United

plans
expansion
WASHINGTON D.C.

Richard J. Ferris, chairman of
United Airlines, says that the
next job for his company is
"digestion" of its recent
market expansion moves.
These moves include pur-
chase of Hertz Rent-A-Car
and the signing of a deal to
buy the Pacific Division of
Pan American.

Rebuilding the airline's
schedules and operations
following the recent settle-
ment of the pilots' strike will
also take some additional
effort, says Ferris. The best
estimate at the moment, he
says, is that United's
scheduled operations will be
back to 90 per cent by the end
of July and fully restored to
pre-strike level by mid-
August.

Ferris says that the acquisi-
tion of both Hertz and the
Pacific Division of Pan Am is
based on his company's belief

that travel is one of the major
growth industries in the
United States. Through
ownership of its Westin Hotel
chain and the purchase of
the number one car rental
company in the world, the
airline expects to achieve
"operating synergism", mean-
ing that Apollo, the United
computer reservations system,
can be used to book rental
cars and hotel rooms as well
as air travel tickets.

Other operating efficiencies
stemming from the ownership
of the three groups exist in
book keeping, billing and
credit, and marketing.
Ferris anticipates no diffi-
culty meeting the combined
financial demands of United's
purchase of Hertz, the Pacific
Division of Pan Am, and the
fleet of additional aircraft
which will be needed to
support United's planned
expansion.
At the moment United is
looking hard at the used
aircraft market. It recently
bought a fleet of 30 used
Boeing jets from Frontier
Airlines. But if the
Department of Transporta-
tion approves United's acqui-
sition of Pan Am's Pacific
Division, then Ferris is
expected to go to Boeing for
new equipment.

KLM profit
soars

AMSTERDAM ~

KLM Royal Dutch Airlines
surged to a record Dfl 290
million (£66 • 2 million) profit
in 1984/5, up from Dfl 103
million (£25-5 million) the
previous year. It was the
airline's tenth consecutive
year in the black.
Revenue was up 12 per cent
to Dfl 5,657 million (£1291
million), with operating costs
increasing by 9 per cent to
Dfl 5,377 million (£1,227-6
million).
The major contributory
factors to KLM's strong
performance was its substan-
tial traffic growth, up 10 per
cent to 2,180 million ton-
miles. Yield stood up well,
showing an increase of 3 per
cent per ton-mile.
In general KLM's perform-
ance confirmed worldwide
trends; cargo and mail were
KLM's fastest growing
sectors, up by 14 per cent and
27 per cent respectively.
Charter traffic slumped by 40
per cent. The overall load
factor climbed by 4-6 points
to 70 per cent.

An-28—inside story
There may be nothing about the flightdeck of the new Antonov An-28 17-seater regional airliner which is high-technology by Western standards, but the Russians point out that it is somewhat better-equipped with instruments and radio navigational aids than the An-2 which it replaces (see Flight last week, page 8). Here Commodore Pyotr Kot (left) and Capt Vyacheslav Sinyugin, of the Syktyvkar civil aviation base, test the aircraft in northern Russia's sub-Arctic conditions.

AIR TRANSPORT

MARKET PLACE

Scandinavian Airlines
System has placed a $75
million order for three
McDonnell Douglas MD-SOs,
boosting its orders for the
type in the past nine months
to 14. The latest order, for
delivery in 1987, is for two
133-seat MDSls for Euro-
pean operations and one
156-seat MD-82 for use on its
domestic network. SAS has
options on 15 more MD-80s,
and is also in the market for
secondhand DC-9s.

Finnaviation, a subsidiary
of Finnair, has signed a
contract for three Saab-
Fairchild SF.340 twin-
turboprop airliners. The first
two 34-seat aircraft will be
delivered in August 1986 for
use on Finnaviation's domes-
tic services based at Helsinki-
Malmi airport, and on
planned new routes to
Sweden. The pressurised
SF.340 will gradually replace
Finnaviation's fleet of three
unpressurised Embraer

Bandeirantes. Financing of
the deal has been arranged by
Saab-Fairchild Finance Cor-
poration as a lease-purchase
agreement.

Australian regional carrier
Kendell has placed a repeat
order for two SF.340s after
just 16 weeks' service with its
first of the type. The two
additional aircraft will be
delivered in the first and third
quarters of 1986 for use on
Kendell's extensive network,
which serves ten destinations
in four states from its central
Melbourne Tullamarine Air-
port hub.

Southwest Air Lines of
Okinawa, which serves cities
in the Ryukyu Islands in the
North Pacific, has ordered its
seventh Boeing 737-200. The
$20 million aircraft, powered
by Pratt & Whitney JT8D-17
engines, will be delivered in •
July 1986.

Lufthansa has confirmed its
intention to buy Boeing
737-300s (Flight, July 6). The
West German carrier has
ordered ten of the type and
taken options on ten more in a
deal worth up to $500 million.
A key factor in Lufthansa's
purchase decision was the
degree of cockpit common-
ality with 737-200s. Delivery
of those aircraft on firm order
will begin in August 1985.

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