

Associated Press

## Earnings Preview: Delta Air Lines

11.08.2005, 04:39 PM

Delta Air Lines Inc. is scheduled to report third-quarter results on Wednesday, Nov. 9. The following is a summary of key developments and analyst opinion related to the period.

**EXPECTATIONS:** The consensus estimate of five analysts polled by Thomson Financial targets a quarterly loss of \$3.

**ANALYST TAKE:** Calyon Securities analyst Ray Neidl expects a loss of \$3.30 per share, predicting high fuel prices will weigh heavily on the bankrupt company's bottom line, despite strong traffic during the quarter.

**QUARTER DEVELOPMENTS:** Shortly after declaring Chapter 11 bankruptcy on Sept. 14, Delta announced plans to cut 9,000 jobs, slash pay for executives and other employees and cut domestic capacity while adding more international flying. The company said the cuts are part of an effort to save as much as \$8 billion annually by the end of 2006.

**COMPETITORS:** Northwest Airlines Corp. filed for bankruptcy the same day as its rival Delta. Also during the quarter, US Airways Group emerged from bankruptcy protection for the second time in three years after being acquired by America West Holdings Corp. American Airlines parent AMR Corp. reported a \$153 million loss in the third quarter, or 93 cents per share, despite a 15 percent rise in revenue to \$5.49 billion, as increased jet fuel prices and competition from low-cost carriers hurt results.