

P. Douglas McKeen

Senior Vice President
Labor Relations

April 14, 2009

Mr. David Bourne
Director Airline Division
International Brotherhood of Teamsters
25 Louisiana Avenue NW
Washington, DC 20001

Dear Mr. Bourne:

This letter serves as United's formal opener of the current UAL-IBT Mechanic and Related Agreement (the "Agreement") in accordance with the duration provisions of the Agreement and Section 6, Title II of the Railway Labor Act. It sets forth broad proposals supporting United's objectives of providing Mechanic and related employees 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 Mechanic and related employees 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 a mutually beneficial agreement 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 resulting in the agreement concerning line maintenance stations, as well as the successful implementation of furlough mitigation programs and the A:14 incentive program. The 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 Agreement in these areas:

Increasing Business Flexibility

We must recognize that restrictions in the Agreement 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 Mechanic Productivity and Operational Efficiencies

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 proposals will include, among other things, enabling process improvements and creating efficiencies across employee groups, jobs and departments in an effort to maximize manpower with the objective of targeting higher skilled work to higher skilled employees. In addition we wish to explore the relevance of current job classifications and descriptions, and a re-examination of the reduction in force and recall processes to improve operational, administrative and cost consequences.

Scheduling Effectively, Productively and Competitively

Building efficient schedules that strike the right balance between the Company's need to run an efficient operation while respecting the Mechanics' quality of work life will be an important subject in our negotiations. 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 provisions in the Agreement 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.

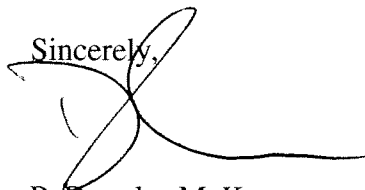
Enhancing Administrative Efficiencies and Enabling Process Improvements

United will propose other changes in the Agreement 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 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. In addition, changes to the discipline and grievance processes will also be proposed to address both parties' interests in increasing the effectiveness and responsiveness of each process and achieving resolution of issues in a more timely fashion.

SAMC

United proposes to incorporate the SAMC group of employees into the collective agreement in a way that recognizes their uniqueness from the other job classifications.

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,

P. Douglas McKeen