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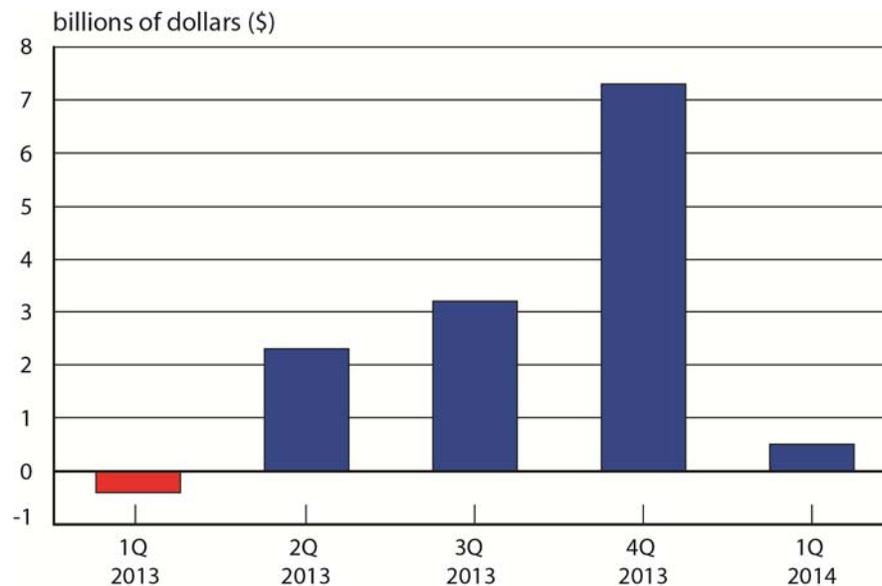
BTS Data

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1st Quarter 2014 Airline Financial Data

U.S. scheduled passenger airlines reported a net profit of \$507 million in the first quarter of 2014, down from a profit of \$7.3 billion in the fourth quarter of 2013 and up from a loss of \$392 million in the first quarter of 2013, 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 2013-1Q 2014



The 27 U.S. scheduled service airlines reported an after-tax net profit for the fourth consecutive quarter.

In addition to the after-tax net profit based on [net income](#) reports, the scheduled service passenger airlines reported a \$1.7 billion pre-tax operating profit in the first quarter of 2014, down from \$2.7 billion in the fourth quarter of 2013 and up from \$589 million in the first quarter of 2013. The airlines reported a pre-tax operating profit - as a group - for the 13th consecutive quarter (Tables 1, 3).

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 the January-to-March first-quarter of 2014 was \$38.5 billion. Airlines collected \$28.7 billion from fares, 74.7 percent of total first-quarter operating revenue (Table 1).

Total operating expenses for all passenger airlines in the first-quarter of 2014 were \$36.8 billion, of which fuel costs accounted for \$10.2 billion, or 27.7 percent, and labor costs accounted for \$9.7 billion, or 26.4 percent (Table 1).

In the first quarter, passenger airlines collected a total of \$791 million in [baggage fees](#), 2.0 percent of total operating revenue, and \$726 million from [reservation change fees](#), 1.9 percent of total operating revenue. Fees are included for calculations of net income, operating revenue and operating profit or loss (Table 1).

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 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 \$474 million in the first quarter of 2014, down from a profit of \$7.1 billion in the fourth quarter of 2013 and up from a loss of \$405 million in the first quarter of 2013 (Table 2). These airlines carried 77.9 percent of U.S. airlines' [scheduled service passengers](#) in the first quarter of 2014 and accounted for 93.5 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 \$1.6 billion pre-tax operating profit in the first quarter of 2014, down from a profit of \$2.2 billion in the fourth quarter of 2013 and up from a \$495 million pre-tax operating profit in the first quarter of 2013 (Table 3).

Margins for All Scheduled Passenger Airlines

All U.S. scheduled passenger airlines reported a combined net income margin of 1.3 percent in the first quarter of 2014, up from up from a net loss margin of -1.1 percent in the first quarter of 2013. Net margin is the net income or loss as a percentage of operating revenue. These airlines reported an operating profit margin of 4.3 percent in the first quarter of 2014, up from up from 1.6 percent in the first quarter of 2013. 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.

Data are compiled from quarterly financial and monthly traffic reports filed with BTS by commercial air carriers. Financial and traffic data include data received by BTS as of May 30. 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 2014 data on Sept. 22.

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

Reports from 27 airlines in 1Q 2014

(millions of dollars)

	1Q	2Q	3Q	4Q	1Q	Dollar
	2013	2013	2013	2013	2014	Change (in
						millions)
						1Q2013-
						1Q2014
Net Income	-392	2,269	3,165	7,346	507	900
Operating Profit/Loss	589	3,731	4,730	2,703	1,658	1,069
Operating Revenue*	37,269	41,341	43,244	49,052	38,459	1,189
Fares	27,907	30,984	32,530	29,305	28,731	824
Baggage Fees	801	871	880	797	791	-10
Reservation Change Fees	685	719	735	675	726	40
Operating Expenses	36,681	37,609	38,514	46,350	36,801	120
Fuel	10,606	10,908	10,902	12,086	10,190	-415
Labor	9,236	9,480	9,785	11,135	9,729	493

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 2014 Operating Revenue
(millions of dollars)

Rank	Airline	1Q 2013	2Q 2013	3Q 2013	4Q 2013	1Q 2014	Dollar Change 1Q2013- 1Q2014
1	United	-362	484	377	154	-580	-219
2	Delta	7	689	1,372	8,482	218	211
3	American	-253	228	290	-1,791	401	654
4	Southwest	59	224	259	213	152	94
5	US Airways	69	325	220	-130	126	57
6	JetBlue	14	36	71	47	-1	-15
7	Alaska	34	102	285	76	93	59
8	Hawaiian	-14	15	43	19	-3	11
9	SkyWest	14	25	30	18	7	-7
10	Spirit	27	37	54	43	60	33
10-Carrier Total		-405	2,165	3,002	7,131	474	879
All Passenger Airlines		-392	2,269	3,165	7,346	507	900

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

Table 3. Quarterly Large Airline Systemwide (Domestic + International) Operating Profit/Loss
Ranked by 1Q 2014 Operating Revenue
(millions of dollars)

Rank	Airline	1Q 2013	2Q 2013	3Q 2013	4Q 2013	1Q 2014	Dollar Change 1Q2013- 1Q2014
1	United	-260	771	510	238	-341	-81
2	Delta	323	949	1,697	870	672	349
3	American	47	478	683	281	577	530
4	Southwest	70	433	390	386	215	145
5	US Airways	102	477	421	3	189	87
6	JetBlue	59	93	152	111	43	-15
7	Alaska	82	189	454	131	147	64
8	Hawaiian	-12	40	76	34	12	24
9	SkyWest	35	51	59	39	21	-13
10	Spirit	50	67	98	68	60	10
10-Carrier Total		495	3,548	4,538	2,159	1,596	1,101
All Passenger Airlines		589	3,731	4,730	2,703	1,658	1,069

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

Table 4. Quarterly U.S. Scheduled Passenger Airlines Revenue, Expenses and Profits
 Reports from 27 airlines in 1Q 2014
 (millions of dollars)

	1Q 2013	1Q 2014	Change	2013- 2014 % Change	% of 1Q 2014 Revenue or Expense Total
Operating Revenue					
Passenger Fares	27,907.2	28,731.4	824.2	3.0	74.7
Cargo	733.1	704.8	-28.3	-3.9	1.8
Baggage	801.0	791.0	-10.0	-1.2	2.1
Reservation Changes	685.3	725.8	40.5	5.9	1.9
Transport-Related*	6,316.4	6,522.4	206.0	3.3	17.0
Other**	826.3	983.3	157.0	19.0	2.6
Total Operating Revenue	37,269.3	38,458.7	1,189.4	3.2	100.0
Operating Expense					
Fuel	10,605.6	10,190.4	-415.2	-3.9	27.7
Labor	9,235.8	9,728.9	493.1	5.3	26.4
Rentals	2,197.6	2,140.6	-57.0	-2.6	5.8
Depreciation & Amortization	1,601.6	1,716.5	114.9	7.2	4.7
Landing Fees	654.0	643.2	-10.8	-1.7	1.7
Maintenance Materials	715.6	699.0	-16.6	-2.3	1.9
Transport-Related*	5,100.3	5,161.5	61.2	1.2	14.0
Other***	6,570.2	6,520.9	-49.3	-0.8	17.7
Total Operating Expense	36,680.7	36,801.0	120.3	0.3	100.0
Profits or Losses					
Operating Profit	588.6	1,657.7	1,069.1	181.6	N/A
Operating Margin**** (%)	1.6	4.3	2.7		N/A
Nonoperating Income/(Expense)#	-925.8	-869.8	56.0	-6.0	N/A
Pre-Tax Income	-337.2	787.9	1,125.1	N/A	N/A
Income Tax Benefit/(Expense)	-51.5	-280.7	-229.2	445.0	N/A
Other Income/(Expense)	-3.7	0.0	3.7	-100.0	N/A
Net Income	-392.4	507.2	899.6	N/A	N/A
Net Margin## (%)	-1.1	1.3	2.4		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 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.