



April 27, 2010

Jeffery Smisek
Chairman, President and Chief Executive Officer
Continental Airlines
1600 Smith Street
Houston, TX 77002

Glenn F. Tilton
Chairman, President and Chief Executive Officer
United Airlines Corporation
77 W Wacker Drive
Chicago, IL 60601

Dear Mr. Smisek and Mr. Tilton:

We know that you have a critical choice to make regarding your headquarters' location should Continental and United merge to become the world's largest airline. Your fiduciary duty to your shareholders, customers and employees requires that you complete all due diligence in considering such a momentous decision. We also know that prudence requires you to be fully informed by engaging the leaders from both cities under consideration before making that choice.

We want to offer our assistance in equipping you with all the relevant information you need in order to make a decision that ultimately will have a profound effect on both cities, on your employees and on the public in general. We believe that on the merits, you will determine that Houston is the most advantageous location for your headquarters.

We speak with one voice on behalf of Houston's citizens and business community in saying Houston is the natural and most favorable location for the airline's headquarters.

Houston has a favorable business environment, low cost of living and excellent quality of life for our citizens. We are also a dynamic, international city with a geographic location that affords quick access to global markets, including Latin America. Our region is home to more than 3,000 international companies – 25 of them Fortune 500 companies – 22 foreign banks and 92 foreign consulates.

In addition to being widely recognized as the Energy Capital of the World, **we are nationally and internationally recognized as a center for financial investment, medical facilities and medical research, nanotechnology, software development and cargo transportation and distribution.** Our environment supports business and encourages entrepreneurship. A merged airline company, the largest in the world, would fit well into this environment, much to the benefit of its employees and shareholders.

Perhaps most importantly, **Houston's economy remains one of the strongest in the nation.** This fact is reflected by our stable real estate market, lower unemployment, and a projected inflation rate of approximately 2 percent.

GREATER HOUSTON PARTNERSHIP

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Thus we are fully confident that you will conclude that locating your corporate headquarters in Houston would best serve the interests of both your shareholders and employees.

Continental has long been an integral part of our robust, innovative and diverse business environment. Our history of support of Continental by our citizens and political leaders speaks for itself. If the merged company picks Houston, we will vigorously and proudly support it as we have what has been our hometown carrier, Continental Airlines. We stand ready to continue our investment in the company.

We thank you for your consideration, and we thank the officers, directors and employees of Continental for all they have done, are doing and will do as great citizens of this region.

For further assistance, please contact Jeff Moseley at 713-844-3601. It will be worth your time to fully examine the value Houston can add to a business's bottom line.

Sincerely,



Patrick Oxford
Chairman, Greater Houston Partnership
Chairman, Bracewell & Giuliani LLP



Annise Parker
Mayor, City of Houston



Ed Emmett
County Judge, Harris County

Enclosure

cc: Continental Airlines Board of Directors
United Airline Corporation Board of Directors
Greater Houston Partnership Board of Directors



Houston Economic and Quality of Life Data

When given an apple to apples comparison, Houston is advantageously positioned to have a real and profitable impact on a company's financials. Thousands of stakeholders around the world have seen their investments grow due in part to the strategic advantage companies leverage by doing business in Houston.

- **Cost of operations** – When it comes to the cost of doing business, Houston makes the most economic sense. We have a low corporate tax burden; tort reform has created a less litigious atmosphere, and our business environment, from a support standpoint, is welcoming. Moreover:
 - We have no personal income tax
 - Our franchise tax is 1 percent
 - Texas is a Right-to-Work state
 - The cost of providing health care in Houston is 5 percent below the national average

- **Cost of living** – On virtually every important cost-of-living factor, Houston and Texas is a favorable environment. That should serve as a great incentive to the airline's employees, particularly those relocating to Houston. For instance,
 - We are 11 percent below the national cost of living average
 - In Houston, the average cost of a single-family home is \$204,623
 - Grocery items here are 14 percent lower the national average.
 - Transportation costs are 6 percent below the national average
 - In Houston, the tax burden on a family of three earning \$75,000 annually is 5.6% of their income; nationally the figure is 8.0%.

- **Labor Pool**
 - Texas has added 879,300 jobs from 2000 to 2009
 - Texas has added 3.93 million residents from 2000 to 2009
 - Texas has an unemployment rate of 8.2%; nationally, the figure is 10.2% (unadjusted)



▪ Quality of life

- We are an extraordinary diverse community. Houston is home to 92 foreign consulates, nearly 100 languages are spoken here and cultural diversity is one of our key attributes.
- We have more than 65,000 acres in park space, including two of the 10 largest urban parks in the United States. And more than 200 institutions devoted the arts, science and history in Houston.
- Houston has a Theater District second only to New York City with its concentration of seats in one geographic area.
- We have the world's largest medical center – an incredible source of technical innovation and research of all types. By the year 2014, it is expected to grow to 40 million gross square feet. To put that into perspective, our medical center would be larger than the city of Atlanta's central business district.