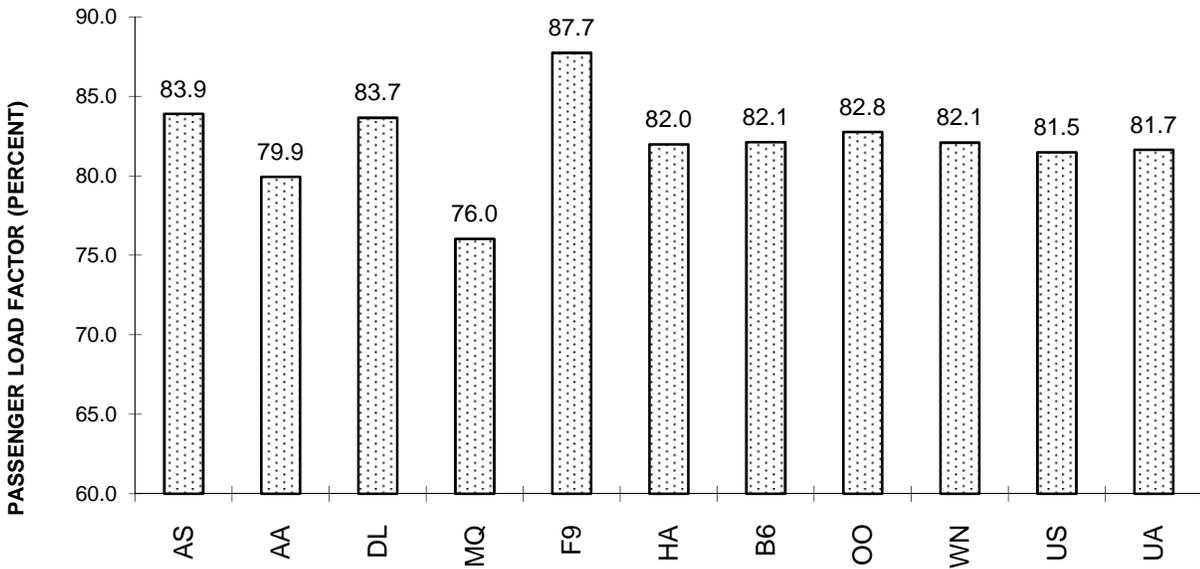


**TOTAL PASSENGER MAJORS (SYSTEM)
FOURTH QUARTER 2014**

**Chart 15
PASSENGER (RPM) YIELD**



**Chart 16
PASSENGER LOAD FACTOR**



QUARTERLY FINANCIAL & TRAFFIC REVIEW
SYSTEM OPERATIONS
Alaska Airlines

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2014/12	2013/12	2014/12	2014/09	2014/06	2014/03	2013/12
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	1,305.5	1,208.8	5,363.4	5,266.7	5,358.7	5,240.5	5,150.8
2	Operating Expenses	1,065.8	1,077.5	4,405.0	4,416.8	4,369.3	4,319.2	4,293.8
3	Operating Profit (Loss)	239.7	131.3	958.3	849.9	989.4	921.4	857.0
4	Net Income (Loss)	147.1	75.9	598.4	527.2	620.6	556.7	497.3
<u>TRAFFIC: (Billions)</u>								
5	RPMs - Scheduled Svc.	6.9	6.3	27.7	27.1	26.7	26.4	26.1
6	ASMs - Scheduled Svc.	8.2	7.4	32.4	31.6	31.0	30.7	30.4
7	Overall RTMs (All Svc.)	0.7	0.7	2.9	2.8	2.7	2.7	2.7
8	Overall ATMs (All Svc.)	1.0	1.0	4.2	4.2	4.2	4.1	4.1
<u>YIELD & UNIT COST & PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	185.0	187.3	188.4	189.0	195.4	193.3	191.5
10	Operating Expense per RTM	151.1	166.9	154.7	158.5	159.3	159.3	159.7
11	Operating Profit (Loss) per RTM	34.0	20.3	33.7	30.5	36.1	34.0	31.9
12	Operating Expense per ATM	102.5	107.7	104.7	106.0	105.2	104.4	104.5
13	Passenger Revenue per RPM	13.27	13.34	13.64	13.66	13.64	13.49	13.39
<u>FINANCIAL RATIOS:</u>								
14	Operating Revenues to Total Investment	*	*	1.77	1.82	1.98	2.08	2.17
15	Times Interest Earned	*	*	57.25	44.79	51.41	43.88	34.39
16	Current Assets to Current Liabilities	*	*	1.40	1.41	1.32	1.32	1.32
17	No. of Days Cash Coverage of Cash Exp.	*	*	106.7	117.2	133.1	126.6	119.3
<u>FINANCIAL PERCENTAGES:</u>								
18	Operating Profit (Loss) to Operating Revenue	18.4	10.9	17.9	16.1	18.5	17.6	16.6
19	Net Income to Stockholders Equity	*	*	24.00	22.59	29.31	29.03	28.52
20	Corporate Return on Investment	*	*	20.3	18.9	23.7	22.9	21.9
21	Debt to Total Investment	*	*	15.7	16.3	17.8	19.5	20.9
<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>								
22	Actual	83.9	84.8	85.7	85.9	86.0	86.0	86.1
23	Breakeven	68.0	79.8	70.0	72.7	69.1	70.1	71.1
<u>Employment & Productivity:</u>								
24	Employment, Total Weighted Avg CY	10,141	9,501	9,879	9,719	9,607	9,527	9,463
25	Overall RTM's per Employee (000)	69.6	67.9	288.2	286.8	285.4	284.6	284.2

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	8.0	6.9	4.1	3.8	11.9	10.5	10.8
27	Operating Expenses (%)	-1.1	3.4	2.6	3.7	4.3	4.2	5.0
28	Operating Profit (Loss) (in Millions \$)	108.4	43.0	101.3	35.8	392.0	322.5	295.6
29	Net Income (Loss)(in Millions \$)	71.2	37.8	101.1	67.7	285.7	258.0	195.7
30	RPMs (Sch. Svc.) (%)	9.5	4.0	6.1	4.8	4.9	5.8	7.1
31	ASMs (Sch. Svc.) (%)	10.7	5.4	6.7	5.4	5.5	6.5	7.9
32	Operating Revenues per RTM (%)	-1.2	2.9	-1.7	-0.7	6.7	4.4	3.3
33	Operating Expense per RTM (%)	-9.5	-0.5	-3.1	-0.8	-0.6	-1.5	-2.1
34	Passenger Revenue per RPM (Sch. Svc.)(%)	-0.5	1.5	1.9	2.4	1.9	-0.1	-0.8

QUARTERLY FINANCIAL & TRAFFIC REVIEW
SYSTEM OPERATIONS
American Airlines

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2014/12	2013/12	2014/12	2014/09	2014/06	2014/03	2013/12
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	6,464.1	6,421.8	27,140.4	27,098.1	26,860.2	26,144.2	25,760.2
2	Operating Expenses	6,119.5	6,141.1	24,802.8	24,824.3	24,601.4	24,125.4	24,271.9
3	Operating Profit (Loss)	344.5	280.7	2,337.6	2,273.8	2,258.8	2,018.8	1,488.3
4	Net Income (Loss)	178.2	-1,790.5	1,309.7	-658.9	-834.5	-872.2	-1,525.7
<u>TRAFFIC: (Billions)</u>								
5	RPMs - Scheduled Svc.	31.3	31.3	129.3	129.3	129.3	128.8	128.4
6	ASMs - Scheduled Svc.	39.2	38.3	157.5	156.6	156.2	155.3	154.4
7	Overall RTMs (All Svc.)	3.7	3.6	14.9	14.9	14.9	14.8	14.7
8	Overall ATMs (All Svc.)	6.3	6.1	25.3	25.2	25.1	24.9	24.7
<u>YIELD & UNIT COST & PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	176.6	176.8	182.2	182.3	180.8	176.9	175.5
10	Operating Expense per RTM	167.2	169.0	166.5	167.0	165.6	163.3	165.4
11	Operating Profit (Loss) per RTM	9.4	7.7	15.7	15.3	15.2	13.7	10.1
12	Operating Expense per ATM	97.6	100.3	98.0	98.6	98.1	96.8	98.2
13	Passenger Revenue per RPM	15.18	15.42	15.72	15.78	15.72	15.42	15.25
<u>FINANCIAL RATIOS:</u>								
14	Operating Revenues to Total Investment	*	*	5.49	6.83	10.80	35.51	999.90
15	Times Interest Earned	*	*	3.93	-0.05	-0.25	-0.82	-1.89
16	Current Assets to Current Liabilities	*	*	0.63	0.66	0.74	0.75	0.75
17	No. of Days Cash Coverage of Cash Exp.	*	*	72.1	83.2	99.2	104.4	104.2
<u>FINANCIAL PERCENTAGES:</u>								
18	Operating Profit (Loss) to Operating Revenue	5.3	4.4	8.6	8.4	8.4	7.7	5.8
19	Net Income to Stockholders Equity	*	*	&	&	&	&	&
20	Corporate Return on Investment	*	*	37.7	-1.4	-7.6	-30.0	0.0
21	Debt to Total Investment	*	*	198.4	145.5	155.2	245.1	1,187.6
<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>								
22	Actual	79.9	81.8	82.1	82.6	82.8	82.9	83.1
23	Breakeven	81.6	83.5	79.5	79.9	79.8	80.2	82.4
<u>Employment & Productivity:</u>								
24	Employment, Total Weighted Avg CY	60,596	59,389	59,991	59,689	59,496	59,296	59,185
25	Overall RTM's per Employee (000)	60.4	61.2	248.3	249.1	249.7	249.2	248.0

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	0.7	8.4	5.4	7.3	8.0	5.1	3.8
27	Operating Expenses (%)	-0.4	3.5	2.2	3.2	1.1	-2.3	-2.1
28	Operating Profit (Loss) (in Millions \$)	63.8	286.8	849.3	1,072.2	1,713.3	1,829.6	1,447.2
29	Net Income (Loss)(in Millions \$)	1,968.6	-2,061.2	2,835.4	-1,194.4	-823.3	-369.4	400.4
30	RPMs (Sch. Svc.) (%)	0.0	2.6	0.7	1.3	2.0	1.8	1.6
31	ASMs (Sch. Svc.) (%)	2.4	2.2	2.0	2.0	2.5	2.2	1.2
32	Operating Revenues per RTM (%)	-0.1	4.3	3.8	4.9	5.0	2.4	1.9
33	Operating Expense per RTM (%)	-1.1	-0.4	0.7	0.9	-1.7	-4.8	-3.8
34	Passenger Revenue per RPM (Sch. Svc.)(%)	-1.6	6.2	3.1	5.0	5.8	3.9	2.9

QUARTERLY FINANCIAL & TRAFFIC REVIEW
SYSTEM OPERATIONS
Delta Air Lines

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2014/12	2013/12	2014/12	2014/09	2014/06	2014/03	2013/12
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	9,658.9	9,086.1	40,426.5	39,853.6	39,160.5	38,236.6	37,818.2
2	Operating Expenses	10,431.3	8,216.5	37,501.9	35,287.2	34,306.8	34,049.6	33,980.5
3	Operating Profit (Loss)	-772.4	869.6	2,924.5	4,566.4	4,853.7	4,187.0	3,837.7
4	Net Income (Loss)	-702.5	8,482.1	684.5	9,869.1	10,879.3	10,760.6	10,549.2
<u>TRAFFIC: (Billions)</u>								
5	RPMs - Scheduled Svc.	42.6	40.7	180.8	178.9	176.6	174.1	172.5
6	ASMs - Scheduled Svc.	50.9	48.7	211.3	209.1	206.6	204.5	203.2
7	Overall RTMs (All Svc.)	4.9	4.7	20.5	20.3	20.0	19.8	19.6
8	Overall ATMs (All Svc.)	7.6	7.3	31.6	31.3	30.9	30.6	30.5
<u>YIELD & UNIT COST & PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	198.4	193.9	197.4	196.4	195.4	193.5	192.5
10	Operating Expense per RTM	214.2	175.4	183.1	173.9	171.2	172.3	173.0
11	Operating Profit (Loss) per RTM	-15.9	18.6	14.3	22.5	24.2	21.2	19.5
12	Operating Expense per ATM	137.3	112.5	118.9	112.9	110.9	111.2	111.5
13	Passenger Revenue per RPM	15.40	15.06	15.47	15.39	15.25	15.03	14.96
<u>FINANCIAL RATIOS:</u>								
14	Operating Revenues to Total Investment	*	*	1.62	1.68	1.82	2.00	2.26
15	Times Interest Earned	*	*	2.77	4.93	5.65	4.64	4.06
16	Current Assets to Current Liabilities	*	*	0.75	0.76	0.71	0.67	0.70
17	No. of Days Cash Coverage of Cash Exp.	*	*	33.5	47.2	45.4	41.2	41.9
<u>FINANCIAL PERCENTAGES:</u>								
18	Operating Profit (Loss) to Operating Revenue	-8.0	9.6	7.2	11.5	12.4	11.0	10.1
19	Net Income to Stockholders Equity	*	*	4.73	77.24	107.55	146.86	225.70
20	Corporate Return on Investment	*	*	5.2	44.5	54.1	60.5	67.9
21	Debt to Total Investment	*	*	45.0	39.7	40.2	42.8	43.2
<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>								
22	Actual	83.7	83.5	85.6	85.5	85.5	85.1	84.9
23	Breakeven	102.1	75.4	82.2	75.7	73.9	75.2	75.7
<u>Employment & Productivity:</u>								
24	Employment, Total Weighted Avg CY	75,666	73,474	75,215	74,667	74,174	73,845	73,724
25	Overall RTM's per Employee (000)	64.4	63.8	272.2	271.8	270.2	267.6	266.4

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	6.3	5.0	6.9	6.6	6.3	3.5	2.6
27	Operating Expenses (%)	27.0	0.4	10.4	3.9	1.9	-0.9	-0.6
28	Operating Profit (Loss) (in Millions \$)	-1,641.9	401.3	-913.2	1,130.0	1,652.7	1,597.5	1,184.0
29	Net Income (Loss)(in Millions \$)	-9,184.7	8,502.5	-9,864.8	7,822.5	9,034.4	9,755.1	9,399.4
30	RPMs (Sch. Svc.) (%)	4.6	2.8	4.8	4.4	3.9	2.9	2.2
31	ASMs (Sch. Svc.) (%)	4.5	3.8	4.0	3.8	3.5	2.9	2.0
32	Operating Revenues per RTM (%)	2.3	2.5	2.5	2.6	2.9	1.4	1.1
33	Operating Expense per RTM (%)	22.2	-2.0	5.9	0.0	-1.3	-2.8	-2.1
34	Passenger Revenue per RPM (Sch. Svc.)(%)	2.2	4.5	3.4	3.9	4.4	3.2	3.3

QUARTERLY FINANCIAL & TRAFFIC REVIEW
SYSTEM OPERATIONS
Envoy Air

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2014/12	2013/12	2014/12	2014/09	2014/06	2014/03	2013/12
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	252.6	273.8	1,039.7	1,060.9	1,090.3	1,114.3	1,139.0
2	Operating Expenses	257.0	263.9	1,025.5	1,032.4	1,056.3	1,081.2	1,095.2
3	Operating Profit (Loss)	-4.4	9.9	14.2	28.5	34.0	33.1	43.8
4	Net Income (Loss)	-2.2	6.5	5.8	14.5	26.7	31.1	33.2
<u>TRAFFIC: (Billions)</u>								
5	RPMs - Scheduled Svc.	1.7	2.2	7.5	8.0	8.5	8.8	9.1
6	ASMs - Scheduled Svc.	2.2	2.8	9.8	10.4	11.1	11.6	12.0
7	Overall RTMs (All Svc.)	0.2	0.2	0.8	0.8	0.9	0.9	0.9
8	Overall ATMs (All Svc.)	0.3	0.4	1.2	1.3	1.4	1.4	1.5
<u>YIELD & UNIT COST & PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	150.2	127.1	137.8	132.3	128.4	126.0	125.3
10	Operating Expense per RTM	152.8	122.5	135.9	128.8	124.4	122.3	120.5
11	Operating Profit (Loss) per RTM	-2.6	4.6	1.9	3.6	4.0	3.7	4.8
12	Operating Expense per ATM	93.4	75.6	84.4	80.1	77.1	75.4	73.5
13	Passenger Revenue per RPM	12.51	11.17	11.81	11.49	11.28	11.16	11.21
<u>FINANCIAL RATIOS:</u>								
14	Operating Revenues to Total Investment	*	*	5.76	6.56	7.65	9.19	11.12
15	Times Interest Earned	*	*	999.90	999.90	999.90	999.90	999.90
16	Current Assets to Current Liabilities	*	*	4.33	3.57	3.57	3.30	2.37
17	No. of Days Cash Coverage of Cash Exp.	*	*	0.2	0.3	0.4	0.4	0.2
<u>FINANCIAL PERCENTAGES:</u>								
18	Operating Profit (Loss) to Operating Revenue	-1.7	3.6	1.4	2.7	3.1	3.0	3.8
19	Net Income to Stockholders Equity	*	*	3.24	9.03	18.86	25.87	32.72
20	Corporate Return on Investment	*	*	2.8	8.0	17.7	24.4	30.8
21	Debt to Total Investment	*	*	0.3	0.4	0.4	0.5	0.9
<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>								
22	Actual	76.0	76.4	77.0	77.1	76.8	76.3	75.5
23	Breakeven	77.8	72.9	75.6	74.4	73.7	73.5	71.9
<u>Employment & Productivity:</u>								
24	Employment, Total Weighted Avg CY	11,179	11,091	10,962	10,940	10,993	11,081	11,172
25	Overall RTM's per Employee (000)	15.0	19.4	68.8	73.3	77.2	79.8	81.4
		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	-7.7	-4.5	-8.7	-7.9	-4.6	-1.1	2.9
27	Operating Expenses (%)	-2.6	-2.4	-6.4	-6.3	-2.3	2.7	6.9
28	Operating Profit (Loss) (in Millions \$)	-14.3	-6.5	-29.5	-21.8	-27.6	-41.1	-38.6
29	Net Income (Loss)(in Millions \$)	-8.7	94.8	-27.4	76.1	86.2	73.1	65.5
30	RPMs (Sch. Svc.) (%)	-22.0	-8.3	-17.0	-13.7	-9.8	-7.5	-5.6
31	ASMs (Sch. Svc.) (%)	-21.6	-9.7	-18.7	-15.7	-11.4	-8.3	-5.5
32	Operating Revenues per RTM (%)	18.2	4.1	10.0	6.7	5.7	6.8	8.9
33	Operating Expense per RTM (%)	24.8	6.5	12.8	8.5	8.3	11.0	13.1
34	Passenger Revenue per RPM (Sch. Svc.)(%)	12.0	-0.4	5.3	2.4	1.1	1.3	2.7

QUARTERLY FINANCIAL & TRAFFIC REVIEW
SYSTEM OPERATIONS
Frontier Airlines

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2014/12	2013/12	2014/12	2014/09	2014/06	2014/03	2013/12
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	405.1	337.6	1,574.9	1,507.3	1,431.4	1,366.1	1,348.6
2	Operating Expenses	366.1	332.6	1,364.7	1,331.2	1,312.1	1,299.0	1,326.0
3	Operating Profit (Loss)	39.0	5.0	210.2	176.2	119.3	67.1	22.5
4	Net Income (Loss)	25.4	2.5	129.0	106.1	71.3	39.1	11.6
<u>TRAFFIC: (Billions)</u>								
5	RPMs - Scheduled Svc.	2.8	2.3	10.4	10.0	9.5	9.2	9.2
6	ASMs - Scheduled Svc.	3.2	2.5	11.6	11.0	10.4	10.1	10.0
7	Overall RTMs (All Svc.)	0.3	0.2	1.1	1.1	1.0	1.0	1.0
8	Overall ATMs (All Svc.)	0.8	0.3	2.6	2.1	1.7	1.2	1.2
<u>YIELD & UNIT COST & PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	140.1	137.8	141.2	140.7	139.6	137.0	136.2
10	Operating Expense per RTM	126.6	135.8	122.4	124.3	127.9	130.2	134.0
11	Operating Profit (Loss) per RTM	13.5	2.0	18.8	16.4	11.6	6.7	2.3
12	Operating Expense per ATM	46.2	109.6	51.9	62.2	79.5	105.3	108.2
13	Passenger Revenue per RPM	11.72	12.28	12.18	12.33	12.42	12.40	12.44
<u>FINANCIAL RATIOS:</u>								
14	Operating Revenues to Total Investment	*	*	6.21	5.97	5.66	5.11	4.51
15	Times Interest Earned	*	*	52.64	49.00	33.82	18.77	6.23
16	Current Assets to Current Liabilities	*	*	0.94	0.80	0.58	0.49	0.53
17	No. of Days Cash Coverage of Cash Exp.	*	*	71.7	68.0	40.4	26.3	30.4
<u>FINANCIAL PERCENTAGES:</u>								
18	Operating Profit (Loss) to Operating Revenue	9.6	1.5	13.3	11.7	8.3	4.9	1.7
19	Net Income to Stockholders Equity	*	*	105.74	82.20	55.73	28.41	7.06
20	Corporate Return on Investment	*	*	52.4	43.4	29.5	16.0	5.1
21	Debt to Total Investment	*	*	44.8	42.3	53.0	62.9	66.7
<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>								
22	Actual	87.7	91.7	89.5	90.5	90.9	91.1	91.3
23	Breakeven	78.9	92.8	75.6	78.6	83.5	88.0	92.7
<u>Employment & Productivity:</u>								
24	Employment, Total Weighted Avg CY	3,667	3,459	3,650	3,598	3,540	3,547	3,634
25	Overall RTM's per Employee (000)	78.9	70.8	305.6	297.7	289.7	281.2	272.4

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	20.0	-2.0	16.8	11.2	5.3	-2.6	-5.9
27	Operating Expenses (%)	10.1	-2.7	2.9	-0.3	-2.5	-5.8	-5.6
28	Operating Profit (Loss) (in Millions \$)	34.0	2.2	187.7	155.8	106.6	44.7	-6.9
29	Net Income (Loss)(in Millions \$)	22.9	11.2	117.4	105.7	75.9	38.3	6.9
30	RPMs (Sch. Svc.) (%)	18.7	-2.8	13.5	7.9	1.1	-4.7	-8.3
31	ASMs (Sch. Svc.) (%)	24.0	-5.1	15.8	8.2	0.6	-5.5	-10.2
32	Operating Revenues per RTM (%)	1.6	0.9	3.6	3.5	4.3	1.7	1.3
33	Operating Expense per RTM (%)	-6.8	0.2	-8.7	-7.2	-3.5	-1.7	1.7
34	Passenger Revenue per RPM (Sch. Svc.)(%)	-4.5	5.3	-2.1	0.4	3.3	3.9	6.3

1/ For comparison purposes, all data has been retroactively adjusted to include Northwest.

QUARTERLY FINANCIAL & TRAFFIC REVIEW
SYSTEM OPERATIONS
Hawaiian Airlines

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2014/12	2013/12	2014/12	2014/09	2014/06	2014/03	2013/12
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	573.7	532.0	2,311.2	2,269.5	2,230.4	2,189.6	2,155.6
2	Operating Expenses	496.2	497.6	2,062.4	2,063.7	2,054.7	2,028.4	2,018.3
3	Operating Profit (Loss)	77.4	34.3	248.8	205.7	175.7	161.2	137.2
4	Net Income (Loss)	15.0	19.4	79.8	84.2	89.0	73.7	62.4
<u>TRAFFIC: (Billions)</u>								
5	RPMs - Scheduled Svc.	3.5	3.4	13.9	13.8	13.7	13.7	13.7
6	ASMs - Scheduled Svc.	4.3	4.2	17.1	17.0	17.0	16.9	16.8
7	Overall RTMs (All Svc.)	0.4	0.4	1.6	1.6	1.6	1.6	1.5
8	Overall ATMs (All Svc.)	0.8	0.7	3.0	3.0	2.9	2.9	2.9
<u>YIELD & UNIT COST & PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	139.4	137.4	143.3	142.9	142.6	141.0	139.6
10	Operating Expense per RTM	120.6	128.5	127.9	129.9	131.4	130.7	130.7
11	Operating Profit (Loss) per RTM	18.8	8.9	15.4	13.0	11.2	10.4	8.9
12	Operating Expense per ATM	66.4	68.2	69.4	69.9	70.1	69.5	69.5
13	Passenger Revenue per RPM	14.31	14.14	14.70	14.66	14.62	14.41	14.22
<u>FINANCIAL RATIOS:</u>								
14	Operating Revenues to Total Investment	*	*	1.81	1.88	2.01	2.22	2.39
15	Times Interest Earned	*	*	3.75	4.21	4.84	4.66	4.52
16	Current Assets to Current Liabilities	*	*	0.83	0.91	0.88	0.81	0.79
17	No. of Days Cash Coverage of Cash Exp.	*	*	82.9	99.2	99.4	85.2	66.7
<u>FINANCIAL PERCENTAGES:</u>								
18	Operating Profit (Loss) to Operating Revenue	13.5	6.5	10.8	9.1	7.9	7.4	6.4
19	Net Income to Stockholders Equity	*	*	24.2	26.9	32.5	29.9	27.5
20	Corporate Return on Investment	*	*	9.94	10.49	11.46	10.85	10.14
21	Debt to Total Investment	*	*	75.3	73.2	76.0	75.2	70.7
<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>								
22	Actual	82.0	80.0	81.3	80.8	80.5	80.9	81.2
23	Breakeven	70.7	74.7	72.4	73.4	74.0	74.6	76.0
<u>Employment & Productivity:</u>								
24	Employment, Total Weighted Avg CY	4,831	4,743	4,808	4,786	4,762	4,711	4,622
25	Overall RTM's per Employee (000)	85.2	81.6	335.4	331.9	328.5	329.5	334.0

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	7.8	7.9	7.2	7.2	7.9	8.5	9.8
27	Operating Expenses (%)	-0.3	3.4	2.2	3.1	5.3	6.1	10.3
28	Operating Profit (Loss) (in Millions \$)	43.1	22.8	111.6	91.3	60.5	55.1	4.5
29	Net Income (Loss)(in Millions \$)	-4.4	19.8	17.4	41.7	40.2	32.4	-3.9
30	RPMs (Sch. Svc.) (%)	3.4	3.2	1.5	1.4	2.8	6.9	12.0
31	ASMs (Sch. Svc.) (%)	0.9	5.6	1.4	2.6	4.3	9.1	14.7
32	Operating Revenues per RTM (%)	1.5	2.6	2.6	2.9	2.7	-0.3	-3.9
33	Operating Expense per RTM (%)	-6.1	-1.7	-2.2	-1.0	0.2	-2.5	-3.5
34	Passenger Revenue per RPM (Sch. Svc.)(%)	1.2	5.2	3.4	4.3	4.4	1.5	-1.8

QUARTERLY FINANCIAL & TRAFFIC REVIEW
SYSTEM OPERATIONS
JetBlue Airways

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2014/12	2013/12	2014/12	2014/09	2014/06	2014/03	2013/12
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	1,446.1	1,365.8	5,816.9	5,736.6	5,650.9	5,491.7	5,441.8
2	Operating Expenses	1,285.4	1,255.1	5,309.0	5,278.6	5,204.6	5,092.6	5,027.3
3	Operating Profit (Loss)	160.7	110.7	507.9	458.0	446.3	399.1	414.5
4	Net Income (Loss)	87.4	47.0	395.6	355.3	347.2	152.9	168.0
<u>TRAFFIC: (Billions)</u>								
5	RPMs - Scheduled Svc.	9.4	8.7	37.8	37.1	36.5	36.0	35.8
6	ASMs - Scheduled Svc.	11.4	10.7	45.0	44.3	43.8	43.1	42.8
7	Overall RTMs (All Svc.)	1.0	0.9	3.8	3.7	3.7	3.6	3.6
8	Overall ATMs (All Svc.)	1.4	1.3	5.7	5.6	5.5	5.4	5.4
<u>YIELD & UNIT COST & PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	152.5	156.3	152.6	153.4	153.5	151.3	150.7
10	Operating Expense per RTM	135.6	143.6	139.2	141.2	141.4	140.3	139.2
11	Operating Profit (Loss) per RTM	16.9	12.7	13.3	12.3	12.1	11.0	11.5
12	Operating Expense per ATM	89.2	93.3	93.9	94.9	94.7	94.0	93.4
13	Passenger Revenue per RPM	14.13	14.35	14.13	14.18	14.15	13.93	13.87
<u>FINANCIAL RATIOS:</u>								
14	Operating Revenues to Total Investment	*	*	1.23	1.20	1.19	1.15	1.14
15	Times Interest Earned	*	*	5.47	4.89	4.70	2.72	2.89
16	Current Assets to Current Liabilities	*	*	0.62	0.63	0.65	0.63	0.56
17	No. of Days Cash Coverage of Cash Exp.	*	*	51.8	54.6	59.4	58.7	48.3
<u>FINANCIAL PERCENTAGES:</u>								
18	Operating Profit (Loss) to Operating Revenue	11.1	8.1	8.7	8.0	7.9	7.3	7.6
19	Net Income to Stockholders Equity	*	*	17.20	16.16	16.48	7.56	8.51
20	Corporate Return on Investment	*	*	11.3	10.5	10.4	6.3	6.6
21	Debt to Total Investment	*	*	46.9	49.8	50.8	55.3	54.8
<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>								
22	Actual	82.1	80.9	84.0	83.8	83.4	83.5	83.7
23	Breakeven	73.8	75.8	77.9	78.5	78.3	79.1	79.0
<u>Employment & Productivity:</u>								
24	Employment, Total Weighted Avg CY	13,647	12,978	13,504	13,336	13,220	13,061	12,904
25	Overall RTM's per Employee (000)	69.5	67.3	282.3	280.3	278.4	277.8	279.9

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	5.9	14.4	6.9	8.9	10.1	8.2	9.2
27	Operating Expenses (%)	2.4	9.3	5.6	7.3	7.9	7.4	8.8
28	Operating Profit (Loss) (in Millions \$)	49.9	65.3	93.4	108.8	135.9	61.9	54.8
29	Net Income (Loss)(in Millions \$)	40.4	46.2	227.7	233.5	251.9	41.5	40.7
30	RPMs (Sch. Svc.) (%)	8.5	7.1	5.5	5.1	5.0	5.4	6.8
31	ASMs (Sch. Svc.) (%)	7.0	8.3	5.1	5.3	5.5	6.0	6.9
32	Operating Revenues per RTM (%)	-2.4	6.6	1.3	3.4	4.7	2.5	2.1
33	Operating Expense per RTM (%)	-5.6	1.8	0.0	1.9	2.6	1.8	1.7
34	Passenger Revenue per RPM (Sch. Svc.)(%)	-1.5	6.5	1.9	3.8	4.9	2.6	2.3

QUARTERLY FINANCIAL & TRAFFIC REVIEW
SYSTEM OPERATIONS
SkyWest Airlines

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2014/12	2013/12	2014/12	2014/09	2014/06	2014/03	2013/12
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	472.5	446.6	1,888.7	1,862.8	1,837.7	1,825.3	1,827.6
2	Operating Expenses	477.5	408.1	1,766.7	1,697.3	1,676.6	1,655.0	1,644.1
3	Operating Profit (Loss)	-4.9	38.5	122.0	165.4	161.1	170.3	183.4
4	Net Income (Loss)	-11.2	17.5	46.5	75.2	74.2	79.9	87.1
<u>TRAFFIC: (Billions)</u>								
5	RPMs - Scheduled Svc.	3.9	3.7	15.5	15.3	15.1	15.0	15.0
6	ASMs - Scheduled Svc.	4.8	4.5	18.6	18.3	18.2	18.2	18.2
7	Overall RTMs (All Svc.)	0.4	0.4	1.6	1.5	1.5	1.5	1.5
8	Overall ATMs (All Svc.)	0.6	0.6	2.4	2.4	2.4	2.4	2.4
<u>YIELD & UNIT COST & PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	120.2	121.7	121.8	122.2	122.1	121.7	122.2
10	Operating Expense per RTM	121.4	111.2	113.9	111.3	111.4	110.3	109.9
11	Operating Profit (Loss) per RTM	-1.2	10.5	7.9	10.9	10.7	11.4	12.3
12	Operating Expense per ATM	79.0	69.6	73.2	70.9	70.2	69.0	68.4
13	Passenger Revenue per RPM	11.60	11.81	11.75	11.80	11.83	11.80	11.86
<u>FINANCIAL RATIOS:</u>								
14	Operating Revenues to Total Investment	*	*	0.80	0.81	0.82	0.83	0.83
15	Times Interest Earned	*	*	2.75	3.89	3.87	4.05	4.21
16	Current Assets to Current Liabilities	*	*	1.98	1.74	1.78	1.94	1.99
17	No. of Days Cash Coverage of Cash Exp.	*	*	115.7	121.2	105.3	119.3	135.1
<u>FINANCIAL PERCENTAGES:</u>								
18	Operating Profit (Loss) to Operating Revenue	-1.0	8.6	6.5	8.9	8.8	9.3	10.0
19	Net Income to Stockholders Equity	*	*	3.59	5.86	5.85	6.37	7.03
20	Corporate Return on Investment	*	*	3.8	5.1	5.2	5.6	6.0
21	Debt to Total Investment	*	*	49.2	46.7	45.3	42.2	42.0
<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>								
22	Actual	82.8	82.4	83.4	83.3	82.9	82.4	82.2
23	Breakeven	94.1	81.7	86.8	83.7	82.5	81.0	80.1
<u>Employment & Productivity:</u>								
24	Employment, Total Weighted Avg CY	9,634	9,610	9,773	9,767	9,657	9,578	9,465
25	Overall RTM's per Employee (000)	40.8	38.2	158.7	156.1	155.8	156.6	158.0

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	5.8	-0.8	3.3	1.7	0.0	-3.1	-5.3
27	Operating Expenses (%)	17.0	0.0	7.5	3.2	0.9	-3.6	-7.4
28	Operating Profit (Loss) (in Millions \$)	-43.4	-4.0	-61.4	-22.0	-16.3	2.4	28.2
29	Net Income (Loss)(in Millions \$)	-28.7	-1.5	-40.6	-13.3	-6.6	5.6	20.8
30	RPMs (Sch. Svc.) (%)	7.2	3.5	3.7	2.8	2.4	3.9	5.4
31	ASMs (Sch. Svc.) (%)	6.6	3.4	2.2	1.4	1.9	4.2	5.1
32	Operating Revenues per RTM (%)	-1.3	-4.2	-0.4	-1.0	-2.3	-6.8	-10.1
33	Operating Expense per RTM (%)	9.2	-3.3	3.6	0.4	-1.4	-7.2	-12.1
34	Passenger Revenue per RPM (Sch. Svc.)(%)	-1.7	-4.6	-0.9	-1.6	-2.8	-7.3	-10.8

QUARTERLY FINANCIAL & TRAFFIC REVIEW
SYSTEM OPERATIONS
Southwest Airlines

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2014/12	2013/12	2014/12	2014/09	2014/06	2014/03	2013/12
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	4,627.6	4,428.2	18,605.1	18,405.6	18,150.4	17,781.5	17,699.4
2	Operating Expenses	4,007.4	4,042.5	16,379.8	16,415.0	16,384.3	16,358.0	16,421.2
3	Operating Profit (Loss)	620.3	385.6	2,225.3	1,990.6	1,766.1	1,423.5	1,278.3
4	Net Income (Loss)	190.3	212.5	1,136.5	1,158.7	1,089.4	848.4	754.5
<u>TRAFFIC: (Billions)</u>								
5	RPMs - Scheduled Svc.	26.0	22.7	101.2	97.8	94.4	91.9	90.2
6	ASMs - Scheduled Svc.	31.7	28.2	122.6	119.1	116.2	114.0	112.6
7	Overall RTMs (All Svc.)	2.6	2.3	10.3	9.9	9.6	9.3	9.2
8	Overall ATMs (All Svc.)	3.8	3.4	14.8	14.4	14.0	13.8	13.6
<u>YIELD & UNIT COST & PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	175.4	192.4	181.4	185.6	189.7	190.8	193.5
10	Operating Expense per RTM	151.9	175.7	159.7	165.5	171.2	175.6	179.5
11	Operating Profit (Loss) per RTM	23.5	16.8	21.7	20.1	18.5	15.3	14.0
12	Operating Expense per ATM	104.9	119.0	110.8	114.3	117.0	118.9	120.7
13	Passenger Revenue per RPM	16.95	18.50	17.45	17.83	18.21	18.29	18.54
<u>FINANCIAL RATIOS:</u>								
14	Operating Revenues to Total Investment	*	*	1.86	1.82	1.81	1.79	1.78
15	Times Interest Earned	*	*	18.10	18.40	16.60	13.56	12.35
16	Current Assets to Current Liabilities	*	*	0.66	0.74	0.73	0.72	0.76
17	No. of Days Cash Coverage of Cash Exp.	*	*	70.7	83.8	94.1	82.5	74.0
<u>FINANCIAL PERCENTAGES:</u>								
18	Operating Profit (Loss) to Operating Revenue	13.4	8.7	12.0	10.8	9.7	8.0	7.2
19	Net Income to Stockholders Equity	*	*	15.68	15.88	15.20	12.02	10.75
20	Corporate Return on Investment	*	*	12.4	12.5	12.0	9.6	8.6
21	Debt to Total Investment	*	*	28.4	26.9	26.8	28.1	27.8
<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>								
22	Actual	82.1	80.4	82.5	82.1	81.2	80.6	80.1
23	Breakeven	69.2	72.2	70.9	71.7	71.9	73.0	73.3
<u>Employment & Productivity:</u>								
24	Employment, Total Weighted Avg CY	46,224	44,939	45,568	45,247	45,116	45,136	45,324
25	Overall RTM's per Employee (000)	57.1	51.2	225.1	219.2	212.1	206.4	201.8

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	4.5	6.1	5.1	5.5	5.5	3.5	3.6
27	Operating Expenses (%)	-0.9	-1.0	-0.3	-0.3	-1.1	-0.9	-0.3
28	Operating Profit (Loss) (in Millions \$)	234.7	294.2	947.0	1,006.6	1,121.1	751.5	655.0
29	Net Income (Loss)(in Millions \$)	-22.2	134.2	382.0	538.5	712.4	467.1	333.4
30	RPMs (Sch. Svc.) (%)	14.7	7.9	12.2	10.5	7.6	6.6	0.5
31	ASMs (Sch. Svc.) (%)	12.3	6.9	8.9	7.6	6.2	6.1	0.5
32	Operating Revenues per RTM (%)	-8.9	-1.5	-6.2	-4.4	-1.8	-2.8	3.1
33	Operating Expense per RTM (%)	-13.5	-8.0	-11.0	-9.7	-7.9	-6.9	-0.7
34	Passenger Revenue per RPM (Sch. Svc.)(%)	-8.4	2.8	-5.9	-3.2	0.6	0.5	7.7

QUARTERLY FINANCIAL & TRAFFIC REVIEW
SYSTEM OPERATIONS
US Airways

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2014/12	2013/12	2014/12	2014/09	2014/06	2014/03	2013/12
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	3,759.6	3,613.7	15,750.1	15,604.2	15,387.0	15,061.3	14,935.6
2	Operating Expenses	3,264.2	3,610.9	13,822.0	14,168.8	14,096.7	13,971.8	13,933.0
3	Operating Profit (Loss)	495.4	2.8	1,928.0	1,435.5	1,290.3	1,089.5	1,002.5
4	Net Income (Loss)	260.6	-130.2	1,481.8	1,091.0	820.9	540.7	483.4
<u>TRAFFIC: (Billions)</u>								
5	RPMs - Scheduled Svc.	15.2	15.5	66.3	66.6	66.6	65.9	66.1
6	ASMs - Scheduled Svc.	18.6	18.7	79.9	80.0	79.1	77.9	77.9
7	Overall RTMs (All Svc.)	1.6	1.7	7.0	7.1	7.1	7.0	7.0
8	Overall ATMs (All Svc.)	2.8	2.8	12.0	12.0	11.8	11.5	11.5
<u>YIELD & UNIT COST & PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	234.2	218.4	224.7	221.0	218.4	216.1	213.7
10	Operating Expense per RTM	203.4	218.3	197.2	200.7	200.0	200.5	199.4
11	Operating Profit (Loss) per RTM	30.9	0.2	27.5	20.3	18.3	15.6	14.3
12	Operating Expense per ATM	117.5	130.5	115.1	118.1	119.5	121.1	121.3
13	Passenger Revenue per RPM	15.23	14.63	15.02	14.88	14.74	14.56	14.38
<u>FINANCIAL RATIOS:</u>								
14	Operating Revenues to Total Investment	*	*	1.36	1.46	1.59	1.80	2.09
15	Times Interest Earned	*	*	7.15	5.15	4.52	3.84	3.69
16	Current Assets to Current Liabilities	*	*	1.09	1.32	1.19	1.17	1.16
17	No. of Days Cash Coverage of Cash Exp.	*	*	87.4	81.6	96.8	98.7	87.0
<u>FINANCIAL PERCENTAGES:</u>								
18	Operating Profit (Loss) to Operating Revenue	13.2	0.1	12.2	9.2	8.4	7.2	6.7
19	Net Income to Stockholders Equity	*	*	24.61	21.35	19.51	16.17	18.65
20	Corporate Return on Investment	*	*	15.1	12.8	11.5	9.9	10.6
21	Debt to Total Investment	*	*	44.3	46.2	48.3	51.0	51.0
<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>								
22	Actual	81.5	83.1	83.0	83.3	84.2	84.6	84.9
23	Breakeven	67.0	89.4	70.6	75.8	78.1	80.5	81.9
<u>Employment & Productivity:</u>								
24	Employment, Total Weighted Avg CY	31,699	31,442	31,675	31,611	31,506	31,307	31,031
25	Overall RTM's per Employee (000)	50.6	52.6	221.3	223.3	223.7	222.6	225.2

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	4.0	8.0	5.5	6.4	7.3	5.8	5.8
27	Operating Expenses (%)	-9.6	11.5	-0.8	4.5	5.2	4.5	4.8
28	Operating Profit (Loss) (in Millions \$)	492.6	-106.2	925.5	326.7	340.8	221.8	180.6
29	Net Income (Loss)(in Millions \$)	390.8	-176.9	998.4	430.7	116.9	-159.8	-219.1
30	RPMs (Sch. Svc.) (%)	-2.4	4.5	0.2	1.8	3.2	3.8	6.0
31	ASMs (Sch. Svc.) (%)	-0.4	6.6	2.6	4.3	4.4	4.0	5.0
32	Operating Revenues per RTM (%)	7.2	3.1	5.1	4.2	3.6	1.8	-0.3
33	Operating Expense per RTM (%)	-6.8	6.5	-1.1	2.3	1.6	0.6	-1.3
34	Passenger Revenue per RPM (Sch. Svc.)(%)	4.2	5.6	4.5	4.8	5.4	3.8	1.5

QUARTERLY FINANCIAL & TRAFFIC REVIEW
SYSTEM OPERATIONS
United Air Lines

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2014/12	2013/12	2014/12	2014/09	2014/06	2014/03	2013/12
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	9,312.3	9,331.1	38,900.5	38,919.3	38,585.5	38,260.3	38,287.1
2	Operating Expenses	8,686.7	9,093.6	36,524.7	36,931.6	37,272.3	37,082.0	37,028.1
3	Operating Profit (Loss)	625.7	237.5	2,375.9	1,987.7	1,313.3	1,178.3	1,259.1
4	Net Income (Loss)	-8.7	154.2	1,113.8	1,276.7	720.8	435.6	654.1
<u>TRAFFIC: (Billions)</u>								
5	RPMs - Scheduled Svc.	42.5	42.4	178.7	178.6	178.4	178.0	178.2
6	ASMs - Scheduled Svc.	52.1	51.5	213.6	213.0	212.6	212.4	212.5
7	Overall RTMs (All Svc.)	4.9	4.9	20.4	20.3	20.2	20.1	20.1
8	Overall ATMs (All Svc.)	6.9	7.3	29.2	29.7	30.1	30.4	30.6
<u>YIELD & UNIT COST & PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	188.7	192.3	190.8	191.7	191.5	190.5	190.8
10	Operating Expense per RTM	176.0	187.5	179.2	181.9	184.9	184.6	184.6
11	Operating Profit (Loss) per RTM	12.7	4.9	11.7	9.8	6.5	5.9	6.3
12	Operating Expense per ATM	126.0	124.0	125.0	124.5	123.9	122.1	121.0
13	Passenger Revenue per RPM	14.88	14.52	14.90	14.81	14.61	14.47	14.51
<u>FINANCIAL RATIOS:</u>								
14	Operating Revenues to Total Investment	*	*	2.52	2.54	2.61	2.71	2.75
15	Times Interest Earned	*	*	2.66	2.84	2.02	1.61	1.90
16	Current Assets to Current Liabilities	*	*	0.65	0.72	0.72	0.67	0.71
17	No. of Days Cash Coverage of Cash Exp.	*	*	46.27	57.30	59.84	52.26	53.14
<u>FINANCIAL PERCENTAGES:</u>								
18	Operating Profit (Loss) to Operating Revenue	6.7	2.5	6.1	5.1	3.4	3.1	3.3
19	Net Income to Stockholders Equity	*	*	33.77	39.64	26.33	19.88	35.33
20	Corporate Return on Investment	*	*	11.6	12.8	9.6	8.0	9.8
21	Debt to Total Investment	*	*	82.1	74.1	77.4	80.8	79.2
<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>								
22	Actual	81.7	82.4	83.7	83.8	83.9	83.8	83.9
23	Breakeven	81.7	88.5	83.6	85.2	87.5	88.2	88.3
<u>Employment & Productivity:</u>								
24	Employment, Total Weighted Avg CY	78,724	81,797	79,829	80,597	81,309	81,862	82,200
25	Overall RTM's per Employee (000)	62.7	59.3	255.4	251.9	247.9	245.3	244.1

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	-0.2	7.2	1.6	3.3	3.3	2.6	3.0
27	Operating Expenses (%)	-4.5	-0.7	-1.4	-0.4	0.5	-0.4	-0.3
28	Operating Profit (Loss) (in Millions \$)	388.1	693.1	1,116.8	1,421.7	1,062.8	1,122.8	1,227.5
29	Net Income (Loss)(in Millions \$)	-162.8	728.5	459.8	1,351.1	1,197.8	1,027.0	1,315.0
30	RPMs (Sch. Svc.) (%)	0.3	2.3	0.3	0.7	0.6	-0.2	-0.5
31	ASMs (Sch. Svc.) (%)	1.1	2.5	0.5	0.9	0.4	-0.3	-1.5
32	Operating Revenues per RTM (%)	-1.9	5.1	0.0	1.6	3.0	3.5	4.8
33	Operating Expense per RTM (%)	-6.1	-2.7	-2.9	-2.1	0.1	0.4	1.4
34	Passenger Revenue per RPM (Sch. Svc.)(%)	2.5	2.5	2.7	2.7	1.5	0.6	1.2

QUARTERLY FINANCIAL & TRAFFIC REVIEW
SYSTEM OPERATIONS
System Cargo Majors

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2014/12	2013/12	2014/12	2014/09	2014/06	2014/03	2013/12
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	8,754.0	8,733.4	33,971.5	33,950.9	33,573.9	33,390.6	33,458.7
2	Operating Expenses	8,111.5	8,208.7	31,932.4	32,029.6	31,856.3	32,025.9	32,136.1
3	Operating Profit (Loss)	642.5	524.7	2,039.1	1,921.3	1,717.6	1,364.7	1,322.6
4	Net Income (Loss)	244.5	292.3	1,062.2	1,110.0	863.9	524.4	563.5
<u>TRAFFIC: (Billions)</u>								
5	RTMs - Scheduled Svc.	4.9	4.9	18.7	18.7	18.6	18.5	18.5
6	ATMs - Scheduled Svc.	8.5	8.4	31.7	31.6	31.4	31.4	31.4
7	Overall RTMs (All Svc.)	6.0	5.9	22.3	22.3	22.2	22.2	22.3
8	Overall ATMs (All Svc.)	10.5	10.1	39.1	38.7	38.0	38.2	38.3
<u>YIELD & UNIT COST & PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	146.8	148.4	152.0	152.5	151.5	150.2	150.0
10	Operating Expense per RTM	136.1	139.5	142.9	143.8	143.7	144.1	144.0
11	Operating Profit (Loss) per RTM	10.8	8.9	9.1	8.6	7.7	6.1	5.9
12	Operating Expense per ATM	77.5	81.4	81.7	82.7	83.7	83.9	84.0
13	Passenger Revenue per RPM	*	*	*	*	*	*	*
<u>FINANCIAL RATIOS:</u>								
14	Operating Revenues to Total Investment	*	*	1.98	1.98	1.97	1.95	1.96
15	Times Interest Earned	*	*	15.38	13.55	10.88	7.14	7.24
16	Current Assets to Current Liabilities	*	*	1.10	0.97	0.95	1.09	0.35
17	No. of Days Cash Coverage of Cash Exp.	*	*	12.04	11.10	12.62	10.94	11.66
<u>FINANCIAL PERCENTAGES:</u>								
18	Operating Profit (Loss) to Operating Revenue	7.3	6.0	6.0	5.7	5.1	4.1	4.0
19	Net Income to Stockholders Equity	*	*	7.42	7.87	6.22	3.82	4.13
20	Corporate Return on Investment	*	*	6.9	7.2	5.9	3.9	4.1
21	Debt to Total Investment	*	*	16.0	14.6	15.8	21.1	16.2
<u>TON LOAD FACTOR: (%)</u>								
22	Scheduled Svc.	58.0	59.0	58.9	59.1	59.1	58.9	59.0
23	All Services	57.0	58.3	57.2	57.5	58.3	58.2	58.3
<u>Employment & Productivity:</u>								
24	Employment, Total Weighted Avg CY	148,041	144,495	145,881	144,995	144,657	144,617	144,670
25	Overall RTM's per Employee (000)	80.5	81.5	306.3	307.2	306.4	307.4	308.4

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	0.2	-0.3	1.5	1.4	0.3	0.0	0.3
27	Operating Expenses (%)	-1.2	-0.5	-0.6	-0.4	-1.3	0.3	1.4
28	Operating Profit (Loss) (in Millions \$)	117.8	14.9	716.5	613.6	526.7	-97.5	-339.4
29	Net Income (Loss)(in Millions \$)	-47.8	15.5	498.7	562.0	393.6	-180.5	-206.0
30	RTMs (All Svc.) (%)	0.2	2.2	0.8	1.3	0.9	0.6	0.5
31	ATMs (All Svc.) (%)	1.7	1.6	1.0	0.9	0.5	0.5	0.6
32	Operating Revenues per RTM (%)	-1.0	-0.9	1.4	1.4	0.8	-0.1	-0.6
33	Operating Expense per RTM (%)	-2.4	-1.0	-0.8	-0.4	-0.8	0.2	0.5
34	Passenger Revenue per RPM (Sch. Svc.)(%)	*	*	**	**	**	**	**

1/ For comparison purposes, all data has been retroactively adjusted to include Continental.

QUARTERLY FINANCIAL & TRAFFIC REVIEW
SYSTEM OPERATIONS
Domestic Cargo Majors

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2014/12	2013/12	2014/12	2014/09	2014/06	2014/03	2013/12
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	6,157.9	6,093.3	23,624.5	23,559.9	23,290.8	23,145.7	23,224.5
2	Operating Expenses	4,951.2	4,915.5	18,876.9	18,841.1	18,884.2	18,902.9	18,838.4
3	Operating Profit (Loss)	1,206.7	1,177.8	4,747.6	4,718.7	4,406.6	4,242.8	4,386.1
4	Net Income (Loss)	770.4	727.0	3,036.1	2,992.7	2,785.6	2,653.8	2,780.3
<u>TRAFFIC: (Billions)</u>								
5	RTMs - Scheduled Svc.	2.6	2.6	9.8	9.7	9.7	9.6	9.6
6	ATMs - Scheduled Svc.	4.8	4.6	17.3	17.1	16.9	16.9	16.8
7	Overall RTMs (All Svc.)	2.8	2.7	10.4	10.3	10.2	10.2	10.2
8	Overall ATMs (All Svc.)	5.2	4.9	18.6	18.3	18.0	18.0	17.9
<u>YIELD & UNIT COST & PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	218.2	225.4	226.7	228.7	227.9	227.4	228.1
10	Operating Expense per RTM	175.4	181.9	181.2	182.9	184.8	185.7	185.0
11	Operating Profit (Loss) per RTM	42.8	43.6	45.6	45.8	43.1	41.7	43.1
12	Operating Expense per ATM	96.0	101.3	101.6	103.1	104.8	105.1	105.1
13	Passenger Revenue per RPM	*	*	*	*	*	*	*
<u>FINANCIAL RATIOS:</u>								
14	Operating Revenues to Total Investment	*	*	**	**	**	**	**
15	Times Interest Earned	*	*	**	**	**	**	**
16	Current Assets to Current Liabilities	*	*	**	**	**	**	**
17	No. of Days Cash Coverage of Cash Exp.	*	*	**	**	**	**	**
<u>FINANCIAL PERCENTAGES:</u>								
18	Operating Profit (Loss) to Operating Revenue	19.6	19.3	20.1	20.0	18.9	18.3	18.9
19	Net Income to Stockholders Equity	*	*	&	&	&	&	&
20	Corporate Return on Investment	*	*	32.5	32.3	30.2	28.9	30.6
21	Debt to Total Investment	*	*	**	**	**	**	**
<u>TON LOAD FACTOR: (%)</u>								
22	Scheduled Svc.	55.0	56.1	56.8	57.0	57.0	56.8	57.0
23	All Services	54.7	55.7	56.1	56.4	56.7	56.6	56.8
<u>Employment & Productivity:</u>								
24	Employment, Total Weighted Avg CY	*	*	**	**	**	**	**
25	Overall RTM's per Employee (000)	*	*	**	**	**	**	**

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	1.1	-0.6	1.7	1.3	0.5	0.2	0.4
27	Operating Expenses (%)	0.7	1.0	0.2	0.3	0.1	0.9	0.5
28	Operating Profit (Loss) (in Millions \$)	28.9	-83.6	361.5	249.0	99.4	-113.5	-10.8
29	Net Income (Loss)(in Millions \$)	43.4	-62.1	255.8	150.2	54.8	-53.3	56.9
30	RTMs (All Svc.) (%)	2.0	3.4	2.3	2.7	2.2	1.5	1.5
31	ATMs (All Svc.) (%)	3.8	4.2	2.7	2.8	2.3	2.2	2.2
32	Operating Revenues per RTM (%)	-3.2	-0.5	-0.6	0.2	-0.1	-0.2	-0.5
33	Operating Expense per RTM (%)	-3.5	1.0	-2.1	-0.9	-0.5	0.5	-0.3
34	Passenger Revenue per RPM (Sch. Svc.)(%)	*	*	**	**	**	**	**

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

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2014/12	2013/12	2014/12	2014/09	2014/06	2014/03	2013/12
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	2,233.8	2,292.8	9,038.1	9,097.2	9,032.2	9,014.2	9,001.9
2	Operating Expenses	2,830.5	3,007.2	11,851.7	12,028.4	11,851.7	12,020.3	12,189.8
3	Operating Profit (Loss)	-596.7	-714.4	-2,813.6	-2,931.3	-2,819.5	-3,006.1	-3,187.9
4	Net Income (Loss)	-547.3	-465.5	-2,024.0	-1,942.2	-1,979.1	-2,170.9	-2,263.5
<u>TRAFFIC: (Billions)</u>								
5	RTMs - Scheduled Svc.	2.3	2.4	8.9	8.9	8.9	8.9	9.0
6	ATMs - Scheduled Svc.	3.7	3.7	14.5	14.5	14.5	14.6	14.6
7	Overall RTMs (All Svc.)	2.3	2.4	8.9	8.9	8.9	9.0	9.0
8	Overall ATMs (All Svc.)	3.7	3.8	14.5	14.6	14.6	14.6	14.8
<u>YIELD & UNIT COST & PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	96.8	97.6	101.5	101.7	101.2	100.7	100.1
10	Operating Expense per RTM	122.7	128.0	133.1	134.5	132.7	134.2	135.6
11	Operating Profit (Loss) per RTM	-25.9	-30.4	-31.6	-32.8	-31.6	-33.6	-35.5
12	Operating Expense per ATM	76.1	80.2	81.5	82.5	81.3	82.1	82.7
13	Passenger Revenue per RPM	*	*	*	*	*	*	*
<u>FINANCIAL RATIOS:</u>								
14	Operating Revenues to Total Investment	*	*	**	**	**	**	**
15	Times Interest Earned	*	*	**	**	**	**	**
16	Current Assets to Current Liabilities	*	*	**	**	**	**	**
17	No. of Days Cash Coverage of Cash Exp.	*	*	**	**	**	**	**
<u>FINANCIAL PERCENTAGES:</u>								
18	Operating Profit (Loss) to Operating Revenue	-26.7	-31.2	-31.1	-32.2	-31.2	-33.3	-35.4
19	Net Income to Stockholders Equity	*	*	&	&	&	&	&
20	Corporate Return on Investment	*	*	-33.5	-31.7	-32.8	-35.7	-37.2
21	Debt to Total Investment	*	*	**	**	**	**	**
<u>TON LOAD FACTOR: (%)</u>								
22	Scheduled Svc.	62.0	62.8	61.4	61.5	61.4	61.3	61.2
23	All Services	62.1	62.6	61.2	61.4	61.3	61.2	61.0
<u>Employment & Productivity:</u>								
24	Employment, Total Weighted Avg CY	*	*	**	**	**	**	**
25	Overall RTM's per Employee (000)	*	*	**	**	**	**	**

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	-2.6	0.2	0.4	1.1	-0.2	-0.1	0.7
27	Operating Expenses (%)	-5.9	-3.2	-2.8	-2.1	-3.8	-0.6	2.8
28	Operating Profit (Loss) (in Millions \$)	117.7	105.7	374.4	362.4	440.9	58.3	-275.8
29	Net Income (Loss)(in Millions \$)	-81.8	77.9	239.5	399.2	338.2	-88.0	-227.6
30	RTMs (All Svc.) (%)	-1.8	1.0	-0.9	-0.1	-0.5	-0.4	-0.5
31	ATMs (All Svc.) (%)	-0.9	-1.4	-1.1	-1.2	-1.6	-1.3	-1.1
32	Operating Revenues per RTM (%)	-0.8	-0.3	1.4	1.5	0.6	0.8	1.6
33	Operating Expense per RTM (%)	-4.1	-3.8	-1.8	-1.8	-2.9	0.3	3.8
34	Passenger Revenue per RPM (Sch. Svc.)(%)	*	*	**	**	**	**	**

QUARTERLY FINANCIAL & TRAFFIC REVIEW
SYSTEM OPERATIONS
Atlas Air

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2014/12	2013/12	2014/12	2014/09	2014/06	2014/03	2013/12
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	451.9	433.9	1,634.2	1,616.2	1,552.1	1,522.0	1,516.4
2	Operating Expenses	410.2	356.6	1,499.4	1,445.8	1,392.8	1,360.2	1,353.5
3	Operating Profit (Loss)	41.7	77.3	134.8	170.4	159.3	161.8	162.9
4	Net Income (Loss)	27.9	39.3	66.3	77.7	68.9	54.9	67.1
<u>TRAFFIC: (Billions)</u>								
5	RTMs - Scheduled Svc.	0.0	0.0	0.0	0.0	0.0	0.0	0.0
6	ATMs - Scheduled Svc.	0.0	0.0	0.0	0.0	0.0	0.0	0.0
7	Overall RTMs (All Svc.)	1.0	1.0	3.6	3.6	3.6	3.7	3.7
8	Overall ATMs (All Svc.)	1.9	1.7	7.3	7.1	6.5	6.7	6.7
<u>YIELD & UNIT COST & PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	44.6	45.8	44.9	45.2	43.4	41.3	40.6
10	Operating Expense per RTM	40.5	37.7	41.2	40.4	38.9	36.9	36.2
11	Operating Profit (Loss) per RTM	4.1	8.2	3.7	4.8	4.5	4.4	4.4
12	Operating Expense per ATM	21.1	20.9	20.6	20.5	21.3	20.5	20.2
13	Passenger Revenue per RPM	*	*	*	*	*	*	*
<u>FINANCIAL RATIOS:</u>								
14	Operating Revenues to Total Investment	*	*	0.76	0.76	0.72	0.70	0.69
15	Times Interest Earned	*	*	1.64	2.11	1.89	2.01	1.94
16	Current Assets to Current Liabilities	*	*	1.03	1.02	1.00	0.99	1.00
17	No. of Days Cash Coverage of Cash Exp.	*	*	29.50	26.20	29.29	27.86	48.47
<u>FINANCIAL PERCENTAGES:</u>								
18	Operating Profit (Loss) to Operating Revenue	9.2	17.8	8.2	10.5	10.3	10.6	10.7
19	Net Income to Stockholders Equity	*	*	10.41	12.42	10.84	8.48	10.08
20	Corporate Return on Investment	*	*	6.5	7.1	6.7	6.2	6.9
21	Debt to Total Investment	*	*	68.8	70.2	71.2	72.3	69.3
<u>TON LOAD FACTOR: (%)</u>								
22	Scheduled Svc.	0.0	0.0	0.0	0.0	0.0	0.0	0.0
23	All Services	52.2	55.4	50.0	50.7	54.8	55.4	55.9
<u>Employment & Productivity:</u>								
24	Employment, Total Weighted Avg CY	1,719	1,673	1,702	1,691	1,680	1,677	1,672
25	Overall RTM's per Employee (000)	589.8	566.0	2,140.1	2,114.4	2,130.3	2,196.6	2,235.6

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	4.1	2.8	7.8	7.4	2.2	-1.4	-0.9
27	Operating Expenses (%)	15.0	5.7	10.8	8.3	5.1	2.3	3.2
28	Operating Profit (Loss) (in Millions \$)	-35.6	-7.2	-28.1	0.3	-33.5	-52.5	-56.1
29	Net Income (Loss)(in Millions \$)	-11.4	1.2	-0.8	11.8	-16.2	-50.2	-36.1
30	RTMs (All Svc.) (%)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
31	ATMs (All Svc.) (%)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
32	Operating Revenues per RTM (%)	-2.7	9.8	10.6	14.2	9.1	-0.8	-4.8
33	Operating Expense per RTM (%)	7.5	12.9	13.7	15.2	12.1	2.9	-0.8
34	Passenger Revenue per RPM (Sch. Svc.)(%)	*	*	**	**	**	**	**

QUARTERLY FINANCIAL & TRAFFIC REVIEW
SYSTEM OPERATIONS
Federal Express

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2014/12	2013/12	2014/12	2014/09	2014/06	2014/03	2013/12
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	6,860.6	6,766.5	26,523.1	26,429.1	26,150.0	26,059.6	26,144.6
2	Operating Expenses	6,342.0	6,424.4	24,947.1	25,029.4	24,942.4	25,207.7	25,321.8
3	Operating Profit (Loss)	518.5	342.1	1,576.0	1,399.6	1,207.6	851.9	822.9
4	Net Income (Loss)	334.4	207.5	998.0	871.2	732.6	420.7	413.0
<u>TRAFFIC: (Billions)</u>								
5	RTMs - Scheduled Svc.	2.9	2.9	11.0	11.0	11.0	11.0	11.1
6	ATMs - Scheduled Svc.	5.2	5.1	19.5	19.4	19.3	19.3	19.3
7	Overall RTMs (All Svc.)	2.9	2.9	11.0	11.1	11.0	11.0	11.1
8	Overall ATMs (All Svc.)	5.2	5.1	19.6	19.5	19.4	19.3	19.4
<u>YIELD & UNIT COST & PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	238.2	233.3	240.6	239.3	237.2	236.1	235.3
10	Operating Expense per RTM	220.2	221.5	226.3	226.6	226.2	228.4	227.9
11	Operating Profit (Loss) per RTM	18.0	11.8	14.3	12.7	11.0	7.7	7.4
12	Operating Expense per ATM	122.6	126.6	127.3	128.4	128.8	130.4	130.6
13	Passenger Revenue per RPM	*	*	*	*	*	*	*
<u>FINANCIAL RATIOS:</u>								
14	Operating Revenues to Total Investment	*	*	2.71	2.75	2.78	2.81	2.85
15	Times Interest Earned	*	*	999.90	999.90	999.90	999.90	999.90
16	Current Assets to Current Liabilities	*	*	1.00	0.98	0.96	0.92	0.92
17	No. of Days Cash Coverage of Cash Exp.	*	*	12.70	12.05	13.24	11.27	11.34
<u>FINANCIAL PERCENTAGES:</u>								
18	Operating Profit (Loss) to Operating Revenue	7.6	5.1	5.9	5.3	4.6	3.3	3.1
19	Net Income to Stockholders Equity	*	*	10.45	9.31	7.99	4.66	4.62
20	Corporate Return on Investment	*	*	10.2	9.1	7.7	4.4	4.3
21	Debt to Total Investment	*	*	2.3	2.4	2.4	2.5	2.6
<u>TON LOAD FACTOR: (%)</u>								
22	Scheduled Svc.	55.6	57.1	56.4	56.8	57.0	57.2	57.4
23	All Services	55.7	57.1	56.3	56.7	56.9	57.1	57.3
<u>Employment & Productivity:</u>								
24	Employment, Total Weighted Avg CY	140,908	137,419	138,775	137,903	137,575	137,529	137,569
25	Overall RTM's per Employee (000)	20.4	21.1	79.4	80.1	80.1	80.3	80.8
		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	1.4	-0.6	1.4	0.9	0.0	0.3	0.8
27	Operating Expenses (%)	-1.3	-1.0	-1.5	-1.4	-2.1	0.5	2.0
28	Operating Profit (Loss) (in Millions \$)	176.4	25.3	753.2	602.0	546.8	-60.9	-273.5
29	Net Income (Loss)(in Millions \$)	126.8	13.1	585.0	471.3	418.4	-42.3	-183.1
30	RTMs (All Svc.) (%)	-0.7	-0.4	-0.8	-0.7	-0.9	-0.8	0.0
31	ATMs (All Svc.) (%)	1.9	0.1	1.1	0.6	-0.1	-0.1	0.4
32	Operating Revenues per RTM (%)	2.1	0.1	2.3	1.7	1.2	1.4	1.0
33	Operating Expense per RTM (%)	-0.6	-0.4	-0.7	-0.6	-1.0	1.6	2.2
34	Passenger Revenue per RPM (Sch. Svc.)(%)	*	*	**	**	**	**	**

QUARTERLY FINANCIAL & TRAFFIC REVIEW
SYSTEM OPERATIONS
United Parcel Service

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2014/12	2013/12	2014/12	2014/09	2014/06	2014/03	2013/12
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	1,441.6	1,533.0	5,814.2	5,905.6	5,871.8	5,809.0	5,797.6
2	Operating Expenses	1,359.3	1,427.7	5,485.9	5,554.3	5,521.2	5,458.1	5,460.8
3	Operating Profit (Loss)	82.3	105.3	328.2	351.3	350.6	351.0	336.8
4	Net Income (Loss)	-117.7	45.5	-2.2	161.1	62.4	48.8	83.3
<u>TRAFFIC: (Billions)</u>								
5	RTMs - Scheduled Svc.	2.1	2.0	7.7	7.7	7.6	7.5	7.5
6	ATMs - Scheduled Svc.	3.4	3.3	12.2	12.2	12.1	12.2	12.1
7	Overall RTMs (All Svc.)	2.1	2.0	7.7	7.7	7.6	7.5	7.5
8	Overall ATMs (All Svc.)	3.4	3.3	12.2	12.2	12.1	12.2	12.2
<u>YIELD & UNIT COST & PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	69.7	75.2	75.7	77.2	77.7	77.4	77.7
10	Operating Expense per RTM	65.7	70.1	71.5	72.6	73.0	72.7	73.2
11	Operating Profit (Loss) per RTM	4.0	5.2	4.3	4.6	4.6	4.7	4.5
12	Operating Expense per ATM	40.6	43.2	44.9	45.6	45.5	44.8	44.9
13	Passenger Revenue per RPM	*	*	*	*	*	*	*
<u>FINANCIAL RATIOS:</u>								
14	Operating Revenues to Total Investment	*	*	1.11	1.09	1.07	1.03	1.02
15	Times Interest Earned	*	*	6.00	5.26	3.64	2.94	3.19
16	Current Assets to Current Liabilities	*	*	1.67	0.92	0.92	2.07	-3.04
17	No. of Days Cash Coverage of Cash Exp.	*	*	4.03	2.68	5.41	5.05	3.83
<u>FINANCIAL PERCENTAGES:</u>								
18	Operating Profit (Loss) to Operating Revenue	5.7	6.9	5.6	5.9	6.0	6.0	5.8
19	Net Income to Stockholders Equity	*	*	-0.05	3.91	1.53	1.20	2.06
20	Corporate Return on Investment	*	*	1.0	4.1	2.3	2.0	2.7
21	Debt to Total Investment	*	*	20.7	14.7	17.7	31.7	20.3
<u>TON LOAD FACTOR: (%)</u>								
22	Scheduled Svc.	61.8	61.8	62.8	62.8	62.3	61.7	61.4
23	All Services	61.8	61.7	62.8	62.8	62.3	61.6	61.3
<u>Employment & Productivity:</u>								
24	Employment, Total Weighted Avg CY	5,414	5,403	5,404	5,401	5,402	5,411	5,429
25	Overall RTM's per Employee (000)	382.0	377.2	1,420.6	1,415.8	1,399.5	1,386.8	1,373.7

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	-6.0	0.2	0.3	1.9	1.1	-0.8	-1.5
27	Operating Expenses (%)	-4.8	0.5	0.5	1.8	1.0	-1.2	-1.4
28	Operating Profit (Loss) (in Millions \$)	-23.0	-3.1	-8.6	11.3	13.3	15.9	-9.8
29	Net Income (Loss)(in Millions \$)	-163.3	1.2	-85.5	79.0	-8.5	-87.9	13.3
30	RTMs (All Svc.) (%)	1.5	6.3	3.1	4.4	3.6	2.6	1.3
31	ATMs (All Svc.) (%)	1.3	4.0	0.8	1.5	1.3	1.5	0.9
32	Operating Revenues per RTM (%)	-7.3	-5.6	-2.6	-2.2	-2.2	-3.2	-2.7
33	Operating Expense per RTM (%)	-6.2	-5.3	-2.4	-2.2	-2.4	-3.5	-2.6
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 2013 and 2014**

Operating Profit (Loss) (\$Billions)						
Group/Carrier	Quarterly Data			12 Month Ended Data		
	12/2013	12/2014	\$Chg	12/2013	12/2014	\$Chg
System Passenger Majors	2,106.0	1,821.1	(284.9)	10,524.4	13,852.8	3,328.5
Alaska Airlines	131.3	239.7	108.4	857.0	958.3	101.3
American Airlines	280.7	344.5	63.8	1,488.3	2,337.6	849.3
Delta Air Lines	869.6	(772.4)	(1,641.9)	3,837.7	2,924.5	(913.2)
Envoy Air	9.9	(4.4)	(14.3)	43.8	14.2	(29.5)
Frontier Airlines	5.0	39.0	34.0	22.5	210.2	187.7
Hawaiian Airlines	34.3	77.4	43.1	137.2	248.8	111.6
JetBlue Airways	110.7	160.7	49.9	414.5	507.9	93.4
SkyWest Airlines	38.5	(4.9)	(43.4)	183.4	122.0	(61.4)
Southwest Airlines	385.6	620.3	234.7	1,278.3	2,225.3	947.0
US Airways	2.8	495.4	492.6	1,002.5	1,928.0	925.5
United Air Lines	237.5	625.7	388.1	1,259.1	2,375.9	1,116.8
System Cargo Majors	524.7	642.5	117.8	1,322.6	2,039.1	716.5
Atlas Air	77.3	41.7	(35.6)	162.9	134.8	(28.1)
Federal Express	342.1	518.5	176.4	822.9	1,576.0	753.2
United Parcel Service	105.3	82.3	(23.0)	336.8	328.2	(8.6)
System All Majors	2,630.7	2,463.6	(167.2)	11,847.0	15,891.9	4,044.9

1/ Delta Air Lines data has been retroactively adjusted to include Northwest.

2/ United Airlines data has been retroactively adjusted to include Continental.

3/ Southwest Airlines data has been retroactively adjusted to include AirTran.

**Comparison of Net Income (Loss)
For Individual Passenger and All-Cargo System Majors
Quarterly and 12-Month Ended Periods
December 2013 and 2014**

Group/Carrier	Net Income (Loss) (\$Millions)					
	Quarterly Data			12 Month Ended Data		
	12/2013	12/2014	\$Chg	12/2013	12/2014	\$Chg
System Passenger Majors	7,097.0	179.4	(6,917.7)	11,775.0	6,981.5	(4,793.5)
Alaska Airlines	75.9	147.1	71.2	497.3	598.4	101.1
American Airlines	(1,790.5)	178.2	1,968.6	(1,525.7)	1,309.7	2,835.4
Delta Air Lines	8,482.1	(702.5)	(9,184.7)	10,549.2	684.5	(9,864.8)
Envoy Air	6.5	(2.2)	(8.7)	33.2	5.8	(27.4)
Frontier Airlines	2.5	25.4	22.9	11.6	129.0	117.4
Hawaiian Airlines	19.4	15.0	(4.4)	62.4	79.8	17.4
JetBlue Airways	47.0	87.4	40.4	168.0	395.6	227.7
SkyWest Airlines	17.5	(11.2)	(28.7)	87.1	46.5	(40.6)
Southwest Airlines	212.5	190.3	(22.2)	754.5	1,136.5	382.0
US Airways	(130.2)	260.6	390.8	483.4	1,481.8	998.4
United Air Lines	154.2	(8.7)	(162.8)	654.1	1,113.8	459.8
System Cargo Majors	292.3	244.5	(47.8)	563.5	1,062.2	498.7
Atlas Air	39.3	27.9	(11.4)	67.1	66.3	(0.8)
Federal Express	207.5	334.4	126.8	413.0	998.0	585.0
United Parcel Service	45.5	(117.7)	(163.3)	83.3	(2.2)	(85.5)
System All Majors	7,389.4	423.9	(6,965.5)	12,338.5	8,043.7	(4,294.9)

1/ Delta Air Lines data has been retroactively adjusted to include Northwest.

2/ United Airlines data has been retroactively adjusted to include Continental.

3/ Southwest Airlines data has been retroactively adjusted to include AirTran.

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**Comparison of Passenger Load Factors
For Individual Passenger and All-Cargo System Majors
Quarterly and 12-Month Ended Periods
December 2013 and 2014**

Passenger Load Factor (Percent)						
Group/Carrier	Quarterly Data			12 Month Ended Data		
	12/2013	12/2014	Pt.Chg.	12/2013	12/2014	Pt.Chg.
System Passenger Majors	82.3	82.0	(0.3)	83.5	83.6	0.2
Alaska Airlines	84.8	83.9	(0.9)	86.1	85.7	(0.4)
American Airlines	81.8	79.9	(1.9)	83.1	82.1	(1.0)
Delta Air Lines	83.5	83.7	0.1	84.9	85.6	0.7
Envoy Air	76.4	76.0	(0.4)	75.5	77.0	1.5
Frontier Airlines	91.7	87.7	(3.9)	91.3	89.5	(1.8)
Hawaiian Airlines	80.0	82.0	2.0	81.2	81.3	0.0
JetBlue Airways	80.9	82.1	1.2	83.7	84.0	0.4
SkyWest Airlines	82.4	82.8	0.4	82.2	83.4	1.2
Southwest Airlines	80.4	82.1	1.7	80.1	82.5	2.4
US Airways	83.1	81.5	(1.6)	84.9	83.0	(2.0)
United Air Lines	82.4	81.7	(0.7)	83.9	83.7	(0.2)
System All Majors	82.3	82.0	(0.3)	83.5	83.6	0.2

- 1/ Delta Air Lines data has been retroactively adjusted to include Northwest.
2/ United Airlines data has been retroactively adjusted to include Continental.
3/ Southwest Airlines data has been retroactively adjusted to include AirTran.

**Comparison of Scheduled Passenger Yields (Cents)
For Individual Passenger and All-Cargo System Majors
Quarterly and 12-Month Ended Periods
December 2013 and 2014**

Scheduled Passenger Yields (cents)						
Group/Carrier	Quarterly Data			12 Month Ended Data		
	12/2013	12/2014	Pct.Chg.	12/2013	12/2014	Pct.Chg.
System Passenger Majors	14.89	15.06	1.18	14.74	15.16	2.85
Alaska Airlines	13.34	13.27	(0.51)	13.39	13.64	1.89
American Airlines	15.42	15.18	(1.55)	15.25	15.72	3.08
Delta Air Lines	15.06	15.40	2.24	14.96	15.47	3.39
Envoy Air	11.17	12.51	11.97	11.21	11.81	5.33
Frontier Airlines	12.28	11.72	(4.52)	12.44	12.18	(2.08)
Hawaiian Airlines	14.14	14.31	1.24	14.22	14.70	3.40
JetBlue Airways	14.35	14.13	(1.52)	13.87	14.13	1.85
SkyWest Airlines	11.81	11.60	(1.75)	11.86	11.75	(0.93)
Southwest Airlines	18.50	16.95	(8.39)	18.54	17.45	(5.88)
US Airways	14.63	15.23	4.16	14.38	15.02	4.46
United Air Lines	14.52	14.88	2.48	14.51	14.90	2.68
System All Majors	14.89	15.06	1.18	14.74	15.16	2.85

1/ Delta Air Lines data has been retroactively adjusted to include Northwest.

2/ United Airlines data has been retroactively adjusted to include Continental.

3/ Southwest Airlines data has been retroactively adjusted to include AirTran.

**Comparison of Operating Profit Margin (Percent)
For Individual Passenger and All-Cargo System Majors
Quarterly and 12-Month Ended Periods
December 2013 and 2014**

Group/Carrier	Operating Profit Margin (Percent)					
	Quarterly Data			12 Month Ended Data		
	12/2013	12/2014	Pt. Chg	12/2013	12/2014	Pt. Chg.
System Passenger Majors	5.7	4.8	(0.9)	6.9	8.7	1.8
Alaska Airlines	10.9	18.4	7.5	16.6	17.9	1.2
American Airlines	4.4	5.3	1.0	5.8	8.6	2.8
Delta Air Lines	9.6	(8.0)	(17.6)	10.1	7.2	(2.9)
Envoy Air	3.6	(1.7)	(5.4)	3.8	1.4	(2.5)
Frontier Airlines	1.5	9.6	8.2	1.7	13.3	11.7
Hawaiian Airlines	6.5	13.5	7.0	6.4	10.8	4.4
JetBlue Airways	8.1	11.1	3.0	7.6	8.7	1.1
SkyWest Airlines	8.6	(1.0)	(9.7)	10.0	6.5	(3.6)
Southwest Airlines	8.7	13.4	4.7	7.2	12.0	4.7
US Airways	0.1	13.2	13.1	6.7	12.2	5.5
United Air Lines	2.5	6.7	4.2	3.3	6.1	2.8
System Cargo Majors	6.0	7.3	1.3	4.0	6.0	2.0
Atlas Air	17.8	9.2	(8.6)	10.7	8.2	(2.5)
Federal Express	5.1	7.6	2.5	3.1	5.9	2.8
United Parcel Service	6.9	5.7	(1.2)	5.8	5.6	(0.2)
System All Majors	5.7	5.2	(0.5)	6.4	8.2	1.8

1/ Delta Air Lines data has been retroactively adjusted to include Northwest.

2/ United Airlines data has been retroactively adjusted to include Continental.

3/ Southwest Airlines data has been retroactively adjusted to include AirTran.

**Comparison of Debt-to-Investment and Total Debt
For Individual Passenger and All-Cargo System Majors
Quarterly and 12-Month Ended Periods
December 2013 and 2014**

Group/Carrier	Debt To Investment (Percent)			Total Debt (\$Millions)		
	Quarterly Data			Quarterly Data		
	12/2013	12/2014	Pt.Chg.	12/2013	12/2014	\$ Chg.
System Passenger Majors	63.9	60.8	(3.0)	47,681.4	46,368.0	(1,313.3)
Alaska Airlines	20.9	15.7	(5.2)	587.4	504.7	(82.7)
American Airlines	1,187.6	198.4	(989.2)	10,808.5	11,234.2	425.7
Delta Air Lines	43.2	45.0	1.8	11,342.8	9,777.1	(1,565.7)
Envoy Air	0.9	0.3	(0.6)	1.1	0.6	(0.5)
Frontier Airlines	66.7	44.8	(21.9)	128.2	157.2	29.0
Hawaiian Airlines	70.7	75.3	4.6	755.2	968.0	212.8
JetBlue Airways	54.8	46.9	(7.9)	2,585.2	2,232.9	(352.3)
SkyWest Airlines	42.0	49.2	7.2	922.7	1,264.3	341.5
Southwest Airlines	27.8	28.4	0.7	2,820.5	2,692.9	(127.6)
US Airways	51.0	44.3	(6.7)	5,472.0	5,422.5	(49.5)
United Air Lines	79.2	82.1	3.0	12,257.7	12,113.6	(144.2)
System Cargo Majors	16.2	16.0	(0.2)	2,682.8	2,799.8	117.1
Atlas Air	69.3	68.8	(0.5)	1,398.3	1,490.8	92.5
Federal Express	2.6	2.3	(0.2)	240.0	239.5	(0.5)
United Parcel Service	20.3	20.7	0.4	1,044.5	1,069.5	25.0
System All Majors	55.2	52.4	(2.8)	50,364.1	49,167.9	(1,196.3)

1/ Delta Air Lines data has been retroactively adjusted to include Northwest.

2/ United Airlines data has been retroactively adjusted to include Continental.

3/ Southwest Airlines data has been retroactively adjusted to include AirTran.

FOOTNOTES

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

EXPLANATION OF LINE ITEMS

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

EXPLANATION OF LINE ITEMS

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