

Delta President and CFO Provides Update on Response to Record Fuel Prices

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Delta adds to previously announced capacity changes, now expects to reduce domestic capacity 13 percent in second half of 2008, international growth remains on track - Company guides to profitable June quarter, excluding special items

Delta Air Lines President and Chief Financial Officer Edward H. Bastian at the Merrill Lynch Global Transportation Conference will provide updated guidance on the company's efforts to fight rising fuel costs and its long-term approach to building a sustainable, profitable business model. Proactive initiatives focus on:

* Improving profitability through continued domestic capacity rationalization and building a diverse international network which includes service to unique and emerging markets. Delta consolidated domestic capacity is now expected to be down 13 percent during the second half of the year, an increase from the 10 percent reduction announced in March, international capacity expected to be up 14 percent for the same period.

* Maintaining a strong liquidity position, despite the \$4 billion impact in 2008 of unprecedented fuel prices.

* Completing the proposed merger with Northwest Airlines to build a strong global competitor with increased cost and revenue synergies.

'Delta has been a first-mover to aggressively respond to the challenges facing our industry with domestic capacity cuts, associated cost reductions, and a focus on preserving liquidity,' Bastian said. 'These actions combined with our game-changing merger with Northwest are positioning Delta for long-term success as a strong competitor against any airline around the globe.'

Improving profitability through international growth, domestic capacity reductions

By successfully realigning its network to rationalize domestic capacity while expanding globally, Delta's revenue per available seat mile has improved from 86 percent of industry average in 2005 to 102 percent of industry average through the first four months of 2008. International flying continues to be a strong component of the carrier's business plan with service to five continents and 20 new international routes launched in 2008. International capacity for the year is expected to be up 15-17 percent - in line with previous guidance.

In response to rising fuel costs, the company is adding to previously announced plans to reduce domestic capacity by 10 percent year over year in the second half this year and now plans for total domestic capacity reductions of 13 percent in the second half of 2008. As previously announced, Delta plans to remove the equivalent of 15-20 mainline and 60-70 regional jet aircraft from its operation by the end of 2008.

While capacity reductions have resulted in some market cancellations, most are being made through frequency and point-to-point reductions, as well as seasonal adjustments. Delta will continue to monitor the economic and fuel environment and make additional adjustments as necessary.

'The diversity of Delta's network has provided the financial balance we need to counteract the soft U.S. economy and tough fuel environment. International routes continue to be a boon for us as we carefully manage domestic capacity. While it's important to maintain a broad domestic presence for our customers and employees, as well as to feed international routes, we remain flexible and will make additional adjustments if needed,' said Bastian.

Delta in December began adjusting domestic capacity in light of record fuel costs. Previously announced route cancellations have included service between Orlando and cities such as Las Vegas, Fort Lauderdale, Fla., and Little Rock, Ark., as well as nonstop flights between Boston and cities such as Charleston, S.C. and Greensboro, N.C.

While a small number of additional market cancellations are expected as fall schedules are finalized, most reductions are being achieved through frequency reductions and by eliminating a number of unprofitable routes with particular focus on point-to-point flights that can more profitably and efficiently be served via Delta's hubs. Sample cancellations, effective late summer, include flights between:

* Orlando, Fla. and Nashville, Tenn., Key West, Fla., Raleigh-Durham, N.C., Birmingham, Ala., Columbus, Ohio, Lexington, Ky., New Orleans, La., Panama City, Fla., Richmond, Va., Louisville, Ky., and Knoxville, Tenn.,

* Boston and Jacksonville, Fla. and Norfolk, Va.,

* Las Vegas and Los Angeles, and

* Pensacola, Fla. and Fort Lauderdale and Tampa, Fla.

As part of Delta's commitment to both provide employees with flexibility and remove costs associated with capacity reductions, the airline in March was the first U.S. carrier to announce voluntary retirement and early out programs for employees. With more than 4,000 Delta and Delta Technology employees electing to participate in the programs, the airline is positioned ahead of the industry to achieve cost reductions associated with capacity pull downs.

Expecting profitable June quarter, excluding special items, maintains strong liquidity position

Delta expects a profitable June quarter excluding special items¹, and expectations remain in line with previous guidance. Despite a \$4 billion increase in fuel costs in 2008, the airline's liquidity remains strong thanks to a solid operating cash flow, controlled capital expenditures and aggressive fuel hedge program. The airline expects to end 2008 with \$3.2 billion in unrestricted liquidity, down just \$600 million from Dec. 31, 2007.

Delta's aggressive, multiyear fuel hedge strategy is expected to offset nearly \$1 billion in fuel cost impact for 2008 and continue to provide benefits in subsequent years. The airline's hedge portfolio through 2010 is currently valued at approximately \$1.5 billion.

Merger strengthens long-term outlook by creating strong, global competitor

Delta continues to focus on the proposed merger with Northwest Airlines to create a global airline better positioned for strength and profitability over the long term with greater customer preference and a worldwide, geographically balanced network.

'The unique advantages created by the combination of Delta and Northwest are even more compelling as fuel costs continue to rise,' Bastian said.

A merger of strength, the airlines will combine best-in-class cost structures, industry-leading balance sheets and complementary networks. With integration planning under way, Delta and Northwest expect to find opportunities to both reduce one-time costs and increase synergies. Delta expects the merger to receive required regulatory approvals by the end of the year.

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