

## **Bankruptcy costs cause record loss for United**

Burdened by the heavy costs of reworking its airplane leases and contracts, United Airlines reported a record \$1.77 billion loss for the third quarter Monday to run its overall losses from nearly three years in bankruptcy to \$9 billion.

United maintained that the huge charges are normal for a company nearing the end of a bankruptcy overhaul and pointed to a \$165 million operating profit as evidence its restructuring is paying off.

"We have largely completed United's restructuring work and we are on schedule to emerge from Chapter 11 in early February as we have announced," Chief Executive Glenn Tilton told employees in a recorded message.

Even so, it was the company's 21st straight quarter in the red, and the loss topped its previous record deficit of \$1.47 billion for the fourth quarter of 2002, when it filed for bankruptcy.

Despite the continuing losses, analysts say the nation's No. 2 airline has largely accomplished what it needed to do in bankruptcy.

The net loss for the July-through-September period amounted to \$15.26 a share and compared with a loss of \$274 million, or \$2.38 a share, a year earlier.

Operating revenue rose to \$4.7 billion from \$4.3 billion.

Excluding the total of \$1.8 billion in restructuring costs for the period, United said it would have had a net profit of \$68 million. Operating earnings were \$245 million better than the result from the third quarter of 2004.

The company said it spent \$405 million more on fuel in the fall quarter than a year earlier or the result would have been even better.

The lease-restructuring costs made United's net loss by far the largest of any U.S. airline to report third-quarter results, exceeding Northwest Airlines' \$475 million deficit. The parent firms of three carriers — Southwest Airlines, Alaska Airlines and Continental Airlines — all turned profits, while American Airlines had a \$153 million loss.

Still to report are Delta Air Lines and US Airways. Both are to release results Nov. 9.