

## Redux: Grinstein's Delta Augurs \$2.16B 2005 Loss

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And so on. **Delta Air Lines** had more to say Wednesday. You guessed it--it's bad news.

The No. 3 U.S. carrier expects to post a 2005 loss of \$2.16 billion, excluding special items, due to soaring fuel prices.

The projection was released in a filing with the U.S. Securities and Exchange Commission. However, Chief Financial Officer **Edward Bastian** first revealed the expected earnings chasm in a private presentation to Delta pilots--an important point of punctilio after the carrier had said it'd seek another \$325 million in concessions from its pilots. That would be on top of the \$1 billion in annual sacrifices the pilots accepted last year.

Bastian's sobering presentation only reinforces yesterday's news. On Tuesday, Chief Executive Officer **Gerald Grinstein** said the bankrupt Delta might ask retired pilots to return for its vast international expansion plans (see: "[Grinstein Says Delta May Ask Retirees To Return](#)").

At **Northwest Airlines**, Wednesday didn't look much better. The carrier, which filed for Chapter 11 protection on Sept. 14--the same day as Delta--augured a pretax loss of \$1.7 billion for 2005. **Neal Cohen**, Northwest's CFO, cited factors such as high fuel costs, high labor costs and weak pricing power in his New York City presentation to bankers.

But **US Airways**, once the industry "poster child," had some good news--of sorts.

After two runs through the bankruptcy gauntlet, the airline is now alive in a new incarnation: It was recently acquired by **America West Holdings**, but still operates under the U.S. Airways name. The hybrid carrier on Wednesday said it has sold \$777 million in largely government-backed debt to 13 fixed-income investors. Good news in the airline industry may be where you can find it.