



Northwest Airlines Corporation

1999 Annual Report

A N N U A L R E P O R T

1999



1999



Northwest Airlines is the world's fourth largest airline with domestic hubs in Detroit, Minneapolis/St. Paul and Memphis, Asian hubs in Tokyo and Osaka, and a European hub in Amsterdam. Northwest Airlines and its alliance partners, including Continental Airlines, serve more than 750 cities in more than 120 countries on six continents and offer customers an industry leading global airline network.

## Table of Contents

Letter to the Shareholders . . . . .	pages 2–5
Delivering What Customers Want . . . . .	pages 6–9
Enhancing Our Fleet, Rebuilding Our Facilities . . . . .	pages 10–13
Expanding Our Reach . . . . .	pages 14–15
Northwest Airlines Cargo Positioned for Growth . . . . .	pages 16–17
Northwest Airlines — An Industry Leader in New Technology . . . . .	pages 18–20
MLT Inc. — Providing Worldwide Leisure Travel Value . . . . .	page 21
Board of Directors . . . . .	pages 22–23
Senior Officers . . . . .	page 23
Vision and Mission . . . . .	page 24
Financial Report . . . . .	pages 25–62
Stockholders' Information . . . . .	page 63
Guiding Principles . . . . .	page 64
Route Maps . . . . .	back cover

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## CONDENSED FINANCIAL HIGHLIGHTS

Northwest Airlines Corporation

Year Ended December 31

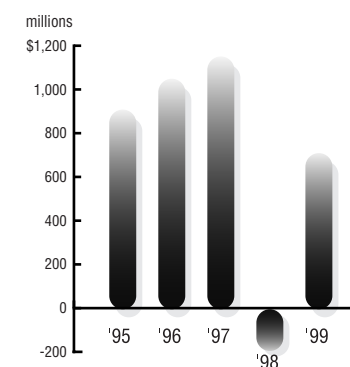
<i>(Dollars in millions, except per share data)</i>	1999	1998	Percent Change
<b>FINANCIALS</b>			
Operating Revenues	<b>\$ 10,276</b>	\$ 9,045	13.6
Operating Expenses	<b>9,562</b>	9,236	3.5
Operating Income (Loss)	<b>\$ 714</b>	\$ (191)	
Operating Margin	<b>6.9%</b>	(2.1)%	9.0 pts.
Net Income (Loss)	<b>\$ 300</b>	\$ (285)	
Earnings (Loss) Per Common Share:			
Basic	<b>\$ 3.69</b>	\$ (3.48)	
Diluted	<b>\$ 3.26</b>	\$ (3.48)	
Number of Common Shares Outstanding (millions)	<b>84.6</b>	84.0	

## OPERATING STATISTICS

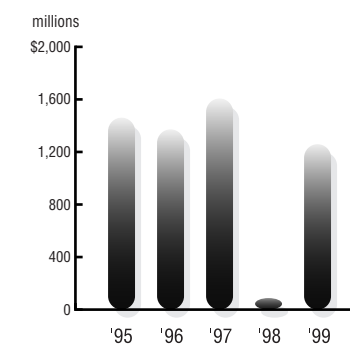
Scheduled Service:

Available Seat Miles (ASM) (millions)	<b>99,446</b>	91,311	8.9
Revenue Passenger Miles (RPM) (millions)	<b>74,168</b>	66,738	11.1
Passenger Load Factor	<b>74.6%</b>	73.1%	1.5 pts.
Revenue Passengers (millions)	<b>56.1</b>	50.5	11.1
Revenue Yield Per Passenger Mile	<b>11.58¢</b>	11.26¢	2.8
Passenger Revenue Per Scheduled ASM	<b>8.64¢</b>	8.23¢	5.0
Cargo Ton Miles (millions)	<b>2,336</b>	1,954	19.5
Operating Revenue Per Total ASM (RASM)	<b>9.44¢</b>	9.12¢	3.5
Operating Expense Per Total ASM (CASM)	<b>8.71¢</b>	9.21¢	(5.4)

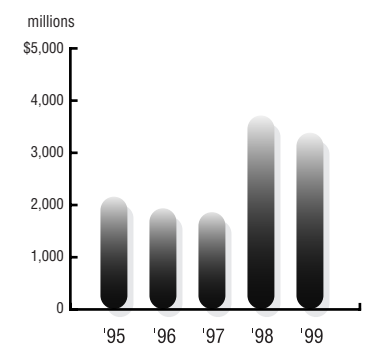
**OPERATING INCOME (LOSS)**



**CASH FLOW FROM OPERATIONS**



**LONG-TERM DEBT**



# Letter to the Shareholders

## From the Chairman and the President & CEO

In this letter, we would like to review the significant achievements of Northwest Airlines in 1999, particularly with respect to our return to industry operational leadership in on-time performance and luggage handling. Our employees did a terrific job of renewing customer confidence in Northwest by getting passengers to their destinations on time, with their luggage.

We continue to improve Northwest's product. A key aspect of this product improvement is simplifying and modernizing the fleet. Northwest took delivery of 34 aircraft in 1999 including four new Boeing 747-400s that expanded trans-Pacific capacity. We accepted our first Airbus A319. This new 124-seat aircraft complements the 150-seat A320s already in the fleet. We retired the MD-80 fleet during 1999 and have announced plans to retire the 727 fleet by 2003, when Northwest will have 150 A319s/A320s — the largest fleet of these highly efficient aircraft in the world. We have completed interior refurbishment of all DC9 aircraft and will have all 747-200 aircraft fitted with new interiors, including the industry's largest overhead bins, in 2000.

To enhance service on the ground, the largest facilities expansion and renewal in Northwest's history is underway at our three domestic hubs in Detroit, Minneapolis/St. Paul and Memphis, and in our international hubs, Tokyo and Amsterdam. By far the most dramatic is the construction of the new terminal in Detroit. When the state-of-the-art terminal opens in 2001 it will be the most efficient passenger connecting hub in the world.

Because of Detroit's unique geographic position this new airport will be the connecting hub of choice for domestic destinations and for international flights to both Europe and Asia for travelers from east of the Mississippi and the Midwest.

Gary L. Wilson — Chairman  
John H. Dasburg — President & Chief Executive Officer  
.....







Northwest is an industry leader in the uses of technology for product improvement. Our web site, [www.nwa.com](http://www.nwa.com),<sup>®</sup> is recognized as the best in the industry. It is comprehensive and easy to use. Northwest had a nearly two-fold increase in e-commerce revenues during 1999.

As inflation-adjusted air fares decline, more people are flying, leading to more crowded airports and aircraft. To help alleviate the situation, most customers are now using E-Tickets<sup>SM</sup>. We are rapidly increasing electronic service centers where customers can conveniently obtain boarding passes, make seat changes and check luggage. This easy-to-use touch screen technology helps minimize lines for check-in and frees Northwest service personnel to assist customers with non-routine needs.

*Air Transport World*, the leading industry publication, presented its Airline Technology Management Award to Northwest for our techniques in turbulence plotting and avoidance, ensuring a safer and smoother trip for passengers. Northwest is one of a handful of airlines that has a Meteorology Department dedicated to this activity.

Travelers have complained about deteriorating service throughout the airline industry. Northwest has implemented programs that are steadily improving customer satisfaction.

-  Northwest's Customers First Plan was unveiled in December and is recognized as the best in the industry. The purpose of this plan is to help make the Northwest travel experience easier, more understandable and more enjoyable.
-  We have increased training for front-line employees to improve customer service.
-  Our meal service policy was expanded to include more flights and choices.
-  We have eliminated the expiration dates for WorldPerks<sup>®</sup> frequent flyer miles.

While modern aircraft, airports, and technology are crucial aspects of our product, people are the most important. The outstanding operational performance we experienced in 1999 results from the professionalism and dedication of Northwest people. In this annual report we introduce the 14 employees selected for the 1999 President's Award. These award winners average 23 years of Northwest experience. They represent the quality of our people in providing the service customers expect.



We hope to settle the two remaining open labor contracts in 2000. In June 1999, we reached a tentative agreement with our flight attendants union but, unfortunately, it was not ratified. Also in June 1999, a new union was certified to represent mechanics, cleaners and custodians. We commenced negotiations with that union in October, following the union's internal governance procedures.

Northwest is the leader in creating global networks, and alliance implementation proceeded well in 1999. Long-term alliances are the most economic way to expand globally due to revenue, cost and capital synergies that are shared by the partners. World coverage also diversifies risks among international regions. Diversity has served us well as strong domestic and trans-Atlantic markets helped offset Asian weakness in 1998, while in 1999 the resurging Asian economies helped offset trans-Atlantic over capacity.

We are very enthusiastic about our partnership with Continental Airlines. Domestically the alliance delivered the benefits we had projected with the two carriers sharing about equally more than \$160 million in net contribution. We expect this to increase significantly over the next several years as the alliance continues to progress. Together, Northwest and Continental have a domestic market share equivalent to American, United, or Delta.

In Europe, KLM is proceeding with its alliance with Alitalia. Meanwhile, Northwest, KLM, and Alitalia were granted anti-trust immunity by the U.S. government, which makes it possible for Alitalia to join the highly successful trans-Atlantic joint venture between Northwest and KLM. Northwest will begin serving Alitalia's hubs in Milan and Rome from Detroit in April. Continental will begin selective code-sharing with KLM in 2000. Northwest, combined with its alliance partners, has a strong presence in the trans-Atlantic market.

In Asia, our expanding alliances with Air China and Japan Air System continue to benefit passengers and provide increased revenues for the airlines. Northwest also signed a new alliance agreement with Malaysia Airlines. Northwest is among the leaders in trans-Pacific market share and the leading U.S. carrier to Japan — by far Asia's largest market.

Northwest is a major U.S. cargo carrier and a leader in the trans-Pacific freight market. In 1998 we committed to expand cargo because of high, profitable growth in resurgent Asian markets. We have increased our dedicated 747 cargo fleet by 25 percent to make better use of our highly efficient Anchorage cargo hub. We are also developing synergies with our European alliance partners who are major intercontinental cargo carriers. Northwest cargo ton miles increased 20 percent to more than two billion in 1999.

As we move into the new century, government continues to be our industry's biggest challenge. Increased air traffic is taxing an inadequate government controlled Air Traffic Control System (ATC). This is a principal cause of delays, which lead to passenger frustration with our industry. A new financing or ownership system for ATC must be adopted so that the necessary investment in badly needed ATC improvements and other infrastructure projects can be made.

Jet fuel now exceeds Gulf war prices due to the actions of the OPEC cartel. We urge the government to release petroleum from the Strategic Petroleum Reserve or take other retaliatory actions to counter OPEC dictating oil prices. Allowing a cartel of foreign producers to control the price of oil is bad for the American economy and its consumers.

We look forward to better serving our customers, employees and shareholders as we move into the new millennium.

Thank you for your interest and support.

*Gary L. Wilson*  
Gary L. Wilson  
Chairman

*John H. Dasburg*  
John H. Dasburg  
President & Chief Executive Officer

*In this annual report we introduce the 14 employees selected for the 1999 President's Award.*

*They represent the quality of our people in providing the service customers expect.*



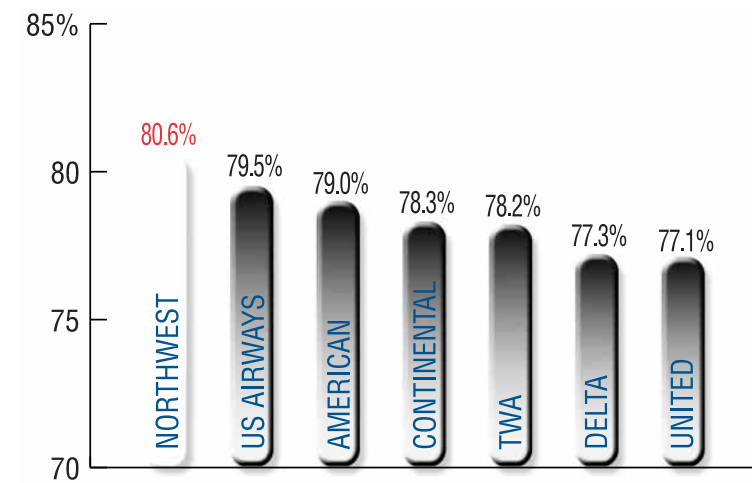
## Delivering What Customers Want

### ENHANCED RELIABILITY

Thanks to the concerted efforts of the more than 55,000 men and women of Northwest Airlines, the company's operational performance improved significantly in 1999. For the full year, 79.9 percent of Northwest's domestic flights arrived within fifteen minutes of scheduled arrival time. In the 1990s Northwest was the most on-time airline among the nation's major network carriers according to U.S. Department of Transportation statistics. Northwest cancelled only 2.2 percent of its flights during 1999, one of the best records among the major airlines. Luggage handling ranked third among the network carriers and improved 27 percent over 1998.

On-board and on the ground, Northwest continues to focus on improving the customer's travel experience. Northwest increased flight attendant staffing levels on all 747-200 flights and added a second interpreter on all flights to and from Japan. Systemwide, in-flight meals include more choices in both World Business Class<sup>SM</sup> and Coach Class. New interiors were installed in widebody aircraft, including the largest overhead bins in the industry.

### On-Time Arrivals 1990-1999



Flights arriving within 15 minutes of schedule — U.S. Department of Transportation Air Travel Consumer Report.

On-time reliability up 7%  
Luggage handling improved 27%

### MORE CONVENIENCE

On the ground, Northwest is making travel easier and more convenient. E-Service Centers<sup>SM</sup> in 135 locations at 19 domestic airports help Northwest passengers to check-in and receive boarding passes electronically. Installation of E-Service Centers will nearly double in 2000.

Travelers can now use these self-service kiosks to upgrade to First Class on available flights through the electronic purchase of E-First<sup>SM</sup> upgrades.

Adding further convenience for time-constrained customers, Northwest introduced a flight status paging service that enables travelers with alphanumeric pagers or Sprint PCS phones to receive information about arrival and departure times and gates up to four hours in advance.



Northwest is using portable computers that will issue boarding passes on the spot.



Ken Jackson  
Stock Clerk  
Minneapolis/St. Paul

As a third shift stock clerk in one of the airline's major hangar operations, Ken provides excellent support for eight maintenance shops and 125 mechanics. Ken also is an outstanding citizen. During ten of his 19 years at Northwest Ken has been a Big Brother, donating two weekends a month to work with and mentor boys who need a better chance. Ken inspires his manager and sets the standard for great service to others.

PRESIDENT'S  
AWARD WINNER



### PRESIDENT'S AWARD WINNER

Melody Daly  
Reservations Sales Agent  
Tampa, Florida

Melody's delivery of excellent customer service and team spirit sets a new benchmark for the Northwest Tampa reservations center. For more than 22 years, Melody has developed a sales technique that made her one of the reservations division's top three performers. Melody delivers quality as well as quantity. She has received more than 30 letters from customers complimenting her attitude and service. Her team spirit also encourages other agents in their performance.



**A COMMITMENT TO CUSTOMER SERVICE**

Northwest developed and began implementing a Customers First service plan to improve the travel experience. The plan includes a comprehensive training program, completed in December 1999, involving all of Northwest's front-line managers and employees. Highlights of Northwest's Customers First plan include:

- ✈ A Customer Guide designed to assist travelers with their Northwest experience, from making a reservation through completion of their flight. The guide is available in printed form and on our web site at [www.nwa.com](http://www.nwa.com).
- ✈ A streamlined customer relations process with one central point of contact to resolve all customer complaints in a timely manner.
- ✈ A new rule for non-refundable tickets which will allow customers who meet the fare ticketing requirements to guarantee their reservation and fare and to have until the end of the next day to exercise an option to receive a full refund.

The customer guide is available at airport ticket counters or online.



**PRESIDENT'S AWARD WINNER**

Hal Peterson  
Flight Attendant  
Detroit

Hal has received numerous customer commendations and laudatory notes from fellow flight attendants. With 20 years of on-board service experience, he is a role model for superior customer service. In addition to his civic activities, Hal volunteers his time as the Detroit Coordinator of the Critical Incident Stress Management Program. A joint initiative of Northwest and the International Brotherhood of Teamsters, the program offers services to flight attendants who experience a work-related incident.

**AWARD-WINNING FREE TRAVEL PROGRAM**

To build and sustain customer loyalty, Northwest continues to enhance its WorldPerks® frequent flyer program. In 1999, the company introduced new WorldPerks Elite® tiers — Platinum, Gold and Silver. These new tiers make Northwest WorldPerks the industry's most rewarding elite program. Among those rewards are an industry first — Elite Personal Privileges.™ Elite Personal Privileges provide WorldPerks Elite members with special discounts at a variety of restaurants, clubs, retailers and other venues. WorldPerks Direct™ offers Northwest customers the ability to manage their frequent flyer mileage from the airline's web site, [www.nwa.com](http://www.nwa.com).

The WorldPerks program received a special "Industry Impact Award" for the provision that miles will not expire.



Industry Impact Award



WorldPerks Elite tiers — Platinum, Gold and Silver. Additional industry leading reward programs are: Elite Personal Privileges and WorldPerks Direct.

WorldPerks was designated best free travel program in Asia by Time Asia.

**PRESIDENT'S AWARD WINNER**

Yuzo Tanaka  
Customer Service Supervisor  
Tokyo's Narita International Airport

Tanaka-san is one reason that Northwest operates punctual airline service in Japan. He was instrumental in the success of three 1999 initiatives that achieved significant customer service improvements. For 11 years, Tanaka-san has met the challenges to exceed our customers' expectations every day. He also boosts the morale of the other customer service employees at Tokyo's Narita International Airport.



## Enhancing Our Fleet, Rebuilding Our Facilities

A total of 34 passenger jets were added to the Northwest and regional Airlink fleets in 1999. On average, we added a passenger jet every 11 days. Meanwhile, airport improvement projects in progress at Northwest's domestic and international hubs will result in more convenience for Northwest passengers.

### FOUR BOEING 747-400S, 10 AIRBUS A319S AND SEVEN A320S JOIN THE FLEET

At the end of 1999, the Northwest fleet totaled 410 aircraft. During the year, we took delivery of four Boeing 747-400 passenger jets, the premier aircraft used in trans-Pacific routes. Northwest now has 14 747-400s and 19 747-200s. A complete interior refurbishment of the 747-200s will be finished in the second quarter, 2000. These new interiors include the industry's largest overhead bins. We are also in the process of installing new interiors in all 20 DC10-30s used primarily on trans-Atlantic routes.

Northwest also took delivery of 10 new Airbus A319s and seven new Airbus A320s during 1999. The A319s have common systems with the Airbus A320, which Northwest already operates extensively on its domestic route system. Northwest's fleet of 80 Airbus aircraft is now the world's largest. Over the next three years another 70 Airbus jets will be delivered. Northwest retired its McDonnell-Douglas MD-80s during 1999 and will retire its Boeing 727s by 2003.

The Boeing 747-400s delivered were named for major Northwest destinations.



The first 10 Airbus A319s were delivered in 1999.



*New aircraft and refurbished interiors mean greater comfort and efficiency.*



### FREIGHTERS ARE AMONG OTHER DELIVERIES

Northwest also recently added two 747-200 freighters to its cargo fleet and two additional DC10-30s for its widebody passenger fleet. The aircraft will all be operational in 2000. Northwest's 1999 investments in fleet expansion total more than \$1 billion.

### REGIONAL AIRLINE PARTNERS OFFER MORE JET SERVICE

Northwest Airlink customers are enjoying significantly increased jet service on aircraft that connect them to worldwide destinations at Northwest's three domestic hubs. Express Airlines, which provides connecting service primarily through the Memphis hub, will be the launch customer for the Canadair CRJ200 aircraft. Express will operate at least 42 of the 54 CRJs. Mesaba Airlines, the Northwest Airlink carrier operating primarily from Detroit and Minneapolis/St. Paul, began offering jet service on RJ85s in 1997. Current plans call for delivery of the 36 RJ85s to Mesaba to be completed in 2000.

William (Bill) Rogerson  
Captain  
Detroit

"We recently had the great pleasure of flying with Captain William Rogerson from Detroit to Vancouver. He was an extremely competent pilot as well as a tremendous goodwill ambassador for Northwest Airlines, making the flight a fabulous adventure for everyone on board." This is a typical letter recognizing Bill's piloting skill and his devoted commitment to his passengers during his 27-year career. One of Bill's favorite things is to photograph kids in his cockpit, later sending them the photo with a certificate.

### Northwest and Airlink Fleet Additions



PRESIDENT'S AWARD WINNER

#### PRESIDENT'S AWARD WINNER

Ernest Schwenke  
General Inspector  
Minneapolis/St. Paul

During his 30-year career at Northwest, Ernie has led significant jet engine maintenance innovations. Many techniques involve using sophisticated electronic diagnostic inspections rather than time-consuming engine teardowns. Another innovation is an engine turning tool that allows one inspector to perform an inspection that required two inspectors before.



### AIRPORT IMPROVEMENTS BENEFIT NORTHWEST PASSENGERS

Passengers traveling through Northwest's domestic and international hub airports will see major improvements in airport facilities and amenities in the near future.



#### DTW

In Detroit, Northwest's busiest hub, construction of the Midfield Terminal is proceeding on schedule toward a 2001 opening. When complete, the new world-class terminal — in effect, a new airport for Detroit — will be the best hub facility in the United States with 99 gates. The \$1.2 billion project includes a new terminal with both international and domestic gates in one facility, new airfield connections to improve ground handling efficiency, a vastly expanded parking lot and a fourth parallel runway. Passengers are already benefiting from new taxiways that reduce flight delays and one of the best deicing facilities in the world.

Underscoring the importance of Michigan and Detroit to its global operations, Northwest established a regional headquarters in downtown Detroit. The regional headquarters brings together Northwest's regional sales, human resources, external communications, government affairs and administrative staff.



#### MSP

At Minneapolis/St. Paul International Airport, a new runway scheduled for completion by 2003 will increase airport capacity by 25 percent. Another runway will be extended to better accommodate long-haul nonstop service from Minneapolis/St. Paul to destinations such as Tokyo and Osaka. In 2002, 15 new jet gates will be added to the airport's Green Concourse and a people mover will be added to expedite travel within the terminal. Additional parking is being added at the airport and roadways are being reconstructed to ease passenger access.



#### MEM

In Memphis, Northwest is joining with the Memphis-Shelby County Airport Authority to expand the A Concourse to better serve the airport's growing connect traffic. In October, international flights from Memphis will begin using a new 11,100-foot runway. New jet bridges will also be installed to accommodate the CRJ200 regional jets that Northwest Airlink partner Express is bringing into its fleet. These improvements will support a 25 percent increase in Northwest service from Memphis, beginning in 2000.

#### NRT



At Tokyo's Narita International Airport, one of Northwest's Asian hubs, Northwest has moved its departure and arrival facilities to new and improved check-in facilities in the North Wing of Narita Passenger Terminal One. The new facilities offer passengers smoother check-in and more space. Northwest also opened a third airport lounge at Narita for First Class and World Business Class<sup>SM</sup> passengers.

#### AMS



Amsterdam's Schiphol Airport, already one of the best hub airports in the world, continues to improve. Four of the airport's piers are being renovated to add gates for customer convenience. The terminal's new central lounge opened in September 1999. The new facilities include tax-free shops, restaurants and other amenities. A fifth runway becomes operational in 2003.

*\$3.5 billion will be invested in Northwest hub facilities in the next 3 years.*



The new Detroit Midfield Terminal will have 74 gates on the main concourse and 25 commuter gates when it opens in 2001.



# Expanding Our Reach

*James Hawk  
Equipment Service Lead  
Washington, D.C. (Dulles)*

*Innovative customer commitments characterize Jim's 32 years with Northwest, especially to the airline's largest single customer, the U.S. Postal Service. (Northwest mail revenues increased 4.5% in 1999 over 1998.) Jim has served as a certified ramp trainer, ground security coordinator and special luggage project leader during his career. Most recently he consulted with KLM Royal Dutch Airlines to assist in processing luggage through its hub in Amsterdam and to integrate the KLM operation into Northwest's at Dulles.*

PRESIDENT'S AWARD WINNER



PRESIDENT'S AWARD WINNER

*William Dilgart  
Customer Service Agent  
Detroit Metro Airport*

*As an international coordinator, Bill monitors trans-Pacific flights to and from Detroit Metro Airport. He utilizes his extensive knowledge to maximize payloads, which helps passengers and freight arrive at their destinations on schedule. For over 30 years, Bill has developed excellent rapport with the dispatch department and with international widebody crews to ensure an efficient operation.*

In 1999, Northwest strengthened its network through existing alliances and the addition of several new alliance partners. Alliances have been shown to provide air travelers with more air service at lower air fares.

The alliance partners also improve the travel experience through code-sharing, integration of frequent flyer programs and reciprocal airport lounge access. Alliances permit dramatic expansion in service without the constraints of large capital investments. The carriers benefit from route and schedule coordination, joint marketing, sharing of airport facilities and services and joint procurement of certain goods and services.

Implementation of the innovative alliance between Northwest and Continental Airlines continued in 1999. Today, Northwest and Continental share codes on nearly 4,000 flights serving more than 275 cities and exchange more than 2,000 passengers daily. The Northwest/Continental alliance today provides code-share service to 225 domestic destinations and more than 50 international destinations.

The enhanced code-sharing agreement with Japan Air System links Northwest's extensive trans-Pacific route system with JAS's domestic routes, connecting Osaka's Kansai Airport to Okinawa and Fukuoka. Japan Air System operates more domestic routes in Japan than any other carrier while Northwest provides the most service between the United States and Osaka, with connections from there to the Philippines, Malaysia and Taiwan.

Further strengthening its network reach in Asia, Northwest signed an alliance agreement with Malaysia Airlines in September 1999. Northwest is currently the only U.S. airline serving Malaysia, having inaugurated service to Kuala Lumpur in February 1999.

Northwest and Malaysia Airlines will provide code-share service on flights between Los Angeles and Kuala Lumpur. The two carriers have requested antitrust immunity from the U.S. Department of Transportation and plan to expand code-share service in the future to include domestic U.S. and domestic Malaysian routes.

Northwest and Air China completed the first full year of service under a code-sharing alliance initially signed in 1998. Air China is China's largest international airline. During the year, code-share service was expanded to include multiple points in the interior of the U.S. In addition, passengers on code-share flights now benefit from easier check-in, and the issuance of boarding passes for all flight segments.

Northwest begins nonstop flights between Detroit and Shanghai in April 2000. The service will provide the fastest and most convenient connections from the eastern United States to Shanghai and will carry an Air China flight code. Northwest and Air China plan to inaugurate code-share service on domestic routes in China during 2000.

The tripartite alliance of Northwest, KLM and Alitalia was granted antitrust immunity in December by the U.S. Department of Transportation, paving the way for the three carriers to collaborate in aligning their routes and schedules to optimize service and efficiency. Northwest announced new service between Detroit and both Rome and Milan starting in April 2000.

Complementing the expanded service across the Atlantic is Northwest's new partner agreement with Cyprus Airways. Under the agreement, Northwest and Cyprus will provide code-share service and frequent flyer cooperation to make travel to and from Cyprus via Amsterdam easier and more convenient.



*A tripartite agreement for a trans-Atlantic alliance of Northwest, Alitalia and KLM was signed by representatives of the three airlines.*

# the alliance



# Northwest Airlines Cargo Positioned for Growth

Northwest Airlines Cargo, one of the largest freight carriers in the Pacific, is well positioned for growth in the coming decade, benefiting from recoveries in Asian economies. Nearly 70 percent of Northwest's cargo revenues are derived in the Pacific region.

## AN EXPANDED CARGO FLEET

Northwest recently underscored its commitment to cargo customers by adding two 747-200 freighters to the cargo fleet. The Northwest Airlines Cargo fleet now includes 10 Boeing 747-200 freighters. All of these aircraft are dedicated to the Pacific region, with up to 23 roundtrip trans-Pacific frequencies every week.

With this expanded fleet, Northwest Airlines Cargo offers shippers and freight forwarders the best network coverage between the United States and Asia and will support additional service between Hong Kong, Taipei, Chicago, San Francisco and the latest city to receive freighter service, Shanghai. In addition, our Cargo hubs in Anchorage and at Tokyo's Narita International Airport allow easy cross-loading of cargo shipments for improved yield management and higher load factors.

Northwest increased its fleet of freighters from eight to ten in 1999. Pictured below is the ninth aircraft, with a special paint scheme that reflects Northwest's commitment to expanding cargo service in the Pacific, where demand is strong.



# More capacity increases Cargo's network strength.



## NEW CARGO SERVICES BUILD ON ALLIANCE NETWORK STRENGTHS

Northwest Airlines Cargo improved its product offerings to customers by launching and expanding key domestic and international products. Northwest continues to work with Nippon Cargo Airlines to expand on already successful code-sharing service on cargo flights across the Pacific. In cooperation with alliance partner Continental Airlines, NWA Cargo introduced an expanded network for its same-day, small package express product. The new service combines Northwest's VIP service with Continental's QUICKPAK service to reach more than 230 destinations throughout the United States. Working with other Northwest alliance partners, Cargo launched a new time-definite product line identical to those offered by KLM Cargo and Alitalia Cargo. The *Select* products represent the first truly integrated alliance products in the cargo industry. No matter where customers buy *Select* products to move their freight, they can count on similar service among these key alliance partners.

Northwest Airlines Cargo *Select* is the name of our new international product line. Launched jointly with alliance partners KLM and Alitalia, *Select* is a three-tier, time-definite product line that gives customers more control over when each shipment arrives at a destination. At the same time, *Select* gives Northwest more flexibility in managing shipment routing, which leads to improved service levels and increased revenues.



Marv Yackley  
Lead Plant Maintenance Mechanic  
Minneapolis/St. Paul

Marv's current responsibility, to maintain safe and reliable deicer equipment, is probably his most critical – especially for an airline operating in the wintry conditions of Minneapolis/St. Paul and Detroit. In his 33 years as a maintenance mechanic, Marv has become known as one of the industry's premier experts in the maintenance of the sophisticated boom trucks that must operate in nature's most grueling conditions. His genuine concern for safety has earned Marv the respect of colleagues, manufacturers and other airlines.

PRESIDENT'S AWARD WINNER



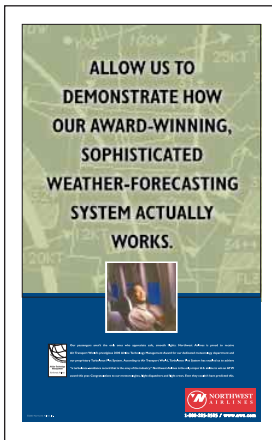
## PRESIDENT'S AWARD WINNER

Francis Lui  
Managing Director — Northwest Airlines Cargo  
China, Asia and Hong Kong

In a career that spans 31 years, Francis has continuously applied his strategic leadership to improve the performance and profitability of Northwest. Francis developed a loyal Northwest Airlines Cargo customer base in Hong Kong, a seasonal market, where cargo carriers struggle during the off-peak months. During some weeks of 1999, Northwest's freighters departed with full loads from Hong Kong, while some competitors canceled flights due to lack of demand.

# Northwest Airlines — An Industry Leader in New Technology

The February issue of *Air Transport World* honored Northwest with the Airline Technology Management Award for leadership in the field of turbulence plotting.




Northwest's innovations in technology improve safety, generate new revenue, decrease distribution and servicing costs, protect and enhance market share, and develop new marketing and alliance relationships.

## RECOGNIZED FOR TURBULENCE PLOTTING TECHNOLOGY

*Air Transport World* selected Northwest Airlines in 1999 to receive its Airline Technology Management Award. This award recognizes outstanding achievements in the application of technology to airline industry challenges and, in Northwest's case, acknowledges the work of the airline's meteorological staff in developing techniques for accurately predicting turbulence, including "clear air" turbulence in which no storm conditions are imminently present. Northwest uses this turbulence plotting data to provide pilots with early warning of potential problem areas, which then provides flight crews with sufficient time to obtain routing changes and to ensure passengers are safely in their seats.



Northwest named **1999** Airline of the Year in the field of technology. 

## WORLDSPAN® EXTENDS NORTHWEST'S E-COMMERCE REACH

As one of the three owners of WORLDSPAN, a leading global distribution reservation system, Northwest is well positioned to benefit from the continuing growth in the travel and tourism industry, as well as the industry's continued rapid adoption of electronic commerce. Northwest owns a 33.7 percent stake in WORLDSPAN which, through its three lines of business (Global Distribution System, e-commerce, airline services), provides products, services and technology to travel agency, airline, rental car, hotel and other customers in exchange for booking and subscription fees. WORLDSPAN also offers full airline hosting services to Northwest, its affiliates and other airlines. It also provides services directly on the internet to third parties and consumers.

WORLDSPAN supports Northwest's expanded role in fast-growing electronic commerce applications. For instance, WORLDSPAN's high volume reservations and booking system is used for corporate web sites and other travel-related applications, including [www.nwa.com](http://www.nwa.com)® and the internet's two largest travel sites, [priceline.com](http://priceline.com) and [Expedia.com](http://Expedia.com). The company also creates its own, branded e-commerce products such as WORLDSPAN TRIP MANAGER®, an internet-based desktop self-booking tool for corporate travelers, and WORLDSPAN Go<sup>SM</sup>. This tool, the first of its kind, enables a travel arranger to access — on one screen — both reservations functions and travel-related information found anywhere on the internet, as well as e-mail and fax capabilities. In 1999, WORLDSPAN was the fastest growing computer reservation system in the U.S. and in Europe.

Dennis Kephart  
Mechanic  
Atlanta Maintenance Base

Dennis is known as one of the most knowledgeable and skilled DC9 aircraft systems mechanics in the world. His performance for more than 31 years is one reason for the excellent maintenance record of the DC9 fleet. It is common to have a group of individuals watching him to learn what he does. He is always willing to explain the how and the why.

PRESIDENT'S AWARD WINNER



## PRESIDENT'S AWARD WINNER

Murray Johnson  
Account Executive  
Washington, D.C.

A member of the sales team in Washington, D.C., Murray is continuously selling and promoting the benefits and value of flying Northwest. Last year he convinced a large corporate travel agency to convert to Northwest's WORLDSPAN system, the largest such conversion of the year. One trait that distinguishes his 14 years of service is how Murray provides assistance to other colleagues in field sales without seeking any credit for himself.



# www.nwa.com

## AWARD-WINNING WWW.NWA.COM FURTHER ENHANCED

Northwest's award-winning web site makes it fast and easy for customers to book their own travel online. The site's home page now features direct links to the information and services customers access most frequently, including CyberSaver® fares, flight and gate information, WorldWeb Reservations and WorldPerks® Direct,SM offering customers the ability to buy tickets and arrange for WorldPerks award travel. Customers can complete transactions in just three steps, directly from the site's home page. Continuing a consistent trend, www.nwa.com was recognized as the leading airline web site in 1999.

The improvements in speed and convenience, including features now available on hand held computers, are generating a higher volume of online sales and a high number of repeat customers. Ticket sales through www.nwa.com in 1999 were more than double the 1998 level and accounted for approximately 15 percent of all direct sales.

Northwest complements the business-to-consumer functions of www.nwa.com with business-to-business functions. Through www.nwa.com, for instance, corporate travel managers and travel agents can access a segmented part of the web site to manage travel on Northwest for employees of their respective companies. In November 1999, Northwest introduced E-Business Perks, the internet booking system accessible from www.nwa.com and targeted at smaller business accounts which plan all of their travel on the web.

Northwest, along with Continental, KLM, and Alitalia, will continue to implement additional features to enhance the internet travel planning process worldwide.

Through "opt-in" e-mail functions, for instance, Northwest customers can now receive notification not only of CyberSaver fares, but also other fare sales, promotions and special offers from Northwest WorldPerks partners.

### PRESIDENT'S AWARD WINNER

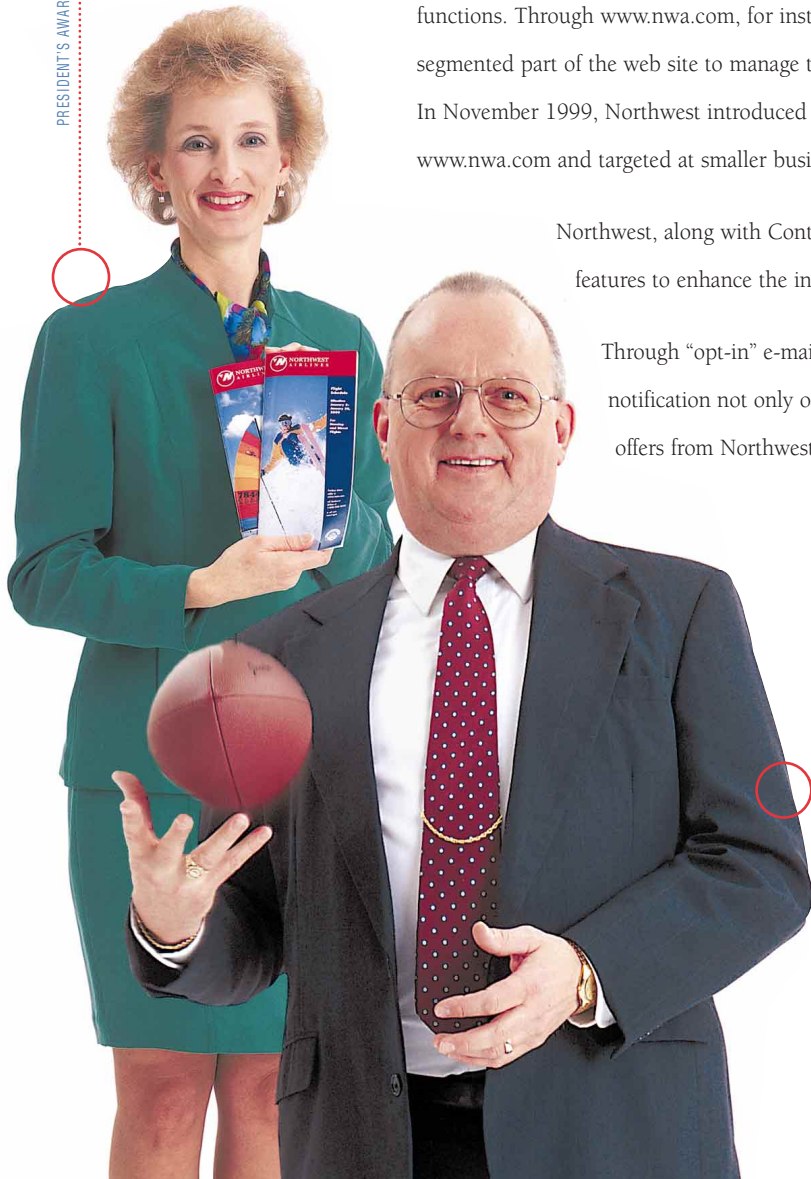
**Bruce Koski**  
 Manager — Customer Service  
 Midland/Bay City/Saginaw, Michigan

Nearly 30 years ago, Bruce began his Northwest career working as a luggage handler. Now his exemplary leadership keeps one of the airline's best performing airport operations humming in Michigan. He also serves as liaison for important customers, including charters for the NFL's Philadelphia Eagles. Bruce has worked tirelessly to support local charitable agencies and was instrumental in the disaster relief Northwest provided for victims of hurricane Andrew.

**Karyl Cogswell**  
 Manager — Schedule Distribution  
 Minneapolis/St. Paul

Karyl oversees every aspect of filing and implementing Northwest's flight schedule in the airline's reservations system, WORLDSpan,® and other industry computer reservations systems. As Northwest has launched new service and the industry has moved toward partnerships and alliances, Karyl has found solutions to each new issue or problem. During her more than 20 years of service, she has been an inspiration to both Northwest and alliance colleagues.

PRESIDENT'S AWARD WINNER



## MLT Inc. — Providing Worldwide Leisure Travel Value

MLT Inc. develops and markets vacation programs that include air transportation, hotel accommodations, car rentals, sightseeing options and much more. These programs are used to increase the sale of Northwest services, offer a quality tour product and promote new Northwest destinations.

MLT Inc. offers two distinct product lines: Northwest Airlines WorldVacationsSM and MLT Vacations. Northwest Airlines WorldVacations combines the strength of Northwest, KLM and other airline partners' worldwide route network with MLT's land buying power. WorldVacations offers a vast array of destinations throughout the U.S., Canada, Mexico, the Caribbean, Europe and Asia. MLT Vacations offers charter service to the most popular destinations throughout the U.S., Mexico, the Caribbean and Costa Rica from nine U.S. origin markets. MLT Inc. offers value-conscious customers an affordable, quality vacation.

Consumers and travel agents are able to access both product lines via the world wide web. WorldVacations packages are available for review on the Northwest WorldVacations homepage at www.nwaworldvacations.com and MLT Vacations' products and services can be browsed at www.mltvacations.com.

MLT Inc. opened a new state-of-the-art reservations and operations facility last November. The center, located in Minot, ND, will enable MLT to efficiently serve consumers and travel agents well into the future.



MLT Inc. offers two distinct product lines — Northwest Airlines WorldVacations and MLT Vacations.

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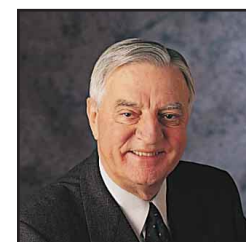
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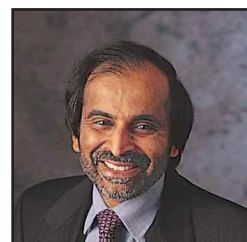
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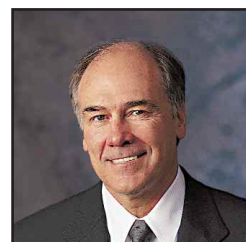
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Chairman & Chief Executive Officer  
Loeb Partners Corporation

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Consultant  
The Readers Digest Association, Inc.

## The Vision of Northwest Airlines

*To build together the world's most preferred airline with the best people; each committed to exceeding our customers' expectations every day.*

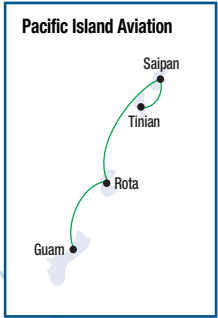
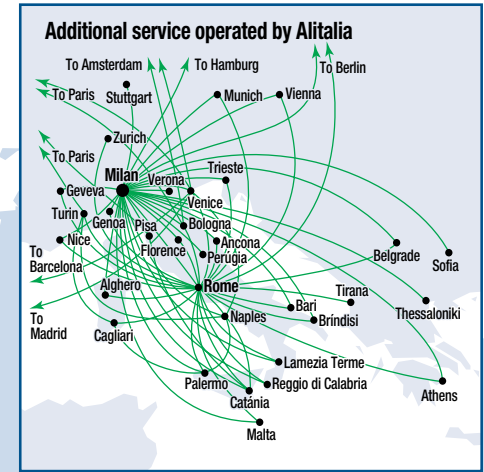
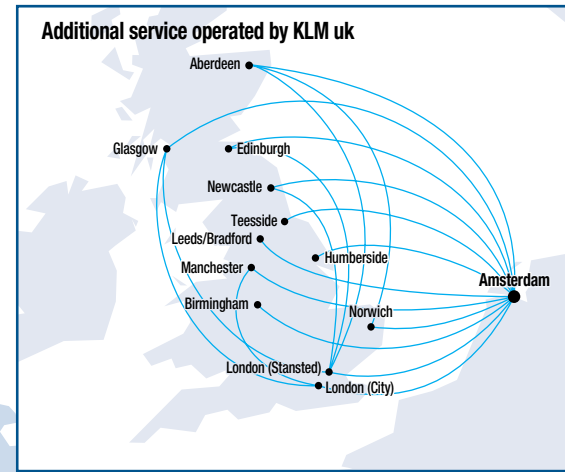
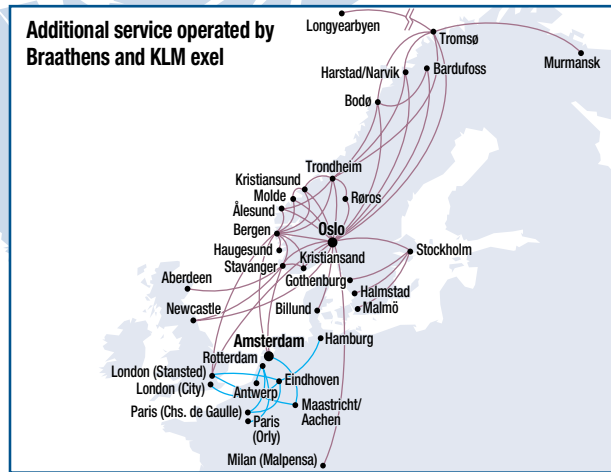
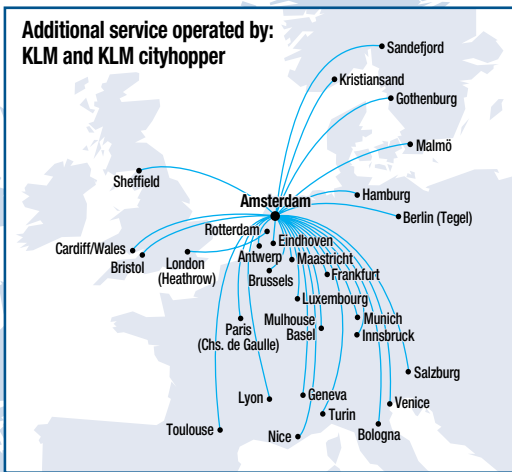
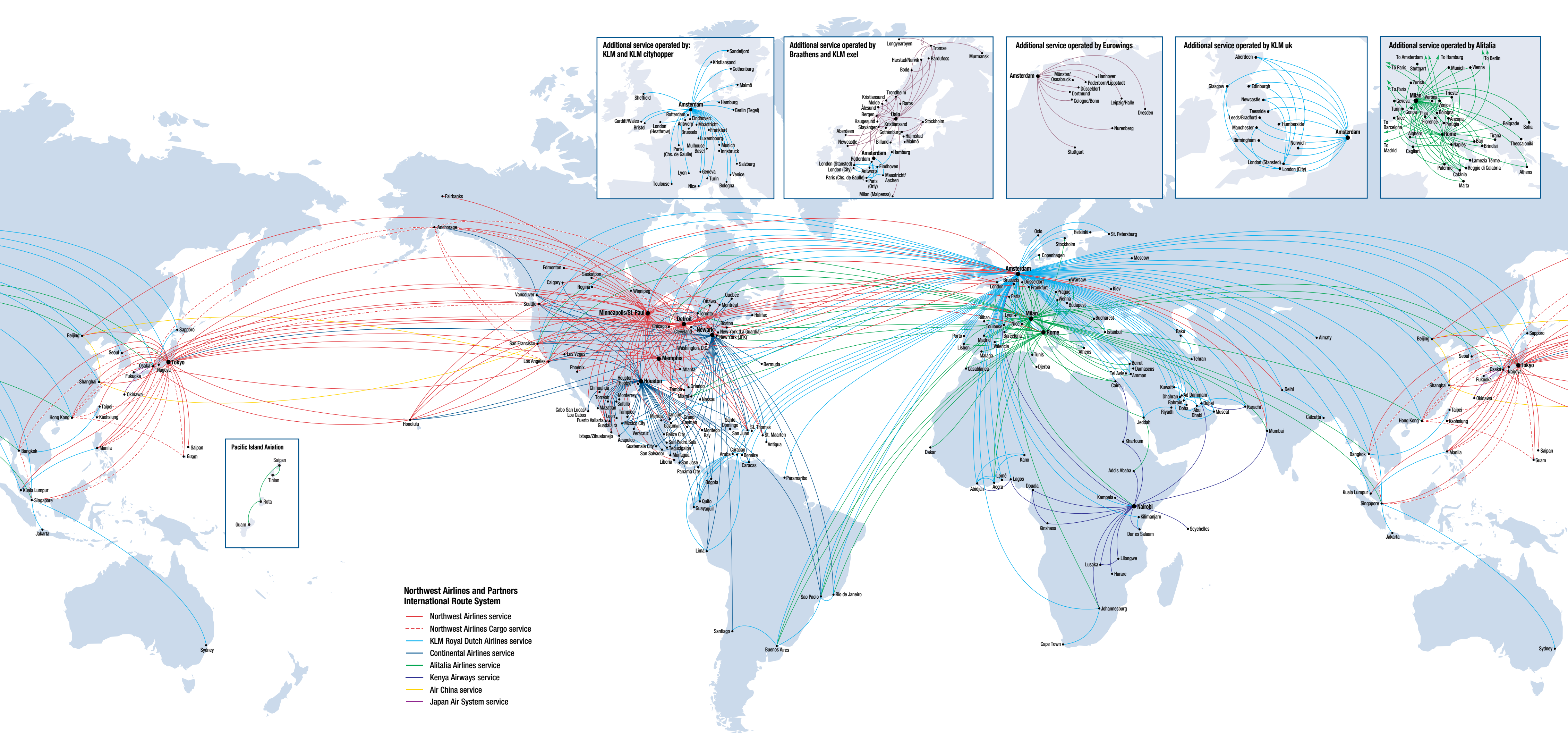
## The Mission of Northwest Airlines

*The people of Northwest Airlines will provide **reliable**, **convenient** and **consistent** air transportation that meets or exceeds customer expectations and earns a sustainable profit.*

***Reliable** means safe, clean, on-time air transportation created by the best people providing friendly, professional, consistent and caring service. A cornerstone of Northwest's reliability is prompt and appropriate service recovery when, despite our best efforts, something goes wrong.*

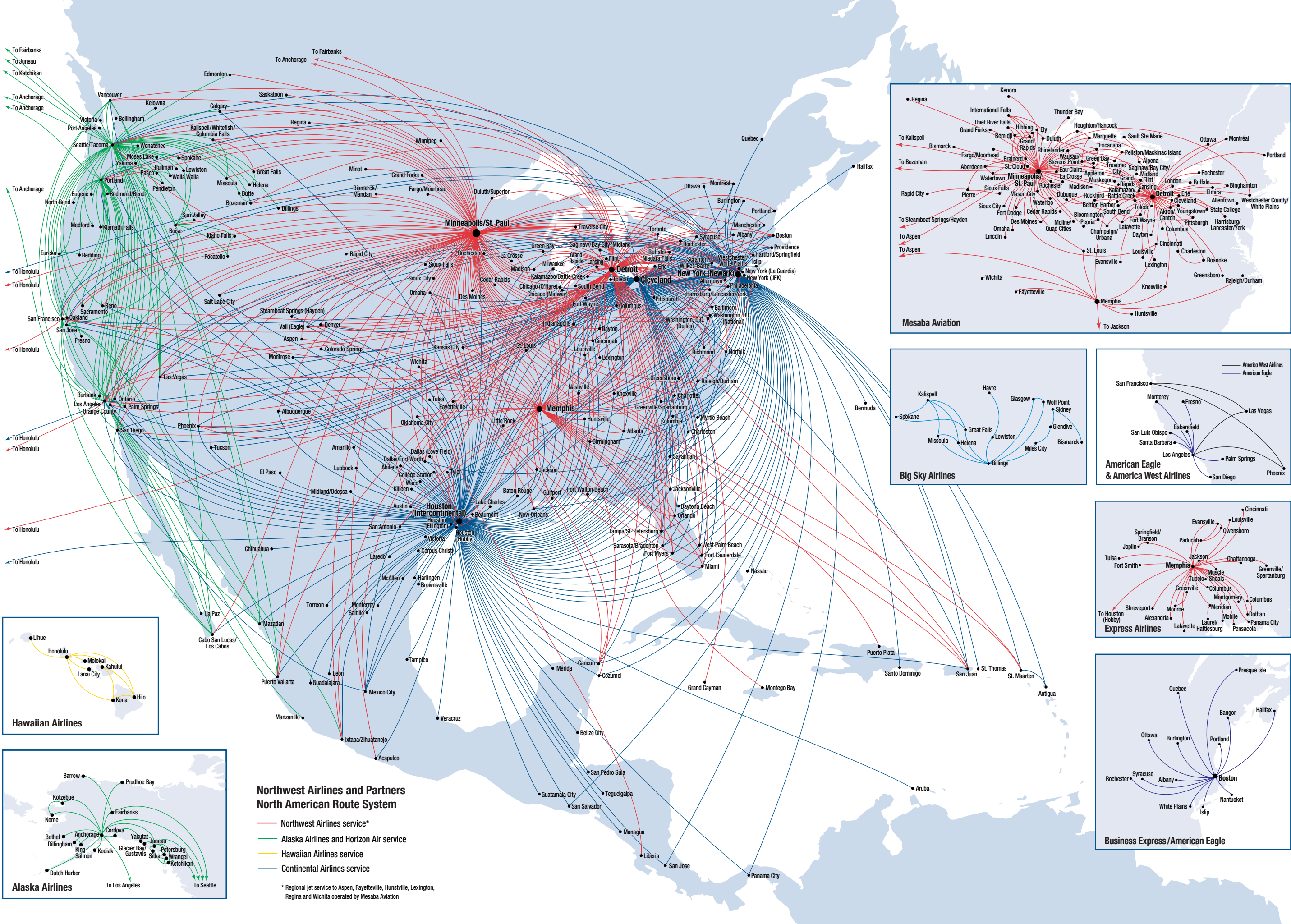
***Convenient** means making it as easy as possible for customers in the markets we serve to do business with us, with the best schedules and the simplest access to our network.*

***Consistent** means delivering reliable and convenient service every time the customer flies or ships on our airline.*



**Northwest Airlines and Partners  
International Route System**

- Northwest Airlines service
- - - Northwest Airlines Cargo service
- KLM Royal Dutch Airlines service
- Continental Airlines service
- Alitalia Airlines service
- Kenya Airways service
- Air China service
- Japan Air System service



**Northwest Airlines and Partners  
North American Route System**

- Northwest Airlines service\*
- Alaska Airlines and Horizon Air service
- Hawaiian Airlines service
- Continental Airlines service

\* Regional jet service to Aspen, Fayetteville, Huntsville, Lexington, Regina and Wichita operated by Mesaba Aviation

