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UNITED AIRLINES AND AIR CANADA TO FORM TRANSBORDER JOINT VENTURE, STRENGTHENING CANADA-U.S. NETWORK

MONTREAL and CHICAGO, Oct. 7 /CNW Telbec/ - Air Canada and United Continental Holdings, Inc. today announced that the airlines have concluded a Memorandum of Understanding setting out the principles for a comprehensive revenue-sharing joint venture that would provide for an enhanced partnership on United States-Canada transborder flights, and generate substantial service and pricing benefits for consumers traveling between the two countries. On October 1, 2010, United Continental Holdings, Inc. announced the closing of the merger of United Air Lines and Continental Airlines, combining the carriers' global networks to create the world's leading airline which will operate under the name United Airlines.

"Working cooperatively with our partner Air Canada, we can create a more streamlined travel experience for customers traveling between the United States and Canada, providing more travel options and benefits while reducing travel times," said Jeff Smisek, United Airlines President and Chief Executive Officer.

"This joint venture between United Airlines and Air Canada will provide many benefits and revenue synergies on this important market allowing us to compete more effectively," said Calin Rovinescu, Air Canada's President and Chief Executive Officer. "As founding members of Star Alliance, Air Canada and United have benefited from a close relationship, as have our customers through a simplified travel experience and loyalty rewards. By managing pricing, scheduling and sales through a stronger joint venture, the carriers will be better able to serve customers by offering more travel options."

The Canada-U.S. market is one of the largest air transportation markets in the world. Air Canada's transborder network to 59 U.S. cities will be strengthened by United's presence in 210 U.S. airports. Similarly, United's transborder network to 16 Canadian cities will be strengthened by Air Canada's network serving 59 communities across Canada.

The joint venture is expected to come into effect in early 2011, subject to Air Canada and United Airlines making the necessary filings, obtaining regulatory approvals and finalizing documentation. The carriers already benefit from anti-trust immunity granted by the U.S. Department of Transportation (DOT).

About United Continental Holdings, Inc.

United Continental Holdings, Inc. (NYSE: UAL) is the holding company for both United Airlines and Continental Airlines. Together with United Express, Continental Express and Continental Connection, these airlines operate a total of approximately 5,800 flights a day to 371 airports throughout the Americas, Europe and Asia from their hubs in Chicago, Cleveland, Denver, Guam, Houston, Los Angeles, New York, San Francisco, Tokyo and Washington, D.C. United and Continental are members of Star Alliance, which offers more than 21,200 daily flights to 1,172 airports in 181 countries worldwide through its 28 member airlines. United's and Continental's more than 80,000 employees reside in every U.S. state and in many countries around the world. For more information about United Continental Holdings, Inc., go to UnitedContinentalHoldings.com. For more information about the airlines, see united.com and continental.com, and follow each company on Twitter and Facebook.

About Air Canada

Air Canada is Canada's largest domestic and international full-service airline providing scheduled and charter air transportation for passengers and cargo to more than 170 destinations on five continents. Canada's flag carrier is the 15th largest commercial airline in the world and serves 31 million customers annually. Air Canada provides scheduled passenger service directly to 59 destinations in Canada, 59 in the United States and 60 in Europe, the Middle East, Asia, Australia, the Caribbean, Mexico and South America. Air Canada is a founding member of Star Alliance, the world's most comprehensive air transportation network serving 1,172 destinations in 181 countries. Air Canada customers can collect Aeroplan miles for future rewards through Canada's leading loyalty program, and Top Tier members enjoy reciprocal frequent flyer benefits including lounge and priority services. For more information on Air Canada visit aircanada.com and follow @AirCanada on Twitter and Facebook.

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