

## Quarterly Results of Operations

The following table sets forth selected financial data and operating statistics for the four quarters ended December 31, 2013. The information for each of these quarters is unaudited and has been prepared on the same basis as the audited consolidated financial statements appearing elsewhere in this Form 10-K.

	Three Months Ended			
	March 31, 2013	June 30, 2013	September 30, 2013	December 31, 2013
<b>Statements of Operations Data (dollars in millions)</b>				
Operating revenues	\$ 1,299	\$ 1,335	\$ 1,442	\$ 1,365
Operating expenses:				
Aircraft fuel and related taxes	467	465	501	466
Salaries, wages and benefits	280	279	283	293
Landing fees and other rents	70	80	81	74
Depreciation and amortization	68	71	73	78
Aircraft rent	32	33	32	31
Sales and marketing	50	53	60	60
Maintenance materials and repairs	114	111	109	98
Other operating expenses <sup>(1)</sup>	159	141	151	150
Total operating expenses	1,240	1,233	1,290	1,250
Operating income	59	102	152	115
Other income (expense) <sup>(2)</sup>	(36)	(42)	(33)	(38)
Income before income taxes	23	60	119	77
Income tax expense	9	24	48	30
<b>NET INCOME</b>	<b>\$ 14</b>	<b>\$ 36</b>	<b>\$ 71</b>	<b>\$ 47</b>
Operating margin	4.5%	7.6%	10.5%	8.4%
Pre-tax margin	1.8%	4.5%	8.2%	5.7%
<b>Operating Statistics:</b>				
Revenue passengers (thousands)	7,300	7,753	8,059	7,351
Revenue passenger miles (millions)	8,506	9,115	9,561	8,654
Available seat miles ASM (millions)	10,140	10,741	11,252	10,691
Load factor	83.9%	84.9%	85.0%	80.9%
Aircraft utilization (hours per day)	11.9	12.2	12.2	11.5
Average fare	\$ 162.53	\$ 157.51	\$ 164.02	\$ 168.94
Yield per passenger mile (cents)	13.95	13.40	13.83	14.35
Passenger revenue per ASM (cents)	11.70	11.37	11.75	11.62
Operating revenue per ASM (cents)	12.81	12.42	12.82	12.77
Operating expense per ASM (cents)	12.23	11.48	11.47	11.70
Operating expense per ASM, excluding fuel (cents)	7.62	7.15	7.02	7.34
Operating expense per ASM, excluding fuel and profit sharing (cents)	7.62	7.15	6.95	7.30
Airline operating expense per ASM (cents) <sup>(3)</sup>	12.06	11.36	11.33	11.52
Departures	66,773	70,722	74,206	70,432
Average stage length (miles)	1,092	1,088	1,085	1,095
Average number of operating aircraft during period	180.3	183.1	187.1	189.9
Average fuel cost per gallon, including fuel taxes	\$ 3.29	\$ 3.06	\$ 3.14	\$ 3.10
Fuel gallons consumed (millions)	142	152	160	150
Full-time equivalent employees at period end <sup>(3)</sup>	12,385	12,743	12,124	12,647

(1) During the second quarter of 2013, LiveTV recorded a gain of approximately \$7 million relating to the sale of the Airfone business. During the fourth quarter of 2013, we recorded net gains of approximately \$2 million related to the sale of three spare aircraft engines.

(2) During the fourth quarter of 2013 we recorded \$3 million in losses related to the early extinguishment of a portion of our long-term debt.

(3) Excludes results of operations and employees of LiveTV, LLC, which are unrelated to our airline operations and are immaterial to our consolidated operating results.