

US Airways Action Plan At-A-Glance

The Announcement:

To ensure that US Airways remains a strong and competitive airline in this challenging time and beyond, US Airways is announcing additional capacity reductions for 2008 and 2009, several new revenue and fee initiatives and reaffirming our investment in the operational excellence of our airline. These changes and new initiatives are being implemented to offset record high fuel prices and accelerate the airline's path back to sustained profitability in this new and challenging environment. The new revenue growth and fee initiatives could generate between \$300 million and \$400 million annually for the airline.

Action Plan Initiatives At-A-Glance		
Capacity Reduction and Implementation		
Changes	Description	Timing
Capacity Reduction	<ul style="list-style-type: none"> • 2008: Reducing Q4 domestic mainline capacity six to eight percent on a year-over-year basis. • 2009: Reducing domestic mainline capacity by seven to nine percent from 2008 levels. 	Q408 – FY09
Fleet Reduction	<ul style="list-style-type: none"> • Returning 10 mainline aircraft in 2008 and 2009 • Canceling the leases of two A330 aircraft that were scheduled for delivery in 2nd quarter 2009. • Planning to reduce additional aircraft in 2009 and 2010. 	2008 - 2009
Employee Reduction	<ul style="list-style-type: none"> • Reducing staff by 1,700 employees, including 300 pilots, 400 flight attendants, 800 airport employees, and 200 staff and management positions. 	Q308 – Q408
LAS Flight Reduction	<ul style="list-style-type: none"> • LAS night operation will be closed, except for limited night service to the East Coast. 	September 3
Club Closures	<ul style="list-style-type: none"> • Two domestic US Airways Clubs will close this summer (BWI, RDU). • Discontinuing access to three European airport arrival lounges (MUC, FCO, ZRU) 	Summer 2008
Cargo Station Closures	<ul style="list-style-type: none"> • Closing three cargo handling stations (BUR, COS, RNO) 	Summer
Revenue Growth and Fee Initiatives		
In-Flight Beverage Purchase Program	<ul style="list-style-type: none"> • All non-alcoholic beverages will be available for purchase on domestic coach flights for \$2. • All alcoholic beverages will be available for \$7 (previously \$5). 	August 1
First-Checked-Bag Fee	<ul style="list-style-type: none"> • New first-checked-bag service fee of \$15, effective for travel booked July 9 or later for travel taken July 9 or later. 	July 9
Dividend Miles Program Changes	<ul style="list-style-type: none"> • Implementing new processing fee (\$25 and up) on all DM award tickets. 	August 6

	<ul style="list-style-type: none"> Eliminating the Preferred members bonus miles program. 	
Call Center Ticket Fees	<ul style="list-style-type: none"> Instituted a \$25 service fee for domestic tickets and a \$35 service fee for international tickets purchased through its call center reservations line (current domestic and international fee is \$15). Tickets purchased at airport / city ticket offices will be assessed a \$35 (domestic) and \$45 (International) service fee. Prior airport / city ticket office service fee (domestic and international) was \$20. 	June 4
Employee Guest and Parent Pass Fee Increase	<ul style="list-style-type: none"> Doubling the fees for buddy passes and increasing the parent pass fees. Employees and their eligible dependents continue to fly standby for free. 	June 12