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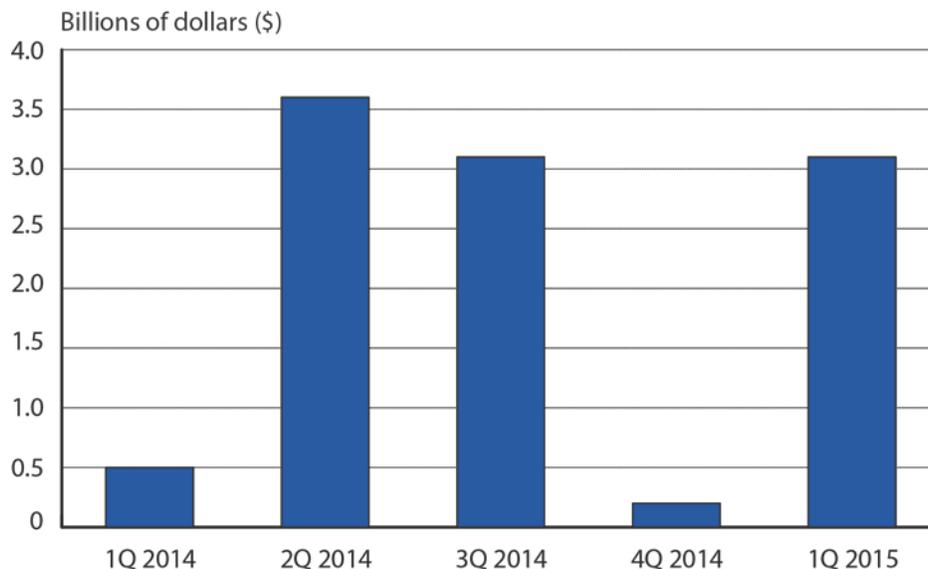
BTS Data

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1st Quarter 2015 Airline Financial Data

U.S. scheduled passenger airlines reported an after-tax net profit of \$3.1 billion in the first quarter of 2015, up from \$241 million in the fourth quarter of 2014 and up from \$507 million in the first quarter of 2014, the U.S. Department of Transportation's Bureau of Transportation Statistics (BTS) reported today (Table 1).

U.S. Scheduled Service Passenger Airlines Net Income
1Q 2014-1Q 2015



The 26 U.S. scheduled service passenger airlines reported an after-tax net profit as a group for the eighth consecutive quarter.

In addition to the after-tax net profit of \$3.1 billion based on [net income](#) reports, the scheduled service passenger airlines reported a \$5.1 billion pre-tax operating profit in the first quarter of 2015, up from \$2.0 billion in the fourth quarter of 2014 and up from \$1.7 billion in the first quarter of 2014. The airlines reported a pre-tax operating profit - as a group - for the 16th consecutive quarter (Tables 1, 3).

Net income and operating profit or loss are two different measures of airline financial performance. Net income or loss may include non-operating income and expenses, nonrecurring items or income taxes. Operating profit or loss is calculated from operating revenues and expenses before taxes and other nonrecurring items.

Total [operating revenue](#) for all U.S. passenger airlines in the January-March first-quarter of 2015 was \$39.1 billion. Airlines collected \$29.4 billion from fares, 75.2 percent of total first-quarter operating revenue (Table 4).

Total operating expenses for all passenger airlines in the first-quarter of 2015 were \$34.0 billion, of which fuel costs accounted for \$7.2 billion, or 21.1 percent, and labor costs accounted for \$10.4 billion, or 30.4 percent (Table 4).

In the first quarter, passenger airlines collected a total of \$864 million in [baggage fees](#), 2.2 percent of total operating revenue, and \$768 million from [reservation change fees](#), 2.0 percent of total operating revenue. Fees are included for calculations of net income, operating revenue and operating profit or loss (Table 4).

Baggage fees and reservation change fees are the only ancillary fees paid by passengers that are reported to BTS as separate items. Other fees, such as revenue from seating assignments and on-board sales of food, beverages, pillows, blankets, and entertainment are combined in different categories and cannot be identified separately.

See [airline financial data press releases](#) and the [airline financial databases](#) for historic data.

Totals for Scheduled Passenger Airlines with the Highest Operating Revenue

As a group, the 10 U.S. scheduled passenger airlines with the highest operating revenue in the first quarter of 2014 reported an after-tax net profit of \$2.9 billion in the first quarter of 2015, up from a profit of \$214 million in the fourth quarter of 2014 and up from a profit of \$474 million in the first quarter of 2014 (Table 2). These airlines carried 80.1 percent of U.S. airlines' [scheduled service passengers](#) in the first quarter and accounted for 93.2 percent of the scheduled passenger airline after-tax net profit (Table 2).

In addition to the after-tax net income reports, the 10 airlines reported a \$4.8 billion pre-tax operating profit in the first quarter of 2015, up from a profit of \$1.9 billion in the fourth quarter and up from a \$1.6 billion pre-tax operating profit in the first quarter of 2014 (Table 3).

Margins for All Scheduled Passenger Airlines

All U.S. scheduled passenger airlines reported a combined net income margin of 7.9 percent in the first quarter of 2015, up from a net margin of 1.3 percent in the first quarter of 2014. Net margin is the net income or loss as a percentage of operating revenue. These airlines reported an operating profit margin of 13.0 percent in the first quarter of 2015, up from 4.3 percent in the first quarter of 2014. Operating margin is the operating profit or loss as a percentage of operating revenue (Table 4).

Reporting notes

Additional airline financial data can be found on the BTS website, including industry statistics for other individual low-cost and regional airlines. See tables for [operating profit/loss](#), [operating revenue](#) and [fuel cost and consumption](#). See the BTS [financial databases](#) for more detailed data.

By regulation, for the quarter ending March 31, airlines that operate at least one aircraft that has more than 60 seats or the capacity to carry a payload of passengers, cargo and fuel weighing more than 18,000 pounds must report financial data to BTS by May 10. The airline filings are subject to a process of quality assurance and data validations before release to the public.

Revised carrier data and late data filings will be made available monthly on [TranStats](#) on the Monday following the second Tuesday of the month. All data are subject to revision. BTS will release second-quarter 2015 data on Sept. 21.

Table 1. Quarterly U.S. Scheduled Service Passenger Airlines Financial Reports

Reports from 26 airlines in 1Q 2015

(millions of dollars)

	1Q 2014	2Q 2014	3Q 2014	4Q 2014	1Q 2015	Dollar Change 1Q2014- 1Q2015
Net Income	507	3,578	3,133	241	3,115	2,608
Operating Profit/Loss	1,658	5,499	5,477	1,971	5,096	3,438
Operating Revenue*	38,459	44,620	45,287	40,910	39,135	677
Fares	28,732	33,670	34,316	30,579	29,416	684
Baggage Fees	791	900	960	879	864	73
Reservation Change Fees	726	753	759	744	768	42
Operating Expenses	36,801	39,122	39,809	38,938	34,044	-2,757
Fuel	10,190	10,880	11,411	10,950	7,188	-3,003
Labor	9,729	10,294	10,482	10,265	10,366	637

Source: Bureau of Transportation Statistics, Form 41; Schedules P1.2 and P6

* Passenger airline operating revenue includes two other categories. 1) Transport-related is revenue from services which grow from and are incidental to the air transportation services performed by the air carrier. Examples are in-flight onboard sales (food, liquor, pillows, etc), code share revenues, revenues from associated businesses (aircraft maintenance, fuel sales, restaurants, vending machines, etc). 2) Miscellaneous operating revenue includes pet transportation, sale of frequent flyer award miles to airline business partners and standby passenger fees. See the [P1.2 database](#).

Table 2. Quarterly Large Airline Systemwide (Domestic + International) Net Income
Ranked by 1Q 2015 Operating Revenue
(millions of dollars)

Rank	Airline	1Q 2014	2Q 2014	3Q 2014	4Q 2014	1Q 2015	Dollar Change 1Q2014- 1Q2015
1	Delta	218	807	362	-703	748	530
2	United	-580	769	933	-9	509	1,089
3	American	401	265	466	178	569	168
4	Southwest	152	465	329	190	453	301
5	US Airways	126	605	490	261	239	113
6	JetBlue	-1	231	79	87	137	138
7	Alaska	93	166	192	147	145	52
8	Hawaiian	-3	30	38	15	33	36
9	Spirit	60	106	67	58	69	10
10	SkyWest	7	19	32	-11	17	10
10-Carrier Total		474	3,463	2,986	214	2,920	2,447
All Passenger Airlines		3,119	7,346	507	3,578	3,133	15

Source: Bureau of Transportation Statistics, Form 41; Schedule P1.2.

Table 3. Quarterly Large Airline Systemwide (Domestic + International) Operating Profit/Loss
Ranked by 1Q 2015 Operating Revenue
(millions of dollars)

Rank	Airline	1Q 2014	2Q 2014	3Q 2014	4Q 2014	1Q 2015	Dollar Change 1Q2014- 1Q2015
1	Delta	672	1,616	1,409	-772	1,399	727
2	United	-341	906	1,185	626	741	1,081
3	American	577	718	698	345	760	183
4	Southwest	215	775	614	620	780	565
5	US Airways	189	678	566	495	441	253
6	JetBlue	43	141	163	161	244	200
7	Alaska	147	257	314	240	238	91
8	Hawaiian	12	54	106	77	72	60
9	Spirit	60	105	100	90	109	49
10	SkyWest	21	42	64	-5	37	16
10-Carrier Total		1,596	5,292	5,219	1,877	4,821	3,225
All Passenger Airlines		1,658	5,499	5,477	1,971	5,092	3,434

Source: Bureau of Transportation Statistics, Form 41; Schedule P1.2

Table 4. Quarterly U.S. Scheduled Passenger Airlines Revenue, Expenses and Profits
 Reports from 26 airlines in 1Q 2015
 (millions of dollars)

	1Q 2014	1Q 2015	Change	2014-2015 % Change	% of 1Q 2015 Revenue or Expense Total
Operating Revenue					
Passenger Fares (scheduled/charter)	28,731.6	29,415.7	684.1	2.38	75.16
Cargo	619.8	748.4	128.6	20.75	1.91
Baggage	791.0	863.8	72.8	9.20	2.21
Reservation Changes	725.8	768.0	42.2	5.81	1.96
Transport-Related*	6,522.4	6,348.0	-174.5	-2.67	16.22
Other**	983.3	991.5	8.2	0.83	2.53
Total Operating Revenue	38,373.9	39,135.3	761.4	1.98	100.00
Operating Expense					
Fuel	10,190.3	7,187.9	-3,002.4	-29.46	21.11
Labor	9,729.0	10,366.0	637.0	6.55	30.45
Rentals	2,140.6	2,069.8	-70.8	-3.31	6.08
Depreciation & Amortization	1,716.5	1,791.0	74.5	4.34	5.26
Landing Fees	643.2	655.7	12.5	1.94	1.93
Maintenance Materials	699.3	651.2	-48.1	-6.87	1.91
Transport-Related*	5,161.5	4,593.0	-568.5	-11.01	13.49
Other***	6,520.9	6,729.5	208.6	3.20	19.77
Total Operating Expense	36,801.3	34,044.1	-2,757.2	-7.49	100.00
Profits or Losses					
Operating Profit	1,657.4	5,096.1	3,438.7	207.47	N/A
Operating Margin**** (%)	4.3	13.0	8.7	N/A	N/A
Nonoperating Income/(Expense)#	-869.8	-855.0	14.8	-1.71	N/A
Pre-Tax Income	787.7	4,236.6	3,448.9	437.87	N/A
Income Tax Benefit/(Expense)	-280.7	-1,126.0	-845.3	301.12	N/A
Other Income/(Expense)	0.0	0.0	0.0	N/A	N/A
Net Income	506.9	3,115.2	2,608.2	514.50	N/A
Net Margin## (%)	1.3	8.0	6.6	N/A	N/A

Source: Bureau of Transportation Statistics, Form 41; Schedules P1.2 and P6

* Transport-Related is revenue/expenses from services which grow from and are incidental to the air transportation services performed by the air carrier. Examples are in-flight onboard sales (food, liquor, pillows, etc), code share revenues, revenues and expenses from associated businesses (aircraft maintenance, fuel sales, restaurants, vending machines, etc).

** Other revenue includes miscellaneous operating revenue (including pet transportation, sale of frequent flyer award miles to airline business partners and standby passenger fees), and public service revenues subsidy.

*** Other expense includes purchase of materials such as passenger food and other materials; and of services such as advertising, communication, insurance, outside flight equipment maintenance, traffic commissions and other services.

**** Operating margin is the operating profit or loss as a percentage of operating revenue

Nonoperating Income and Expense includes interest on long-term debt and capital leases, other interest expense, foreign exchange gains and losses, capital gains and losses and other income and expenses.

Net margin is the net income or loss as a percentage of operating revenue.