

Richard recaps successful 2011, shares vision for 2012

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In a [memo](#) to all employees Thursday, Richard took stock of Delta's successful performance this year and premiered the airline's [2012 Flight Plan](#), setting out the company's direction for the new year.

"Looking back on 2011, we paid high fuel prices and managed through a volatile economy, political instability in parts of the world and the tsunami in Japan," Richard said. "Most importantly, together we successfully managed those events and Delta proved resilient – something we have worked a long time to achieve. We acted quickly to reduce capacity, manage costs and profitably grow our revenues."

He noted that the changes Delta has made during the past several years have fundamentally changed the way the airline functions.

"We enter 2012 a stronger airline," Richard said. "The strategic steps we have taken to change our business to be profitable in difficult times are making a difference. It is pretty remarkable that for the first time in my 24 years in the airline business, we are covering the cost of fuel in our revenue performance while producing strong cash flow."

Richard pointed to a successful Delta operation this year.

"Today, Delta delivers a fundamentally superior product to our customers," he said. "Many of our Sky Clubs have been renovated. We placed an order for 100 firm and 30 option 737-900ER aircraft. We have equipped our aircraft with Wi-Fi, added first class seats, installed full flat-bed seats and new interiors on our widebody fleet and launched Economy Comfort. In late spring, we will begin operating from Atlanta's new international terminal."

Richard cautioned that the airline must "aggressively guard against" rising costs to remain stable and profitable. Looking ahead in 2012, Richard said fuel prices will continue to be high and economic instability will remain a factor in Europe.

"We must reduce our unit costs, increase our unit revenues and be the best at purchasing jet fuel," Richard said. "We must continue to innovate and change our business model, with continued investments in our product and our people."

In the coming year, Richard said the airline's goals will include strengthening its international partnerships, including alliances in Latin America, the joint venture with Air France-KLM and Alitalia, and SkyTeam connections in China. The U.S. strategy to Win

in New York will continue, and there will be an increased focus on the West Coast business travel center, Los Angeles.

He also unveiled the 2012 Flight Plan with its divisional goals in five broad categories: customer service, operations, people, network and finance.

“We enter 2012 as one team moving in one strategic direction and focused on making Delta a great airline for our people, our customers and our shareholders,” Richard said.