

2013-1 EETC Investor Presentation

United Airlines, Inc.

August 1, 2013



A STAR ALLIANCE MEMBER 

The issuer has filed a registration statement (including a prospectus) with the SEC for the offering to which this communication relates. Before you invest, you should read the prospectus in that registration statement and other documents the issuer has filed with the SEC for more complete information about the issuer and this offering. You may get these documents for free by visiting EDGAR on the SEC Web site at www.sec.gov. Alternatively, the issuer, any underwriter, or any dealer participating in the offering will arrange to send you the prospectus if you request it by calling Credit Suisse toll-free at 1-800-221-1037 or Morgan Stanley toll-free at 1-866-718-1649.

United Airlines 2013-1 EETC

- **United Airlines, Inc. (“United”) is offering \$929,351,000 of Pass Through Certificates, Series 2013-1 in two classes:**
 - Class A of \$720,315,000
 - Class B of \$209,036,000
- **The proceeds from the offering will be used by United to finance 21 aircraft:**
 - Finance the purchase of 18 new Boeing 737-900ER aircraft scheduled for delivery between October 2013 and June 2014⁽¹⁾
 - Finance the purchase of 3 new Boeing 787-8 aircraft scheduled for delivery between October 2013 and May 2014⁽²⁾
- **Bookrunners: Credit Suisse, Morgan Stanley, Deutsche Bank Securities, Goldman, Sachs & Co. and Citigroup**
- **Co-managers: Credit Agricole Securities and Natixis**
- **Liquidity Facility Provider: Natixis**

Notes:

1. United will have the right to select 18 out of 24 eligible Boeing 737-900ER aircraft scheduled for delivery through June 2014 to be part of the collateral pool for this transaction.
2. United will have the right to select 3 out of 4 eligible Boeing 787-8 aircraft scheduled for delivery through May 2014 to be part of the collateral pool for this transaction. 3

UAL 2013-1 EETC Structural Summary

	<u>Class A</u>	<u>Class B</u>
Principal Amount	\$720,315,000	\$209,036,000
Expected Ratings (S / F)	A- / A	BB+ / BB+
Initial LTV⁽¹⁾	55.1%	71.0%
Interest Rate	Fixed, semi-annual, 30/360 day count	
Initial Average Life (in years)	9.1	5.9
Regular Distribution Dates	February 15 and August 15	
Expected Principal Distribution Window (in years)	1.5 – 12.0	1.5 – 8.0
Final Expected Distribution Date	August 15, 2025	August 15, 2021
Final Maturity Date	February 15, 2027	February 15, 2023
Section 1110 Protection	Yes	Yes
Liquidity Facility	3 semi-annual interest payments	3 semi-annual interest payments
Depository	Funds raised will be held in escrow with the Depository and withdrawn from time to time to purchase Equipment Notes as the aircraft are financed	

Notes:

1. Initial LTV is calculated as of August 15, 2014, the first Regular Distribution Date after all aircraft are expected to have been financed

Key Structural Elements

- **Classes Offered:** Two tranches of amortizing debt offered, both of which will benefit from a liquidity facility covering three semi-annual interest payments
- **Waterfall:** Interest on the Preferred Pool Balance on the Class B Certificates is paid ahead of Class A Certificates' principal (same as CAL 2012-2)
- **Buy-Out Rights:** Class B Certificate holders have the right to purchase all (but not less than all) of then outstanding Class A Certificates at par plus accrued and unpaid interest upon certain events during a United bankruptcy
- **Cross-Default:** Yes, from day one
- **Cross-Collateralization:** Yes, from day one
- **Collateral:** Strategically core aircraft types to United's fleet operations, all of which are new deliveries. United will choose 18 of 24 eligible Boeing 737-900ER aircraft and 3 of 4 eligible Boeing 787-8 aircraft to be financed under the transaction

Collateral Summary

Aircraft No.	Aircraft Type	Narrow / Widebody	Manufacturer's Serial Number	Registration Number	Delivery Date	Aircraft Age (years)	New Base Value (\$MM)			
							AISI	BK	MBA	LMM (1)
1	737-924ER	Narrow	42818	N68805	Oct-13	New	55.33	52.00	52.82	52.82
2	737-924ER	Narrow	42742	N69806	Oct-13	New	55.33	52.00	52.82	52.82
3	737-924ER	Narrow	42820	N66808	Nov-13	New	55.42	52.00	52.91	52.91
4	737-924ER	Narrow	42819	N68807	Nov-13	New	55.42	52.00	52.91	52.91
5	737-924ER	Narrow	42821	N64809	Dec-13	New	55.52	52.00	52.99	52.99
6	737-924ER	Narrow	42744	N69810	Dec-13	New	55.52	52.00	52.99	52.99
7	737-924ER	Narrow	42175	N68811	Jan-14	New	55.61	52.20	53.08	53.08
8	737-924ER	Narrow	43530	N67812	Jan-14	New	55.61	52.20	53.08	53.08
9	737-924ER	Narrow	43531	N69813	Feb-14	New	55.70	52.20	53.17	53.17
10	737-924ER	Narrow	42176	N66814	Feb-14	New	55.70	52.20	53.17	53.17
11	737-924ER	Narrow	42745	N67815	Feb-14	New	55.70	52.20	53.17	53.17
12	737-924ER	Narrow	43532	N69816	Feb-14	New	55.70	52.20	53.17	53.17
13	737-924ER	Narrow	42177	N68817	Mar-14	New	55.79	52.20	53.25	53.25
14	737-924ER	Narrow	43533	N69818	Mar-14	New	55.79	52.20	53.25	53.25
15	737-924ER	Narrow	42747	N69819	Mar-14	New	55.79	52.20	53.25	53.25
16	737-924ER	Narrow	42178	N63820	Apr-14	New	55.88	52.40	53.34	53.34
17	737-924ER	Narrow	43534	N68821	Apr-14	New	55.88	52.40	53.34	53.34
18	737-924ER	Narrow	43535	N68822	Apr-14	New	55.88	52.40	53.34	53.34
19	787-8	Wide	36400	N27908	Oct-13	New	129.03	124.00	123.59	124.00
20	787-8	Wide	34827	N26909	Jan-14	New	129.67	125.70	124.20	125.70
21	787-8	Wide	34826	N26910	Mar-14	New	130.10	125.70	124.61	125.70
Target Aircraft Subtotal (2)	21 aircraft					New	\$1,390.37	\$1,314.40	\$1,328.45	\$1331.45(3)
22	737-924ER	Narrow	42179	N68823	May-14	New	55.97	52.40	53.43	53.43
23	737-924ER	Narrow	42746	N69824	May-14	New	55.97	52.40	53.43	53.43
24	737-924ER	Narrow	42748	N66825	May-14	New	55.97	52.40	53.43	53.43
25	737-924ER	Narrow	42180	N69826	Jun-14	New	56.07	52.40	53.51	53.51
26	737-924ER	Narrow	44580	N67827	Jun-14	New	56.07	52.40	53.51	53.51
27	737-924ER	Narrow	44581	N66828	Jun-14	New	56.07	52.40	53.51	53.51
28	787-8	Wide	34828	N49911	May-14	New	130.53	127.50	125.03	127.50
Substitution Aircraft Subtotal	7 aircraft									

Notes:

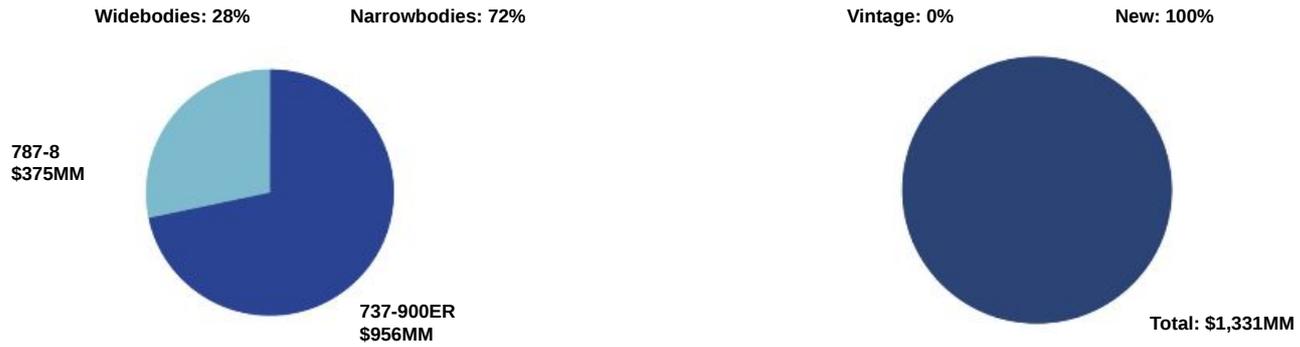
- Appraised value is the lesser of the average and median Base Values of each aircraft as appraised by AISI, BK Associates and Morten Beyer & Agnew. An appraisal is only an estimate of value and should not be relied upon as a measure of realizable value
- 21 aircraft will be financed from the proceeds of this offering; 18 new B737-900ER and 3 new B787-8 aircraft will be selected from a list of 28 aircraft scheduled for delivery in 2013 and 2014. Value assumes that the first 21 new aircraft in chronological order of delivery are selected by United for the transaction
- The Aggregate Appraised Aircraft Value at August 15, 2014 after all Aircraft have been delivered will be \$1,308,033,650

Collateral Pool

- The collateral pool benefits from diversification of two strategically core aircraft types
 - 72% Narrowbody / 28% Widebody Mix
 - 100% New

UAL 2013-1 Collateral Mix

Distribution of Appraised Value



Aircraft Appraisals

- **United has obtained Base Value Desktop Appraisals from three appraisers (AISI, BK Associates and Morten Beyer & Agnew)**
- **Aggregate aircraft appraised value of approximately \$1,331 million⁽¹⁾**
 - **Appraisals available in the Preliminary Prospectus Supplement**
- **Appraisals indicate an initial collateral cushion of 44.9% and 29.0% on the Class A and B respectively ⁽²⁾, which increases over time as the debt amortizes**

Notes:

1. Appraised value is the lesser of the average and median Base Values of each aircraft as appraised by three appraisers. An appraisal is only an estimate of value and should not be relied upon as a measure of realizable value. Assumes that United finances the first 18 Boeing 737-900ER aircraft and the first 3 Boeing 787-8 aircraft scheduled for delivery from which United may select. The Aggregate Appraised Aircraft Value at August 15, 2014 after all Aircraft have been delivered will be \$1,308,033,650

2. Initial collateral cushion is calculated as of August 15, 2014, the first Regular Distribution Date after all aircraft are expected to have been financed

Collateral Overview

Boeing 737-900ER

- **Overview:** The 737-900ER is the largest variant of world's all-time best selling 737NG family of narrowbody commercial aircraft
- **Strengths⁽¹⁾:**
 - Very similar build and configuration to the 737-800, but longer fuselage accommodates 13 additional passengers with transcontinental capability in United's standard two-class configuration
 - Introduced in 2007, the 737-900ER is the newest member of the 737NG family with up to 177 commercial aircraft in service and 349 on order
 - Lowest operating unit cost per seat among in-production narrowbodies
- **Importance to United:**
 - Allows United to increase available capacity in higher demand domestic markets with a marginal increase in trip cost as compared to other 737NG aircraft
 - United also views the aircraft as an attractive alternative for domestic 757-200 aircraft

1. Sources: Ascend, The Boeing Company, United Airlines

Boeing 737-900ER Market

16 Customers for 526 Net Orders⁽¹⁾

Net orders from customers



Notes:

1. Net orders are defined as gross orders minus cancellations by customers inclusive of aircraft deliveries, through June 2013. Deliveries are through June 2013

Collateral Overview

Boeing 787-8 “Dreamliner”

- **Overview:** New generation long range aircraft with size similar to current 767s in fleet – 219 passengers in United’s standard two-class configuration (36 business / 183 premium and regular economy)
- **Strengths⁽¹⁾:**
 - 58 airlines and leasing companies have ordered 930 aircraft as of June 2013⁽²⁾
 - Intercontinental range to serve destinations not accessible with 767 aircraft (e.g. Denver to Narita service launched on June 10, 2013)
 - Superior economic performance anticipated
 - Up to 20% lower fuel consumption than equivalent sized aircraft
 - 15-25% lower operating costs
 - Up to 30% lower airframe maintenance costs and longer intervals between maintenance checks
 - 20% weight savings due to an airframe comprised of nearly 50% carbon fiber
- **Importance to United:**
 - Provides United with a cost-efficient, long-range, medium-density route aircraft
 - An attractive replacement on 767 routes and certain 777 markets

1. Sources: Ascend, The Boeing Company, United Airlines

2. Includes orders of 787-8, -9 and -10 variants

Boeing 787-8/9/10 Market

58 Customers for 930 Net Orders⁽¹⁾



1. Sources: The Boeing Company, Net orders are defined as gross orders minus cancellations by customers inclusive of aircraft deliveries through June 2013. Net Orders also includes 50 787-10 aircraft ordered through June 2013

