

JOHN F. BROWN COMPANY EMAIL NEWSLETTER

Consultants to the Airport Industry

18 January 2002

✈ FINANCIAL STATE OF THE AVIATION INDUSTRY

AIRLINES REPORT WEAKER RESULTS

Summarized from the Associated Press and Bloomberg, 1-18-02:

This week five airlines reported weaker results for the fourth quarter 2001 as the recession and September 11 attacks kept travelers off planes. Southwest Airlines is the only one reporting a profit of \$64 million compared to \$155 million in the fourth quarter 2000. Delta slashed its fleet-growth plan and deferred delivery of 39 aircraft from Boeing. US Airways, facing a record \$1.01 billion quarterly loss, said that it still had no plan to apply for a government loan guarantee.

Operating Result
(Number in millions)

	2001 4Q	2000 4Q
American Airline	(798)	47
Continental Airlines	(149)	44
Northwest Airlines	(216)	69
Southwest Airlines	64	155
US Airways	(1,010)	(101)

CONTINENTAL IN CODE-SHARE PACT WITH AMTRAK

Summarized from Reuters, 1-18-02:

Continental Airlines signed a code-sharing deal with Amtrak that allows the rail operator and the airline to share passengers and revenue at its Newark International Airport hub. The code sharing is scheduled to launch in mid-March.

✈ AIRPORT SECURITY

TOUGHER BAGGAGE SCREENING BEGINS

Summarized from ABCNews, 1-18-02:

The Congressionally imposed deadline for screening all checked baggage for explosives is today, January 18. Bags are to be inspected by bomb sniffing dogs, by equipment that can detect traces of explosives, or by hand searches by security personnel. In cases where that is not possible, bags would be matched to a passenger before being loaded. Airports continue to implement new security procedures following the September 11 terrorist attacks, including full baggage screening by the end of this year.

✈ AIR TRAFFIC

PASSENGER TRAFFIC DOWN 14 PERCENT IN DECEMBER

Summarized from Air Transport Association press release, 1-18-02:

The Air Transport Association (ATA) reported that passenger enplanements were down 14.2 percent, on average, in December. The number of enplanements declined 14.7 percent domestically, and 9.9 percent internationally. Domestic revenue passenger miles (RPMs) declined 13.2 percent, while international RPMs decreased 14.5 percent. The system-wide load factor was 68.6 percent in December 2001, compared to 69.2 percent in December 2000.