A Message From Oscar Munoz and Scott Kirby
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CHICAGO, April 15, 2020 /PRNewswire/ -- Oscar Munoz, Chief Executive Officer, and J. Scott Kirby, President, today issued the following message to nearly 100,000 United Airlines (NASDAQ: UAL) employees:

To our United Family:

We hope all is well with you and your family. Two weeks ago, we hosted a virtual townhall and it was a valuable opportunity for us to connect with you all. And we've been really pleased with the response, more than 50,000 of you tuned in live or watched the broadcast on demand.

At the townhall, we discussed the impact of your calls and letters to Congress as they debated financial support for the airline industry. Washington heard you loud and clear, passing vital legislation that will provide commercial airlines with a total of $50 billion worth of grants and loans. We are grateful for the bipartisan cooperation displayed by leaders in the Congress and Administration -- and appreciative of the critical role that you played. The thousands of letters and messages you sent, capturing the spirit of our United family and what our service means to our customers and communities, made all the difference in the world. We will need that spirit more than ever as we set our sights on the rest of 2020 and beyond.

The challenge that lies ahead for United is bigger than any we have faced in our proud 94-year history. We are committed to being as direct and as transparent as possible with you about the decisions that lay ahead and what impact they will have on our business and on you, the men and women of United Airlines.

Let's start with the near-term. We now expect United to receive approximately $5 billion from the federal government through the Payroll Support Program under the CARES Act – to be used to protect the paychecks of our United employees. This government support does not cover our total payroll expense, but we're keeping our promise that there will be no involuntary furloughs or pay rate cuts for U.S. employees before September 30. And, payroll only represents about 30 percent of our total costs. Fixed operating and non-payroll costs like airport rent, supplies and infrastructure are significant and not going away. That's why we've been so aggressive in reducing our schedule, slashing capital expenditures, scaling back our work with vendors and consultants and cutting executive salaries in half.

We're planning to go even further to reduce costs. This weekend, we'll load a revamped schedule that will further reduce our capacity to about 10 percent of what had been planned for May at the beginning of this year. We expect to announce similar reductions to the June schedule in the next few weeks. We have now essentially redesigned our network to be down 90 percent while complying with the CARES Act and maintaining connectivity among nearly all our domestic destinations. And these May and June schedule reductions will have direct consequences for our frontline employees in terms of total hours worked. Those work groups can expect to hear more details from their leaders soon.

The more flexibility we have from a payroll perspective, the better. So, all work groups can expect to see a continued emphasis on payroll cost cutting options over the next few weeks including new voluntary leave offerings and voluntary separation programs. For those who are eligible, please consider signing up for voluntary COLA and ANP days. We're grateful to the more than 20,000 employees who have already signed up. Your sacrifice is both deeply appreciated and important to our company's future.

These schedule changes reflect the stark reality of our situation – and unfortunately, it's something that even legislation as large as the CARES Act can't fix. Travel demand is essentially zero and shows no sign of improving in the near-term. To help you understand how few people are flying in this environment, less than 200,000 people flew with us during the first two weeks of April this year, compared to more than 6 million during the same time in 2019, a 97 percent drop. And we expect to fly fewer people during the entire month of May than we did on a single day in May 2019.

The historically severe economic impact of this crisis means even when travel demand starts to inch back, it likely will not bounce back quickly. We believe that the health concerns about COVID-19 are likely to linger which means even when social distancing measures are relaxed, and businesses and schools start to reopen, life won't necessarily return to normal. For example, not all states and cities are expected to re-open at the same time. Some international travel restrictions will remain in place. Meeting planners and tour operators will do their best to accommodate people looking to avoid large crowds. So, while we have not yet finalized changes to our schedule for July and August, we expect demand to remain suppressed for the remainder of 2020 and likely into next year.

So, let us end where we began, the government funding we expect to receive soon is helpful in the near-term because we can protect our employees in the U.S. from involuntary furloughs and pay rate cuts through the end of September. But the challenging economic outlook means we have some tough decisions ahead as we plan for our airline, and our overall workforce, to be smaller than it is today, starting as early as October 1.

Throughout this crisis, we have been candid and upfront with you. And today is no different. We appreciate the partnership and open dialogue we have with all of you as we confront this extraordinary situation that has had an unprecedented impact on our families and our company. We promise to continue to stay in close touch - and will continue to be as transparent as possible - in the weeks and months ahead.

Stay safe. Stay healthy. And please continue to take good care of our customers and each other. It's because of you that we remain proud to be United Together.

Oscar and Scott

About United

United's shared purpose is "Connecting People. Uniting the World." We are more focused than ever on our commitment to customers through a series of innovations and improvements designed to help build a great experience: Every customer. Every flight. Every day. Together, United and United Express operate approximately 4,900 flights a day to 362 airports across six continents. In 2019, United and United Express operated more than 1.7 million flights carrying more than 162 million customers. United is proud to have the world's most comprehensive route network, including U.S. mainland hubs in Chicago, Denver, Houston, Los Angeles, New York/Newark, San Francisco and Washington, D.C. United operates 791 mainline aircraft and the airline's United Express partners operate 581 regional aircraft. United is a founding member of Star Alliance, which provides service to 195 countries via 26 member airlines. For more information, visit united.com, follow @United on Twitter and Instagram or connect on Facebook. The common stock of United's parent, United Airlines Holdings, Inc., is traded on the Nasdaq under the symbol "UAL".

Safe Harbor Statement under the Private Securities Litigation Reform Act of 1995: Certain statements in this release are forward-looking and thus reflect the Company's current expectations and beliefs with respect to certain current and future events and anticipated financial and operating performance. Such forward-looking statements are and will be subject to many risks and uncertainties relating to the Company's operations and business environment that may cause actual results to differ materially from any future results expressed or implied in such forward-looking statements. Words such as "expects," "will," "plans," "anticipates," "indicates," "remains," "believes," "estimates," "forecast," "guidance," "outlook," "goals," "targets" and similar expressions are intended to identify forward-looking statements. Additionally, forward-looking statements include statements that do not relate solely to historical facts, such as statements which identify uncertainties or trends, discuss the possible future effects of current known trends or uncertainties, or which indicate that the future effects of known trends or uncertainties cannot be predicted, guaranteed or assured. All forward-looking statements in this release are based upon information available to the Company on the date of this release. The Company undertakes no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events, changed circumstances or otherwise, except as required by applicable law.

The Company's actual results could differ materially from these forward-looking statements due to numerous factors including, without limitation, the following: the Company's ability to execute its strategic operating plan, including its growth, revenue-generating and cost-control initiatives; general economic conditions (including interest rates, foreign currency exchange rates, investment or credit market conditions, crude oil prices, costs of aircraft fuel and energy refining capacity in relevant markets); risks of doing business globally, including instability and political developments that may impact its operations in certain countries; demand for travel and the impact that global economic and political conditions have on customer travel patterns; the Company's capacity decisions and the capacity decisions of its competitors; competitive pressures on pricing and on demand; changes in aircraft fuel prices; disruptions in the Company's supply of aircraft fuel; the Company's ability to cost-effectively hedge against increases in the price of aircraft fuel, if it decides to do so; the effects of any technology failures, cybersecurity or significant data breaches; disruptions to services provided by third-party service providers; potential reputational or other impact from adverse events involving the Company's aircraft or operations, the aircraft or operations of its regional carriers or its code share partners or the aircraft or operations of another airline; the Company's ability to attract and retain customers; the effects of any terrorist attacks, international hostilities or other security events, or the fear of such events; the mandatory grounding of aircraft in the Company's fleet; disruptions to the Company's regional network; the impact of regulatory, investigative and legal proceedings and legal compliance risks; the success of the Company's investments in other airlines, including in other parts of the world; industry consolidation or changes in airline alliances; the ability of other air carriers with whom the Company has alliances or partnerships to provide the services contemplated by the respective arrangements with such carriers; costs associated with any modification or termination of the Company's aircraft orders; disruptions in the availability of aircraft, parts or support from its suppliers; the Company's ability to maintain satisfactory labor relations and the results of any collective bargaining agreement process with its union groups; any disruptions to operations due to any potential actions by the Company's labor groups; labor costs; the existing outbreak of coronavirus and the outbreak of any other disease or similar public health threat that affects travel demand or travel behavior; the impact of any management changes; extended interruptions or disruptions in service at major airports where the Company operates; U.S. or foreign governmental legislation, regulation and other actions (including Open Skies agreements, environmental regulations and the United Kingdom's withdrawal from the European Union); the seasonality of the airline industry; weather conditions; the costs and availability of aviation and other insurance; the costs and availability of financing; the Company's ability to maintain adequate liquidity; the Company's ability to comply with the terms of its various financing arrangements; the Company's ability to realize the full value of its intangible assets and long-lived assets; any impact to the Company's reputation or brand image and other risks and uncertainties set forth under Part I, Item 1A., "Risk Factors," of the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2019 as well as other risks and uncertainties set forth from time to time in the reports it files with the SEC.

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