

Airline Industry Revenue - Cost Analysis

AirlineFinancials.com

Note: To use the interactive functions will require the Excel version of this report. Clicking tab at bottom will pull up data sheet for specific airline.

Green and yellow boxes provide projected year-over-year change to that specific metric. User input changes to the yellow boxes will re-calculate historical metrics and provide projections for year 2010 and/or the next quarter. (Note: Plus or minus changes can be made).

General Information-

Unless noted, data is from parent company. Calculations do not consider unknown and potential changes to debt and financing metrics.

Moving the mouse over some labels and data will provide additional clarification.

The projections for year 2010 and current quarter are based on company guidance and estimates from AirlineFinancials.com.

The earnings per share summary provides estimates and projections that may or may not prove to be accurate.

Glossary of Terms-

[SEC--](#) U.S. Securities and Exchange Commission

[BTS--](#) Bureau of Transportation Statistics

ASM— Available Seat Mile. A measure of capacity. ASM's equal the total number of seats available for transporting passengers during a reporting period multiplied by the total number of miles flown during that period.

RPM— Revenue Passenger Mile. One revenue-paying passenger transported one mile. RPM's equal the number of revenue passengers during a reporting period multiplied by the number of miles flown by those passengers during that period, RPM's are also referred to as "traffic".

Yield— The amount of passenger revenue earned per RPM during a reporting period.

RASM— Operating Revenue per ASM. The amount of operating revenue earned per ASM during a reporting period. RASM is also referred to as "unit revenue."

PRASM— Passenger Revenue per ASM. The amount of passenger revenue earned per ASM during a reporting period. Passenger RASM is also referred to as "passenger unit revenue."

CASM— (Operating) Cost per Available Seat Mile. The amount of operating cost incurred per ASM during a reporting period, also referred to as "unit cost".

LF-- Passenger Load Factor — A measure of utilized available seating capacity calculated by dividing RPMs by ASM's for a reporting period.

Average fare-- Represents the average one-way fare paid per flight segment by a revenue passenger that is kept by the airline.

EBITDAR- Operating income ex special charges & before depreciation, amortization and aircraft rent.

[c] May be calculated or estimated from other data.

Disclaimer: Data source includes DOT41, SEC and Corporate Reports. Delta reports most of their data in consolidated form and as such may not be analogous with other carriers. Capital expenditures and debt servicing metrics are not reconciled in these charts. For analogous comparisons, some data may be estimated.

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Website AirlineFinancials.com		How to use this chart ** move mouse here **		Email boh@airlinefinancials.com								
SEC 10-K 2009	2010 Projection		United		SEC 10-Q 3rd qtr '09	SEC 10-Q 4th qtr '09	SEC 10-Q 1st Qtr '10	SEC 10-Q 2nd Qtr '10	3rd qtr 2010 Projection			
\$213	\$1,596		Operating income/loss (million)(excludes special charges)		\$131	\$50	\$87	\$540	\$697			
\$3,042	\$5,252	1.0%	Unrestricted cash & equivalents (million)		\$2,525	\$3,042	\$3,516	\$4,906	\$5,200 6.0%			
\$2,647	\$6,966		Cash flow from operations (estimated daily average) (000)		\$615	\$967	\$5,297	\$9,604	\$10,103			
	\$1,434	8.0%	Projected min cash (% of operating expenses)(million)									
3.4%	-2.2%		Required breakeven fare increase percentage		3.3%	7.2%	2.9%	-7.3%	-8.2%			
(\$7.16)	\$5.59		Avg profit (loss) per passenger		(\$7.11)	(\$16.49)	(\$7.17)	\$19.26	\$20.59			
Revenues (million)												
\$11,910	\$13,902	16.7%	Passenger		\$3,267	\$3,001	\$3,026	\$3,712	\$3,843 17.6%			
\$536	\$724	35.0%	Cargo & freight		\$125	\$166	\$157	\$190	\$213 70.0%			
\$825	\$1,007	22.0%	Other		\$197	\$214	\$218	\$238	\$256 30.0%			
\$3,064	\$3,891	27.0%	Regional affiliate		\$844	\$812	\$840	\$1,021	\$1,182 40.0%			
\$16,335	\$19,524	19.5%	Total consolidated operating revenue		\$4,433	\$4,193	\$4,241	\$5,161	\$5,493 23.9%			
Expenses (million)												
\$3,773	\$3,735	-1.0%	Wages, salaries & benefits		\$954	\$935	\$948	\$1,020	\$1,049 10.0%			
\$3,405	\$4,596	35.0%	Fuel & oil		\$1,064	\$877	\$958	\$1,198	\$1,254 17.8%			
\$905	\$950		Other rentals/landing fees		\$226	\$229	\$228	\$241	\$228			
\$534	\$561		Commissions/booking fees, credit card & distribution		\$145	\$132	\$137	\$154	\$146			
\$902	\$947		Depreciation/amortization		\$220	\$227	\$213	\$215	\$222			
\$965	\$1,013	5.0%	Maintenance materials/repairs		\$253	\$247	\$222	\$245	\$256 1.0%			
\$346	\$363		Aircraft rentals		\$88	\$81	\$81	\$81	\$89			
\$1,397	\$1,467		Food/contracted & purchased passenger services		\$338	\$373	\$344	\$317	\$341			
\$956	\$1,004		Other operating expenses		\$239	\$257	\$208	\$239	\$241			
\$2,939	\$3,292	12.0%	Capacity purchase & miscellaneous expense		\$775	\$785	\$815	\$911	\$969 25.0%			
\$16,122	\$17,928	11.2%	Total consolidated operating expenses		\$4,302	\$4,143	\$4,154	\$4,621	\$4,796 11.5%			
-\$511	-\$654	28.0%	Other non operating Income/expense		-\$150	-\$138	-\$151	-\$163	-\$174 16.0%			
\$21	-\$32	-250.0%	Other income/expense (taxes/misc)		\$5	-\$28	\$0	\$2	\$5 0.0%			
\$966	\$2,543		Cash flow from operations (million)		\$56	\$88	\$482	\$874	\$919			
Operational data (mainline)												
360	349	-3.0%	Operating aircraft (mainline)		371	360	359	360	360 0.0%			
1,942	1,942	0.0%	Fuel consumption (gallons) (million)		511	462	444	497	516 1.0%			
\$1,753	\$2,367	35.0%	Fuel price/gallon		\$2,131	\$2,058	\$2,158	\$2,410	\$2,429 14.0%			
100,475	101,480	1.0%	RPM's (millions)		27,611	23,965	22,893	26,391	27,859 0.9%			
122,737	122,737	0.0%	ASM's (millions)		32,193	28,991	28,161	31,042	32,354 0.5%			
81.9%	82.7%		Load Factor		85.8%	82.7%	81.3%	85.0%	86.1%			
11.81	13.70	16.0%	Yield (cents)		11.79	12.48	13.17	14.03	13.79 17.0%			
10.81	15.91	47.2%	RASM (operating unit revenue)(cents)		11.15	11.66	12.08	13.34	13.33 19.5%			
9.70	11.33	16.8%	PRASM (passenger unit revenue) (cents)		10.15	10.35	10.75	11.96	11.88 17.0%			
10.72	11.92	11.2%	CASM (unit cost)(cents)		10.98	11.75	11.96	11.78	11.83 7.7%			
56.082	55.521	-1.0%	Passengers (million)		15,179	13,149	12,426	13,980	15,316 0.9%			
\$212.37	\$250.40	17.9%	Average one way passenger fare (revenue to airline)		\$215.23	\$228.23	\$243.52	\$265.52	\$250.92 16.6%			
\$67.28	\$67.28	0.0%	Average wage/salary/benefit expense per passenger fare		\$62.85	\$71.11	\$76.29	\$72.96	\$68.52 9.0%			
\$60.70	\$82.78	36.4%	Avg fuel expense per passenger fare		\$71.74	\$72.31	\$77.11	\$85.68	\$81.86 14.1%			
\$219.52	\$244.80	11.5%	Avg net expense per passenger		\$222.34	\$244.72	\$250.70	\$246.26	\$230.33 3.6%			
Miscellaneous												
\$18,684			Total assets (millions)		\$18,347	\$18,684	\$19,952	\$20,134				
\$7,572			Long-term debt and capital lease obligations (millions)		\$6,979	\$7,572	\$8,232	\$7,295				
\$4,530			Net debt (long term debt - cash/equivalents)		\$4,454	\$4,530	\$4,716	\$2,389				
\$3,007			Air traffic liability/Advance ticket sales (millions)		\$3,103	\$3,007	\$3,837	\$4,045				
[c] May be calculated or estimated												
SEC 10-K	2010 Estimates		Earnings & Projections by AirlineFinancials.com				SEC 10-Q		3rd qtr 2010 Estimates			
2009	Airline Financials .com	Industry Analyst estimates	United <i>(millions except EPS)</i>				3rd qtr '09	4th qtr '09	1st Qtr '10	2nd Qtr '10	Airline Financials .com	Industry Analyst estimates
\$16,335	\$19,524	\$19,620	Total consolidated revenue				\$4,433	\$4,193	\$4,241	\$5,161	\$5,493	\$5,480
\$16,612	\$18,614	\$18,644	Operating expense without special charges				\$4,447	\$4,309	\$4,305	\$4,782	\$4,965	\$4,890
-\$374			Special charges & one time items				-\$43	-\$124	-\$18	-\$106		
\$16,986	\$18,614		Total consolidated expense				\$4,490	\$4,433	\$4,323	\$4,888	\$4,965	
-\$651	\$910		GAAP income/loss				-\$57	-\$240	-\$82	\$273	\$528	
-\$4.32	\$4.35		GAAP earnings per share				-\$0.39	-\$1.44	-\$0.49	\$1.16	\$2.25	
-\$477			Special charges & Impairment charge adjustment				-\$6	\$64	-\$10	\$157		
151	209		Share count (diluted weighted average)				146	167	167	235	235	
-\$1,128	\$910	\$976	Net income/loss (excludes special items/charges)				-\$63	-\$176	-\$92	\$430	\$528	\$590
-\$7.49	\$4.35	\$4.67	Earnings per share * (excludes special items and charges)				-\$0.43	-\$1.05	-\$0.55	\$1.83	\$2.25	\$2.51
	+\$3.52 to +\$5.39		* Industry analysts EPS estimates and range as of 7/25/10								+\$1.75 to +\$3.16	

Below are calculated ratios as noted. Airlines may use different expense labels from what are listed

2009	2010 Projection	United	3rd qtr '09	4th qtr '09	1st Qtr '10	2nd Qtr '10	3rd qtr 2010 Projection
1.30%	8.17%	Operating margin (excludes special charges)	2.96%	1.19%	2.05%	10.46%	12.69%
-6.91%	4.66%	Net earnings margin (excludes special charges)	-1.42%	-4.20%	-2.17%	8.33%	9.62%
\$1,502	\$2,903	EBITDAR (million) (excludes special charges)	\$430	\$377	\$406	\$839	\$1,006
9.2%	14.9%	EBITDAR Margin (excludes special charges)	9.7%	9.0%	9.6%	16.3%	18.3%
3.07	3.04	unit labor costs	2.96	3.23	3.37	3.29	3.24
2.77	3.74	unit fuel costs (mainline)	3.38	3.28	3.40	3.86	3.88
7.95	8.18	Unit costs ex-fuel (mainline) (cents)	7.60	8.47	8.56	7.92	7.95
4.87	5.14	Unit costs ex-fuel and ex-labor (mainline) (cents)	4.63	5.25	5.19	4.64	4.71

Year over year change

estimates		Financial					estimates
-22.3%	16.7%	Passenger revenue	-23.7%	-12.1%	12.0%	26.2%	17.6%
-37.2%	35.0%	Cargo & freight revenue	-42.9%	-7.8%	26.6%	57.0%	70.0%
-8.8%	22.0%	Other revenue	-15.1%	5.9%	5.3%	15.0%	30.0%
-1.1%	27.0%	Regional affiliate revenue	1.2%	8.0%	27.5%	36.3%	40.0%
-19.1%	19.5%	Total consolidated operating revenue	-20.3%	-7.8%	14.9%	28.4%	23.9%
-26.8%	11.2%	Total consolidated operating expenses	-29.1%	-20.8%	7.8%	20.9%	11.5%
-12.5%	-1.0%	Wage, salary & benefit expense	-8.0%	-10.9%	2.9%	5.9%	10.0%
-55.9%	35.0%	Fuel & oil expense	-56.8%	-52.3%	19.9%	80.2%	17.8%
49.2%	72.7%	Unrestricted cash & short term investments	-13.9%	49.2%	43.1%	91.2%	106.0%
-4.0%		Total assets	-12.0%	-4.0%	4.5%	7.1%	
-9.7%		Net debt = (long-term debt - cash & equivalents)	4.5%	-9.7%	4.5%	-43.6%	
2.1%		Air traffic liability/Advance ticket sales	28.1%	2.1%	22.2%	23.7%	
Operational (mainline)							
-11.0%	0.0%	Fuel consumption	-9.4%	-5.9%	-5.5%	-0.4%	1.0%
-50.5%	35.0%	Fuel price	-43.4%	-45.0%	2.5%	24.0%	14.0%
-8.7%	1.0%	Revenue passenger miles (RPM's)	-5.4%	-2.3%	0.1%	1.4%	0.9%
-9.7%	0.0%	Available seat miles (ASM's)	-8.2%	-6.0%	-6.1%	-1.6%	0.5%
1.1%	1.0%	Passenger load factor (LF)	3.1%	4.0%	6.6%	3.0%	0.4%
-15.0%	16.0%	Passenger yield	-19.4%	-10.1%	11.9%	24.6%	17.0%
-14.1%	47.2%	Unit revenue (RASM)	-17.3%	-5.2%	19.5%	28.8%	19.5%
-14.1%	16.8%	Passenger unit revenue (PRASM)	-16.8%	-6.4%	19.3%	28.3%	17.0%
-21.6%	11.2%	Unit costs (CASM)	-20.3%	-9.0%	8.6%	9.2%	7.7%
-11.2%	-1.0%	Passengers	-9.4%	-7.1%	-5.5%	-4.3%	0.9%
-0.5%	2.9%	Unit costs ex-fuel	-1.6%	21.8%	11.0%	2.7%	4.7%
1.2%	5.4%	Unit costs ex fuel and ex-labor	-2.8%	47.6%	11.9%	-0.6%	1.7%
-12.6%	17.9%	Average passenger fare (calculated by AF)	-15.7%	-5.4%	18.5%	31.9%	16.6%
Line item ratio of total operating costs							
23.4%	20.8%	Wages, salaries & benefits	22.2%	22.6%	22.8%	22.1%	21.9%
21.1%	25.6%	Fuel & oil	24.7%	21.2%	23.1%	25.9%	26.1%
5.6%	5.3%	Other rentals/landing fees	5.3%	5.5%	5.5%	5.2%	4.8%
3.3%	3.1%	Commissions/booking fees, credit card & distribution	3.4%	3.2%	3.3%	3.3%	3.1%
5.6%	5.3%	Depreciation/amortization	5.1%	5.5%	5.1%	4.7%	4.6%
6.0%	5.7%	Maintenance materials/repairs	5.9%	6.0%	5.3%	5.3%	5.3%
2.1%	2.0%	Aircraft rentals	2.0%	2.0%	1.9%	1.8%	1.9%
8.7%	8.2%	Food/contracted & purchased passenger services	7.9%	9.0%	8.3%	6.9%	7.1%
5.9%	5.6%	Other operating expenses	5.6%	6.2%	5.0%	5.2%	5.0%
18.2%	18.4%	Capacity purchase & miscellaneous expense	18.0%	18.9%	19.6%	19.7%	20.2%
-3.2%	-3.6%	Other non operating Income/expense	-3.5%	-3.3%	-3.6%	-3.5%	-3.6%
0.1%	-0.2%	Other income/expense (taxes/misc)	0.1%	-0.7%	0.0%	0.0%	0.1%
Line item ratio of total operating revenue							
23.1%	19.1%	Wages, salaries & benefits	21.5%	22.3%	22.4%	19.8%	19.1%
27.7%		Net debt = (long-term debt - cash & equivalents) TTM*	26.7%	27.7%	27.9%	13.3%	
3.35%	3.35%	Net interest expense ratio of total revenue	3.16%	3.72%	4.13%	3.22%	3.17%
18.4%		Air traffic liability/Advance ticket sales TTM*	18.6%	18.4%	22.7%	22.4%	

* TTM = Trailing twelve months