

UAL CORPORATION

(NASDAQ: UAUA)

Kathryn Mikells – Chief Financial Officer

JP Morgan Aviation and Transportation Conference

March 10, 2009



Safe Harbor Statement And Non-GAAP Reconciliation

The information included in this presentation contains certain statements that are “Forward-Looking Statements” within the meaning of the Private Securities Litigation Reform Act of 1995. These statements are subject to a number of assumptions, risks and uncertainties related to the Company’s operations and the business environment in which it operates. Actual results may differ materially from any future results expressed or implied in such Forward-Looking Statements due to numerous factors, many of which are beyond the Company’s control, including factors set forth in the Company’s Form 10-K for 2008 along with other subsequent Company reports filed with the United States Securities and Exchange Commission. Persons reviewing this presentation are cautioned that the Forward-Looking Statements speak only as of the date made and are not guarantees of future performance. The Company undertakes no obligation to update any Forward-Looking Statements.

Information regarding reconciliation of certain non-GAAP financial measures contained in this presentation is available on the Company's web site at www.united.com/ir

Fuel Costs Overshadowed Our 4th Quarter Results

- **Fourth quarter pre-tax loss of \$547 million, excluding net non-cash mark-to-market hedge losses and certain accounting items**
- **Consolidated PRASM* grew 4.7% year over year in the fourth quarter, excluding special items and Mileage Plus impacts**

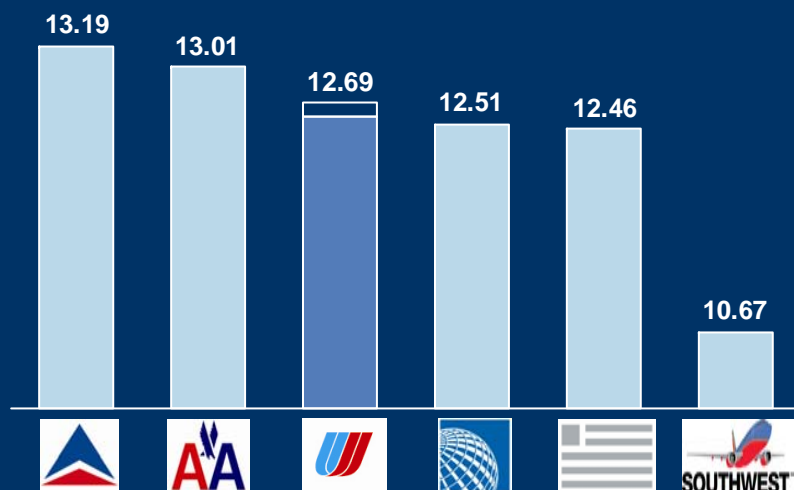


- **Mainline CASM* excluding fuel was up only 1.6% year over year in the fourth quarter, despite an 11.7% capacity reduction**
- **Raised \$400 million of liquidity in the fourth quarter despite difficult credit markets**

*Excludes impairments, other special items and Mileage Plus impacts as applicable

United Delivered Competitive RASM and Non-Fuel CASM

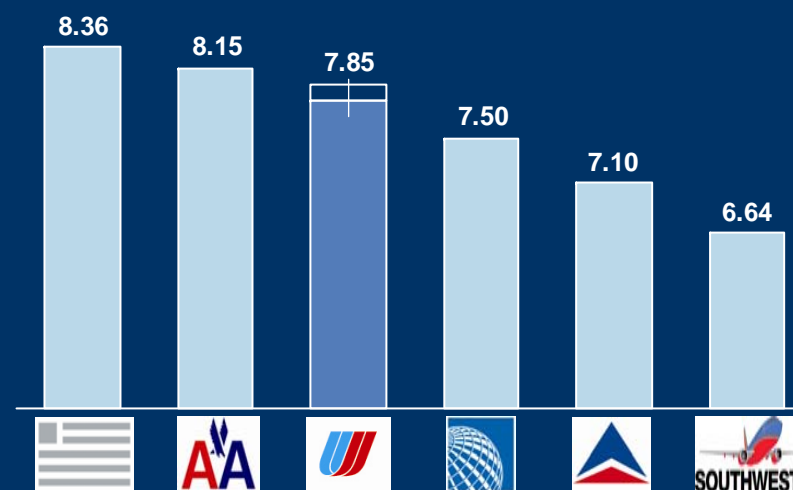
Mainline RASM
Twelve Months Ended Dec. 31,
2008



YOY
B/(W) 7.9% 8.2% 5.6% 7.4% 5.0% 7.8%

Capacity
YOY
H/(L) (0.3%) (3.8%) (3.9%) (0.6%) (2.2%) 3.6%

Mainline CASM Excluding Fuel
Twelve Months Ended Dec. 31,
2008



YOY
B/(W) (5.7%) (4.8%) (1.3%) 0.8% 0.6% (4.1%)

Capacity
YOY
H/(L) (2.2%) (3.8%) (3.9%) (0.6%) (0.3%) 3.6%

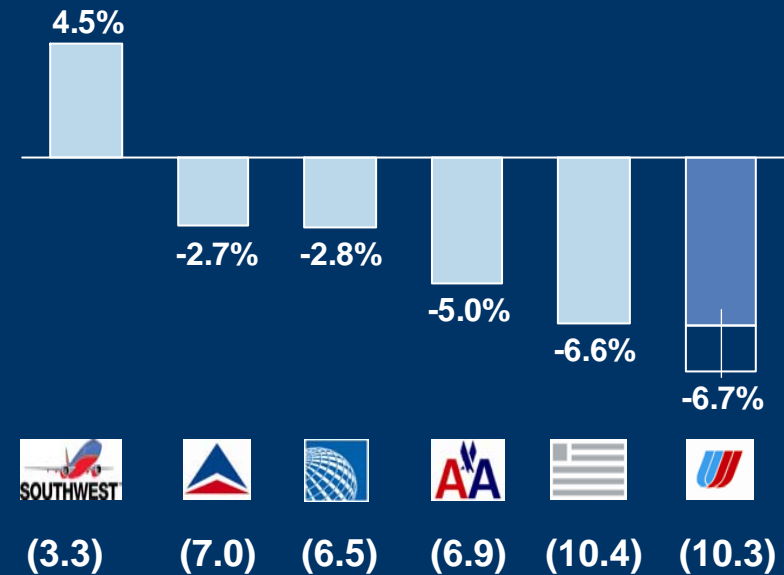
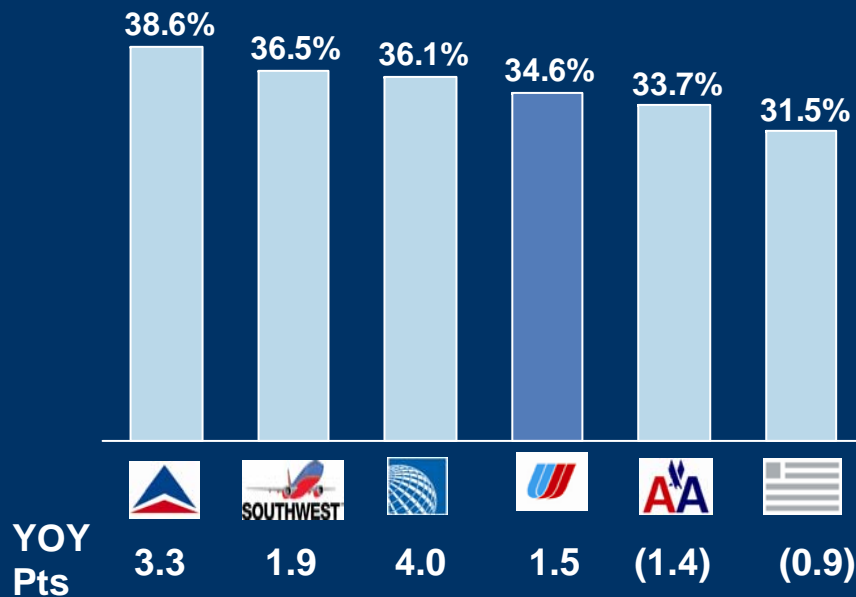
Sources: Company press releases and Earnings Calls.

Adjusted for special items, one-time items, and certain other accounting adjustments; Impact shown for fresh-start accounting amounts except stock based compensation

Pre-Tax Earnings Impacted By Fuel Price And Fuel Hedging

Pre-Tax Margin Excluding Fuel
Twelve Months Ended
Dec. 31, 2008

Pre-Tax Margin
Twelve Months Ended
Dec. 31, 2008

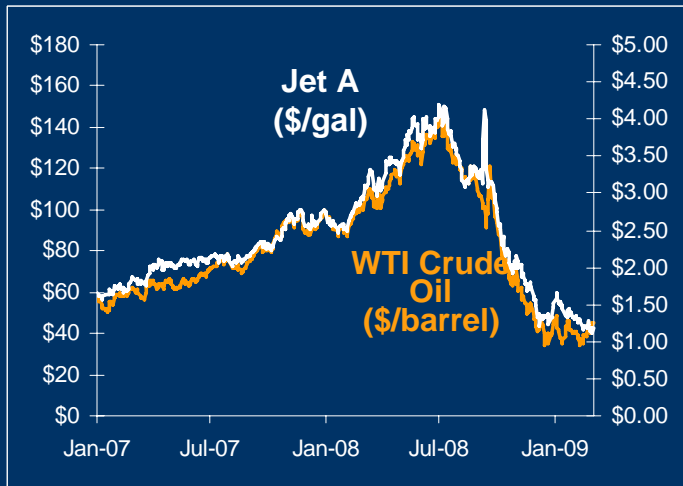


Sources: Company press releases and Earnings Calls.

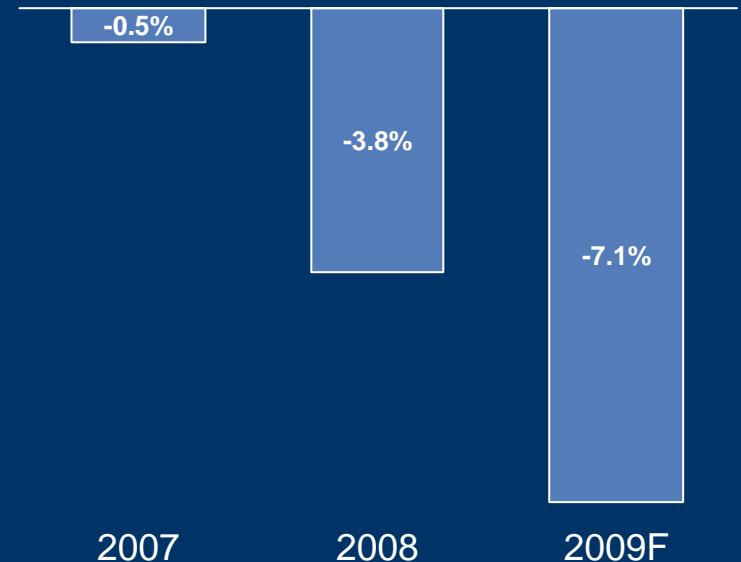
Pre-Tax Margin adjusted for special items, one-time items, certain other accounting adjustments, as well as non-cash fuel hedge impacts to the extent disclosed. Impact shown for fresh start accounting amounts except stock based compensation.

The Industry Is Better Prepared To Deal With A Recession Than Ever Before

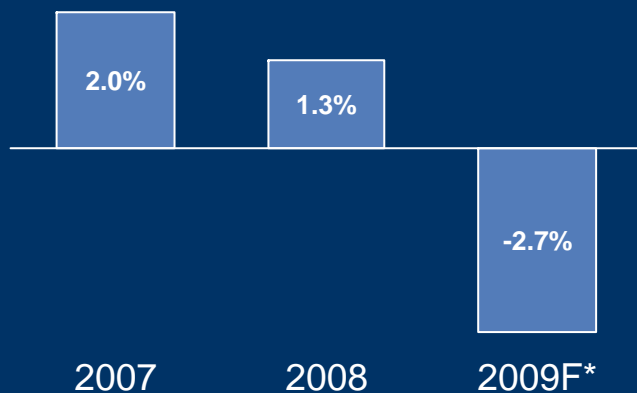
Jet A and WTI Spot Prices



Domestic Industry Capacity Year-Over-Year Change



US Real GDP Growth



Early capacity actions and continued capacity discipline better positions the industry for the downturn

* Source: Global Insight estimate

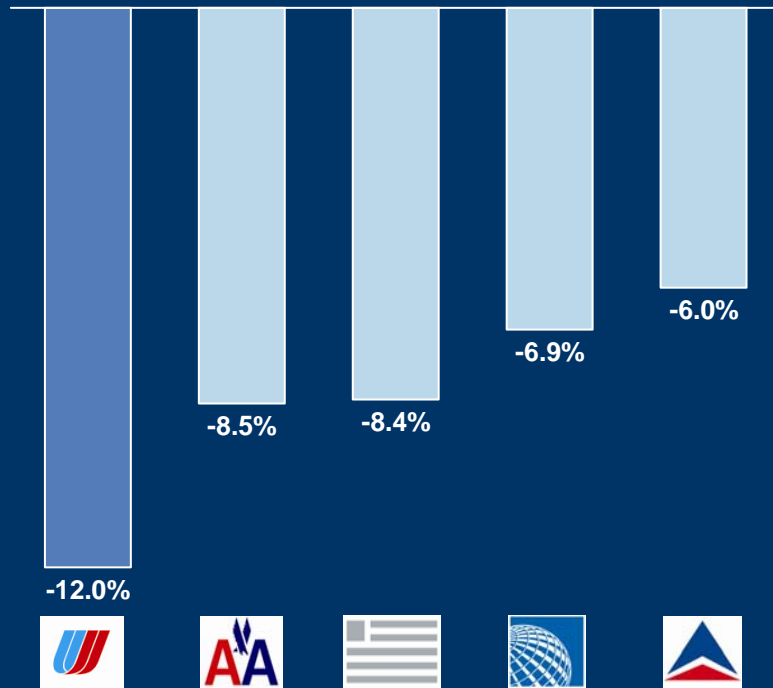
United's Actions Have Positioned It Well To Deal With Current Challenges



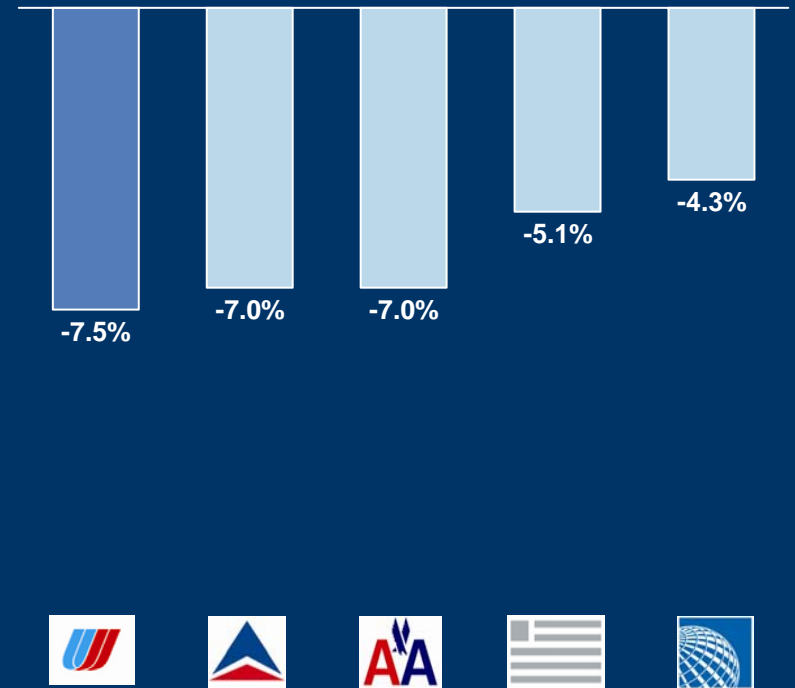
- **Industry-leading capacity reductions**
- **Redeployment of assets and ancillary revenue streams**
- **Top-tier cost control**
- **Improving operational performance**
- **Solid cash position and limited fixed obligations**

United's Capacity Reductions Are Both Earlier and Deeper than Peers'

First Quarter 2009
Year-Over-Year Consolidated Capacity

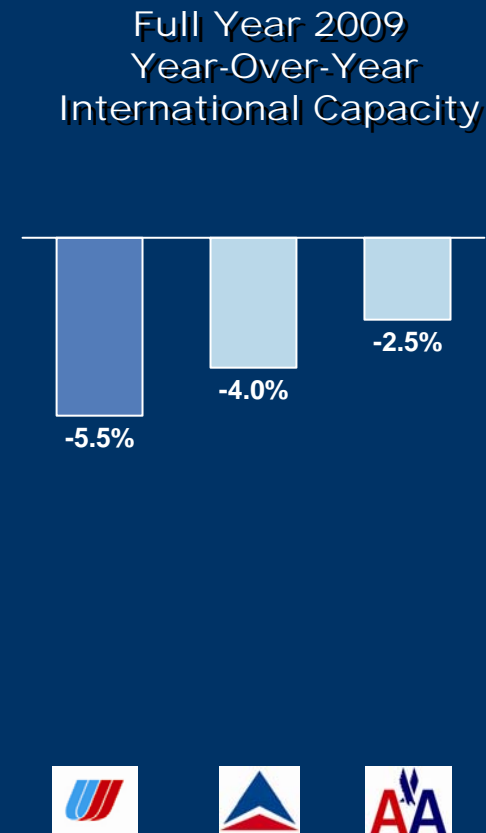
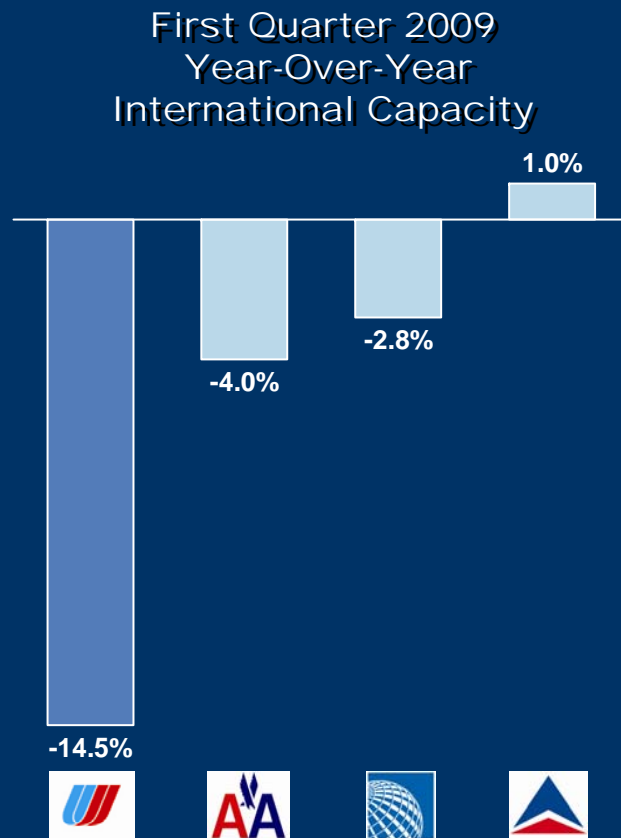


Full Year 2009
Year-Over-Year Consolidated Capacity



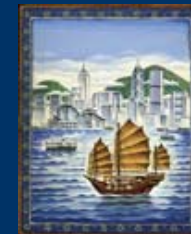
Note: CAL full year guidance was derived using CAL published data
Source: Company press releases and SEC filings

United Is Also Leading the Industry Response to Softening International Demand



Note: LCC did not provide a international capacity guidance and CAL did not provide full year capacity guidance
Source: Company press releases and SEC filings

United Is Maintaining the Breadth And Strength Of Its Network As It Reduces Capacity



Destinations Served

1Q 2008: 221 cities

1Q 2009: 218 cities

New International Product Right Sizes Premium Cabins And Drives Customer Satisfaction



- **Installing the new United First Suite and full lie-flat seats in Business Class reduces premium seat counts by over 20%**
 - **Over 25% of conversions completed by the end of 2008**
 - **B767s and B747s will be completely converted in 2009 and B777s completed in 2010**
- **Customer satisfaction ratings more than doubled on reconfigured aircraft in the fourth quarter**

United Is Leading The Development Of New And Innovative Ancillary Revenue Streams

Travel Options By United™



***Economy Plus And First /
Business Class Seat Upsell***



***Premier Line
(\$25 Off peak/\$40 Peak)***



Award Accelerator



***Door to Door Baggage
(\$149 One-way Per Bag)***

Fee Unbundling

- ***First/Second Bag Fee
(\$15 First Bag/\$25 Second Bag)***
- ***Ticketing Fee Revenue
Expansion***

***Combined these initiatives will generate over
\$1.2 billion in 2009***

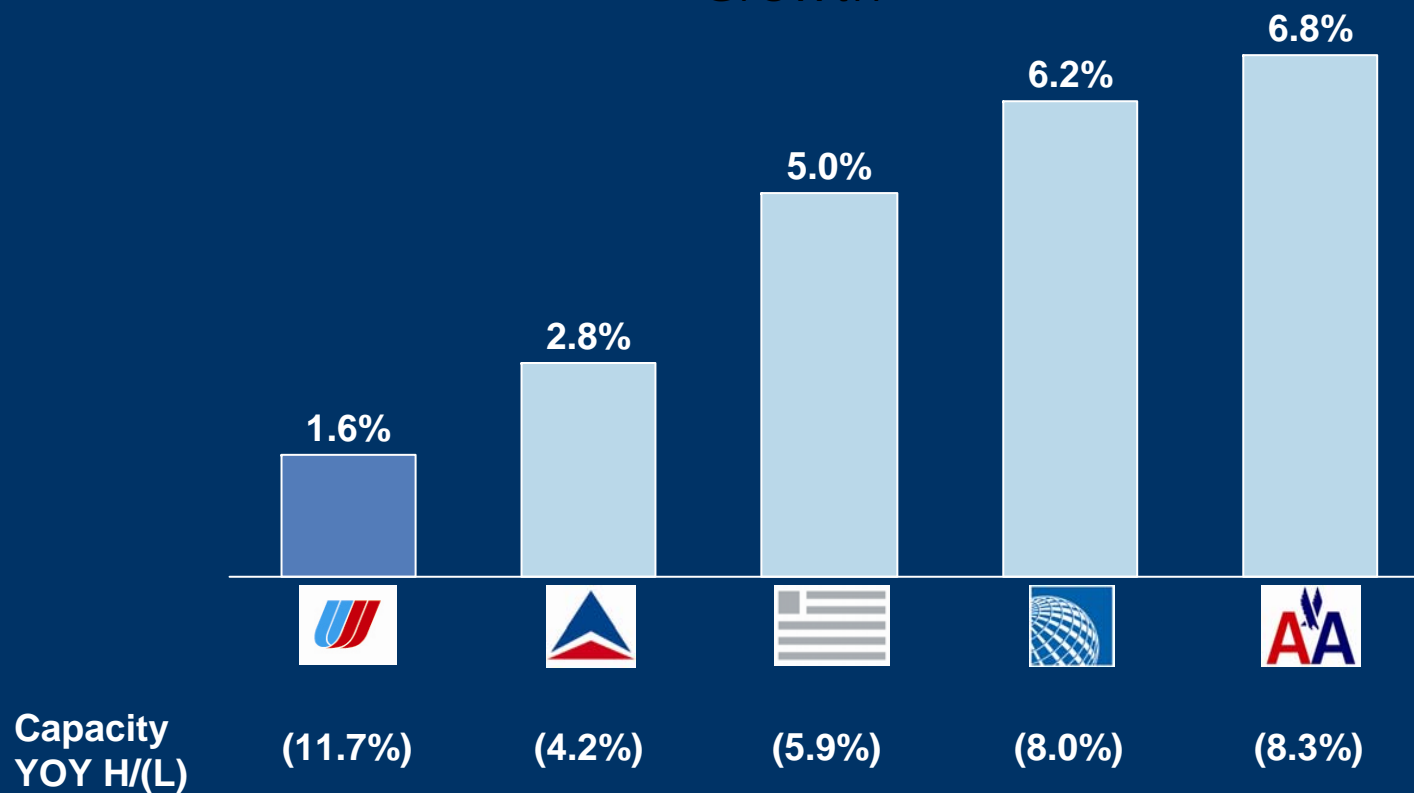
Capacity Reductions Are Being Achieved Cost Effectively



- **Permanent retirement of the entire B737 fleet by the end of 2009**
 - **Grounded 48 of 94 B737s by the end of 2008**
 - **Elimination of entire fleet will reduce complexity of operations and maintenance**
- **Permanent retirement of 6 B747s from the international fleet**
- **B747s and B737s are the oldest and least fuel efficient aircraft in the fleet**

United Is Improving Relative Non-Fuel Unit Cost Despite Industry Leading Capacity Reductions

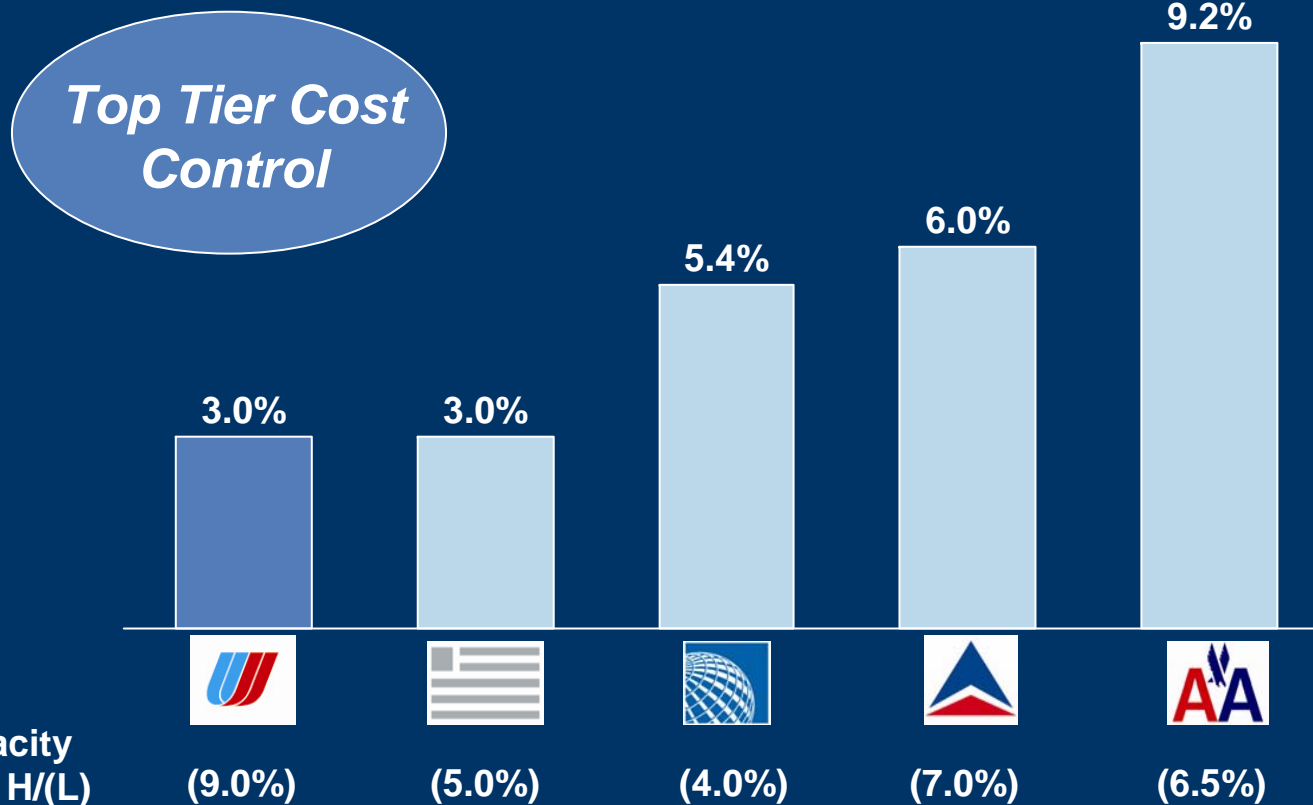
Fourth Quarter 2008
Mainline CASM Excluding Fuel Year-Over-Year Growth



Sources: Company press releases and Earnings Calls. Adjusted for Special items and certain accounting charges

Carrying Cost Control Momentum Into 2009

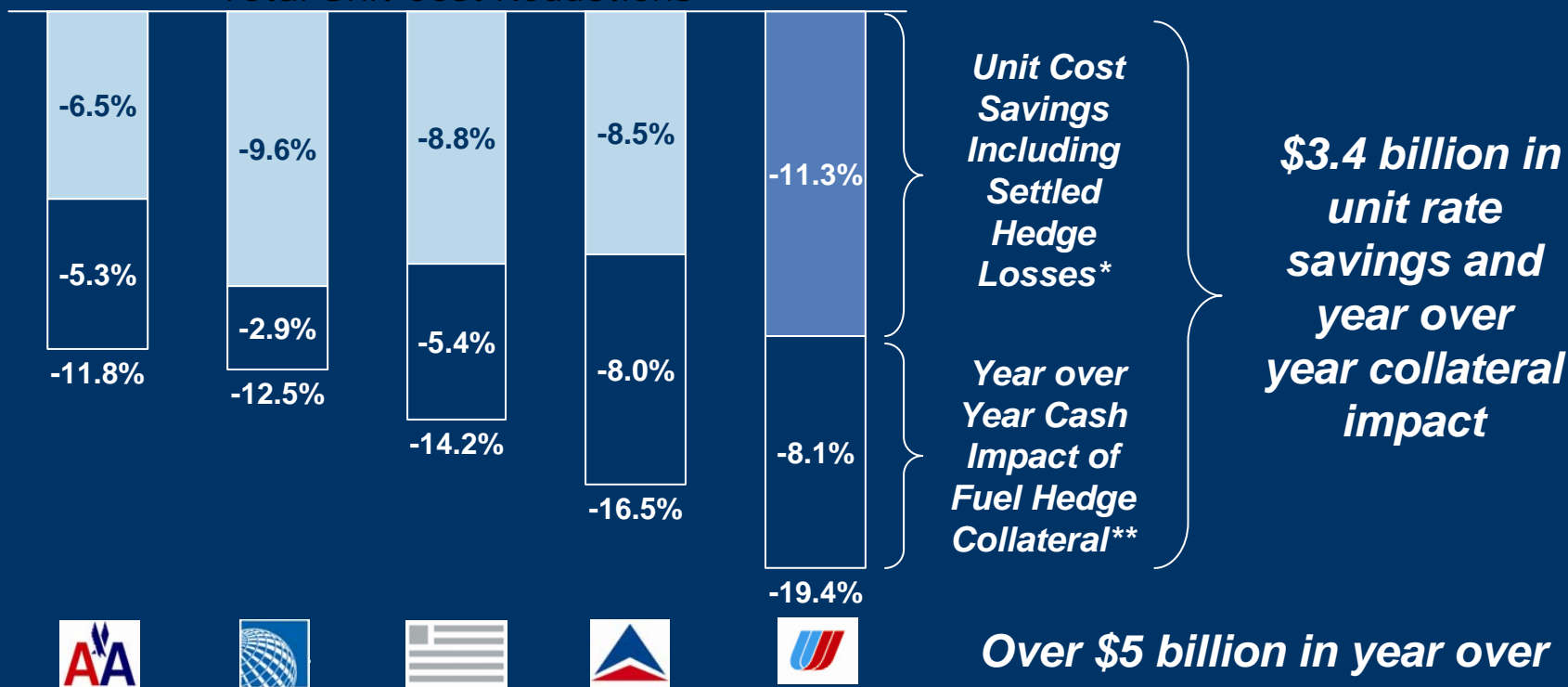
Full Year 2009 Guidance
Mainline CASM Excluding Fuel Year-Over-Year Growth



Sources: Company press releases and Earnings Calls. Numbers represent mid-point of guidance provided. Excludes Fuel, Profit Sharing, Special items and certain accounting charges

Significant Mainline Unit Cost Savings in 2009 Driven By Lower Fuel Costs

Full Year 2009
Total Unit Cost Reductions



*Includes the impact of non-operating cash hedge losses for United

**Reflects increased cash outflow in 2008 due to collateral posting and reduced cash outflow in 2009 due to collateral return.

Sources: Company press releases and Earnings Calls. Numbers represent mid-point of guidance provided. Excludes profit sharing, special items, net non-cash mark-to-market and certain accounting charges

United Is Focusing on Five Core Performance Imperatives



Always With A
SAFETY MINDSET

Core Performance Imperatives

- 1 Industry-leading revenues
- 2 Competitive costs
- 3 DOT service basics
- 4 Clean, workable product
- 5 Courteous, caring, respectful

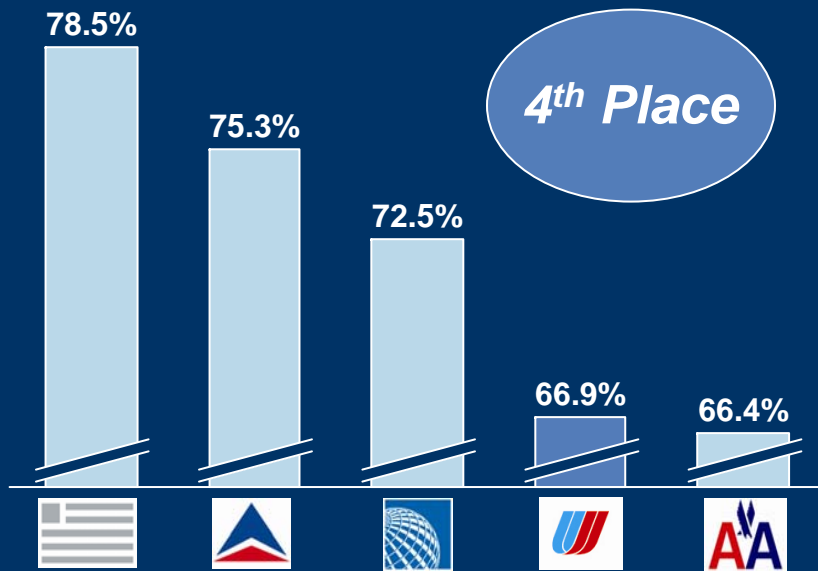
With A Compensation Structure Aligned to Deliver Results



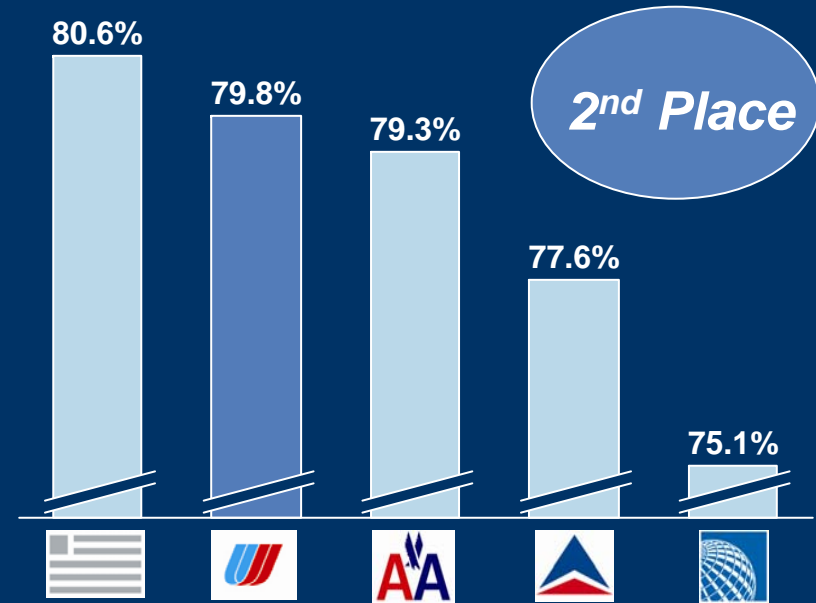
- **New front-line employee cash incentive program announced**
 - **Eligible employees will receive a monthly cash payout if we achieve a first or second-place DOT A:14 ranking amongst the largest network carriers**
- **Management incentive programs directly aligned across the five core performance imperatives**

Achieving Top-Tier Operational Performance

Summer 2008
On-Time Arrival Performance
DOT: Arrival 14



Fourth Quarter 2008
On-Time Arrival Performance
DOT: Arrival 14



1st Place

United achieved 1st place in January 2009 Arrival 14

And Product Quality Improvements Are Beginning to Deliver Results for Our Customers

- **Ensuring the workability of onboard equipment**
 - Increasing frequency of in-flight entertainment equipment maintenance
 - Upgrading entertainment equipment
- **Focused on improving cabin cleanliness**
 - Doubling the frequency of heavy cleans

Workability of Onboard Equipment
Customer Satisfaction Score



Onboard Cabin Cleanliness
Customer Satisfaction Score

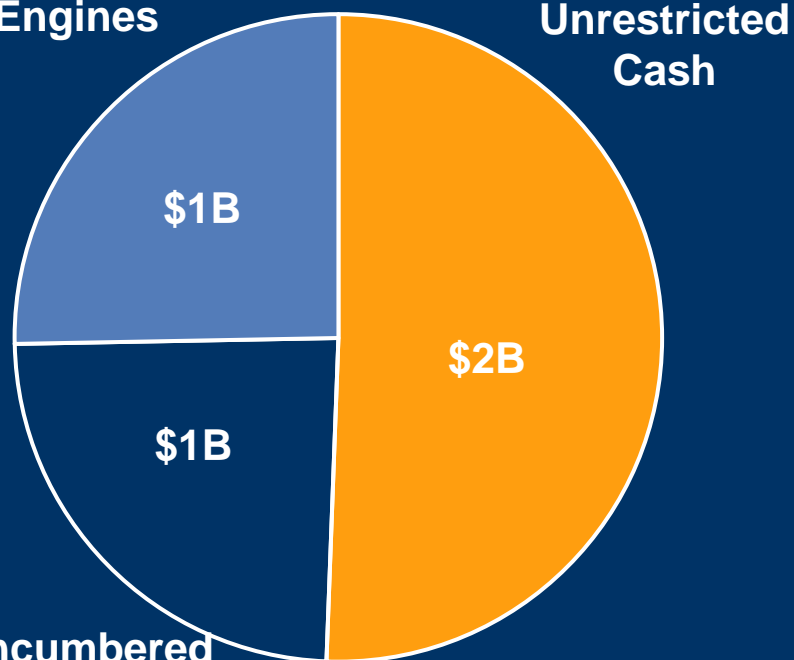


United Closed 2008 With A Solid Liquidity Position

Unencumbered

Assets:

Aircraft &
Engines



Unencumbered
Assets:
Other

- **\$2 billion in unrestricted cash**
 - \$400 million of additional liquidity raised in fourth quarter
- **\$2 billion in unencumbered assets**
- **Fuel hedge collateral fully covers entire hedge portfolio losses at current prices**

Fuel Hedge Losses Will Impact Earnings in 2009, But Cash Has Already Been Posted

	Q1 2009	Q2 2009	Q3 2009	Q4 2009	Full Year 2009
1 Unhedged Mainline Fuel price*	\$1.58	\$1.50	\$1.61	\$1.62	\$1.58
2 Net Hedge Loss Add to Fuel Expense**	\$0.51	\$0.41	\$0.29	\$0.10	\$0.33
3 Net Hedge Loss In Non-Operating Expense***	\$80M	\$116M	\$58M	\$58M	\$312M
4 Incremental Cash (Paid) / Received on Fuel Hedges in 2009 above Jan. 16 2009 Posted Collateral	(\$13M)	(\$5M)	(\$15M)	(\$35M)	(\$68M)
5 Net Incremental Cash Savings Since Jan. 2009 Guidance on Consolidated Physical Fuel Purchases	\$93M	\$181M	\$176M	\$177M	\$626M

Collateral and fuel prices are based on March 6, 2009 closing forward crude oil prices.

*Fuel price per gallon including taxes and transportation costs.

**Net cash hedge gains or losses per gallon included in mainline fuel expense.

***Net cash hedge gains or losses recorded in non-operating expense.

United Has Modest Fixed Obligations Moving Into 2009

- **No material defined benefit pension plans**
 - **Virtually all domestic employees on defined contribution plans**
- **No capital requirements for new aircraft in 2009 – no new aircraft financing required**
- **No major debt maturities in 2009 – debt and capital lease payments will total ~\$900 million**



- **Moderate capital spending in 2008 at only \$450 million**
 - **Capital spending dedicated to customer focused projects, including premium seat programs**

Successfully Continuing To Enhance Liquidity In The First Quarter Of 2009

Aircraft Financing
\$95 million

**Cargo Facility
Relocation Agreement**
~\$160 million

Equity Issuances
\$62 million (completed)
\$27 million (future)



**Over \$300 million
expected in 1Q
through
transactions
completed and
under way**

United Retains Flexibility to Adapt to Uncertain Economic Environment



- **Capacity Flexibility**
 - Unencumbered operational aircraft
 - Labor contract flexibility
- **Current fuel hedge portfolio provides protection against volatility**
 - Collateral already posted covers fuel hedge losses at current prices
 - Portfolio provides a high level of downside participation at lower prices
 - Hedge collateral returns provide immediate protection at higher prices

United Is Well Positioned For Success



- **Aggressive actions taken in response to the challenging environment**
- **Led the industry in capacity reductions, revenue initiatives and cost control**
- **Raising new capital despite the tough credit markets**
- **Maintaining flexibility to adapt to the uncertain economic environment**

Q&A

Non-GAAP Reconciliations

Pre-Tax Loss Reconciliation

Three Months Ending

4Q08

(\$ in Millions)

Consolidated Pre-Tax Income/(Loss)	\$ (1,300)
Add (less): non-cash, net mark-to-market (gains) losses	566
Add (less): impairments, special items and other charges	187
Adjusted Pre-Tax Loss	<u>\$ (547)</u>

Consolidated Passenger Revenue Per Available Seat Mile Fourth Quarter 2008

Three Months Ended (\$ in Millions)	12/31/2008	12/31/2007
Consolidated Passenger Revenue	\$ 4,165	\$ 4,562
Add (less): Mileage Plus - effect of accounting change	48	61
Add (less): Mileage Plus - effect of expiration period change	-	(121)
Consolidated Passenger Revenue Ex Fresh Start	<u>\$ 4,213</u>	<u>\$ 4,502</u>
 Consolidated Available Seat Miles	 34,816	 38,948
 Adjusted PRASM (in cents)	 12.10	 11.56
Year-Over-Year Change (%)	4.7%	

Mainline Revenue Per Available Seat Mile Twelve Months Ended

Twelve Months Ending

(\$ and ASM in Millions; Rates in cents)

	4Q08	4Q07
Consolidated Operating Revenues	\$ 20,194	\$ 20,143
Less: Passenger - Regional Affiliates	(3,098)	(3,063)
Less: Regional Affiliates Specials	-	(8)
Mainline Operating Revenues	<u>\$ 17,096</u>	<u>\$ 17,072</u>
Less: Income from Special Items	-	(37)
Add: Mileage Plus Impacts	139	26
Adjusted Mainline Revenue	<u>\$ 17,235</u>	<u>\$ 17,061</u>
Mainline available seat miles	135,861	141,890
Adjusted Mainline RASM	12.69	12.02
Year-Over-Year Change	5.6%	

Mainline Cost Per Available Seat Mile Twelve Months Ended

Twelve Months Ending	4Q08	4Q07
(\$ and ASM in Millions; Rates in cents)		
Consolidated Operating Expenses	\$ 24,632	\$ 19,106
Less: Regional Affiliates	(3,248)	(2,941)
Mainline Operating Expense	<u>\$ 21,384</u>	<u>\$ 16,165</u>
Add (Less): Mainline Fuel Expense (excluding non-cash, net mark-to-market (gains) losses)	(7,154)	(5,023)
Add (Less): UAFC	(4)	(36)
Add (Less): Impairments, special items other charges and non-cash, net mark-to market (gains) losses	(3,375)	64
Add (Less): Mainline Fresh Start Adjustments (excluding stock based compensation)	<u>(184)</u>	<u>(174)</u>
Adjusted Mainline Expenses	\$ 10,667	\$ 10,996
Mainline available seat miles	135,861	141,890
Adjusted Mainline CASM	7.85	7.75
Year-Over-Year Change	1.3%	

Pre-Tax Margin Twelve Months Ended

Twelve Months Ending

(\$ in Millions)

	4Q08	4Q07
Consolidated Operating Revenue	\$ 20,194	\$ 20,143
Less: Income from Special Items	-	(45)
Add: Mileage Plus Adjustments	167	31
Adjusted Consolidated Operating Revenue	<u>\$ 20,361</u>	<u>\$ 20,129</u>
Consolidated Pre-Tax Income/(Loss)	\$ (5,379)	\$ 695
Less: income from special revenue item	-	(45)
Add (less): non-cash, net mark-to-market (gains) losses	847	(20)
Add (less): impairments, special items and other charges	2,807	(107)
Add (less): fresh start (excluding stock based compensation)	368	199
Adjusted Pre-Tax	<u>\$ (1,357)</u>	<u>\$ 722</u>
Consolidated Fuel Expense (excluding non-cash, net mark-to-market adjusted above)	(8,409)	(5,938)
Adjusted Pre-Tax Excluding Net Fuel Expense	<u>\$ 7,052</u>	<u>\$ 6,660</u>
Adjusted Margin	(6.7)%	3.6%
YOY Percentage Point Change	(10.3)	
Adjusted Margin Excluding Net Fuel Expense	34.6%	33.1%
YOY Percentage Point Change	1.5	

*2007 Includes special items of \$44 million and a one time gain of \$41 million from ARINC sale and a \$22 million gain from early debt retirement.

Mainline Cost Per Available Seat Mile Fourth Quarter 2008

Three Months Ending

(\$ and ASM in Millions; Rates in cents)

	4Q08	4Q07
Consolidated Operating Expenses	\$ 5,359	\$ 5,094
Less: Regional Affiliates	(740)	(765)
Mainline Operating Expense	<u>\$ 4,619</u>	<u>\$ 4,329</u>
Add (Less) Less: Mainline Fuel Expense (excluding non-cash, net mark-to-market (gains) losses)	(1,389)	(1,439)
Add (Less): UAFC	1	(2)
Add (Less): Impairments, special items other charges and non-cash, net mark-to market (gains) losses	<u>(636)</u>	<u>7</u>
Adjusted Mainine Expenses	\$ 2,595	\$ 2,895
 Mainline available seat miles	 30,857	 34,949
 Adjusted Mainline CASM	 8.41	 8.28
Year-Over-Year Change	1.6%	

Mainline Cost Per Available Seat Mile 2009 Guidance

Based on the closing fuel forward curve on January 16

	Twelve Months Ending December 31,		2008 Actual	YOY	
	2009 Estimate Low	High		% Change	
<u>Operating expense per ASM - CASM (cents) (i)</u>					
Mainline operating expense	-	-	15.74	-	-
Less: profit sharing programs	-	-	(0.04)	-	-
Mainline excluding profit sharing programs	11.17	11.25	15.70	(28.9)	(28.3)
Less: fuel expense & cost of third party sales - UAFC	(3.02)	(3.02)	(5.68)	(46.8)	(46.8)
Mainline excluding profit sharing, fuel & UAFC	<u>8.15</u>	<u>8.23</u>	<u>10.02</u>	(18.7)	(17.9)
Add (less): impairments and other charges and special items	-	-	(2.07)	-	-
Mainline excluding profit sharing, fuel, UAFC, impairments and other charges and special items	<u>8.15</u>	<u>8.23</u>	<u>7.95</u>	2.5	3.5
<hr/>					
Mainline excluding profit sharing programs	11.17	11.25	15.70	(28.9)	(28.3)
Less: special items & other exclusions	-	-	(2.07)	-	-
Less: non-cash, net mark-to-market gains/(losses) in fuel line	0.44	0.44	(0.42)	-	-
Add: cash fuel hedge loss in non-operating	<u>0.24</u>	<u>0.24</u>	<u>0.18</u>	33.3	33.3
Mainline excluding profit sharing, special items, non-cash net mark-to-market in the fuel line and including cash fuel hedge loss in nonoperating expenses	<u>11.85</u>	<u>11.93</u>	<u>13.39</u>	(11.5)	(10.9)
Less: fuel cash collateral posted	<u>(0.63)</u>	<u>(0.63)</u>	<u>0.57</u>	-	-
Mainline excluding profit sharing, special items, non-cash net mark-to-market in the fuel line, cash collateral posted and including cash fuel hedge loss in nonoperating expenses	<u>11.22</u>	<u>11.30</u>	<u>13.96</u>	(19.6)	(19.1)

(i) CASM also excludes the impact of future special items and other charges, including profit sharing, as these items are unknown and cannot be predicted with certainty.