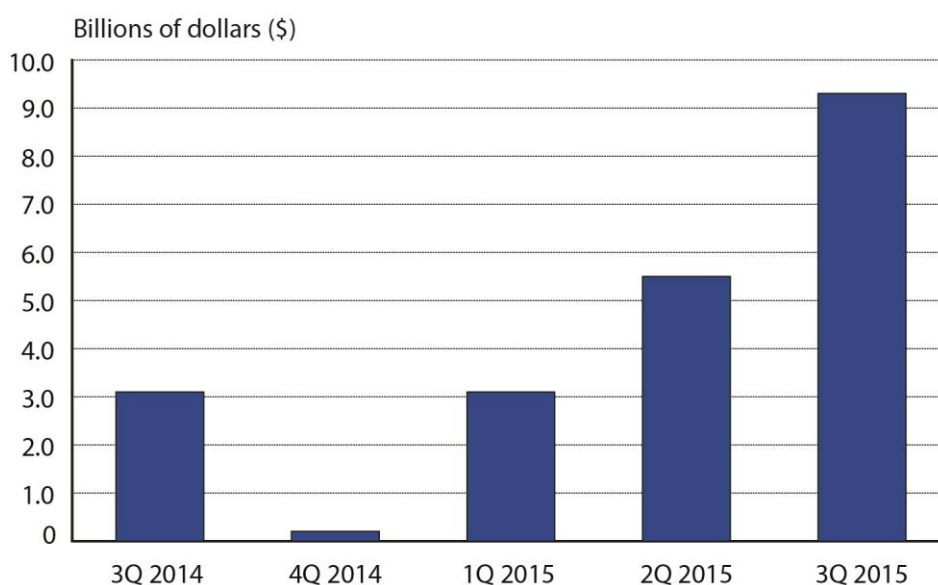


3rd Quarter 2015 Airline Financial Data

U.S. scheduled passenger airlines reported an after-tax net profit of \$9.3 billion in the third quarter of 2015, up from \$5.5 billion in the second quarter of 2015 and up from \$3.1 billion in the third quarter of 2014, the U.S. Department of Transportation's Bureau of Transportation Statistics (BTS) reported today (Table 1).

U.S. Scheduled Service Passenger Airlines After-Tax Profit (Net Income) 3Q 2014-3Q 2015



The third quarter of 2015 is the 10th consecutive quarter the 25 U.S. scheduled service passenger airlines reported an after-tax net profit as a group. It was also the highest quarterly after-tax net profit since the first quarter of 2006.

In addition to the after-tax net profit of \$9.3 billion based on [net income](#) reports, the scheduled service passenger airlines reported \$8.8 billion in pre-tax operating profit in the third quarter of 2015, up from \$8.2 billion in the second quarter of 2015 and up from \$5.5 billion in the third quarter of 2014. The airlines reported a pre-tax operating profit - as a group - for the 18th consecutive quarter (Tables 1, 3).

Net income (after tax) and operating profit (pre-tax) are two different measures of airline financial performance. Net profit 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 July-September third-quarter of 2015 was \$45.2 billion. Airlines collected \$34.1 billion from fares, 75.4 percent of total third-quarter operating revenue (Table 4).

Total operating expenses for all passenger airlines in the third-quarter of 2015 were \$36.4 billion, of which fuel costs accounted for \$7.1 billion, or 19.4 percent, and labor costs accounted for \$11.9 billion, or 32.6 percent (Table 4).

In the third quarter, passenger airlines collected a total of \$1.0 billion in [baggage fees](#), 2.3 percent of total operating revenue, and \$755 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 4).

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 Scheduled Passenger Airlines with the Highest Operating Revenue

As a group, the 10 U.S. scheduled passenger airlines with the highest operating revenue in the third quarter of 2015 reported an after-tax net profit of \$9.1 billion in the third quarter of 2015, up from a profit of \$5.4 billion in the second quarter of 2015 and up from a profit of \$3.0 billion in the third quarter of 2014 (Table 2). These airlines carried 82.2 percent of U.S. airlines' [scheduled service passengers](#) in the third quarter and accounted for 98.3 percent of the scheduled passenger airline after-tax net profit (Table 2).

In addition to the after-tax net income reports, the 10 airlines reported a \$8.6 billion pre-tax operating profit in the third quarter of 2015, up from a profit of \$8.0 billion in the second quarter and up from a \$5.3 billion pre-tax operating profit in the third quarter of 2014 (Table 3).

The third quarter of 2015 was the first quarter for which American Airlines and US Airways reported a combined number following their merger.

Margins for All Scheduled Passenger Airlines

As a group, all U.S. scheduled passenger airlines reported a combined net income margin of 20.5 percent in the third quarter of 2015, up from a net margin of 6.9 percent in the third quarter of 2014. Net margin is the net income or loss as a percentage of operating revenue. These airlines reported an operating profit margin of 19.5 percent in the third quarter of 2015, up from 12.1 percent in the third quarter of 2014. 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.

By regulation, for the quarter ending Sept. 30, 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 Nov. 10. The airline filings are subject to a process of quality assurance and data validations before release to the public.

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 fourth-quarter 2015 data on May 2.

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

Reports from 25 airlines in 3Q 2015

(millions of dollars)

	3Q 2014	4Q 2014	1Q 2015	2Q 2015	3Q 2015	Dollar Change 3Q2014- 3Q2015
Net Income	3,119	241	3,115	5,515	9,268	6,149
Operating Profit/Loss	5,475	1,971	5,096	8,155	8,832	3,357
Operating Revenue*	45,287	40,910	39,135	43,944	45,201	-85
Fares	34,474	30,579	29,416	33,249	34,090	-384
Baggage Fees	960	879	864	962	1,019	59
Reservation Change Fees	759	744	768	773	755	-3
Operating Expenses	39,812	38,938	34,044	35,788	36,370	-3,443
Fuel	11,411	10,950	7,188	7,926	7,071	-4,340
Labor	10,483	10,265	10,366	10,969	11,868	1,385

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 3Q 2015 Operating Revenue
(millions of dollars)

Rank	Airline	3Q 2014	4Q 2014	1Q 2015	2Q 2015	3Q 2015	Dollar Change 3Q2014- 3Q2015
1	Delta	362	-703	748	1,490	1,319	958
2	AA-US Combined	955	439	808	1,465	1,722	767
	American	466	178	569	1,052	N/A	N/A
	US Airways	490	261	239	414	N/A	N/A
3	United	933	-9	509	1,193	4,776	3,843
4	Southwest	329	190	453	608	584	256
5	JetBlue	79	87	137	152	198	119
6	Alaska	192	147	145	228	268	76
7	Hawaiian	38	15	33	50	71	33
8	Spirit	67	58	69	80	103	36
9	SkyWest	32	-11	17	31	37	6
10	Frontier	58	25	31	54	29	-29
10-Carrier Total		3,044	239	2,951	5,352	9,107	6,063
All Passenger Airlines		3,119	241	3,115	5,515	9,268	6,149

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

Note: American and US Airways began combined reporting with 3Q 2015 data

Table 3. Quarterly Large Airline Systemwide (Domestic + International) Operating Profit/Loss
Ranked by 3Q 2015 Operating Revenue
(millions of dollars)

Rank	Airline	3Q 2014	4Q 2014	1Q 2015	2Q 2015	3Q 2015	Dollar Change 3Q2014- 3Q2015
1	Delta	1,409	-772	1,399	2,477	2,222	813
2	AA-US Combined	1,264	840	1,202	1,957	2,003	739
	American	698	345	760	1,206	N/A	N/A
	US Airways	566	495	441	752	N/A	N/A
3	United	1,185	626	741	1,446	1,900	715
4	Southwest	614	620	780	1,085	1,225	611
5	JetBlue	163	161	244	282	350	187
6	Alaska	314	240	238	362	433	118
7	Hawaiian	106	77	72	92	156	50
8	Spirit	100	90	109	112	157	57
9	SkyWest	64	-5	37	59	68	4
10	Frontier	96	39	50	88	99	3
10-Carrier Total		5,315	1,916	4,871	7,962	8,612	3,297
All Passenger Airlines		5,475	1,971	5,096	8,155	8,832	3,357

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

Note: American and US Airways began combined reporting with 3Q 2015 data

Table 4. Quarterly U.S. Scheduled Passenger Airlines Revenue, Expenses and Profits
 Reports from 26 airlines in 3Q 2015
 (millions of dollars)

	3Q 2014	3Q 2015	Change	2014-2015 % Change	% of 3Q 2015 Revenue or Expense Total
Operating Revenue					
Passenger Fares (scheduled/charter)	34,474.0	34,089.7	-384.3	-1.11	75.42
Cargo	782.4	707.9	-74.5	-9.53	1.57
Baggage	960.0	1,018.9	58.9	6.13	2.25
Reservation Changes	759.0	755.2	-3.8	-0.50	1.67
Transport-Related*	7,283.5	7,166.8	-116.7	-1.60	15.86
Other**	1,028.0	1,462.5	434.5	42.27	3.24
Total Operating Revenue	45,286.9	45,201.0	-85.9	-0.19	100.00
Operating Expense					
Fuel	11,411.1	7,071.1	-4,340.0	-38.03	19.44
Labor	10,482.8	11,868.0	1,385.2	13.21	32.63
Rentals	2,137.9	2,165.2	27.3	1.28	5.95
Depreciation & Amortization	1,784.6	1,892.5	107.9	6.05	5.20
Landing Fees	744.0	757.0	13.0	1.75	2.08
Maintenance Materials	761.8	645.6	-116.2	-15.26	1.78
Transport-Related*	5,226.6	4,606.4	-620.2	-11.87	12.67
Other***	7,263.4	7,363.7	100.3	1.38	20.25
Total Operating Expense	39,812.2	36,369.6	-3,442.7	-8.65	100.00
Profits or Losses					
Operating Profit	5,475.1	8,831.6	3,356.5	61.31	N/A
Operating Margin**** (%)	12.1	19.5	7.4	N/A	N/A
Nonoperating Income/(Expense)#	-1,625.9	1,178.7	2,804.7	-172.50	N/A
Pre-Tax Income	3,849.1	7,652.8	3,803.7	98.82	N/A
Income Tax Benefit/(Expense)	-730.4	1,615.4	2,345.8	-321.17	N/A
Other Income/(Expense)	0.0	0.0	0.0	N/A	N/A
Net Income	3,118.7	9,268.2	6,149.5	197.18	N/A
Net Margin## (%)	6.9	20.5	13.6	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 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.