

December 23, 2014

Dear Colleagues,

As announced last week, under the new joint flight attendant contract, flight attendants will receive pay increases of approximately 10 percent beginning Jan. 1, 2015. Today, we also announced a company-wide program that will provide additional increases, and I wanted to take a moment to talk about what this means for the flight attendant team.

We are one year into merger integration, and we are performing very well. In fact, we are exceeding many expectations. In light of our successes in 2014, and to acknowledge employees for their role in achieving these results, we are implementing a company-wide program that increases the joint contract pay scales by four percentage points, subject to APFA consent. As a result, and if agreed to by the APFA, the new January 1 pay rates will be another four points higher than those announced last week. This means the flight attendant rates of pay will be 7 percent higher than those at Delta, and will mean an average salary increase for most flight attendants of approximately 14 percent with some steps of the scale being even higher. The new pay scales are attached.

This additional increase is a follow-through on a commitment we made at the time of the merger. That commitment was to compensate our team members in line with their network peers once our profits were in line with those peers. The Company is producing those profits today, and you all have earned this increase. With an industry leading agreement in place, we can now move forward as one team focused on the professionalism that has defined us over the years.

It is a privilege to work with all of you and I look forward to continuing the integration work ahead of us. Thank you for all you do every day and best wishes for happy holidays.

Hector

Flight Attendant Pay Rates

<u>YOS</u>	<u>LUS</u>	<u>LAA</u>	<u>Arbitration</u>	<u>Ratified 12/18</u>	<u>New Rates</u>
1	21.96	21.58	22.62	23.28	24.18
2	23.21	23.44	24.06	24.69	25.65
3	24.68	25.39	25.83	26.27	27.29
4	25.37	26.70	27.34	27.98	29.06
5	28.76	29.83	30.32	30.82	32.01
6	35.35	34.46	35.75	34.90	36.25
7	38.31	37.27	38.66	39.02	40.53
8	39.26	39.27	39.77	40.27	41.83
9	40.52	40.92	41.15	41.38	42.98
10	41.83	42.54	42.73	42.93	44.59
11	42.73	43.93	44.02	44.11	45.82
12	43.76	45.48	45.84	46.21	48.00
13	44.72	46.74	50.17	53.52	55.58
14	45.70	47.88	50.17	53.52	55.58
15+	47.62	49.05	50.17	53.52	55.58