US AIRLINES, $5.5 BN NET PROFIT IN THE Q2 OF 2015

News / Airlines, Finance

U.S. scheduled passenger airlines reported an after-tax net profit of **$5.5 billion** in the second quarter of 2015, up from $3.1 billion in the first quarter of 2015 and up from $3.6 billion in the second quarter of 2014, the U.S. Department of Transportation's Bureau of Transportation Statistics (BTS) reported.

The 26 U.S. scheduled service passenger airlines reported an after-tax net profit as a group for the ninth consecutive quarter.

In addition to the after-tax net profit of $5.5 billion based on net income reports, the scheduled service passenger airlines reported $8.2 billion in pre-tax operating profit in the second quarter of 2015, up from $5.1 billion in the first quarter of 2015 and up from $5.5 billion in the second quarter of 2014. The airlines reported a pre-tax operating profit - as a group - for the 17th consecutive quarter.

Net income 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

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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-June second-quarter of 2015 was $43.9 billion. Airlines collected $33.2 billion from fares, 75.7 percent of total second-quarter operating revenue.

Total operating expenses for all passenger airlines in the second-quarter of 2015 were $35.8 billion, of which fuel costs accounted for $7.9 billion, or 22.1 percent, and labor costs accounted for $11.0 billion, or 30.7 percent.

In the second quarter, passenger airlines collected a total of $962 million in baggage fees, 2.2 percent of total operating revenue, and $773 million from reservation change fees, 1.8 percent of total operating revenue. Fees are included for calculations of net income, operating revenue and operating profit or loss.

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.

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SOURCE: AEROTIME
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