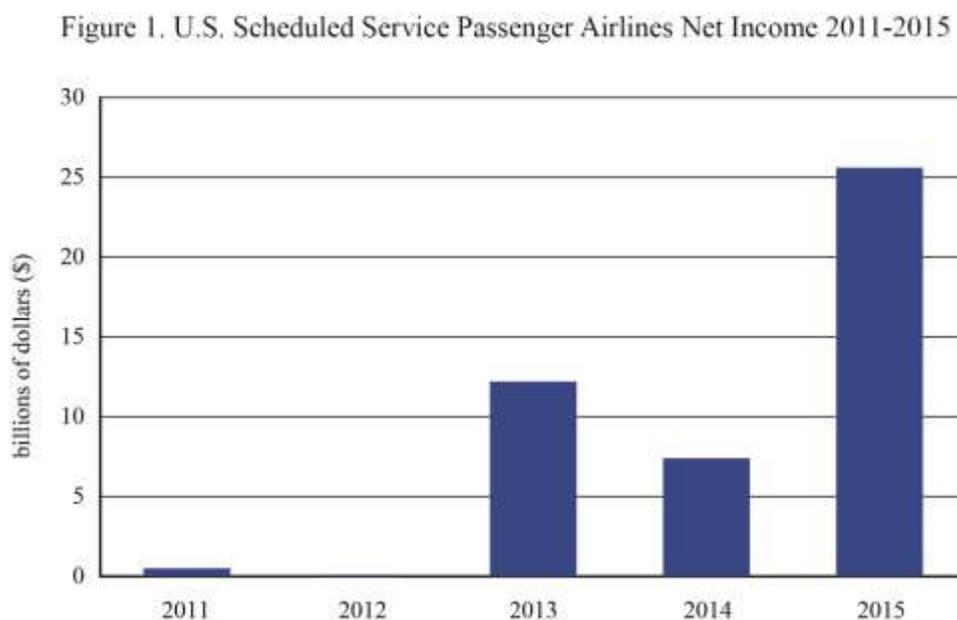


BTS 26-16
Monday, May 2, 2016
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4th Quarter 2015 Airline Financial Data

U.S. scheduled passenger airlines reported an after-tax net profit of \$25.6 billion in 2015 up from \$7.5 billion in 2014, the U.S. Department of Transportation's Bureau of Transportation Statistics (BTS) reported today (Table 1).



As a group, the 25 U.S. airlines that operated scheduled passenger service in 2015 reported an after-tax net profit for the sixth consecutive year.

In addition to the after-tax net profit based on [net income](#) reports, the scheduled service passenger airlines reported a \$28.0 billion pre-tax operating profit in 2015, up from \$14.6 billion in 2014. As a group, the airlines reported a pre-tax operating profit for the seventh consecutive year (Tables 1, 4).

Net income or loss, 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 2015 was \$168.9 billion. Airlines collected \$126.9 billion from fares, 75.1 percent of total 2015 operating revenue (Table 7).

Total operating expenses for all passenger airlines in 2015 were \$140.9 billion, of which fuel costs accounted for \$27.0 billion, or 19.2 percent, and labor costs accounted for \$45.4 billion, or 32.2 percent (Table 7).

In 2015, passenger airlines collected a total of \$3.8 billion in [baggage fees](#), 2.3 percent of total operating revenue, and \$3.0 billion from [reservation change fees](#), 1.8 percent of total operating revenue. Fees are included for calculations of net income, operating revenue and operating profit or loss (Table 7).

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.

Annual Totals for Top 10 Scheduled Passenger Airlines

As a group, the top 10 U.S. scheduled passenger airlines, based on operating revenue, reported an after-tax net profit of \$24.2 billion in 2015 (Table 2), up from a profit of \$7.3 billion in 2014. These airlines carried 81.9 percent of U.S. airlines' [scheduled service passengers](#) in 2015 and accounted for 94.6 percent of the scheduled passenger airline after-tax net profit.

In addition to the after-tax net income reports, the 10 top airlines reported a \$27.3 billion pre-tax operating profit in 2015 (Table 2), up from a \$14.2 billion pre-tax operating profit in 2014.

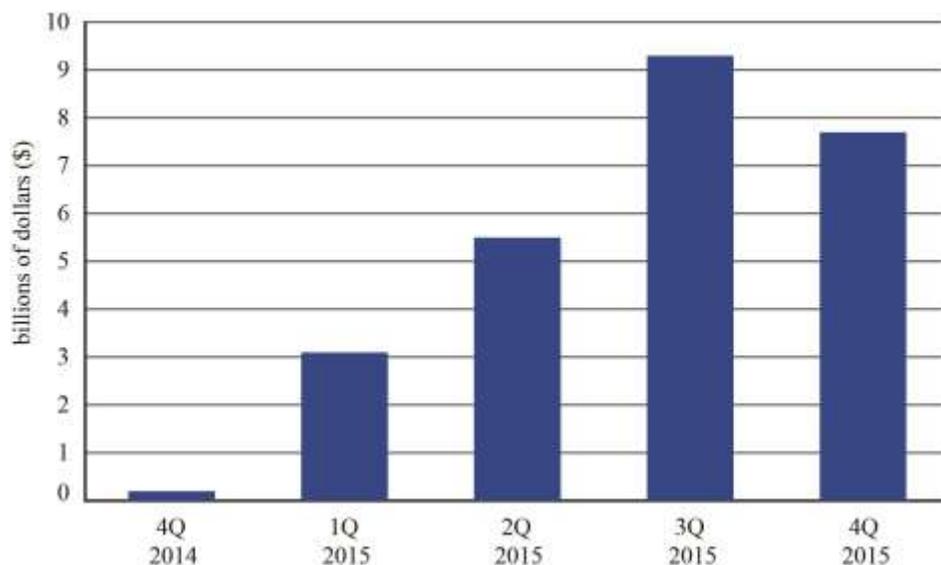
Annual Margins for All Scheduled Passenger Airlines

All U.S. scheduled passenger airlines reported a combined net income margin of 15.2 percent in 2015, up from a net margin of 4.4 percent in 2014. Net margin measures net income or loss as a percentage of operating revenue. These airlines reported an operating profit margin of 16.6 percent in 2015, up from 8.6 percent in 2014. Operating margin measures operating profit or loss as a percentage of operating revenue (Table 7).

4th Quarter Results for All Scheduled Passenger Airlines

U.S. scheduled passenger airlines reported an after-tax net profit of \$7.7 billion in the fourth quarter of 2015, down from \$9.3 billion in the third quarter and up from \$242 million in the fourth quarter of 2014 (Table 4).

Figure 2. U.S. Scheduled Service Passenger Airlines Quarterly Net Income



As a group, the 25 U.S. scheduled service airlines reported an after-tax net profit for the eighth consecutive quarter.

In addition to the after-tax net profit based on [net income](#) reports, the scheduled service passenger airlines reported a \$5.9 billion pre-tax operating profit in the fourth quarter of 2015, down from \$8.8 billion in the third quarter and up from \$2.0 billion in the fourth quarter of 2014. As a group, the airlines reported a pre-tax operating profit for the 17th consecutive quarter (Tables 4, 6).

Total [operating revenue](#) for all U.S. passenger airlines in the October-December fourth-quarter of 2015 was \$40.3 billion. Airlines collected \$30.0 billion from fares, 74.3 percent of total fourth-quarter operating revenue (Table 8).

Total operating expenses for all passenger airlines in the fourth-quarter of 2015 were \$34.4 billion, of which fuel costs accounted for \$5.8 billion, or 16.9 percent, and labor costs accounted for \$11.4 billion, or 33.3 percent (Table 8).

In the fourth quarter, passenger airlines collected a total of \$958 million in [baggage fees](#), 2.4 percent of total operating revenue, and \$715 million from [reservation change fees](#), 1.8 percent of total operating revenue. Fees are included for calculations of net income, operating revenue and operating profit or loss (Table 8).

4th Quarter Totals for Top 10 Scheduled Passenger Airlines

As a group, the top 10 U.S. scheduled passenger airlines, based on operating revenue, reported an after-tax net profit of \$7.5 billion in the fourth quarter of 2015, down from a profit of \$10.8 billion in the third quarter and up from a profit of \$239 million in the fourth quarter of 2014 (Table 5).

These airlines carried 63.5 percent of U.S. airlines' [scheduled service passengers](#) in the fourth quarter and accounted for 96.7 percent of the scheduled passenger airline after-tax net profit.

In addition to the after-tax net income reports, the 10 top airlines reported a \$5.8 billion pre-tax operating profit in the fourth quarter of 2015, down from a profit of \$10.6 billion in the third quarter and up from a \$1.9 billion pre-tax operating profit in the fourth quarter of 2014 (Table 6).

4th Quarter Margins for All Scheduled Passenger Airlines

All U.S. scheduled passenger airlines reported a combined net income margin of 19.1 percent in the fourth quarter of 2015, up from a net margin of 0.6 percent in the fourth quarter of 2014. Net margin measures the net income or loss as a percentage of operating revenue. These airlines reported an operating profit margin of 14.6 percent in the fourth quarter of 2015, up from 4.8 percent in the fourth quarter of 2014. Operating margin measures the operating profit or loss as a percentage of operating revenue (Table 8).

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.

Data are compiled from quarterly financial and monthly traffic reports filed with BTS by commercial air carriers. U.S. scheduled passenger airlines are the U.S. airlines that provide scheduled passenger service within the U.S. and between the U.S. and foreign points. Cargo carriers and foreign airlines operating to and from the U.S. are not included.

Financial and traffic data include data received by BTS as of April 20. 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 2016 data on June 20.

Table 1. Annual U.S. Schedule Service Passenger Airlines Financial Reports
 Reports from 25 airlines in 2015
 (millions of dollars)

	2011	2012	2013	2014	2015	Dollar Change (\$ in Millions) 2014-2015
Net Income	489.6	98.3	12,168.5	7,446.5	25,595.5	18,149
Operating Profit/Loss	5,246.0	6,003.3	11,311.0	14,600.0	27,993.2	13,393
Operating Revenue*	153,293.9	156,470.3	161,596.7	169,276.5	168,874.2	-402
Fares	114,299.4	115,974.8	121,332.9	127,455.4	126,879.5	-576
Baggage Fees	3,392.7	3,449.7	3,350.1	3,529.3	3,813.5	284
Reservation Change Fees	2,389.5	2,538.2	2,814.1	2,980.7	3,011.8	31
Operating Expenses	148,048.0	150,467.0	150,285.7	154,676.6	140,881.0	-13,796
Fuel	43,754.8	44,901.9	42,628.9	43,431.2	26,976.9	-16,454
Labor	35,377.0	37,195.3	38,042.7	40,770.8	45,385.0	4,614

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

* 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 [Schedule P-1.2](#).

Table 2. Annual Large Airline Systemwide (Domestic + International) Net Income, Profits and Revenue

Ranked by 2015 Operating Revenue
(millions of dollars)

Rank	Airline	Net Income	Operating Profit or Loss	Operating Revenue	Revenue from Fares	Percent of Revenue from Fares (%)
1	AA-US Combined	7,895	6,189	41,084	29,173	0.71
2	Delta	4,539	7,845	40,816	28,437	0.70
3	United	7,301	5,167	37,864	26,333	0.70
4	Southwest	2,181	4,117	19,820	18,347	0.93
5	JetBlue	677	1,198	6,416	5,907	0.92
6	Alaska	829	1,291	5,594	3,961	0.71
7	Hawaiian	193	431	2,313	2,015	0.87
8	Spirit	331	509	2,142	1,267	0.59
9	SkyWest	113	216	1,932	1,876	0.97
10	Frontier	146	276	1,604	1,277	0.80
10-Carrier Total		24,204	27,239	159,585	118,592	0.74
All Passenger Airlines		25,596	27,993	168,874	126,880	0.75

Source: Bureau of Transportation Statistics, Form 41; [Schedule P-1.2](#)

Note: American and US Airways began combined reporting with 3Q 2015 data. American's numbers in this table include US Airways' numbers reported separately from January through June 2015. For US Airways report, see [Schedule P-1.2](#).

Table 3. Annual Large Airline Systemwide (Domestic + International) Expense

Ranked by 2015 Operating Revenue
(millions of dollars)

Rank	Airline	Operating Expenses	Fuel Costs	Percent for Fuel (%)	Labor Costs	Percent for Labor (%)
1	AA-US Combined	34,895	6,189	17.7	10,066	28.8
2	Delta	32,971	6,503	19.7	10,445	31.7
3	United	32,697	6,345	19.4	10,014	30.6
4	Southwest	15,704	3,616	23.0	6,689	42.6
5	JetBlue	5,218	1,348	25.8	1,628	31.2
6	Alaska	4,303	808	18.8	1,233	28.6
7	Hawaiian	1,882	416	22.1	526	27.9
8	Spirit	1,632	461	28.3	378	23.2
9	SkyWest	1,716	115	6.7	732	42.6
10	Frontier	1,328	346	26.1	313	23.6
10-Carrier Total		132,346	26,148	19.8	42,023	31.8
All Passenger Airlines		140,881	26,977	19.1	45,385	32.2

Source: Bureau of Transportation Statistics, Form 41; [Schedule P-1.2](#)

Note: American and US Airways began combined reporting with 3Q 2015 data. American's numbers in this table include US Airways' numbers reported separately from January through June 2015. For US Airways report, see [Schedule P-1.2](#).

Table 4. Quarterly U.S. Scheduled Service Passenger Airlines Financial Reports
 Reports from 25 airlines in 4Q 2015
 (millions of dollars)

	4Q 2014	1Q 2015	2Q 2015	3Q 2015	4Q 2015	Dollar Change 4Q2014- 4Q2015
Net Income	242	3,115	5,515	9,268	7,698	7,456
Operating Profit/Loss	1,969	5,096	8,155	8,832	5,894	3,925
Operating Revenue*	40,910	39,135	43,944	45,201	40,343	-567
Fares	30,579	29,416	33,249	34,090	29,976	-603
Baggage Fees	879	864	962	1,019	958	79
Reservation Change Fees	744	768	773	755	715	-29
Operating Expenses	38,941	34,044	35,788	36,370	34,449	-4,492
Fuel	10,950	7,188	7,926	7,071	5,817	-5,133
Labor	10,265	10,366	10,969	11,868	11,449	1,184

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 [Schedule P-1.2](#).

Table 5. Quarterly Large Airline Systemwide (Domestic + International) Net Income
Ranked by 4Q 2015 Operating Revenue
(millions of dollars)

Rank	Airline	4Q 2014	1Q 2015	2Q 2015	3Q 2015	4Q 2015	Dollar Change 4Q2014- 4Q2015
1	AA-US Combined	439	808	1,465	1,722	4,552	4,113
	American	178	569	1,052	1,722	N/A	N/A
	US Airways	261	239	414	N/A	N/A	N/A
2	Delta	-703	748	1,490	1,319	988	1,690
3	United	-9	509	1,193	4,776	824	832
4	Southwest	190	453	608	584	536	346
5	JetBlue	87	137	152	198	190	103
6	Alaska	147	145	228	268	187	40
7	Hawaiian	15	33	50	71	39	24
8	Spirit	58	69	80	103	79	21
9	SkyWest	-11	17	31	37	28	39
10	Frontier	25	31	54	29	19	-6
10-Carrier Total		239	2,951	5,352	10,829	7,441	7,201
All Passenger Airlines		241	3,115	5,515	9,268	7,698	7,457

Source: Bureau of Transportation Statistics, Form 41; [Schedule P-1.2](#)
Note: American and US Airways began combined reporting with 3Q 2015 data.

Table 6. Quarterly Large Airline Systemwide (Domestic + International) Operating Profit/Loss
Ranked by 4Q 2015 Operating Revenue
(millions of dollars)

Rank	Airline	4Q 2014	1Q 2015	2Q 2015	3Q 2015	4Q 2015	Dollar Change 4Q2014- 4Q2015
1	AA-US Combined	840	1,202	1,957	2,003	1,063	223
	American	345	760	1,206	2,003	N/A	N/A
	US Airways	495	441	752	N/A	N/A	N/A
2	Delta	-772	1,399	2,477	2,222	1,722	2,494
3	United	626	741	1,446	1,900	1,081	456
4	Southwest	620	780	1,085	1,225	1,026	406
5	JetBlue	161	244	282	350	323	162
6	Alaska	240	238	362	433	258	18
7	Hawaiian	77	72	92	156	111	33
8	Spirit	90	109	112	157	120	30
9	SkyWest	-5	37	59	68	52	57
10	Frontier	39	50	88	99	40	1
10-Carrier Total		1,916	4,871	7,962	10,615	5,796	3,880
All Passenger Airlines		1,971	5,096	8,155	8,832	5,894	3,923

Source: Bureau of Transportation Statistics, Form 41; [Schedule P-1.2](#)
Note: American and US Airways began combined reporting with 3Q 2015 data.

Table 7. Jan-Dec. U.S. Scheduled Passenger Airlines Revenue, Expenses and Profits
 Reports from 25 airlines in 2015
 (millions of dollars)

	Jan-Dec 2014	Jan-Dec 2015	Change	2014- 2015 % Change	% of YTD 2015 Revenue or Expense Total
Operating Revenue					
Passenger Fares(scheduled/charter)	127,455.4	126,879.5	-575.9	-0.45	75.13
Cargo	3,078.2	2,890.1	-188.1	-6.11	1.71
Baggage	3,529.3	3,813.5	284.2	8.05	2.26
Reservation Changes	2,980.7	3,011.8	31.1	1.04	1.78
Transport-Related*	28,125.2	27,384.0	-741.2	-2.64	16.22
Other**	4,107.7	4,895.3	787.6	19.17	2.90
Total Operating Revenue	169,276.5	168,874.2	-402.3	-0.24	100.00
Operating Expense					
Fuel	43,431.2	26,976.9	-16,454.3	-37.89	19.15
Labor	40,770.8	45,385.0	4,614.2	11.32	32.22
Rentals	8,507.9	8,611.8	103.9	1.22	6.11
Depreciation & Amortization	7,083.0	7,483.4	400.4	5.65	5.31
Landing Fees	2,803.5	2,853.2	49.7	1.77	2.03
Maintenance Materials	2,882.5	2,534.6	-347.9	-12.07	1.80
Transport-Related*	20,711.0	18,172.5	-2,538.5	-12.26	12.90
Other***	64,486.7	28,863.6	-35,623.1	-55.24	20.49
Total Operating Expense	190,676.6	140,881.0	-49,795.6	-26.12	100.00
Profits or Losses					
Operating Profit	14,600.0	27,993.2	13,393.2	91.73	N/A
Operating Margin**** (%)	8.6	16.6	8.0	N/A	N/A
Nonoperating Income/(Expense)#	-4,748.1	-4,103.5	644.6	-13.58	N/A
Pre-Tax Income	9,851.9	23,889.8	14,037.9	142.49	N/A
Income Tax Benefit/(Expense)	-2,405.5	1,705.7	4,111.2	-170.91	N/A
Other Income/(Expense)	0.0	0.0	0.0	N/A	N/A
Net Income	7,446.5	25,595.5	18,149.0	243.73	N/A
Net Margin## (%)	4.4	15.2	10.8	N/A	N/A

Source: Bureau of Transportation Statistics, Form 41; Schedules [P-1.2](#) 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 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 8. Quarterly U.S. Scheduled Passenger Airlines Revenue, Expenses and Profits
 Reports from 25 airlines in 4Q 2015
 (millions of dollars)

	4Q 2014	4Q 2015	Change	2014-2015 % Change	% of 4Q 2015 Revenue or Expense Total
Operating Revenue					
Passenger Fares (scheduled/charter)	30,579.5	29,975.9	-603.6	-1.97	74.30
Cargo	821.0	710.8	-110.2	-13.42	1.76
Baggage	879.1	957.8	78.7	8.95	2.37
Reservation Changes	743.5	715.0	-28.5	-3.83	1.77
Transport-Related*	6,859.9	6,707.3	-152.6	-2.22	16.63
Other**	1,027.1	1,275.7	248.6	24.20	3.16
Total Operating Revenue	40,910.1	40,342.5	-567.6	-1.39	100.00
Operating Expense					
Fuel	10,950.1	5,817.2	-5,132.9	-46.88	16.89
Labor	10,264.8	11,449.0	1,184.2	11.54	33.23
Rentals	2,097.9	2,144.2	46.3	2.21	6.22
Depreciation & Amortization	1,824.5	1,916.6	92.1	5.05	5.56
Landing Fees	696.9	694.2	-2.7	-0.39	2.02
Maintenance Materials	737.4	557.1	-180.3	-24.45	1.62
Transport-Related*	4,954.5	4,351.2	-603.3	-12.18	12.63
Other***	7,415.2	7,519.5	104.3	1.41	21.83
Total Operating Expense	38,941.3	34,449.0	-4,492.3	-11.54	100.00
Profits or Losses					
Operating Profit	1,968.8	5,893.5	3,924.7	199.34	N/A
Operating Margin**** (%)	4.8	14.6	9.8	N/A	N/A
Nonoperating Income/(Expense)#	-1,735.5	-1,289.7	445.8	-25.69	N/A
Pre-Tax Income	233.3	4,603.9	4,370.6	1,873.38	N/A
Income Tax Benefit/(Expense)	8.9	3,094.7	3,085.8	34,671.91	N/A
Other Income/(Expense)	0.0	0.0	0.0	N/A	N/A
Net Income	242.2	7,698.5	7,456.3	3,078.57	N/A
Net Margin### (%)	0.6	19.1	18.5	N/A	N/A

Source: Bureau of Transportation Statistics, Form 41; Schedules [P-1.2](#) 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 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.