

United to trim US capacity as profits rise

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United Airlines sees an 'inflection point' in August as the industry contends with excess capacity that has pressured fares in the United States.

United Airlines reported higher quarterly profits Wednesday but announced it would trim US capacity later this year as the industry contends with a seat glut that has pressured fares.

Profits at the major US carrier came in at \$1.3 billion in the [second quarter](#), up 23 percent from the year-ago period following a six-percent rise in revenues to \$15 billion.

While airlines have described travel demand as still robust, carriers have pointed to an excess number of available seats that have pressured fares in the United States.

United described mid-August as a turning point, with published schedule changes showing about a three-percent decline in the industry [capacity](#) growth rate, the company said in its news release.

"We see multiple airlines have begun to cancel loss-making capacity," said Chief Executive Scott Kirby. "United has long been preparing for the moment when industry-wide domestic capacity would adjust—it's now clear that inflection point is just 30 days away."

United, which saw capacity rise 8.3 percent in the second quarter, now plans to reduce capacity in the fourth quarter compared with its prior plans.

The company projected third-quarter profits of between \$2.75 and \$3.25 per share, below the \$4.14 in the second quarter.

The airline affirmed its full-year [profit](#) forecast range, however.

United's shares declined 1.3 percent in after-hours trading.

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