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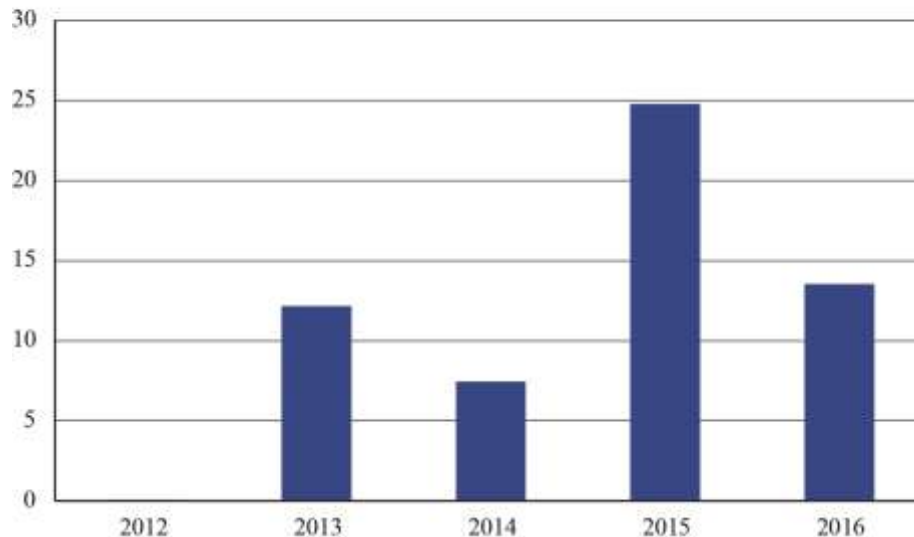
BTS Data

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2016 Annual and 4th Quarter Airline Financial Data

U.S. scheduled passenger airlines reported an after-tax net profit of \$13.5 billion in 2016, down from \$24.8 billion in 2015, the U.S. Department of Transportation's Bureau of Transportation Statistics (BTS) reported today (Table 1).

Figure 1. Systemwide U.S. Scheduled Service Passenger Airlines Annual Net Income (billions of dollars)



The 25 U.S. scheduled service passenger airlines reported an after-tax net profit as a group for the seventh consecutive year.

In addition to the after-tax net profit of \$13.5 billion based on [net income](#) reports, the scheduled service passenger airlines reported a \$24.8 billion pre-tax operating profit in 2016, down from \$28.0 billion in 2015. The airlines reported a pre-tax operating profit - as a group - for the eighth consecutive year (Tables 1, 4).

Net profit or loss and operating profit or loss are two different measures of airline financial performance. Net profit or loss includes 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 the 25 U.S. scheduled passenger airlines in 2016 was \$168.2 billion. Airlines collected \$125.2 billion from fares, 74.5 percent of total 2016 operating revenue (Table 4).

Total operating expenses for all passenger airlines in 2016 were \$143.3 billion, of which fuel costs accounted for \$22.4 billion, or 15.6 percent, and labor costs accounted for \$49.7 billion, or 34.7 percent (Table 4).

In 2016, passenger airlines collected a total of \$4.2 billion in [baggage fees](#), 2.5 percent of total operating revenue, and \$2.9 billion from [reservation change fees](#), 1.7 percent of total operating revenue. Fees are included for calculations of net income, operating revenue and operating profit or loss (Table 4).

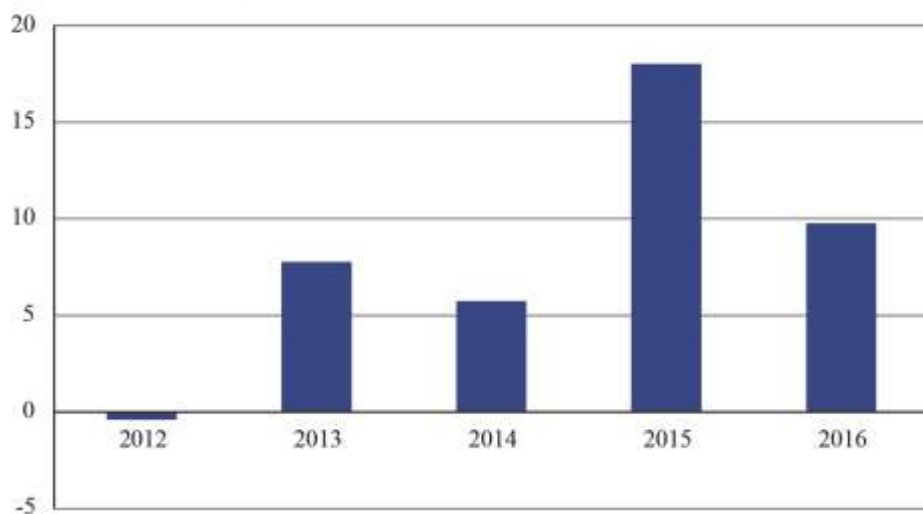
Baggage fees and reservation change fees are the only ancillary fees paid by passengers that are reported to BTS as separate items. Other fees, such as revenue from seating assignments and on-board sales of food, beverages, pillows, blankets, and entertainment are combined in different categories and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

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

Domestic

From domestic operations, U.S. scheduled passenger airlines reported an after-tax net profit of \$9.8 billion in 2016, down from \$18.0 billion in 2015 (Table 2).

Figure 2. Domestic U.S. Scheduled Service Passenger Airlines Annual Net Income (billions of dollars)



The 25 U.S. scheduled service passenger airlines reported an after-tax net profit from domestic operations as a group for the fourth consecutive year.

In addition to the after-tax net profit of \$9.8 billion based on [net income](#) reports, the scheduled service passenger airlines reported a \$19.4 billion pre-tax operating profit from domestic operations in 2016, down from \$20.8 billion in 2015. The airlines reported a pre-tax operating profit from domestic operations - as a group - for the eighth consecutive year (Table 2).

Total [operating revenue](#) from domestic operations for all U.S. passenger airlines in 2016 was \$125.7 billion. Airlines collected \$91.2 billion from fares, 72.6 percent of total 2016 operating revenue (Tables 2, 5).

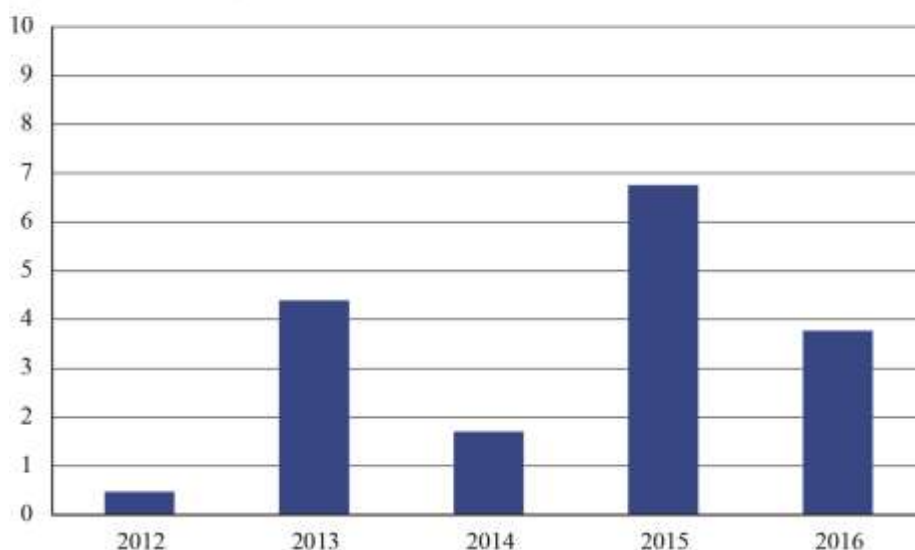
Total operating expenses from domestic operations for the 25 passenger airlines in 2016 were \$106.4 billion, of which fuel costs accounted for \$15.2 billion, or 14.3 percent, and labor costs accounted for \$36.0 billion, or 33.8 percent (Tables 2, 5).

In 2016, passenger airlines collected from domestic operations a total of \$3.3 billion in [baggage fees](#), 2.6 percent of total operating revenue, and \$1.9 billion from [reservation change fees](#), 1.5 percent of total operating revenue (Tables 2, 5).

International

The 17 U.S. scheduled passenger airlines that operate internationally reported an after-tax net profit of \$3.8 billion in 2016 from their international operations, down from \$6.8 billion in 2015 (Table 3).

Figure 3. International U.S. Scheduled Service Passenger Airlines Annual Net Income (billions of dollars)



The 17 U.S. scheduled service passenger airlines reported an after-tax net profit from international operations as a group for the seventh consecutive year.

In addition to the after-tax net profit of \$3.8 billion based on [net income](#) reports, the scheduled service passenger airlines reported a \$5.5 billion pre-tax operating profit from international operations in 2016, down from \$7.2 billion in 2015. The airlines reported a pre-tax operating profit from international operations - as a group - for the eighth consecutive year (Table 3).

Total [operating revenue](#) from international operations for the 17 U.S. passenger airlines in 2016 was \$42.4 billion. Airlines collected \$34.0 billion from fares, 80.2 percent of total 2016 operating revenue (Tables 3, 6).

Total operating expenses from international operations for all passenger airlines in 2016 were \$37.0 billion, of which fuel costs accounted for \$7.2 billion, or 19.4 percent, and labor costs accounted for \$13.7 billion, or 37.2 percent (Tables 3, 6).

In 2016, passenger airlines collected from international operations a total of \$875.5 million in [baggage fees](#), 2.1 percent of total operating revenue, and \$1.0 billion from [reservation change fees](#), 2.4 percent of total operating revenue (Tables 3, 6).

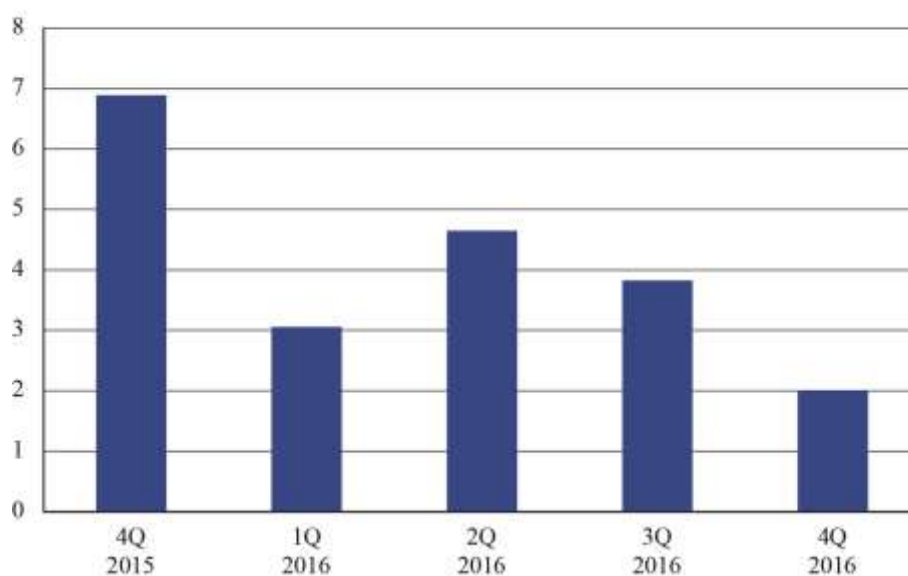
Annual Margins for All Scheduled Passenger Airlines

All U.S. scheduled passenger airlines reported a combined net income margin of 8.1 percent in 2016, down from a net margin of 14.7 percent in 2015. Net margin is the net income or loss as a percentage of operating revenue. These airlines reported an operating profit margin of 14.8 percent in 2016, up from 8.6 percent in 2015. Operating margin is the operating profit or loss as a percentage of operating revenue (Table 4).

4th Quarter Results for All Scheduled Passenger Airlines

U.S. scheduled passenger airlines reported an after-tax net profit of \$2.0 billion in the fourth quarter of 2016, down from \$3.8 billion in the third quarter of 2016 and down from \$6.9 billion in the fourth quarter of 2015 (Table 7).

Figure 4. Systemwide U.S. Scheduled Service Passenger Airlines Quarterly Net Income (billions of dollars)



The 25 U.S. scheduled service passenger airlines reported an after-tax net profit as a group for the 15th consecutive quarter.

In addition to the after-tax net profit of \$2.0 billion based on [net income](#) reports, the scheduled service passenger airlines reported a \$4.1 billion pre-tax operating profit in the fourth quarter of 2016, down from \$7.2 billion in the third quarter of 2016 and down from \$5.9 billion in the fourth quarter of 2015. The airlines reported a pre-tax operating profit - as a group - for the 23rd consecutive quarter (Tables 7, 10).

Total [operating revenue](#) for all U.S. passenger airlines in the October-December fourth-quarter of 2016 was \$41.1 billion. Airlines collected \$30.5 billion from fares, 74.1 percent of total fourth-quarter operating revenue (Table 10).

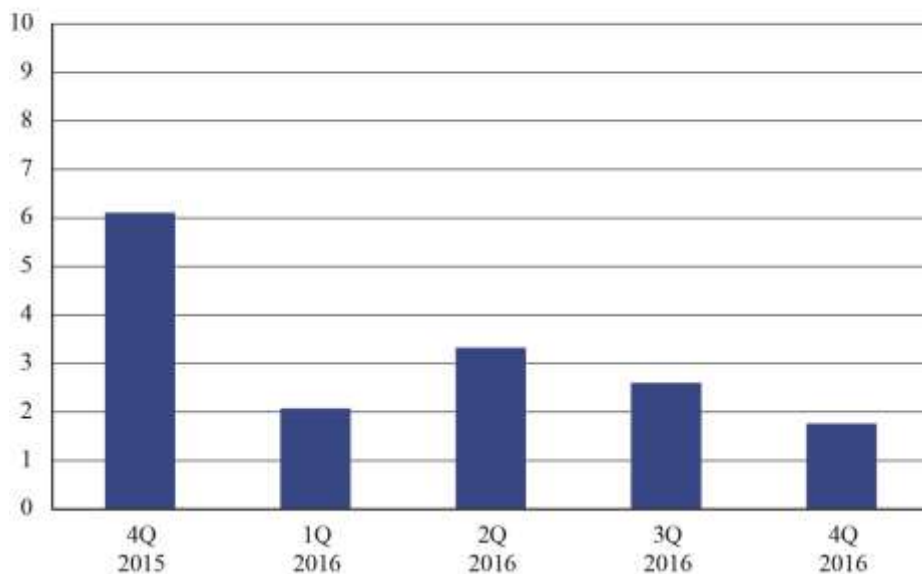
Total operating expenses for all passenger airlines in the fourth-quarter of 2016 were \$37.0 billion, of which fuel costs accounted for \$5.8 billion, or 15.8 percent, and labor costs accounted for \$13.0 billion, or 35.0 percent (Table 10).

In the fourth quarter, scheduled passenger airlines collected a total of \$1.0 billion in [baggage fees](#), 2.5 percent of total operating revenue, and \$661.0 million from [reservation change fees](#), 1.6 percent of total operating revenue. Fees are included for calculations of net income, operating revenue and operating profit or loss (Table 10).

Domestic

From domestic operations, U.S. scheduled passenger airlines reported an after-tax net profit of \$1.8 billion in the fourth quarter of 2016, down from \$2.6 billion in the third quarter of 2016 and down from \$6.1 billion in the fourth quarter of 2015 (Table 8).

Figure 5. Domestic U.S. Scheduled Service Passenger Airlines Quarterly Net Income (billions of dollars)



The 25 U.S. scheduled service passenger airlines reported an after-tax net profit from domestic operations as a group for the 15th consecutive quarter.

In addition to the after-tax net profit of \$1.8 billion based on [net income](#) reports, the scheduled service passenger airlines reported a \$3.5 billion pre-tax operating profit from domestic operations in the fourth quarter of 2016, down from \$5.4 billion in the third quarter of 2016 and down from \$4.6 billion in the fourth quarter of 2015. The airlines reported a pre-tax operating profit from domestic operations - as a group - for the 23rd consecutive quarter (Table 8).

Total [operating revenue](#) from domestic operations for all U.S. passenger airlines in the October-December fourth-quarter of 2016 was \$31.6 billion. Airlines collected \$22.6 billion from fares, 71.6 percent of total fourth-quarter operating revenue (Tables 8, 11).

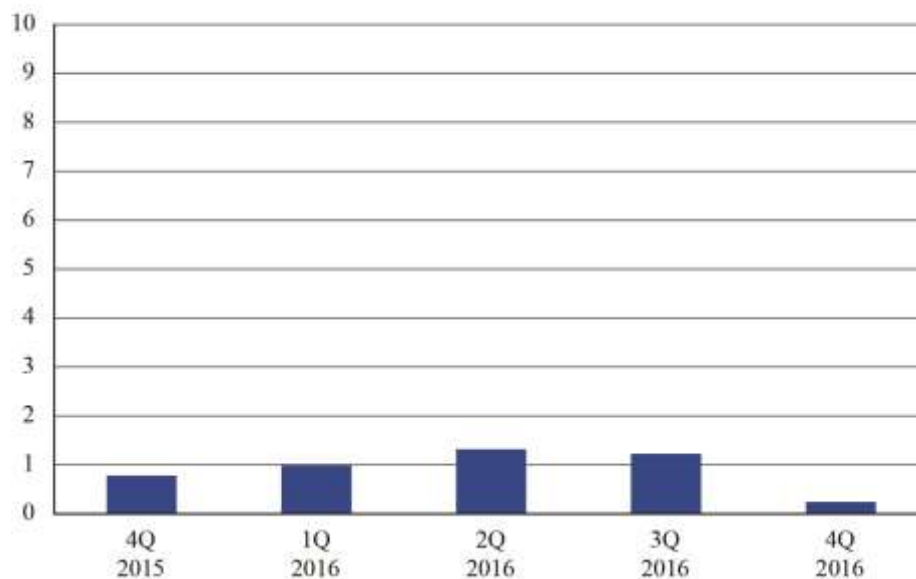
Total operating expenses from domestic operations for all passenger airlines in the fourth-quarter of 2016 were \$28.1 billion, of which fuel costs accounted for \$4.0 billion, or 14.4 percent, and labor costs accounted for \$9.5 billion, or 33.9 percent (Tables 8, 11).

In the fourth quarter, passenger airlines collected from domestic operations a total of \$822 million in [baggage fees](#), 2.6 percent of total operating revenue, and \$439 million from [reservation change fees](#), 1.4 percent of total operating revenue (Tables 8, 11).

International

The 17 U.S. scheduled passenger airlines that operate internationally reported an after-tax net profit of \$244 million in the fourth quarter of 2016, from their international operations, down from \$1.2 billion in the third quarter of 2016 and down from \$784 million in the fourth quarter of 2015 (Table 9).

Figure 6. International U.S. Scheduled Service Passenger Airlines Quarterly Net Income (billions of dollars)



The 17 U.S. scheduled service passenger airlines reported an after-tax net profit from international operations as a group for the eighth consecutive quarter.

In addition to the after-tax net profit of \$244 million based on [net income](#) reports, the scheduled service passenger airlines reported a \$569 million pre-tax operating profit from international operations in the fourth quarter of 2016, down from \$1.8 billion in the third quarter of 2016 and down from \$1.3 billion in the fourth quarter of 2015. The airlines reported a pre-tax operating profit from international operations - as a group - for the 19th consecutive quarter (Table 9).

Total [operating revenue](#) from international operations for all U.S. passenger airlines in the October-December fourth-quarter of 2016 was \$9.5 billion. Airlines collected \$7.8 billion from fares, 82.5 percent of total fourth-quarter operating revenue (Tables 9, 12).

Total operating expenses from international operations for all passenger airlines in the fourth-quarter of 2016 were \$8.9 billion, of which fuel costs accounted for \$1.8 billion, or 20.3 percent, and labor costs accounted for \$3.4 billion, or 38.6 percent (Tables 9, 12).

In the fourth quarter, passenger airlines collected from international operations a total of \$207.0 million in [baggage fees](#), 2.2 percent of total operating revenue, and \$222 million from [reservation change fees](#), 2.3 percent of total operating revenue (Tables 9, 12).

4th Quarter Margins for All Scheduled Passenger Airlines

All U.S. scheduled passenger airlines reported a combined net income margin of 4.9 percent in the fourth quarter of 2016, down from a net margin of 17.0 percent in the fourth quarter of 2015. Net margin is the net income or loss as a percentage of operating revenue. These airlines reported an operating profit margin of 10.0 percent in the fourth quarter of 2016, down from 14.5 percent in the fourth quarter of 2015. Operating margin is the operating profit or loss as a percentage of operating revenue (Table 10).

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 Dec. 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 March 31. 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 first-quarter 2017 data on June 19.

Table 1. Annual U.S. Scheduled Service Passenger Airlines Financial Reports
 Reports from 25 airlines in 2016
 (millions of dollars)

	2012	2013	2014	2015	2016	Dollar Change (\$ in Millions) 2015-2016
Net Income	74.8	12,161.4	7,446.5	24,787.7	13,538.2	-11,250
Operating Profit/Loss	5,995.2	11,303.5	14,600.0	27,986.5	24,826.4	-3,160
Operating Revenue*	156,499.8	161,625.1	169,276.5	169,056.9	168,165.7	-891
Fares	116,869.1	121,361.3	127,455.4	127,060.9	125,244.9	-1,816
Baggage Fees	3,449.7	3,362.0	3,558.4	3,813.5	4,185.8	372
Reservation Change Fees	2,538.2	2,814.1	2,939.9	3,011.8	2,895.9	-116
Operating Expenses	150,504.6	150,321.6	154,676.6	141,070.4	143,339.3	2,269
Fuel	44,885.5	42,636.6	43,431.2	26,979.1	22,366.6	-4,613
Labor	37,179.0	38,050.0	40,760.0	45,487.0	49,712.7	4,226

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

* Passenger airline operating revenue includes four 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. 3) Cargo revenue from transporting cargo in the belly of aircraft. 4) Mail revenue from transporting mail in the belly of aircraft. See the P1.2 database http://www.transtats.bts.gov/Fields.asp?Table_ID=295.

Table 2. Domestic Annual U.S. Scheduled Service Passenger Airlines Financial Reports
 Reports from 25 airlines in 2016
 (millions of dollars)

	2012	2013	2014	2015	2016	Dollar Change (\$ in Millions) 2015-2016
Net Income	-403.2	7,772.2	5,741.4	18,032.5	9,762.9	-8,270
Operating Profit/Loss	3,771.6	7,307.8	10,789.5	20,807.7	19,371.1	-1,437
Operating Revenue*	111,137.5	114,650.9	120,831.2	122,543.9	125,746.6	3,203
Fares	80,865.8	83,967.9	89,257.7	90,956.6	91,234.5	278
Baggage Fees	2,691.6	2,612.0	2,777.4	2,979.6	3,310.3	331
Reservation Change Fees	1,610.5	1,788.0	1,868.9	1,926.7	1,870.3	-56
Operating Expenses	107,365.9	107,343.1	110,041.7	101,736.2	106,375.5	4,639
Fuel	29,409.4	27,677.0	28,057.4	17,726.7	15,204.0	-2,523
Labor	26,796.3	27,435.9	29,240.6	32,823.1	35,980.0	3,157

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

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Table 3. International Annual U.S. Scheduled Service Passenger Airlines Financial Reports

Reports from 17 airlines in 2016

(millions of dollars)

	2012	2013	2014	2015	2016	Dollar Change (\$ in Millions) 2015-2016
Net Income	478.0	4,389.2	1,705.0	6,755.1	3,775.3	-2,980
Operating Profit/Loss	2,223.6	3,995.7	3,810.5	7,178.8	5,455.3	-1,724
Operating Revenue*	45,362.3	46,974.2	48,445.3	46,513.0	42,419.1	-4,094
Fares	36,003.3	37,393.4	38,197.7	36,104.3	34,010.4	-2,094
Baggage Fees	758.2	750.0	781.0	833.9	875.5	42
Reservation Change Fees	927.7	1,026.1	1,071.0	1,085.0	1,025.6	-59
Operating Expenses	43,138.8	42,978.5	44,634.9	39,334.2	36,963.8	-2,370
Fuel	15,476.1	14,959.6	15,373.8	9,252.3	7,162.6	-2,090
Labor	10,382.7	10,614.1	11,519.4	12,663.9	13,732.7	1,069

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

* Passenger airline operating revenue includes four 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. 3) Cargo revenue from transporting cargo in belly of aircraft. 4) Mail revenue from transporting mail in belly of aircraft. See the P1.2 database http://www.transtats.bts.gov/Fields.asp?Table_ID=295

Table 4. Jan-Dec U.S. Scheduled Passenger Airlines Revenue, Expenses and Profits

Reports from 25 airlines in 2016

(millions of dollars)

	Jan-Dec 2015	Jan-Dec 2016	Change	2015- 2016 % Change	% of YTD 2016 Revenue or Expense Total
Operating Revenue					
Passenger Fares (scheduled/charter)	127,060.9	125,244.9	-1,816.0	-1.43	74.48
Cargo	2,890.1	2,629.2	-260.9	-9.03	1.56
Baggage	3,813.5	4,185.8	372.3	9.76	2.49
Reservation Changes	3,011.8	2,895.9	-115.9	-3.85	1.72
Transport-Related*	27,385.2	27,943.2	558.0	2.04	16.62
Other**	4,895.4	5,266.7	371.3	7.58	3.13
Total Operating Revenue***	169,056.9	168,165.7	-891.2	-0.53	100.00
Operating Expense					
Fuel	26,979.1	22,366.6	-4,612.5	-17.10	15.60
Labor	45,487.0	49,712.7	4,225.7	9.29	34.68
Rentals	8,632.3	8,792.3	160.0	1.85	6.13
Depreciation & Amortization	7,512.5	8,748.3	1,235.8	16.45	6.10
Landing Fees	2,853.3	2,939.1	85.8	3.01	2.05
Maintenance Materials	2,520.5	2,467.6	-52.9	-2.10	1.72
Transport-Related*	18,172.5	17,995.4	-177.1	-0.97	12.55
Other****	28,913.2	30,317.3	1,404.1	4.86	21.15
Total Operating Expense	141,070.4	143,339.3	2,268.9	1.61	100.00
Profits or Losses					
Operating Profit	27,986.5	24,826.4	-3,160.1	-11.29	N/A
Operating Margin# (%)	8.6	14.8	6.1	N/A	N/A
Nonoperating Income/(Expense)##	-4,109.4	-3,299.6	809.8	-19.71	N/A
Pre-Tax Income	23,877.2	21,526.7	-2,350.5	-9.84	N/A
Income Tax Benefit/(Expense)	910.5	-7,988.5	-8,899.0	-977.38	N/A
Other Income/(Expense)	0.0	0.0	0.0	0.0	N/A
			-		
Net Income	24,787.7	13,538.2	11,249.5	-45.38	N/A
Net Margin### (%)	14.7	8.1	-6.6	N/A	N/A

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

http://www.transtats.bts.gov/Fields.asp?Table_ID=295 and P6 http://www.transtats.bts.gov/Fields.asp?Table_ID=291

* 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.

*** Based on U.S. Department of Transportation accounting standards, Total Operating Revenues are overstated by code share revenues which are included in both the mainline Transport-Related Revenues and the code share Passenger Revenue. Code share revenues are expensed out in the mainline Transport-Related Expense to allow a true Operating Profit(Loss). This reporting may understate all components of operating revenue, including Passenger Revenue, as a percentage of Total Operating Revenue.

**** Other expense includes purchase of materials such as passenger food and other materials; and purchase 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.

Table 5. Jan-Dec U.S. Scheduled Domestic Passenger Airlines Revenue, Expenses and Profits
 Reports from 25 airlines in 2016
 (millions of dollars)

	Jan-Dec 2015	Jan-Dec 2016	Change	2015- 2016 % Change	% of YTD 2016 Revenue or Expense Total
Operating Revenue					
Passenger Fares (scheduled/charter)	90,956.6	91,234.5	277.9	0.31	72.55
Cargo	994.6	907.3	-87.3	-8.78	0.72
Baggage	2,979.6	3,310.3	330.7	11.10	2.63
Reservation Changes	1,926.7	1,870.3	-56.4	-2.93	1.49
Transport-Related*	21,874.3	24,192.6	2,318.3	10.60	19.24
Other**	3,812.1	4,231.6	419.5	11.00	3.37
Total Operating Revenue***	122,543.9	125,746.6	3,202.7	2.61	100.00
Operating Expense					
Fuel	17,726.7	15,204.0	-2,522.7	-14.23	14.29
Labor	32,823.1	35,980.0	3,156.9	9.62	33.82
Rentals	6,607.4	6,766.6	159.2	2.41	6.36
Depreciation & Amortization	5,369.1	6,174.2	805.1	15.00	5.80
Landing Fees	2,174.5	2,233.1	58.6	2.69	2.10
Maintenance Materials	1,819.2	1,860.2	41.0	2.25	1.75
Transport-Related*	14,959.5	16,719.4	1,759.9	11.76	15.72
Other****	20,256.7	21,438.0	1,181.3	5.83	20.15
Total Operating Expense	101,736.2	106,375.5	4,639.3	4.56	100.00
Profits or Losses					
Operating Profit	20,807.7	19,371.1	-1,436.6	-6.90	N/A
Operating Margin# (%)	17.0	15.4	-1.6	N/A	N/A
Nonoperating Income/(Expense)##	-3,208.9	-2,901.0	307.9	-9.60	N/A
Pre-Tax Income	17,598.8	16,470.0	-1,128.8	-6.41	N/A
				-	
Income Tax Benefit/(Expense)	433.7	-6,707.1	-7,140.8	1,646.48	N/A
Other Income/(Expense)	0.0	0.0	0.0	0.0	N/A
Net Income	18,032.5	9,762.9	-8,269.6	-45.86	N/A
Net Margin### (%)	14.7	7.8	-7.0	N/A	N/A

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

http://www.transtats.bts.gov/Fields.asp?Table_ID=295 and P6 http://www.transtats.bts.gov/Fields.asp?Table_ID=291

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** 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.

*** Based on U.S. Department of Transportation accounting standards, Total Operating Revenues are overstated by code share revenues which are included in both the mainline Transport-Related Revenues and the code share Passenger Revenue. Code share revenues are expensed out in the mainline Transport-Related Expense to allow a true Operating Profit(Loss). This reporting may understate all components of operating revenue, including Passenger Revenue, as a percentage of Total Operating Revenue.

**** Other expense includes purchase of materials such as passenger food and other materials; and purchase 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.

Table 6. Jan-Dec U.S. Scheduled International Passenger Airlines Revenue, Expenses and Profits

Reports from 17 airlines in 2016
(millions of dollars)

	Jan-Dec 2015	Jan-Dec 2016	Change	2015- 2016 % Change	% of YTD 2016 Revenue or Expense Total
Operating Revenue					
Passenger Fares (scheduled/charter)	36,104.3	34,010.4	-2,093.9	-5.80	80.18
Cargo	1,895.5	1,721.9	-173.6	-9.16	4.06
Baggage	833.9	875.5	41.6	4.99	2.06
Reservation Changes	1,085.0	1,025.6	-59.4	-5.47	2.42
Transport-Related*	5,510.9	3,750.6	-1,760.3	-31.94	8.84
Other**	1,083.4	1,035.1	-48.3	-4.46	2.44
Total Operating Revenue***	46,513.0	42,419.1	-4,093.9	-8.80	100.00
Operating Expense					
Fuel	9,252.3	7,162.6	-2,089.7	-22.59	19.38
Labor	12,663.9	13,732.7	1,068.8	8.44	37.15
Rentals	2,024.9	2,025.7	0.8	0.04	5.48
Depreciation & Amortization	2,143.4	2,574.1	430.7	20.09	6.96
Landing Fees	678.8	706.0	27.2	4.01	1.91
Maintenance Materials	701.3	607.4	-93.9	-13.39	1.64
Transport-Related*	3,213.0	1,276.0	-1,937.0	-60.29	3.45
Other****	8,656.6	8,879.3	222.7	2.57	24.02
Total Operating Expense	39,334.2	36,963.8	-2,370.4	-6.03	100.00
Profits or Losses					
Operating Profit	7,178.8	5,455.3	-1,723.5	-24.01	N/A
Operating Margin# (%)	15.4	12.9	-2.6	N/A	N/A
Nonoperating Income/(Expense)##	-900.5	-398.6	501.9	-55.74	N/A
Pre-Tax Income	6,278.4	5,056.7	-1,221.7	-19.46	N/A
Income Tax Benefit/(Expense)	476.8	-1,281.4	-1,758.2	-368.75	N/A
Other Income/(Expense)	0.0	0.0	0.0	0.0	N/A
Net Income	6,755.1	3,775.3	-2,979.8	-44.11	N/A
Net Margin### (%)	14.5	8.9	-5.6	N/A	N/A

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

http://www.transtats.bts.gov/Fields.asp?Table_ID=29 and P6 http://www.transtats.bts.gov/Fields.asp?Table_ID=291

* 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.

*** Based on U.S. Department of Transportation accounting standards, Total Operating Revenues are overstated by code share revenues which are included in both the mainline Transport-Related Revenues and the code share Passenger Revenue. Code share revenues are expensed out in the mainline Transport-Related Expense to allow a true Operating Profit(Loss). This reporting may understate all components of operating revenue, including Passenger Revenue, as a percentage of Total Operating Revenue.

**** Other expense includes purchase of materials such as passenger food and other materials; and purchase 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.

Table 7. Quarterly U.S. Scheduled Service Passenger Airlines Financial Reports

Reports from 25 airlines in 4Q 2016

(millions of dollars)

	4Q 2015	1Q 2016	2Q 2016	3Q 2016	4Q 2016	Dollar Change 4Q2015- 4Q2016
Net Income	6,891	3,056	4,649	3,825	2,010	-4,881
Operating Profit/Loss	5,887	5,605	7,873	7,248	4,102	-1,785
Operating Revenue*	40,525	39,151	43,505	44,406	41,103	578
Fares	30,168	29,008	32,462	33,325	30,450	282
Baggage Fees	958	983	1,073	1,101	1,029	71
Reservation Change Fees	715	749	755	731	661	-54
Operating Expenses	34,638	33,547	35,632	37,158	37,001	2,363
Fuel	5,819	4,860	5,566	6,096	5,844	24
Labor	11,555	11,798	12,213	12,748	12,955	1,400

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

* Passenger airline operating revenue includes four 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. 3) Cargo revenue from transporting cargo in belly of aircraft. 4) Mail revenue from transporting mail in belly of aircraft. See the P1.2 database http://www.transtats.bts.gov/Fields.asp?Table_ID=295

Table 8. Domestic Quarterly U.S. Scheduled Service Passenger Airlines Financial Reports
 Reports from 25 airlines in 4Q 2016
 (millions of dollars)

Domestic Operations	4Q 2015	1Q 2016	2Q 2016	3Q 2016	4Q 2016	Dollar Change 4Q2015- 4Q2016
Net Income	6,107	2,072	3,328	2,599	1,766	-4,341
Operating Profit/Loss	4,622	4,292	6,105	5,442	3,533	-1,089
Operating Revenue*	30,024	28,727	32,463	32,935	31,622	1,597
Fares	22,356	21,359	23,650	23,598	22,628	272
Baggage Fees	744	773	848	868	822	78
Reservation Change Fees	462	481	483	468	439	-23
Operating Expenses	25,402	24,434	26,358	27,493	28,089	2,686
Fuel	3,913	3,323	3,762	4,080	4,038	125
Labor	8,493	8,530	8,767	9,172	9,512	1,019

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

* Passenger airline operating revenue includes four 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. 3) Cargo revenue from transporting cargo in belly of aircraft. 4) Mail revenue from transporting mail in belly of aircraft. See the P1.2 database http://www.transtats.bts.gov/Fields.asp?Table_ID=295

Table 9. International Quarterly U.S. Scheduled Service Passenger Airlines Financial Reports
 Reports from 17 airlines in 4Q 2016
 (millions of dollars)

International Operations	4Q 2015	1Q 2016	2Q 2016	3Q 2016	4Q 2016	Dollar Change 4Q2015- 4Q2016
Net Income	784	985	1,321	1,226	244	-540
Operating Profit/Loss	1,265	1,312	1,768	1,806	569	-695
Operating Revenue*	10,501	10,425	11,042	11,470	9,482	-1,019
Fares	7,813	7,650	8,812	9,727	7,822	9
Baggage Fees	214	210	225	233	207	-6
Reservation Change Fees	253	268	273	263	222	-31
Operating Expenses	9,236	9,112	9,274	9,665	8,913	-324
Fuel	1,907	1,537	1,804	2,016	1,806	-101
Labor	3,062	3,268	3,446	3,576	3,443	381

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

* Passenger airline operating revenue includes four 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. 3) Cargo revenue from transporting cargo in belly of aircraft. 4) Mail revenue from transporting mail in belly of aircraft. See the P1.2 database http://www.transtats.bts.gov/Fields.asp?Table_ID=295

Table 10. Quarterly U.S. Scheduled Passenger Airlines Revenue, Expenses and Profits
 Reports from 25 airlines in 4Q 2016
 (millions of dollars)

	4Q 2015	4Q 2016	Change	2015-2016 % Change	% of 4Q 2016 Revenue or Expense Total
Operating Revenue					
Passenger Fares (scheduled/charter)	30,168.1	30,449.6	281.5	0.93	74.08
Cargo	710.7	717.3	6.6	0.93	1.75
Baggage	957.8	1,029.0	71.2	7.43	2.50
Reservation Changes	715.0	660.9	-54.1	-7.57	1.61
Transport-Related*	6,700.9	6,949.2	248.3	3.71	16.91
Other**	1,272.7	1,297.3	24.6	1.93	3.16
Total Operating Revenue***	40,525.2	41,103.3	578.1	1.43	100.00
Operating Expense					
Fuel	5,819.4	5,843.5	24.1	0.41	15.79
Labor	11,554.9	12,954.5	1,399.6	12.11	35.01
Rentals	2,163.4	2,188.2	24.8	1.15	5.91
Depreciation & Amortization	1,939.4	2,155.0	215.6	11.12	5.82
Landing Fees	694.3	712.2	17.9	2.58	1.92
Maintenance Materials	672.3	615.8	-56.5	-8.40	1.66
Transport-Related*	4,351.2	4,521.9	170.7	3.92	12.22
Other****	7,543.5	8,010.0	466.5	6.18	21.65
Total Operating Expense	34,738.4	37,001.1	2,262.7	6.51	100.00
Profits or Losses					
Operating Profit	5,886.8	4,102.2	-1,784.6	-30.32	N/A
Operating Margin# (%)	14.5	10.0	-4.5	N/A	N/A
Nonoperating Income/(Expense)##	-1295.6	-648.5	647.1	50.00	N/A
Pre-Tax Income	4,591.2	3,453.8	-1,137.4	-24.77	N/A
Income Tax Benefit/(Expense)	2,299.4	-1,444.3	-3,743.7	-162.81	N/A
Other Income/(Expense)	0.0	0.0	0.0	0.0	N/A
Net Income	6,890.7	2,009.5	-4,881.2	-70.84	N/A
Net Margin### (%)	17.0	4.9	-12.1	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.

*** Based on U.S. Department of Transportation accounting standards, Total Operating Revenues are overstated by code share revenues which are included in both the mainline Transport-Related Revenues and the code share Passenger Revenue. Code share revenues are expensed out in the mainline Transport-Related Expense to allow a true Operating Profit(Loss). This reporting may understate all components of operating revenue, including Passenger Revenue, as a percentage of Total Operating Revenue.

**** Other expense includes purchase of materials such as passenger food and other materials; and purchase 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.

Table 11. Domestic Quarterly U.S. Scheduled Passenger Airlines Revenue, Expenses and Profits

Reports from 25 airlines in 4Q 2016
(millions of dollars)

	4Q 2015	4Q 2016	Change	2015-2016 % Change	% of 4Q 2016 Revenue or Expense Total
Operating Revenue					
Passenger Fares (scheduled/charter)	22,355.5	22,627.8	272.3	1.22	71.56
Cargo	245.4	247.2	1.8	0.73	0.78
Baggage	744.0	821.6	77.6	10.43	2.60
Reservation Changes	462.0	439.3	-22.7	-4.91	1.39
Transport-Related*	5,209.4	6,428.6	1,219.2	23.40	20.33
Other**	1,008.1	1,057.0	48.9	4.85	3.34
Total Operating Revenue***	30,024.4	31,621.5	1,597.1	5.32	100.00
Operating Expense					
Fuel	3,912.6	4,038.0	125.4	3.21	14.38
Labor	8,493.1	9,511.9	1,018.8	12.00	33.86
Rentals	1,675.4	1,721.4	46.0	2.75	6.13
Depreciation & Amortization	1,397.9	1,575.2	177.3	12.68	5.61
Landing Fees	536.9	553.6	16.7	3.11	1.97
Maintenance Materials	436.8	470.6	33.8	7.74	1.68
Transport-Related*	3,561.9	4,343.8	781.9	21.95	15.46
Other****	5,387.7	5,874.1	486.4	9.03	20.91
Total Operating Expense	25,402.3	28,088.6	2,686.3	10.58	100.00
Profits or Losses					
Operating Profit	4,622.1	3,532.9	-1,089.2	-23.57	N/A
Operating Margin# (%)	15.4	11.2	-4.2	N/A	N/A
Nonoperating Income/(Expense)##	-1,067.8	-560.0	507.8	-47.56	N/A
Pre-Tax Income	3,554.3	2,973.0	-581.3	-16.35	N/A
Income Tax Benefit/(Expense)	2,552.8	-1,207.1	-3,759.9	-147.29	N/A
Other Income/(Expense)	0.0	0.0	0.0	0.0	N/A
Net Income	6,107.1	1,765.9	-4,341.2	-71.08	N/A
Net Margin### (%)	20.3	5.6	-14.8	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).

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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.

Table 12. International Quarterly U.S. Scheduled Passenger Airlines Revenue, Expenses and Profits

Reports from 17 airlines in 4Q 2016

(millions of dollars)

	4Q 2015	4Q 2016	Change	2015-2016 % Change	% of 4Q 2016 Revenue or Expense Total
Operating Revenue					
Passenger Fares (scheduled/charter)	7,812.6	7,821.8	9.2	0.12	82.49
Cargo	465.3	470.1	4.8	1.03	4.96
Baggage	213.8	207.4	-6.4	-2.99	2.19
Reservation Changes	253.0	221.6	-31.4	-12.41	2.34
Transport-Related*	1,491.5	520.6	-970.9	-65.10	5.49
Other**	264.6	240.3	-24.3	-9.18	2.53
Total Operating Revenue***	10,500.8	9,481.8	-1,019.0	-9.70	100.00
Operating Expense					
Fuel	1,906.8	1,805.5	-101.3	-5.31	20.26
Labor	3,061.8	3,442.6	380.8	12.44	38.63
Rentals	488.0	466.8	-21.2	-4.34	5.24
Depreciation & Amortization	541.5	579.8	38.3	7.07	6.51
Landing Fees	157.4	158.6	1.2	0.76	1.78
Maintenance Materials	135.5	145.2	9.7	7.16	1.63
Transport-Related*	789.3	178.1	-611.2	-77.44	2.00
Other****	2,155.8	2,135.9	-19.9	-0.92	23.97
Total Operating Expense	9,236.1	8,912.5	-323.6	-3.50	100.00
Profits or Losses					
Operating Profit	1,264.7	569.3	-695.4	-54.99	N/A
Operating Margin# (%)	12.0	6.0	-6.0	N/A	N/A
Nonoperating Income/(Expense)##	-227.8	-88.5	139.3	-61.15	N/A
Pre-Tax Income	1,036.9	480.8	-556.1	-53.63	N/A
Income Tax Benefit/(Expense)	-253.4	-237.2	16.2	-6.39	N/A
Other Income/(Expense)	0.0	0.0	0.0	0.0	N/A
Net Income	783.6	243.6	-540.0	-68.91	N/A
Net Margin### (%)	7.5	2.6	-4.9	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).

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