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**First Quarter 2005 Airline Financial Data: Regional Passenger Airlines Report
Domestic Profit; Network and Low-Cost Carriers Report Losses**

The seven largest regional airlines reported a domestic operating profit margin — an industry measure of profitability — while the network and low-cost carriers reported loss margins during the first quarter of 2005, 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 8.5 percent for the first quarter, compared to the 4.3 percent loss margin reported by the seven largest low-cost air carriers and the 9.9 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, improved from a 12.2 percent loss margin in the fourth quarter of 2004 to a 6.9 percent loss margin in the first quarter of 2005. Quarter-to-quarter changes may be affected by seasonal factors.

The selected low-cost carriers reported a 5.9 percentage point worsening in profit margin from the first quarter of 2004, while the selected network carriers experienced no change 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 Alaska Airlines and US Airways (Table 2). The top operating profit margins were all reported by regional airlines – American Eagle Airlines, Mesa Air Group and Pinnacle Airlines (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 in each group with the highest reported revenue in the most recent 12-month period.

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The regional carriers had the highest unit revenues with 14.5 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 Pinnacle (Table 8). The lowest unit revenues were reported by low-cost carriers Southwest Airlines, JetBlue Airways and ATA. (Table 7). Continental Airlines reported the highest unit revenues among the selected network carriers (Table 6).

The regional carriers reported the highest domestic unit costs – 13.3 cents per available seat mile barely exceeding the network carriers' 13.2 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 Airlines and Continental (Table 10). The carriers with the lowest unit costs were low-cost carriers JetBlue, Southwest and AirTran Airways (Table 11).

The regional carriers also reported the highest domestic passenger revenue yields — 21.1 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 and SkyWest (Table 16). The lowest passenger revenue yields were reported by low-cost carriers ATA, JetBlue and America West Airlines (Table 15). Northwest reported the highest revenue yield of any network carrier (Table 14). Delta Air Lines' and United Airlines' passenger yields have lagged behind the other network carriers for the past four quarters. These airlines have developed internal low-fare airlines within the operational structure of the mainline carrier marketed specifically to operate in leisure markets - Delta created "Song" and United started "Ted."

Additional airline financial data is posted 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 June 14. Data are subject to revision.

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Data from the fourth quarter of 2004 and previous quarters are posted on the BTS website at <http://transtats.bts.gov>. BTS will release second quarter financial data and revised data from the first quarter on Sept. 19.

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

Passenger Airlines by Group

Ranked by 1st Quarter 2005 Margin

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

1Q 2005 Rank		1st Quarter 2004 (%)	2nd Quarter 2004 (%)	3rd Quarter 2004 (%)	4th Quarter 2004 (%)	1st Quarter 2005 (%)	1st Quarter Operating Profit/Loss \$(Millions)
1	Regional Carriers	11.0	11.5	11.0	10.4	8.5	177.0
2	Low-Cost Carriers	1.6	7.1	3.6	-11.5	-4.3	-155.7
3	Network Carriers	-9.9	-2.8	-7.6	-15.8	-9.9	-1,386.4
	21-Carrier Total	-5.9	0.3	-3.8	-12.2	-6.9	-1,365.1

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

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

Network Carriers

Ranked by 1st Quarter 2005 Margin

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

1Q 2005 Rank	Network Carriers	1st Quarter 2004 (%)	2nd Quarter 2004 (%)	3rd Quarter 2004 (%)	4th Quarter 2004 (%)	1st Quarter 2005 (%)	1st Quarter Operating Profit/Loss \$(Millions)
1	American	-8.30	-4.60	-8.20	-14.00	-4.70	-141.7
2	United	-12.20	-4.70	-7.70	-22.70	-6.90	-176.1
3	Northwest	-2.90	4.30	1.60	-11.70	-10.40	-198.8
4	Continental	-9.90	-4.40	-7.00	-15.40	-12.00	-202.3
5	Delta	-13.10	-6.30	-13.00	-17.70	-13.60	-401.5
6	US Airways	-11.00	2.00	-14.30	-10.10	-13.90	-191.1
7	Alaska	-11.20	1.00	6.90	-11.70	-16.00	-74.9
	Seven-Carrier Total	-9.90	-2.80	-7.60	-15.80	-9.90	-1,386.4

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 1st Quarter 2005 Margin

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

1Q 2005 Rank	Low-Cost Carriers	1st Quarter 2004 (%)	2nd Quarter 2004 (%)	3rd Quarter 2004 (%)	4th Quarter 2004 (%)	1st Quarter 2005 (%)	1st Quarter Operating Profit/Loss \$(Millions)
1	JetBlue	11.3	14.1	7.1	3.7	6.9	25.8
2	America West	2.0	2.6	-4.7	-6.9	6.6	47.9
3	Southwest	3.1	11.5	11.4	7.2	6.4	106.2
4	Frontier	-8.0	-3.8	-0.3	-7.3	-1.3	-2.8
5	AirTran	4.3	11.3	-4.9	1.3	-3.2	-9.4
6	Spirit	2.0	-3.0	-13.3	-31.6	-3.8	-5.3
7	ATA	-14.8	-9.1	-12.5	-187.0	-185.0	-318.3
Seven-Carrier Total		1.6	7.1	3.6	-11.5	-4.3	-155.7

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

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

Regional Carriers

Ranked by 1st Quarter 2005 Margin

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

1Q 2005 Rank	Regional Carriers	1st Quarter 2004 (%)	2nd Quarter 2004 (%)	3rd Quarter 2004 (%)	4th Quarter 2004 (%)	1st Quarter 2005 (%)	1st Quarter Operating Profit/Loss \$(Millions)
1	American Eagle	16.3	15.5	14.1	14.9	13.5	54.6
2	Mesa	4.6	11.1	7.9	11.9	13.2	32.6
3	Pinnacle	10.7	11.1	11.0	9.7	10.3	20.1
4	Sky West	13.7	13.2	12.3	11.3	10.1	34.4
5	Express Jet	12.5	12.6	12.4	13.3	9.1	30.9
6	Comair	6.9	7.9	8.1	-0.2	1.6	4.9
7	Atlantic Southeast	7.7	6.7	9.0	9.4	-0.2	-0.5
Seven-Carrier Total		11.0	11.5	11.0	10.4	8.5	177.0

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 1st Quarter 2005 Domestic Unit Revenue

(Domestic Operating Revenue Per Available Seat Mile)

1Q 2005 Rank		1st Quarter 2004	2nd Quarter 2004	3rd Quarter 2004	4th Quarter 2004	1st Quarter 2005	1st Quarter Operating Revenue \$(Millions)
1	Regional Carriers	14.6	14.1	14.2	14.6	14.5	2,085.8
2	Network Carriers	11.5	12.1	11.7	11.8	12.0	13,979.0
3	Low-Cost Carriers	7.8	8.5	8.0	7.9	8.4	3,591.1
	21-Carrier Total	10.8	11.4	11.0	11.0	11.3	19,655.9

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 1st Quarter 2005 Domestic Unit Revenue

(Domestic Operating Revenue Per Available Seat Mile)

1Q 2005 Rank	Network Carriers	1st Quarter 2004	2nd Quarter 2004	3rd Quarter 2004	4th Quarter 2004	1st Quarter 2005	1st Quarter Operating Revenue \$(Millions)
1	Continental	10.3	10.6	10.3	13.2	14.1	1,684.3
2	Northwest	12.7	14.1	14.1	13.7	13.7	1,907.5
3	US Airways	14.4	16.3	14.1	13.7	13.0	1,378.9
4	Delta	12.3	12.7	12.3	11.9	12.0	2,957.2
5	United	10.8	11.4	11.4	11.3	11.4	2,540.8
6	American	10.4	10.7	10.1	10.2	10.8	3,043.3
7	Alaska	9.8	10.3	10.8	9.9	9.9	467.0
	Seven-Carrier Total	11.5	12.1	11.7	11.8	12.0	13,979.0

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 1st Quarter 2005 Domestic Unit Revenue
(Domestic Operating Revenue Per Available Seat Mile)

1Q 2005 Rank	Low-Cost Carriers	1st Quarter 2004	2nd Quarter 2004	3rd Quarter 2004	4th Quarter 2004	1st Quarter 2005	1st Quarter Operating Revenue \$(Millions)
1	Frontier	9.3	9.3	9.5	10.2	11.1	218.5
2	America West	8.2	8.5	8.1	8.0	10.4	726.5
3	Spirit	8.1	7.9	7.6	7.2	8.5	137.0
4	AirTran	8.6	9.5	8.2	8.4	8.5	299.7
5	Southwest	8.1	9.1	8.6	8.2	8.2	1,663.5
6	JetBlue	6.8	6.9	6.6	6.7	7.2	374.3
7	ATA	5.9	6.6	6.5	5.9	5.8	171.9

Seven-Carrier

Total		7.8	8.5	8.0	7.9	8.4	3,591.1
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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 1st Quarter 2005 Domestic Unit Revenue
(Domestic Operating Revenue Per Available Seat Mile)

1Q 2005 Rank	Regional Carriers	1st Quarter 2004	2nd Quarter 2004	3rd Quarter 2004	4th Quarter 2004	1st Quarter 2005	1st Quarter Operating Revenue \$(Millions)
1	American Eagle	17.6	16.9	16.5	17.2	17.2	403.6
2	Sky West	15.3	15.4	15.1	15.5	15.3	340.3
3	Pinnacle	16.3	15.4	14.5	14.5	15.1	194.7
4	Comair	12.4	12.5	13.3	13.3	14.1	310.6
5	Express Jet	15.3	14.3	14.5	14.4	13.9	338.6
6	Atlantic Southeast	13.2	12.9	13.6	14.7	13.6	250.4
7	Mesa	12.3	11.6	11.7	12.4	12.2	247.6

Seven-Carrier

Total		14.6	14.1	14.2	14.6	14.5	2,085.8
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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 1st Quarter 2005 Domestic Unit Costs

(Domestic Operating Expenses per Available Seat Mile in cents)

1Q 2005 Rank		1st Quarter 2004	2nd Quarter 2004	3rd Quarter 2004	4th Quarter 2004	1st Quarter 2005	1st Quarter Operating Expense \$(Millions)
1	Regional Carriers	13.0	12.5	12.6	13.1	13.3	1,908.8
2	Network Carriers	12.6	12.4	12.6	13.7	13.2	15,365.4
3	Low Cost Carriers	7.7	7.9	7.8	8.8	8.8	3,746.7
	21-Carrier Total	11.4	11.3	11.4	12.4	12.1	21,020.9

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 1st Quarter 2005 Domestic Unit Costs

(Domestic Operating Expenses per Available Seat Mile in cents)

1Q 2005 Rank	Network Carriers	1st Quarter 2004	2nd Quarter 2004	3rd Quarter 2004	4th Quarter 2004	1st Quarter 2005	1st Quarter Operating Expense \$(Millions)
1	Continental	11.3	11.0	11.0	15.3	15.8	1,886.6
2	Northwest	13.1	13.5	13.9	15.4	15.1	2,106.3
3	US Airways	16.0	16.0	16.1	15.0	14.8	1,569.9
4	Delta	13.9	13.5	13.9	14.1	13.7	3,358.8
5	United	12.2	11.9	12.3	13.9	12.2	2,716.8
6	Alaska	10.9	10.2	10.1	11.1	11.4	541.9
7	American	11.2	11.2	10.9	11.6	11.3	3,185.1
	Seven-Carrier Total	12.6	12.4	12.6	13.7	13.2	15,365.4

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 1st Quarter 2005 Domestic Unit Costs

(Domestic Operating Expenses per Available Seat Mile in cents)

1Q 2005 Rank	Low-cost Carriers	1st Quarter 2004	2nd Quarter 2004	3rd Quarter 2004	4th Quarter 2004	1st Quarter 2005	1st Quarter Operating Expenses \$(Millions)
1	ATA	6.8	7.2	7.3	16.9	16.4	490.0
2	Frontier	10.1	9.7	9.5	10.9	11.3	221.3
3	America West	8.0	8.3	8.5	8.6	9.7	678.3
4	Spirit	8.0	8.2	8.6	9.5	8.8	142.2
5	AirTran	8.2	8.5	8.6	8.3	8.7	309.1
6	Southwest	7.8	8.1	7.6	7.6	7.7	1,557.3
7	JetBlue	6.1	5.9	6.1	6.5	6.7	348.3
Seven-Carrier Total		7.7	7.9	7.8	8.8	8.8	3,746.7

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 1st Quarter 2005 Domestic Unit Costs

(Domestic Operating Expenses per Available Seat Mile in cents)

1Q 2005 Rank	Regional Carriers	1st Quarter 2004	2nd Quarter 2004	3rd Quarter 2004	4th Quarter 2004	1st Quarter 2005	1st Quarter Operating Expenses \$(Millions)
1	American Eagle	14.8	14.3	14.2	14.6	14.8	349.0
2	Comair	11.6	11.5	12.2	13.3	13.8	305.7
3	Sky West	13.2	13.4	13.2	13.8	13.7	305.8
4	Atlantic Southeast	12.2	12.0	12.3	13.3	13.7	250.9
5	Pinnacle	14.6	13.7	12.9	13.1	13.5	174.7
6	Express Jet	13.4	12.6	12.7	12.5	12.7	307.7
7	Mesa	11.8	10.3	10.8	10.9	10.6	215.0
Seven-Carrier Total		13.0	12.5	12.6	13.1	13.3	1,908.8

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 1st Quarter 2005 Domestic Revenue Yield

(Domestic Passenger Revenue per Revenue Passenger Mile in cents)

1Q 2005 Rank		1st Quarter 2004	2nd Quarter 2004	3rd Quarter 2004	4th Quarter 2004	1st Quarter 2005	1st Quarter Passenger Revenue \$(Millions)
1	Regional Carriers	22.4	19.3	19.5	20.7	21.1	2,075.8
2	Network Carriers	12.4	11.9	11.1	11.3	11.6	10,067.7
3	Low-Cost Carriers	10.6	10.2	9.7	10.2	10.6	3,209.3
	21-Carrier Total	12.6	12.0	11.4	11.8	12.1	15,352.8

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 1st Quarter 2005 Domestic Revenue Yield

(Domestic Passenger Revenue per Revenue Passenger Mile in cents)

1Q 2005 Rank	Network Carriers	1st Quarter 2004	2nd Quarter 2004	3rd Quarter 2004	4th Quarter 2004	1st Quarter 2005	1st Quarter Passenger Revenue \$(Millions)
1	Northwest	13.8	13.4	12.8	12.8	12.7	1,348.8
2	US Airways	14.4	14.0	12.4	12.8	12.4	946.1
3	Continental	12.5	11.9	11.1	11.4	11.9	1,124.2
4	Alaska	12.4	12.4	12.3	11.9	11.9	407.5
5	American	12.0	11.5	10.6	11.0	11.6	2,506.3
6	Delta	12.1	11.5	10.6	10.9	11.0	2,027.2
7	United	11.4	10.8	10.1	10.4	10.8	1,707.6
	Seven-Carrier Total	12.4	11.9	11.1	11.3	11.6	10,067.7

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 1st Quarter 2005 Domestic Revenue Yield

(Domestic Passenger Revenue per Revenue Passenger Mile in cents)

1Q 2005 Rank	Low-Cost Carriers	1st Quarter 2004	2nd Quarter 2004	3rd Quarter 2004	4th Quarter 2004	1st Quarter 2005	1st Quarter Passenger Revenue \$(Millions)
1	Frontier	11.8	11.0	10.7	11.3	12.2	183.6
2	AirTran	12.1	12.2	11.3	11.7	11.8	288.4
3	Southwest	11.8	11.2	11.1	11.7	11.7	1,547.1
4	Spirit	10.1	10.1	8.8	9.4	10.5	132.0
5	America West	10.0	9.5	8.6	9.2	10.0	545.4
6	ATA	8.3	8.2	7.7	7.6	8.4	155.0
7	JetBlue	8.3	7.9	7.6	7.7	8.1	357.8
Seven-Carrier Total		10.6	10.2	9.7	10.2	10.6	3,209.3

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 1st Quarter 2005 Domestic Revenue Yield

(Domestic Passenger Revenue per Revenue Passenger Mile in cents)

1Q 2005 Rank	Regional Carriers	1st Quarter 2004	2nd Quarter 2004	3rd Quarter 2004	4th Quarter 2004	1st Quarter 2005	1st Quarter Passenger Revenue \$(Millions)
1	American Eagle	27.4	23.8	23.4	25.0	25.9	400.7
2	Pinnacle	25.9	20.7	20.0	21.7	23.6	192.8
3	Sky West	21.5	20.3	19.5	21.1	20.6	335.6
4	Comair	19.7	17.6	19.1	19.7	21.9	310.6
5	Atlantic Southeast	20.9	18.1	19.2	20.6	19.4	250.4
6	Express Jet	24.0	19.5	19.4	19.7	19.4	338.4
7	Mesa	18.5	15.6	15.6	17.4	17.9	247.3
Seven-Carrier Total		22.4	19.3	19.5	20.7	21.1	2,075.8

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

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