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**Fourth Quarter 2004 Airline Financial Data:
Regional Passenger Airlines Only Group to Report Domestic Profit**

The seven largest regional airlines were the only one of three selected carrier groups to report a domestic operating profit margin — an industry measure of profitability — during the fourth quarter of 2004, the Bureau of Transportation Statistics (BTS) of the U.S. Department of Transportation reported today in a release of preliminary data.

BTS, a part of the Research and Innovative Technology Administration, reported that this group of regional carriers reported a domestic operating profit margin of 10.4 percent for the fourth quarter, compared to the 11.5 percent loss margin reported by the seven largest low-cost air carriers and the 15.8 percent loss margin reported by the seven network carriers (Table 1). Domestic operating margin measures operating profit or loss as a percentage of the airline's total domestic operating revenue.

The domestic passenger airline industry operating margin, represented by the 21 selected carriers, declined from a 3.8 percent loss margin in the third quarter to a 12.2 percent loss margin in the fourth quarter. Quarter-to-quarter changes may be affected by seasonal factors.

The selected low-cost carriers reported a 16.8 percentage point worsening in profit margin from the fourth quarter of 2003, while the selected network carriers saw an eight percentage point worsening in their operating loss margin from a year earlier.

The largest percentage operating loss margins were reported by low-cost carrier ATA Airlines (Table 3) – the airline filed for Chapter 11 bankruptcy protection on Oct. 26 – and network carriers United Airlines and Delta Air Lines (Table 2). The top operating profit margins were all reported by regional airlines – American Eagle Airlines, ExpressJet Airlines and Mesa Air Group (Table 4).

Network carriers operate a significant portion of their flights using at least one hub where connections are made for flights on a spoke system. Low-cost carriers are those that the industry generally recognizes as operating under a low-cost business model. Regional carriers provide service from small cities, using primarily regional jets to support the network carriers' hub and spoke systems. The selected groups consist of the seven carriers with the highest annual reported revenue in each group.

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The regional carriers had the highest unit revenues with 14.6 cents per available seat mile (Table 5). These higher unit revenues generally reflect the shorter flights and smaller aircraft flown by these carriers. Regional carriers average flights of 300 to 450 miles, compared to the 1,000-mile average stage length for the network carriers. Domestic unit revenue measures revenues against capacity by dividing domestic operating revenues by domestic available seat miles.

Overall, the highest unit revenues were reported by regional carriers American Eagle, SkyWest Airlines and Atlantic Southeast Airlines (Table 8). The lowest unit revenues were reported by low-cost carriers Spirit Airlines, JetBlue Airways and ATA (Table 7). Northwest Airlines reported the highest unit revenues among the selected network carriers (Table 6).

The network carriers reported the highest domestic unit costs – 13.7 cents per available seat mile (Table 9). The low-cost carriers reported the lowest unit costs – 8.8 cents per available seat mile. Domestic unit cost measures expenses against capacity by dividing domestic operating expenses by domestic available seat miles.

The carriers with the highest unit costs were low-cost carrier ATA (Table 12) and network carriers Northwest and Continental Airlines (Table 10). The carriers with the lowest unit costs were low-cost carriers JetBlue, Southwest Airlines and AirTran Airways (Table 11).

The regional carriers also reported the highest domestic passenger revenue yields — at 20.7 cents per revenue passenger mile (Table 13). Domestic passenger revenue yield measures passenger revenues against total travel by dividing domestic passenger revenues by domestic revenue passenger miles.

The top passenger revenue yields were reported by regional carriers American Eagle, Pinnacle Airlines and SkyWest (Table 16). The lowest passenger revenue yields were reported by low-cost carriers ATA, JetBlue and America West Airlines (Table 15). US Airways reported the highest revenue yield of any network carrier (Table 14).

Additional airline financial data can be found later today on the BTS website at TranStats, the Intermodal Transportation Database, <http://transtats.bts.gov>. Click on “aviation,” then on “Air Carrier Financial Reports (Form 41 Financial Data),” then click on “Schedule P-12.”

Data are compiled from quarterly financial and monthly traffic reports filed with BTS by commercial air carriers. Financial and traffic data are preliminary and include data received by BTS as of May 10. Data are subject to revision. Data from the third-quarter of 2004 and previous quarters are posted on the BTS website at <http://transtats.bts.gov>. BTS has scheduled June 20 for release of first-quarter 2005 data.

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Table 1: Quarterly Domestic Operating profit/loss margin (in percent)

Passenger Airlines by Group

Ranked by 4th Quarter 2004 Margin

(Operating Profit/Loss as Percent of Total Operating Revenue)

4Q 2004 Rank		4th Quarter 2003 (%)	1st Quarter 2004 (%)	2nd Quarter 2004 (%)	3rd Quarter 2004 (%)	4th Quarter 2004 (%)	4th Quarter Operating Profit/Loss \$(Millions)
1	Regionals	N/A	11.0	11.5	11.0	10.4	214.0
2	Low-Cost	5.3	1.6	7.1	3.6	-11.5	-394.1
3	Network	-7.8	-10.0	-2.8	-7.6	-15.8	-2,185.4
	21-Carrier Total	N/A	-5.9	0.3	-3.8	-12.2	-2,365.5

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

Table 2: Quarterly Domestic Operating profit/loss margin (in percent)

Network Carriers

Ranked by 4th Quarter 2004 Margin

(Operating Profit/Loss as Percent of Total Operating Revenue)

4Q 2004 Rank	Network Carriers	4th Quarter 2003 (%)	1st Quarter 2004 (%)	2nd Quarter 2004 (%)	3rd Quarter 2004 (%)	4th Quarter 2004 (%)	4th Quarter Operating Profit/Loss \$(Millions)
1	US Airways	-4.8	-11.0	2.0	-14.3	-10.1	-142.6
2	Northwest	-0.2	-2.9	4.3	1.6	-11.7	-221.9
3	Alaska	-4.2	-11.2	1.0	6.9	-11.7	-56.7
4	American	-13.8	-8.3	-4.6	-8.2	-14.0	-410.3
5	Continental	-8.5	-9.9	-4.4	-7.0	-15.4	-252.4
6	Delta	-6.7	-13.1	-6.3	-13.0	-17.7	-524.4
7	United	-8.9	-12.2	-4.7	-7.7	-22.7	-577.1
	Seven-Carrier Total	-7.8	-9.9	-2.8	-7.6	-15.8	-2,185.4

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

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Table 3: Quarterly Domestic Operating profit/loss margin (in percent)

Low-Cost Carriers

Ranked by 4th Quarter 2004 Margin

(Operating Profit/Loss as Percent of Total Operating Revenue)

4Q 2004 Rank	Low-Cost Carriers	4th Quarter 2003 (%)	1st Quarter 2004 (%)	2nd Quarter 2004 (%)	3rd Quarter 2004 (%)	4th Quarter 2004 (%)	4th Quarter Operating Profit/Loss \$(Millions)
1	Southwest	7.3	3.1	11.5	11.4	7.2	119.1
2	JetBlue	13.4	11.3	14.1	7.1	3.7	12.2
3	AirTran	8.7	4.3	11.3	-4.9	1.3	3.6
4	America West	1.1	2.0	2.6	-4.7	-6.9	-40.9
5	Frontier	7.7	-8.0	-3.8	-0.3	-7.3	-15.3
6	Spirit	-3.0	2.0	-3.0	-13.3	-31.6	-36.0
7	ATA	-6.5	-14.8	-9.1	-12.5	-187.0	-436.7
Seven-Carrier Total		5.3	1.6	7.1	3.6	-11.5	-394.0

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

Table 4: Quarterly Domestic Operating profit/loss margin (in percent)

Regional Carriers

Ranked by 4th Quarter 2004 Margin

(Operating Profit/Loss as Percent of Total Operating Revenue)

4Q 2004 Rank	Regional Carriers	4th Quarter 2003 (%)	1st Quarter 2004 (%)	2nd Quarter 2004 (%)	3rd Quarter 2004 (%)	4th Quarter 2004 (%)	4th Quarter Operating Profit/Loss \$(Millions)
1	American Eagle	20.6	16.3	15.5	14.1	14.9	59.5
2	ExpressJet	12.9	12.5	12.6	12.4	13.3	47.3
3	Mesa	N/A	12.3	11.6	11.7	12.4	28.7
4	SkyWest	12.2	13.7	13.2	12.3	11.3	36.8
5	Pinnacle	N/A	10.7	11.1	11.0	9.7	17.5
6	Atlantic Southeast	9.8	7.7	6.7	9.0	9.4	24.8
7	Comair	16.5	6.9	7.9	8.1	-0.2	-0.6
Seven-Carrier Total		N/A	11.0	11.5	11.0	10.4	214.0

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

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Table 5. Airline Domestic Unit Revenue (Cents Per Mile)

Passenger Airlines by Group

Ranked by 4th Quarter Domestic Unit Revenue

(Domestic Operating Revenue Per Available Seat Mile)

4Q 2004 Rank		4th Quarter 2003	1st Quarter 2004	2nd Quarter 2004	3rd Quarter 2004	4th Quarter 2004	4th Quarter Operating Revenue \$(Millions)
1	Regionals	N/A	14.6	14.1	14.2	14.6	2,062.0
2	Network	11.4	11.5	12.1	11.7	11.8	13,879.4
3	Low-Cost	7.9	7.8	8.5	8.0	7.9	3,415.1
	21-Carrier Total	N/A	10.8	11.4	11.0	11.1	19,356.5

Source: Bureau of Transportation Statistics; Form 41, Schedule P1.2. T100; T2 Data

Table 6. Airline Domestic Unit Revenue (Cents Per Mile)

Network Carriers

Ranked by 4th Quarter Domestic Unit Revenue

(Domestic Operating Revenue Per Available Seat Mile)

4Q 2004 Rank	Network Carriers	4th Quarter 2003	1st Quarter 2004	2nd Quarter 2004	3rd Quarter 2004	4th Quarter 2004	4th Quarter Operating Revenue \$(Millions)
1	Northwest	11.7	12.7	14.1	14.1	13.7	1,900.2
2	US Airways	15.2	14.4	16.3	14.1	13.7	1,415.9
3	Continental	10.3	10.3	10.6	10.3	13.2	1,641.6
4	Delta	12.5	12.3	12.7	12.3	11.9	2,962.5
5	United	10.7	10.8	11.4	11.4	11.3	2,542.2
6	American	10.4	10.4	10.7	10.1	10.2	2,933.4
7	Alaska	10.0	9.8	10.3	10.8	9.9	483.6
	Seven-Carrier Total	11.4	11.5	12.1	11.7	11.8	13,879.4

Source: Bureau of Transportation Statistics; Form 41, Schedule P1.2. T100; T2 Data

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Table 7. Airline Domestic Unit Revenue (Cents Per Mile)

Low-Cost Carriers

Ranked by 4th Quarter Domestic Unit Revenue

(Domestic Operating Revenue Per Available Seat Mile)

4Q 2004 Rank	Low-Cost Carriers	4th Quarter 2003	1st Quarter 2004	2nd Quarter 2004	3rd Quarter 2004	4th Quarter 2004	4th Quarter Operating Revenue \$(Millions)
1	Frontier	9.3	9.3	9.3	9.5	10.2	208.2
2	AirTran	8.9	8.6	9.5	8.2	8.4	279.4
3	Southwest	8.3	8.1	9.1	8.6	8.2	1,655.0
4	America West	7.9	8.2	8.5	8.1	8.0	591.0
5	Spirit	7.8	8.1	7.9	7.6	7.2	114.0
6	JetBlue	7.0	6.8	6.9	6.6	6.7	334.0
7	ATA	6.1	5.9	6.6	6.5	5.9	233.5
Seven-Carrier Total		7.9	7.8	8.5	8.0	7.9	3,415.1

Source: Bureau of Transportation Statistics; Form 41, Schedule P1.2. T100; T2 Data

Table 8. Airline Domestic Unit Revenue (Cents Per Mile)

Regional Carriers

Ranked by 4th Quarter Domestic Unit Revenue

(Domestic Operating Revenue Per Available Seat Mile)

4Q 2004 Rank	Regional Carriers	4th Quarter 2003	1st Quarter 2004	2nd Quarter 2004	3rd Quarter 2004	4th Quarter 2004	4th Quarter Operating Revenue \$(Millions)
1	American Eagle	17.0	17.6	16.9	16.5	17.2	398.9
2	SkyWest	14.6	15.3	15.4	15.1	15.5	322.9
3	Atlantic Southeast	13.3	13.2	12.9	13.6	14.7	263.7
4	Pinnacle	N/A	16.3	15.4	14.5	14.5	181.3
5	Express Jet	14.8	15.3	14.4	14.5	14.4	357.1
6	Comair	13.0	12.4	12.5	13.3	13.3	297.3
7	Mesa	N/A	12.3	11.6	11.7	12.4	240.8
Seven-Carrier Total		N/A	14.6	14.1	14.2	14.6	2,062.0

Source: Bureau of Transportation Statistics; Form 41, Schedule P1.2. T100; T2 Data

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Table 9. Airline Domestic Unit Costs (Cents per Mile)

Passenger Airlines by Group

Ranked by 4th Quarter Domestic Unit Costs

(Domestic Operating Expenses per Available Seat Mile in cents)

4Q 2004 Rank		4th Quarter 2003	1st Quarter 2004	2nd Quarter 2004	3rd Quarter 2004	4th Quarter 2004	4th Quarter Operating Expense \$(Millions)
1	Network	12.3	12.6	12.4	12.6	13.7	16,064.7
2	Regionals	N/A	13.0	12.5	12.6	13.1	1,851.8
3	Low-Cost 21-Carrier	7.5	7.7	7.9	7.8	8.8	3,809.1
	Total	N/A	11.4	11.3	11.4	12.4	21,725.6

Source: Bureau of Transportation Statistics; Form 41, Schedule P1.2. T100; T2 Data

Table 10. Airline Domestic Unit Costs (Cents per Mile)

Network Carriers

Ranked by 4th Quarter Domestic Unit Costs

(Domestic Operating Expenses per Available Seat Mile in cents)

4Q 2004 Rank	Network Carriers	4th Quarter 2003	1st Quarter 2004	2nd Quarter 2004	3rd Quarter 2004	4th Quarter 2004	4th Quarter Operating Expense \$(Millions)
1	Northwest	11.7	13.1	13.5	13.9	15.4	2,122.1
2	Continental	11.1	11.3	11.0	11.0	15.3	1,894.0
3	US Airways	15.9	16.0	16.0	16.1	15.0	1,558.5
4	Delta	13.3	13.9	13.5	13.9	14.1	3,486.9
5	United	11.7	12.2	11.9	12.3	13.9	3,119.2
6	American	11.9	11.2	11.2	10.9	11.6	3,343.7
7	Alaska	10.4	10.9	10.2	10.1	11.1	540.3
	Seven-Carrier Total	12.3	12.6	12.4	12.6	13.7	16,064.7

Source: Bureau of Transportation Statistics; Form 41; Schedule P1.2. T100; T2 Data

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Table 11. Airline Domestic Unit Costs (Cents per Mile)

Low-Cost Carriers

Ranked by 4th Quarter Domestic Unit Costs

(Domestic Operating Expenses per Available Seat Mile in cents)

4Q 2004 Rank	Low-Cost Carriers	4th Quarter 2003	1st Quarter 2004	2nd Quarter 2004	3rd Quarter 2004	4th Quarter 2004	4th Quarter Operating Expense \$(Millions)
1	ATA	6.5	6.8	7.2	7.3	16.9	670.2
2	Frontier	8.6	10.1	9.7	9.5	10.9	223.5
3	Spirit	8.0	8.0	8.2	8.6	9.5	150.0
4	America West	7.8	8.0	8.3	8.5	8.6	631.9
5	AirTran	8.1	8.2	8.5	8.6	8.3	275.8
6	Southwest	7.7	7.8	8.1	7.6	7.6	1,535.9
7	JetBlue	6.1	6.1	5.9	6.1	6.5	321.8
Seven-Carrier Total		7.5	7.7	7.9	7.8	8.8	3,809.1

Source: Bureau of Transportation Statistics; Form 41; Schedule P1.2. T100; T2 Data.

Table 12. Airline Domestic Unit Costs (Cents per Mile)

Regionals

Ranked by 4th Quarter Domestic Unit Costs

(Domestic Operating Expenses per Available Seat Mile in cents)

4Q 2004 Rank	Regional Carriers	4th Quarter 2003	1st Quarter 2004	2nd Quarter 2004	3rd Quarter 2004	4th Quarter 2004	4th Quarter Operating Expense \$(Millions)
1	American Eagle	13.5	14.8	14.3	14.2	14.6	339.4
2	SkyWest	12.8	13.2	13.4	13.2	13.8	289.9
3	Atlantic Southeast	12.0	12.2	12.0	12.3	13.3	238.9
4	Comair	10.9	11.6	11.5	12.2	13.3	297.9
5	Pinnacle	N/A	14.6	13.7	12.9	13.1	163.8
6	Express Jet	12.9	13.4	12.6	12.7	12.5	309.8
7	Mesa	N/A	11.8	10.3	10.8	10.9	212.1
Seven-Carrier Total		N/A	13.0	12.5	12.6	13.1	1,851.8

Source: Bureau of Transportation Statistics; Form 41; Schedule P1.2. T100; T2 Data.

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Table 13. Domestic Passenger Revenue Yield (Cents per Mile)

Passenger Airlines by Group

Ranked by 4th Quarter Domestic Revenue Yield

(Domestic Passenger Revenue per Revenue Passenger Mile in cents)

4Q 2004 Rank		4th Quarter 2003	1st Quarter 2004	2nd Quarter 2004	3rd Quarter 2004	4th Quarter 2004	4th Quarter Passenger Revenue \$(Millions)
1	Regionals	N/A	22.4	19.3	19.5	20.7	2,058.6
2	Network	12.4	12.4	11.9	11.1	11.3	9,995.7
3	Low-Cost 21-Carrier	10.7	10.6	10.2	9.7	10.2	3,147.6
	Total	N/A	12.6	12.0	11.4	11.8	15,201.9

Source: Bureau of Transportation Statistics; Form 41; Schedule P1.2. T100; T2 Data

Table 14. Domestic Passenger Revenue Yield (Cents per Mile)

Network Carriers

Ranked by 4th Quarter Domestic Revenue Yield

(Domestic Passenger Revenue per Revenue Passenger Mile in cents)

4Q 2004 Rank	Network Carriers	4th Quarter 2003	1st Quarter 2004	2nd Quarter 2004	3rd Quarter 2004	4th Quarter 2004	4th Quarter Passenger Revenue \$(Millions)
1	US Airways	14.8	14.4	14.0	12.4	12.8	960.7
2	Northwest	13.8	13.8	13.4	12.8	12.8	1,335.9
3	Alaska	12.7	12.4	12.4	12.3	11.9	420.7
4	American	12.2	12.0	11.5	10.6	11.0	2,381.4
5	Continental	11.9	12.5	11.9	11.1	11.4	1,100.7
6	Delta	12.0	12.1	11.5	10.6	10.9	1,993.9
7	United	11.3	11.4	10.8	10.1	10.4	1,802.4
	Seven-Carrier Total	12.4	12.4	11.9	11.1	11.3	9,995.7

Source: Bureau of Transportation Statistics; Form 41; Schedule P1.2. T100; T2 Data.

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Table 15. Domestic Passenger Revenue Yield (Cents per Mile)

Low-Cost Carriers

Ranked by 4th Quarter Domestic Revenue Yield

(Domestic Passenger Revenue per Revenue Passenger Mile in cents)

4Q 2004 Rank	Low-Cost Carriers	4th Quarter 2003	1st Quarter 2004	2nd Quarter 2004	3rd Quarter 2004	4th Quarter 2004	4th Quarter Passenger Revenue \$(Millions)
1	Southwest	12.0	11.8	11.2	11.1	11.7	1,542.5
2	AirTran	12.3	12.1	12.2	11.3	11.7	269.2
3	Frontier	12.0	11.8	11.0	10.7	11.3	174.3
4	Spirit	9.2	10.1	10.1	8.8	9.4	110.2
5	America West	9.7	10.0	9.5	8.6	9.2	523.1
6	JetBlue	8.2	8.3	7.9	7.6	7.7	320.4
7	ATA	8.3	8.3	8.2	7.7	7.6	207.9
Seven-Carrier Total		10.7	10.6	10.2	9.7	10.2	3,147.6

Source: Bureau of Transportation Statistics; Form 41; Schedule P1.2. T100; T2 Data

Table 16. Domestic Passenger Revenue Yield (Cents per Mile)

Regionals

Ranked by 4th Quarter Domestic Revenue Yield

(Domestic Passenger Revenue per Revenue Passenger Mile in cents)

4Q 2004 Rank	Regional Carriers	4th Quarter 2003	1st Quarter 2004	2nd Quarter 2004	3rd Quarter 2004	4th Quarter 2004	4th Quarter Passenger Revenue \$(Millions)
1	American Eagle	25.6	27.4	23.8	23.4	25.0	397.7
2	Pinnacle	N/A	25.9	20.7	20.0	21.7	179.4
3	SkyWest	19.9	21.5	20.3	19.5	21.1	322.9
4	Atlantic Southeast	19.9	20.9	18.1	19.2	20.6	263.7
5	Comair	19.1	19.7	17.6	19.1	19.7	297.3
6	Express Jet	21.1	24.0	19.5	19.4	19.7	356.8
7	Mesa	N/A	18.5	15.6	15.6	17.4	240.8
Seven-Carrier Total		N/A	22.4	19.3	19.5	20.7	2,058.6

Source: Form 41; Schedule P1.2. T100; T2 Data.

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