

News Release



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CONTINENTAL AIRLINES TAKES FINAL STEPS ON PATH TO JOINING STAR ALLIANCE

Implements bilateral agreements with all Star member airlines and code-sharing with United, Lufthansa, Air Canada and bmi

NEW YORK, Oct. 27, 2009 – Continental Airlines (NYSE: CAL) is poised to join Star Alliance today following months of preparations for the first-ever transition of a major airline from one global alliance to another.

(Note: A live video webcast of the joining ceremony where Continental will become a member of Star Alliance will be available today at 11 a.m. ET [New York City]. The webcast is available via a link at continental.com or via this link: <http://tinyurl.com/yf3dtp2>)

Within the last 48 hours, Continental has entered into bilateral commercial agreements with all of the existing 24 Star Alliance members. These agreements define the business relationships underpinning the Star Alliance brand and services, including reciprocal earning and redemption of frequent flyer miles.

In addition, Continental has signed code-sharing agreements with four Star Alliance members – United, Lufthansa, Air Canada and bmi. Code-sharing with additional airlines in Star Alliance will be implemented in the coming months. Code-sharing facilitates marketing of interline itineraries and creates operational synergies that improve the flight-connecting experience for travelers on itineraries involving more than one airline.

“Since making the strategic decision 16 months ago to join Star Alliance, Continental has been intensely focused on making preparations for this change,” said Continental Chairman and CEO Larry Kellner. “For our customers, the change will be seamless and will deliver significantly improved travel opportunities.”

Promptly after the decision to move to Star Alliance was made, Continental created a detailed transition plan and pursued an extensive checklist to facilitate the alliance change, including:

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Airport co-locations: To enhance easy connections to other Star Alliance carriers, by the end of this year Continental will have physically moved airport operations at 11 airports around the world. For instance, on Oct. 27, Continental moves to Terminal 1 at Frankfurt and on Nov. 1, to the South Wing of Terminal 1 at Tokyo/Narita. Other airports where co-location moves have been made include Beijing, Chicago, Honolulu and Shanghai.

Airport and aircraft sign replacement: Continental has removed all signage referring to its former alliance and is in the process of deploying extensive Star Alliance branding throughout its airport facilities and on its aircraft. To remind customers of the transition, every main cabin entry door in Continental's fleet will display a message saying, "You're About To Get The Star Treatment."

Booking class realignment: Continental has completed an extensive revamping of the booking classes used in its yield management system. Continental uses a total of 23 single-letter fare codes to designate fare categories in its reservations system and other distribution channels. In order to make its seat inventory controls compatible with Star Alliance airlines, it was necessary to change the letter designations for various booking categories, and this included a 72-hour process to revise the fare codes stored within over 6 million passenger reservation records that were active at the time the change was made.

Branding and customer communications: Continental will launch a broad advertising campaign coinciding with the airline's entry into the alliance. With international business travelers as its target audience, the campaign will deploy mainly in print and digital media, with focus on key markets like New York/Newark, where Continental offers the most flights of any airline. Star Alliance will launch a parallel campaign to help attract new customers and reinforce understanding of customer benefits.

Customer service policies: Continental has adjusted various customer service policies to give it a high degree of consistency with policies in use throughout Star Alliance. For instance, the complimentary baggage allowance for Continental's Platinum and Gold Elite customers, as well as Star Alliance Gold customers from other member carriers, has increased to three bags weighing up to 70 pounds each, which is consistent with the established Star Alliance Gold benefit.

Distribution and sales planning: Continental's sales programs for corporate and retail customers have been reshaped to conform to Star Alliance programs.

Employee training: Thousands of Continental employees have received training specifically on Star Alliance processes and services, including airport and inflight procedures, frequent flyer program reciprocity, and orientation to Continental's prospective alliance partners. A mix of classroom and computer-based training methods has been used.

Frequent flyer program changes and elite customer recognition: Recently, Continental's OnePass frequent flyer program unveiled a new reward chart that enhances OnePass and makes it more akin to other programs in Star Alliance. OnePass members will be able to book reward travel on Star Alliance airlines (and vice versa) effective today. OnePass mileage accrual for members' travel on Star Alliance airlines is also effective today.

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Technology development: Numerous other technology projects, large and small, have been completed in order to facilitate the change to Star Alliance. Top priority projects included:

- updating customer information systems and booking records to ensure frequent flyer elite recognition across the Star Alliance network
- implementing new frequent flyer processes for mileage accrual and award redemptions
- developing through check-in abilities with all Star Alliance members
- connecting to the Star Alliance Data Network for real-time alliance flight information

Continental Airlines is the world's fifth largest airline. Continental, together with Continental Express and Continental Connection, has more than 2,400 daily departures throughout the Americas, Europe and Asia, serving 130 domestic and 132 international destinations. With more than 41,000 employees, Continental has hubs serving New York, Houston, Cleveland and Guam, and together with its regional partners, carries approximately 63 million passengers per year.

Celebrating its 75th anniversary this year, Continental consistently earns awards and critical acclaim for both its operation and its corporate culture. For the sixth consecutive year, FORTUNE magazine named Continental the No. 1 World's Most Admired Airline on its 2009 list of World's Most Admired Companies. For more company information, go to continental.com.

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