



NORTHWEST AIRLINES



# **Goldman Sachs Transportation Conference**

*Richard Anderson  
Chief Executive Officer*

February 5, 2004

## ***Forward Looking Statements***

Statements in this presentation, that are not purely historical facts, including statements regarding our beliefs, expectations, intentions or strategies for the future, may be “forward-looking statements” under the Private Securities Litigation Reform Act of 1995. All forward-looking statements involve a number of risks and uncertainties that could cause actual results to differ materially from the plans, intentions and expectations reflected in or suggested by the forward-looking statements. Such risks and uncertainties include the future level of air travel demand, the Company’s future load factors and yields, the airline pricing environment, increased costs for security, the cost and availability of aviation insurance coverage and war risk coverage, the general economic condition of the United States and other regions of the world, the price and availability of jet fuel, the aftermath of the war in Iraq, the possibility of additional terrorist attacks or the fear of such attacks, concerns about Severe Acute Respiratory Syndrome (SARS), labor negotiations both at other carriers and the Company, low fare carrier expansion, capacity decisions of other carriers, actions of the U.S and foreign governments, foreign currency exchange rate fluctuation and inflation. Additional information with respect to the factors and events that could cause differences between forward-looking statements and future actual results is contained in the Company’s Securities and Exchange Commission filings, including the Company’s Annual Report on Form 10-K for the year ended December 31, 2002. We undertake no obligation to update any forward-looking statements to reflect events or circumstances that may arise after the date of this presentation.



**NORTHWEST AIRLINES®**

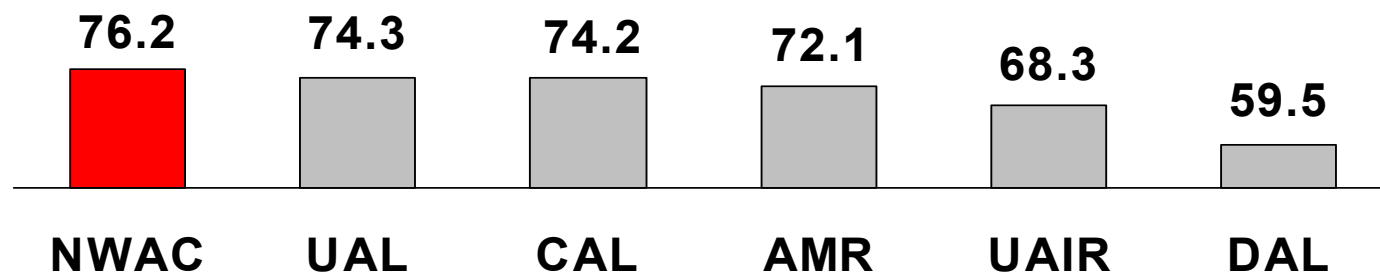
- **NW has outperformed the industry in many areas**
  - **operations**
  - **RASM**
  - **non-labor CASM**
  - **liquidity**
- **Labor cost restructuring is the key challenge**
- **With restructured labor costs, NW is well-positioned**
  - **network**
  - **alliances**
  - **fleet**
  - **cargo**
  - **technology**



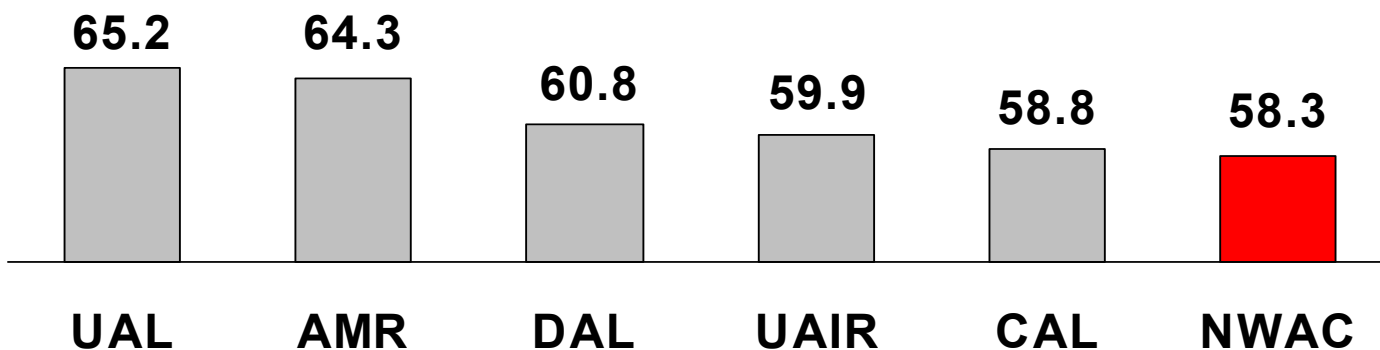
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## 2003 On-time Performance (%)

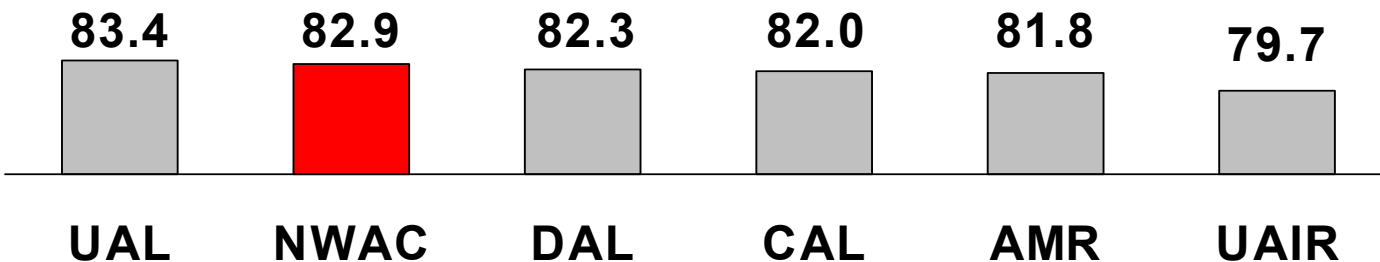
Departure  
(D0)



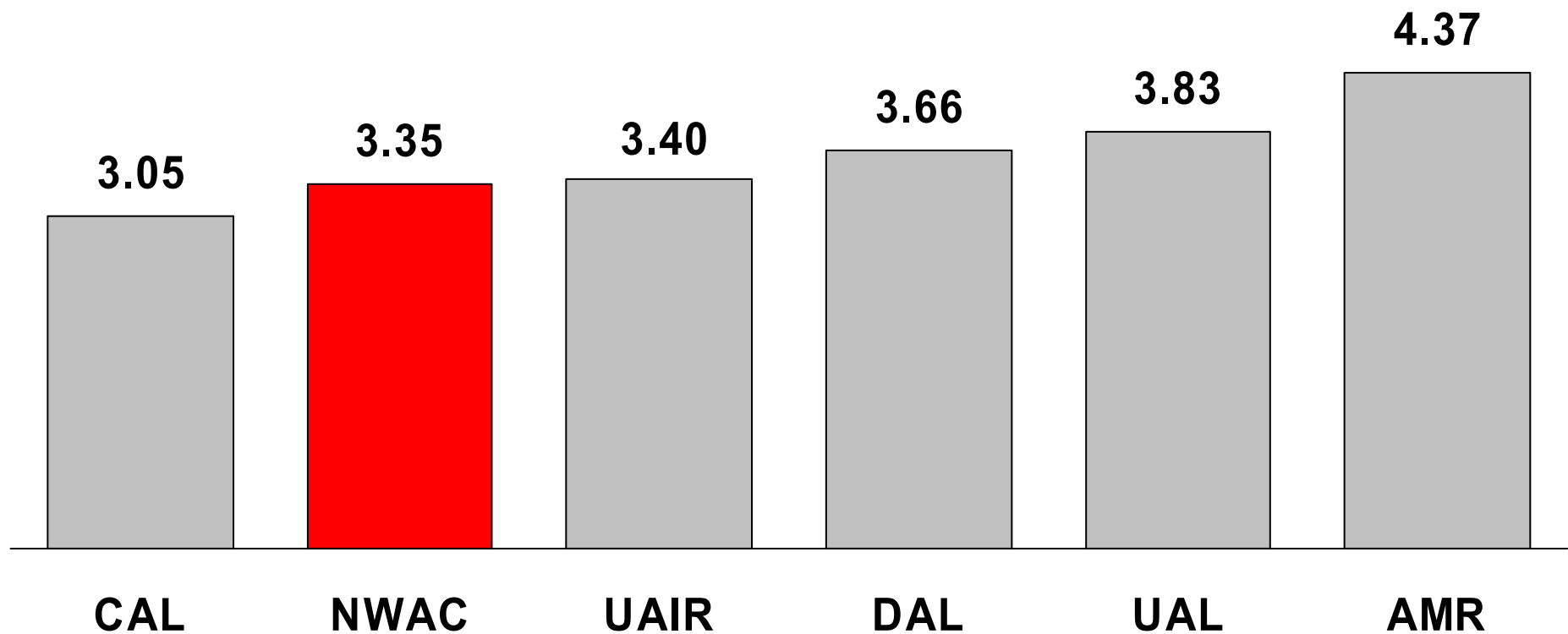
Block  
(B0)



Arrival  
(A14)

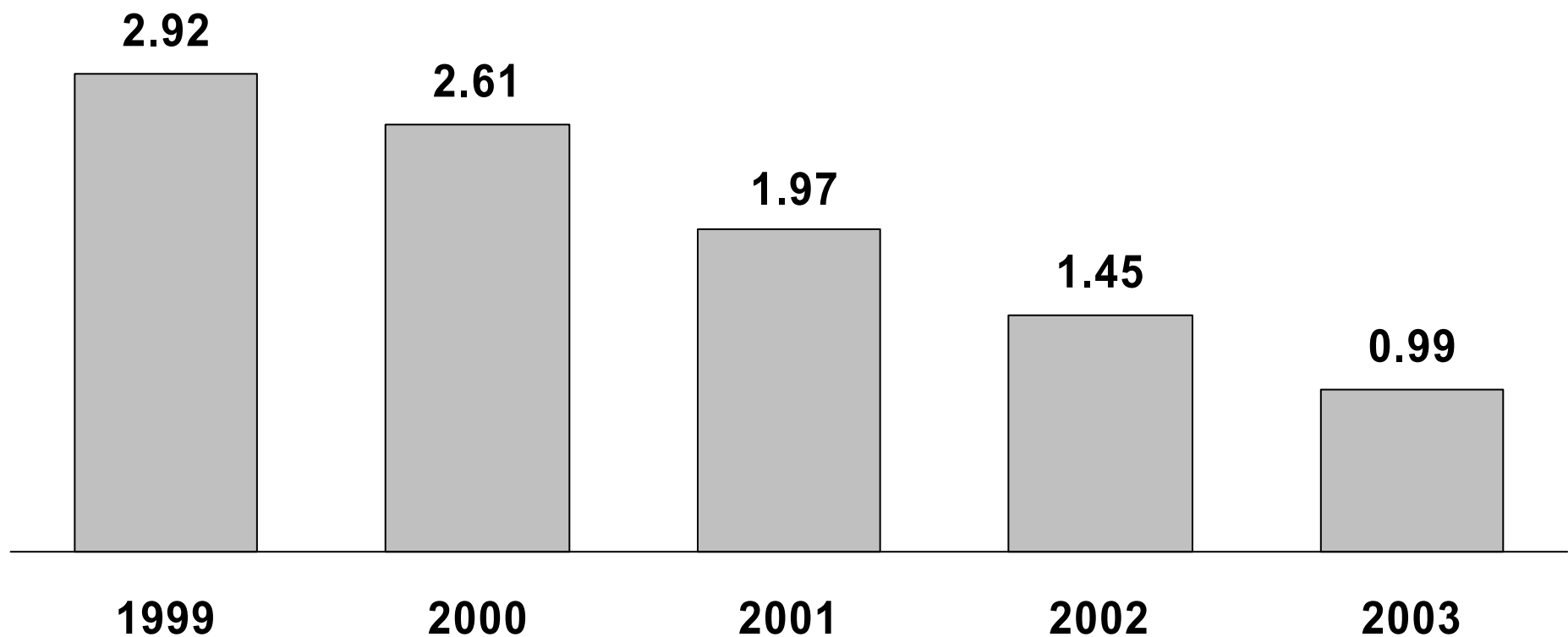


## ***2003 Baggage Mishandlings***



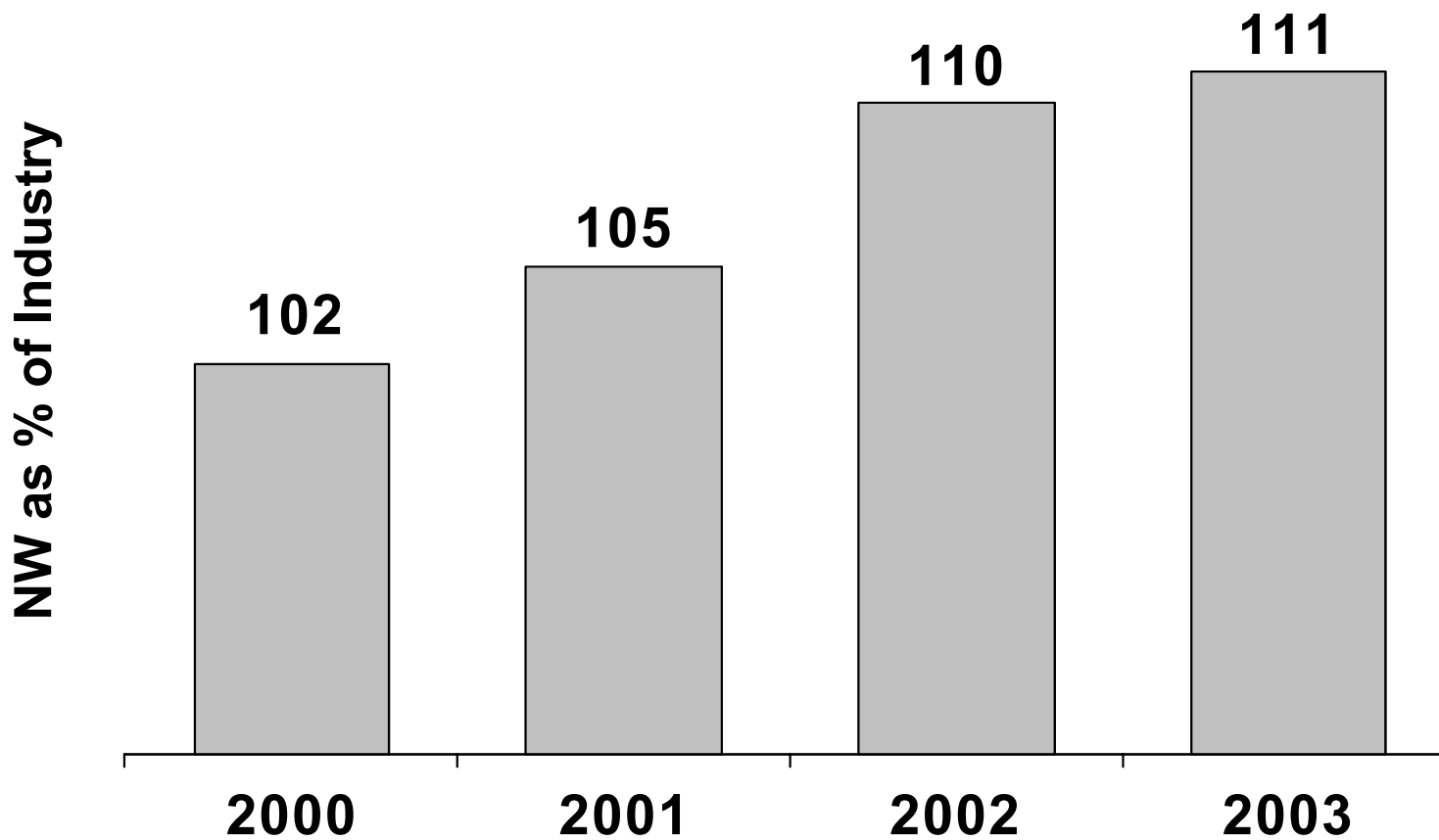
per 1,000 enplanements (Jan – Nov)

## ***DOT Consumer Complaints***

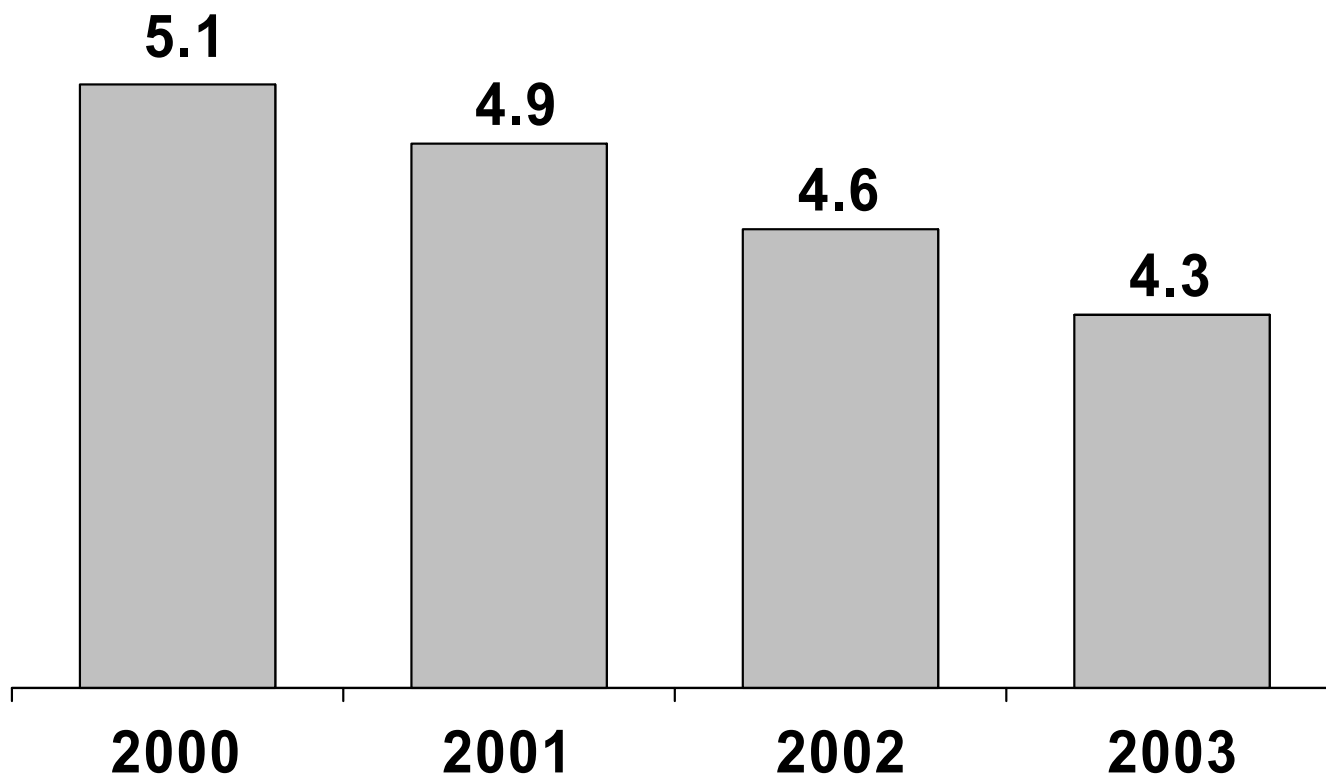


per 100,000 enplanements (Jan – Nov in 2003)

## ***Domestic RASM Index***



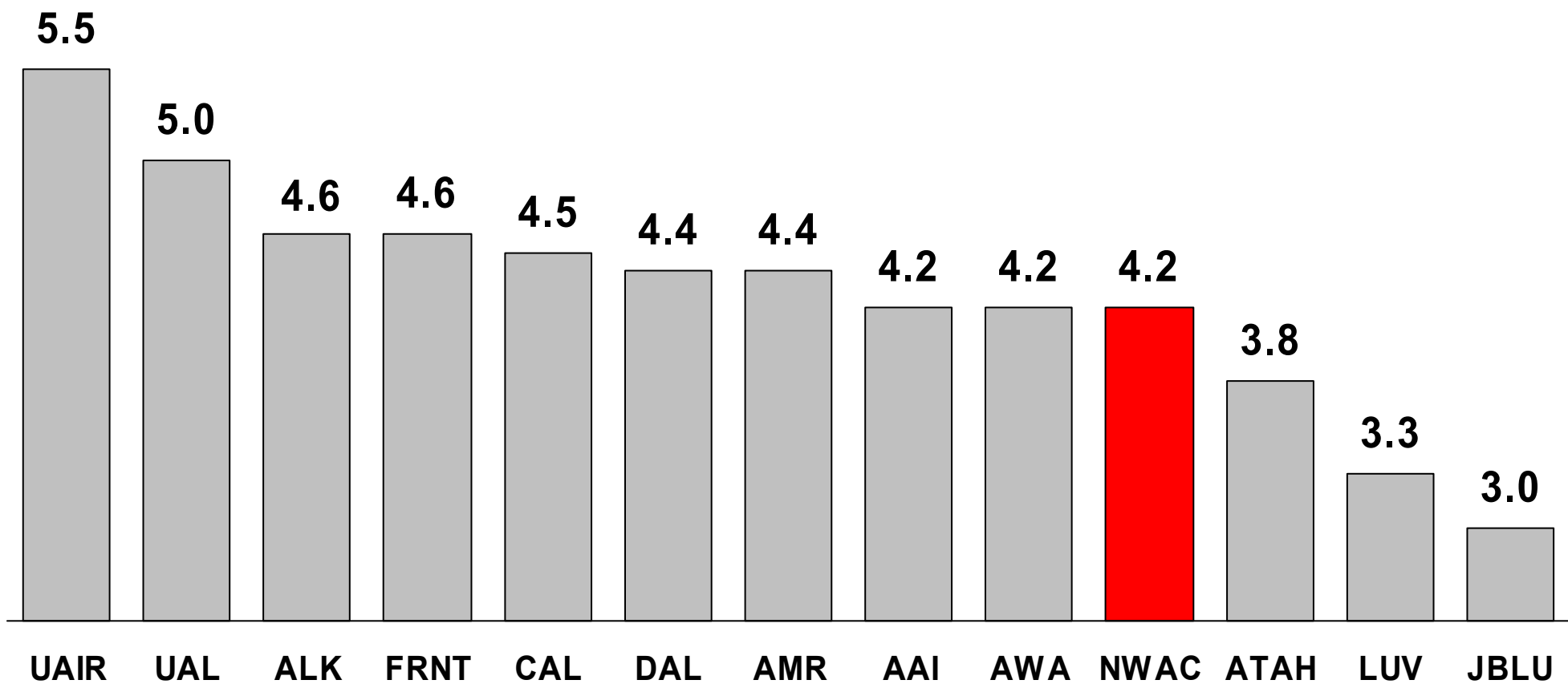
## ***Non-Labor Cost (\$bil)***



excluding fuel and unusual items



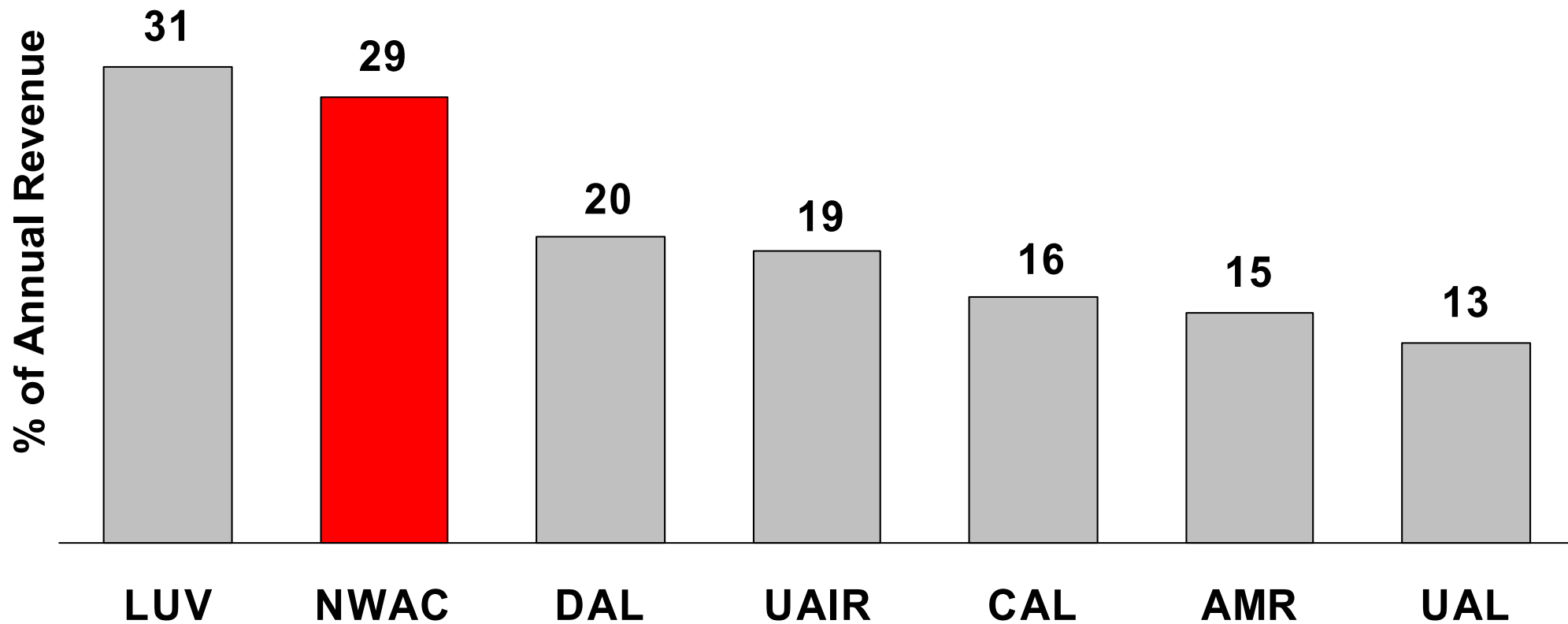
## ***2003 Non-Labor CASM (¢)***



UAIR YTD 9/30

excluding fuel and unusual items

## ***12/31/03 Unrestricted Cash***



## ***2003 Stats***

	<b><u>2003</u></b>	<b><u>% B/(W) than 2002</u></b>
<b>ASMs (bil)</b>	<b>88.6</b>	<b>(5.2)</b>
<b>Psgr RASM (cts)</b>	<b>8.61</b>	<b>3.7</b>
<b>CASM ex-fuel (cts)</b>	<b>8.23</b>	<b>(1.4)</b>
<b>Fuel Price (cts)</b>	<b>80.7</b>	<b>(16.4)</b>

## ***2003 Income Statement***

	<b><u>2003</u></b> <b><u>(\$ mil)</u></b>	<b><u>B/(W)</u></b> <b><u>than 2002</u></b>
<b>Op Revenue</b>	<b>9,510</b>	<b>21</b>
<b>Op Income</b>	<b>(166)</b>	<b>245</b>
<b>Pre-tax Income</b>	<b>(583)</b>	<b>173</b>
<b>Net Income</b>	<b>(565)</b>	<b>(77)</b>
<b>Pre-tax Margin (%)</b>	<b>(6.1)</b>	<b>1.8 pts</b>

excluding unusual items

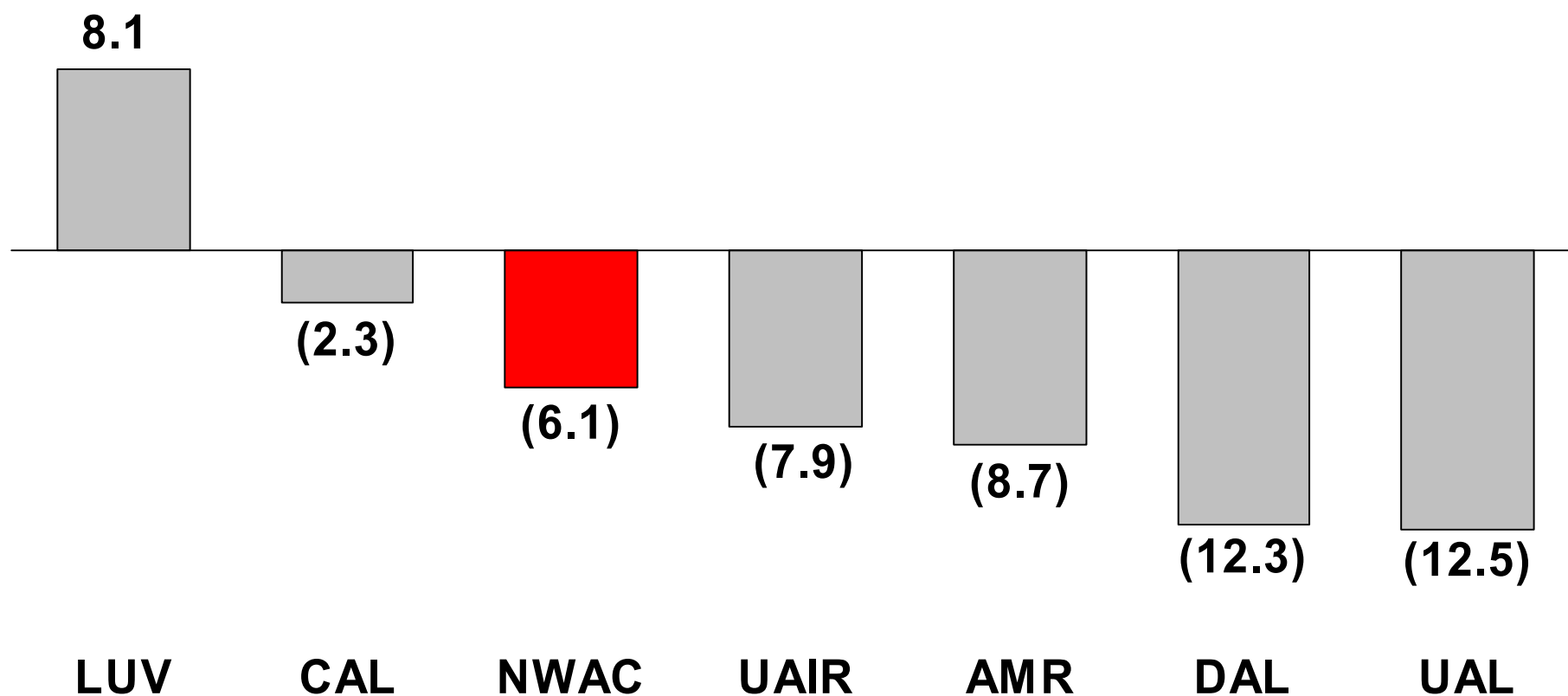
## ***2003 Cash Flow (\$mil)***

<b>December 31, 2002</b>	<b>2,097</b>
<b>Asset Sales</b>	<b>615</b>
<b>Tax Refund/Wartime Act</b>	<b>427</b>
<b>Non A/C Financings</b>	<b>411</b>
<b>Debt Payments</b>	<b>(350)</b>
<b>Pension Contributions</b>	<b>(413)</b>
<b>Other</b>	<b>(30)</b>
<b>December 31, 2003</b>	<b>2,757</b>



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## 2003 Pre-tax Margin (%)



excluding unusual items

UAIR analyst estimate



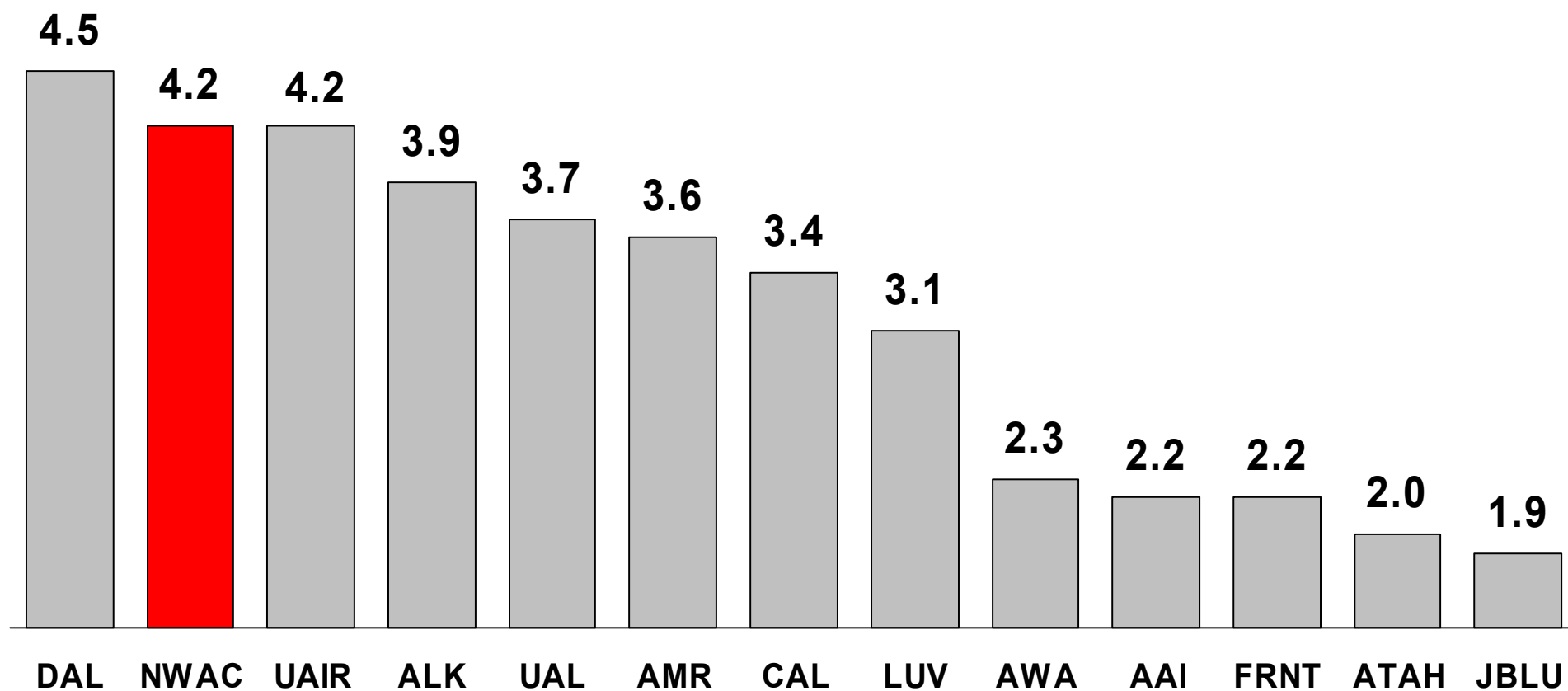
**NORTHWEST AIRLINES®**

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  - **operations**
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  - **non-labor CASM**
  - **liquidity**

- **Labor cost restructuring is the key challenge**

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## 4Q03 Labor CASM (¢)







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## ***Strong Network***

- **MSP/DTW/MEM**
  - large markets
  - high business mix
  - single carrier hubs/high share
  - #1 carrier in Heartland
  - no constraints
  - recent facility investments
  - high customer satisfaction
- **Japan**
  - biggest Asian market
  - #1 U.S. carrier

## ***Pioneer of Alliances***

### **KLM**

- the first alliance
- started in 1989
- \$2 bil joint venture

### **Continental**

- since 1998
- \$150-200 mil/yr

### **Delta**

- launched June 2003

### **SkyTeam**

- targeting 2004 entry



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# A330





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## ***Fleet Simplification***

### **1999**

**B747-400**

**B747-200**

**B747-100**

**DC10-30**

**DC10-40**

**B757**

**B727**

**A320/19**

**MD80**

**DC9**

### **2004**

**B747-400**

**B747-200**

**A330**

**DC10-30**

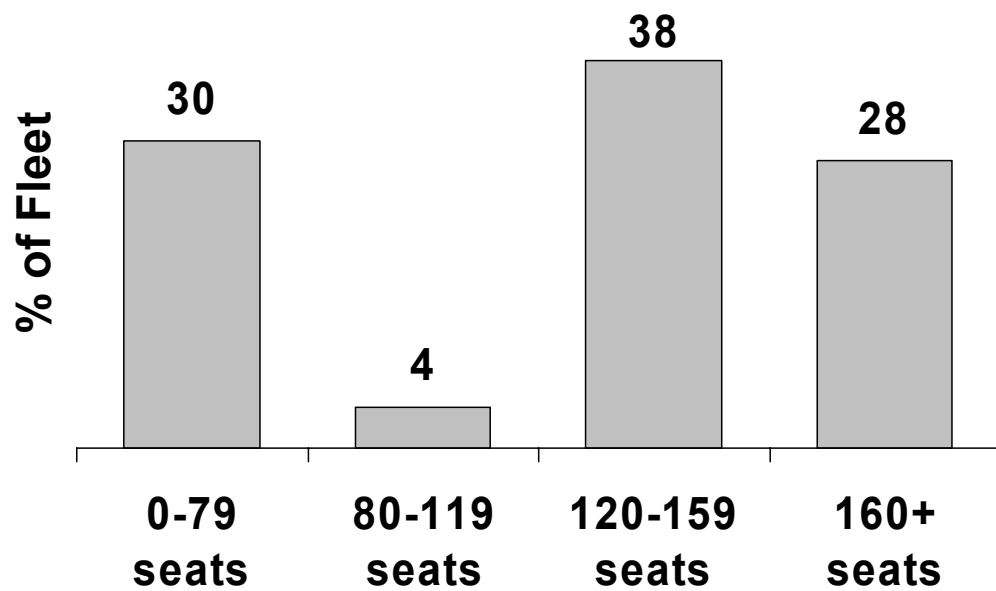
**B757**

**A320/19**

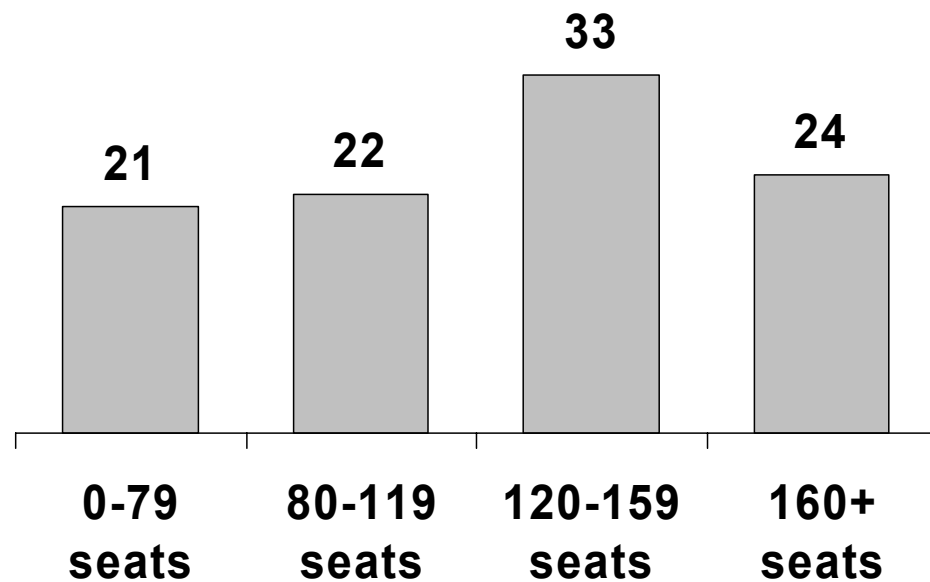
**DC9**

## *Flexible Fleet*

### Industry



### Northwest



## ***Cargo***

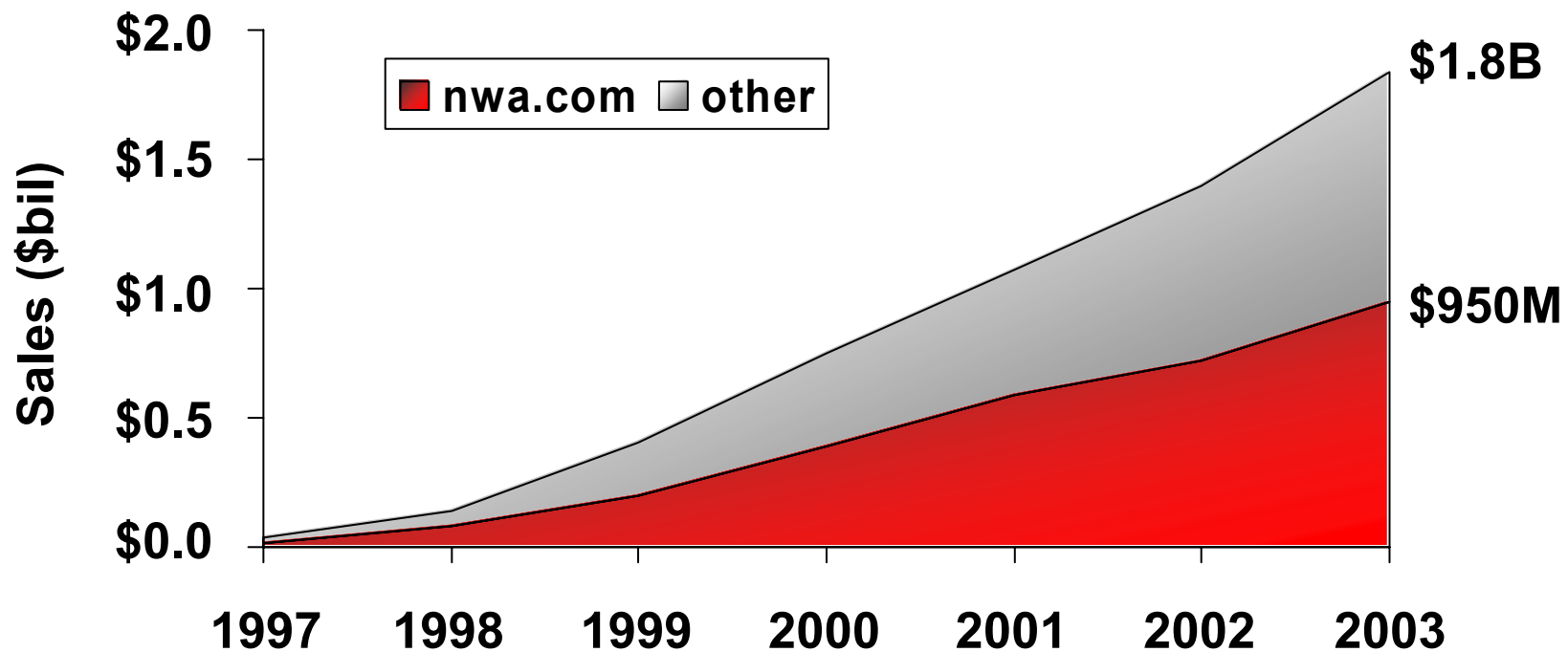
- **\$750 mil annual revenue**
- **12 B747 freighters**
- **Growth opportunities**
  - **Alliances**
  - **China**



## *Technology Leader*

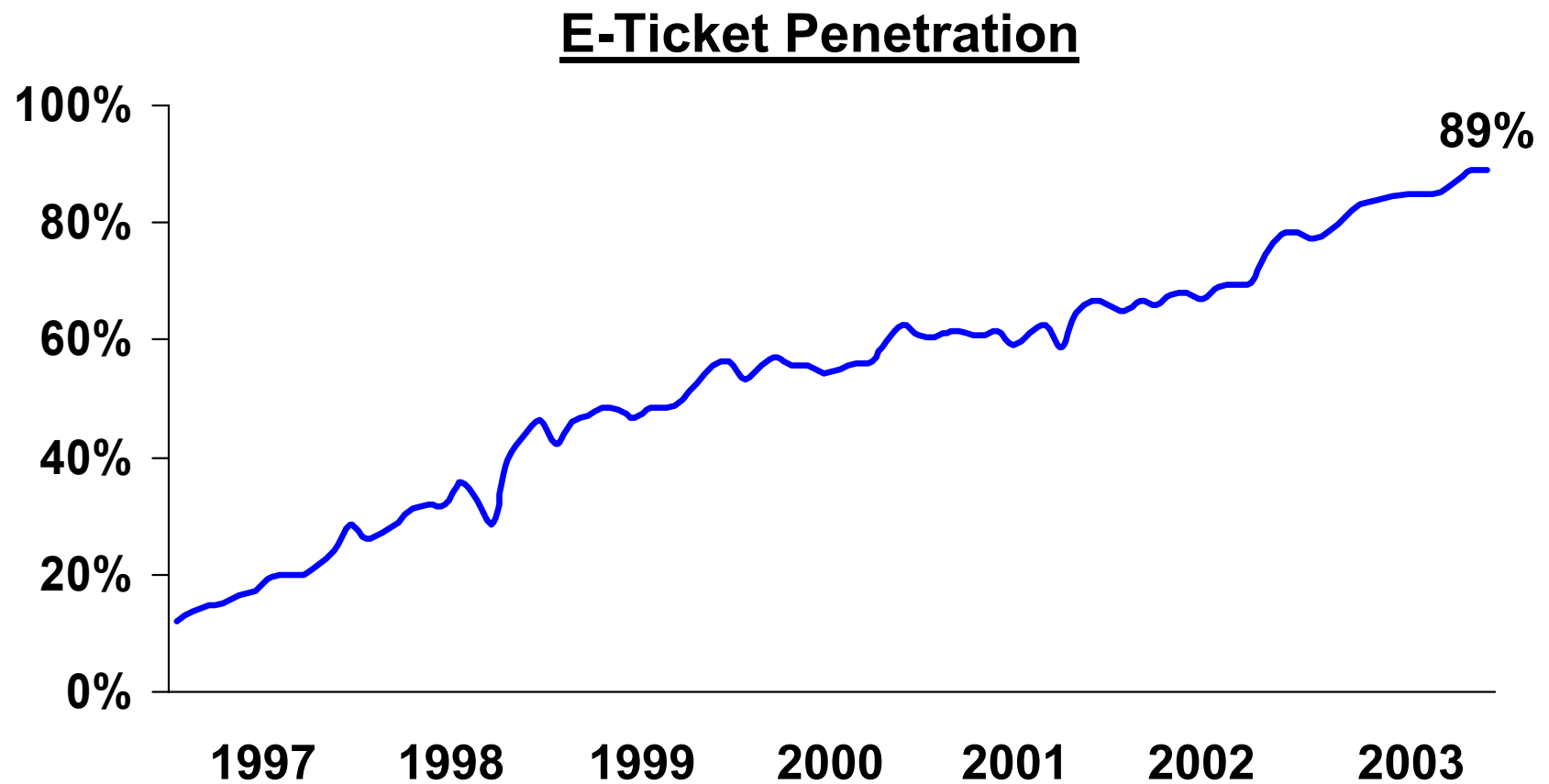
- Orbitz/Hotwire cofounder
- nwa.com #1 airline site

### Internet Sales





## ***Technology Leader***

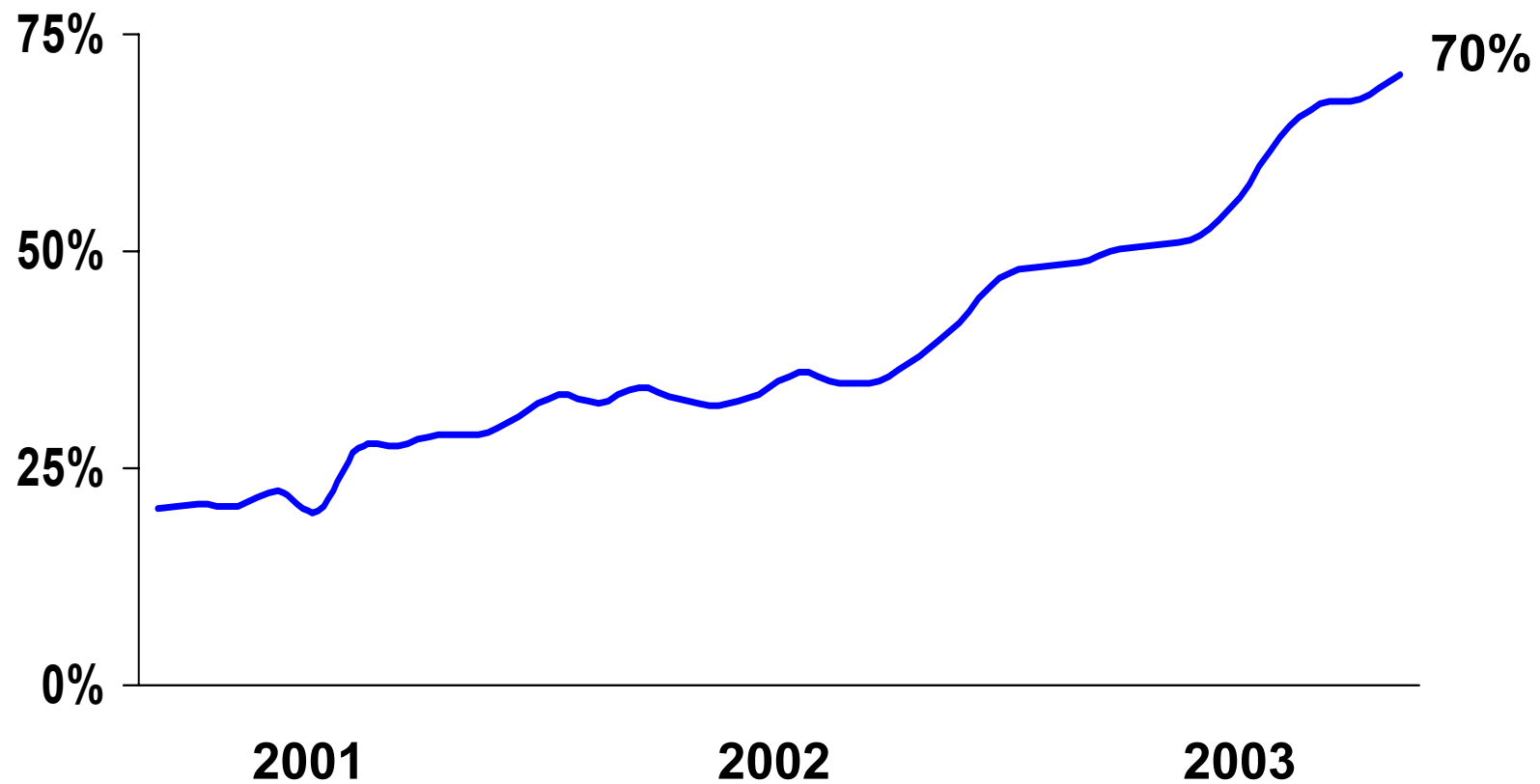




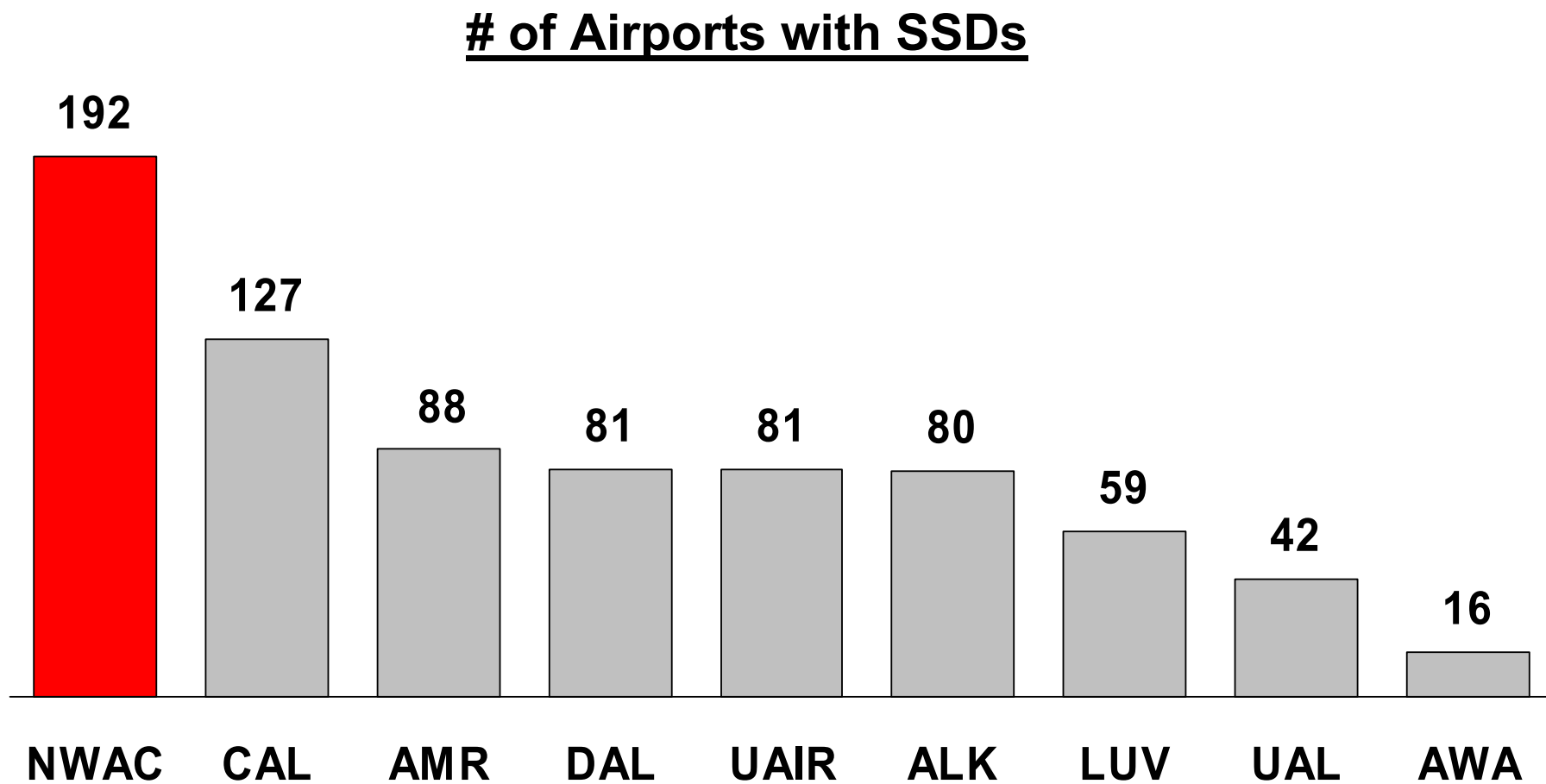
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## ***Technology Leader***

### **SSD/Internet Check-In Penetration**



## *Technology Leader*



## ***Technology Leader***

- **Aerexchange cofounder -- \$9M inventory savings**
- **RFMS technology -- \$200M inventory savings**
- **IT outsourcing**



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