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Frequent Flier Rewards Among the Top 14 U.S. Airlines Dropped to 14.7 Million Tickets During 2004

*Reward travel became a smaller component of overall passenger activity
on nine of the largest U.S. airlines.*

April 20, 2005, Shorewood, Wisconsin, USA. For the second year, the IdeaWorks Company has compiled frequent flier program statistics reported by U.S. based airlines in their publicly-filed Form 10-K annual reports. The Industry Analysis represents an expanded version of a similar report issued one year ago and includes a year-over-year comparison of frequent flier program activity. Here is a sampling of the observations from the Industry Analysis:

- Delta Air Lines again led all U.S. based carriers with 2.9 million reward tickets used by its SkyMiles members during 2004.
- Reward travel on U.S. Airways surged 25%, most likely fueled by last year's rumors of an imminent shutdown of the carrier.
- When measured by RPMs (revenue passenger miles), reward travel dropped significantly during 2004 on Alaska, America West, Continental, Delta and United.
- The U.S. airline industry produced a record 969 billion ASMs (available seat miles) in 2004 and a record passenger load factor of 75.5%.

These findings are based upon a review by the IdeaWorks Company of frequent flier program activity during 2004 and 2003. **"Frequent Fliers Had Their Wings Clipped in 2004 With 314,000 Fewer Reward Tickets"** was released today as a 7-page Industry Analysis. The full Industry Analysis is available at the IdeaWorks web site: <http://www.ideaworkscompany.com/news/>.

About IdeaWorks: IdeaWorks was founded in 1996 as a consulting organization building brands through innovation in product, partnership and marketing and, building profits through financial improvement and restructuring. Its international client list includes the hotel, airline, marine, railroad, consumer products and health care sectors. IdeaWorks specializes in brand development, customer service improvement, customer research, competitive analysis, creating partner-marketing strategies, cost reduction programs and business restructuring. IdeaWorks brings value as a consultant by researching the expectations of the customer, learning from the wisdom of the client organization and applying innovative ideas to create solutions for clients and consumers.

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