



Air Transport Association

n i n e t e e n n i n e t y e i g h t

1 9 9 8



annual
report

d e r e g u l a t i o n

c o m p e t i t i o n

v a l u e

f r e e d o m o f c h o i c e

mission statement



air transport association

The Air Transport Association (ATA) is the nation's oldest and largest airline trade association. Its membership of 23 U.S. and five associate (non-U.S.) airlines carried nearly 600 million passengers and more than 25 billion ton miles of cargo in 1997. U.S. members account for greater than 95 percent of the passenger and cargo traffic carried by scheduled U.S. airlines.

In an intensely competitive industry, ATA enables marketplace rivals to pool their unparalleled experience, technical expertise and operational knowledge, so that the industry as a whole can better serve the public and improve airline safety, service and efficiency.

ATA also represents its members on major aviation issues in the technical, legal and political arenas. Its activities are designed to advocate and support measures which enhance aviation safety, ensure efficiency, foster growth and promote the economic health of the industry in the process.

While ATA's agenda of issues continuously changes, its major priorities remain unchanged. They include:

- Assisting the airline industry in continuing to provide the world's safest system of transportation.
- Advocating the modernization of the Federal Aviation Administration's air traffic control system, in order to improve service for airline customers and to benefit the environment.
- Increasing the security of airline passengers and cargo against threats directed at the United States.
- Seeking to prevent legislative and regulatory actions that would penalize airlines and their customers by imposing rate, route, service or schedule controls on the industry.
- Endeavoring to reduce the disproportionate share of taxes and fees paid by airlines and their customers at the federal, state and local levels.
- Improving the industry's ability to attract capital.
- Helping to shape international aviation policy, to ensure that U.S. and foreign carriers can compete on equal terms.

During its more than 60 years of existence, the Air Transport Association has seen the airline industry grow from the small, pioneering companies of the 1930s into key players in the world's economy. ATA members continue to play a major role in shaping the future of air transportation.

president's letter

building on our success

Last year was one of continuing challenge and opportunity — for the airline industry and its association. Building on a renewed commitment to work in partnership, the U.S. government, airlines and manufacturers continued to collaborate closely — striving to develop policies and implement programs that positively impact the safety and efficiency of the aviation system.

ATA has played a pivotal role in reaching that strategic objective, by providing the government with technical expertise and industry data from every area of airline operations. Ultimately, we achieved a government-industry safety agenda directed at key priorities.

The successful implementation of that agenda, however, continues to require a commitment to open communication, information sharing and prioritized, data-driven decision-making. Throughout the year, ATA airlines proactively pursued priority safety initiatives, announcing the voluntary installation of Enhanced Ground Proximity Warning Systems (EGPWS); the voluntary deployment of Computer-Assisted Passenger Screening (CAPS); and a recently initiated seat belt policy, to help keep belts buckled.

In 1997, the ATA Board of Directors created the Aviation Safety Alliance, an industry-wide foundation. The Alliance works with aviation experts, journalists and educators to enhance and expand the public's understanding of the world's safest transportation system.



As we approach the 20th anniversary of the economic deregulation of the U.S. airline industry, the flying public continues to benefit tremendously from the efficiencies and innovations of a fiercely competitive marketplace — a demand-driven market that has made air travel a safe, efficient and affordable option for every American, as well as an essential component of our national economic and social fabric.

Looking toward 1999 and the approach of the new millennium, we cannot know which issues will present the greatest challenges for our industry. However, the modernization of the air-traffic management system, safety, security and the environment are certain to be among them. On behalf of our members and their customers, we will continue to anticipate those challenges in our efforts to enhance safety, improve efficiency and promote the growth and economic strength of the airline industry.

Sincerely,

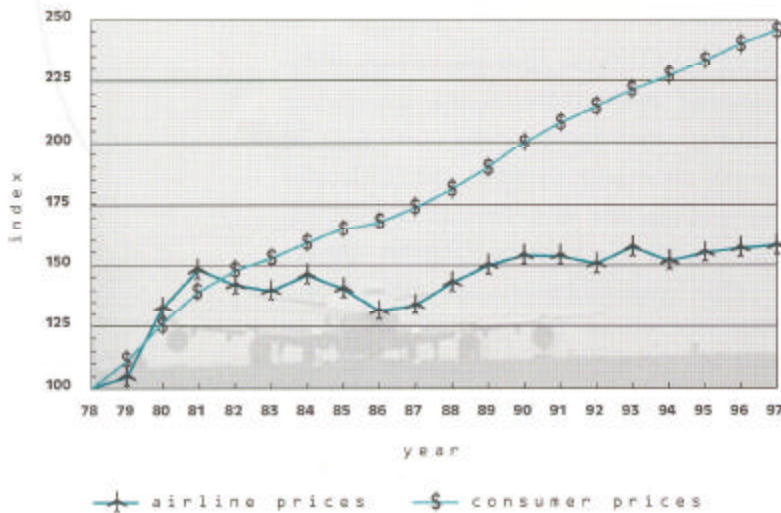
Carol B. Hallett

Carol B. Hallett
President & CEO

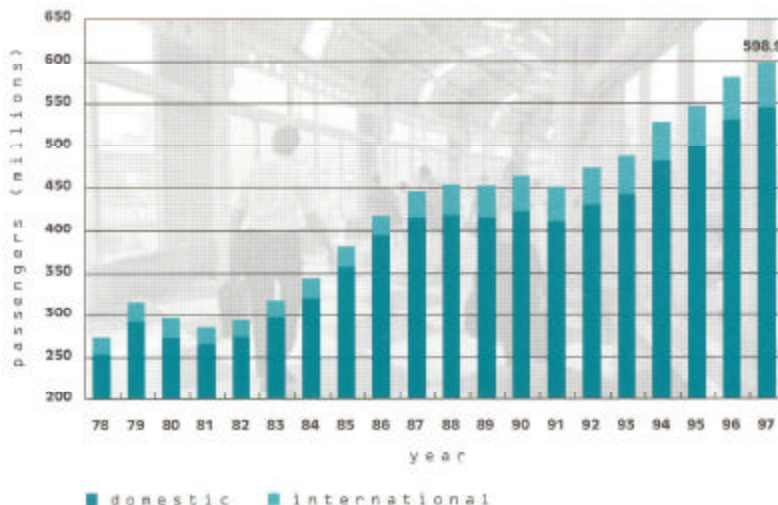
highlights



airline vs. consumer prices (1978 = 100)



passengers enplaned



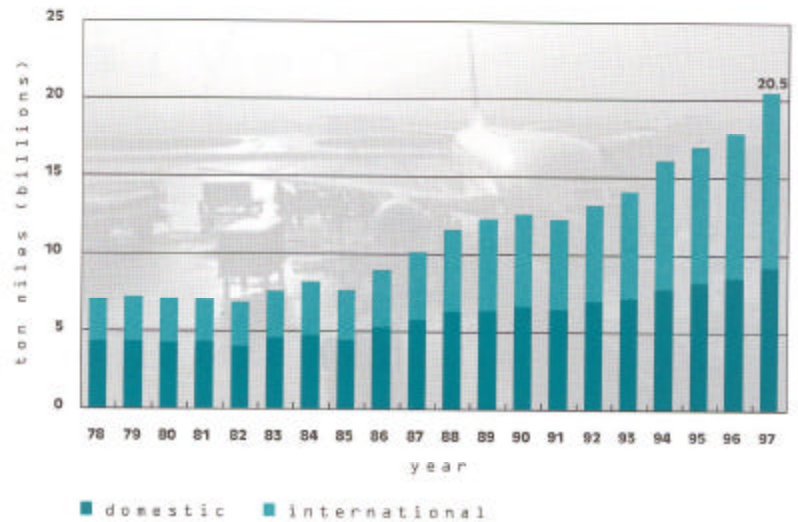
traffic (in millions, except when noted)

| | 1996 | 1997 | Pct Chg |
|-------------------------------------|---------|---------|---------|
| Passengers Enplaned | 581.2 | 598.9 | 3.0 |
| Domestic Service | 530.7 | 546.2 | 2.9 |
| International Service | 50.5 | 52.7 | 4.4 |
| Revenue Passenger Miles | 578,663 | 605,434 | 4.6 |
| Available Seat Miles | 835,071 | 860,564 | 3.1 |
| Passenger Load Factor (%) | 69.3 | 70.4 | |
| Aircraft Departures (thousands) | 8,230 | 8,157 | (0.9) |
| Cargo Revenue Ton Miles | 17,755 | 20,513 | 15.5 |
| Freight & Express Revenue Ton Miles | 15,301 | 17,959 | 17.4 |
| Mail Revenue Ton Miles | 2,454 | 2,554 | 4.1 |
| Total Revenue Ton Miles | 75,621 | 81,056 | 7.2 |

financial (in millions, except when noted)

| | 1996 | 1997 | Pct Chg |
|----------------------------------|----------|----------|---------|
| Passenger Revenues | \$75,286 | \$79,469 | 5.6 |
| Domestic Service | 58,577 | 61,843 | 5.6 |
| International Service | 16,709 | 17,626 | 5.5 |
| Freight & Express Revenues | 9,679 | 10,464 | 8.1 |
| Mail Revenues | 1,279 | 1,360 | 6.3 |
| Total Operating Revenues | 101,938 | 109,535 | 7.5 |
| Total Operating Expenses | 95,729 | 100,924 | 5.4 |
| Operating Profit | 6,209 | 8,611 | |
| Net Profit | 2,804 | 5,195 | |
| Rate of Return on Investment (%) | 11.5 | 14.9 | |
| Operating Profit Margin (%) | 6.1 | 7.9 | |
| Net Profit Margin (%) | 2.8 | 4.7 | |

cargo ton miles



1987-1997 summary
(in millions, except when noted)

| | 1987 | 1988 | 1989 | 1990 | 1991 | 1992 | 1993 | 1994 | 1995 | 1996 | 1997 |
|--|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| TRAFFIC — SCHEDULED SERVICE | | | | | | | | | | | |
| Revenue Passengers Enplaned | 447.7 | 454.6 | 453.7 | 465.6 | 452.3 | 475.1 | 488.5 | 528.8 | 547.8 | 581.2 | 598.9 |
| Revenue Passenger Miles | 404,471 | 423,302 | 432,714 | 457,926 | 447,955 | 478,554 | 489,684 | 519,382 | 540,656 | 578,663 | 605,434 |
| Available Seat Miles | 648,721 | 676,802 | 684,376 | 733,375 | 715,199 | 752,772 | 771,641 | 784,331 | 807,078 | 835,071 | 860,564 |
| Passenger Load Factor (%) | 62.3 | 62.5 | 63.2 | 62.4 | 62.6 | 63.6 | 63.5 | 66.2 | 67.0 | 69.3 | 70.4 |
| Average Passenger Trip Length (miles) | 903 | 931 | 954 | 984 | 990 | 1,007 | 1,002 | 982 | 987 | 996 | 1,011 |
| Freight & Express Ton Miles | 8,260 | 9,632 | 10,275 | 10,546 | 10,225 | 11,130 | 11,944 | 13,792 | 14,578 | 15,301 | 17,959 |
| Aircraft Departures (thousands) | 6,581 | 6,700 | 6,622 | 6,924 | 6,783 | 7,051 | 7,245 | 7,531 | 8,062 | 8,230 | 8,157 |
| FINANCIAL | | | | | | | | | | | |
| Passenger Revenues | \$44,940 | \$50,296 | \$53,802 | \$58,453 | \$57,092 | \$59,828 | \$63,945 | \$65,422 | \$69,594 | \$75,286 | \$79,469 |
| Freight & Express Revenues | 6,398 | 7,478 | 6,893 | 5,432 | 5,509 | 5,916 | 6,662 | 7,284 | 8,616 | 9,670 | 10,464 |
| Mall Revenues | 923 | 972 | 955 | 970 | 957 | 1,184 | 1,212 | 1,183 | 1,266 | 1,279 | 1,360 |
| Charter Revenues | 1,612 | 1,698 | 2,052 | 2,877 | 3,717 | 2,801 | 3,082 | 3,548 | 3,485 | 3,447 | 3,553 |
| Total Operating Revenues | 56,986 | 63,749 | 69,316 | 76,142 | 75,158 | 78,140 | 84,559 | 88,313 | 94,578 | 101,938 | 109,535 |
| Total Operating Expenses | 54,517 | 60,312 | 67,505 | 78,054 | 76,943 | 80,585 | 83,121 | 85,600 | 88,718 | 95,729 | 100,924 |
| Operating Profit | 2,469 | 3,437 | 1,811 | (1,912) | (1,785) | (2,444) | 1,438 | 2,713 | 5,860 | 6,209 | 8,611 |
| Interest Expense | 1,695 | 1,846 | 1,944 | 1,978 | 1,777 | 1,743 | 2,027 | 2,347 | 2,424 | 1,981 | 1,749 |
| Net Profit* | 593 | 1,686 | 128 | (3,921) | (1,940) | (4,791) | (2,136) | (344) | 2,314 | 2,804 | 5,195 |
| Revenue per Passenger Mile (cents) | 11.1 | 11.9 | 12.4 | 12.8 | 12.7 | 12.5 | 13.1 | 12.6 | 12.9 | 13.0 | 13.1 |
| Rate of Return on Investment (%) | 7.2 | 10.8 | 6.3 | (6.0) | (0.5) | (9.3) | (0.4) | 5.2 | 11.9 | 11.5 | 14.9 |
| Operating Profit Margin (%) | 4.3 | 5.4 | 2.6 | (2.5) | (2.4) | (3.1) | 1.7 | 3.1 | 6.2 | 6.1 | 7.9 |
| Net Profit Margin (%) | 1.0 | 2.6 | 0.2 | (5.1) | (2.6) | (6.1) | (2.5) | (0.4) | 2.4 | 2.8 | 4.7 |
| EMPLOYEES (average full-time equivalent) | 457,349 | 480,553 | 506,728 | 545,809 | 533,565 | 540,413 | 537,111 | 539,759 | 546,987 | 564,425 | 586,509 |

* Excludes fresh-start accounting extraordinary gains of Continental and Trans World in 1993.

industry review



1997 airline industry review

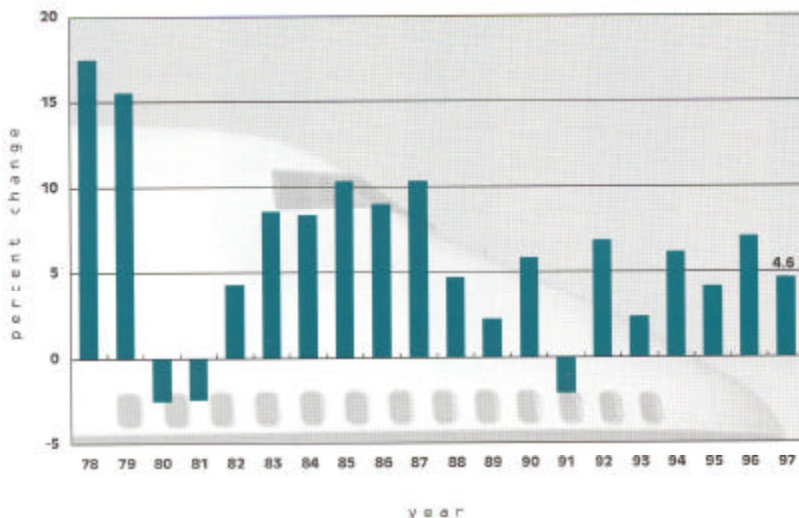
The U.S. airline industry, benefiting from a strong economy and supported by a competitive pricing environment, carried more passengers and cargo in 1997 than ever before. In the process, the airlines achieved record profits of \$5.2 billion. International profits for U.S. carriers increased most rapidly, rising to \$1.1 billion. International profit margins were, however, still less than those from domestic service. In 1997, U.S. airlines hired more than 22,000 new employees, added over 160 new jets to their fleets and placed

orders and options for nearly 1,400 new aircraft to be delivered over the coming years. This investment in people and technology will help to ensure the future growth and vitality of the industry and the economy.

traffic

Passenger traffic in 1997 grew by 4.6 percent to 605 billion revenue passenger miles. Unfortunately, in March 1997, the federal excise tax on airline passenger tickets was reinstated, slowing the growth in traffic from the 7.0 percent increase achieved in 1996. The U.S. economy continued to grow strongly throughout 1997 and, as incomes rose, there was a subsequent lift in demand for air travel. U.S. airlines enplaned nearly 600 million passengers, a 3.0 percent increase over 1996. A survey, recently conducted by The Gallup Organization for the Air Transport Association, found that more than 80 percent of adults in the United States have now traveled by air.

traffic growth rates revenue passenger miles (RPMs)



International traffic also grew strongly in 1997, although traffic in the Pacific grew more slowly late in the year, in response to Asia's financial troubles. Total international passenger enplanements rose to 52.7 million, with the largest growth rates occurring in the Caribbean and Latin American markets.

Cargo traffic growth also increased at exceptionally strong rates, reaching record levels in 1997. Total cargo revenue ton miles increased by 15.5 percent to 20.5 billion. Freight and express showed the largest increase, at 17.4 percent, while mail traffic grew by 4.1 percent. International cargo showed exceptionally strong growth, with a year-over-year gain of 22.4 percent in freight and express ton miles.

revenue

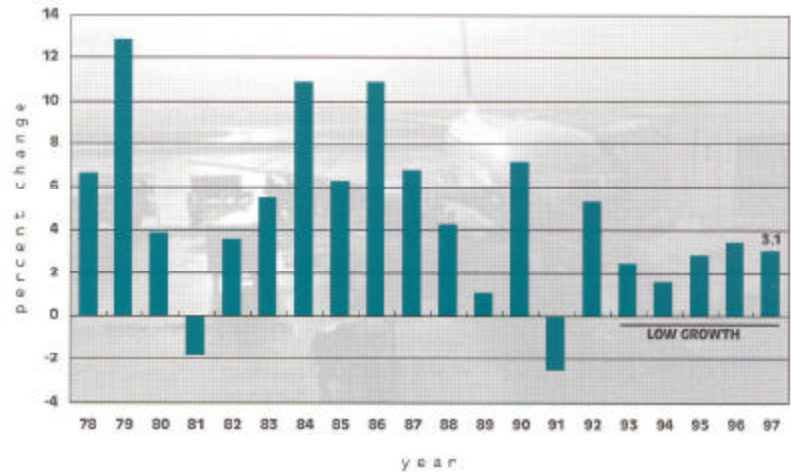
Airline prices have continued to benefit consumers with a slow rate of increase in overall price levels in the U.S. and, today, are 36 percent below 1978 pre-deregulation prices. Even though prices increased very slightly in 1997, total industry revenues gained 7.5 percent to \$110 billion, due to continuing growth in passenger traffic and record growth in the cargo business. Cargo revenues for 1997 increased by 7.9 percent to \$11.8 billion.

Passenger yield, the amount collected by airlines to fly one passenger one mile and the industry standard measure of prices, increased by less than 1.0 percent to 13.1 cents per revenue passenger mile. This nominal increase in airline prices was far less than the 2.3 percent increase in the Consumer Price Index for 1997. Because of the reinstatement of the federal excise taxes, airline revenue per passenger mile (passenger yield) was under some pressure throughout the year.

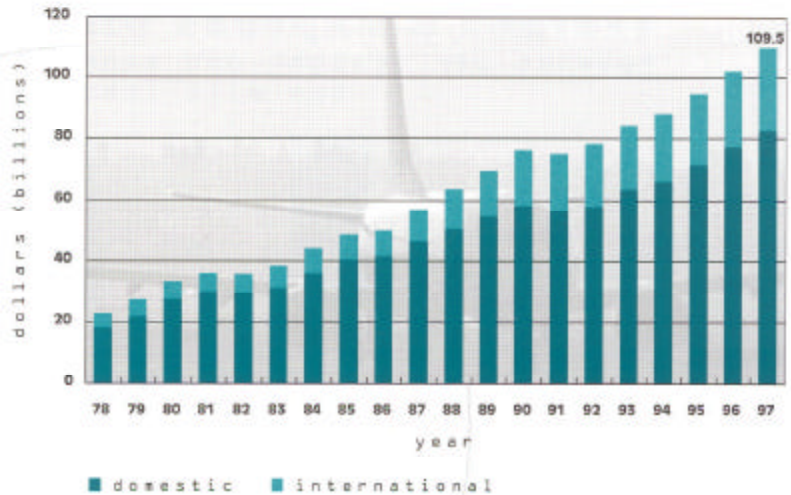
capacity

Capacity continued to grow slowly, reflecting the airlines' cautious approach to adding new aircraft. Total available seat miles reached 861 billion, a 3.1 percent increase. Once again, the international markets showed capacity increases that outpaced the 2.8 percent increase in domestic markets. Notably, Latin America and Caribbean markets showed the largest capacity increases at 7.9 percent. Atlantic and Pacific capacity increased 4.0 and 3.4 percent, respectively.

capacity growth rates available seat miles (ASMs)



revenues



fleet

The fleets of ATA's U.S. airline members grew from 4,480 airplanes in 1996 to 4,738 aircraft in 1997. ATA members continued to make steady progress on the replacement of older, noisier *Stage 2* jets with ones that incorporate new, quieter technology. This is part of their overall program to replace or modify all of these jets by the end of 1999, a

program that is now near completion and remains on schedule. At the end of 1997, ATA members reported that their fleets were nearly 80 percent *Stage 3*. With continuing profitability, U.S. airlines invested in the future with commitments to purchase some 2,432 new aircraft. This level of orders and options for new aircraft is an increase of 1,376 aircraft over the 1996 level and

represents an investment in the future of \$140 billion. These aircraft are expected to be delivered at a rate of 225 to 275 each year, for the next five years.

Although the size of the fleet increased, the number of aircraft departures decreased slightly. There were 8.2 million or 22,348 daily departures in scheduled service during 1997. Aircraft flight hours increased to 13.5 billion. There were, regrettably, three 1997 fatalities. The airlines can, however, point with pride to the safety accomplishments of the industry, which continue to make air-line travel the world's safest mode of transportation. The airlines remain relentlessly committed to continuously improving safety performance with further safety, security and efficiency enhancements of the aviation system.

Load factors remained strong, surpassing post-World War II record levels. This reflected the carriers' more successful management of capacity and demand. Load factor, a measure of the percentage of seats filled with passengers, is one of the most important indicators of asset utilization in the industry. In 1997, load factors for domestic travel soared to 69.1 percent and internationally to 74.1 percent. Overall, load factors reached 70.4 percent, compared to 69.3 percent in 1996.

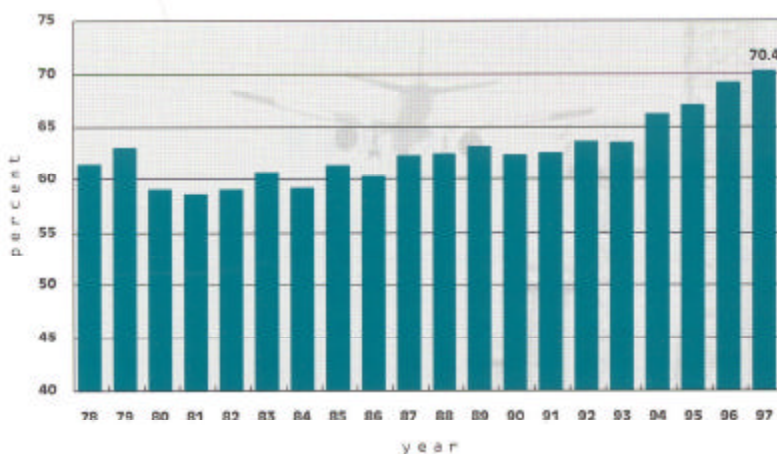
passenger yield
revenue per passenger mile (cents)

| | 1987 | 1996 | 1997 |
|---------------|------|------|------|
| Domestic | 11.4 | 13.8 | 13.9 |
| International | 9.9 | 10.9 | 11.0 |
| Total | 11.1 | 13.0 | 13.1 |

freight & express yield
revenue per freight and express
ton mile (cents)

| | 1987 | 1996 | 1997 |
|---------------|-------|------|------|
| Domestic | 112.9 | 81.5 | 79.7 |
| International | 41.8 | 49.5 | 44.0 |
| Total | 79.3 | 63.3 | 58.3 |

load factor
percent of seats filled



expenses

The 1997 increases in traffic and continued strong demand for air travel resulted in some overdue airline cost increases. Not only did the airlines add 22,000 new employees, but average wages also increased. The average compensation per airline employee (including wages, insur-

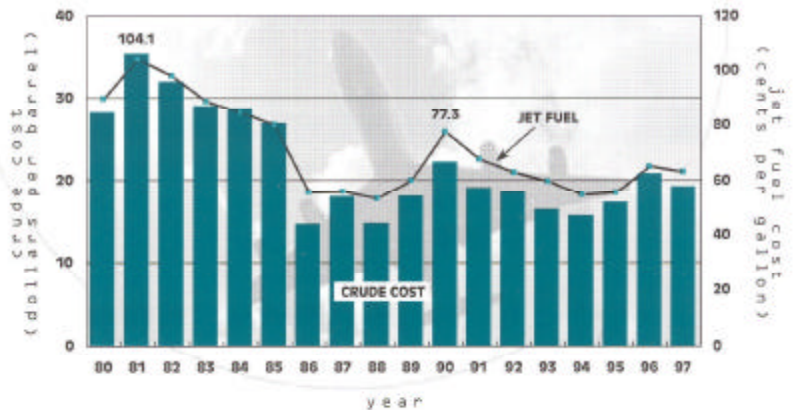
ance and pension benefits) increased from \$62,092 to \$63,223, as compared to an average for U.S. industry of \$40,100. Labor was the airlines' largest single cost, representing 34 percent of total operating expenses for passenger airlines.

Jet fuel (kerosene) costs, the airlines' largest expense after labor, decreased from an average price per gallon of 66.4 cents in 1996 to a 64.5 cents average in 1997. Fuel prices increased sharply in the fourth quarter of 1996 to 72.5 cents per gallon and continued at that high level in the first quarter of 1997. Prices then dropped to the low 60s and fell even further in the first quarter of 1998. With U.S. airlines requiring 18.5 billion gallons of fuel annually, total cost of fuel reached \$11.9 billion. However, these costs do not include the 4.3 cents per gallon federal deficit-reduction tax imposed on the airlines since October of 1995. The airlines, of course, object to being singled out for this deficit-reduction tax, on top of paying their fair share of income taxes like other industries. Unfortunately, the one constant in fuel prices is uncertainty, and while the future currently looks promising, external factors can cause rapid change.

Airport charges for landing fees, rentals, and head taxes known as Passenger Facility Charges (PFCs) continued to increase. Landing fees increased to \$1.8 billion and PFC collections increased to \$1.2 billion. The Federal Aviation Administration (FAA) is proposing a 33 percent increase in PFC rates, from \$3 per passenger per airport to \$4. Since airport charges are already rising so rapidly, airlines vehemently object to this increase and ATA is working to prevent this unfair increase in taxes.

Federal and state governments continue to benefit from the improving earnings of the airline industry. Provisions for income taxes increased by nearly \$900 million to \$2.7 billion in 1997.

fuel cost jet fuel compared to crude oil cost



employment

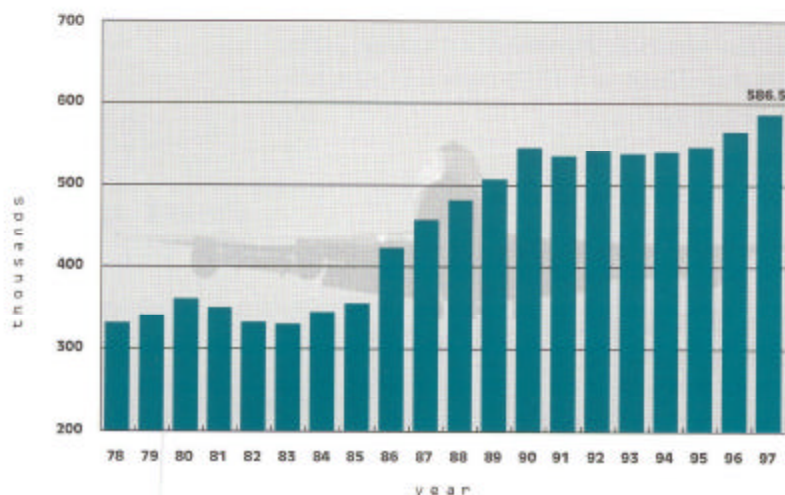
| | 1987 | 1996 | 1997 |
|--------------------------------------|----------------|----------------|----------------|
| Pilots & Copilots | 41,963 | 57,564 | 60,434 |
| Other Flight Personnel | 8,541 | 8,866 | 10,713 |
| Flight Attendants | 72,697 | 89,079 | 96,198 |
| Mechanics | 51,233 | 50,807 | 65,500 |
| Aircraft & Traffic Service Personnel | 198,892 | 266,491 | 269,581 |
| Office Employees | 40,690 | 40,151 | 38,354 |
| All Other | 43,333 | 51,467 | 45,729 |
| Total Employment | 457,349 | 564,425 | 586,509 |

Average Compensation per Employee

| | 1987 | 1996 | 1997 |
|---------------------------|-----------------|-----------------|-----------------|
| Salaries & Wages | \$35,205 | \$48,296 | \$49,972 |
| Benefits & Pensions | 5,461 | 10,457 | 9,710 |
| Payroll Taxes | 2,491 | 3,339 | 3,541 |
| Total Compensation | \$43,157 | \$62,092 | \$63,223 |



airline employees



balance sheet

The airlines in the United States made further progress in restructuring their balance sheets, continuing to repair the damage caused by the enormous losses of the early 1990s. The profits of the past three years have been applied to reducing the percentage of capital debt. Total long-term debt decreased from \$17.6 billion in 1994 to \$15.5 billion in 1997. During that same time, retained earnings increased from \$2.2 billion to \$12.8 billion and stockholder

equity more than doubled from \$13.2 billion to \$27.8 billion. The airlines have now reduced the percentage of capital coming from debt to 46 percent. While this figure is still higher than the 40 percent average for all U.S. corporations, it is significantly improved from the more than 65 percent level for the airlines in 1993 and 1994. With declining levels of debt and declining interest rates, interest charges decreased by \$232 million. Debt rating agencies have continued to upgrade their assessment of airline balance sheets, although many of their ratings still fall short of investment grade. Cash flow for the airlines continues to improve and, for this reason, rating agencies are expected to continue to improve ratings.

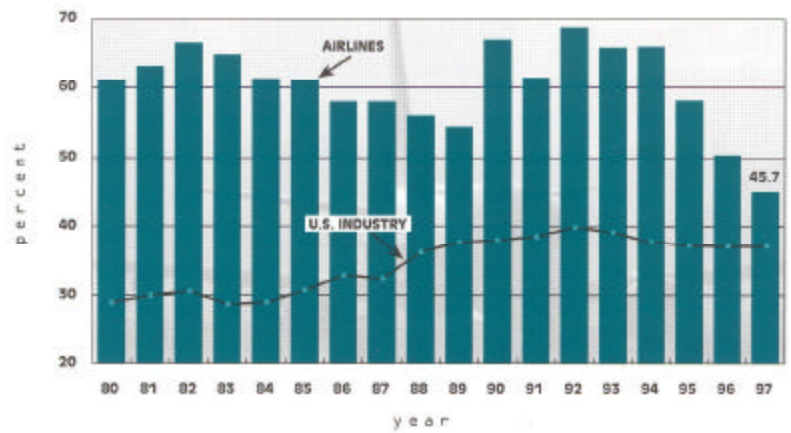
With balance sheet improvements largely accomplished, airlines' earnings are, more and more, being used to fund the acquisition of newer technology aircraft. Industry capacity has been growing slowly for the last several years. Airlines have been very cautious about adding capacity, following the losses of the early nineties. At the end of 1997, ATA-member airlines, which carry more than 95 percent of passenger and freight traffic in the U.S., had on firm order 945 aircraft, with options for another 1,487 aircraft. These orders and options represent a significant commitment to the future growth of the industry. Furthermore, many of the aircraft on order will be used to replace older *Stage 2* aircraft, which will further improve fleet efficiency and continue to reduce environmental impact. Aircraft are the largest category of the industry's \$105.8 billion total assets. U.S. airlines' total investment (gross book value) in aircraft reached \$67 billion, including capital leases. The value of aircraft on order and option for ATA's U.S. members was \$140 billion.

aircraft orders & options ATA U.S. members

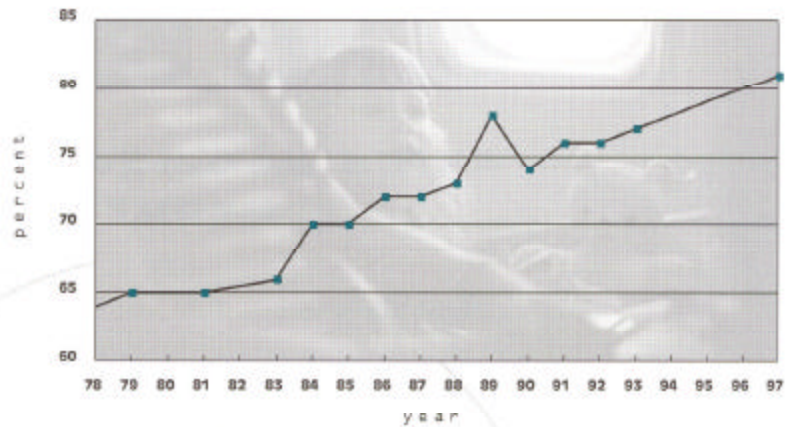


With a stable economy and excellent fuel prices, 1998 is off to a good start. First-quarter traffic levels are increasing slowly and prices, measured by yield, had only increased 1.5 percent. Revenue, consequently, has increased slowly. However, fuel prices have dropped sharply and, as a result, first-quarter financial performance improved over 1997 levels. With continued growth in the U.S. economy, there are encouraging signs for the remainder of 1998 and the airlines look forward to another profitable year.

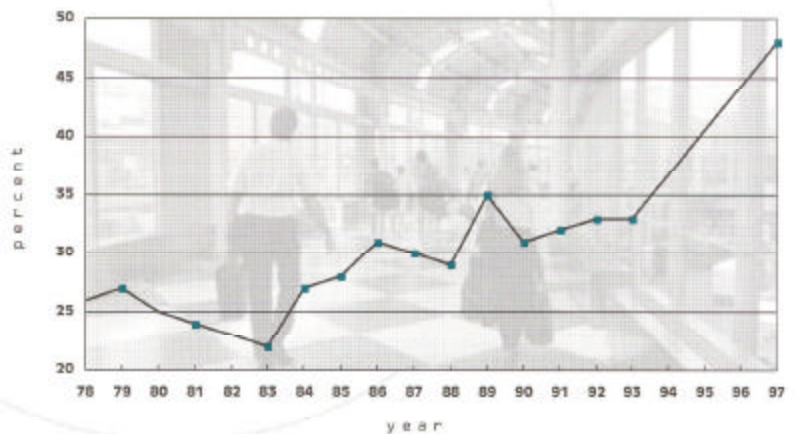
airlines improve balance sheets
debt as a percent of total capital



percent of americans that have flown



percent of americans that have flown in the past 12 months





ATA's year-2000 program

Airlines, like other businesses, must be prepared to deal with the Year-2000 bug, when on January 1, 2000 computers everywhere must make sense out of the shorthand date "00." Fortunately, airlines have been hard at work, individually and through ATA, to make certain that the entire National Airspace System (NAS) uneventfully bridges the millennium date change. Building on this work, ATA has been able to expand the airline efforts with a companion international program.

While our member airlines scrub their own internal operations, ATA is working with upstream and down-stream suppliers, airports and critical government agencies to assess their Year-2000 readiness. ATA, with the

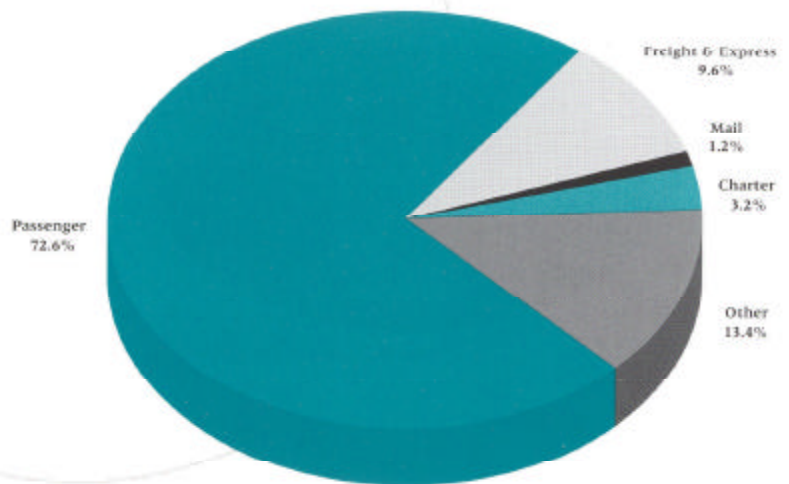
assistance of Price Waterhouse, has undertaken a comprehensive field survey of all the critical components of our national (and working with the International Air Transport Association, our international) aviation infrastructure — private and public — to identify potential problem areas in the airspace system and to encourage their early remediation. From the Federal Aviation Administration (FAA) air-traffic control operations to private companies that deliver critical parts, ATA is working to ensure that our members face no surprises on January 1, 2000.

This effort, under the direction of the ATA Year 2000 Project Office, is moving ahead on an already ambitious schedule, which has been set to guarantee air travelers and shippers that their access to air transportation will be preserved and maintained without interruption, as we celebrate the dawn of the next millennium.

facts &
figures



operating revenues

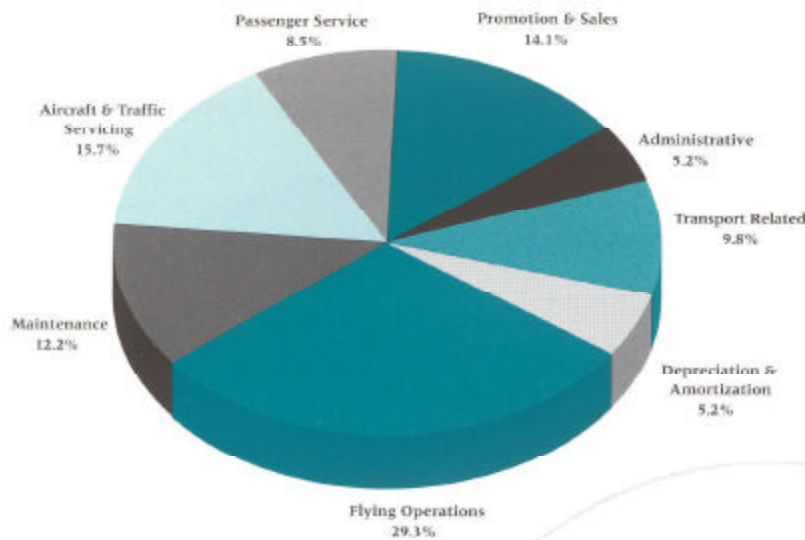


traffic & operations data

(in millions, except when noted)

| | 1996 | | | 1997 | | |
|--|----------|---------------|---------|----------|---------------|---------|
| | Domestic | International | Total | Domestic | International | Total |
| PASSENGER TRAFFIC — SCHEDULED SERVICE | | | | | | |
| Revenue Passengers Enplaned | 530.7 | 50.5 | 581.2 | 546.2 | 52.7 | 598.9 |
| Revenue Passenger Miles | 425,596 | 153,067 | 578,663 | 444,655 | 160,779 | 605,434 |
| Available Seat Miles | 626,389 | 208,682 | 835,071 | 643,651 | 216,913 | 860,564 |
| Passenger Load Factor (%) | 67.9 | 73.3 | 69.3 | 69.1 | 74.1 | 70.4 |
| Average Trip Length (miles) | 802 | 3,031 | 996 | 814 | 3,051 | 1,011 |
| CARGO TRAFFIC (REVENUE TON MILES) — SCHEDULED SERVICE | | | | | | |
| Total | 8,484 | 9,271 | 17,755 | 9,163 | 11,350 | 20,513 |
| Freight & Express | 6,596 | 8,705 | 15,301 | 7,170 | 10,789 | 17,959 |
| U.S. Mail | 1,888 | 566 | 2,454 | 1,993 | 561 | 2,554 |
| OVERALL TRAFFIC AND OPERATIONS DATA | | | | | | |
| Total Revenue Ton Miles — Charter Service | 5,284 | 3,600 | 8,884 | 5,492 | 3,500 | 8,992 |
| Total Revenue Ton Miles — All Services | 56,327 | 28,177 | 84,504 | 59,120 | 30,929 | 90,049 |
| Total Available Ton Miles — All Services | 99,251 | 47,068 | 146,319 | 102,848 | 50,561 | 153,409 |
| Weight Load Factor — All Services (%) | 56.8 | 59.9 | 57.8 | 57.5 | 61.2 | 58.7 |
| Revenue Aircraft Departures — Scheduled Service (thousands) | 7,783 | 447 | 8,230 | 7,695 | 462 | 8,157 |
| Revenue Aircraft Miles — Scheduled Service | 4,575 | 926 | 5,501 | 4,687 | 992 | 5,679 |
| Revenue Aircraft Hours — Scheduled Service (thousands) | 11,331 | 1,867 | 13,198 | 11,556 | 1,988 | 13,544 |

operating expenses



income statement
(in millions, except when noted)

| | 1996 | | | 1997 | | |
|------------------------------------|----------------|---------------|----------------|----------------|----------------|----------------|
| | Domestic | International | Total | Domestic | International | Total |
| Operating Revenues | | | | | | |
| Passenger | \$58,577 | \$16,709 | \$75,286 | \$61,843 | \$17,626 | \$79,469 |
| Freight & Express | 5,374 | 4,305 | 9,679 | 5,717 | 4,747 | 10,464 |
| Mail | 1,024 | 255 | 1,279 | 1,087 | 273 | 1,360 |
| Charter | 2,460 | 987 | 3,447 | 2,470 | 1,083 | 3,553 |
| Public Service | 4 | 0 | 4 | 3 | 27 | 30 |
| Other | 9,452 | 2,791 | 12,243 | 11,118 | 3,541 | 14,659 |
| Total Operating Revenues | 76,891 | 25,047 | 101,938 | 82,238 | 27,297 | 109,535 |
| Operating Expenses | | | | | | |
| Flying Operations | 21,515 | 7,279 | 28,794 | 22,143 | 7,457 | 29,600 |
| Maintenance | 8,292 | 2,616 | 10,908 | 9,469 | 2,884 | 12,353 |
| Aircraft & Traffic Servicing | 11,569 | 3,736 | 15,305 | 12,057 | 3,830 | 15,887 |
| Passenger Service | 5,577 | 2,596 | 8,173 | 5,822 | 2,717 | 8,539 |
| Promotion & Sales | 10,414 | 3,354 | 13,768 | 10,777 | 3,477 | 14,254 |
| Administrative | 4,099 | 1,243 | 5,342 | 3,983 | 1,237 | 5,220 |
| Transport Related | 6,230 | 1,848 | 8,078 | 7,504 | 2,348 | 9,852 |
| Depreciation & Amortization | 3,878 | 1,483 | 5,361 | 3,937 | 1,282 | 5,219 |
| Total Operating Expenses | 71,574 | 24,155 | 95,729 | 75,692 | 25,232 | 100,924 |
| Operating Income or (Loss) | 5,317 | 892 | 6,209 | 6,546 | 2,065 | 8,611 |
| Other Income or (Expense) | | | | | | |
| Interest Expense | (1,522) | (459) | (1,981) | (1,268) | (481) | (1,749) |
| Income Taxes | (1,609) | (234) | (1,843) | (1,940) | (795) | (2,735) |
| Other | 299 | 120 | 419 | 784 | 284 | 1,068 |
| Net Profit or (Loss) | \$2,485 | \$319 | \$2,804 | \$4,122 | \$1,073 | \$5,195 |
| Operating Profit Margin (%) | 6.9 | 3.6 | 6.1 | 8.0 | 7.6 | 7.9 |
| Net Profit Margin (%) | 3.2 | 1.3 | 2.8 | 5.0 | 3.9 | 4.7 |

balance sheet
(in millions)

| ASSETS | 1996 | 1997 |
|---|-----------------|------------------|
| Current Assets | \$21,964 | \$24,258 |
| Investments & Special Funds | 8,537 | 9,715 |
| Flight Equipment Owned | 59,206 | 67,005 |
| Ground Equipment & Property | 16,661 | 17,652 |
| Reserve for Depreciation (Owned) | (30,029) | (32,900) |
| Leased Equipment & Property Capitalized | 8,224 | 8,597 |
| Reserve for Depreciation (Leased) | (2,812) | (3,004) |
| Other Property | 11,179 | 11,165 |
| Deferred Charges | 2,254 | 3,333 |
| Total Assets | \$95,184 | \$105,822 |
| LIABILITIES | 1996 | 1997 |
| Current Liabilities | \$30,825 | \$31,417 |
| Long-Term Debt | 14,811 | 15,473 |
| Other Non-Current Liabilities | 16,847 | 19,555 |
| Deferred Credit | 11,149 | 11,562 |
| Stockholders' Equity — Net of Treasury Stock | 21,552 | 27,815 |
| Preferred Stock | 21 | 0 |
| Common Stock | 757 | 731 |
| Other Paid-In Capital | 13,646 | 13,087 |
| Retained Earnings | 7,686 | 12,763 |
| Less: Treasury Stock | 742 | 951 |
| Total Liabilities & Stockholders' Equity | \$95,184 | \$105,822 |

top 30 domestic airline markets*
passengers — outbound plus inbound
(twelve months ended december 1997, in thousands)

| | | | | | |
|--------------------|----------------|-------|----------------|----------------------|-------|
| 1 New York | Los Angeles | 3,725 | 16 Chicago | Los Angeles | 1,581 |
| 2 New York | Miami | 3,093 | 17 New York | West Palm Beach | 1,530 |
| 3 New York | Chicago | 2,980 | 18 Honolulu | Kona, Hawaii | 1,493 |
| 4 New York | Boston | 2,689 | 19 Los Angeles | Oakland | 1,462 |
| 5 Honolulu | Kahului, Maui | 2,620 | 20 Chicago | Detroit | 1,433 |
| 6 New York | San Francisco | 2,609 | 21 New York | Dallas/Ft. Worth | 1,429 |
| 7 New York | Orlando | 2,454 | 22 Los Angeles | Honolulu | 1,423 |
| 8 New York | Washington | 2,398 | 23 Chicago | Atlanta | 1,359 |
| 9 Dallas/Ft. Worth | Houston | 2,219 | 24 Los Angeles | Phoenix | 1,340 |
| 10 Los Angeles | Las Vegas | 2,111 | 25 Chicago | Minneapolis/St. Paul | 1,303 |
| 11 Los Angeles | San Francisco | 2,021 | 26 Honolulu | Hilo, Hawaii | 1,250 |
| 12 New York | Atlanta | 2,016 | 27 Chicago | Dallas/Ft. Worth | 1,206 |
| 13 New York | San Juan | 1,834 | 28 Chicago | San Francisco | 1,194 |
| 14 New York | Ft. Lauderdale | 1,823 | 29 Boston | Washington | 1,182 |
| 15 Honolulu | Lihue, Kauai | 1,696 | 30 Chicago | Orlando | 1,153 |

* Includes all commercial airports in a metropolitan area. Does not include connecting passengers.
Source: DOT Origin/Destination Survey.

ATA airline statistics – 1997

| | Number of Aircraft | Employees (full-time equivalent) | Aircraft Departures | Passengers (thousands) | Revenue Passenger Miles (millions) | Passenger Revenues (millions) | Cargo Revenues (millions) | Total Operating Revenues (millions) | Operating Profit/ (Loss) (millions) | Net Profit/ (Loss) (millions) |
|--------------------------|-----------------------|--|------------------------|---------------------------|---|-------------------------------------|---------------------------------|--|--|--|
| Airborne Express | 105 | 4,626 | 73,055 | — | — | — | \$890 | \$894 | \$98 | \$97 |
| Alaska | 78 | 8,016 | 159,146 | 12,245 | 10,362 | \$1,256 | 82 | 1,457 | 133 | 76 |
| Aloha | 17 | 1,901 | 76,617 | 5,191 | 721 | 195 | 30 | 233 | 6 | 4 |
| America West | 103 | 10,195 | 211,577 | 18,294 | 16,171 | 1,753 | 51 | 1,887 | 163 | 75 |
| American | 641 | 80,321 | 796,167 | 81,083 | 106,936 | 14,284 | 678 | 15,856 | 1,447 | 766 |
| American Trans Air | 45 | 4,349 | 30,691 | 3,157 | 4,534 | 369 | — | 746 | 10 | 0 |
| Atlas Air* | 19 | 592 | 25 | — | — | — | 80 | 401 | 56 | 23 |
| Continental | 388 | 31,705 | 446,642 | 38,756 | 44,072 | 5,686 | 205 | 6,361 | 645 | 385 |
| Delta | 559 | 62,934 | 968,893 | 103,133 | 99,624 | 12,773 | 588 | 14,204 | 1,621 | 934 |
| DHL Airways | 27 | 8,564 | 72,261 | — | — | — | 664 | 1,226 | 77 | (13) |
| Emery Worldwide* | 77 | 967 | 51,584 | — | — | — | 256 | 262 | 39 | 25 |
| Evergreen International* | 20 | 429 | 10,062 | — | — | — | 208 | 256 | 32 | 21 |
| Federal Express | 581 | 105,649 | 328,591 | — | — | — | 5,360 | 12,730 | 901 | 458 |
| Hawaiian | 22 | 2,357 | 49,827 | 4,938 | 3,134 | 332 | 20 | 404 | 2 | (1) |
| Midwest Express | 24 | 1,689 | 38,378 | 1,651 | 1,409 | 273 | 11 | 310 | 38 | 24 |
| Northwest | 405 | 46,753 | 584,324 | 54,650 | 71,998 | 8,722 | 788 | 9,984 | 1,203 | 604 |
| Polar Air Cargo | 16 | 481 | 6,545 | — | — | — | 288 | 344 | 6 | (2) |
| Reeve Aleutian | 5 | 312 | 3,859 | 62 | 38 | 14 | 8 | 30 | (3) | (3) |
| Southwest | 261 | 23,749 | 786,096 | 55,946 | 28,359 | 3,639 | 95 | 3,817 | 524 | 318 |
| Trans World | 184 | 22,930 | 279,886 | 23,370 | 25,099 | 2,924 | 119 | 3,328 | (29) | (111) |
| United | 571 | 83,324 | 798,131 | 84,203 | 121,350 | 15,069 | 891 | 17,335 | 1,226 | 932 |
| United Parcel Service* | 214 | 4,349 | 121,855 | — | — | — | 404 | 1,863 | 56 | 15 |
| US Airways | 376 | 39,734 | 734,971 | 58,659 | 41,578 | 7,112 | 177 | 8,501 | 586 | 1,052 |

Associate Members

| | | | | | | | | | | |
|-------------------|-----|--------|---------|--------|--------|-------|-----|-------|-----|-------|
| Aeromexico | 58 | 5,930 | 106,551 | 7,520 | 5,418 | 1,009 | 19 | 1,087 | 101 | 95 |
| Air Canada | 155 | 21,215 | NA | 14,000 | 22,788 | 4,533 | 387 | 5,572 | 368 | 427 |
| Canadian | 76 | 15,706 | NA | 8,595 | 16,022 | 2,629 | 243 | 3,076 | 97 | 5 |
| KLM-Royal Dutch** | 116 | 26,923 | NA | NA | 34,904 | 3,956 | 956 | 6,495 | 394 | 1,071 |
| Mexicana | 51 | 6,324 | 91,027 | 7,138 | 6,195 | 875 | 18 | 960 | 110 | 118 |

* Includes non-scheduled service.

** KLM data is for the 12 months ended March 31, 1998, at a rate of 48.6 cents per guilder.

NA — Not available.



top 25 airlines in 1997*
scheduled service

| | Passengers <i>(thousands)</i> | Revenue Passenger Miles <i>(millions)</i> | Freight Ton Miles <i>(millions)</i> | Total Operating Revenues <i>(millions)</i> | |
|----------------------------------|---|---|---|--|----------|
| 1 Delta | 103,133 | 1 United | 121,350 | 1 United | \$17,335 |
| 2 United | 84,203 | 2 American | 106,936 | 2 UPS** | 15,856 |
| 3 American | 81,083 | 3 Delta | 99,624 | 3 United | 14,204 |
| 4 US Airways | 58,659 | 4 Northwest | 71,998 | 4 Northwest | 12,730 |
| 5 Southwest | 55,946 | 5 Continental | 44,072 | 5 American | 9,984 |
| 6 Northwest | 54,650 | 6 US Airways | 41,578 | 6 Delta | 8,501 |
| 7 Continental | 38,756 | 7 Southwest | 28,359 | 7 Polar Air Cargo | 6,361 |
| 8 Trans World | 23,370 | 8 Trans World | 25,099 | 8 Emery Worldwide** | 3,817 |
| 9 America West | 18,294 | 9 America West | 16,171 | 9 Evergreen Int'l** | 3,328 |
| 10 Alaska | 12,245 | 10 Alaska | 10,362 | 10 Airborne Express | 1,887 |
| 11 Simmons | 6,045 | 11 American Trans Air | 4,534 | 11 Continental | 1,863 |
| 12 Reno | 5,308 | 12 Continental Micronesia | 4,446 | 12 DHL Airways | 1,457 |
| 13 Aloha | 5,191 | 13 Tower | 3,549 | 13 Challenge | 1,226 |
| 14 Hawaiian | 4,938 | 14 Hawaiian | 3,134 | 14 Trans World | 894 |
| 15 Continental Express | 4,890 | 15 Reno | 2,904 | 15 US Airways | 746 |
| 16 AirTran | 3,905 | 16 AirTran | 2,397 | 16 Arrow | 729 |
| 17 Atlantic Southeast | 3,775 | 17 Carnival | 2,058 | 17 Tower | 506 |
| 18 Horizon Air | 3,686 | 18 Western Pacific | 1,796 | 18 Continental Micronesia | 462 |
| 19 American Trans Air | 3,157 | 19 Midwest Express | 1,409 | 19 American Int'l | 460 |
| 20 Continental Micronesia | 2,579 | 20 Simmons | 1,321 | 20 AmeriJet | 426 |
| 21 Trans States | 2,386 | 21 Continental Express | 1,181 | 21 Alaska | 404 |
| 22 Mesa | 2,077 | 22 Pan American | 1,122 | 22 Hawaiian | 401 |
| 23 Air Wisconsin | 1,943 | 23 Frontier | 1,028 | 23 America West | 388 |
| 24 Carnival | 1,829 | 24 Atlantic Southeast | 928 | 24 Southwest | 385 |
| 25 Western Pacific | 1,753 | 25 Horizon Air | 890 | 25 Pan American | 344 |

* Carriers certificated under Section 401, Federal Aviation Act.

** Includes non-scheduled service.

■ ATA member.

FAA aviation forecasts
commercial air carriers FY 1998-2009

| Fiscal Year | Passengers (millions) | Passenger Miles (billions) | Jet Aircraft | Domestic Departures (millions) |
|-------------|-----------------------|----------------------------|--------------|--------------------------------|
| 1998 | 615.8 | 626.2 | 5,092 | 7.2 |
| 1999 | 635.4 | 650.9 | 5,224 | 7.3 |
| 2000 | 656.5 | 678.1 | 5,444 | 7.4 |
| 2001 | 680.3 | 709.3 | 5,698 | 7.6 |
| 2002 | 706.8 | 743.5 | 5,913 | 7.8 |
| 2003 | 734.3 | 779.2 | 6,149 | 7.9 |
| 2004 | 762.9 | 816.5 | 6,361 | 8.1 |
| 2005 | 792.6 | 855.6 | 6,574 | 8.3 |
| 2006 | 823.5 | 896.7 | 6,778 | 8.5 |
| 2007 | 855.8 | 939.8 | 6,983 | 8.7 |
| 2008 | 889.4 | 985.2 | 7,203 | 8.9 |
| 2009 | 924.3 | 1,032.5 | 7,419 | 9.2 |

operating fleet - ATA airlines
as of december 31, 1997

| | Airborne Express | Alaska | Aloha | America West | American | American Trans Air | Atlas Air | Continental | Delta | DHL Airways | Emery Worldwide | Evergreen Int'l | Federal Express | Hawaiian | Midwest Express | Northwest | Polar Air Cargo | Reeve Aleutian | Southwest | Trans World | United | UPS | US Airways | Aeromexico | Air Canada | Canadian | KLM-Royal Dutch | Mexicana | TOTAL |
|--------------|------------------|-----------|-----------|--------------|------------|--------------------|-----------|-------------|------------|-------------|-----------------|-----------------|-----------------|-----------|-----------------|------------|-----------------|----------------|------------|-------------|------------|------------|------------|------------|------------|-----------|-----------------|-----------|--------------|
| B-747 | | | | | | 19 | 4 | | | | 12 | | | | 43 | 16 | | | | 3 | 48 | 14 | | | 9 | 4 | 30 | 202 | |
| A340 | | | | | | | | | | | | | | | | | | | | | | | | | 8 | | | | 8 |
| B-777 | | | | | | | | | | | | | | | | | | | | | | 30 | | | | | | | 30 |
| L-1011 | | | | | | 14 | | 46 | | | | | | | | | | | | | | | | | | | | | 60 |
| A300 | | | | | 35 | | | | | | | | 24 | | | | | | | | | | | | | | | | 59 |
| DC-10 | | | | | 18 | | 34 | | | | | 36 | 9 | 36 | | | | | | | 26 | | | | | 9 | | 168 | |
| A310 | | | | | | | | | | | | | 38 | | | | | | | | | | | | | | | | 38 |
| MD-11 | | | | | 13 | | | 14 | | | | 26 | | | | | | | | | | | | | | | 9 | 62 | |
| B-767 | | | | | 71 | | | 74 | | | | | | | | | | | | | 14 | 42 | 22 | 12 | 4 | 29 | 9 | 10 | 287 |
| DC-8 | 36 | | | | | | | | | 7 | 39 | | | | | | | | | | | 49 | | | | | | | 131 |
| B-757 | | | | 14 | 90 | 7 | 23 | 91 | | | | | | | 48 | | | | | | 15 | 94 | 70 | 34 | 6 | | | 3 | 495 |
| MD-90 | | | | | | | | 16 | | | | | | | | | | | | | | | | | | | | | 16 |
| A320 | | | | 26 | | | | | | | | | | | 50 | | | | | | 45 | | | | 57 | 12 | 14 | | 204 |
| B-727 | | | | | 79 | 24 | 43 | 131 | 20 | 37 | | 163 | | | 40 | | 2 | | | 29 | 75 | 59 | | | | | 24 | 726 | |
| MD-80 | | 42 | | | 260 | | 69 | 120 | | | | | | 2 | 8 | | | | | 65 | | | 31 | 31 | | | | 628 | |
| B-737 | | 36 | 17 | 63 | | | 187 | 67 | | | | | | | | | | 261 | | 211 | | 203 | | | 42 | 36 | | 1,123 | |
| DC-9 | 69 | | | | | | 28 | | | | 1 | 8 | 13 | 22 | 180 | | | | | 58 | | | 56 | 17 | 28 | | | 480 | |
| F-100 | | | | | 75 | | | | | | | | | | | | | | | | | | 40 | | | | | | 127 |
| L-188 | | | | | | | | | | | | | | | | | | | 3 | | | | | | | | 2 | 10 | 3 |
| F-50 | | | | | | | | | | | | | | | | | | | | | | | | | | | 10 | | 10 |
| CRJ | | | | | | | | | | | | | | | | | | | | | | | | | 24 | | | | 24 |
| F-70 | | | | | | | | | | | | | | | | | | | | | | | | | | | 10 | | 10 |
| Saab 340B | | | | | | | | | | | | | | | | | | | | | | | | | | | 10 | | 10 |
| F-27 | | | | | | | | | | | | 32 | | | | | | | | | | | | | | | 9 | | 9 |
| Cessna 208 | | | | | | | | | | | | 262 | | | | | | | | | | | | | | | | | 262 |
| TOTAL | 105 | 78 | 17 | 103 | 641 | 45 | 19 | 388 | 559 | 27 | 77 | 20 | 581 | 22 | 24 | 405 | 16 | 5 | 261 | 184 | 571 | 214 | 376 | 58 | 155 | 76 | 116 | 51 | 5,194 |

aircraft operating statistics – 1997
(figures are averages for most commonly used models)

| | Number of Seats | Average Cargo Payload (tons) | Speed Airborne | Flight Length | Fuel (gallons per hour) | Aircraft Operating Cost per Hour |
|----------------|----------------------------|---|---------------------------|--------------------------|--|---|
| B747-100 | 447 | 8.75 | 520 | 2,661 | 3,638 | \$6,447 |
| B747-400 | 396 | 8.89 | 538 | 4,988 | 3,410 | 6,859 |
| B747-200/300 | 374 | 8.33* | 525 | 3,489 | 3,663 | 7,300 |
| B747-F | | 75.48 | 496 | 2,191 | 3,810 | 7,497 |
| L 1011-100/200 | 310 | 6.60 | 495 | 1,206 | 2,428 | 3,720 |
| B-777 | 292 | 10.19 | 521 | 2,927 | 2,117 | 4,241 |
| DC-10-10 | 289 | 9.44 | 500 | 1,540 | 2,287 | 5,281 |
| DC-10-40 | 285 | 5.57 | 504 | 1,921 | 2,651 | 4,746 |
| DC-10-30 | 265 | 8.96* | 520 | 2,554 | 2,667 | 6,078 |
| MD-11 | 253 | 10.91* | 524 | 3,123 | 2,462 | 6,406 |
| A300-600 | 249 | 12.63 | 473 | 1,228 | 1,678 | 5,237 |
| L-1011-500 | 223 | 5.45 | 517 | 2,222 | 2,376 | 3,829 |
| B767-300ER | 214 | 8.27 | 495 | 2,217 | 1,602 | 3,558 |
| B757-200 | 186 | 2.24 | 465 | 1,198 | 1,050 | 2,675 |
| B767-200ER | 181 | 4.70 | 488 | 2,184 | 1,409 | 3,348 |
| MD-90 | 150 | 0.41 | 435 | 764 | 808 | 1,636 |
| B727-200 | 150 | 0.69 | 437 | 720 | 1,287 | 2,504 |
| B727-F | | 14.07 | 434 | 529 | 1,284 | 4,993 |
| A320-100/200 | 148 | 0.77 | 460 | 1,153 | 820 | 2,177 |
| B737-400 | 144 | 0.62 | 414 | 692 | 792 | 2,124 |
| MD-80 | 141 | 0.45 | 432 | 790 | 933 | 2,087 |
| B737-300 | 131 | 0.41 | 417 | 601 | 776 | 1,918 |
| DC-9-50 | 122 | 0.43 | 374 | 342 | 915 | 1,923 |
| B737-100/200 | 113 | 0.35 | 389 | 460 | 824 | 1,904 |
| B737-500 | 110 | 0.37 | 420 | 636 | 747 | 1,743 |
| DC-9-40 | 109 | 0.42 | 388 | 496 | 839 | 1,500 |
| DC-9-30 | 101 | 0.41 | 385 | 474 | 810 | 1,988 |
| F-100 | 97 | 0.15 | 383 | 497 | 646 | 2,002 |
| DC-9-10 | 71 | 0.94 | 381 | 422 | 743 | 1,409 |

* Passenger aircraft models only.

safety

(aircraft with 10 seats or more)

| | Departures (millions) | Fatal Accidents | Fatalities | Fatal Accidents per 100,000 Departures |
|------|--------------------------|--------------------|------------|---|
| 1987 | 6.6 | 4 | 231 | 0.046* |
| 1988 | 6.7 | 3 | 285 | 0.030* |
| 1989 | 6.6 | 8 | 131 | 0.121 |
| 1990 | 6.9 | 6 | 39 | 0.087 |
| 1991 | 6.8 | 4 | 62 | 0.059 |
| 1992 | 7.1 | 4 | 33 | 0.057 |
| 1993 | 7.2 | 1 | 1 | 0.014 |
| 1994 | 7.5 | 4 | 239 | 0.053 |
| 1995 | 8.1 | 2 | 166 | 0.025 |
| 1996 | 8.2 | 3 | 342 | 0.036 |
| 1997 | 8.2 | 3 | 3 | 0.037 |

* Sabotage-caused accidents are included in *Accidents* and *Fatalities*, but not in the *Accident Rates*.

Source: National Transportation Safety Board.

aircraft on order

ATA airlines
(as of december 31, 1997)

| Aircraft Type | Number | | Firm Order Delivery Dates | | | |
|------------------------------|------------|--------------|---------------------------|------------|------------|------------|
| | Firm | Options | 1998 | 1999 | 2000 | 2001+ |
| Airbus | | | | | | |
| A300 | 12 | 7 | 4 | 4 | 4 | |
| A310 | 50 | 50 | | 10 | 10 | 30 |
| A320 | 246 | 328 | 65 | 54 | 37 | 90 |
| A330 | 21 | 4 | | 2 | 3 | 16 |
| A340 | 4 | 9 | 1 | 2 | 1 | |
| Boeing | | | | | | |
| B-737 | 394 | 628 | 86 | 105 | 35 | 168 |
| B-747 | 35 | 16 | 10 | 11 | 12 | 2 |
| B-757 | 75 | 189 | 27 | 18 | 5 | 25 |
| B-767 | 89 | 141 | 28 | 22 | 25 | 14 |
| B-777 | 41 | 134 | 9 | 25 | 7 | |
| McDonnell Douglas | | | | | | |
| MD-80 | 20 | | 13 | 7 | | |
| MD-11 | 4 | | 4 | | | |
| Canadian Regional Jet | | | | | | |
| CRJ | 1 | | 1 | | | |
| TOTAL | 992 | 1,506 | 248 | 260 | 139 | 345 |

Note: The value of firm aircraft orders was \$58.7 billion.

leading U.S. airports - 1997
(in thousands)

Passengers (Arriving & Departing)

| | | | |
|------------------|--------|----------------------|--------|
| Chicago O'Hare | 70,385 | Phoenix | 30,659 |
| Atlanta | 68,206 | Las Vegas | 30,306 |
| Dallas/Ft. Worth | 60,489 | Minneapolis/St. Paul | 30,208 |
| Los Angeles | 60,143 | Houston | 28,705 |
| San Francisco | 40,494 | St. Louis | 27,661 |
| Denver | 34,969 | Orlando | 27,305 |
| Miami | 34,533 | Boston | 25,568 |
| Detroit | 31,542 | Seattle | 24,730 |
| New York Kennedy | 31,355 | Honolulu | 23,880 |
| Newark | 30,916 | Charlotte | 22,798 |

Cargo Metric Tonnes (Enplaned & Deplaned)

| | | | |
|------------------|-------|------------------------|-----|
| Memphis | 2,233 | Dallas/Ft. Worth | 811 |
| Los Angeles | 1,873 | San Francisco | 780 |
| Miami | 1,766 | Oakland | 678 |
| New York Kennedy | 1,668 | Indianapolis | 663 |
| Chicago O'Hare | 1,407 | Toledo | 521 |
| Louisville | 1,346 | Honolulu | 501 |
| Anchorage | 1,260 | Philadelphia | 486 |
| Newark | 1,043 | Boston | 442 |
| Atlanta | 865 | Denver | 437 |
| Dayton | 813 | Ontario/San Bernardino | 419 |

Source: Airports Council International.

U.S. scheduled airlines*

Majors (13)

(Annual revenues over \$1 billion)

Alaska
America West
American
Continental
Delta
DHL Airways
Federal Express
Northwest
Southwest
Trans World
United
United Parcel Service
US Airways

Nationals (34)

(Annual revenues of \$100 million to \$1 billion)

| | |
|------------------------|--------------------|
| Air Transport Int'l | Hawaiian |
| Air Wisconsin | Horizon Air |
| AirTran | Kiwi |
| Aloha | Mesa |
| American Int'l | Midway |
| American Trans Air | Midwest Express |
| Arrow | Polar Air Cargo |
| Atlantic Southeast | Reno |
| Atlas Air | Rich |
| Business Express | Simmons |
| Carnival | Southern Air |
| Challenge | Sun Country |
| Continental Express | Tower |
| Continental Micronesia | Trans States |
| Emery Worldwide | US Airways Shuttle |
| Evergreen Int'l | Western Pacific |
| Executive Airlines | World |

Regionals (52)

(Annual revenues under \$100 million)

| | | |
|----------------|--------------------|-------------------|
| Air 21 | Kitty Hawk | Sierra Pacific |
| Air South | Laker | Skytrek |
| Amerijet | Lynden | Spirit Air |
| AV Atlantic | Mesaba | Sun Jet |
| Buffalo | Miami Air | Sun Pacific |
| Capitol Cargo | Millon | Sunworld |
| Casino Express | Nations Air | Tatonduk |
| Champion Air | North American | Trans Air Link |
| Custom Air | Northern Air | Trans Continental |
| Eastwind | Pace Aviation | Transmeridian |
| Express One | Pacific Int'l | Tristar |
| Falcon Air | Pan American | UFS, Inc. |
| Fine Airlines | Panagra | USA Jet |
| Florida West | Prestige | Vanguard |
| Frontier | Pro Air | Viscount |
| Gemini | Reeve Aleutian | Zantop |
| Great American | Renown | |
| Jettrain | Ryan International | |

* Data for the following 99 carriers are included herein, except when noted.

■ ATA member.

definition of terms

U.S. Scheduled Airlines Carriers certificated by the federal government under Section 401 of the Federal Aviation Act permitting the operation of large aircraft with 60 seats or more.

Revenue Passenger Mile One fare-paying passenger transported one mile.

Available Seat Mile One seat transported one mile.

Revenue Passenger Enplanements The total number of revenue passengers boarding aircraft in scheduled service, including origination, stopover and connecting passengers.

Scheduled Service Transport service operated over the routes of a U.S. scheduled airline, based on published flight schedules, including extra sections.

Load Factor The percentage of seating or freight capacity which is utilized.

Revenue Ton Mile One ton of revenue traffic (passengers & cargo) transported one mile.

Available Ton Mile One ton of capacity (passengers & cargo) transported one mile.

Air Cargo Total volume of freight, mail and express traffic transported by air. Statistics include the following:

Freight & Express Commodities of all kinds — includes small package counter services, express services and priority reserved freight.

U.S. Mail All classes of mail transported for the U.S. Postal Service.

Net Profit Margin Net profit after interest and after taxes as percent of operating revenues.

Operating Profit Margin Operating profit (operating revenues minus operating expenses) as percent of operating revenues.

Return on Investment Net profits plus interest expense (on long-term debt) divided by long-term debt plus stockholders' equity (net worth).

Yield Average revenue per revenue passenger mile or revenue ton mile.

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