

P. Douglas McKeen
Senior Vice President
Labor Relations

April 7, 2009

Mr. Richard A. Delaney
President & Directing General Chairman
International Association of Machinists and
Aerospace Workers – District 141
1771 Commerce Drive, Suite 103
Elk Grove Village, IL 60007

Dear Mr. Delaney:

This letter will serve as United's formal opener of the current UAL-IAMAW Ramp and Stores, Public Contact Employees', Food Services, Security Officers', Maintenance Instructors', Fleet Technical Instructors' and Related and Mileage Plus, Inc. Public Contact Employees' Agreements in accordance with the duration provisions of these agreements and Section 6, Title II of the Railway Labor Act. It sets forth broad proposals supporting United's objectives of providing employees covered by these agreements with competitive compensation while achieving the critical productivity improvements and other contractual modifications that will allow United to achieve long-term profitability. United reserves the right to modify these proposals, or make additional proposals, during the bargaining process. We look forward to discussing these and other issues with you and your team over the coming months.

Our negotiations begin at a critically important time. In an industry and economic environment that remain both extraordinarily challenging and fundamentally changed, we want to provide competitive and rewarding jobs that are less vulnerable to our industry's cyclical downturns. Sustained profitability is essential for United to provide employees covered by these agreements with secure and rewarding jobs and the competitive pay and benefits they deserve. We do not view these as mutually exclusive goals, but rather necessary and interdependent outcomes that new labor agreements can help deliver through:

- Competitive wages, benefits and productivity;
- Meaningful incentive compensation tied to measurable and realistic performance metrics; and
- The flexibility needed to respond to changes in the marketplace, evolving customer expectations and emerging commercial opportunities.

Our intent is to reach mutually beneficial agreements through good faith bargaining. This will require constructive exchange of ideas and a constant focus on both the needs of customers and the demands of a highly competitive, transformed and dynamic marketplace. The issues are complex and we appreciate that at times there will be different points of view about how best to address them. It would be a disservice to those we collectively serve to allow these differences to become obstacles to our success. United is committed to:

- Being open, honest and fair in our negotiations and fostering a climate of mutual respect and trust;
- Being willing to consider other interests and points of view while working constructively and collaboratively to find common ground;
- Considering all fiscally responsible proposals that are competitive with the industry and consistent with market realities; and
- Concentrating on analytically sound solutions that strengthen the entire enterprise to create opportunities for employees and all of United's stakeholders.

These are the principles that guided our recent work together to implement furlough mitigation initiatives and the A:14 incentive program. These mutually beneficial outcomes serve as an example of what can be achieved when our efforts are forged by common purpose and are focused on delivering results that benefit the entire Company. It is in this same spirit that we enter into these negotiations.

To achieve the above listed objectives, we seek changes to the Agreements in these areas:

Increasing Business Flexibility

We must recognize that restrictions in the Agreements ostensibly intended to create job security frequently inhibit the Company and drive the opposite result. To compete successfully in today's marketplace, it is essential that United maximize its ability to respond rapidly and efficiently to changes within the industry and the overall economic environment. To that end we will seek changes in the Scope and Status provisions to reduce costs, enable business flexibility and position United for long-term success.

Enhancing Customer Service, Operational Performance and Productivity

Our customers have many choices for air travel, so United must provide service and performance that will attract their attention, business and long term loyalty. Thus, because how we run our operation impacts directly our share of the market and revenue, we will propose contract modifications which support these goals. Our proposal will include a review of the relevance of current job classifications, descriptions and selection and deselection processes in an effort to maximize manpower while at the same time having higher skilled employees perform higher skilled work. We will also look to address roles and responsibilities of certain positions to enable leadership flexibility initiatives.

Scheduling Effectively, Productively, and Competitively

It is vital that United have the utmost flexibility as it relates to the staffing and scheduling of our manpower. We will propose changes which will reduce costs and create the most efficient utilization of resources while recognizing the need to balance that with the quality of work life for our employees. We will propose modifications to hours of service, scheduling limitations, holidays, vacation, overtime, travel pay, sick leave and extended illness status. Our proposals will also seek to eliminate other provisions in the Agreements which create inefficiencies in our operation and we will look to enable new flexible work and scheduling initiatives.

Provide Competitive Compensation and Benefits

United will propose a package of competitive pay and benefits that enables performance and incentive based pay initiatives. We will also propose changes to eliminate inefficiencies and unnecessary costs which result from the application of certain provisions in the current Agreements.

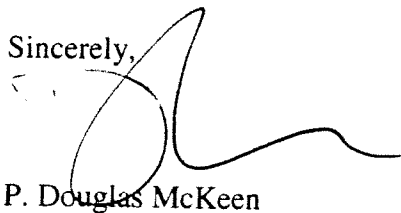
United employees currently enjoy a broad benefits package that rivals many in the United States. We are committed to continuing to provide competitive benefits while bringing benefit costs and administration in line with the best practices within our industry and other leading corporations. To this end we will propose benefit changes that enable flexibility to respond to changes in the marketplace, evolving healthcare trends and emerging opportunities. We will propose changes that establish simple, standard and streamlined processes for the efficient maintenance and administration of benefits while at the same time optimizing benefit offerings around overall employee preferences and needs. We will also propose changes that recognize the importance of employee wellness and long-term health practices.

Enhancing Administrative Efficiencies and Enabling Process Improvements

United will propose other changes in the Agreements to alleviate costly and unnecessary burdens and restrictions. We will propose changes that will allow for the use of technological advances to streamline current processes (e.g., e-mail or other electronic forms of notifications) and enable payroll and other process changes. We will propose changes to the discipline and grievance processes to address both parties' interests in increasing the effectiveness and responsiveness of each process and achieving resolution of issues in a more timely fashion. We will also propose an examination of each letter of agreement to determine its validity and relevance to the current workforce and industry/economic environment with the goal of determining whether to delete, amend or incorporate into the body of the agreement those letters which are pertinent.

The above list of topics is not exclusive and the Company reserves the right to supplement our list as we move forward. We look forward to working with you to craft agreements that will help position United as a respected, industry-leading airline that employees take pride in and that customers and investors value.

Sincerely,

A handwritten signature in black ink, appearing to read "P. Douglas McKeen". The signature is fluid and cursive, with a large loop at the beginning and a long, sweeping tail.

P. Douglas McKeen