**United Airlines Announces First Quarter 2020 Financial Results**

April 30, 2020

CHICAGO, April 30, 2020 /PRNewswire/ -- United Airlines (UAL) today announced first quarter 2020 financial results with a net loss of $1.7 billion, and an adjusted net loss¹ of $639 million. The company also outlined U.S. airline industry-leading efforts to manage through the most disruptive global crisis in the history of aviation. The company's total liquidity as of the close of business on Wednesday, April 29, 2020 was approximately $9.6 billion, including $2 billion under its undrawn revolving credit facility. The company currently expects daily cash burn² to average between $40 million and $45 million during the second quarter of 2020.

"Throughout the COVID-19 crisis we have maintained our focus - first on the safety of our customers and our people and second on swiftly taking action to keep United operating. We have been at the forefront of warning how deep of an impact we expect this crisis could have and how long we expect it could last. We've also led the industry in taking decisive steps to mitigate the operational and financial impacts of COVID-19 -- making deep schedule reductions, drastically reducing spending and aggressively raising liquidity," said Chief Executive Officer, Oscar Munoz. "While we are still in the midst of this crisis, we will not hesitate to make difficult decisions we believe will ensure the long term success of our company. When demand returns, we believe we'll be positioned to bounce back strongly and quickly because of our early and aggressive efforts to fight the worst financial crisis in aviation history."

**COVID-19 Actions**

The company took early and aggressive action intended to mitigate the impact of COVID-19 to position the company to bounce back quickly and make United stronger when demand returns.

* First U.S. airline to make aggressive capacity reductions.
* Suspended share repurchase program on Feb. 24, 2020, after spread of COVID-19 to Italy and terminated the program on April 24, 2020.
* First U.S. airline to actively raise additional liquidity to manage the crisis. Since early March, the company raised $4.0 billion of new liquidity in three secured term loan facilities, new aircraft financings and an equity offering (excludes CARES Act Payroll Support Program funding and any Loan Program loans) as of the close of business April 29, 2020.
* The company entered into an agreement with a subsidiary of BOC Aviation Limited for lease financing of six Boeing 787-9 and 16 Boeing 737 MAX 9 aircraft that are currently subject to purchase agreements between United and The Boeing Company and are scheduled to deliver in 2020, including two Boeing 787-9 aircraft that were delivered in April.
* First U.S. airline to announce chief executive officer and president forgoing 100% of respective base salaries.
* First U.S. airline to announce all other officers of the company will take salary reductions, with every officer base salary reduced by 50%.
* Suspended merit salary increases for management and administrative employees and instituted a hiring freeze.
* Offered voluntary unpaid leaves of absence for U.S.-based employees -- with more than 20,000 employees now participating.
* Non-employee directors of the company waived 100% of cash compensation for the second and third quarters of 2020.
* First major U.S. airline to require all flight attendants to wear masks on duty.
* Postponed projects deemed non-critical to operation.
* Slashed spending on vendors and outside contractors.
* Reduced planned full-year adjusted capital expenditures by approximately $2.5 billion, bringing expected full-year adjusted capital expenditures to below $4.5 billion.3
* Plan to only take delivery of aircraft that have financing in place.

**Government Support**

* United has entered into an agreement to receive approximately $5.0 billion from the U.S. Treasury Department through the Payroll Support Program under the CARES Act in the form of a $3.5 billion grant and a $1.5 billion 10-year loan which will be used to protect the salaries and benefits of employees through Sept. 30, 2020. In connection with this funding, UAL will issue warrants to purchase approximately 4.6 million shares of UAL common stock to the federal government. The first installment of approximately $2.5 billion was received by United on April 21, 2020 and warrants to purchase approximately 2.3 million shares of UAL common stock were issued.
* The company submitted an application to the Loan Program under the CARES Act. Under the Loan Program, the company expects to have the ability through Sept. 30, 2020 to borrow up to approximately $4.5 billion from the U.S. Treasury Department for a term of up to five years, with any loans issued expected to be senior secured obligations of the company. If the company borrows any amounts under the Loan Program, UAL expects to issue to the U.S. Treasury Department warrants to purchase shares of UAL common stock, with the number of warrants dependent on total borrowings.

**First Quarter Results**

* Reported first quarter net loss of $1.7 billion, diluted loss per share of $6.86, and pre-tax loss of $2.1 billion.
* Reported first quarter adjusted net loss of $639 million, adjusted diluted loss per share of $2.57, and adjusted pre-tax loss of $1.0 billion.¹

**Additional COVID-19 Actions**

Employees

* Committed to no involuntary furloughs or reduced pay rates in the U.S. through Sept. 30, 2020.
* Diligently enacting safety and social distancing measures designed to mitigate the spread of COVID-19 and ensure the workplace is clean and safe.
* Utilizing temperature checks for airport employees and Flight Attendants prior to beginning work.
* Simplified catering on flights to all shelf-stable and packaged food, and sealed and canned beverages; suspended buy on board.
* Adjusted flight attendant jump seat locations so crew members don't have to sit directly next to or across from each other.
* Granting additional paid days off for front line employees at several airports to limit their potential exposure to COVID-19.
* Covering all testing costs associated with COVID-19 for anyone enrolled in a United medical plan, reduced copays for telemedicine visits.

Customers

* Waiving change fees for tickets purchased through May 31, 2020 for twelve months and waiving redeposit fees for MileagePlus award travel scheduled through May 31, 2020.
* Extended MileagePlus Premier status to 2022.
* Utilizing electrostatic spraying to disinfect aircraft interiors, and expect to spray every operated flight by mid-June.
* In May, start testing touchless kiosks for printing bag tags and checking bags, eliminating the need to touch the screen.
* Made several modifications to the boarding process, including: customers scanning their own tickets prior to boarding, boarding fewer customers at a time and boarding from back to front.
* Continue to provide the only commercial air service between Australia and the United States and Israel and the United States.
* Enacting social distancing on flights for flight attendants and customers, including blocking middle seats.

Community

* Since March 19, United Cargo has operated more than 800 cargo-only flights worldwide, bringing more than 28 million pounds of food and supplies to destinations worldwide.
* Operated more than 130 repatriation flights bringing more than 18,500 Americans home who were stranded abroad.
* Donated more than 173,327 pounds of food to food banks, hospitals and other organizations from United's catering facilities and Polaris lounges.
* In 2019, launched Miles on a Mission, which allows members to donate miles to organizations including those that now support COVID-19 efforts.
* Working with governments worldwide to assist moving people/supplies.
* Partnered with California, New Jersey and New York City to provide free round-trip flights for medical volunteers traveling to heavily impacted cities, and to date have booked flights for more than 1,000 volunteers and 800 medical professionals.
* Houston employees led effort to convert Houston cargo facility into food distribution center to aid the Houston Food Bank's efforts to feed families in need during the COVID-19 crisis.