



Delta order could be 'kiss of life' for Bombardier's C Series

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Comments



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A Delta Air Lines Inc. order could save the Bombardier Inc. C Series program, analysts said Friday.

The second-largest U.S. airline is in final negotiations on an order for as many as 125 of the planes, two media outlets reported earlier this week.

A firm Delta order for 75 of the larger CS300 versions of the plane would be valued at more than \$6-billion (U.S.) at list prices, although a discount of more than 50 per cent from list is all but certain.

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Nonetheless, a deal with Delta would be a breakthrough for the C Series program, which got a boost earlier this year, when Air Canada signed a letter of intent that included 45 firm orders and 30 options.

A Delta order would represent "the kiss of life," said Addison Schonland, a partner at aerospace consulting firm AirInsight. "It's the ultimate endorsement of the [Pratt & Whitney] engine and the Bombardier vision," he said.

Richard Aboulafia, vice-president of analysis at consulting firm Teal Group, said a Delta purchase of C Series planes "could mean the difference between life and death if it happens."

In addition to the order itself, such a deal would likely persuade other airlines that don't have the resources Delta has to at least look at the Bombardier plane or get on board.

"A lot of airlines will follow what British Airways does or American [Airlines] does or Delta does because they say 'these guys have done all their homework,'" said one source who watches Delta closely.

Delta is seeking replacements for 83 MD-88 airplanes it owns and another 33 that are leased. They are, on average, 25.2 years old and the oldest airplanes in the

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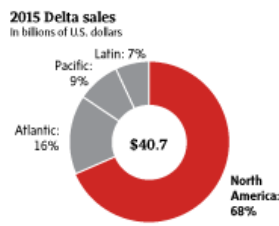
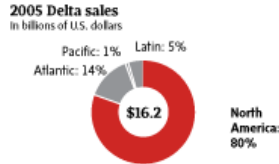
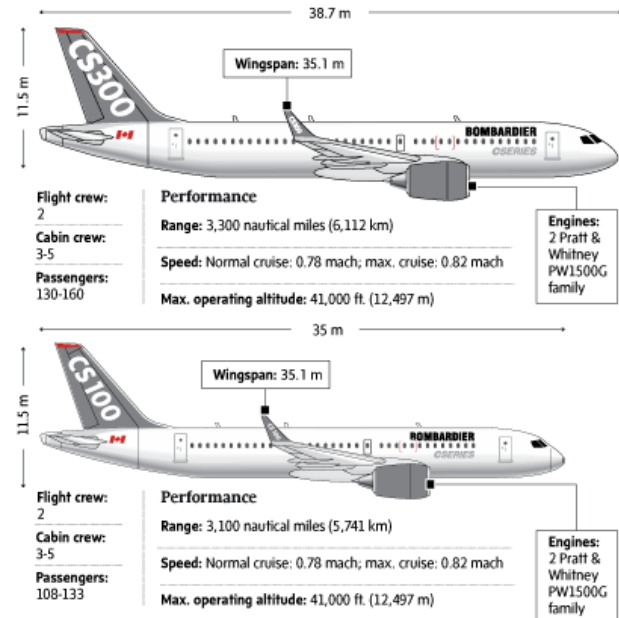
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The engines on those planes require more maintenance than the leading-edge geared turbofan engines on the C Series and replacement parts are difficult to find, Mr. Schonland said.

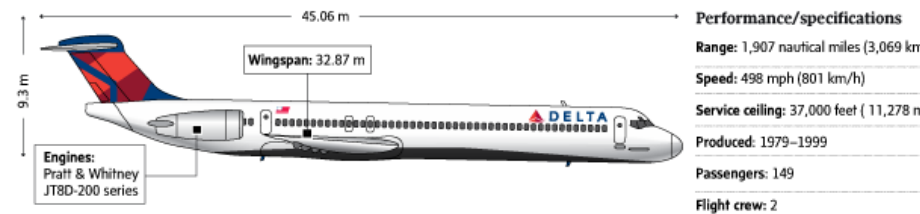
The airline has a wide variety of planes in its narrow-bodied fleet, including Boeing 717s and 737s, Airbus A319s and 320s, and MD-88s and MD-90s.

Its schedule for Monday, for example, shows 11 flights between the Delta hub in Atlanta and Chicago. Four of the flights use a 146-seat MD-88 with 16 first-class seats and 130 in the economy cabin.

Bombardier C Series



McDonnell Douglas/Boeing MD-88/90



JOHN SOPINSKI/THE GLOBE AND MAIL | SOURCE: BOMBARDIER; DELTA AIR LINES; FLUGZEUGINFO.NET

BBD.B-T Bombardier Inc	LATEST PRICE \$1.71	+ 0.06	(+ 3.64%)
BBD.A-T Bombardier Inc	LATEST PRICE \$1.90	+ 0.07	(+ 3.83%)
DAL-N Delta Air Lines Inc	LATEST PRICE \$47.27	+ 0.40	(+ 0.85%)

Updated April 20 9:54 AM EDT. Delayed by at least 15 minutes.

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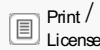


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