



Press Release

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Frequent Fliers May Experience Turbulence During Bankruptcy

United Airlines and US Airways award travel liabilities may create the setting for a perfect storm that leaves millions of travelers stranded.

September 21, 2004, Shorewood, WI. Frequent flier program members have many reasons to be alarmed about the bankruptcy filings by major U.S. carriers and the impact an airline shutdown would have on travel awards.

First, Federal regulations to protect airline travelers - - which may not even apply to frequent flier award tickets - - are set to expire on November 21, 2004. Second, the looming liability of bankrupt airlines may convince most solvent airlines to not accept tickets. And third, global alliance networks are likely to only help frequent flier members who are in possession of tickets and unlikely to honor unredeemed miles.

These findings are based upon a review of the problem by the IdeaWorks Company. **Airline Bankruptcy: Its Impact on Frequent Fliers, Award Tickets and Mileage** was released today as a 4-page industry analysis.

The report reviews the filings of United Airlines and US Airways to illustrate how bankruptcy affects frequent flier program members. Included is analysis of the award liability recorded by the airlines. The statistics reveal the threat posed by the United and US Airways bankruptcies. With total frequent flier liability exceeding \$800 million - - and nearly 16 million outstanding award tickets - - the impact on consumers and the travel industry is unprecedented.

The complete 5 page Industry Analysis is available online at the IdeaWorks Company 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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