

CONTINENTAL AND UNITED MERGE TO BEAT DELTA



Two of the strongest American airlines have merged to become part of the United Continental Holdings Inc. company in a bid to combine their strengths in a very competitive market.

The great writer Orwell wrote about three large companies tending to remain in one given field as two never have the true power to crush a third one and have the tendency to fight against each other. The 1984 phenomenon is certainly being tested in the American airline industry where **United and Continental have joined forces to compete against Delta Airlines.** The board of directors of United Continental Holdings Inc. consists of directors from both companies and the tendency is now to believe that two heads are better than one. After the turmoil the airline industry as a whole has been through in recent times, this seems a brave move from both sides.

Delta's brief spell on top shot in the American airline league has come to an end as **the combined forces of the merging companies have an expected number of departures at 5.800, whereas Delta is slightly lagging behind with 5.715.** The effect of the combination of both companies is expected to bring an extra \$1.2 billion in revenue per annum. The \$3.2 billion merger should begin to pay for itself in a very short time indeed.

It has also been stated that both of the merging parties hope that passengers will get used to the new company name very quickly. Once this has been achieved, **United Continental Holdings Inc. has the chance to become the world's leading airline** with Delta representing very little threat.

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