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FOR IMMEDIATE RELEASE

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Continental Pilots Respond to CEO's "Concessions" Comments

HOUSTON (10/22/2004) – Pilots at Continental Airlines [CAL], the nation's fifth largest carrier, are expressing concern about comments made Tuesday (Oct. 19) by outgoing Continental Airlines CEO Gordon Bethune. During a phone conference reporting the company's third quarter earnings, he stated that the company "may be forced in the very near term to ask for concessions."

"We continue to witness a relentless assault on airline labor cost," said Capt. Jay Panarello, chairman of the CAL pilots union's Master Executive Council, a unit of the Air Line Pilots Association, Int'l (ALPA). "In reality, poor yield management, below-cost seats dumped onto the internet, inappropriate fleet plans and stock re-purchases, high debt levels, exorbitant federal ticket taxes/ security fees and record fuel prices are at the heart of the problem facing all U.S. carriers today, *not* labor.

"To date, we have not been approached for concessions," emphasized Panarello. Continental ALPA and management recently signed an historic "Partnership Accord" Memorandum of Understanding that establishes a framework for the union and company leadership to work jointly to ensure the long-term viability of the airline.

"Continental has used this pilot group as a primary lending institution for far too long. Our wages, benefits and working conditions for the last two decades have been well below our peers," said Panarello. "Now that we have joined ALPA, we have an established process for the company to demonstrate a true need, not just a 'want,' for assistance and under what conditions the entire CAL pilot group would approve such a move.

"This process includes securing appropriate returns for the pilots. Most important, *all* stakeholders in the airline's cost equation would have to participate, including management. Any investment will not be interest-free."

Panarello further stated, "Wall Street and the financial community must recognize that a viable, profitable business plan requires something more from a management team than taking wages and benefits from frontline employees during challenging times."

The Air Line Pilots Association [ALPA] is the bargaining agent for the 4,100 pilots of Continental. ALPA is the world's oldest and largest pilot union, representing 64,000 airline pilots at 43 airlines in the U.S. and Canada.

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