



U.S. Department of Transportation
Office of Public Affairs
1200 New Jersey Avenue, SE
Washington, DC 20590
<http://www.dot.gov/briefingroom>

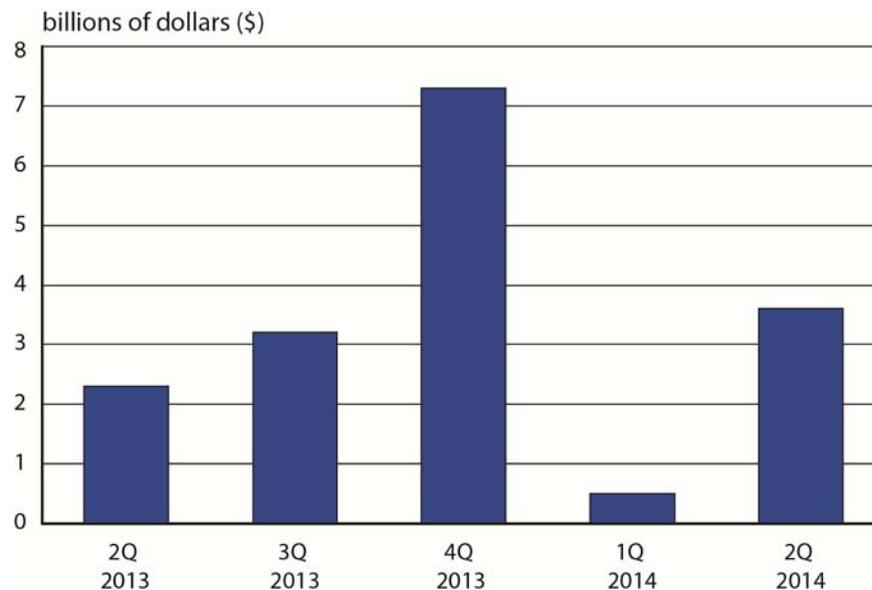
BTS Data

BTS 44-14
Monday, September 22, 2014
Contact: Dave Smallen
Tel: 202-366-5568

2nd Quarter 2014 Airline Financial Data

U.S. scheduled passenger airlines reported a net profit of \$3.6 billion in the second quarter of 2014, up from \$507 million in the first quarter of 2014 and \$2.2 billion in the second 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 2Q 2013-2Q 2014



The 27 U.S. scheduled service airlines reported an after-tax net profit as a group for the fifth consecutive quarter.

In addition to the after-tax net profit based on [net income](#) reports, the scheduled service passenger airlines reported a \$5.5 billion pre-tax operating profit in the second quarter of 2014, up from \$1.7 billion in the first quarter of 2014 and up from \$3.7 billion in the second quarter of 2013. The airlines reported a pre-tax operating profit - as a group - for the 14th 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 April-to-June second-quarter of 2014 was \$44.6 billion. Airlines collected \$33.7 billion from fares, 75.5 percent of total second-quarter operating revenue (Table 1).

Total operating expenses for all passenger airlines in the second-quarter of 2014 were \$39.1 billion, of which fuel costs accounted for \$10.8 billion, or 27.8 percent, and labor costs accounted for \$10.3 billion, or 26.3 percent (Table 1).

In the second quarter, passenger airlines collected a total of \$900 million in [baggage fees](#), 2.0 percent of total operating revenue, and \$753 million 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 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 \$3.5 billion in the second quarter of 2014, up from a profit of \$474 million in the first quarter of 2014 and up from a profit of \$2.2 billion in the second quarter of 2013 (Table 2). These airlines carried 79.4 percent of U.S. airlines' [scheduled service passengers](#) in the second quarter and accounted for 96.8 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 \$5.3 billion pre-tax operating profit in the second quarter of 2014, up from a profit of \$1.6 billion in the first quarter of 2014 and up from a \$3.5 billion pre-tax operating profit in the second quarter of 2013 (Table 3).

Margins for All Scheduled Passenger Airlines

All U.S. scheduled passenger airlines reported a combined net income margin of 8.0 percent in the second quarter of 2014, up from up from a net margin of 5.5 percent in the second 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 12.3 percent in the second quarter of 2014, up from 9.0 percent in the second quarter of 2013. Operating margin is the operating profit or loss as a percentage of operating revenue (Table 4).

For the year-to-date January through June period, all U.S. scheduled passenger airlines reported a combined net income margin of 4.9 percent in 2014, up from a net margin of 2.4 percent in 2013. These airlines reported an operating profit margin of 8.6 percent in the first six months of 2014, up from the same period in 5.5 percent in 2013 (Table 5).

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 Sept. 9. 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 third-quarter 2014 data on Dec. 15.

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

Reports from 27 airlines in 2Q 2014

(millions of dollars)

	2Q 2013	3Q 2013	4Q 2013	1Q 2014	2Q 2014	Dollar Change (in millions) 2Q2013- 2Q2014
Net Income	2,269	3,165	7,346	507	3,578	1,309
Operating Profit/Loss	3,731	4,730	2,703	1,658	5,499	1,768
Operating Revenue*	41,341	43,244	49,052	38,459	44,620	3,279
Fares	30,984	32,530	29,305	28,731	33,670	2,686
Baggage Fees	871	880	797	791	900	29
Reservation Change Fees	719	735	675	726	753	34
Operating Expenses	37,609	38,514	46,350	36,801	39,122	1,513
Fuel	10,908	10,902	12,086	10,190	10,880	-28
Labor	9,480	9,785	11,135	9,729	10,294	814

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 2Q 2014 Operating Revenue
(millions of dollars)

Rank	Airline	2Q 2013	3Q 2013	4Q 2013	1Q 2014	2Q 2014	Dollar Change 1Q2013- 1Q2014
1	Delta	689	1,372	8,482	218	807	118
2	United	484	377	154	-580	769	285
3	American	228	290	-1,791	401	265	37
4	Southwest	224	259	213	152	465	241
5	US Airways	325	220	-130	126	605	280
6	JetBlue	36	71	47	-1	231	195
7	Alaska	102	285	76	93	166	64
8	Hawaiian	15	43	19	-3	30	15
9	Spirit	37	54	43	60	106	69
10	SkyWest	25	30	18	7	19	-6
10-Carrier Total		2,165	3,002	7,131	474	3,463	1,298
All Passenger Airlines		2,269	3,165	7,346	507	3,578	1,309

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

Table 3. Quarterly Large Airline Systemwide (Domestic + International) Operating Profit/Loss
Ranked by 2Q 2014 Operating Revenue
(millions of dollars)

Rank	Airline	2Q 2013	3Q 2013	4Q 2013	1Q 2014	2Q 2014	Dollar Change 1Q2013- 1Q2014
1	Delta	949	1,697	870	672	1,616	667
2	United	771	510	238	-341	906	135
3	American	478	683	281	577	718	240
4	Southwest	433	390	386	215	775	342
5	US Airways	477	421	3	189	678	201
6	JetBlue	93	152	111	43	141	48
7	Alaska	189	454	131	147	257	68
8	Hawaiian	40	76	34	12	54	14
9	Spirit	67	98	68	60	105	38
10	SkyWest	51	59	39	21	42	-9
10-Carrier Total		3,548	4,538	2,159	1,596	5,292	1,744
All Passenger Airlines		3,731	4,730	2,703	1,658	5,499	1,768

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 2Q 2014

(millions of dollars)

	2Q 2013	2Q 2014	Change	2013- 2014 % Change	% of 2Q 2014 Revenue or Expense Total
Operating Revenue					
Passenger Fares (scheduled/charter)	31,124.6	33,670.2	2,545.6	8.18	75.46
Cargo	753.6	769.3	15.7	2.08	1.72
Baggage	871.1	899.5	28.4	3.26	2.02
Reservation Changes	719.2	752.8	33.6	4.67	1.69
Transport-Related*	7,085.8	7,459.5	373.7	5.27	16.72
Other**	880.7	1,068.9	188.2	21.37	2.40
Total Operating Revenue	41,435.1	44,620.2	3,185.1	7.69	100.00
Operating Expense					
Fuel	10,903.3	10,879.9	-23.4	-0.21	27.81
Labor	9,518.8	10,293.9	775.1	8.14	26.31
Rentals	2,234.8	2,131.1	-103.7	-4.64	5.45
Depreciation & Amortization	1,642.0	1,757.2	115.2	7.02	4.49
Landing Fees	705.0	719.4	14.4	2.04	1.84
Maintenance Materials	690.6	683.9	-6.7	-0.97	1.75
Transport-Related*	5,228.3	5,368.4	140.1	2.68	13.72
Other***	6,792.8	7,287.8	495.0	7.29	18.63
Total Operating Expense	37,715.7	39,121.5	1,405.8	3.73	100.00
Profits or Losses					
Operating Profit	3,719.3	5,498.7	1,779.4	47.84	N/A
Operating Margin**** (%)	9.0	12.3	N/A	N/A	N/A
Nonoperating Income/(Expense)#	-1,080.4	-517.4	563.0	-52.11	N/A
Pre-Tax Income	2,638.9	4,981.3	2,342.4	88.76	N/A
Income Tax Benefit/(Expense)	-375.3	-1,403.3	-1,028.0	273.91	N/A
Other Income/(Expense)	0.0	0.0	0.0	N/A	N/A
Net Income	2,259.0	3,578.1	1,319.1	58.39	N/A
Net Margin## (%)	5.5	8.0	N/A	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 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-June U.S. Scheduled Passenger Airlines Revenue, Expenses and Profits
Reports from 27 airlines in 2014
(millions of dollars)

	Jan-Jun 2013	Jan-Jun 2014	Change	2013- 2014 % Change	% of YTD 2014 Revenue or Expense Total
Operating Revenue					
Passenger Fares (scheduled/charter)	59,031.7	62,401.6	3,369.9	5.71	75.11
Cargo	1,486.7	1,474.1	-12.6	-0.85	1.77
Baggage	1,672.1	1,690.5	18.4	1.10	2.03
Reservation Changes	1,404.5	1,478.6	74.1	5.28	1.78
Transport-Related*	13,402.2	13,981.9	579.7	4.33	16.83
Other**	1,707.2	2,052.3	345.1	20.21	2.47
Total Operating Revenue	78,704.4	83,079.0	4,374.6	5.56	100.00
Operating Expense					
Fuel	21,508.9	21,070.2	-438.7	-2.04	27.75
Labor	18,757.3	20,022.8	1,265.5	6.75	26.37
Rentals	4,440.4	4,271.7	-168.7	-3.80	5.63
Depreciation & Amortization	3,243.6	3,473.7	230.1	7.09	4.58
Landing Fees	1,359.0	1,362.6	3.6	0.26	1.79
Maintenance Materials	1,406.2	1,382.9	-23.3	-1.66	1.82
Transport-Related*	10,328.5	10,529.9	201.4	1.95	13.87
Other***	13,360.5	13,808.8	448.3	3.36	18.19
Total Operating Expense	74,404.4	75,922.6	1,518.2	2.04	100.00
Profits or Losses					
Operating Profit	4,300.0	7,156.4	2,856.4	66.43	N/A
Operating Margin**** (%)	5.5	8.6	N/A	N/A	N/A
Nonoperating Income/(Expense)#	-2,006.3	-1,387.1	619.2	-30.86	N/A
Pre-Tax Income	2,293.7	5,769.2	3,475.5	151.52	N/A
Income Tax Benefit/(Expense)	-424.2	-1,684.0	-1,259.8	296.98	N/A
Other Income/(Expense)	0.0	0.0	0.0	N/A	N/A
Net Income	1,861.2	4,085.3	2,224.1	119.50	N/A
Net Margin## (%)	2.4	4.9	N/A	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 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.