

While The Entire Industry Is Struggling, United Is Particularly At Risk



- The industry still has significant excess capacity – reason for continued downsizing by the more mature carriers
- Given the varying cost structures within the industry, it is unlikely that capacity will be reduced evenly across carriers
- Low cost carriers are still break-even to profitable
- United is the high cost carrier, bleeding cash and its balance sheet offers little cushion
- The mature segment of the industry, including United, is vulnerable unless a sustainable balance of revenue and expense is found